



Energetic cooperation

Palm paper mill has built its own power station for the conversion of waste into energy. DB Schenker Rail has devised a supply concept which serves as an example to other industries. Page 8

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LOADING COAL

Colossal coal quantities

Up to 1,200 tonnes of coal cross the conveyor belt at RBH Logistics GmbH at Duisburg terminal every hour. Every year, the DB Schenker Rail subsidiary tranships some 1.7 million tonnes of the fuel from barges onto rail wagons at the terminal.



Chances in 2010

As this year of crisis draws to an end, we all hope that the global recession will also be over soon. At last the Federal Statistical Office has reported growth of 0.7 per cent for the German national economy in the third quarter of the year, and the Ifo Business Climate Index has also gradually been regaining ground for several months now.

However, we are still looking at this ray of hope from a very low perspective. 2009 has been one of the most difficult years for the German economy in decades. The key European industries – which also include the transport sector – have in particular been badly hit. Although there are now some initial signs of recovery, it remains to be seen whether they are in fact the forerunners of a sustained upturn.

Nevertheless, many of our customers have come out fighting from the economic slump. Palm paper mill, for example, is investing in ecological solutions for the future and using its own production waste to generate energy for its paper-making processes. Read our cover story to find out how the logistics concept developed by DB Schenker Rail enables and promotes the recycling process.

DB Schenker Rail has streamlined its organisational structure to enable it to respond more flexibly to future market trends. In this issue, we present the new structure that will come into effect on 1 January and the people who will be in charge of the new business segments.

2010 is sure to confront us not only with difficult challenges, but also with new opportunities. Our aim is to continue the development of our production system in Germany and throughout Europe to enable us to offer more and better continuous transport and logistics solutions along the entire supply chain.

I should like to take this opportunity of thanking you for the confidence you have placed in our company, for your commitment and your cooperation. I wish you a peaceful festive season and look forward to continuing successful cooperation with you next year. Sincerely,

Karsten Sachsenröder
Member of the Management Board
DB Schenker Rail

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Residual waste logistics

Palm paper factory incinerates its waste in its own power station. DB Schenker Rail has developed a concept for reliable supplies which serves as a model for other sectors of industry.

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JAWORZNO/POLAND

Growth in volumes and revenues in Poland

In October, the Cargo Business Unit of DB Schenker Rail Polska S.A. carried more than one million tonnes of goods and generated revenues of approx. EUR 5.2 million, which means that the Polish subsidiary of DB Schenker Rail boasted one of the best performances by this business unit in the history of the company. Both the four-per-cent increase in volume and the three-per-cent increase in revenues were higher than the company's own target figures. Amongst other things, sales by the Coal and Steel Business Unit, which transports primarily coal and coke, were up by an impressive 22 per cent.

UTRECHT/NETHERLANDS

New electric locos for Netherlands traffic

When the new timetable comes into force in mid-December 2009, DB Schenker Rail will inaugurate 32 modern, environment-friendly electric locomotives for freight transports between the Netherlands and Germany. DB Schenker Rail has already used 26 of these locos for international traffic between the Netherlands and Germany for the past two years.



MASCHEN /GERMANY

EUR 230 million in modern infrastructure

Deutsche Bahn is modernising its train formation facility in Maschen near Hamburg, so that marshalling operations can proceed more smoothly and efficiently in future. Over the next few years, the entire infrastructure at the marshalling yard – over 200,000 sleepers and more than 120 kilometres of track – will be renewed. To ensure that normal operations can continue without disruptions, the entire construction work has been precisely planned and a sophisticated construction logistics concept drawn up. The work is scheduled for completion by the end of 2013 and will involve investments of more than EUR 230 million, the greater part of which will be funded by the Federal government.

SOFIA/BULGARIA

Modern logistics terminal for Bulgaria

DB Schenker is currently investing around EUR ten million in the construction of a new logistics centre in Bozhuriste, near the Bulgarian capital of Sofia. The new facility is scheduled to go into operation in spring 2010 and will be one of the most modern freight transport hubs in the country.

The terminal will have two private sidings with a total length of approx. 220 metres. A ramp will enable three four-axled wagons to be handled simultaneously. Up to six wagons can be loaded and discharged on the other track.

BERLIN /GERMANY

Award-winning report

The German Council for Sustainable Development commended the DB AG Sustainability Report at its annual conference in November 2009. The Council examined sustainability reporting by the 150 largest German corporations. DB ranked 5th amongst all these companies, and actually won 1st place in the mobility industry. DB presented its second Sustainability Report in August 2009. The Council was appointed by the Federal German government in 2001 with the aim of promoting implementation of the national sustainability strategy.



SZCZECIN/POLEN

DB Port Szczecin is an international transport hub

DB Schenker Rail is planning a further increase in its seaport hinterland transport activities in Poland and the DB Port Szczecin will play a central role in that respect. Its integration in the international DB Schenker Rail network will enable a range of new and attractive transport services.

DB Port Szczecin is the largest general cargo transshipment location in the west of Poland and close to major European ports such as Hamburg, Bremerhaven and Rotterdam. With 40 cranes, ten warehouses and more than three kilometres of quays, this is one of the most modern and versatile ports in Poland. A new container terminal with an annual cargo throughput of 200,000 TEU is currently under construction.

Utrecht

Maschen

Berlin

Szczecin

Jaworzno

Sofia

Energetic cooperation

Palm paper mill uses residue from waste paper processing as an energy source in its own power plant. The logistics concept – an innovative system which serves as an example to others – was largely the brainchild of DB Schenker Rail.



Arrival at Würth: DB Schenker Rail carries more than 100,000 tonnes of residual waste from the Palm mills in Aalen and Eltmann to Würth every year.



The Palm company first began recycling more than 130 years ago. Adolf Palm, who founded the company in 1872, was the first person in Europe to discover a material that the Chinese had long since used to make paper: waste bast fibres from the textile industry. As early as 1876, Palm produced 220 tonnes of “extremely tough natural brown bast paper”.

Over the years, Palm has evolved into one of the leading paper producers in Europe. On its way to the top, the company has repeatedly come up with innovations to make both processes and products more environmentally friendly, such as the production of top quality newsprint made exclusively of waste paper in 1984.

“Our corporate policies have never been dictated by fashions, but always solely by what we believe is right,” explains Dr. Wolfgang Palm, CEO of the company which is now in the fourth generation of family management. “Even my great-grandfather realised the central importance of sustainability before the word even existed. Today, we invest more than ever in processes which have low environmental impact and make most efficient use of resources.”

One of these concepts is that Palm consistently opts for rail transport. DB Schenker Rail has been transporting paper for Palm for more than 15 years – last year alone it carried 110,000 tonnes in more than 2,000 wagons. The two companies have repeatedly collaborated to devise and optimise concepts to shift even more transports onto rail and thus avoid transport-induced CO2 emissions. These investments prove how seriously Palm takes its commitment to rail. Over the past five years, the company has completed four investment projects in its rail infrastructure at the three German locations: new sidings in Wörth, rail logistics in Aalen and a loading terminal in Eltmann. The investments at the Wörth plant alone totalled EUR two million.

Valuable residual waste

Cooperation between Palm and DB Schenker Rail has now entered a new dimension. “In 2007, we decided that our paper mill in Wörth should have its own power generation plant,” states Hartmut Kassuhn, Logistics Manager of the Palm Group. “This project involved many challenges for the logistics experts, which we tried to resolve with the help of our partner DB Schenker Rail. This was only logical, as our companies had already cooperated successfully for many years in the field of paper transports.”

The 55-megawatt power station on the Palm company premises cost almost one hundred million euros. It has been generating electric current and steam since April 2009 and meets the entire energy requirements of the paper mill. The plant runs on environmentally friendly natural gas and is designed as a cogeneration plant, which means it also utilises the heat produced during the current generation process. This is a recognised environmentally friendly process with up to 80 per cent efficiency.

In the second part of the power plant, residual waste is converted into steam which is then used to dry the paper web in the paper mill, making the overall concept even more ecological. The residual waste in this case refers to foreign matter in the waste paper which cannot be used to produce new paper. The power plant uses the residues that occur at Palm’s three paper mills in Germany.

Residual waste refers to different kinds of materials with different properties and densities. When processing raw materials for use in a paper mill, the first step is to separate the coarse particles which occur when the waste paper is dissolved. These rejects consist of plastics, foils, textiles, metal or wood. In the next stage, the fillers are separated from the fibres that are used for paper production and





Unloading at the power station. RFID chips clearly identify the individual containers and their contents. A WLAN system tells the forklift driver which dischargepoint to head for.



