

Lindworm on the sea floor

EUROPIPE produces the pipes for the world's largest offshore natural gas pipeline and DB Schenker Rail takes them to the coast. Page 8

WHITE GOODS FOR FRANCE
Environment friendly logistics system

Page 14

CO₂ NEUTRAL TRANSPORTS
Improving the carbon footprint

Page 24

TURBULENT TIMES
Interview with Alexander Hedderich

Page 30



Steel on rail

Coil transports

Every year, DB Schenker Rail transports more than 50 million tonnes of steel, mostly in the form of coils. These steel strips are used to make car bodies, for example.



Ambitious goals

The economic crisis has caused us – and many of our customers – to brake hard. Our revenues have dropped and our key industries are still faced with drastically declining order volumes. To ensure that we pick up speed again soon, we are making an all-out effort to become even more efficient. To find out how we plan to succeed in doing so and yet still offer the same quality of service, read the Railways interview with Alexander Hedderich, who was appointed CEO of DB Schenker Rail in September.

Ample proof of our continuing efficiency is provided, for example, by the transports we handle in connection with the construction of the Baltic Sea natural gas pipeline. On completion, this will be the world's longest offshore pipeline and DB Schenker Rail is part of the team that will make this record achievement possible: on behalf of EUROPIPE, we will carry 82,000 huge pipes from the Ruhr area to the coast.

Nevertheless, we still take our responsibility towards the environment very seriously. The economic downturn cannot be used as an excuse to neglect climate protection. Even though rail has long since been the most climate-friendly transport mode, Deutsche Bahn and DB Schenker Rail have nevertheless voluntarily committed themselves to further ambitious emission reduction targets. We also help our customers to improve their own carbon footprint by offering completely climate-neutral transports.

Sincerely,

Karsten Sachsenröder
Member of the Management Board
DB Schenker Rail (Sales)

08

Baltic pipeline

The world's longest offshore natural gas pipeline is taking shape underneath the Baltic. The pipes are produced by EURO-PIPE and DB Schenker Rail takes them to the coast.

Customers & Projects

- 14 White goods**
DB Schenker Rail delivers household appliances to France for BSH. The logistics system is particularly environmentally friendly.
- 16 Tunnel construction**
Max Bögl is involved in constructing the tunnel under the Scheldt. The huge concrete parts reach the construction site by rail.
- 17 Prefab garages**
Rail plays a central role in the expansion of Zapf, a manufacturer of precast concrete parts.
- 18 Ammonia**
DB Schenker BTT handles the transport of dangerous chemicals for DSM Agro.
- 19 2012 Olympics in London**
DB Schenker Rail (UK) has set up a logistics centre to facilitate construction of the sports venues.
- 20 Refrigerated transports**
Together with Stobart Rail, DB Schenker Rail (UK) carries fresh produce from Spain to the UK.
- 21 Wood products**
DB Schenker Nieten organises inter-plant transports between Brandenburg and Poland on behalf of Kronotex.
- 22 In a nutshell**
Palm paper mill/Chemicals transports for Saso/ Shuttle train to Lyon/Coal for Pforzheim cogeneration power station

Markets & Innovation

- 24 Climate-neutral transports**
DB Schenker Rail makes CO₂-free transports possible, enabling customers to improve their carbon footprints.
- 26 Noise protection**
Deutsche Bahn and DB Schenker Rail are investing in technologies to reduce the noise of freight traffic.
- 27 Safety**
Rail is the safest transport mode in both the passenger and freight sectors. This is confirmed by a recent comparative study.
- 28 France**
The French rail freight market is undergoing dramatic changes. Within just a few years, the DB Schenker Rail subsidiary ECR has secured second position in the market.

Company & People

- 30 Turbulent times**
railways interviews Alexander Hedderich, new CEO of DB Schenker Rail, about the market and the strategic focus of the next few months.
- 32 Settlement of accounts**
The Customer Service Centre has introduced a new contract and invoicing system which also means benefits for the customers.
- 33 In a nutshell**
Multimodal exhibition in Birmingham/ New sales structure at DB Intermodal

06 News

34 Save the Date/Publishers

35 On the Move



Baltic pipeline 08



White goods 14



Climate-neutral transports 24



Turbulent times 30



Zabrze/Poland

Deutsche Bahn acquires majority share in PTK

Deutsche Bahn has increased its stake in PTK Holding S.A. to 95 per cent. PTK is one of the most efficient private railway companies in Poland, specialising in the provision of services for coal mines. The new acquisition means further consolidation of the DB Schenker Rail network in Poland.



Mainz/Germany

DB Schenker BTT and TransContainer cooperate in the chemicals sector

DB Schenker BTT GmbH has reached an agreement with TransContainer, the freight subsidiary of the Russian railway RZD, to cooperate more closely in the transport of chemicals. The parties intend to increase the containerised transport of chemicals to, from and inside Russia. Over the long term, the parties intend to become the market leaders in this segment.



Kaluga/Russia

Schenker Automotive RailNet (SAR) and Schenker Ltd. Russia share an office

Schenker Automotive RailNet (SAR) and Schenker Ltd. Russia opened a joint branch office in the Russian industrial city of Kaluga on 1 August 2009. The office will be used to acquire new custom and provide support for existing industrial clients, especially from the automotive sector.

On the move throughout Europe

International News from DB Schenker

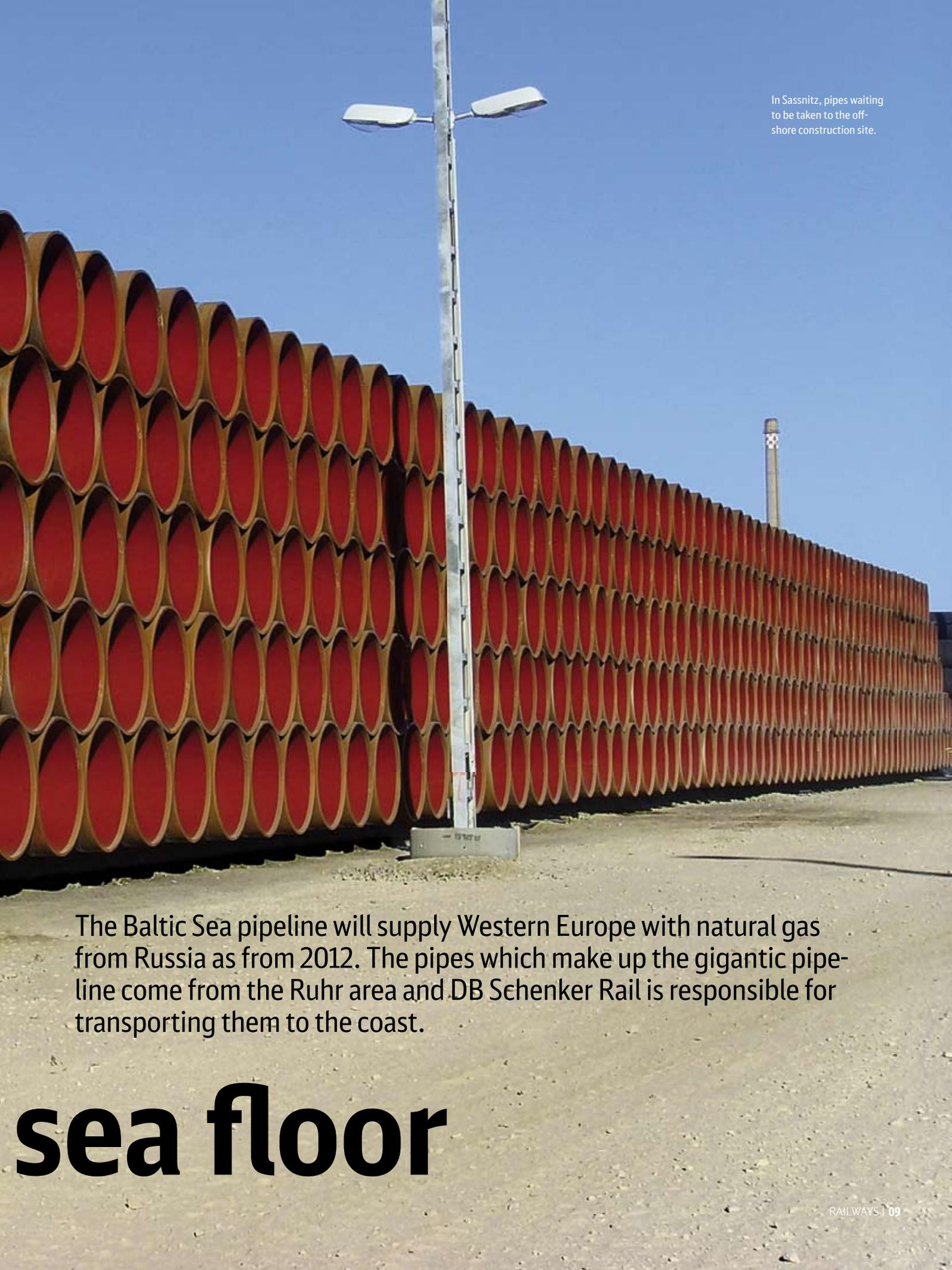
Mainz

Zabrze

Kaluga

Cover story

Lindworm on the



In Sassnitz, pipes waiting to be taken to the offshore construction site.

The Baltic Sea pipeline will supply Western Europe with natural gas from Russia as from 2012. The pipes which make up the gigantic pipeline come from the Ruhr area and DB Schenker Rail is responsible for transporting them to the coast.

sea floor

Cover story

Natural gas meanwhile plays an increasingly important role for the supply of energy. Roughly a quarter of the total energy required worldwide is provided by gas; in Germany, gas currently accounts for roughly a fifth of energy. Although natural gas is used primarily to heat buildings, it is also used to generate electricity at gas turbine power stations, and is increasingly common as a fuel for motor vehicles. Germany currently covers only around 14 per cent of its gas requirements from its own sources, and by far the greater part is imported, mainly from Russia, the world's largest gas producing country.

The supply of natural gas plays a crucial role for the economic development of Germany and the European Union. To improve supply reliability, Germany and Russia signed an agreement in 2005 for the construction of a gas pipeline through the Baltic Sea. A part of the Russian gas intended for the EU is expected to be pumped through the new pipeline as from 2012.

1.200 kilometres of pipes

The pipeline will begin in the port of Wyborg in the north of Russia and end near Greifswald in north-eastern Germany. Over a total length of more than 1.200 kilometres, it will run across the floor of the Baltic and, on completion, will be the longest offshore pipeline in the world.

Sophisticated technology was required to install a pipeline of this length correctly under water, so that it can cope with the high pressures. Special ships are used to weld the individual pipes to the end of the previously installed pipeline section and then continuously lower them to the sea floor.

