Mobility
Networks
Logistics

ECONOMIC

SOCIAL

ENVIRONMENTAL

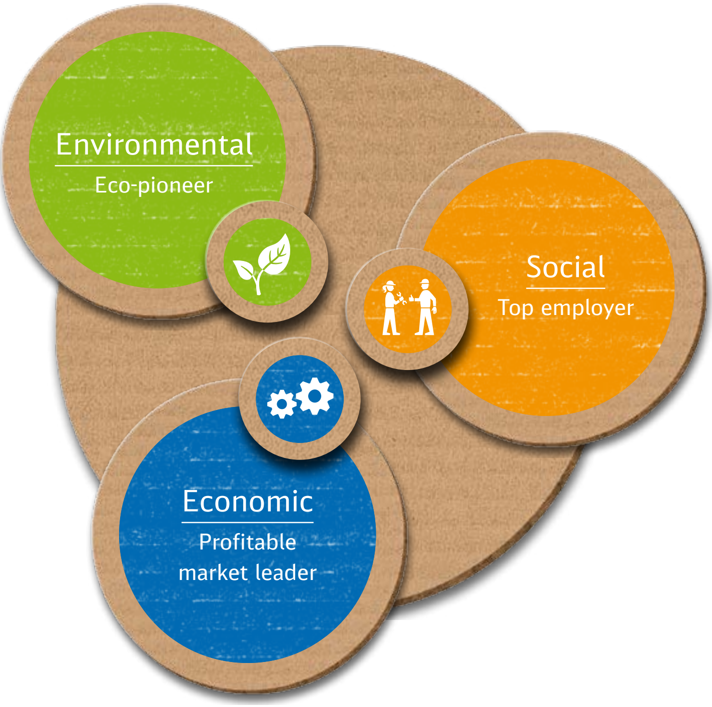
Deutsche Bahn

Interim Report January–June 2015

Integrated thinking. Sustainable action. Long-term success.

DB2020 STRATEGY

OUR THREE DIMENSIONS



OUR FOUR STRATEGIC DIMENSIONS

CONTENTS

AT A GLANCE

SELECTED KEY FIGURES	H1 2015	H1 2014	Change absolute	Change %
FINANCIAL FIGURES (€ MILLION)				
Revenues adjusted	20,000	19,734	+266	+1.3
Revenues comparable	19,510	19,719	-209	-1.1
Profit before taxes on income	358	570	-212	-37.2
Net profit (after taxes)	391	642	-251	-39.1
EBITDA adjusted	2,374	2,554	-180	-7.0
EBIT adjusted	890	1,088	-198	-18.2
Non-current assets as of Jun 30, 2015/Dec 31, 2014	46,572	45,530	+1,042	+2.3
Current assets as of Jun 30, 2015/Dec 31, 2014	9,820	10,353	-533	-5.1
Equity as of Jun 30, 2015/Dec 31, 2014	15,331	14,525	+806	+5.5
Net financial debt as of Jun 30, 2015/Dec 31, 2014	17,611	16,212	+1,399	+8.6
Total assets as of Jun 30, 2015/Dec 31, 2014	56,392	55,883	+509	+0.9
Capital employed as of Jun 30	35,035	33,604	+1,431	+4.3
Return on capital employed (ROCE) (%)	5.1	6.5	-	-
Redemption coverage (%)	18.2	20.2	-	-
Gearing (%)	115	109	-	-
Net financial debt/EBITDA	3.7	3.2	-	-
Gross capital expenditures	3,366	3,414	-48	-1.4
Net capital expenditures	1,633	1,847	-214	-11.6
Cash flow from operating activities	1,338	1,865	-527	-28.3
KEY PERFORMANCE FIGURES				
Passengers (million)	2,141	2,171	-30	-1.4
RAIL PASSENGER TRANSPORT				
Punctuality rail passenger transport in Germany (%)	94.6	95.6	-	-
Passengers (million)	1,098	1,113	-15	-1.3
thereof in Germany	985	1,001	-16	-1.6
Volume sold (million pkm)	42,159	42,860	-701	-1.6
Volume produced (million train-path km)	368.4	378.7	-10.3	-2.7
RAIL FREIGHT TRANSPORT				
Freight carried (million t)	150.9	166.7	-15.8	-9.5
Volume sold (million tkm)	48,912	52,019	-3,107	-6.0
RAIL INFRASTRUCTURE				
Punctuality DB Group (rail) in Germany (%)	94.4	95.5	-	-
Train kilometers on track infrastructure (million train-path km)	517.9	517.2	+0.7	+0.1
thereof non-Group railways	141.5	127.3	+14.2	+11.2
share of non-Group railways (%)	27.3	24.6	-	-
Station stops (million)	74.3	73.8	+0.5	+0.7
thereof non-Group railways	15.5	14.2	+1.3	+9.2
BUS TRANSPORT				
Passengers (million)	1,043	1,058	-15	-1.4
thereof long-distance bus	0.7	0.5	+0.2	+40.0
Volume sold [1] (million pkm)	4,091	4,198	-107	-2.5
thereof long-distance bus	176.5	162.8	+13.7	+8.4
Volume produced (million bus km)	808.2	798.0	+10.2	+1.3
FREIGHT FORWARDING AND LOGISTICS				
Shipments in European land transport (thousand)	50,862	48,985	+1,877	+3.8
Air freight volume (export) (thousand t)	545.8	540.0	+5.8	+1.1
Ocean freight volume (export) (thousand TEU)	953.8	988.1	-34.3	-3.5
OTHER FIGURES				
Order book passenger transport as of Jun 30, 2015/Dec 31, 2014 (€ billion)	83.7	84.2	-0.5	-0.6
Rating Moody's/Standard & Poor's	Aa1/AA	Aa1/AA	-	-
Employees as of Jun 30, 2015/Dec 31, 2014 (FTE)	296,972	295,763	+1,209	+0.4
Share of women in Germany as of Jun 30, 2015/Dec 31, 2014 (%)	22.8	22.8	-	-

[1] *Excluding DB Arriva.*

DR. RÜDIGER GRUBE
CEO AND CHAIRMAN OF THE
MANAGEMENT BOARD
OF DEUTSCHE BAHN AG

Dear Ladies and gentlemen,

We were able to end the longest and most consequential wage dispute in the history of DB Group, literally at the last minute, in the first half of the year. On the morning of July 1, after five weeks of arbitration talks, the arbitrators Matthias Platzeck and Bodo Ramelow announced what is certainly the most important news of this year for all rail passengers in Germany, our business partners and our employees. We reached an acceptable compromise in the wage dispute with the GDL.

We achieved our target of holding out for equivalent collective agreements within the same occupational group for members of different trade unions. We made groundbreaking progress with an agreement that binding arbitration can already be invoked at an early stage in future wage negotiations, as soon as either of the two negotiating partners wish to do so. There must not be and hopefully will not be any more strike waves with work stoppages of over 350 hours in passenger transport and more than 400 hours in rail freight transport.

The strikes demanded much patience from our customers, sapped all sorts of strength from our employees and cost the company vital revenue. The economic damages in 2014 and 2015 were a total of about 500 million euros which are, of course, missing from profits.

However, under these difficult conditions we were able to increase revenues slightly by 1.3 percent to 20 billion euros. Operating profits of 890 million euros did not meet our expectations, even if it would have been about one-third higher without the strikes and the, at times, severe impacts due to storms in January and March.

It is a fact that competitive pressure in all business units continues to grow and our core business, the railway in Germany, must absorb increasing burdens. The EEG surcharge alone has quadrupled since 2012 to 160 million euros per year today.

With a new corporate structure, we are getting Deutsche Bahn in shape to meet market demands in the digital age.

We are therefore now giving full attention to our competitiveness and specific improvements in services for our customers. Digitalization is therefore one focus. We are also improving the efficiency of our processes through our 4.0 initiatives.

At the same time were are conducting a cost-savings program in Group management as well as restructuring. We want to become leaner, faster, more efficient and even more customer-focused. A reconstruction of the DB Group accompanied the start of the digital age.

A competitive portfolio and efficient structures are now the most important prerequisites to lead Deutsche Bahn into a successful future. We are working toward this intensively and fervently together as the DB Family.

Sincerely yours

Dr. Rüdiger Grube
CEO and Chairman
of the Management Board
of Deutsche Bahn AG

MAJOR EVENTS

ECONOMIC

LuFV II in effect

The new PERFORMANCE AND FINANCING AGREEMENT (LEISTUNGS- UND FINANZIERUNGSVEREINBARUNG, LUFV) II [PAGE 42], the regulations for financing of the existing network until 2019, took effect on January 1, 2015.

DB Arriva wins transport contract in Limburg

DB Arriva was awarded a contract by LIMBURG PROVINCE [PAGE 33] with a term of 15 years and a value of over € 2 billion for the operation of local public transport.

Mobility and logistics partner of Expo Milano

DB Arriva is the official mobility partner of this year's Expo in Milan, which has been open since May 2015. The six-month contract has a value of over € 11 million. Along with the operation of a shuttle transport service and coordination of ticket sales, DB Arriva also manages parking areas. More than 20 million visitors are expected. DB Schenker Logistics supports Expo 2015 as a "Smart Logistics Supplier and Provider" with intelligent logistics solutions.

DB Schenker Logistics opens terminal in Finland

In early June 2015, DB Schenker Logistics opened a new, environmentally exemplary LOGISTICS TERMINAL IN FINLAND [PAGE 38] covering an area of just under 51,000 m².

Shared Service Center for accounting opened

In early 2015 we opened the Berlin and Bucharest locations of the new Shared Service Center (SSC) for accounting. The SSC pools the accounting of all German and European DB locations and increases efficiency and quality through standardized processes. We will open a third SSC location in Manila in 2016 for DB locations outside of Europe.

New marketing campaign: "This time belongs to you."

We started our new cross-media marketing campaign in April 2015 with the slogan "This time belongs to you." The campaign highlights the advantages of rail travel, particularly the gain in travel time that can be used as one likes. In addition, we set up the online portal www.bahn.de/deinezeit, in which our customers can publish posts about what they do with their time when traveling on the train.

SOCIAL

Collective bargaining agreements achieved

After long, and in part difficult, collective bargaining, we were able to successfully conclude the 2014/2015 collective bargaining round with the RAILWAY AND TRANSPORT WORKERS UNION (EISENBAHN- UND VERKEHRSGEWERKSCHAFT; EVG) [PAGE 24] and the GERMAN TRAIN DRIVERS' UNION (GEWERKSCHAFT DEUTSCHER LOKOMOTIVFÜHRER; GDL) [PAGE 24].

Employer branding campaign continued

We continued our employer campaign, "A JOB LIKE NO OTHER" [PAGE 23] with the focus on the target groups of school students, skilled workers and IT specialists.

Cultural change continued

In the first half of 2015, we began the FOLLOW-UP PROCESS TO THE EMPLOYEE SURVEY 2014 [PAGE 23]. Group-wide 5,046 teams with nearly 65,000 employees throughout DB Group participated in the follow-up workshops. Agreement was reached on over 13,000 measures, which will now be implemented successively.