Fotos: Johannes Vogt

collected. The collected material has a fine crumb structure and is then dehydrated to a dry content of roughly 60 per cent. The third fraction consists of surplus activated sludge which occurs in the biological stages of the sewage treatment plant.

Every year, more than 100,000 tonnes of these diverse substances have to be transported from the Palm production plants in Aalen and Eltmann to Würth, efficiently unloaded and taken to the power generation plant. “During the initial negotiations it soon became obvious that this project went far beyond the original scope of the paper transports we had handled in the past,” says Marc van der Las, head of the Waste Disposal/Project Business team at DB Schenker Rail. “Our transport and logistics concept is directly linked to the production process at Palm, as this enables us to handle the collection, in-house logistics, transport and unloading of the residues without any change of equipment.” The need for reliable transport for this project, especially during rough winter weather conditions, posed particular challenges, as did handling the materials at the Palm premises in Würth, where the rail infrastructure was not designed to cope with supplies to the power station and the discharging system at the bunker had originally been designed for truck transports.

“We commissioned DB Schenker Rail with the development of a logistics concept as a full-service provider and signed an eight-year contract for the transports,” says Kassuhn. “This clearly demonstrates the immense trust that has evolved between our two companies over the years of cooperation.”

To implement the project requirements, Moritz Berger, head of Construction Material Sales in the Construction Materials, Industrial and Consumer Goods Market Unit, put together an interdisciplinary team in which specialists from Waste Disposal/Project Business and Product Management sectors, experts from the DB freight wagon technology centre in Minden and the development engineers for container and discharging systems at Innofreight successfully cooperated.

Since April 2009, two block trains have run as a shuttle service between Eltmann and Würth every week. Groups of three wagons also leave Aalen for Würth every working day. The DB Schenker Rail Customer Service Centre is responsible for management of the transports, and a special service team for Palm’s customers attends to all aspects of the transport, such as ordering and scheduling the freight wagons as well as transport control.

Innovative solutions

However, before the concept was up and running, the project team had to overcome various obstacles and in some cases tread totally new ground. For instance, it soon became apparent that new equipment would have to be developed to cope with the special requirements of this freight, the loading conditions at the Aalen and Eltmann plants, as well as the infrastructure at Palm’s premises in Würth.

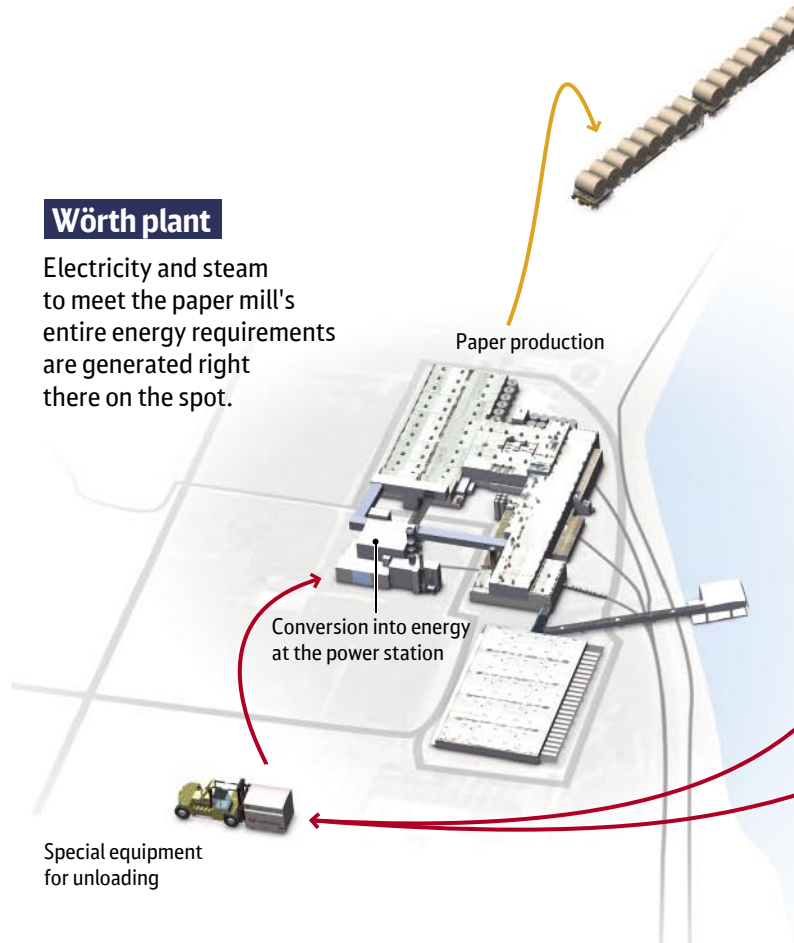
Innofreight developed the “WoodTainer XS” specially for these transports: this is a watertight, stackable container which can hold around 24 cubic metres of residual waste with a total weight of up to 21 tonnes. The container also has a hardtop, which makes it suitable for rail transport. Four containers fit on each carrier wagon. As the container features a new type of lock combination, which had not previously been used in rail transport, it was not easy to obtain a licence for these containers, the only ones of this kind which are used in combined transport. The licence was obtained only because the engineers at DB Schenker Rail, the DB Technology Centre in

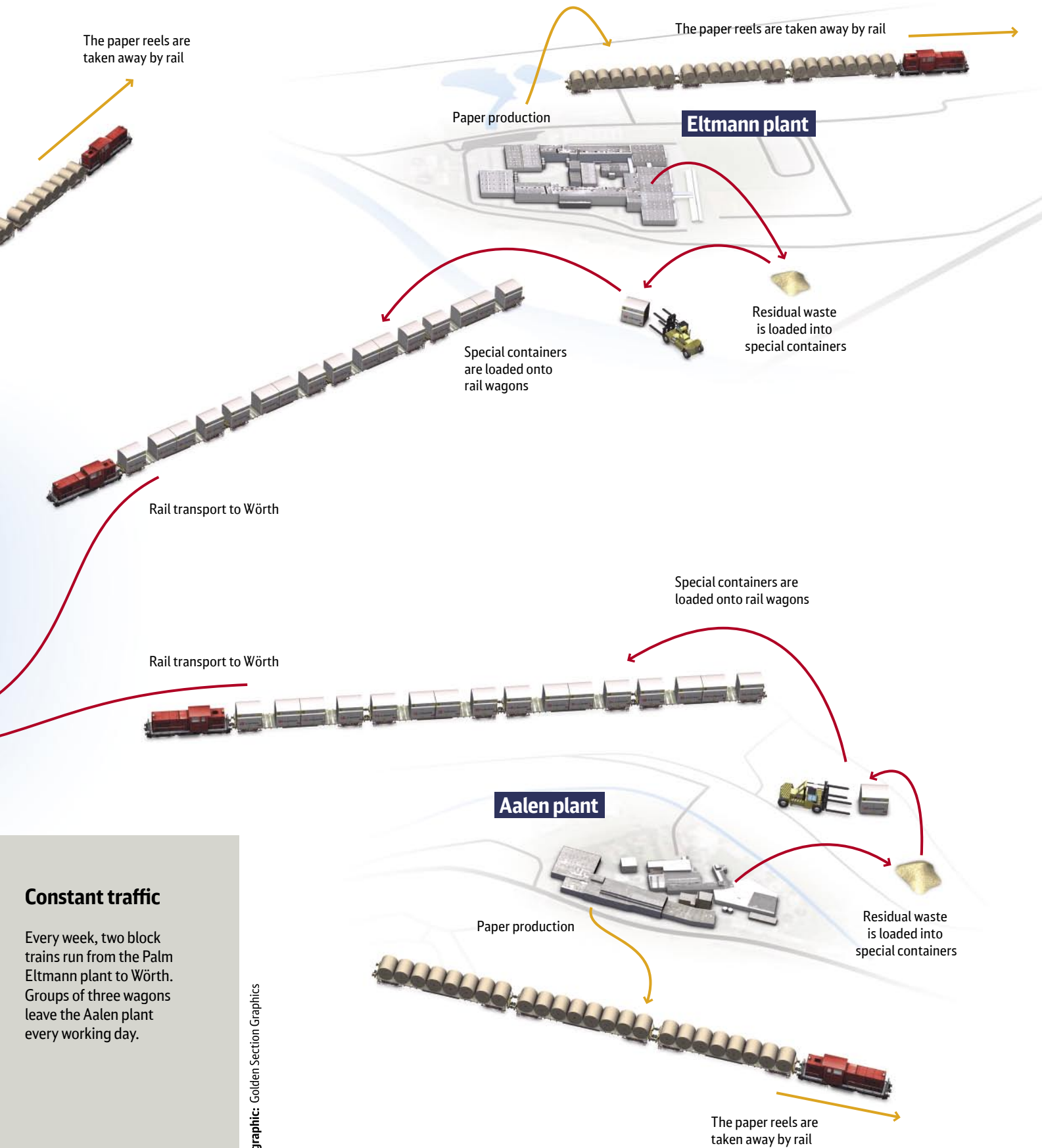
Concept with model character

Residual waste transports at Palm

Würth plant

Electricity and steam to meet the paper mill's entire energy requirements are generated right there on the spot.