But until that stage is reached, more than a hundred thousand pipes, each more than 12 metres long and weighing up to eleven tonnes, have to be produced and delivered – and that is just for the first leg of the Baltic pipeline, which is later to be joined by a second.

Three quarters of these pipes will be supplied by EUROPIPE GmbH. The world's leading specialist for large pipes, which has production plants in Germany, France, the USA and Brazil, is producing 82.000 pipes according to exact specifications at its main plant in Mülheim an der Ruhr. "Despite the thickness of the walls and consequently heavy weight, the individual pipes have to be produced absolutely exactly," says Dr. Hans-Georg Hillenbrand, Sales Director at EUROPIPE. "What's more, they are not all equally thick: the section at the start of the pipeline in Russia has to be made of heavier pipes with thicker walls because of the higher gas pressure; the wall thickness is reduced as the pipeline gets closer to Germany."

Efficient shuttle system

To transport the pipes to their interim storage location at Sassnitz on the island of Rügen and the loading terminal at Grolland in Bremen, DB Schenker Rail devised a shuttle transport concept that matches the production rhythm at EUROPIPE and can also be adjusted at short notice if necessary. Directly after production, the pipes are loaded onto freight wagons in Mülheim – each wagon can carry three to four pipes depending on the weight. Block trains are then formed of 27 wagons each; as a rule, three trains run to Sassnitz every working day. Until June 2009, a further two trains a day ran to Bremen. All these trains are monitored round the clock by the staff at DB Schenker Rail's Customer Service Centre, who also regularly provide the customers with up-to-date information about the train's progress, so that the unloading team is on the spot and ready to start work as soon as the train arrives.

Each pipe is marked with its own individual EAN code which is used to identify it at the destination station. The wagons are unloaded by reach stackers – vehicles with a hydraulic lifting arm and weighing up to a hundred tonnes – which pick up two pipes simultaneously. This





Three block trains, each with 27 wagons, leave Mülheim for the Baltic every working day.



Each reach stacker weighs up to a hundred tonnes and can pick up two pipes simultaneously.



method guarantees that the more than hundred pipes per train are unloaded quickly. After a short break, the empty freight wagons then return to Mülheim, where they are loaded once again – a highly efficient shuttle system that deliberately avoids unnecessary delays. DB Schenker Rail and EUROPIPE remain in close contact throughout the process, exchanging information to ensure that the production and transport rhythms can be ideally coordinated.

“The transports are continuously adjusted in line with the production programme at EUROPIPE and last year, 211 trains ran to Sassnitz and a further 81 to Bremen, carrying a total of more than 300.000 tonnes of freight; this year, the figure will be more than 450.000 tonnes, the greater part of which will be headed for Sassnitz,” explains Bernd Toepfer, Sales Manager West at DB Schenker Rail. “We see ourselves as one link in the complete supply chain and adapt our transport services flexibly to the overall project conditions. This is, of course, only possible if you develop a system which is specially tailored to the customer’s requirements and which can be adapted to changing circumstances at short notice.”

“To implement a customer-driven management concept such as this, it is vital to maintain a constant flow of information with the customer. Systematic improvement of the customer relationship enables us to respond more efficiently to the customer’s requirements, which in turn raises the quality of our product,” adds Thomas Weidner, Key Account Manager for EUROPIPE.

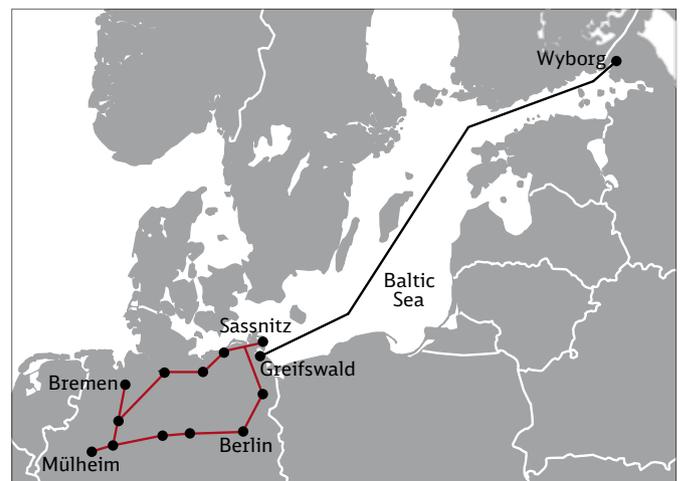
On arrival at the railway station in Sassnitz, the pipes are given a coating of sprayed concrete, which not only protects them, but also doubles their weight to 23 tonnes. This is necessary to enable them to be lowered to the sea floor where they can rest securely. The pipes which are delivered to Bremen are then shipped to Kotka in Finland and coated with concrete there. Finally, in Sassnitz or Kotka, they are loaded onto ships which take them to the pipe-laying vessel out in the open sea.

“The Baltic pipeline is a once-in-a-century undertaking that plays a significant role for the lives of many millions of people throughout Western Europe,” says Thomas Weidner. “We are proud to make a contribution to this project.” ■

Contact | Thomas Weidner
Tel.: +49 (0)203 3017-3114 | thomas.th.weidner@dbschenker.eu

Efficient shuttle system

The train movements are monitored by the DB Schenker Rail Customer Service Centre round the clock.





Environmentally friendly and cost effective

On behalf of BSH Bosch and Siemens Hausgeräte GmbH, DB Schenker Rail carries vast quantities of household appliances – known in the trade as “white goods” – from Germany to France. The ingenious logistics system won the coveted BSH Logistics Environment Award in 2008.

In mid-2007, the environmentally friendly rail transport mode was threatened with a severe setback: owing to problematic conditions with the foreign partner railway which handled the transports, BSH Bosch und Siemens Hausgeräte GmbH, one of the world’s leading producers of household appliances, considered discontinuing its rail transports between Germany and France and having the goods transported on road instead. In consultation with the BSH Logistics and Transportation department, the rail logistics and forwarding specialists at DB Schenker Logistics (RLF), and the rail experts at DB Schenker Rail succeeded in quickly designing a new concept to have the goods carried on rail by several DB Schenker Rail subsidiaries and place them on a sound economic footing.

Since the beginning of January 2008, the goods are first taken from the German BSH production plants as single wagonload traffic to a marshalling yard near Kaiserslautern, where they are assembled into block trains for onward transport. Euro Cargo Rail (ECR), a sub-

subsidiary of DB Schenker Rail (UK) which is licensed to operate rail freight services in France, then takes over the carriage on the French line to the BSH goods distribution centre near Paris. Together with DB Schenker Rail, RLF manages and monitors the entire transport chain all the way to France from its competent branch office in Nuremberg, and always in direct cooperation with BSH.

Rainer Bergmann, responsible Key Account Manager at RLF, sums up the advantages of the new logistics concept: “Having the entire logistics services handled by one company means that the goods can make the entire journey from the German BSH plants to the unloading point in France without any transshipment.” “What is more, the appliances can now be taken to France on block trains, which are more cost effective,” adds Stephanie Reinert, competent Account Manager at DB Schenker Rail. Until the end of 2007, the transports had been handled as single wagonload traffic throughout the entire journey, in cooperation with the French state railway SNCF.



Arrival in the early hours:
BSH train in France

Between January 2008 and June 2009, the new partners already handled more than 188 trains with a total of 5.500 freight wagons. There is one regular train departure on three days per week. The trains run during the night, arriving at the BSH goods distribution centre in the early morning. One additional train can also run if necessary, enabling DB Schenker Rail to guarantee that the white goods always reach their destination exactly as required.

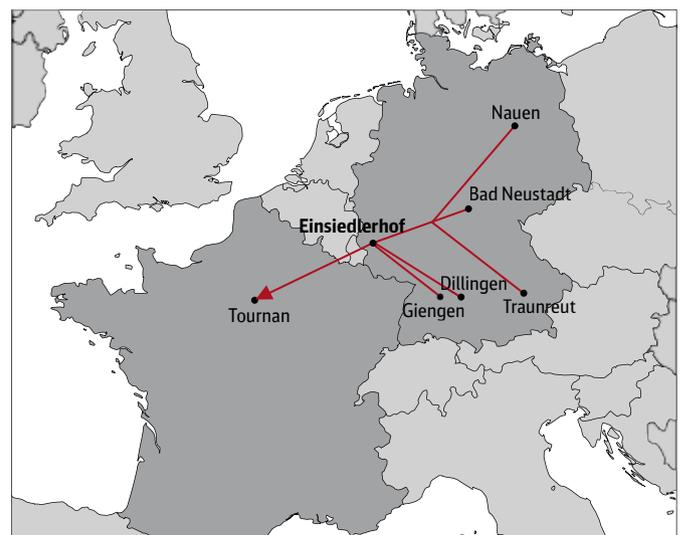
“Exemplary environmental concept”

This concept has succeeded in averting the shift of huge transport quantities onto road, which would have meant a substantial deterioration of the company’s carbon footprint. “Once again, we have proved that with the help of innovative concepts, rail is not only the more environmentally friendly transport mode, but also competitive in economic terms,” says Stephan Strauss, head of the responsible Construction Materials, Industrial and Consumer Goods Market Unit at DB Schenker Rail. DB Schenker was consequently one of the winners of the BSH Environment Awards in June 2009. The jury praised the transports from Germany to France as “an excellent and exemplary environmental concept.” ■

Contact | Thomas Hünewinkel
Tel.: +49 (0)30 297 54232 | thomas.huenewinkel@dbschenker.eu

Economic transport concept

The parts are carried as single wagonload transports from the BSH plants to Einsiedlerhof, and then continue to France as block trains.





Tubbings on rail: these concrete parts will form the inner lining of the Scheldt tunnel.

On the train to success

That is a rough translation of the Bögl company's new slogan. Whether the construction of a tunnel underneath the River Scheldt or taxiway bridges at Frankfurt Airport, Max Bögl opts for rail transport. DB Schenker Rail handles the company's highly diverse transport requirements and attends to the complex logistics planning process.

Anyone travelling by rail, plane or car comes into contact with products made by Max Bögl GmbH & Co. KG – even if they are usually not aware of this. The largest private building contractor in Germany was involved in the construction of Berlin Hauptbahnhof, various motorways, bridges and tunnels as well as moving walkways at various airports. Some of the major sports venues in the country – for instance the football stadiums in Leverkusen, Frankfurt and Cologne, as well as the Olympic building in Munich, were also produced with the help of this old established company from Neumarkt in the north-east of Bavaria.

For many years, Max Bögl has made use of the services available from DB Schenker Rail. An unusual feature of this cooperation is that the transports do not involve long-term, regular services, but are transports taken over for a fixed period of time in connection with construction projects handled by Max Bögl. "This kind of project work normally involves a high proportion of logistics planning, as every individual transport has to be specially designed," explains Maren Schemmann, head of the Customized Rail Projects team in the Railports and Rail Projects department at DB Schenker Rail. "Amongst other things, this involves coordinating out-of-gauge transports, organising the pre- and post-rail legs of the journey including transhipment onto trucks, and preparing individual cost estimates. This calls for intensive consultation between all the parties involved."