ENVIRONMENTAL

Progress made in noise reduction

The REFITTING OF FREIGHT TRAINS [PAGE 25] with quiet brake shoes is proceeding according to plan. In addition, we have opened the "InfoPunkt Lärmschutz," another INFORMATION AND DIALOG OFFER [PAGE 25] at the Heinrich Hertz Institute in Berlin.

Second green station under construction

After the first GREEN STATION [PAGE 25] was opened in Kerpen-Horrem in North Rhine-Westphalia in June 2014, we have begun construction on the second green station in Lutherstadt Wittenberg.

Increasing numbers of low-emissions vehicles in service

We are constantly reducing the pollutant emissions of our vehicles in order to make a contribution to air quality control. DB Bahn Regional Bus has, for example, begun operating the 555TH BUS WITH THE ENVIRONMENTALLY FRIENDLY EURO VI ENGINE [PAGE 26], and DB Arriva will operate THE FIRST ELECTRIC BUS LINE IN LONDON [PAGE 26] beginning in September 2015.

INTERIM GROUP MANAGEMENT REPORT (UNAUDITED)

OVERVIEW

Developments in the first half of 2015 strongly affected by strikes
Structural topics tackled particularly in German business
Group program for higher profitability shall secure the achievement of DB 2020 targets

ECONOMIC

SELECTED FINANCIAL KEY FIGURES [€ MILLION]	H1		Change	
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Ocean freight volume (thousand TEU)	953.8	988.1	-34.3	-3.5

[1] *Excluding DB Arriva.*

Development was restrained in Deutsche Bahn Group (DB Group) in the first half of 2015, especially as a result of the GDL STRIKES [PAGE 24]. The ECONOMIC ENVIRONMENT [PAGE 6 FF.] was weaker than expected. It tended to develop positively, but without a large impetus for our rail business. Our MARKET AND COMPETITIVE ENVIRONMENTS [PAGE 6 FF.] remained just as challenging or became even more challenging. There were also significant weather-related restrictions in rail transport as there had been in the first half of 2014. Performance declined on the whole. In our international transport and logistics business, contract logistics grew dynamically.

This also affected the ECONOMIC PERFORMANCE [PAGE 14 FF. AND 27 FF.]. The slight growth in revenues was based on exchange rate effects and our international activities. Operating profit declined noticeably as a result of the strikes and additional costs. The KEY VALUE MANAGEMENT FIGURES [PAGE 18 F.] developed negatively.

PUNCTUALITY [PAGE 14] in rail passenger transport in the first half of 2015 was below the level of the first half of 2014. We continued our CUSTOMER AND QUALITY INITIATIVE [PAGE 14 F.], among other programs, to improve service quality.

SOCIAL

We made progress toward our target of becoming a TOP EMPLOYER in the first half of 2015. In order to improve our appeal as an employer, we have continued our EMPLOYER CAMPAIGN [PAGE 23] "A job like no other," among other measures.

With our initiative "WORKING ENVIRONMENTS 4.0" [PAGE 23] we want to always give thought to digitalization in our strategy and actively shape the future working environment.

We were able to conclude the COLLECTIVE BARGAINING NEGOTIATIONS [PAGE 24] with our collective agreement partners.

ENVIRONMENTAL

As an ECO-PIONEER, DB Group wants to set benchmarks with its products for efficient use of available resources. We want to expand our leading environmental position by increasing material and resource efficiency and reducing CO_2 and noise.

At present we are working on developing a new target for the contribution of DB Group to CLIMATE PROTECTION [PAGE 25]. Environmental aspects are always incorporated into the construction of new MAINTENANCE FACILITIES, TERMINALS OR STATIONS [PAGE 25].

The refitting of our freight cars with WHISPER BRAKES [PAGE 25] continues to proceed according to plan.

For our vehicle fleet, we are making good progress in REDUCTION OF POLLUTANT EMISSIONS [PAGE 26].

ASSESSMENT OF THE ECONOMIC SITUATION

The performance of DB Group was unsatisfactory even taking into account strike effects in the year to date. We consider ourselves as continuing to be faced with comprehensive structural challenges in the areas of market, competition and cost structures. In addition, economic impetus has developed weaker than anticipated. The Management Board has reacted to this and developed a new GROUP PROGRAM PROFITABLE GROWTH [PAGE 5] as well as a comprehensive GROUP RESTRUCTURING [PAGE 49].

We are continuing with the consistent implementation of our strategy DB2020. We want to be a PROFITABLE MARKET LEADER, TOP EMPLOYER and ECO-PIONEER. Our overarching target is to ensure that the targets of our strategy DB 2020 will be met.

Despite the restrained growth in the first half of 2015, taking into account the measures introduced, our assessment of the economic situation of DB Group continues to be positive.

CHANGES IN DB GROUP

Changes in the Executive Bodies

There were no changes to the Management Boards of Deutsche Bahn AG (DB AG) or DB Mobility Logistics AG (DB ML AG) in the first half of 2015.

The following changes to the Supervisory Board of DB AG took place in the first half of 2015:

- The terms of the following persons elected by the Annual General Meeting: Christoph Dänzer-Vanotti, Dr. Jürgen Großmann, Kirsten Lühmann, Professor Dr. Knut Löschke, Dr. Jürgen Krumnow, Dr. Heinrich Weiss and Professor Dr. Dr. Utz-Hellmuth Felcht, as well as the terms of the following persons appointed by the Federal Government: State Secretary Michael Odenwald from the Federal Ministry for Transport and Digital Infrastructure (Bundesministerium für Verkehr und digitale Infrastruktur; BMVI), State Secretary Dr. Thomas Steffen from the Federal Ministry of Finance (Bundesministerium für Finanzen; BMF) and Parliamentary Secretary Brigitte Zypries from the Federal Ministry of Economics and Energy (Bundesministerium für Wirtschaft und Energie; BMWi) ended at the conclusion of the Annual General Meeting on March 18, 2015, which passed a resolution approving the activities of the Supervisory Board for the 2014 financial year.
- The Annual General Meeting elected Professor Dr. Dr. Utz-Hellmuth Felcht, Dr. Michael Frenzel, Dr. Jürgen Großmann, Dr. Ingrid Hengster, Professor Dr. Susanne Knorre, Dr. Jürgen Krumnow and Kirsten Lühmann, effective March 18, 2015, to the Supervisory Board of DB AG for a term until the conclusion of the Annual General Meeting that passes a resolution approving the actions during the fourth financial year following the start of their term.
- Parliamentary Secretary Steffen Kampeter (BMF), State Secretary Michael Odenwald (BMVI) and Parliamentary Secretary Brigitte Zypries (BMWi) were appointed to the Supervisory Board of DB AG by written notice dated March 5, 2015.
- Vitus Miller stepped down from the Supervisory Board as employee representative on March 18, 2015. His successor was Heike Moll, who was elected to the Supervisory Board on March 11, 2015 by the Assembly of Trade Union Delegates, along with the following persons: Jürgen Beuttler, Jörg Hensel, Klaus-Dieter Hommel, Alexander Kirchner, Ludwig Koller, Fred Nowka, Mario Reiß, Regina Rusch-Ziemba and Jens Schwarz.
- Professor Dr. Dr. Utz-Hellmuth Felcht was elected as Chairman of the Supervisory Board, and Mr. Alexander Kirchner was elected as his deputy.

The following changes to the Supervisory Board of DB ML AG took place in the first half of 2015:

- The terms of the following members of the Supervisory Board elected by the Annual General Meeting, Professor Dr. Dr. Utz-Hellmuth Felcht, Dr. Jürgen Krumnow, State Secretary Michael Odenwald (BMVI), State Secretary Dr. Thomas Steffen (BMF), Dr. Heinrich Weiss and Parliamentary State Secretary Brigitte Zypries (BMWi), ended at the conclusion of the Annual General Meeting on March 18, 2015 which passed a resolution approving the actions of the Supervisory Board for the 2014 financial year.
- The Annual General Meeting elected the following persons to the Supervisory Board of DB ML AG: Professor Dr. Dr. Utz-Hellmuth Felcht, Dr. Ingrid Hengster, Parliamentary State Secretary Steffen Kampeter (BMF), Dr. Jürgen Krumnow, State Secretary Michael Odenwald (BMVI) and Parliamentary State Secretary Brigitte Zypries (BMWi), effective March 18, 2015, for a term until the conclusion of the Annual General Meeting that passes a resolution approving the actions during the fourth financial year following the start of their term.
- On March 18, 2015, Wolfgang Erler, Wolfgang Zell and Heike Moll also left the Supervisory Board as employee representatives. They were succeeded by Klaus-Dieter Hommel, Jürgen Knörzer and Gerhard Schlauer, who were also elected to the Supervisory Board on January 15, 2015 along with Sabine Gröben, Alexander Kirchner and Margarita Kiefer.
- Professor Dr. Dr. Utz-Hellmuth Felcht was elected Chairman of the Supervisory Board, and Alexander Kirchner was elected as his deputy.

CORPORATE STRATEGY

DB2020 strategy remains our compass, even in challenging times
Program started for higher profitability
Digitalization promoted Group-wide

DB2020 STRATEGY

The STRATEGIC APPROACH [2014 INTEGRATED REPORT, PAGE 76 FF.] of DB Group is described in the 2014 Integrated Report. There were no significant changes to this in the first half of 2015.

DB Group today faces the greatest challenges since the 1994 rail reform. These concern not only the changes related to digitalization but also the many changes in the environment of DB Group, which influence the further development of the rail mode of transport in Germany and the future viability and competitiveness of DB Group business units active in Germany.

In the dimensions TOP EMPLOYER and ECO-PIONEER we are making good progress. In both of the directions of the dimension ECONOMIC, CUSTOMER AND QUALITY as well as PROFITABLE GROWTH, by contrast, developments have not been satisfactory. This is above all due to the developments in businesses of the Railway in Germany (RiG). In many respects, RiG is under economic and commercial pressure. Both rail passenger transport and rail freight transport in Germany have lost some of its competitiveness. Along with unsatisfactory product quality, two developments are above all responsible:

- the intensification of competitive pressure with increasing customer price sensitivity
- a high cost dynamic for personnel and energy costs which make up more than 50% of total costs and increases which cannot be compensated by higher capacity utilization or productivity.

New Group program profitable growth

To counter these developments and improve the performance of the dimension ECONOMIC we have developed the program "DB2020 – PROFITABLE GROWTH." This bundles all significant measures and programs aimed at improving profitability.

The program includes four pillars. Individual projects and initiatives are the responsibility of the management of the business unit or Group management affected and are closely monitored by the Management Board of DB Group. The companies of RiG are a particular focus, as are the four business units that demonstrate the highest need for action to achieve their respective financial targets: DB Bahn Long-Distance, DB Bahn Regional, DB Schenker Logistics and DB Schenker Rail. Furthermore, special attention is paid to overall topics such as the streamlining of Group management, optimization of internal services and generation of additional procurement advantages.

New customer campaign for DB Bahn Long-Distance

In DB Bahn Long-Distance we started the largest customer campaign in our history in spring 2015. We plan to invest up to € 12 billion by 2030, primarily in new trains, in order to expand rail transport services by 25% and offer customers more comfort and service on board at the same time. By 2030 Germany's metropolises shall be linked quickly and directly with ICEs up to twice per hour. Furthermore, nearly all large cities will be connected to the new IC network with service at least every two hours.