The paper reels are taken away by rail

The paper reels are taken away by rail

Paper production

Eltmann plant

Residual waste is loaded into special containers

Special containers are loaded onto rail wagons

Rail transport to Würth

Special containers are loaded onto rail wagons

Rail transport to Würth

Aalen plant

Paper production

Residual waste is loaded into special containers

The paper reels are taken away by rail

Constant traffic

Every week, two block trains run from the Palm Eltmann plant to Würth. Groups of three wagons leave the Aalen plant every working day.

Info graphic: Golden Section Graphics



The containers were developed specially for the bunker gates which are just four metres wide. They are turned by 180 degrees to empty them. The hard top of the container opens and closes fully automatically.



„In view of the increasing scarcity of fossil fuels, the trend towards substitute fuels for energy generation will continue to increase in other energy-intensive industries.“

Moritz Berger

Minden and Innofreight all pulled together to achieve their goal.

The containers were designed with comparatively compact dimensions in view of the fact that they have to be unloaded at the Palm plant in discharge bunkers with gates which are just four metres wide. This is done using an unloading forklift which was developed specially by Innofreight: it picks up the containers from the wagon and takes them to the bunker where it empties them by turning them by 180 degrees. The articulated forks of the forklift open the hardtop of the container and close it again once the container is empty.

The right mixture of fuels for the incineration process is important to ensure optimum energy extraction and minimum exhaust gas values. Accordingly, the containers have to be delivered to different discharge points depending on their different contents. State-of-the-art information technology ensures that no mistakes are made. An RFID tag is attached to the bottom of each container for fully automatic identification by the unloading forklift. The data is transmitted by WLAN to the control centre, which establishes the quantity and type of material in the container and then directs the forklift to the appropriate discharge point – another innovation resulting from this project, as this method has never before been used for residual waste.

A total of 211 special containers travel back and forwards between Wörth and the paper mills in Aalen and Eltmann. The special equipment also includes the unloading forklift at the Palm power station and one handling forklift at the two other locations. Innofreight is responsible for maintenance of that equipment throughout the entire term of the contract.

Future potential

To DB Schenker Rail, these waste transports for Palm are more than just an innovative project for the paper industry. “In view of the increasing scarcity of fossil fuels, the trends toward substitute fuels for energy generation will also continue to increase in other energy-intensive industries,” explains Moritz Berger. “And that in turn means future potential for the transport of different alternative energy sources. Moreover, rail transport avoids the emission of large quantities of carbon dioxide – which makes this concept twice as sustainable and sets a good example for similar projects in other sectors.” ■

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INTERVIEW

Setting an example

Railways interviewed Dr. Wolfgang Palm, CEO of Palm paper mills, about the decision to build the company's own 55-kilowatt power station.

Almost one hundred million euros – why has Palm invested so much money in a power station of its own when it could have bought the electricity it requires?

Palm plays a pioneering role when it comes to recycling. We were already making wrapping paper out of textile waste 135 years ago. 25 years ago, we invented a procedure for producing top quality newspaper from waste paper. Now we are using our residual waste to generate our own energy. This takes us very close to the ideal of a self-contained system in which everything is utilised to the full.

So the investment was inspired by purely idealistic motives?

Not at all. We did our sums very carefully and believe that our investments will pay off within a reasonable period, because fossil fuels – and therefore electric current from the mains – will become increasingly expensive in future. We, on the other hand, have become more self-sufficient – or at least partly – as far as energy is con-

cerned. The more paper we produce, the more secondary fuels are produced by our mills.

And how efficient is the actual energy generation?

In conventional power stations, the heat that is created when generating energy is largely wasted. In cogeneration power plants, on the other hand, that heat is utilised, which achieves amazing efficiency levels of more than 80 per cent. However, that only works properly if the consumer is not too far away. Our paper mill in Wörth is large enough to use up the entire heat and most of the electric current that we produce on the premises – and that is what makes the whole system highly efficient.

Do you think that your example will be followed by others?

I certainly assume so. Similar models can be implemented not only by other paper producers, but also in other energy-intensive businesses. That makes both economic and ecological sense.

Ecological solution for glue transport

Egger, a manufacturer of wood-based materials, opts for rail for its glue transports. DB Schenker BTT continues to develop this already successful transport concept.

Egger makes more of wood. Founded as a family firm with headquarters in St. Johann in Tyrol (Austria) in 1961, Eggers is one of the leading international manufacturers of wood and wood-based materials, ranging from floor coverings to prefabricated furniture parts.

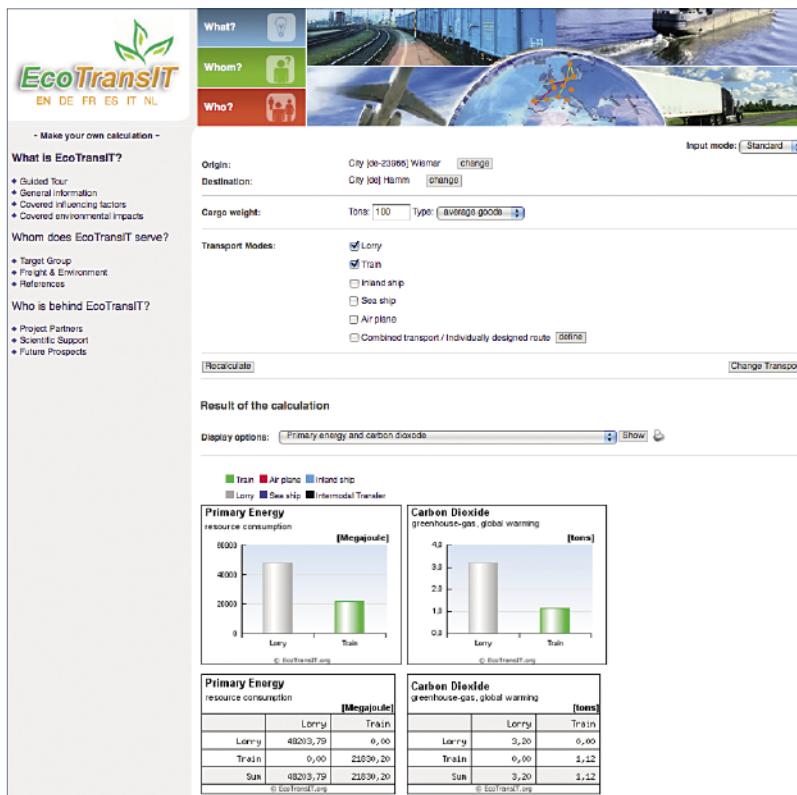
Sustainability plays a key role Egger, and this also includes using its waste wood to fire its own biomass power plant, as well

as improving its carbon footprint by using rail for its transport requirements.

Egger needs not only wood for its production processes, but amongst other things also glue and has this produced specially for the company in Wismar, for example. DB Schenker BTT has organised delivery of the glue to the plant in Brilon since 2003. Every week, one train leaves Wismar for the intermediate terminal in Hamm in the Sauerland region, carrying 1200 tonnes of glue in 40 tank containers and 20 wagons. The 300th trip was made in October – which means that DB Schenker BTT has carried some 345,000 tonnes of glue for Egger over the past six years.

The Egger management is proud that its transports have made a substantial contribution towards climate protection. “When planning our transports, we consider not only capacity aspects, but also the ecological impact,” says Christian Schroeder, Transport Logistics Manager at Egger in Brilon. “Opting for rail rather than truck for the transport of our glue from Wismar to Brilon improves the carbon footprint of these transports by 60 per cent and reduces primary energy consumption by half – making a substantial contribution to environmental and climate protection.”

DB Schenker BTT offers its customers the software tool EcoTransIT, which can be used to quantify and visualise the ecological impact of the different transport modes. “Our aim is to convince more and more companies of the advantages of rail in the tank transport sector,” explains André Hempel, head of Product Management/ CT Sales at DB Schenker BTT. “And thanks to EcoTransIT, we are increasingly successful in doing so.”