Commitment to rail

In recent years, the cooperation between Max Bögl and DB Schenker Rail has become more and more intensive. The investment in a private siding and rail tracks at the plant in Neumarkt, in which the

company has invested EUR 1.5 million since 2007, is a clear indication of its commitment to rail. At its plant in Hamminkeln on the Lower Rhine, Bögl is currently having another private siding installed, which is scheduled to go into operation in December.

The new rail connection is required to handle a new joint project on an enormous scale: the construction of a tunnel underneath the River Scheldt near Antwerp. From December onwards, DB Schenker Rail will carry tubbings – concrete parts for the tunnel's inner lining – from Hamminkeln to Belgium. "By the time the building work is completed, we shall have delivered parts weighing a total of 300.000 tonnes 'just-in-time' to the construction site," states Walter Obermeyer, the responsible customer support agent at DB Schenker Rail. "To do so, we have to prepare holistic timetable and marshalling concepts. We advise the customer about loading processes and we also manage and monitor train scheduling and turnaround."

In another large-scale project, the company is currently supplying Frankfurt Airport with concrete girders for the planned taxiway bridges. Here, too, Bögl demands just-in-time deliveries to the building site. The particular challenge in this case is that the individual elements weigh up to 90 tonnes each.

In future, the two companies are planning to cooperate even more closely and will literally tread new ground when doing so: whereas most of the orders to date have been concentrated in Germany, in future DB Schenker Rail will increasingly handle logistics projects in other countries for Max Bögl. ■

Contact | Walter Obermeyer | DB Schenker Rail
Tel.: +49(0)89 1308-3644 | walter.obermeyer@dbschenker.eu



Premiere: the first prefabricated garages are taken to Austria by train.



Garages on rails

Zapf, leading manufacturer of precast concrete parts, is treading new ground and banking on the support of TRANSA and DB Schenker Rail.

Zapf GmbH has launched a new start for the future. The Bayreuth-based company, which was founded more than 100 years ago, has undergone comprehensive restructuring and is now tapping into new markets. The railway plays a crucial role in that process. In future, Zapf plans to operate several logistics centres in Germany and neighbouring European countries to enable cost-effective deliveries of prefabricated garages and precast concrete parts to the final building sites. Deliveries to the logistics centres will be made by rail, deliveries to the building sites by road transport.

Together with the regional sales department of DB Schenker Rail, TRANSA Spedition GmbH drew up a tailor-made rail concept which fully convinced the customer. Zapf, which leads the German market for prefabricated garages, is currently testing this concept in Austria, where the company plans to gain new market shares by offering garages for a “flat price”.

Zapf laid the foundation for its future success on 10 September, when it celebrated the re-inauguration of the railway siding at its plant in Weidenberg. The ceremony was attended by numerous politicians, business associates and around 300 employees. The sid-

ing had not been used by freight trains since 2001; this rail connection is a keystone in Zapf’s expansion strategy.

DB Schenker Rail handled the first transports, TRANSA provided customer support for Zapf. Operational handling of the customer’s orders is the responsibility of the TRANSA branch in Regensburg. This, together with the regional sales department of DB Schenker Rail, also ensures geographical closeness to the customer. In a pilot run in August, eight prefabricated garages were loaded onto two freight wagons in Weidenberg, taken to Nuremberg with a shunting locomotive and then transferred to a train headed for Vienna. The first regular train carrying 20 garages left the new siding for Austria five days after the official inauguration. Zapf Managing Director Rémi Schmitt regards the decision to use rail as an important element for safeguarding the company’s future, pointing out that transport is a major cost factor which threatens to increase constantly. “Rail is our answer to that problem,” says Schmitt. ■

Contact | Wolfgang Rebhan
Tel.: +49 (0)911 219-1960 | wolfgang.rebhan@dbschenker.eu



Ammonia transports: DB Schenker BTT coordinates the international transports.

Weekly ammonia transports

DB Schenker BTT handles cross-border ammonia transports on behalf of DSM Agro. All these transports in the Netherlands, Germany and France are managed from one single source.

DSM Agro is a global player in the sector of fertiliser production. The two DSM plants at the parent company in Geleen, Netherlands, produce an annual quantity of one million tonnes of ammonia, which is used not only for fertiliser production, but also as a raw material for technical applications, such as the manufacture of acrylic fibres and nylon.

DSM supplies one of its key accounts in Alsace by rail, in the form of one block train per week. The transports run from the Netherlands to the east of France via Germany.

Supply reliability is one of the key service claims with which DSM ensures the satisfaction of its customers. In the past, DB Schenker Rail Nederland handled the ammonia transports to Alsace in cooperation with DB Schenker Rail Deutschland and a further partner company in France. Since the end of August, the transport section in France has also been handled by a DB Schenker subsidiary, EuroCargoRail (ECR), so that DB Schenker Rail can now offer DSM Agro the entire performance as a one-stop shop.

“The new concept enables continuous management of the transports in the Netherlands, in Germany and also in France,” says Erik Koning, European Account Manager for DSM Agro at DB Schenker Rail. “This ensures that we can offer the customer the high standard of quality required for these special dangerous goods transports consistently throughout all the countries.”

Ammonia is a toxic substance which irritates the skin and eyes. At room temperature, it is gaseous. Before transport, it is highly compressed, so that it condenses into a liquid. That liquid can cause severe frostbite on contact with the skin. To ensure safe execution of the transports, DB Schenker BTT, the specialist for liquids, gases and pourable substances which also has particular expertise in the transport

of dangerous goods, has assumed responsibility for order processing, operational coordination and settlement of accounts for the DSM ammonia transports to France. The tank wagon management team at DB Schenker BTT also offers tracking & tracing as well as GPS monitoring for these transports.

“DB Schenker BTT GmbH is a forwarding company with a strong rail backbone. Our aim is to make rail an attractive transport mode for as many customers as possible,” explains Dr. Jörg Hilker, Managing Director of DB Schenker BTT GmbH. “We can offer enormous flexibility with customised products and all-inclusive logistics solutions.”

The transports are now handled entirely by DB Schenker BTT from start to finish and are performed using the company’s own locomotives and employees in all three countries. The first train ran from von Geleen to France on 3 September. For the first time, ECR took over the train at the Franco-German border, delivering it punctually to the consignee.

“We are very confident following the swift transfer of our ammonia transports to Alsace over to BTT,” comments Marc van Doorn, Business Manager Industrial Products at DSM Agro. “The first delivery was faster than usual, giving our customer more time to discharge the freight and increasing the margin until the scheduled departure time. Moreover, we can now transport 21 wagons per train, which satisfies our customer’s wishes and also reduces the costs per tonne. The GPS tracking system provides us with continuous information about the whereabouts of the train, which our Customer Service Desk appreciates as additional security.” ■

Contact | Erik Koning
Tel.: +31 (0)65 5742092 | erik.koning@raillion.nl



Huge construction site: the building materials reach the Olympic Park by rail

Sporting achievement

DB Schenker Rail sets up a logistics centre for construction of the facilities for the 2012 Olympic Games.

The preparations for the XXX Summer Olympic Games, which will take place in London in 2012, are proceeding at full speed and DB Schenker Rail (UK) plays a key role by offering complete logistics solutions for the companies involved in construction of the new sports venues.

Situated within the Olympic Park, DB Schenker's Bow East Logistics Centre is located between the South Plaza and the main Olympic Stadium and is helping suppliers make deliveries to the overall site and the 12 key venues under construction.

The construction phase of the next Olympic Games will pay more attention to ecological criteria than ever before, with at least 50% of all building materials (by weight) being delivered to the building sites by a sustainable source. By switching road deliveries to rail, contractors will significantly reduce traffic and pollution on the heavily congested roads around the Olympic Park. With rail freight trains emitting five times less CO₂ per tonne-km than road haulage, the Bow East Logistics Centre also helps reduce carbon emissions.

Spread over 28 acres, this £4 million purpose-built rail freight facility can supply most product types to the construction sites throughout the Olympic Park. The centre currently manages the delivery and removal of materials for concrete production, fill material, concrete blocks and waste to and from the Olympic Park on a daily basis.

The Bow East Logistics Centre can also handle multi-modal prod-

uct shipments, from sand to steel to cable reels, pallets and containers. Basically, if it can be shipped by rail, it can be delivered to the Olympic Park by rail for interim storage or immediate distribution. Some of the materials imported from mainland Europe are transported by rail from the country of origin and delivered direct to the Bow East Logistics Centre via the Channel Tunnel. At the height of the construction phase, there will be in excess of 400 vehicles a day trying to enter or leave the security entrance points to Olympic Park, giving suppliers a good reason to book rail freight haulage early. David Legge, General Manager Olympics for DB Schenker Rail (UK) Ltd, said: "The Bow East Logistics Centre is up and running, helping contractors, subcontractors and suppliers save time and money by using rail freight, as well as helping to meet the 50% sustainability target. With 24-hour security, a unique inventory management system and complete flexibility, this facility will play a key role in the construction of the London 2012 Olympic Games facilities." ■

Contact | Graham Meiklejohn
Tel.: +44 (0)870 140-5795 | graham.meiklejohn@dbschenker.com

Unbroken cold chain

The British forwarder Stobart Rail is planning close cooperation with DB Schenker Rail (UK). Joint projects include refrigerated transports from Spain to the UK.

Keith Heller sees great growth potential for international refrigerated transports.



DB Schenker Rail (UK) and Stobart Rail are planning to handle joint intermodal refrigerated transports from the Spanish city of Valencia to the United Kingdom via the Channel Tunnel. The service involves a train which will be available to existing and new customers of both these companies. Their cooperation will enable good utilisation of the road and rail capacities, so that exporters of fresh produce benefit from inexpensive and convenient door-to-door solutions. Stobart's infrastructure and experience in the sector of fresh and frozen products means that the transports will be monitored from packaging to delivery, so that they arrive in the shops punctually and in top condition. This new service will accelerate transports from the European mainland to the UK and Ireland and will significantly improve their carbon footprint.

"Each train will consist of 30 reefer containers. What's more, direct transport from the packaging station to the shop avoids waste and prolongs the shelf life of the products, which in turn means noticeable cost savings for our customers," explains Andrew Tinkler, CEO of the Stobart Group. "With three trains a week, the service avoids the need for 13.7 million road kilometres per annum, avoiding 8.625 tonnes of CO₂ emissions."

Keith Heller, CEO of DB Schenker Rail (UK), adds: "This product has become possible thanks to our investments in our French and Spanish subsidiaries over the past four years. In cooperation with Stobart

Rail, we can now offer a product which will play a crucial role in promoting the intended modal shift of transport volumes from road to rail. In view of growing pressure to cut costs and become more environmentally friendly, we believe there is enormous growth potential for similar products in France."