In addition we will expand our long-distance bus services beginning in the third quarter of 2015 and quadruple them by the end of 2016. Long-distance buses are a component of our product portfolio just as they are an integral part of mobility in Germany. In this the development of the new market is just as important as the development of a new target group. We want to position ourselves thereby as a strong long-distance bus provider.

Six new initiatives for digitalization

As a response to the changes resulting from digitalization, we have created six initiatives with which we will address the resulting opportunities: Mobility 4.0, Logistics 4.0, Infrastructure 4.0, Production 4.0, IT 4.0 and WORKING ENVIRONMENTS 4.0 [PAGE 23]. The initiatives will accomplish improvements in the entire bandwidth of our activities: increase usefulness for customers ("Customer Centricity"), design processes more efficiently ("Operational Excellence") and improve overall conditions ("Innovation Culture"). The established Digitalization Competence Center is a complementary platform for fast exchange and coordination of the initiatives.

BUSINESS AND OVERALL CONDITIONS

Divergent economic development
Relevant markets developed differently
Burdens from the regulatory environment

ECONOMIC ENVIRONMENT

The developments as described below are based on provisional data or data relating to non-coterminous periods, as complete information relating to macroeconomic development over the first half of 2015 was not yet available at the time this report was prepared.

Assessment of the economic climate by the Management Board

The developments during the year to date support our mixed expectations for the economic environment in full-year 2015. While the recovery in the Eurozone in the meantime now stands on a broader basis, especially weaker performance in certain developing countries has dimmed the outlook for the global economy and global trade.

We see the main risks for global economic performance particularly in the potential withdrawal of capital from developing countries and the Eurozone as a result of an increase in key rate hikes in the USA as well as the performance of investments in China.

Because of good economic conditions overall, such as a stable employment situation and increasing real incomes, the German passenger rail transport market should see moderately positive growth. Freight transport should benefit from the economic recovery in the Eurozone from growing trade in goods within Europe. By contrast, the performance of major industry branches remains mixed.

Restrained positive growth momentum in the global economy

Global economic growth was somewhat weaker than expected at the beginning of 2015. One important reason for this was the disappointed growth in many developing countries. Above all, in Russia, Brazil and Argentina, growth slowed or economic output even fell. It was, however, more meaningful for the world economy that growth in China weakened further, albeit at a high level. The lack of demand from China also hurt global trade, especially exports from the United States and Europe.

- Gross domestic product (GDP) in the USA fell slightly in the first quarter. Low unemployment and low inflation as well as significantly higher early indicators, however, show that full-year growth on the whole will remain stable. It was hurt by the strength of the dollar. The causes of this were financial market anticipation of a change in interest rates this year in the USA as well as uncertainty about future growth in the Eurozone.
- In China it appears that the high level of economic growth in recent years is not stable over the long term. On the one hand, the absolute size of GDP has become since then even higher, and on the other hand, this also reflects a change in direction of economic policy. Stronger consumer demand and a growing service sector are supposed to minimize the dependency on capital expenditures and export industries. Slower growth in investments as a result of overcapacity in many sectors and the real estate market in the first quarter weakened domestic demand as well. Exports grew more slowly, but because of sharply falling imports in the first months of this year, the external contribution rose strongly.
- In Europe there were large differences between the individual national economies. Many countries outside the Eurozone (Great Britain, Poland and Sweden) had positive growth again since the beginning of the year. Within the Eurozone, recovery continued on different levels. While Germany, Spain and some East European member states recorded solid growth, economic output in Italy grew for the first time in more than three years, but only slightly. Exports and investments along with private consumption contributed to growth. Greece falling into recession since the end of 2014 had only minor effects on growth in the rest of the Eurozone.
- Growth in Germany in the first months of 2015 continued to be carried by domestic demand. Very low inflation, rising wages and a historically high employment level brought about higher real wages and thus higher consumer spending. Fuel prices in the first half of 2015 rose by about 6%, but were as of June still at about 8% below the corresponding value for the previous year.

Overcapacity in energy markets

The core hedging policy of DB Group aims at minimizing the consequences of fluctuations in energy prices. Developments in market prices therefore do not pass through to our activities completely.

OIL MARKET

BRENT CRUDE OIL [USD/BBL]	H1 2015	2014	Change absolute	Change %
Average price	59.4	99.5	-40.1	-40.3
Highest price	69.6	115.7	–	–
Lowest price	45.2	55.8	–	–
Period-end price as of Jun 30, 2015/Dec 31, 2014	63.6	57.3	+6.3	+11.0

Source: Thomson Reuters.

- There will continue to be oversupply in the oil market: OPEC is extracting more than is needed. Saudi Arabia, Iraq and Russia are producing at all-time highs, US oil production has reached the highest level since 1972.
- Collapse of the oil price produces cuts in capital expenditures in conventional extraction and pushes expensive shale oil production in the USA out of the market, efficiency increases in fracking, however, counteract this and prevent a meaningful reduction in the amount extracted.
- Inventory levels in the USA and Northern Europe at all-time highs.
- Oil price developments led to recovery in consumer demand, but industry demand did not keep up.
- Lowest price of the year of 45.19 USD/bbl Brent (lowest level since March 2009) was also affected by the strength of the US dollar.
- After a significantly stronger inflow of speculative capital, Brent reached its half-year high of 69.63 USD/bbl at the end of May.
- There continue to be geopolitical risks.

ELECTRICITY MARKET

DEVELOPMENTS IN ENERGY PRICES	H1 2015	2014	Change absolute	Change %
BASE LOAD POWER (FOLLOWING YEAR) [€/MWH]				
Average price	32.0	35.1	-3.1	-8.8
Highest price	34.1	37.0	–	–
Lowest price	31.2	32.8	–	–
Period-end price as of Jun 30, 2015/Dec 31, 2014	32.1	32.9	-0.8	-2.4
EMISSIONS CERTIFICATES [€/TON CO_2]				
Average price	7.2	6.0	+1.2	+20.0
Highest price	7.9	7.6	–	–
Lowest price	6.3	3.7	–	–
Period-end price as of Jun 30, 2015/Dec 31, 2014	7.5	7.3	+0.2	+2.7

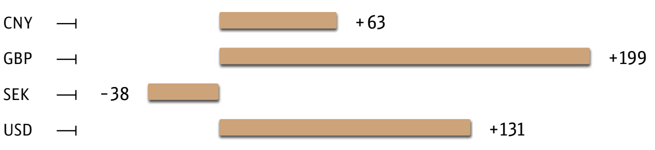
- German providers suffered from the energy transition and are restructuring their business.
- Ongoing, unplanned additions of renewable energy sources spurred further overcapacity.
- Modern thermal power facilities are no longer profitable while obsolete depreciated plants continue to be operated.
- Power term curve is under pressure, and the baseload contract for the subsequent year reached an all-time low (€ 31.15/MWh) in May.
- Spot market is increasingly driven by the weather: need for intraday adjustments is increasing, grid operators are faced with special challenges for grid stability.
- CO_2: discussions about market stability reserves created volatility, early introduction in early 2019 supports emissions market.
- Climate protection levy in Germany was overturned, instead coal-fired power facilities shut down and maintained as reserve. Progress achieved on controversial issues in grid expansion.
- Global oversupply of coal led to all-time low in the Northern European market.
- European Commission plans to lift boundaries between national energy markets (Energy Union) as well as the harmonization of green power promotion, and investigates capacity mechanisms with the character of subsidies.

Euro developments continue to be under pressure

International foreign currency markets in the first half of 2015 continued in the same direction as before: the value of the euro fell further against most other currencies.

The main driver behind this development was the expectations of market actors with respect to monetary policy decisions and the economic recovery in the Eurozone which is still accompanied by risks. Volatility increased as a result of the debt crisis in Greece.

SIGNIFICANT REVENUE EFFECTS FROM CHANGES IN EXCHANGE RATES [€ MILLION]



REVENUE DEVELOPMENT [PAGE 15 F.] of DB Group was also affected by exchange rates effects. These effects amounted to € 481 million in the first half of 2015.

- In the first half of 2015, the Chinese yuan (CNY) found itself in an area of tension between a historically high foreign trade surplus, liberalization of the financial market and decreasing investor demand as a result of dampened economic outlook. The Chinese central bank controlled the scope of fluctuations of the yuan against the US dollar in order to minimize economic effects of capital flows.
- The British pound (GBP) continued to appreciate for the second year in a row and had appreciated against the euro in the year to date by just under 10%. The strong economic growth in the United Kingdom and a future differential in key rates from the Eurozone in line with expectations should support further price development.
- In contrast to many other currencies, the Swedish krona (SEK) recorded no meaningful appreciation in the year to date. The krona had even depreciated in comparison with the first half of 2014. A falling foreign trade surplus and an expansion-oriented Riksbank limited the demand for the currency.
- The US dollar (USD) appreciated because of sustained high attractiveness for investors. Weak economic data in the first quarter of 2015 stopped this steep rise at first, but the hike in key interest rates that is still expected at the end of the year by the Federal Reserve (Fed) preserves the potential for appreciation.

Along with the developments in the pound and the US dollar, the developments in the Swiss franc, Japanese yen and Norwegian krone above all also affected the recording of our outstanding debt in foreign currencies as of June 30, 2015.

- The Swiss franc appreciated dramatically by over 20% after the Swiss central bank ended its fixed franc–euro exchange rate policy at the beginning of the year. Since then this development has settled back down somewhat.
- The yen is an exception due to the strongly expansive monetary politics of the Japanese central bank in international comparison. Comparable monetary policy conditions such as in the Eurozone limit the potential for full-year appreciation of the yen.
- The Norwegian krona appreciated in the first five months along with other currencies, but depreciated again after a reduction in key rates by the central bank. The background of this measure was the weak economic growth in Norway, which was primarily caused by the low oil price. On a half-year comparison it shows a depreciation.

Developments in bond markets

Bond returns continued their downward trend until mid-April 2015, the interest rate on ten-year German Bunds reached a historically low level of 0.05%. This was brought about by a mixture of risk aversion on the part of investors, also against the background of the debt crisis in Greece, as well as the large-volume bond purchasing program of the European Central Bank (ECB). This development was strengthened by speculative positioning through the derivatives market. The ending or liquidation of these trades led to returns increasing by nearly 100 basis points within two months, and by doing so climbing to just over 1.0%. In late June 2015, the debt crisis in Greece had the largest effect on the bond market. Signs of an agreement often had the effect of lowering German Bund rates, and signs of failure to reach an agreement caused rates to increase. This led to the ten-year returns on German Bunds moving in a band between 0.7% and 1.0%.

European financial markets showed themselves to be quite volatile in the first half of 2015. After the upwards trend especially in the stock market at the start of the year, which was supported by the high liquidity from the bond purchase program of the ECB, the mood was less positive in both the stock market and the bond market by the end of the first half of the year. Weaker than expected global economic growth, recurring uncertainty about the debt situation in Greece and the temporary appreciation of the euro–dollar exchange rate also contributed to this.

DEVELOPMENTS IN RELEVANT MARKETS

Passenger transport

GERMAN PASSENGER TRANSPORT

The overall market recorded gains in the first quarter of 2015.