EcoTransIT results: compared with truck transport, the glue trains between Wismar and Brilon reduce CO2 emissions by 60 per cent and energy consumption by 50 per cent.

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Green paper

The paper mill Leipa Georg Leinfelder GmbH implements environmental protection innovative concepts - and DB Schenker Rail ensures that transport of the paper also becomes more and more environmentally friendly.



Environmentally friendly: Leipa paper mill

The Leipa Georg Leinfelder GmbH paper mill in Schwedt, Brandenburg, is located inside the Lower Oder Valley national park. There, in the midst of water meadows that are rich in flora and fauna, the company produces 700,000 tonnes of magazine paper and liner per annum. Leipa is the world's leading manufacturer of coated magazine paper from waste paper, with a recycled component of up to 100 per cent. The Schwedt plant is one of the largest waste paper consumers in Germany.

"Industry and environmental protection go hand in hand at our company," says Uwe Bartmann, who is responsible for contract logistics at Leipa. "We set high ecological standards for the company at an early stage. In 1995, for instance, Leipa was the first paper mill to publish an environmental report. The following year, the company was presented with the environmental award of the Federation of German Industry by Angela Merkel, who was Minister of the Environment at the time. In 2003, the Schwedt plant introduced a quality and environmental management system.

Reducing the carbon footprint is also an integral part of the corporate philosophy. DB Schenker Rail, Leipa's partner for paper transports on rail, meanwhile plays an increasingly important role in achieving that target. "While some 100,000 tonnes of finished products left the plant on rail last year, that figure will rise to more than 200,000 tonnes in 2009," says Karin Schmäh, the competent Customer Support Agent in the Construction Materials, Industrial and Consumer Goods Market Unit of DB Schen-

ker Rail. Working in close cooperation with Leipa Logistik GmbH, Transwaggon GmbH and the forwarding company Jerich, DB Schenker Rail has come up with cost-effective and ecologically acceptable solutions for delivering the finished products to Leipa's customers. One example: this year, approx. 40,000 tonnes of paper will be transported by rail to the Leipa warehouse in Voerde, the starting point for deliveries by truck to customers in the Ruhr area, Belgium and the Netherlands. An innovative concept for avoiding unnecessary empty runs was launched in August: in Voerde, some of the wagons are loaded with waste paper for processing at the Schwedt plant. "Together with DB Schenker Rail, we plan to gradually raise these quantities," says Uwe Bartmann. "Our target is to achieve a one-hundred per cent reloading factor next year. Similar concepts are also being planned for the south of Germany and Italy."

It is not only the transport volumes between Schwedt and Voerde that are growing: this year, DB Schenker Rail will also deliver approx. 50,000 tonnes of paper to England via Cuxhaven - five times last year's figure. 40,000 tonnes - four times as much as in 2008 - will go to Kornwestheim, and a further 10,000 tonnes to Emden. ■

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14,000 hp and 360 tonnes: the Bombardier double loco

Heavy locos for Swedish ore

DB Schenker takes Bombardier locomotives from Kassel to the Arctic circle

In October, one of the most powerful electric locomotives in the world travelled 2600 kilometres from Kassel in Germany to Kiruna in the north of Sweden. IORE 119 was the first section of a 14,000-hp IORE II double locomotive produced by Bombardier Transportation at its plant in Kassel for use in the transport of ore in Sweden. The second section followed in November, and three more locomotives will be taken to Sweden over the next few months. When it came to planning, organising and handling these transports, Bombardier – the worldwide market leader in railway transport engineering – entrusted this difficult task to the experienced specialists at Schenker Deutschland AG.

“The IORE II locomotive is our flagship for heavy haul rail transport: it offers maximum tractive effort and reliability, even under extreme meteorological and environmental conditions. And the requirements that have to be met when transporting such a loco are equally extreme, simply because of its size and weight,” says Peter Ammann, Vice President Sales & Marketing Locomotives, Bombardier Transportation. “DB Schenker is our preferred partner and enjoys our complete trust for this logistics masterpiece.”

“These vehicles confront us with extraordinary logistics challenges,” explains Aloys Winn, Member of the Schenker Deutschland AG Management Board. “The locomotives not only have immense tractive effort, but with a total weight of 360 tonnes and a length of 46 metres, they are also among the largest and heaviest of their kind.” To begin with, the DB SCHENKER railog specialists

therefore sent only the first of the two locomotive sections, together with various parts, on its way to the north of Sweden by train in October. The second section – these locomotives are always deployed in pairs – will be taken to Kiruna, some 150 kilometres north of the Arctic circle, by the experts for rail-related logistics in mid-November. Three more electric locos, inclusive of ancillary parts, will then follow on six specially commissioned trains by summer 2010. When handling these transports, Schenker Deutschland AG works in close cooperation with DB Schenker Rail, ferry operator Scandlines Deutschland and the Swedish Green Cargo company.

During the first stage of the journey, the individual sections of the high-power loco travel from the place of production, the Bombardier plant in Kassel, Germany, to the German seaport of Rostock. On board a Scandlines ferry, the IORE 119 and five wagons, carrying parts such as bogies and ancillary parts, then cross the Baltic Sea to the Swedish port of Trelleborg. From there, the journey continues on the Swedish rail network to LKAB, the new owner in Kiruna. LKAB will use the IORE II locos to transport iron ore which is extracted in Kiruna and Gällivare and transported by rail to the Norwegian port of Narvik, 160 kilometres away, or to the Swedish port of Luleå.

From the first meeting to discuss loading, to handling the entire transport, right through to project supervision, the experts at DB SCHENKER railog provide the customer with a full-service package from one single source. For example, the logistics specialists obtain the necessary transport licences from the different railways involved and the Federal Railway Office and draw up a precisely coordinated timetable on the basis of the entire transport data. ■

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Poultry feed

The feed producer MEGA has reactivated its railway siding in Rechterfeld. In future, DB Schenker Rail will help to supply the plant with grain.

After more than eight years of abstinence from rail transport by the animal feed producers MEGA, the first 21 grain wagons rolled into the siding at its plant in Rechterfeld as part of a national block train transport in mid-May. DB Schenker Rail handled the delivery and collection in two stages, with the help of the cargo centre in Hanover.

The wagons were delivered and handled during the night, as the single-track line is used by regular regional passenger services running at short intervals until the late evening. It is then generally clear of traffic from midnight until approx. six in the morning, so that the loaded wagons can be delivered without disruptions during that late time slot. Four-axled wagons designed specially for agricultural transports are positioned precisely above the covered discharge chutes and then discharged by gravity in the required quantities. The state-of-the-art discharge chutes are suitable for both central and side discharge. As the transported goods are feed-stuffs, compliance with quality regulations is a must. DB Schenker Rail Deutschland satisfies all criteria in that respect, in the form of HACCP certification as well as conformity with GMP B 4.5.

“The investments in activating this railway siding will give us a great strategic advantage, as we can now offer our suppliers rail as well as motorway connections,” states Ralf Kenkel, Authorised Signatory and Purchasing Manager at MEGA. “This gives us more flexibility in the market and allows us to meet special delivery requirements. Moreover, the substantial reduction in the number of truck transports also benefits the environment.”



Leading feed producers: the MEGA plant in Rechterfeld

MEGA is a modern feed producer which leads the market for the manufacture of poultry feed. It is a member of the PHW Group, with head office in Rechterfeld, Lower Saxony, and further locations in Straubing, Haldensleben, Cloppenburg and Eberswalde. MEGA has also been active in the Polish market since the country joined the EU. MEGA's customers are farmers who rear chickens, turkeys and ducks for the WIESENHOF brand. DB Schenker Rail has reliably supplied raw materials by rail to the feed production plant in Straubing for years. ■

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New German-Italian transports

DB Intermodal offers optimum transport solutions for SAE and LKW Walter

SAE Servizi Automobili Autotrasporti operates on an international scale: the Italian transport company has various branches in Italy, Spain and Romania, as well as premises in Troisdorf and Mannheim in Germany.

Despite the crisis, SAE has succeeded in generating new business in Germany. “This success can be attributed first and foremost to our substantial investments in safety,” explains General Manager Andrea Galluzzi. “As a result, we won all the tenders in Germany that we bid for, for example for the Evonik and BASF contracts.”