More electric locomotives in the UK

As part of another agreement, DB Schenker Rail (UK) will assume responsibility for all rail freight transports inside the UK on behalf of Stobart Rail. Together, the two companies will endeavour to shift further traffic from road to rail. The agreement also specifies the use of electric locomotives for Stobart transports from the Midlands to Scotland for the first time. Compared with diesel locomotives, DB Schenker Rail's "Class 92" electric locos will reduce CO₂ emissions by 30 per cent. The carbon dioxide emissions caused by Stobart transport will consequently be down by 7.500 tonnes per annum. ■

Contact | Graham Meiklejohn
Tel.: +44 (0)870 140-5795 | graham.meiklejohn@dbschenker.com



Inter-plant transports: the Kronotex train en route for Poland.

Wood panels for Poland

Kronotex, a manufacturer of wood-based materials, has opted for rail to handle transport between its plants in Brandenburg, Germany and Poland. DB Schenker Nieten promptly came up with a tailor-made block-train concept.

In spring 2009, Kronotex GmbH und Co. KG finally completed the extension of its rail siding at Heiligengrabe in Brandenburg. The company is a global player in the market for laminate flooring and wood-based panelling and now has two full-train-length tracks which enable large quantities to be dispatched on block trains.

The dry run for the transport of wood-based panels and high-density fibre-board (HDF) between the Kronotex plant in Heiligengrabe and the Kronopol plant in Zary (Poland) using block trains with 34 two-axle sliding wall freight wagons in both directions took place at the start of June.

In cooperation with DB Schenker Rail, as well as Mitteldeutsche Eisenbahngesellschaft (MEG) and East-West Railways (EWR), two subsidiaries of DB Schenker Rail, the wood transport specialists at DB Schenker Nieten managed to have a concept that met Kronotex' requirements up and running within one week. The transports are handled by a Class 232 locomotive provided by EWR, which is suitable for use along the entire route. Since June, two trains have made one round trip each per week. The customer is so completely satisfied that

it has already ordered further quantities and is now considering the continuation of this concept on a permanent basis.

"These transports are a perfect example of cooperation within the DB Schenker Rail Group alliance," commented Manfred Eberhardt, Managing Director of DB Schenker Nieten GmbH. "Pioneering concepts such as this will enable DB Schenker to win new international transports and continue to expand its market position on rail in Europe."

Kronotex benefits from the new concept in two ways. Logistics Manager Silvio Schitter explains, "In addition to guaranteeing reliable supplies to our plants, using the ecological rail mode means that we are also helping to lessen CO₂ emissions and therefore reducing environmental impact." ■

Contact | Manfred Eberhardt
Tel.: +49 (0)8654 - 6014 59 | m.eberhardt@nieten-fracht.de



Reels on rail: loading paper at a Palm plant

Palm invests in rail logistics

The paper mill has modernised its sidings and opted for innovative transport concepts

In July, **Palm GmbH & Co. KG**, one of the leading European paper producers, inaugurated modernised sidings at its head office in Aalen-Neukochen. The modernisation work was co-funded by the Federal support programme available for private sidings. This was the fourth time in the last five years that Palm had invested in the expansion of rail logistics at its production plants. The last project involved the sidings at the company's premises in Wörth in the Rhineland-Palatinate.

"We decided to invest in rail-bound logistics because of the high efficiency and good future potential. A welcome side effect is that by doing so, we have also made a substantial contribution towards reducing truck transports and promoting climate protection," comments Dr. Wolfgang Palm, Managing Partner at Palm.

Karsten Sachsenröder, Member of the Management Board at DB Schenker Rail, is pleased with the positive cooperation between the two companies: "Over and above its core business of paper, Palm is also treading new ground as regards the utilisation of residual waste, for which DB Schenker Rail has again come up with innovative and sustainable transport logistics concepts. We are delighted that Palm has increasingly opted for rail in recent years and greatly appreciate the consequent expansion of our constructive and successful cooperation."

This cooperation between Palm and DB Schenker Rail is based on years of rail transportation of Palm's paper products. When planning the new transports between Palm's plants in Aalen, Eltmann and Wörth, which involve the carriage of substitute fuels resulting from the company's paper production processes, the parties developed a logistics concept for the transport of residual waste from waste paper processing which is unique anywhere in Europe.

Palm produces 1.4 million tonnes of paper per annum. In 2008, around 110.000 tonnes were transported by rail. This autumn, Palm plans to open a fourth paper mill in England. ■

Contact | Marc van der Las
Tel.: +49 (0)6131 15-61235 | marc.van-der-las@pbschenker.eu

Safely across the Alps

DB Schenker carries highly flammable substances to Italy for the Sasol chemicals company

At its plant in Marl in North-Rhine Westphalia, Sasol Germany, a subsidiary of the chemicals multinational Sasol with head office in South Africa, produces amongst other things fatty alcohols and ethylene oxide. Every year, 35.000 tonnes of these highly flammable gases and liquids are taken to the Sasol plant in Casalpusterlengo in Italy for further processing.

In order to guarantee reliable supplies for Sasol, DB Schenker designed a transport concept in cooperation with its subsidiaries BLS, DB Schenker Italia and Nordcargo. The contract was awarded to DB Schenker in June. Since then, tank wagons have run from Marl to Chiasso on the Swiss-Italian border five times a week and are delivered from there to the customer by DB Schenker Italia in cooperation with Nordcargo. DB Schenker BTT, which specialises in the carriage of liquid, gas and pourable goods and also has expertise in the transport of dangerous goods, has assumed responsibility for order processing, operational coordination and settlement of accounts for these transports. "Dangerous goods have to be handled responsibly and professionally. Our experts ensure that sensitive freight arrives safely and in good condition," explains Dr. Jörg Hilker, Managing Director of DB Schenker BTT. "We also offer our customers complete logistics solutions which go far beyond pure transport services." For instance, the tank wagon management team at DB Schenker BTT provides Sasol with tracking & tracing and GPS monitoring systems.

Although several companies are involved in the transports, DB Schenker BTT acts as one central contact for the customer. The decision to have the entire transport handled by DB Schenker subsidiaries from start to finish means that the customers receive a professional overall service from a one-stop shop.

"After we switched to DB Schenker, the quality of the transports to Casalpusterlengo has improved to our absolute satisfaction," says Michael Kuschnerus, Supply Chain Manager at Sasol Germany. "We have even achieved a reduction in the turnaround times of our wagons." ■

Contact | Dieter Baierle
Tel.: +49 (0)6131 15-73118 | dieter.baierle@pbschenker.eu





New shuttle train from Saarbrücken to Lyon three times a week.

From Europe to Rhône-Alpes

DB Schenker Rail's French Railport network is growing increasingly dense. The Railport in Lyon and a new shuttle train offer customers comprehensive services covering all aspects of rail logistics.

In Lyon, the third-largest city in France, DB Schenker Rail offers its customers yet another efficient Railport. Together with a new shuttle train that started operations on 27 June in cooperation with forwarder and logistics service provider Eurorail, it forms a comprehensive rail-based service giving customers both with and without their own private sidings the possibility of integrating rail logistics in their own transport chains. "The Lyon shuttle concept provides our customers outside Germany not only with the Railport but also with siding services", explains Yvonne Hagenberg, Head of Corridor Management West at DB Schenker Rail. Under the auspices of DB Schenker Rail, the shuttle runs between Saarbrücken and Lyon three times a week – on Tuesdays, Thursdays and Saturdays.

As a multimodal logistics centre conveniently located in the immediate vicinity of Vénissieux freight yard and the French motorway network, Lyon Railport offers customers the possibilities of efficiently utilising the advantages of rail and road transport throughout Europe.

All the necessary technical equipment is available, particularly for handling palletted paper, pulp, wood, consumer goods and steel, as well as rolls of paper, pallets, loose cargoes

and heavy cargoes. The Railport offers open-air, block and picking storage facilities on an area covering altogether 6.000 square metres for coping with all the different product requirements. DB Schenker Rail also provides additional logistics services to meet customer needs, such as picking or just-in-time production deliveries.

A modern fleet of trucks is also available to make supplies to and collections from customers as and when the need arises. And so DB Schenker Rail succeeds in integrating intelligent rail logistics concepts ideally in its customers' procurement and distribution solutions. "Opening Lyon Railport is a consistent step forward in our strategy of expanding our European Railport network along the main transport corridors", says Thorsten Wartenpfehl, Head of Railport and Rail Projects at DB Schenker Rail. "Further potential Railport sites in France are currently under investigation." ■

Contact | Birgit Mazur | Tel.: +49 (0)30 297-54126
birgit.mazur@dbschenker.eu
Wilhelm Duesmann | Tel.: +49 (0)6131 15-67804
wilhelm.duesmann@dbschenker.eu

Fast coal

Pforzheim cogeneration power station has opted for an integrated logistics concept by DB Schenker Rail for its coal supplies

The people of Pforzheim can rest assured: the supply of coal to their cogeneration power station is in safe hands. In consultation with the customer's representatives, DB Schenker Rail has drawn up a customised logistics concept that perfectly matches the power station's requirements.

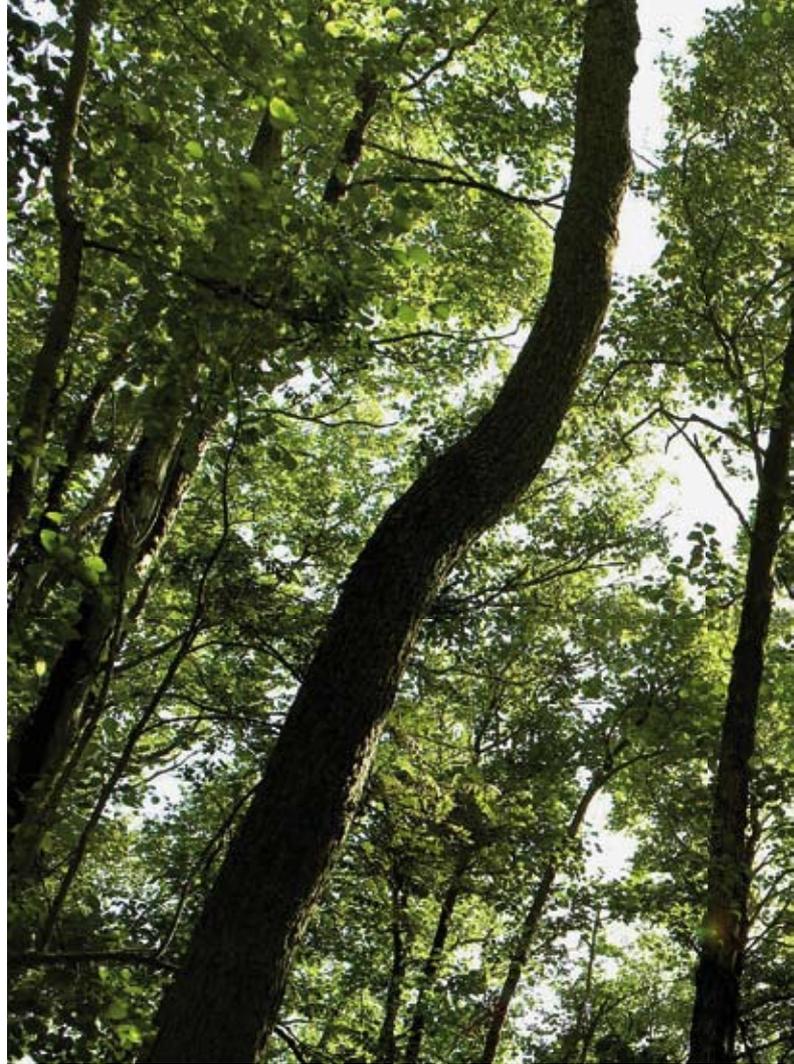
Pforzheim cogeneration power station needs up to 80.000 tonnes of coal per annum. Supplying that fuel, which since this year has come not only from Poland but also from overseas countries, is therefore anything but a minor task, as it has to be ensured that there are sufficient stocks of coal at all times. As a result of electricity trading at the European Energy Exchange in Leipzig, demand fluctuates considerably, especially during the summer months, so that it is virtually impossible to make long-term plans. Moreover, the power station has only limited infrastructure, which severely restricts its capacity for coal intake and storage.