- Among other positive factors was significantly lower fuel prices as well as higher numbers of persons in gainful employment and disposable real income.
- More intense intermodal competition and changes in the perception of price and performance through the expansion of long-distance bus companies and the low-cost airline Ryanair.

Motorized individual transport

- As of March 2015, above previous year (about +1%), mostly because of sharply lower fuel price level.
- Additional positive effects from strikes in rail and air freight.

Rail passenger transport

- For rail, a slight decrease in volume sold (−0.2%) in the first quarter. Weather-related restrictions dampened growth. GDL strikes contributed to significant decreases in passenger volume in the further course of the year.
- As of March 2015, growth in rail passenger long-distance transport in volume sold (+1.5%) and passenger volume (+0.3%). Service reduction HKX since March 2014 and service cancellation InterConnex since December 2014 as well as shift in demand to motorized individual transport and long-distance bus companies. Strikes in air transport at the start of the year had a positive effect.
- Slight decreases in local rail passenger transport in terms of volume sold (−1.2%) and number of passengers (−0.1%).
- Volume sold by DB Group as of June 2015 was declining (−2.1%) with sharp drops for DB Bahn Regional (−2.8%) as a result of failure to win tenders, DB Bahn Long-Distance with a decrease of 1.2% after robust growth at the start of the year (+1.8% as of March).
- Non-DB Group railways in the first quarter with above-average growth in local transport (+5.7%) and decreases in long-distance transport as a result of the withdrawal of HKX.

Public road passenger transport

- As of March 2015 with a performance gain through growth in subway and tram transport (+1.5%) as well as expanding long-distance bus line transport particularly on cross-border lines with slight increase in volume sold in local bus line transport (+0.4%) and at the same time lower passenger volume (−0.3%) due to decreasing number of school students and vocational trainees.

Air transport

- As of March 2015 with a slight decrease (−0.4%) as a result of many intense strike waves.
- Due to hedging contracts, airlines profited only somewhat from significantly lower jet fuel prices.
- More intense intermodal competition through entry of Ryanair.

EUROPEAN PASSENGER TRANSPORT

European rail passenger transport recorded a slight increase in volume sold in the first quarter of 2015 of about 0.5%. Noticeable gains in Great Britain, Spain, Poland and Slovakia, among other countries, were offset by significant losses in France, Latvia and Slovenia, among other countries.

Progress in the liberalization of the European passenger transport markets was made in, among other countries, Spain (discussion of proposed legislation for promotion of competition in high-speed transport), France (approval by the National Assembly of the liberalization of the long-distance bus line market starting in autumn 2015) as well as Portugal (first tender of local transport and bus transport in Lisbon).

In the countries most important for our activities, according to the information available to date for the first quarter of 2015, the market developments are as follows:

Great Britain

- The strong demand growth in rail passenger transport over the past several years continued: volume sold rose by 4.2%, passenger numbers by 3.7%; significant gains both in local transport (volume sold +3.1%, passengers +3.5%) as well as long-distance transport (volume sold +6.4%, passengers +5.9%); in local bus line transport a decline in passenger numbers of 1.2%.
- Arriva UK Trains submitted as a pre-qualified company a tender for the operation of the Northern transport contract and qualified itself as one of four companies for the tender for the London Overground transport contract.

The Netherlands

- Significant increase in passenger numbers (+16.0%) in local public transport with declining volume sold.
- DB Arriva was awarded the contract for the operation of the TRAIN AND BUS TRAFFIC IN THE LIMBURG REGION [PAGE 33].
- Syntus was successful in the tender for the operation of the lines in Overijssel Province and the Twente region with a term of 15 years and start of operations in December 2017.

Denmark

- Growth of volume sold in rail passenger transport (+1.5%) with slightly decreased passenger numbers (−0.8%).
- Arriva Denmark was awarded the contract for the operation of a highly used bus line in Copenhagen.

- In the context of a direct award, DSB awarded a ten-year transport contract for the further operation of lines with high requirements for punctuality and obligations for procurement of new trains.

Sweden

- Growth in volume sold in rail passenger transport of 3.3% and in passenger numbers of 3.6%; positive effects through price reductions for high-speed lines.
- Transdev was awarded the contract for operation of city buses in Umeå with a term of ten years from June 2016.
- MTR Corporations began in March 2015 the first commercial traffic between Stockholm and Göteborg with four trains per day.
- In June 2015 Tågkompaniet AB (subsidiary of NSB) was successful in the tender for six lines in Northern Sweden from August 2016 for just under ten years.

Italy

- Growth in volume sold in local rail passenger transport (+2.3%) and in number of passengers (+1.3%).
- Intense competition between Italian state railway company (FS) and Nouvo Trasporto Viaggiatori (NTV).
- megabus.com started the first routes in Italy and plans to link a total of 13 cities.

Freight transport

GERMAN FREIGHT TRANSPORT

Total demand in the freight transport market continued to have positive growth in a still-challenging environment.

- While freight transport profited from growing trade in goods, there was a lack of impetus from important industry branches.
- Trucks and inland waterways profited the most among modes of transport from lower fuel prices.
- Price pressure and competitive pressure increased further both intermodally and intramodally.
- Rail transport decreased due to strikes and because of unfavorable (energy) cost development.

Rail

- Decrease in volume sold by April 2015 (−2.5%) as a result of modal shifts, unfavorable cost developments, in part restrained economic impetus as well as due to weather.
- DB volume sold decreased significantly (−7.3%) mostly due to strikes in the first half of 2015.
- Non-DB Group railways profited strongly from intermodal transport shifts and increased their volume sold by April 2015 by over 7%. There was strong growth in combined transport as well as in the area mineral oil products, while automotive, transport of construction materials and coal declined.
- The intramodal market share of non-DB Group railways increased until April in all branches to about 35%, in combined transport the share exceeded the 50% mark.

Road

- The growth in volume sold until March 2015 was by our own calculations about 2%.
- A weaker impetus from important construction sectors was offset mostly by positive foreign trade effects (euro weakness/positive consumer sentiment).
- Road profited from lower diesel/toll costs as well as transport shifts as a result of the GDL strikes.
- According to the toll statistics of the German Federal Agency for Freight Transport, growth on the road was driven by vehicles licensed abroad, again mostly trucks from Croatia, Romania, Bulgaria and Poland.

Inland waterways

- Strong growth in volume sold in the first quarter 2015 (+7.7%).
- Above all the double-digit growth in coking plant/mineral oil products, coal, agricultural products and steel had a positive effect. The number of containers transported grew significantly.
- There were decreases in paper/wood, mineral products and secondary raw materials.
- Inland waterway traffic profited above all from cheaper cost developments (fuel oil) and increasing volumes via the ARA (Amsterdam, Rotterdam, Antwerp) ports. Growth was probably also supported by modal shifts due to strikes.

EUROPEAN RAIL FREIGHT TRANSPORT

The decline in demand in the second half of 2014 in European rail freight transport (EU 28, Switzerland and Norway) continued more slowly due to waning impetus from the branches relevant for rail in the first quarter of 2015. According to current information volume sold declined by about 1%.

The performance is detailed as follows:

Great Britain

- There was a slight increase in volume sold of around 1% in the first quarter of 2015. Above all, significant growth in intermodal and construction materials traffic had positive effects. Coal traffic continued to decline.
- DB Schenker Rail UK was especially affected by the decrease in coal traffic and volume sold fell in the first half of 2015.

Poland

- As of May 2015, the negative developments from 2014 had continued, and volume sold was about 1% below the level of the previous year. The main reasons are the decrease in coal demand because of increasing effects from the energy transition and the Ukraine crisis.
- For DB Schenker Rail Polska, volume sold increased moderately in the first half of 2015 despite the weak growth of the Polish coal market.

France

- In the first quarter of 2015, positive developments from 2014 had strengthened, and volume sold increased above all because of growth of 4.0% in intermodal traffic.
- Our subsidiary Euro Cargo Rail (ECR) was able to increase volume sold in the first half of 2015.

EUROPEAN LAND TRANSPORT

After a sluggish start of the year 2015, the European land transport market slowly gained momentum in the end of the first quarter. In April and May the market grew again slightly, albeit with a weaker trend. The room for price increases is as before sharply limited amidst sustained high competitive pressure. Furthermore, the tense political situation in Greece and Eastern Europe had an effect.

The market situation was also reflected in DB Schenker Logistics. It was possible to increase shipment volume with nearly stable revenue.

AIR FREIGHT

The global air freight market grew by May 2015 between 2% and 2.5%. Growth is driven by the positive developments in North America. This can be attributed primarily to the strike of dock workers on the US west coast which led to a shift from ocean freight to air freight. The majority of trade routes with the highest volume, however, developed negatively, especially the lines between Europe and Asia.

Equal growth in capacity and demand stabilized the global air freight market and followed the trend of the previous year. Despite slightly improved capacity utilization, air freight rates remained under pressure. The reason is the lower oil prices, developments in which are also reflected in the jet fuel surcharge.

DB Schenker Logistics recorded growth in volume of 1.1% in the first half-year 2015.

OCEAN FREIGHT

With growth of about 4%, global ocean freight performed well in the first half of 2015. In particular, volume to North America from Europe (+7%) and Asia (+4%) supported growth. One of the trade routes with the highest volume, Asia–Europe, showed a slight decline of about 1%. One reason for this is the sustained weakness of the euro.

Oversupply in ship capacity offset growth in demand. The unbalanced supply and demand situation continued to exercise pressure on freight rates. To master the financial situation, carriers have made multiple attempts in the previous months to increase rates through general rate increases. These can only be partially implemented, whereby the price level could only be increased for a short term period. After a good first quarter many liner shipping companies face further losses.

The market continues to profit from cheap fuel prices. These were below the level of the previous year, but tended to rise slightly again.

For DB Schenker Logistics, volume decreased (–3.5%) in the first half of 2015.

CONTRACT LOGISTICS

In the market for contract logistics, the upward trend of recent years weakened in the first half of 2015. But there was still an overall high growth dynamic, particularly in Asia. The demand for dedicated solutions in the core industries for contract logistics/supply chain management (automotive, consumer, electronics, health care and industrial sectors) improved slightly.

DB Schenker Logistics achieved strong revenue growth of 16.6% in the first half of 2015.

Rail infrastructure in Germany

The number of infrastructure customers has risen slightly. No other country in the EU demonstrates such a high intensity of competition in rail transport, as measured by the number of competitors, as Germany does.

Train-path demand fell slightly in the first half of 2015 due to the GDL strikes, among other things. The number of station stops rose. The reason for this was increased frequency in the public rail passenger transport and the start of operations of more than 20 new stations with the change of timetable in 2014/2015. The GDL strikes had negative effects. The share of non-DB Group railways increased again due to the winning of tenders.

POLITICAL ENVIRONMENT

Regulatory and transport policy topics in Germany

TERMS OF USE FOR VEHICLE MAINTENANCE

In August 2014, the German Federal Network Agency (Bundesnetzagentur; BNetzA) required DB Fahrzeuginstandhaltung GmbH by official order to prepare terms of use in conformance with railway law. DB Fahrzeuginstandhaltung filed a formal objection and petitioned for temporary legal protection to create a postponement effect for the formal objection to the order. In January 2015 the parties agreed to end the summary proceedings. BNetzA waived the execution of the order until the lower court ruling in the main proceedings. In exchange, DB Fahrzeuginstandhaltung withdrew its petition for temporary legal protection.