DB Intermodal and SAE already enjoyed a good working relationship in the past and this will now be expanded. Since November, there have been five SAE “company trains” a week, each carrying 26 road haulage consignments from Cologne to Trento in Northern Italy and vice versa. DB Intermodal provides the traction for these services, marketing is the responsibility of the operators Kombiverkehr and Cemat.

The same is true of the transports for LKW Walter. The Tyrolean transport company is also expanding its cooperation with

DB Intermodal on routes between Germany and Italy. For several years DB Intermodal has already provided the traction for LKW Walter's trains between Cologne and Verona and between Rostock and Verona, with four / six round trips per week. October also saw the start of two round trips per week between Hamburg and Verona.

LKW Walter is one of the leading providers of full-truck transports in Europe. Founded in 1924, the company now has a workforce of approx. 1,200 and carries more than 930,000 full loads per annum.

“These new transports show that we are capable of generating new business even in the present difficult market climate,” says Sylke Hussmann, head of Continental Transport at DB Intermodal, with a smile. “They also prove the significance of the Italian market, which we shall continue to develop.” ■

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Encouraging responsibility



DB Schenker BTT has signed the Responsible Care Commitment – a self-imposed obligation to maintain and develop high safety standards in the transport of chemical products.

Dr. Jörg Hilker (center) with colleagues from the transport sector Ana Bruhn (Bruhn Spedition GmbH) and Frank Simons (GE Simons Internationaal Transport B.V.) signing the Responsible Care Commitment

Anyone who handles dangerous goods is automatically charged with special responsibility. This is particularly true in the chemicals business, where safety has to be guaranteed throughout the entire supply chain. The transport industry does not rely merely on the statutory regulations, but also applies self-imposed standards which go beyond the scope of legal requirements.

1979: derailment of a freight train carrying chemicals in Mississauga, Canada. 200,000 people had to leave their homes for more than a week. At that time, this was the greatest evacuation process that had ever been required in times of peace.

The Mississauga catastrophe triggered debate about the responsible handling of chemicals. In 1985, the “Responsible Care” organisation was set up, initially in Canada. The chemicals companies that signed up voluntarily undertook to make ongoing endeavours to improve safety, health and environmental protection and to issue regular communications about the progress that had been made.

In the meantime, Responsible Care has developed into a worldwide movement and the programme has also been implemented in the European transport and logistics industry since February 2009. The patron in Europe is ECTA, the European Chemicals Transport Association. One of the primary objectives of ECTA is also to achieve continuous improvements to environmental and health protection, quality and efficiency in the transport of chemical products.

At the ECTA meeting held in Berlin on 6 October, Dr. Jörg Hilker, Managing Director of DB Schenker BTT GmbH, was appointed a member of the ECTA Board, taking over that position from Hans-Georg Werner, his predecessor on the BTT Management Board.

Worthwhile investments

That same day, Hilker signed the Responsible Care Commitment on behalf of DB Schenker BTT. “As specialists for the distribution of liquid, gas and pourable goods, we regard it as our duty not only to meet the statutory requirements when transporting sensitive freight, but also to guarantee the best possible safety standards,” explained the BTT Managing Director. “As a member of the ECTA Board, I will contribute my experience of combined transport and single wagonload transport in the interests of ongoing development of safety standards in the European chemicals transport industry.”

Hilker is convinced that Responsible Care does not only pay off for man and the environment: “Capital expenditure in safe and sustainable economic activities is money well invested, as that is the only way the players can achieve profitable growth over the long term.” ■

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Important market with pitfalls

Italy plays a key role in DB Schenker Rail's international strategy and the market shares are rising. However, the Italian market also poses special challenges.

Italy has a population of 60 million and in some ways is a divided country: the greater part of its economic performance is provided in the north of the country, where the region around the business centres of Milan, Turin and Genoa ranks amongst the strongest economic areas in the European Union. The south of Italy, on the other hand, is one of the most structurally weak regions in Western Europe. With a gross domestic product of EUR 2.3 trillion, Italy is the seventh-largest national economy worldwide and holds fourth place in the EU.

Italy's principal trade partner is Germany. Most of the goods imported from other countries to the Mediterranean republic come over the Alps from Germany, with rail achieving almost the same levels as truck transports along these routes. In transports between Italy and other European countries, on the other hand, road haulage accounts for a far higher share than rail. However, the introduction of stricter regulations for the protection of the Alps nature area could well create additional potential for rail transports along the north-south corridor.

Developments inside Italy itself are also generating growth potential. The last available figures state a volume of approx. 85 million tonnes of rail freight per annum, and sales amounting to a good EUR 1 billion. The planned expansion of ports and Railports is likely to lead to a further shift of transports onto rail, which has to date held a share of only around ten per cent in Italy, which tends to favour road haulage.

Market opening still lags behind

Business is not made easy for private railway companies in the Italian market. Although the country played a pioneering role in the introduction of legislation to liberalise the rail market, the 2007 Rail Liberalisation Index places Italy only in 16th place, confirming its below-average performance in that respect. To date, Italy has still failed to implement liberalisation effectively, nor has it introduced sanctions for discrimination against new entrants. "Various RUs have lodged complaints with the competent Italian authorities and the EU and it is hoped that this will promote progress towards achieving genuine liberalisation," comments Dr. Christian Heidersdorf, Head of Business Development Southern Europe at DB Schenker Rail. "To date, however, the state railway Ferrovie dello Stato and its freight and passenger transport subsidiary Trenitalia continue to dominate the market." Their share

of total rail freight performance amounts to approx. 95 per cent. The rest is divided amongst external RUs, with DB Schenker Rail – including its affiliates Nordcargo and Rail Traction Company – accounting for roughly ten per cent of the total market.

Development of the Italian rail freight market is also obstructed by the state of its infrastructure. With a length of almost 20,000 kilometres, the rail network is substantially shorter than in Germany. Apart from a few modern lines, the infrastructure is outdated and the single wagonload transport network is in the process of being severely scaled down.

Raising market share, increasing own production

Despite all these difficulties, Italy is nonetheless one of the most important foreign markets for DB Schenker Rail. Together with its partner companies, DB Schenker Rail transported 25 million tonnes of freight on Italian routes in 2008. Combined transport accounted for a share of two thirds of that figure and in the wagonload segment, the Coal and Steel and the Construction Materials/Consumer Goods Market Units have the highest volumes.

"We shall continue to win further market shares by offering flexible full-service logistics packages of a high quality standard," says Heidersdorf. "We are able to do so thanks to our own activities as DB Schenker Rail Italia and with the help of efficient partner companies and affiliates for handling business in Italy and Alpine transit traffic." For example, DB Schenker Rail Italia, which evolved from the SFM company purchased in 2004, offers continuous production right through to the north-west of Italy. Its stake in Nord-Cargo, which is to be increased to 60 per cent in 2010, also strengthens the company's position in both the domestic and international transport markets. DB Schenker Rail Italia Services attends to customer support on behalf of DB Schenker Rail Deutschland in Italy and is responsible for organising logistics services in cooperation with the Railports. DB Schenker Rail also uses the Railports of Desio, Turin, Castelguelfo and Anagni to provide services for customers who do not have their own rail sidings. The DB subsidiaries Schenker Italiana and Hangartner offer comprehensive logistics packages and forwarding services. To handle transit through Switzerland, DB Schenker Rail cooperates with BLS Cargo, in which it holds a share of 45 per cent. For transit through Austria to Italy, the company works in cooperation with Lokomotion/Rail Traction Company and with Rail Cargo Austria/Trenitalia.

Despite the fact that DB Schenker Rail is active in the Italian market, Trenitalia remains an important partner. Nevertheless, in 2008 DB Schenker Rail produced roughly 40 per cent of total traffic with its own Italian affiliates; in the 2009/2010 timetable, that share is to be raised to approx. 50 per cent.

Producing its own transport services enables DB Schenker Rail to offer its customers in Italy various benefits. In many segments, for instance, it has substantially reduced the journey times. The provision of customer support for the Italian customers from the Customer Service Centre in Duisburg has also made order placement and processing very efficient and customer friendly. Moreover, integrated production enables continuous punctuality monitoring as well as route transparency, so that remedial measures can be instigated immediately in case of operational disruptions.

"We plan to expand our position in Italy, raise our market share and offer more non-stop transports from Germany to many destinations in Italy," added Heidersdorf "This will benefit both Italian customers and German customers in Italy." ■

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Milan (top), Tuscany (bottom): Italy is one of the major foreign markets for DB Schenker Rail. 25 million tonnes of freight were transported to and from Italy in 2008. DB Schenker Rail is set to achieve further growth with its own activities and strong partnerships in Italy and in Alpine transit.