DB Schenker Rail has organised coal transport from the Dutch seaports to Pforzheim power station since January 2009 and has drawn up an overall intermodal concept to deal with these special requirements.

The concept is as follows: the coal arrives by ship at the ports of Rotterdam, Amsterdam or IJmuiden in the Netherlands. From there, DB Schenker Rail assumes management of the entire logistics chain in cooperation with its subsidiary RBH Logistics GmbH, which specialises in the transport of coal. The Dutch subsidiary DAP Barging B.V. then takes the coal by barge to Mannheim for interim storage and subsequent rail transport to the power station.

Transport of the coal from Mannheim by rail to the power station is planned as a weekly programme, which also makes allowances for sharp fluctuations in consumption. Heizkraftwerk Pforzheim GmbH also benefits from continuous improvement of the customised concept, which also generates transparency regarding coal purchasing as this is separate from the logistics process. Furthermore, DB Schenker Rail has a Europe-wide network which means that other routes can easily be incorporated in the logistics chain in case of any changes in the coal suppliers. ■

Contact | Thorsten Noll
Tel.: +49 (0)6131 1561-123 | thorsten.noll@dbschenker.eu



The 15th World Climate Conference will take place in Copenhagen in December, when the delegates will endeavour to reach a consensus on a follow-up agreement to the Kyoto Protocol which will expire in 2012. The Kyoto Protocol imposed binding obligations on the nations pursuant to international law to reduce their greenhouse gas emissions. What may sound like just more bureaucracy was actually an attempt to avert a global catastrophe: the continuing warming of the earth's atmosphere.

It is well known that diplomatic mills grind slowly, but in this case, time is scarce. Accordingly, responsible business enterprises all over the world are deciding to take matters into their own hands. This is also true of Deutsche Bahn: for years, the company has already been endeavouring to improve its carbon footprint. Since 1990, it has succeeded in reducing specific greenhouse gas emissions by rail transport by 40 per cent, making rail the most environmentally friendly transport mode: the more than 5.000 daily freight trans operated by DB Schenker Rail save the need for around 100.000 truck journeys, thus relieving the environment of 23.000 tonnes of CO₂ each and every day.

But there is still room for improvement. The current target for the entire DB Group is to reduce emissions by a further 20 per cent by the year 2020, relative to the 2006 figure. For the first time, this includes the entire DB transport services, whether on water, on land or in the air.

This will be achieved with the help of state-of-the-art technology, combined with the development of new and even more efficient solutions for the future and the growing use of renewable energies. In August, Deutsche Bahn, nine industrial enterprises and two research institutes discussed the establishment of an DB Eco Rail Centre in Brandenburg-Kirchmöser. This will be one of the most modern centres of excellence for railway technology worldwide, where new climate protection technologies for railway can be developed, tested and prepared for market launch. Dr. Rüdiger Grube, CEO and Chairman of the Management Board of Deutsche Bahn, summed up the objective as follows: "The ultimate target is the emission-free train."

CO₂-free freight transport

Deutsche Bahn and DB Schenker Rail also help their customers to improve their own carbon footprints. Since summer, for example, they have offered CO₂-free rail freight transport. DB Schenker Rail is currently negotiating with numerous companies from the automotive, chemicals and consumer goods industries who have announced interest in the product.

How CO₂-free freight transport works: at the customer's request, the energy required for the transport is replaced by renewable current, which is obtained from renewable energy sources in Germany. There is a real, physical connection, as the current is fed into the traction current grid where it replaces energy from the conventional rail traction current mix.

DB Schenker Rail calculates the actual current consumption, in other words the energy required for the transport concerned, and then orders the correspond quantity of eco-current from the Deutsche Bahn subsidiary DB Energie. That company maintains special quantities of eco-current from renewable sources which is used to provide the current for CO₂-free transport. The testing and inspection organisation TÜV Süd is currently investigating the entire methodology.

The cost of this service is charged together with the price of the transport. At the end of the year, the customer also receives confirmation of the CO₂ emissions saved.

CO₂-free transport is internationally available, on any route inside Europe. It is very simple to change over existing or new transports to this system and there are no minimum booking quantities.

Before deciding, the customer can work out the level of CO₂ emissions which will be avoided by the transports with the help of EcoTransIT, an

Climate protecti

Rail is already the most environmentally emissions even further and so helping its

easy-to-use online tool provided by DB Schenker Rail at www.dbschenker.com/ecotransit. The customer simply enters the starting point and destination, tonnage and, if appropriate, type of goods in the mask. One click of the mouse and the user is shown a detailed comparison of the CO₂ emissions for the transport concerned as a comparison between the transport modes of rail, road, inland and ocean-shipping, aviation and combined transport, optionally as a table or a graph. The customer can also use that data as part of its corporate communications. EcoTransIT works with data supplied by the respected IFEU Institute in Heidelberg and uses a method that has been tested and confirmed by the European Environment Agency EEA.

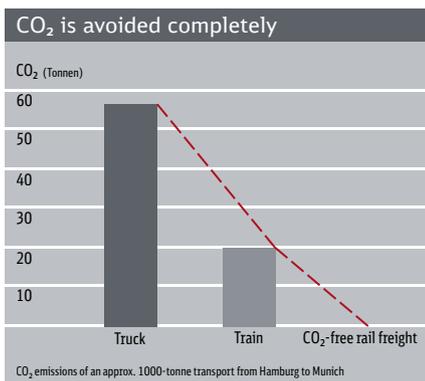
On average, a freight train normally emits roughly three quarters less CO₂ than a truck. By opting for CO₂-free freight transport, the customer can improve its carbon footprint even further: on the Hamburg-Milan route, for instance, a block train weighing around 1000 tonnes can avoid approx. 22 tonnes of CO₂ compared with ordinary rail transport. Compared with road transport, the savings rise to more than 82 tonnes. "The costs of this sample transport from Hamburg to Milan are only 1.5 to two per cent higher," states Hendric Fiege, Head of Marketing at DB Schenker Rail.



Rail makes a major contribution towards climate protection.

on at the top of the agenda

friendly transport mode. DB Schenker Rail is lowering its greenhouse gas customers to improve their own carbon footprints.



Normal rail transport reduces CO₂ emissions by 64 per cent compared with truck transport. The new DB Schenker Rail product reduces them to zero.

fectively market to boost its image, whether in the automotive or high-tech sector or the consumer goods industry. Manufacturers such as Kraft Foods, Danone and Volkswagen are increasingly emphasising their green production channels in their customer communications.

Leading the green logistics market

EcoTransIT is just one of many measures in that respect. Others are aimed at improving the energy efficiency of vehicles and transport operations. In 2008 alone, this led to savings of five per cent in current consumption. The use of energy recovered during the braking process led to savings of 142 gigawatt hours last year, avoiding the release of approx. 90.000 tonnes of CO₂ into the atmosphere. All DB Schenker Rail train drivers were given training in energy-efficient driving patterns. In this way, the numerous activities of Deutsche Bahn and DB Schenker Rail have contributed on many levels to the key objective: to protect our climate. ■

In recent years, there has been a sharp rise in the forwarding industry's sensitivity to the subject of climate protection. As "green products" are demanded by more and more consumers, "green logistics" becomes an increasingly important sales argument which the company can ef-

Contact | Oliver Gerlings
Tel.: +49 (0)30 297-54241 | oliver.gerlings@dbschenker.eu
www.dbecoprogram.com

Whisper trains

Deutsche Bahn and DB Schenker Rail are planning to make rail traffic quieter by investing in proven technology and developing innovative methods.

Rail transport is safe, efficient and environmentally friendly – but unfortunately, it is sometimes noisy. This is particularly noticeable, for instance, in narrow valleys, such as the Rhine Valley between Sankt Goarshausen and Kaub,.

“Noise is an increasingly important factor for the acceptance of rail,” explains Dr. Hans-Joachim Braune, who is responsible for environmental management at DB Schenker Rail. “That is why we use many different methods in our efforts to reduce noise emissions even further.” Some measures have already been implemented, resulting in tangible – or rather audible – relief for the track-side residents. Others are still at the development or trial stage. The ambitious target: by 2020, Deutsche Bahn plans to be only half as noisy as it was in 2000.

That is no easy task – and nor is it one that can be performed cheaply. Equipping a freight wagon with a modern “whisper brake” costs an average of around EUR 4,500. There are currently a total of 135,000 freight wagons which require retrofitting in use on German rail tracks, 80,000 of which belong to DB Schenker Rail. Braune adds, “It is not difficult to work out that investments on that scale are beyond the possibilities of any rail freight operator – even if we were not in the midst of a serious economic crisis.”

The Federal government has taken a first step towards retrofitting the freight wagon fleet with its “Quiet Rhine” pilot and innovation programme: up to 5,000 freight wagons are to be retrofitted in a pilot project funded by that programme. Another important aspect is that this will establish suitable framework conditions for retrofitting the entire freight wagon fleet.

Every year, the Federal government invests EUR 100 million in noise abatement measures on rail infrastructure. This involves the erection of noise barriers and the installation of noise-insulated windows. The continuation of this programme, which is implemented by DB Netz AG, is another important step along the way to achieving “quiet rail.”