DB Group is of the view that heavy maintenance is not subject to the regulatory requirements.

DEVELOPMENT OF THE STATION PRICING SYSTEM

DB Station & Service AG and the BNetzA agreed in 2012 that a price element of the station pricing system, the volume sold factor (Verkehrsleistungsfaktor; VLF) for the calculation of station fees for local and long-distance travel, would be redesigned. From January 2015 a newly determined VLF should have applied that was either derived from a cost basis or determined on the basis of what the market could sustain. In light of possible legal changes as a result of the transposition of the EU Directive 2012/34/EU in German law, the introduction of the new VLF was postponed again for one year with the approval of the BNetzA.

REVIEW OF THE TRAIN-PATH PRICING SYSTEM

An overall review of the train-path pricing system by the BNetzA has been underway for several years. It can be assumed that the BNetzA will reach a decision in the second half of 2015. In these proceedings, the agency may not fully recognize the mandatory service costs presented by DB Netze Track as such, and make cuts to the cost and capital base. In parallel with this, BNetzA and DB Netze Track are in an ongoing exchange regarding the principles of the pricing structure and the options for further developing the pricing system.

CIVIL PROCEEDINGS ON INFRASTRUCTURE USAGE FEES

According to a judgment by the Federal Court of Justice (Bundesgerichtshof; BGH), fees for the use of railway infrastructure (train-path fees, station fees) can be reviewed for fairness by the civil courts according to the standard set out in Section 315 of the German Civil Code, even if BNetzA has not objected to the fees and they are effective according to regulatory law. In this connection, legal disputes are currently pending before the civil courts between DB Netz AG and DB Station & Service AG on the one hand and train operating companies or transport authorities on the other. The subject of the proceedings is the review of fairness of the usage fees. Some claims under anti-cartel law were also made. The majority of these legal disputes relate to fees that were raised as regional factors or in accordance with the 2005 station pricing system.

Regulatory and transport policy topics in Europe

INNOVATION PROGRAM FOR THE RAILWAY SECTOR

DB Group applied to become an associate member of Shift²Rail that was founded as a joint undertaking with the EU funding program Horizon 2020 in early July 2014, and in the first phase received a very good evaluation. Negotiations about membership are foreseen in August and September in the context of the ongoing second application phase.

HALF-TIME REPORT ON THE EU WHITE BOOK ON TRANSPORT

The EU Commission published the “White Book on Transport” on March 28, 2011 with its vision for a competition-oriented and sustainable transport system as well as a strategy for its implementation. The most important target is a CO_2-free transport industry. In accordance with this, 30% of road freight transport of over 300 km should be shifted to rail or shipping vessels by 2030; by 2050 the share should rise to 50%. Rail should also account for most passenger transport over medium distances. At present the EU Commission is preparing a half-time report on the “White Book on Transport.” In particular this concerns an evaluation of the extent to which this target has been met so far. At the same time, the priorities of European transport policy until 2050 should be defined. Among the most important courses to be set is the design of the conditions for intermodal competition for rail.

Further development of the traffic and regulatory framework

HIGHER EEG SURCHARGE

With the passage of the amendment of the Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz; EEG) in the summer of 2014, the EEG levy to be assessed on railways for traction current was raised significantly. Through the change in the “Special Compensatory Regulations” for railways, since 2015 a surcharge in the amount of 20% of the full EEG levy is to be charged for railways. For DB Group alone this results in additional annual costs of more than € 50 million. The EEG burden increases thereby in 2015 to about € 160 million. This burden falls in addition to the costs for the expansion and greater usage of renewable energy sources.

TRANSPOSITION OF DIRECTIVE 2012/34/EU (RECAST) IN NATIONAL LAW

The EU provisions of Directive 2012/34/EU for the creation of a single European railway area (Recast) shall be transposed on a one-to-one basis in order to ensure equal opportunities in Europe's internal market. For this purpose, the BMVI prepared the draft for an Act to Strengthen Competition in the Railway Area and convened a hearing of association on the draft legislation in January 2015. DB Group used the opportunity to make a statement and submitted comprehensive comments. In the view of DB Group, the draft in places went far beyond a one-to-one transposition of the provisions of Recast. Among other items foreseen were a tightening of the provisions for the regulation of fees as well as a significant expansion of the competencies of the BNetzA. It must be ensured in particular that the intermodal competitiveness of rail and the financing of railway infrastructure not be endangered through new regulatory provisions.

NINTH ACT TO REVISE RAILWAY REGULATIONS

In early June 2015, the 9th act on changes to the railway regulations (Gesetz zur Änderung eisenbahnrechtlicher Vorschriften; ERÄG) came into force. Through the new regulations, maintenance facilities are exempt from the regulation of fees until the end of 2018. The BNetzA must in addition conduct a market test until 2017 and examine whether there is functional competition in the area of maintenance facilities. The new regulations are to be seen positively insofar as they lead to a reduced burden for regulated companies until 2018. However, they remain behind the expectations of the sector and of DB Group. If a market test comes to the conclusion that there is functional competition in maintenance facilities, then these should be freed from the provisions of the regulations in general without a time limit.

DEVELOPMENT OF THE FOURTH RAILWAY PACKAGE

After the regular legislative process, in addition to the European Parliament, the Council of the EU must also approve the legislative recommendations of the EU Commission for the fourth railway package. Until recently, only an agreement related to the technical portion could be reached there; on the topic of the opening of domestic rail passenger transport markets and to further separation of the rail infrastructure, no political agreement has yet been able to be reached. The negotiations about this will be continued in the second half of 2015.

With respect to the technical portion, the so-called trialogue negotiations among the EU Parliament, the Council of the EU and the EU Commission was successfully completed in June 2015 under the Latvian Council presidency. In the future, the European Railway Agency (ERA) will be responsible for licensing railways and the issuance of safety certificates for railways and provide a single authorization practice. Authorization procedures are to be simplified and accelerated by using clear, pan-European decision deadlines. Furthermore, an independent Board of Appeal is to be set up. The rules that have been determined should, in the view of DB Group, be put into force as soon as possible. Improvement of the technical conditions is urgently required, because they can contribute to lower barriers to market entry and improvement in intermodal competitiveness for rail.

RAIL REFORM AND LIBERALIZATION OF THE LONG-DISTANCE BUS MARKET COMING INTO FORCE IN FRANCE

The new railway structure in France that foresees a reintegration of the current SNCF and the infrastructure operator Réseau ferré de France (RFF) went into effect in January 2015. The new structure is designed so that a holding company exists at the top under the name SNCF. Requirements for employment conditions in the entire rail sector as well as the transposition of EU directives of the Recast Regulations are to be regulated in further acts of law. Among others, the social conditions for the entire sector are to be unified on July 1, 2016 by a decree and a sectoral collective bargaining agreement. A definition in the direction of the level of SNCF would be a danger for competitiveness in rail freight transport.

The proposed liberalization of the French long-distance bus market is heading into the final straight. The corresponding draft legislation was approved by the Senate and National Assembly. The new regulations are probably going to come into force this year. The liberalization of long-distance bus transport applies after a threshold value of a distance of 100 km between two domestic French cities.

ECONOMIC

Customer and quality initiative continues
Decline in operating profit due to strikes
Key value management figures were down

CUSTOMER AND QUALITY

- Punctuality development affected by GDL strikes.
- Positive effects offset by increasing construction activities.
- Expansion of digital services continued.

Punctuality below previous year's level

PUNCTUALITY [%]	H1 2015	2014	H1 2014
DB Group (rail) in Germany	94.4	94.3	95.5
Rail passenger transport in Germany	94.6	94.5	95.6

Within our strategic direction customer and quality, product quality is one of the three top targets. The primary indicator for this is the development of PUNCTUALITY [2014 INTEGRATED REPORT, PAGE 93] in rail transport.

In comparison with the first half of 2014, the average punctuality values have fallen for all passenger transport in Germany. This can be attributed mostly to the GDL STRIKES [PAGE 24], increased construction activities, weather effects as well as difficulties in operations of the S-Bahn (metro) Rhein-Main.

In 2015, we are continuing with ongoing implementation of projects begun in the previous year to improve service quality. For example, we always analyze the reasons for delays, and based on this we develop measures for improving punctuality and making connections.

Digitalization in the area of customer and quality

- Our DB Navigator app was completely overhauled. The current version has many new functions along with a new design and better user navigation. The app is also available for the Apple Watch and makes possible voice input for station queries.
- About 2.3 million smartphone tickets were sold in the first five months, about 70% more than in the first half of 2014.
- A free, browser-based entertainment portal in five languages was introduced in IC buses for customers.
- Since April 2015, a pilot project with the ridesharing network FLINC [PAGE 49] has been running in the Black Forest. The target is an optimal and environmentally friendly connection among various means of transport for door-to-door linkage of bus and passengers. Automobile drivers can offer ridesharing on the online platform.
- To increase the satisfaction of the subscription customers, SÜWEX offers the possibility to reserve permanently a seat or a permanent seat on regional transport trains on the Trier – Koblenz line.
- Arriva UK Bus concluded a partnership with Google Transit as the first bus operator in Great Britain. Through this, users of Google Maps receive better access to real-time data.
- The customer platform Next Generation eServices from DB Schenker Logistics offers our customers simple and transparent processes based on digital solutions. A flexible and configurable booking screen offers classic services and can also call up more specialized services. The platform is available in many languages and for all transport modes.
- Customer service representatives at train stations have been equipped with tablets so that they are able to advise customers better and more vividly.
- With DB LiveMaps, DB Netze Track enables an almost real-time, visual, interactive depiction of train movements on the German rail network.
- DB Netze Track has expanded its information tools and has simplified access to the network with new interactive maps of terminals of combined load transport (KV) and of loading stations. The information content of the loading station map was also expanded significantly.

Customer and quality initiative continued

The focus for our customer and quality initiative continues to be improving punctuality in rail passenger and freight transport as an essential component of our performance pledge to our customers. Increased construction and maintenance volumes for the rail infrastructure, increased traffic in our large hubs, and also the handling of special events such as the storm Niklas or the GDL strikes represent particular challenges.

Besides the support for various projects for improving punctuality for DB Bahn Long-Distance, DB Bahn Regional, DB Schenker Rail and DB Netze Track, there was the focus of our customer and quality initiative, especially on approaches across all business units to improve punctuality. Our activities were particularly targeted at reducing technical service interruptions to infrastructure and vehicles as well as an improvement of the situation in our large hubs. Thus a bundle of operational-planning measures were developed for the Hamburg hub with which punctuality in the entire network can be significantly improved as a result of improvements in the punctuality at the hubs themselves. The corresponding concepts will be implemented in 2015/16. For the second half of 2015, it is planned to expand these activities to further hubs.

Cooperation with the passenger advisory board

The passenger advisory board of DB Group is also involved in various projects of DB Group in 2015 as well. The key issues of the cooperation with the passenger advisory board in the first half of 2015 were in particular the identification of customer demands for passenger information, classification of customer needs for development of alternative forms of answers in complaint management, as well as discussion about the effects of digitalization on the mobility markets and the resulting new directions for DB Group.