Short decision-making processes

Chairman

DB Schenker Rail
Dr. Alexander Hedderich



**Deutschland/
Region Central**

DB Schenker Rail
Dr. Alexander Hedderich



Region West

DB Schenker Rail
Keith Heller

Production

DB Schenker Rail
Dr. Christian Kuhn



Sales Management

DB Schenker Rail
Karsten Sachsenröder



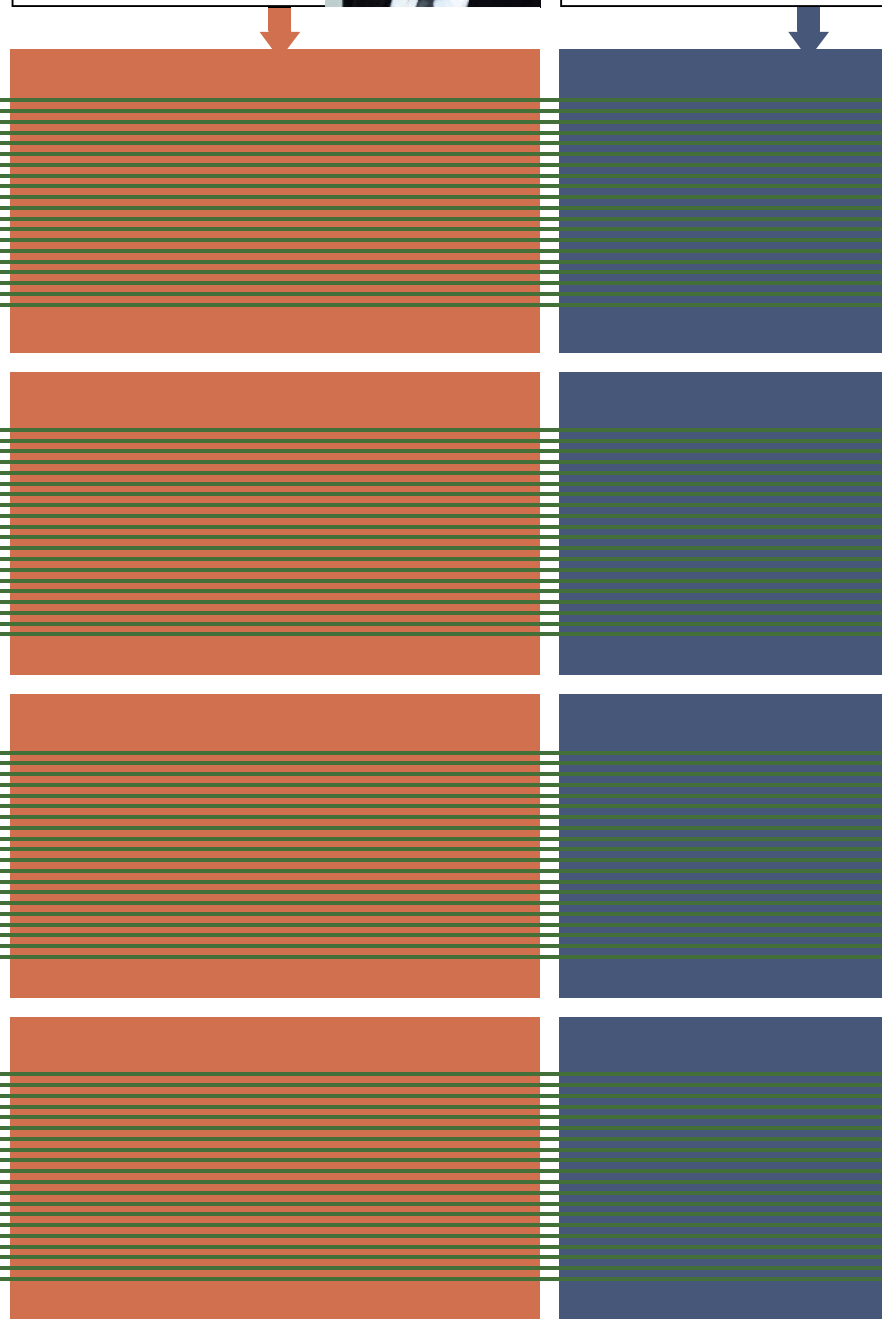
Finance/Controlling

DB Schenker Rail
Matthias Reichel



Human Resources

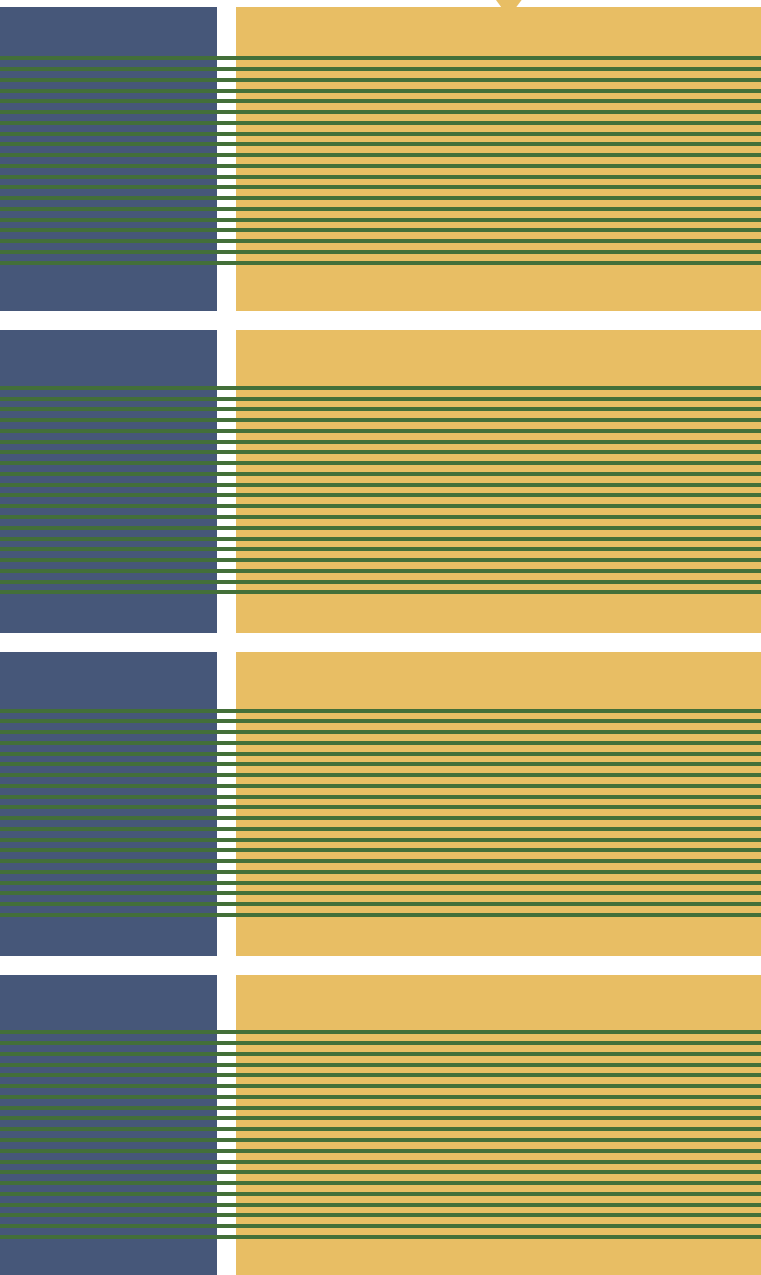
DB Schenker Rail
Dr. Rudolf Müller



DB Schenker Rail is getting ready for the future with a leaner organisation and new allocation of responsibilities



Region East
DB Schenker Rail
Hans-Georg Werner



Subject to the approval of the Supervisory Board and the co-determination bodies, DB Schenker Rail will have a leaner management and organisational structure with effect from 1 January 2010. “The present economic situation calls for a lean organisation with clear allocation of responsibilities for profit and loss and short decision-making processes. We have to restore the balance of DB Schenker Rail, especially in Germany, in terms of both operating and economic performance,” commented Dr. Alexander Hedderich, Chairman of DB Schenker Rail. “The innumerable activities of the company throughout Europe have to be linked up to form a proper network in order to provide benefits for our customers and create the basis for economic success. A streamlined management structure and the clear allocation of responsibility for profit and loss at the company are essential if we are to achieve these objectives.”