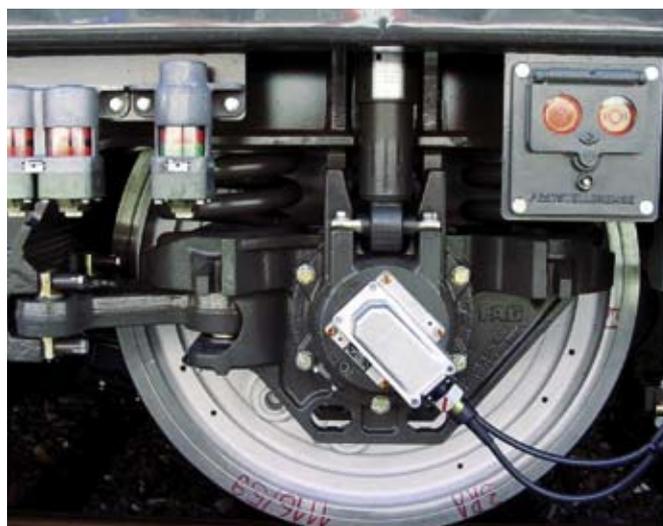
Noise avoidance and noise absorption

Noise abatement is a complex matter that is not merely confined to erecting noise barriers. Railway-induced noise comes from highly diverse sources: the wheel, the brake, the rail and the ballast.

The main source of noise is the running noise of freight wagons, which are traditionally fitted with cast iron brake blocks. This means the running surface gradually becomes rougher and the running noise increases. An innovative new composite brake block means that the wheel stays smooth. A train with wagons fitted with these “whisper blocks” generates roughly ten decibels less noise, which cuts the subjectively perceived noise by half. These composite brake blocks are meanwhile internationally approved and DB Schenker Rail has already purchased 4,400 new freight wagons with this equipment.

As noise reduction target can only be achieved if the rails are smooth, Deutsche Bahn has also substantially reduced its investments in rail maintenance.

Composite brake blocks keep the wheels smooth and reduce the perceived running noise by half.



However, whisper brakes alone will not be sufficient to enable the noise level to be cut by half throughout the entire network as planned. Deutsche Bahn is in charge of a project in which universities and the rail industry are investigating further options, such as the structural design of the wheels, special dampers on the running gear, absorbers and resilient rail fastening systems. These components are to be available by 2011, when they should reduce railway-induced noise by a further five decibels.

Some of these measures are already undergoing practical trials, financed by the Federal government with funds from the economic stimulus packages. One of the trials involves noise barriers which are just 35 to 75 centimetres high. They are made of gabions, which are to be used as a practical substitute for the conventional metre-high walls. Gabions are wire cages filled with stones which are erected very close to the track. They have a core made of recycled car tyres, which effectively absorbs the noise.

Rail dampers are already being tested in pilot projects. These are frequency-coordinated systems of metallic masses which are resiliently mounted and therefore reduce the running noise of the train.

The bottom of soled sleepers are padded with resilient materials, which prevents vibrations from being transmitted into the ground and from there into neighbouring homes.

A combination of gabions and sub-ballast mats is also being tested. In this case, the ballast is laid on an elastic mat which acts as a shock absorber.

The residents of Sankt Goarshausen and Kaub already benefit from these innovative noise protection technologies: funds from the economic stimulus package were used to install rail dampers along section of more than five kilometres in September. ■

Contact | Dr. Hans-Joachim Braune
Tel.: +49 (0)6131 156-2140 | joachim.braune@dbschenker.eu

Safety on Rail

If more freight were carried on rail, there would be fewer serious accidents. That is the conclusion of a recent comparative study.

Accidents involving casualties cause personal suffering that cannot be measured in terms of money. Moreover, accidents – whether or not they involve personal injury – lead to external costs. These are the financial burdens resulting from the cost of medical treatment, absence from work or environmental damage, which are not borne by the party who causes the accident, but by the general public.

The performance of road and rail in terms of safety differs considerably. “A comparative study clearly shows: rail is by far the safest transport mode. This is true of both passenger and freight transport, not only in Germany, but also throughout the entire European Union,” states Dirk Flege, Managing Director of the Pro-Rail Alliance, an association of 16 non-profit organisations that is supported by Deutsche Bahn AG and many other companies. The safety advantage of rail is substantiated by the revised edition of the study entitled “Mit Sicherheit Bahn” (Rail – the safe choice) published by the Pro-Rail Alliance in April.

Clear advantage

The study quotes drastic figures for passenger transport: the risk of dying while travelling by car is 47 times higher than when travelling by train, whilst the risk of injury in an accident is actually 90 times higher.

In the freight transport sector, trucks in particular mean a threat to life and limb. In 2007 a truck was involved in every fifth fatal accident – despite the fact that trucks account for only one tenth of the total kilometric performance on road. The risk of dying in a traffic accident is twice as high if a truck is involved. The authors of the study believe this is due, amongst other things, to failure to comply with social and safety standards. During inspections carried out in 2007, approx. every fifth truck gave cause for complaint; in 15 per cent of the defective trucks, the faults were so serious that they were not allowed to continue the journey. Moreover, the truck drivers often fail to observe the legally prescribed rest periods.

If the truck involved in the accident is carrying dangerous goods, this poses even greater risks to other road users, roadside residents and the environment. Again, the police discovered frightening deficiencies: in 2005, for instance, 18.5 per cent of the inspected trucks gave cause for complaint.

A comparison of the accident figures for dangerous goods transports involving personal injury or severe material damage clearly illustrates rail’s better performance: in 2005, there were 321 truck accidents involving dangerous goods, compared with only five on rail. In that respect, rail transport is 40 times safer than road transport. Another noticeable aspect is that there were no leakage of the dangerous substances in any of these accidents on rail, compared with 40 cases in the truck accident figures.

Trains run on rails and signalling technology protects the train path. This minimises the risks of human error.

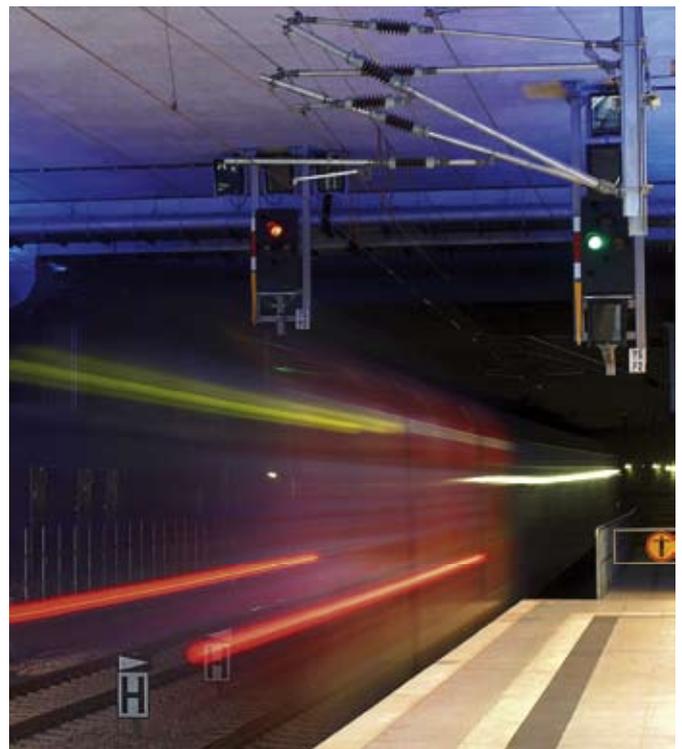
The human factor

The principal cause of traffic accidents is human error. In contrast to road transport, the rail-bound principle and signalling technology of rail transport already eliminate many sources of error. However, it is not only the train drivers and technology that ensure the safety of train operations. The traffic control manager also plays an important role. He monitors the line network and gives the clearance for each individual train movement. Other technical safety systems monitor the actions of traffic control managers and train drivers, and intervene automatically in critical situations. For example, if a train driver fails to observe a signal or does not reduce speed in time, the train is stopped automatically.

The Pro-Rail Alliance study comes to the clear conclusion that rail is highly superior to road in terms of safety. Flege sums up: “That should be a noticeable incentive for the politicians and business sector to have goods carried by rail.” ■

Contact | Dr. Barbara Mauersberg | Pro-Rail Alliance Press Spokesperson
Tel.: +49 (0)30 2462599-20 | barbara.mauersberg@allianz-pro-schiene.de

The German version of the study, „Mit Sicherheit Bahn“ can be downloaded at www.allianz-pro-schiene.de/deutsch/Themen/Sicherheit/



Critical mass

The French rail freight market is undergoing a drastic change process as new providers gain further market share. Deutsche Bahn subsidiary Euro Cargo Rail has succeeded in securing no. 2 position in the market within just three years of running its first train.

France, the second largest national economy in the European Union, is one of the major railway countries on the Continent, with more than 28,000 kilometres of track running throughout the country. In 2008, the rail freight market volume amounted to approx. 37 billion tonne-kilometres, with international freight transport accounting for revenues of EUR 330 million. The key customers for the French rail freight operators come from the sectors of agriculture and food, chemicals, automotive and the manufacturing industry, including steel, aluminium, glass, plastics and rubber.