PROFITABLE GROWTH (ECONOMIC POSITION)

- Operating profit affected by the market environment, GDL strikes and increased expenses.
- Net financial debt rose.
- Key value management figures worsened.

Profit situation

CHANGES COMPARED TO H1 2014

Expenses and income in the first half of 2015 were not materially affected by CHANGES TO THE SCOPE OF CONSOLIDATION [PAGE 60 F.].

REVENUES INCREASED SLIGHTLY

REVENUES ADJUSTED [€ MILLION]	H1 2015	H1 2014	Change absolute	Change %
DB Group	19,960	19,741	+219	+1.1
± Special items	+40	-7	+47	-
DB Group adjusted	**20,000**	**19,734**	**+266**	**+1.3**
± Effects from changes in the scope of consolidation	-9	-15	+6	-40.0
± Effects from change in exchange rates	-481	-	-481	-
DB Group - comparable	**19,510**	**19,719**	**-209**	**-1.1**

- Revenue development was slightly positive in the first half of 2015, and was driven in particular by developments in the DB Schenker Logistics, DB Arriva and DB Netze Track business units.
- The special item in the first half of 2015 resulted from sales reductions for previous years. The special item in the first half of 2014 resulted from the sale of WBN Waggonbau Niesky.
- Effects from changes to the scope of consolidation in the first half of 2015 affected only DB Schenker Logistics.
- Positive effects from EXCHANGE RATE CHANGES [PAGE 8] were attributable to the DB Schenker Logistics (€ +301 million), DB Arriva (€ +151 million), DB Schenker Rail (€ +28 million) and DB Bahn Long-Distance (€ +1 million) business units.
- Adjusted for special items, exchange rate changes and changes to the scope of consolidation, revenues fell slightly.
- Dampening effects were felt above all from the GDL STRIKES [PAGE 24] (about € 280 million) and performance losses from growing competitive pressure for DB Bahn Long-Distance, DB Bahn Regional and DB Schenker Rail.
- The REVENUE DEVELOPMENT OF THE BUSINESS UNITS [PAGE 27 FF.] were varied on the whole in the first half of 2015.

Revenues structure remained nearly unchanged

At the business units level there were no material changes in the revenue structure in the first half of 2015. The share of the business units in passenger transport fell slightly to about 42% (first half of 2014: about 43%). In opposition to this, the share of the business units in the transport and logistics area increased slightly to about 50% (first half of 2014: 49%). The infrastructure business units continued to generate about 7% of the external revenues of DB Group.

EXTERNAL REVENUES BY REGIONS [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Germany	11,207	11,468	-261	-2.3
Europe (excluding Germany)	6,380	6,123	+257	+4.2
Asia/Pacific	1,290	1,188	+102	+8.6
North America	862	704	+158	+22.4
Rest of world	261	251	+10	+4.0
DB Group adjusted	**20,000**	**19,734**	**+266**	**+1.3**

Revenue development in the first half of 2015 varied from region to region.

- A decrease in revenues was recorded in the Germany region. Losses for DB Bahn Regional, DB Bahn Long-Distance and DB Schenker Rail had negative effects.
- In the Europe (excluding Germany) region positive exchange rate effects were noticeably positive in the DB Arriva and DB Schenker Rail business units.
- When adjusted for exchange rates, the Asia/Pacific region had a decrease in revenues primarily due to developments in Australia and China. Exchange rate effects were able to overcompensate for this so that revenues increased slightly on the whole.
- Development in the North America region was mostly affected by positive currency exchange rate effects. Revenues growth was recorded even after adjusting for these effects.

The regional revenue structure changed marginally. Revenues generated outside Germany rose in the first half of 2015 to about 44% (first half of 2014: about 42%). The share of revenues generated in Europe (excluding Germany) remained nearly stable with about 32% (first half of 2014: about 31%).

DEVELOPMENT OF OPERATING PROFITS

Transition to adjusted profit calculation

The transition to an adjusted profit statement is a two-step process. The procedure for RECLASSIFICATIONS AND ADJUSTMENTS [2014 INTEGRATED REPORT, PAGE 95] is described in the 2014 Integrated Report. The following presentation of income development describes the corresponding adjusted changes in the key items of the statement of income in the first half of 2015 in comparison with the first half of 2014. The effects from the changes in the scope of consolidation and exchange rate effects are presented in the following table and are not explained further in the following section.

Development of operating profits declines

The REVENUE DEVELOPMENT [PAGE 15] in operations was negative in the first half of 2015.

- Other operating income increased significantly mostly as a result of higher compensation for damages for DB Bahn Regional. For DB Netze Track, income from land sales had an effect.
- The cost of materials in operations fell slightly. Lower energy consumption had the largest effect on this as a result of the decreases in volume produced, lower diesel prices and price effects for services purchased.

EXCERPT FROM STATEMENT OF INCOME [€ MILLION]	H1							Change			
		Reclassification									
	2015	Discounted/ accrued	Net investment income	PPA amortization	Adjustment of special items	2015 adjusted	2014 adjusted	absolute	thereof due to changes in the scope of consolidation	thereof due to changes in exchange rates	%
Revenues	19,960	–	–	–	+40	20,000	19,734	+266	-6	+481	+1.3
Inventory changes and internally produced and capitalized assets	1,311	–	–	–	–	1,311	1,234	+77	+0	+1	+6.2
Other operating income	1,216	–	–	–	-3	1,213	1,055	+158	+0	+7	+15.0
Cost of materials	-9,934	–	–	–	+8	-9,926	-9,896	-30	-5	-241	+0.3
Personnel expenses	-7,707	–	–	–	–	-7,707	-7,265	-442	+6	-137	+6.1
Other operating expenses	-2,557	–	–	–	+40	-2,517	-2,308	-209	+5	-86	+9.1
EBITDA | EBITDA adjusted	2,289	–	–	–	+85	2,374	2,554	-180	0	+25	-7.0
Depreciation	-1,533	–	–	+49	–	-1,484	-1,466	-18	+1	-10	+1.2
Operating profit (EBIT) | EBIT adjusted	**756**	**–**	**–**	**+49**	**+85**	**890**	**1,088**	**-198**	**+1**	**+15**	**-18.2**
Net interest income | Net operating interest income	-410	+23	–	–	–	-387	-414	+27	+0	+3	-6.5
Operating income after interest	**346**	**+23**	**–**	**+49**	**+85**	**503**	**674**	**-171**	**+1**	**+18**	**-25.4**
Profit from investments accounted for using the equity method | Net investment income	15	–	0		–	15	7	+8	+0	+0	+114
Other financial result	-3	-23	0		–	-26	-36	+10	+0	+3	-27.8
PPA amortization customer contracts	–	–	–	-49	–	-49	-47	-2	–	-3	+4.3
Extraordinary result	–	–	–	–	-85	-85	-28	-57	–	-2	–
Profit before taxes	**358**	**–**	**–**	**–**	**–**	**358**	**570**	**-212**	**+1**	**+16**	**-37.2**

- Personnel expenses were noticeably higher than in the first half of 2014, reflecting wage increases.
- Other operating expenses increased significantly. One factor was the increase in DB Arriva's expenses for franchise licenses as a result of structural changes in revenue support payments. Service and leasing expenses also increased at DB Schenker Logistics.

Overall, costs climbed disproportionately higher in relation to revenues, which was mirrored in a decline in the development of adjusted EBITDA.

Depreciation rose minimally due to new vehicles going into service at DB Bahn Regional.

Accordingly, adjusted EBIT and operating income after interest also developed significantly weaker in the first half of 2015.

Net operating interest income improved because of lower interest rates. This was offset by the higher holdings of bonds compared with June 30, 2014.

The development of the ADJUSTED OPERATING PROFIT FIGURES OF THE BUSINESS UNITS [PAGE 27 FF.] varied in comparison to the first half of 2014. The weak development in particular for the DB Bahn Long-Distance, DB Bahn Regional and DB Schenker Rail business units were only partially offset by the positive development at DB Netze Track, DB Schenker Logistics and DB Netze Stations business units.

The development of the other financial result was primarily attributable to higher effects of the compounding of interest on provisions and liabilities due to low interest rates.

The decrease in the extraordinary result significantly exceeded this development so that profit before taxes declined even more strongly.

Extraordinary result decreased

EXTRAORDINARY RESULT [€ MILLION]	H1 2015	thereof affecting EBIT	2014	thereof affecting EBIT
DB Bahn Long-Distance	–	–	–	–
DB Bahn Regional	–	–	–	–
DB Arriva	-10	-10	-6	-6
DB Schenker Rail	2	2	1	1
DB Schenker Logistics	-33	-33	-7	-7
DB Services	–	–	-16	-16
DB Netze Track	-43	-43	–	–
DB Netze Stations	-2	-2	–	–
DB Netze Energy	–	–	–	–
Other/consolidation	1	1	–	–
DB Group	**-85**	**-85**	**-28**	**-28**

The extraordinary result in the first half of 2015 is comprised primarily of the following special items:

- Effects of disposal of investments in DB Arriva and DB Schenker Rail.
- Effects due to anti-trust fines in the DB Schenker Logistics business unit.
- Expenses for the setup of provisions for civil proceedings related to infrastructure fees in the DB Netze Track and DB Netze Stations business units.
- Effects from the disposal or restructuring of companies ("Other").

In the first half of 2014, special items primarily resulted from the disposal of investments and restructuring of companies.

Net profit after taxes significantly lower

EXCERPT FROM STATEMENT OF INCOME [€ MILLION]	H1 2015	H1 2014	Change absolute	Change %
Profit before taxes	358	570	-212	-37.2
Taxes on income	33	72	-39	-54.2
Actual tax expenses	-74	-49	-25	+51.0
Deferred tax expenses	107	121	-14	-11.6
Net profit (after taxes)	**391**	**642**	**-251**	**-39.1**
DB AG shareholder	382	627	-245	-39.1
Minority interests	9	15	-6	-40.0

The negative development of the profit before taxes was strengthened by the decline of the positive taxes on income position. Therefore the profit after taxes fell even more significantly. The development of the taxes on income was primarily driven by the non-recurrence of the one-off effect in the first half of 2014 in connection with amended assessments for previous periods for DB AG.

Net profit (after taxes) thus declined for DB AG shareholders in the first half of 2015. Net profit attributable to minority interests also fell.

The profits per share developed accordingly and fell back to € 0.89 (first half of 2014: € 1.46).

Financial situation

In addition to targeting for a sustained rise in enterprise value, DB Group's financial management focuses on maintaining a capital structure that will ensure excellent credit ratings. The section value management explains the key figures used for this: redemption coverage, gearing and net financial debt/EBITDA.

There were no changes to the FINANCIAL MANAGEMENT SYSTEM [2014 INTEGRATED REPORT, PAGE 99] of DB Group in the first half of 2015.

With respect to long-term financing, DB Group continues to have available a debt issuance program in the amount of € 20 billion. This has not been utilized in the first half of 2015. We also did not need to redeem any bonds, so that as of June 30, 2015, we still have available a free issue volume of € 2.8 billion.

With respect to short-term financing, as in the previous year, € 2 billion was available as of June 30, 2015 from a multi-currency multi-issuer commercial paper program. This had not been utilized as of June 30, 2015 (as of December 31, 2014: no utilization).