The previous organisational logic of DB Schenker Rail will fundamentally be retained, but will be simplified at Business Unit level. Under the new regime, the Business Units will still consist of three regional Business Segments “Germany/Region Central”, “Region West” and “Region East”, and four Business Unit functions - Sales, Production, Human Resources and Finance, which will be managed at European level. In the new structure, the previous Automotive and Intermodal Business Segments will be integrated in the European and German sales organisations. In future, Intermodal will be managed by Karsten Sachsenröder, Member of the Management Board for Sales, who will also retain overall responsibility for sales in Europe and Region Central. The plan to develop an independent CT railway at Intermodal will no longer pursued. Axel Marschall will remain in charge of Automotive Europe. Profit and loss will now be the responsibility of the individual companies which are allocated to the regions.

Parallel to the structural reorganisation, there will be further changes to the management of the Business Unit and the Segments. Alexander Hedderich, head of the Business Unit, will now also be responsible for the Germany/Region Central Segment. Hans-Georg Werner, currently head of Intermodal, will take over the management of Region East, while Region West will remain the responsibility of Keith Heller. The function of Production Manager, both on the European Management Board and also in the Germany/Region Central Business Segment, will be held by Dr. Christian Kuhn. “Stabilising production in Germany and designing the European production network are key strategic tasks. Thanks to Christian Kuhn’s extensive experience, we have every confidence that he will be able to handle them successfully,” explains Alexander Hedderich.

The customer support agents for DB Schenker Rail’s customers will remain the same as in the past. ■

Photos: DB AG/Railion; DB AG/Pablo Castagnola; DB AG/Marc Darchinger; DB AG/Straun Flannery; DB AG/Max Lautenschläger



New rules

DB Schenker Rail will adjust its prices and terms for customers at the start of 2010. More flexible cancellation conditions will be introduced.

New prices and terms will come into force at DB Schenker Rail Deutschland as from 1 January 2010. „In view of the present economic situation and the emergent slight economic recovery, we have to raise our prices in order to protect our capacity for financial action and investments,“ explained Hendric Fiege, head of Marketing at DB Schenker Rail.

The freight rates in the General Price List (GPL), the locomotive freight rates (station-internal freight rates), the service charges and no-load rates will be raised by 3.1 per cent. This 3.1-per-cent increase will also apply to the surcharges for exceptional consignments. RIV charges will be raised by an average of two per cent, whilst demurrage charges will remain unchanged.

Cancellation fees for block trains will increase by an average of five per cent, accompanied by changes to the ordering and cancellation periods. “In the past, a cancellation fee has been payable

if the train was cancelled after 10:00 h on the Thursday of the week preceding the travel date,“ stated Fiege. “Under the new rules, no fee will be payable for cancellations made up to the fourth calendar day before the travel date. Cancellations made after that date will now be governed by a new system of flexible and graduated periods.“

The price adjustments for freight will also be reflected in margin agreements based on GPL rates in those accounting systems with percentage surcharges/discounts. The prices and conditions of DB Schenker Rail Deutschland AG can be downloaded from www.dbschenker.com/de/rail/alb.

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Cancellations can be made free of charge up to the 4th day before the travel date. Fees for cancellations made after that date increase in increments of up to 5%. The order periods are adjusted on the same principle, from the Thursday of the week preceding the travel date to 13:00 h on Day 4.

Prices and Terms 2009	
Cancellation fees	
< 200 km	1,298 €
> 200 km	2,595 €
> 400 km	3,892 €

**increase
+ 5 per cent**

Cancellation periods	
< Thu of previous week, 10:00 h	100 per cent
> Thu of previous week, 10:00 h	free of charge

**Flexible,
graduated
period**

Prices and Terms 2010	
Cancellation fees	
< 200 km	1,363 €
> 200 km	2,725 €
> 400 km	4,087 €

Cancellation periods ¹	
< Day 2, 13:00 h	100 per cent
< Day 4, 13:00 h	50 per cent
> Day 4, 13:00 h	free of charge

The Prices and Terms of DB Schenker Rail Deutschland AG are available on the Internet at www.dbschenker.com/de/rail/alb

Reliable information

The new tracking & tracing tool means that DB Schenker BTT's customers know the exact status and expected time of arrival of their shipments.



Search

Customer: Search for: From (DDMMYY): To (DDMMYY):

Station of departure: Country of departure:

Station of arrival: Country of arrival:

Event type: Status: Transport state:

Search for reference no.:

Display number of shipments per website:

Results

Number of shipments: 72 (1 - 72)

Status	Loading reference / ZAB no.	Customer	Wagon no.	UIC number / Product name / Product synonym	Transport state	Shipping station / Start of Transport	Current station / Planned date / Actual date	Consignee station / ETA
	XXXXXX	XXXXXX	308091400020		checked	18.11.2009	17.11.2009 12:06:56 17.11.2009 12:00:00	18.11.2009

The Tracking & Tracing tool provides customers with up-to-date information about the whereabouts of the consignment at any time and calculates a reliable estimated time of arrival (ETA).

Planning reliability is a key criterion for transport quality. Single wagonloads are integrated in a complex system which enables inexpensive and yet reliable carriage, even for small transport quantities. DB Schenker BTT has developed a professional tracking & tracing tool which enables customers to plan their activities exactly at any time. Customers can access this additional service online at www.btt-gmbh.de to obtain reliable and up-to-date information about the status of their national and international shipments. "We offer our customers not only system-generated location data, but also check the plausibility of that data," explains Hartmut Elster, head of Rail Car Management at DB Schenker BTT. "Integrated timetables provide the customer with reliable expected times of arrival, which is essential information to enable them to plan correctly in case of disruptions." The tool can also be used to generate statistics for the individual customers, such as turnaround times or punctuality rates. This data helps customers optimise their logistics processes.

Faster responses

The tool not only provides more transparency for the customer, but also enables the DB Schenker BTT transport monitoring staff to respond faster and more effectively. For instance, DB Schenker BTT monitors time-critical single wagonload shipments from France to Germany. In case of any deviation from schedule, it initiates remedial action hand in hand with the Customer Service Centre and proactively informs the customer.

Since July, DB Schenker BTT has also handled block train transports between Alsace and the ports of Antwerp and Rotterdam. As the freight continues its journey by ship, compliance with the timetable is vital. DB Schenker BTT monitors the entire route and, in case of deviations, comes up with solutions at short notice in consultation with DB Schenker Rail. ■

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Training in Zeitz:
Firefighters learn how to
deal with tank wagons
and what to do with
dangerous cargo in case
of emergencies.

No fear of tank wagons

DB Schenker BTT transports bioethanol on behalf of CropEnergies AG. Firefighters are given training in how to cope with potentially hazardous situations.

Bioethanol simultaneously provides an answer to various global challenges: the fuel is made from renewable agricultural raw materials and can therefore help to redress the scarcity of fossil energy sources facing us over the medium term. The carbon dioxide released during combustion is already bonded to the plants used to produce the fuel, so that apart from the energy required during the production process, the use of bioethanol is climate-neutral.

However, bioethanol is by no means a new invention and even Henry Ford already predicted that this plant-based fuel would play an important role in the future of motoring. In the 1970s, the Brazilians successfully began to produce bioethanol and develop suitable engines. There has also been a sharp increase in the US market for bioethanol in recent years. In Europe, it has been subsidised since 2003. Pursuant to the Renewable Energy Directive of June 2009, the transport sector in the EU will be obliged to use renewable energies for ten per cent of its total energy consumption by the year 2020. This has led to substantial growth in consumption quantities every year.



Passing on knowledge

Bioethanol, on the other hand, is highly flammable and consequently rated as a dangerous substance. CropEnergies AG, which operates the largest bioethanol plant in Europe through its subsidiary CropEnergies Bioethanol GmbH in Zeitz, in Saxony-Anhalt, accordingly entrusts its transports to the expertise of DB Schenker BTT. The BTT rail car forwarding department organises the transports to destinations in Germany and other European countries. Safety and compliance with the Responsible Care[®] regulations (cf. article in this magazine) take top priority.

“To us, Responsible Care also means that we do not keep our knowledge to ourselves, but pass it on to everyone else who is responsible for safe processes,” explains Hartmut Elster, head of Rail Car Forwarding at DB Schenker BTT. On 11 September, DB Schenker BTT therefore helped to organise a training course for the voluntary fire brigades in Zeitz and the surrounding area. BTT provided tank wagons for demonstration purposes. Two employees of BTT and VTG informed the firefighters about the meaning of the inscriptions on wagons carrying dangerous goods, pre-



Ahead of schedule

The reorganisation of the DB Schenker Rail subsidiary in Romania and Bulgaria as an efficient rail operator is now complete.