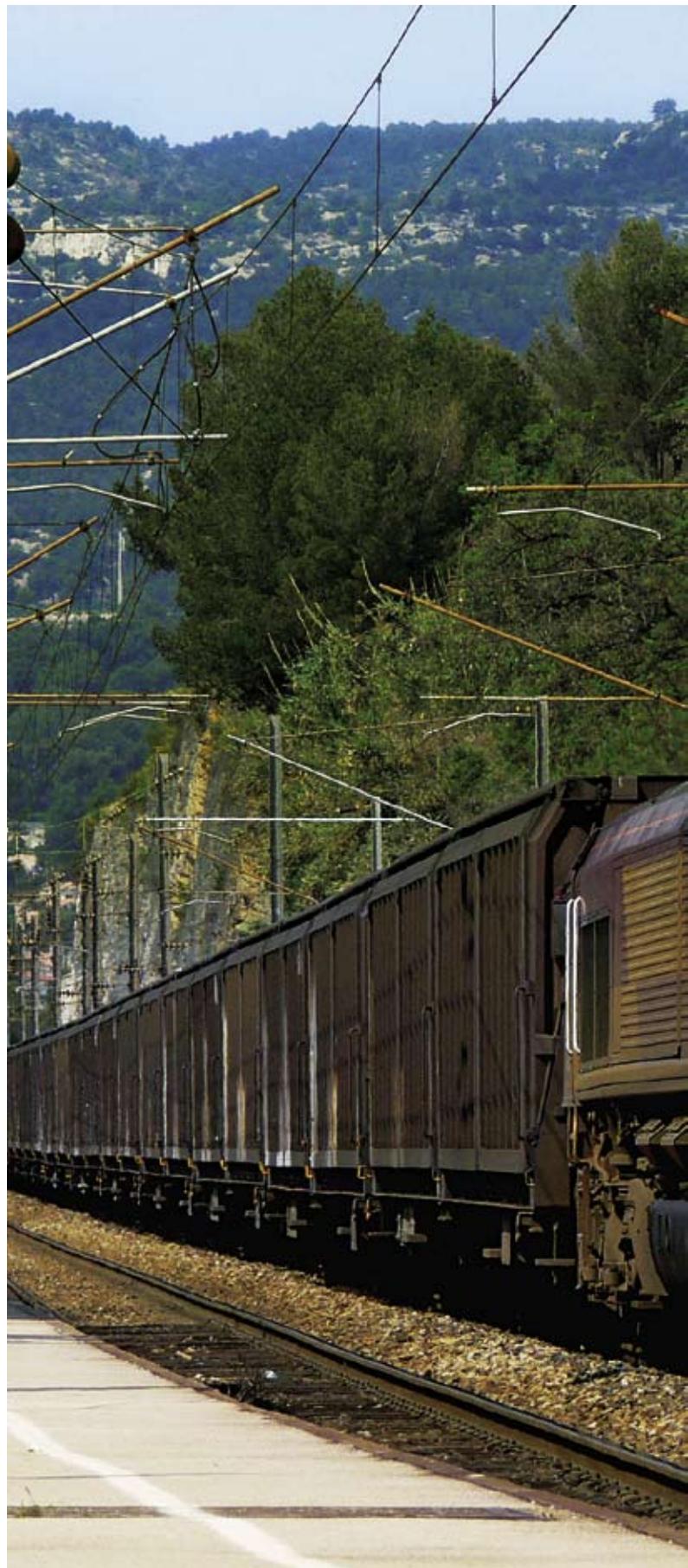
In contrast to the passenger transport market, the relative importance of rail for freight transport in France has declined steadily in recent years, with rail's share in the total volume of goods transported dropping from over 17 per cent in 1996 to just over eleven per cent in 2007. However, the French government intends to change that situation and in mid-September Jean-Louis Borloo, the French Minister of Ecology, Environment and Transport, announced plans to provide seven billion euros of state funds for the railway industry over the next few years. The money is to be used primarily to improve and modernise rail infrastructure.

As far as rail liberalisation is concerned, France holds one of the poorest positions in Europe. In the ranking which compares privatisation progress in the European rail markets, which is led by the UK and followed by Germany, France has achieved only 23rd place of the 27 countries. The study revealed that the French market is largely dominated by the state railway SNCF, which still had a market share of approx. 90 per cent in 2008.

Newcomers gain ground

Nevertheless, some independent providers have succeeded in gaining a foothold in the French rail freight market since it was opened in 2003. Second place, with a market share of eight per cent, is now held by Euro Cargo Rail (ECR), which was formed by the then British company English Welsh & Scottish Railway (EWS) in 2005. Since EWS was taken over by Deutsche Bahn in 2007, ECR has been a member of the DB Schenker Rail alliance.

In the few years it has been in the market, ECR has acquired an excellent reputation in terms of quality, innovation and punctuality. Its customers already include numerous leading French and international companies. "With a market share of less than one per cent, ECR was still no more than a marginal player at the end of 2006," says Managing Director Alain Thauvette. "By the end of 2008, however, we already controlled six per cent of the market." The company has laid the cornerstone for further growth: ECR meanwhile has seven branch offices and eight "satellites", providing it with access to the entire French rail network and all border-crossing points, so that it can serve customers throughout France without any restrictions. ECR





Freight train in France: ECR is rapidly winning market shares thanks to good quality and punctuality.

also offers freight services in Spain through Euro Cargo Rail (in Spain) as well as linking the European mainland with the United Kingdom via the Channel Tunnel through Euro Cargo Rail in France.

This growth can also be attributed to increasing cooperation within the DB Schenker Group. The French connection means that international transports can now also be handled in the customary high DB Schenker Rail quality, as a one-stop shop and with one face to the customer. This concept has met with an excellent response: in 2008, ECR accounted for just three per cent of total DB Schenker Rail transports in France; in 2009, that share is expected to increase to seven per cent.

In 2009 and 2010, the newcomer is again planning to raise its revenues and market share. While the target of the first and meanwhile completed development phase was to establish blanket coverage in France, generate initial business and publicise its activities in the various market segments, the strategy meanwhile concentrates on pursuing development plans for the different regions and increasing innovation in the service offering for both existing rail customers and potential customers coming from the road. "Over the course of this and next year, we shall concentrate on establishing ECR as a provider of transport on the major corridors of Germany-Spain, UK-Italy/Spain, Italy-France and Belgium-France," explains the Managing Director. "Once we have achieved critical mass in the individual regions, we shall expand our regional structures. Euro Cargo Rail's goal is to be part of increasing the overall market share for rail as a mode in France. To achieve this we have to focus on excellent customer service, innovative solutions and both regional and international services."

Over the next few years, ECR intends to consolidate and expand its position in the French market: transport volumes are to be increased from the 2008 figure by 30 per cent in 2009 and a further 50 per cent in 2010, whilst the company's market share is to reach ten per cent by the end of this year. Stating what he believes to be the critical factors, Thauvette comments, "We shall continue to invest in those characteristics which distinguish ECR from its major competitors: productivity and quality of service." ■

Contact | Euro Cargo Rail SAS | Tel.: +33 (0)977400000

Company & People



Photo: DB AG/Marc Darchinger

Turbulent times

Alexander Hedderich assumed the management of DB Schenker Rail on 1 September 2009. Railways interviewed him about the market situation and his plans for the next few months.

You have taken up your new position in turbulent times...

Rail freight traffic has dropped by a quarter. Hardly surprising, considering that our key customer sectors, steel, automotive and chemicals, have reduced production by between 24 and 43 per cent. That situation continues to affect our transport volumes directly and in full.

But the institutes and professional associations are already announcing the end of the recession...

By now, we can see that the situation is becoming more stable, albeit at a low level, but no clear sign of a turnaround and certainly not a lasting upswing. The economic recovery that some sectors of industry are announcing certainly has not reached the rail freight business yet. We assume that we shall have to live with lower freight volumes for some time to come. In view of the persistent economic crisis, DB Schenker Rail – like other rail freight operators in Europe – is still faced with immense pressure to adapt.

What steps do you plan to take? What do customers have to expect?

We are currently concentrating our efforts on designing an overall package to raise efficiency and reduce costs in production and administration. This includes highly diverse measures which will turn DB Schenker Rail back into a healthy freight railway with a promising future in Germany and Europe. The central concept for restructuring rail freight in Germany is the ProRail project, which forms part of the DB Group's DB- reACT 09 programme.

The ProRail project involves both measures aimed at the short-term reduction of expenses in all sectors of the company, as well as efficiency campaigns designed to have a medium- to long-term effect, such as reorganisation of the structures and work flows in production as well as more support in the form of specially designed data processing systems. The efficiency measures are aimed at bundling freight wagon flows more effectively than before and executing these transports punctually and reliably, while maximising cost effectiveness for our customers. We are determined to exploit our competitive advantage as a genuine network operator more efficiently than in the past for the benefit of our customers.

What does that mean for your customers?

We are a service provider that has to succeed in the face of competition. Accordingly, we shall identify and implement the necessary steps in consultation with our customers. But let me make it clear: I am not planning to reorganise DB Schenker Rail at the expense of our customers. We are planning to improve our services, not to restrict them.

What do you believe will be the future of rail freight transport over the long term?

Even if it may not seem so at the moment, rail freight is a future market with growth opportunities and potential.

We are the leading rail freight operator in Europe, and we mean to defend and expand that position by offering our customers excellent products which distinguish us from the competition.

By tackling these measure to boost efficiency and improve quality, we are laying a sound basis which will enable us to exploit our potential in full.

What will this entail?

We are consolidating and strengthening our international presence. Mergers and acquisitions play a key role in that connection. Look at Poland, for example, where we already have a strong footing with the PCC Rail Group and our majority shareholding in PTK Holding, which will in future jointly operate under the name DB Schenker Rail Polska. This will enable us to offer better products for eastern Europe and Russia, while serving the important Polish market. After Germany, Poland has the second largest rail freight transport market in Europe.

What tangible benefits will this mean for the customers?

Our customers demand cost-effective, ecological and increasingly international solutions. And we can provide them. Rail freight satisfies the growing ecological requirements. DB Schenker Rail offers high-quality integrated transport services from Spain to Russia as a one-stop shop. That is our claim. ■

Dr. Alexander Hedderich, born in Wetzlar, Germany, on 14 October 1965, is CEO of the DB Schenker Rail Business Unit. He is also a Member of the Deutsche Bahn AG Executive Board. Dr. Hedderich has a PhD in economics and is a respected railway expert.

In 1996, Dr. Hedderich joined the business consultants WIBERA Wirtschaftsberatung AG, Düsseldorf, where he was in charge of the "Railway Transport" department in the Transport Economy and Transport Technology division until 1998.

In 1999, Dr. Hedderich transferred to Deutsche Bahn, where he was responsible for Corporate Development and Affiliates at DB Regio in Frankfurt am Main for a year. In 2000, he moved to Berlin as Head of Marketing Strategy and Relations with Federal and Land Governments at Deutsche Bahn AG. He was the Deutsche Bahn Competition Officer from 2002 to 2004. From 2004 until he took up his present position on 1 September 2009, Dr. Hedderich was Corporate Development Manager of Deutsche Bahn AG.

Clean break

DB Schenker Rail's new contract, pricing and invoicing system has been in operation since August. Customers benefit not only from greater efficiency and reliability, but also from new functionalities.



Customer Service Centre in Duisburg: 1200 employees and efficient processes guarantee optimum customer service.

The Customer Service Centre is the gateway to our services for all customers," explains Jens Küter, head of the Customer Service Centre (CSC). "This is where all the processes which directly affect the customer are concentrated – from incoming order acceptance and order handling right through to invoicing." The 1.200 CSC employees work in a modern building in Wedau, Duisburg, where they provide customer care for all 5.800 DB Schenker Rail customers. Every year, they also attend to roughly 10.000 contracts, schedule almost three million freight wagons and commission more than 75.000 special trains. The staff in the job scheduling, incoming orders, customer service and invoicing departments have an average of 85.000 contacts with customers every month, 55.000 of which are by phone.

"To keep a machine of this scale up and running, efficiency and reliability are vital," says Küter. "That is why we are continuously endeavouring to improve our processes and adapt them to meet the requirements of our customers and the markets. We also make use of new technologies."

Modern processes

Over the last two years, the prime topic has been "Contracts, Pricing, Invoice" (CPI). 1 August saw the rollout of the new ICT system which bundles all processes involved in the settlement of accounts, from contract recording to dealing with complaints, in one standardised, modern system. Küter explains, "CPI means that we can process orders much faster and with far fewer errors. Our customers consequently benefit from the improved quality and also from the new functionalities of the system."