As of June 30, 2015 we also had guaranteed unutilized credit facilities of € 2.0 billion (as of December 31, 2014: € 2.0 billion) with a residual term of 1.0 to 2.0 years, and an additional guaranteed unutilized credit facility of € 0.1 billion (as of December 31, 2014: € 0.1 billion).

In addition, credit facilities of € 2.0 billion for operating business were available (as of December 31, 2014: € 1.7 billion). These credit facilities, which are made available to our subsidiaries around the world, include provisions for financing working capital as well as sureties for payment.

No major financing leasing transactions were concluded in the first half of 2015. Outstanding volume decreased through expired transactions.

RATINGS UNCHANGED

RATINGS DB AG	First issued	Last confirmation	Current ratings Short-term	Long-term	Outlook
Standard & Poor's	May 16, 2000	Aug 1, 2014	A-1+	AA	stable
Moody's	May 16, 2000	Oct 1, 2014	P-1	Aa1	stable

The creditworthiness of DB Group is constantly monitored and assessed by the rating agencies Standard & Poor's (S & P) and Moody's. DB AG's ratings have remained unchanged since they were first issued.

Please see our investor relations Web site for additional information on RATINGS [WWW.DB.DE/RATING-E] and the rating agencies' complete analyses for DB AG.

Value management

VALUE MANAGEMENT TARGETS [%]	DB Group	DB ML Group	Infrastructure
ROCE	≥ 10.0	14.0	8.0
Redemption coverage	≥ 30	50	30
Gearing	100	100	100
Net financial debt/EBITDA (multiple)	2.5	1.5	2.5

ROCE DECREASED

ROCE [€ MILLION]	H1 2015	H1 2014	Change absolute	Change %
EBIT adjusted	890	1,088	–198	–18.2
÷ Capital employed as of Jun 30	35,035	33,604	+1,431	+4.3
ROCE [1] (%)	**5.1**	**6.5**	**-**	**-**

[1] *This key indicator on a full-year basis was determined by extrapolating the figures for adjusted EBIT to the full year on the basis of a linear projection.*

ROCE was down by 1.4 percentage points as of June 30, 2015. This resulted from a worsening of the adjusted EBIT with an increase in capital employed at the same time. The increase in capital employed is a function of capital expenditures.

KEY DEBT RATIOS

Gearing slightly up

GEARING [€ MILLION]	Jun 30, 2015	Dec 31, 2014	Change absolute	Change %
Net financial debt	17,611	16,212	+1,399	+8.6
÷ Equity	15,331	14,525	+806	+5.5
Gearing (%)	**115**	**112**	**-**	**-**

Gearing as of June 30, 2015 is higher and continues to be moderately above the target value of 100%. The rise of EQUITY [PAGE 21] was rather weaker than the increase in NET FINANCIAL DEBT [PAGE 19 F.].

Redemption coverage decreased

REDEMPTION COVERAGE [€ MILLION]	H1 2015	H1 2014	Change absolute	Change %
EBITDA adjusted	2,374	2,554	-180	-7.0
+ Net operating interest	-387	-414	+27	-6.5
Operating cash flow	**1,987**	**2,140**	**-153**	**-7.1**
Net financial debt as of Jun 30	17,611	16,571	+1,040	+6.3
+ Present value operate leases as of Jun 30	4,272	4,595	-323	-7.0
÷ **Adjusted net financial debt as of Jun 30**	**21,883**	**21,166**	**+717**	**+3.4**
Redemption coverage [1] (%)	**18.2**	**20.2**	-	-

[1] *This key indicator was determined by extrapolating the figures for adjusted EBITDA and the net operating interest to the full year on the basis of a linear projection.*

Redemption coverage fell by 2.0 percentage points as of June 30, 2015. This can be attributed to a worsening of operating cash flow with a simultaneous decrease in adjusted net financial debt. The decrease in the present value of operate leases could not offset the increase in net financial debt. The worsened operating cash flow can be attributed to the development in operating profit.

Net financial debt/EBITDA increased

NET FINANCIAL DEBT/EBITDA [€ MILLION]	H1 2015	H1 2014	Change absolute	Change %
Net financial debt as of Jun 30	17,611	16,571	+1,040	+6.3
÷ EBITDA adjusted	2,374	2,554	-180	-7.0
Net financial debt/EBITDA [1] (multiple)	**3.7**	**3.2**	-	-

[1] *This key indicator on a full-year basis was determined by extrapolating the figures for adjusted EBITDA to the full year on the basis of a linear projection.*

The key indicator net financial debt/EBITDA also worsened in the first half of 2015 due to the decrease in ADJUSTED EBITDA [PAGE 16 F.] at the same time as increased net financial debt.

Statement of cash flows

SUMMARY STATEMENT OF CASH FLOWS [€ MILLION]	H1 2015	H1 2014	Change absolute	Change %
Cash flow from operating activities	1,338	1,865	-527	-28.3
Cash flow from investing activities	-1,910	-1,711	-199	+11.6
Cash flow from financing activities	-696	533	-1,229	-
Net change in cash and cash equivalents	-1,217	696	-1,913	-
Cash and cash equivalents as of Jun 30, 2015/Dec 31, 2014	2,814	4,031	-1,217	-30.2

- In the first half of 2015, the development of profit before taxes (€ –212 million) as well as negative workingcapital effects contributed significantly to the decrease in cash flow from operating activities in the first half of 2015.
- Furthermore, the significantly higher outflow of cash from income taxes paid (€ –70 million) had negative effects.
- The outflow of cash for capital expenditures activities increased in the first half of 2015. This resulted primarily from increased payments for net capital expenditures. Catch up effects due to payments for capital expenditures from the previous year had effects on this. Payments for the repayment of investment grants increased as well.
- At the same time, cash inflows from the sale of land increased.
- Cash flow from financing activities fell significantly due to lower net cash inflows from the issue and redemption of bonds (€ –987 million) and a higher cash outflow from dividend payment for the 2014 financial year (€ –500 million).
- Significantly increased net cash inflows from the taking up and repayment of financing loans had the opposite effect (€ +323 million).
- As of June 30, 2015, as planned, DB Group held significantly less cash and cash equivalents compared with the end of the previous year.

Asset situation

NET FINANCIAL DEBT INCREASED

NET FINANCIAL DEBT [€ MILLION]	Jun 30, 2015	Dec 31, 2014	Change absolute	Change %
Interest-free loans	1,306	1,494	-188	-12.6
Finance lease liabilities	484	593	-109	-18.4
Other financial debt	19,114	18,247	+867	+4.8
thereof bonds	17,670	17,162	+508	+3.0
Financial debt	**20,904**	**20,334**	**+570**	**+2.8**
- Cash and cash equivalents and receivables from financing	-2,908	-4,122	+1,214	-29.5
- Effects from currency hedges	-385	-	-385	-
Net financial debt [1]	**17,611**	**16,212**	**+1,399**	**+8.6**

[1] *The figure from the previous year has not been adjusted for the effects from currency hedges on the grounds that the effect would be negligible.*

To offset exchange rate fluctuations in hedged foreign currency bonds, we have also taken into account the corresponding hedging transactions in the calculation of net financial debt since the 2015 financial year.

- Within financial debt, interest-free loans decreased.
- Finance lease liabilities decreased by June 30, 2015, mostly due to continuous repayment.

- Other financial debt was mainly affected by the developments of outstanding bonds. In the first half of 2015, bonds were neither issued nor redeemed. The increase in outstanding bonds is completely due to exchange rate effects and mostly due to the DEVELOPMENT IN THE SWISS FRANC [PAGE 8]. Since our foreign currency-denominated bonds are with very few exceptions hedged against currency fluctuations by the corresponding derivative, currency effects are offset by the corresponding opposite position of the hedge. Holdings of our unsecured foreign currency denominated bonds are influenced mostly by the DEVELOPMENTS IN THE BRITISH POUND [PAGE 8].

Financial debt has risen on the whole as of June 30, 2015. Cash on hand is significantly down as well. The negative effect is partially offset through increased positive effects from exchange rate hedging transactions.

The maturity structure of financial debt has changed slightly as of June 30, 2015. The share of current financial debt increased to 9% (as of December 31, 2014: about 6%).

The composition of financial debt was nearly unchanged as of June 30, 2015. The share of bonds was about 85% (as of December 31, 2014: about 84%). By contrast, the share of interest-free loans (as of June 30, 2015: about 6%; as of December 31, 2014: about 7%) and the share of finance lease liabilities (as of June 30, 2015: about 2%; as of December 31, 2014: about 3%) declined.

CAPITAL EXPENDITURES CONTINUED AT A HIGH LEVEL

CAPITAL EXPENDITURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Gross capital expenditures	3,366	3,414	-48	-1.4
– Investment grants	-1,733	-1,567	-166	+10.6
Net capital expenditures	**1,633**	**1,847**	**-214**	**-11.6**

We backed up our long-term direction with high gross capital expenditures at the same level as in the first half of 2014. Net capital expenditures, mostly due to capital expenditures for DB Bahn Regional vehicles in the first half of 2014, were significantly lower than the level of the corresponding period in the previous year.

The principal features of our capital expenditures activities in the first half of 2015 were again measures to improve the performance and efficiency of the rail infrastructure, and the continued rejuvenation of our rolling stock in both rail and road transport.

In structural terms, gross capital expenditures continued to be dominated by business units in the area of infrastructure, and among them as before DB Netze Track. Infrastructure business units accounted for a total of around 73% of gross capital expenditures (first half of 2014: around 65%), DB Netze Track alone for around 67% (first half of 2014: around 58%). Business units in the area of passenger transport accounted for a share of around 17% (first half of 2014: around 26%), while those in the area of transport and logistics accounted unchanged for around 5%.

Capital expenditures by regions

GROSS CAPITAL EXPENDITURES BY REGIONS [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Germany	3,165	3,239	-74	-2.3
Europe (excluding Germany)	186	146	+40	+27.4
Asia/Pacific	6	16	-10	-62.5
North America	7	6	+1	+16.7
Rest of world	1	2	-1	-50.0
Consolidation	1	5	-4	-80.0
DB Group	**3,366**	**3,414**	**-48**	**-1.4**

NET CAPITAL EXPENDITURES BY REGIONS [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Germany	1,434	1,673	-239	-14.3
Europe (excluding Germany)	184	145	+39	+26.9
Asia/Pacific	6	16	-10	-62.5
North America	7	6	+1	+16.7
Rest of world	1	2	-1	-50.0
Consolidation	1	5	-4	-80.0
DB Group	**1,633**	**1,847**	**-214**	**-11.6**

On a regional breakdown, Germany continued to account for the lion's share of gross capital expenditures at around 94% (first half of 2014: around 95%). Here the decrease compared to the first half of 2014 can mainly be attributed to DB Bahn Regional (€ −368 million) and DB Netze Stations (€ −7 million). In the opposite direction, there was an increase in capital expenditures by DB Netze Track (€ +250 million), DB Services (€ +28 million), DB Bahn Long-Distance (€ +25 million) and DB Netze Energy (€ +2 million).

The increase over the first half of 2014 in the Europe (excluding Germany) region was attributable in particular to DB Arriva and DB Schenker Rail. Exchange rates also had an effect.