2009 a growth year? What may be no more than wishful thinking for most people in the rail freight business is actually reality at DB Schenker Rail in Romania and Bulgaria.

The reorganisation of the DB Schenker Rail subsidiary Logistic Services Danubius (LSD) began when the "Phoenix" project was launched at the beginning of this year. The objective was to transform the company from a provider of solely industrial marshalling services into an international rail freight operator.

Eleven months later, the project has already made good progress: DB Schenker has supplied LSD with 18 additional main-line locomotives, set up new business processes and structures, and appointed a new management. LSD meanwhile has a safety licence for the entire Romanian line network as well as a transit licence for Bulgaria.

Even while the reorganisation process was still far from completion, LSD succeeded in winning numerous new orders. It is expected to surpass the planned figures for 2009 by roughly a quarter, so that LSD's earnings were actually up year-on-year. "Other rail freight operators can only dream of results like that in this year of crisis," explains Reinhard Bamberger, Managing Director of LSD. "Our customers are companies who have already opted for DB Schenker Rail in other countries, including leading international businesses such as HeidelbergCement and its Romanian subsidiary Carpatcement, Lafarge, a producer of construction materials, Aurubis, the largest producer of copper in Europe, and also the world's leading steel producer, Arcelor Mittal."

The reorganisation is intended to build up LSD into an international player. The company has already signed agreements concerning takeover at the border with the principal railways in Hungary and with the Serbian state railway. Since September, LSD has offered customers two train connections a day from Romania to Serbia. The hive-off of the Bulgarian branch into a separate company entitled "DB Schenker Rail Bulgaria EOOD" is to be completed by the end of the year and first transports in Bulgaria are already planned for 2010.

"The reorganisation of LSD will enable us to offer our customers transports with our own traction stock in south-east Europe in the quality they have come to expect in other countries," sums up Mathias Leiner, Phoenix Project Manager at DB Schenker Rail. "The success we have achieved in Romania in 2009 proves just how much demand there is for top quality service in the region of south-east Europe."

sented both routine and special tasks involved in the loading and discharge of tank wagons, explained how to deal with leaks in case of accidents and what processes have to be observed during the transshipment of dangerous goods. During the second part of the event, the firefighters were shown a video presenting the construction and functions of the tank fittings. The initial explanations were then elucidated by cross-sections and schematic diagrams of the various fittings. This included, for example, a clear explanation of how the emergency bolts on different kinds of bottom valves work.

"After attending this training course, many of the firefighters were no longer so apprehensive about operating tank wagons," said Elster. "We believe we have made a major contribution towards safe railway operations and are therefore planning more events of this kind for the future."

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Target: Number 1

Deutsche Bahn has acquired a majority stakeholding in PTK, further strengthening DB Schenker Rail's position in the Polish rail market.

Poland is the second-largest rail market in the European Union. Only in Germany are higher quantities of freight carried on rail. Deutsche Bahn is now expanding its position in the neighbouring country and has acquired the majority share in PTK Holding S.A., one of the most highly productive private railway undertakings in Poland.

Deutsche Bahn had already indirectly acquired a stakeholding in PTK earlier this year following the takeover PCC Logistics and is now increasing its stake to 95 per cent. "This acquisition is the logical next step, as PTK fits in perfectly with our portfolio and will enable us to expand and develop our rail freight activities in Poland," states Dr. Christoph Wolff, who is responsible for Region East at DB Schenker Rail. "This move will take us a good step closer to our target of becoming the number one rail freight operator in Poland."

Last year, PTK earned around EUR 90 million with its workforce of approx. 2,000, one hundred diesel and electric locomotives and 2,500 freight wagons. The company specialises in supplying coal mines and power stations and offers a comprehensive range of transport and logistics services, including international rail transports between Poland and the neighbouring countries of Ukraine and Belarus to the east. "PTK was one of the pioneers in simplifying border-crossing processes in Eastern Europe," adds Wolff. "Its expertise and good connections will help us close more of the gaps in our European network."

This acquisition also means that Deutsche Bahn is now co-owner of the freight terminal in the port of Swinoujscie (Swinemünde), in which PTK holds a share of more than 40 per cent. Takeover of the Polish company also includes 22 per cent share in the logistics centre at Gliwice, Silesia, where it operates a container terminal.

"What makes the Polish market so attractive is not only its size, but also its immense potential for an operator who offers a range of new products geared to the customers' requirements," sums up Wolff. "The takeover of PCC and PTK means we can now offer our customers in Poland and other European countries new services and transport solutions." ■

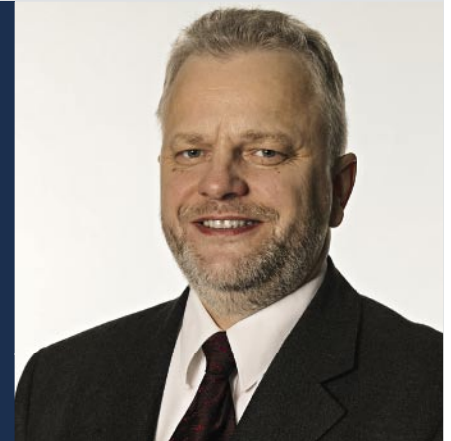
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Under a joint flag

The Polish railway undertakings PCC Logistics and PTK Holding S.A. are now part of the large DB Schenker network. This will be visibly communicated to the market by means of a standard brand presentation as DB Schenker or DB, backing up the internationalisation and networking aspects of the DB Group strategy. The rebranding process for PCC, which will involve placement of the "DB Schenker" and "DB" brands on the company's buildings, infrastructure, office equipment and communication materials, has already been initiated and is scheduled for completion by January 2010. The logos on the rolling stock will be exchanged over the course of the next three years. The "DB" logo will be used in company names where market-neutral branding is necessary, such as ports. PCC Port Szczecin, for instance, has already been renamed "DB Port Szczecin".

The switchover to the new brands and change of name of the other Polish companies will be effected step by step. The most recent example is PCC Rail S.A., which now operates under the name of DB Schenker Rail Polska S.A.

The rebranding process for PTK Holding S.A. is currently being defined and will be implemented as soon as possible.



Jörg Siedenbiedel has been head of the Deutsche Bahn General Agency for the CIS in Moscow for 18 years.

A new year begins: fireworks over Moscow.



Wind of Change

Jörg Siedenbiedel, head of the Deutsche Bahn General Agency for the CIS, was on the spot in Moscow to witness the birth of democracy

My work in Moscow began on 1 April 1991. Despite the date, nobody was in the mood for April fool jokes, as the atmosphere was tense in those days, when the President's supporters and the traditionalists faced each other with no hope of reconciliation. Just six months later, when the parliament building came under fire, we experienced the climax of the conflict – and the birth pains of democracy.

Even if the Soviet Union has meanwhile disintegrated, Moscow still remains the centre of a huge empire. Our working territory, the Community of Independent States, covers two continents, eleven time zones and almost every climate zone in the world. The temperatures we have to live with here range from minus 50 to plus 45 degrees Celsius.

But these are not the only reasons why this region is very special for railwaymen. Trains have to run under the most extreme conditions here – and they run everywhere. In Russia, rail accounts for a gigantic share of 80 per cent of all freight traffic.

The other dimensions are equally gigantic. Enormously heavy Russian freight trains weigh up to 8000 gross tonnes. One single operations centre in Moscow, as huge and futuristic as any space centre, controls the entire line network of the state railway RZD. The network is 85,000 kilometres long – i.e. more

than twice the length of the equator.

The countless nations that make up the CIS have now rediscovered their national identities. But no matter where you go, hospitality is a central element of all these different cultures. I have had the pleasure of discovering that the people of Eastern Europe and Central Asia know how to live – and have also learned to appreciate many of their traditions myself. The Siberian winter, for instance, is made not only bearable, but actually enjoyable thanks to the banya, the Russian steam bath. After sweating, you cool down in the metre-high snow and finish off the entire experience with an ice-cold vodka and some rye bread, bacon and cloves of garlic. A totally different but no less agreeable experience are the choihonas, the Uzbeki tea-rooms, in summer. What better way to end the working day than to relax and listen to the bird-song in a sweet-smelling garden with a glass of green tea and a lamb kebab.

The region will still have to cope with many changes in future – but there is no going back. This was brought home to me on New Year's Eve, which I spent on Red Square together with my wife and some friends. Watching the skaters glide over the ice to the strains of a waltz and noting the mulled wine that was served with the piroshki, it suddenly hit me that the East had arrived in the West.

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