The old system which has now been replaced by CPI evolved over the last 38 years parallel to Deutsche Bahn's rail freight business. To begin with, various systems for the different sectors co-existed alongside each other and were later merged. The system was repeatedly adjusted to cope with new requirements. "The old system performed its duties well for almost four decades," says Wolfgang Huttenlocher, CPI Project Manager at DB Schenker Rail. "But at the

end of the day, it had become too complex, inflexible and inefficient and the time had come to make a clean break."

For several months, a team of CSC employees evaluated technology which had been developed by Siemens Austria. To enable a realistic advance assessment of the benefits for DB Schenker Rail and its customers, they paid several visits to Rail Cargo Austria (RCA) in Vienna, where the system was already in use. "During our very first visit it was clear that the Siemens technology would save us many working steps, avoid multiple data capture and so help to eliminate sources of error," reports Jessika Niemann from the Processes and Invoicing QS department. "We then experienced the RCA system live on several occasions and were able to draw up a list of our own special requirements."

During the planning phase from early January till the end of December 2007, CPI was adapted to meet the needs of DB Schenker Rail. Technical implementation of the new data processing system took place over the 20 months

from early January 2008 till the end of August 2009. To begin with, the project team consisted of ten DB Schenker Rail employees, which later rose to 20, plus a further 20 from DB Systel, the Deutsche Bahn ICT service provider, and another ten from Siemens Austria, the manufacturer. After the system had been installed, up to 20 employees were responsible for "filling" it with master and contract data.

New functionalities for the customers

CPI has been in operation at the CSC since August, supervised by a team of 15 specialists who attend to staff training and rectify any faults that occur. "We got off to a very smooth start so that we were working at full capacity right away," says Huttenlocher delightedly. "Now we are busy improving the finer details and ensuring that the new applications become part and parcel of our employees' daily routine."

Initially, customers will hardly realise the scale of this project. What they do notice is the new look of the invoices, which now have standard contents and layout for all DB Schenker Rail customers. Requests from the customers themselves were also taken into account when designing the new invoices.

It will be a few months before CPI can make the most of its full potential, when new functionalities will be introduced to make life easier for the customers in particular. On request, for example, customers can receive electronic invoices. Invoice data sets will then also be available in XML format, as an alternative to the previous ASCII format. Bonuses and logistics transports will be calculated automatically, making invoices more reliable and transparent.

Küter concludes, "The new CPI system optimises our future capabilities in the customer service sector. It makes our processes more efficient, giving our staff more time to do what they are actually employed to do: providing service for our customers." ■

Contact | Wolfgang Huttenlocher
Tel.: +49 (0)6131 1563-382 | wolfgang.huttenlocher@dbschenker.eu

Closer to the customer and the market

In future, DB Intermodal will divide its sales activities into the market segments “Maritime” and “Continental” and introduce a key account management system.



David Harrison, Commercial Director for Schenker Logistics in the UK (left) and David Cross, Sales & Marketing Manager for the Network segment of DB Schenker Rail (UK) Ltd.

Joint effort

DB Schenker Rail (UK) and Schenker Ltd. with joint stand at the Multimodal exhibition in Birmingham.

Many customers are currently looking for new ways to reduce costs – and this is also true of the British rail freight and logistics divisions of DB Schenker. DB Schenker Rail (UK) Ltd. and Schenker Ltd. in Britain joined forces to represent the full DB Schenker product portfolio at the Multimodal exhibition held in Birmingham at the end of April. Sales staff from both parts of DB Schenker in the UK, covering all four transport modes (air, road, ocean and rail), spoke with hundreds of visitors to discuss where the company could offer new solutions to their logistics needs.

The theme of the stand was “Challenge Us”, an open invitation to prospective customers to see if DB Schenker had a quicker and cheaper alternative to their current transport provider. A number of new and promising contacts were made at the exhibition and are currently being converted into new business. ■

Contact | Graham Meiklejohn | Tel.: +44 (0)870 140-5795
graham.meiklejohn@db-schenker.com

DB Intermodal, the DB Schenker Rail business unit for combined transport, has reorganised its sales activities. Since 1 October 2009, all sales activities are divided into the market segments “Maritime Transport” and “Continental Transport”. This new structure enables the introduction of cross-sector key account management so that each customer will have one central contact who is responsible for all transports.

“This step is a crucial strategic move for us,” states DB Intermodal boss Hans-Georg Werner. “We can now respond to the individual requirements of our customers more quickly than before and offer them solutions from one single source. This means we can act more efficiently in the market.”

The previous organisation according to geographical criteria – the corridors – was introduced in 2007 with the aim of bundling production, transport planning and sales in one single unit, Corridor Management. That enabled DB Intermodal to set up a range of competitive and resource-driven intermodal products in Europe. That successful system will now be retained for transport planning and train scheduling.

The new structure is the next stage in the ongoing development of the DB Intermodal sales strategy. “Over the past few years, the situation in the combined transport market has changed completely,” says Werner. “The crucial criterion now is to safeguard combined transport as a whole in an extremely dynamic competitive environment and prepare ourselves to cope with the forthcoming growth phase that will follow the present economic upheaval.”

Benefits for the customer

Operators, forwarders and shipping companies which act on a Europe-wide scale normally specialise in either continental or maritime transport. The customer structures, market requirements and process logic in these two segments are totally different. The new structure enables DB Intermodal to provide far more targeted customer support. “Our customers used to have to deal with a different contact for each corridor. Now, their entire transports are handled by the same customer support agent, who can focus more specifically on the customer’s individual requirements,” explains Werner.

From October 2008 onwards, the Managing Director of DB Intermodal had also been responsible for the company’s sales division. As from 1 October 2009, that position has been taken over by Andreas Schulz (41), who was latterly Central Corridor Manager. The Continental Transport segment will be headed by Sylke Hussmann (40), the Maritime Transport segment by Dr. Eric Pfaffmann (41). ■

Contact | Andreas Schulz | Tel.: +49 (0)6131-15-67210
andreas.a.schulz@db-intermodal.com



New appointments, top to bottom: Andreas Schulz, Sales Manager, Dr. Eric Pfaffmann, Head of Maritime Transport, Sylke Hussmann, Head of Continental Transport

Save the date

DB Schenker Rail takes part in all major trade shows and branch events throughout Europe. Take this opportunity for a personal meeting.



9 - 11 November 2009/Dortmund

The DB Group will have a stand at the **#rail2009** congress fair. Together with other DB Management Boards, the Management Board of the Transportation and Logistics Division will take part in the comprehensive congress programme.

In the present economic situation, **#rail2009** has evolved into an important forum for the European rail and transport industries. The trade fair is accompanied by a transport policy congress, which this year is entitled "Public Transport. Freight Traffic. Valuable Talks."

Members of the Deutsche Bahn Management Boards will take part in a discussion of current strategies for European competition. At the start of the congress, Dr. Rüdiger Grube will explain Deutsche Bahn's position in the European rail market and present global development prospects in an introductory statement at the European Mobility Forum.

www.rail2009.de

10 December 2009/Potsdam

"Waste disposal logistics on rail"

Joint forum hosted by DB SCHENKER Rail, VDV (Association of German Transport Undertakings) and BDE (Association of the German Waste Disposal Industry) in Potsdam



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Marketing Rail
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Responsible for content
Hendric Fiege
Head of Marketing Rail
(V.i.S.d.P.)
Annette Struth, Head of
Marketing Communications

Project Leader
Kirsten Häcker
Rheinstraße 2
55116 Mainz
Phone +49(0)6131 15-60137
E-Mail: kirsten.haecker@dbschenker.eu

Publishers
G+J Corporate Media GmbH
Friesenweg 2a-b
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Editor
David Verbeek, Corporate
Publishing & Ghostwriting

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Jürgen Kaffer, Büro Hamburg

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Your editorial contact
L-railways@dbschenker.eu



Wolfgang W. Rogall is head of the Deutsche Bahn AG General Agency for South-East Europe (Hungary, Serbia, Romania, Slovenia and Croatia).

Modelled on Westminster Palace in London, the parliament building is one of Budapest's distinctive landmarks.

The B round in south-east Europe

Wolfgang Rogall describes his daily work routine as he travels between Switzerland, Hungary, Romania and Serbia.

Monday morning comes round again – I leave my home at half-past four and reach Basel airport 45 minutes later. Shortly after we take off, the last vestiges of tiredness disappear when I look at my agenda for the week: countless appointments, meetings, visits and negotiations, as well as a visit to a German embassy.

I push back my seat, close my eyes and think back on the many eventful “B rounds” I have already experienced. The “B” stands for “Balkan” – or alternatively for Basel, Budapest, Bucharest and Belgrade – regular ports of call on trips during which I constantly experience the amazing cultural diversity that Europe has to offer.

It is impossible to learn all the different national languages. As a Romance language, Rumanian is still comparatively easy to grasp, and anyone who can speak French or Spanish will soon be able to understand a few words here and there. Serbian is a Slavic language, which makes things more difficult – and the Cyrillic alphabet does not improve matters. Hungarian, on the other hand, is a totally alien concept. Finnish and Estonian are the only other European languages with which it has any similarities. The fact that Hungarians use the Latin alphabet does not help at all, unfortunately.

In such a Babel, I therefore have to rely on assistance from my German-speaking staff in the different countries, and occasionally I even have to call in a professional interpreter. Welcome assistance sometimes comes in the form of people like taxi drivers who speak English. Sometimes I have actually found cab drivers who were

willing to act as guide for the whole day.

But it is not only the language that changes when you cross a national border – so do the religions, and consequently even the calendar in some cases. The majority of the population in Serbia, Macedonia and Montenegro, for example, are orthodox Christians, while in Bosnia and Herzegovina, Orthodox Christians live side by side with Catholics and Muslims. All have their own different traditions and feast days. Orthodox Christians, for example, celebrate Christmas on the 7th and New Year on the 13th of January. Easter changes from year to year, but it never coincides with the Catholic Easter.

Sometimes I have trouble with the different currencies. Romania has the leu, Serbia the dinar and Macedonia the denar. Montenegro has introduced the euro, whereas Hungary continues to use the forint.

But despite all their differences, all the countries in south-east Europe for which I am responsible and which I regularly visit nevertheless have one thing in common: the friendliness and helpfulness of the people, their amazing zest for life, and the wish to catch up with western Europe in every respect.

The jarring sound of the PA system interrupts my train of thought; in a few minutes, we shall be landing in Budapest. Reality asserts itself. I am looking forward to a new and interesting week in south-east Europe. Together with my team of dedicated colleagues, I really enjoy making a contribution towards increasing European integration.

DB Schenker Rail GmbH
Marketing Rail
Rheinstraße 2
55116 Mainz
Internet: www.dbschenker.com
E-Mail: neukundenservice@dbschenker.eu
Service number for new customer info:
phone 0180 5 331050*

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