Development of investment grants

The investment grants received in the first half of 2015 increased by € 166 million or 10.6% to € 1,733 million.

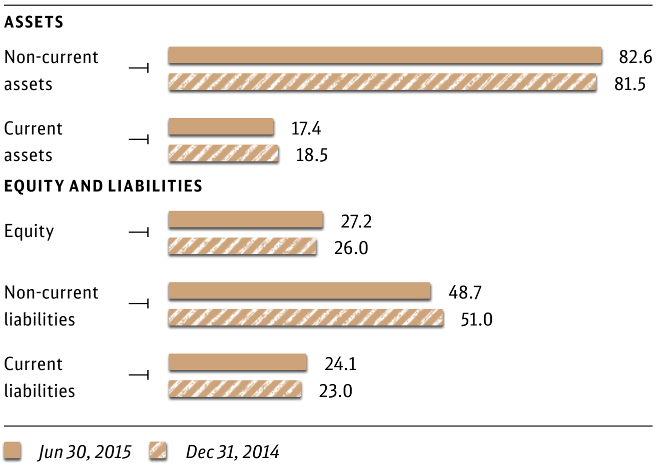
Our infrastructure companies were almost the sole recipients as in the first half of 2014.

Please see our Web site for details on the various GRANT FORMS [WWW.DB.DE/CAPEX].

TOTAL ASSETS INCREASED

BALANCE SHEET [€ MILLION]	Jun 30, 2015	Dec 31, 2014	Change absolute	Change %
Total assets	56,392	55,883	+509	+0.9
ASSETS				
Non-current assets	46,572	45,530	+1,042	+2.3
Current assets	9,820	10,353	-533	-5.1
EQUITY AND LIABILITIES				
Equity	15,331	14,525	+806	+5.5
Non-current liabilities	27,491	28,527	-1,036	-3.6
Current liabilities	13,570	12,831	+739	+5.8

BALANCE SHEET STRUCTURE [%]



The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). There were no significant changes in the IFRS regulations or in the consolidation and accounting principles of DB Group entailing changes to the consolidated financial statements.

- Total assets rose slightly as of June 30, 2015.
- Non-current assets as of June 30, 2015 were above what they were at the end of the previous year. The increase in derivative financial instruments (€ +405 million) for hedging exchange rate effects for our foreign currency bonds was primarily responsible for this. In addition, the increase in property, plant and equipment (€ +297 million), mostly due to infrastructure capital expenditures in DB Netze Track, as well as higher intangible assets (€ +135 million) from currency effects.
- The decline in current assets was primarily influenced by the reduction in cash and cash equivalents (€ −1,217 million). The increase in trade receivables (€ +407 million), other receivables and assets (€ +227 million) and inventories (€ +67 million) had a dampening effect.
- In structural terms there was a slight shift in the direction of current assets.

On the equity and liabilities side, shareholder's equity rose as of June 30, 2015. This resulted from changes recognized in provisions in connection with new valuation of pensions (€ +690 million). For this, a higher interest rate for valuation purposes had a significant effect. In addition, there were effects of the positive retained earnings in the first half of 2015 (€ +391 million), changes recognized in provisions in connection with volatilities of hedging transactions, especially for hedging energy prices (€ +212 million) and the changes recognized in reserves in connection with volatilities from currencies (€ +194 million). In contrast, the dividend payment to the Federal Government (€ −700 million) reduced equity. With a disproportionate rise in equity compared with total assets, the equity ratio also increased as of June 30, 2015.

- Non-current liabilities fell significantly. This development was driven primarily by the decline in pension obligations and non-current FINANCIAL DEBT [PAGE 19 F.]
- By contrast, current liabilities increased above the level at the end of the previous year. Here, the increase in current FINANCIAL DEBT [PAGE 19 F.], other liabilities and other provisions had effects. The decrease in trade liabilities, mostly as a result of catch-up effects after the increase at the end of the previous year, had a dampening effect.

The share of non-current liabilities in total assets on the equity and liabilities side fell to around 49% as of June 30, 2015 (as of December 31, 2014: about 51%). The share of current liabilities, by contrast, has risen slightly as of June 30, 2015 to about 24% (as of December 31, 2014: about 23%).

SOCIAL

About 5,900 new employees in Germany
Agreement reached on over 13,000 measures in follow-up workshops to the employee survey
Collective bargaining successfully concluded

DEVELOPMENT OF THE NUMBER OF EMPLOYEES

EMPLOYEES BY BUSINESS UNIT	Full-time employees (FTE)					Natural persons				
	Jun 30, 2015	Dec 31, 2014	Change absolute	Change %	Jun 30, 2014	**Jun 30, 2015**	Dec 31, 2014	Change absolute	Change %	Jun 30, 2014
DB Bahn Long-Distance	16,368	16,461	-93	-0.6	16,844	17,407	17,503	-96	-0.5	17,881
DB Bahn Regional	36,629	36,605	+24	+0.1	36,842	38,260	38,220	+40	+0.1	38,449
DB Arriva	45,336	45,712	-376	-0.8	45,814	47,390	47,792	-402	-0.8	47,910
DB Schenker Rail	30,907	30,842	+65	+0.2	31,219	31,273	31,212	+61	+0.2	31,594
DB Schenker Logistics	65,560	64,810	+750	+1.2	64,441	67,952	67,374	+578	+0.9	67,155
DB Services	25,257	25,476	-219	-0.9	26,103	26,224	26,483	-259	-1.0	27,105
DB Netze Track	43,806	43,382	+424	+1.0	43,320	44,571	44,116	+455	+1.0	44,036
DB Netze Stations	4,894	4,867	+27	+0.6	4,915	5,151	5,122	+29	+0.6	5,176
DB Netze Energy	1,752	1,770	-18	-1.0	1,770	1,791	1,805	-14	-0.8	1,806
Other/consolidation	26,463	25,838	+625	+2.4	25,629	27,991	27,339	+652	+2.4	27,123
DB Group	**296,972**	**295,763**	**+1,209**	**+0.4**	**296,897**	**308,010**	**306,966**	**+1,044**	**+0.3**	**308,235**
± Effects from changes in the scope of consolidation	-137	-4	-133	–	–	-137	-4	-133	–	–
DB Group – comparable	**296,835**	**295,759**	**+1,076**	**+0.4**	**296,897**	**307,873**	**306,962**	**+911**	**+0.3**	**308,235**

In order to guarantee better comparability over time, the number of DB Group employees is calculated on the basis of full-time employees (FTE). Figures for part-time employees are measured in accordance with their share of the regular annual working time.

As of June 30, 2015, the number of DB Group employees had risen slightly on a comparable basis. This was mostly a result of the expansion of activities in contract logistics at DB Schenker Logistics as well as in operations and maintenance at DB Netze Track. The effects from changes to the scope of consolidation were not significant.

EMPLOYEES BY REGIONS [FTE]	**Jun 30, 2015**	Jun 30, 2014	Change absolute	Change %
Germany	188,671	189,202	-531	-0.3
Europe (excluding Germany)	83,786	84,107	-321	-0.4
Asia/Pacific	13,877	13,762	+115	+0.8
North America	8,118	7,269	+849	+11.7
Rest of world	2,520	2,557	-37	-1.4
DB Group	**296,972**	**296,897**	**+75**	**–**

EMPLOYEES BY REGIONS [NATURAL PERSONS]	**Jun 30, 2015**	Jun 30, 2014	Change absolute	Change %
Germany	196,469	197,229	-760	-0.4
Europe (excluding Germany)	86,836	87,241	-405	-0.5
Asia/Pacific	13,965	13,829	+136	+1.0
North America	8,220	7,379	+841	+11.4
Rest of world	2,520	2,557	-37	-1.4
DB Group	**308,010**	**308,235**	**-225**	**-0.1**

There was a slight decrease in the number of employees in the regions Germany and Europe (excluding Germany). It increased in the Asia/Pacific region, however. In the North America region, the number of employees increased significantly, amongst other things due to new hires for operation of a distribution center in Dallas/USA.

As of June 30, 2015, the share of employees outside of Germany was unchanged at about 36%.

DIGITALIZATION OF WORKING ENVIRONMENTS

The pace of change has accelerated through digitalization. We would like to make use of digitalization, and to do this, we must always give thought to technological and social developments in our strategy. With our initiative Working Environments 4.0, which is one of the six DIGITALIZATION INITIATIVES [PAGE 5] throughout DB Group, we want to be one of the drivers and actively shape the future working environment.

An expert network founded in mid-2015 consists of about 80 experts, both external and from within DB Group. It is working on five themes: types of work and conditions, management and organizational models, job descriptions and tasks, learning and competencies, and collaboration and innovation. Employees, managers and stakeholders are involved in the process. By the end of 2015, this network will draw up scenarios for the future, development paths and prototypes ready for implementation, which will subsequently be evaluated with respect to their feasibility for DB Group.

FURTHER IMPLEMENTATION OF THE HR2020 PROGRAMS

Strategic workforce planning

With strategic workforce planning (SWP), we create transparency on future staffing and staffing needs for key employee groups. In the context of increasing digitalization, we want to develop SWP further into an instrument that can also simulate future changes in the working environment and which takes into account the tasks that are changing as well. The results should have a direct influence on future business models and business decisions.

The successive introduction of PeopleSoft and the international data warehouse that is connected with it plays an important role for the further international rollout of SWP in DB Group.

We are currently working on the introduction of system-side forecasting in order to further promote the balancing of future staffing and staffing needs.

Personnel recruitment

We continued our employer campaign, “A job like no other” in the first half of 2015 with the focus on the target groups school students, skilled workers and IT specialists. In doing so we are relying even more on digital media such as social media channels in order to address potential applicants in a target-oriented manner and to convince them about DB Group as an employer. On the new online platform “DB unplugged,” interested school students can communicate and connect with our vocational trainees and thereby obtain an unfiltered, authentic look into the working environment of DB Group.

In May 2015, we received the Employer Branding Award from the European research institute trendence in the “Best Marketing to School Students” category. Other companies are also focusing on employer branding and recruiting activities. In addition, the collective bargaining dispute 2014/2015 had negative effects on the employer image. This was reflected in the current employer rankings, and thereby our position worsened in the first half of 2015 among the target groups economists and engineering students. To reach our target of being a top employer, potential junior employees and target groups will be addressed intensively in a targeted manner in order to convince them about DB Group as an employer.

Career development

A strategically oriented, attractive career development program is essential if we are to retain qualified, committed employees. We focus principally on the internal development of skilled workers and executives. In 2015, the third DB master program began with an increased number of participants and a larger selection of course concentrations. We are adjusting to the increasing digitalization of the working environment in career development as well. For example, DB Academy has offered since mid-2015 the program “Leading in a Digital Age.” In 2015, DB Training developed the “DB Signals App” which is aimed at train drivers, vocational trainees and others interested in learning and looking up railway signals.

Corporate culture

In the first half of 2015, we began the follow-up process to the 2014 employee survey. 5,046 teams with nearly 65,000 employees throughout DB Group participated in the follow-up workshops and agreed upon over 13,000 measures. Most of the measures were derived from the “Communication, Information and Involvement” activity area, which had the highest priority for our employees.

In the context of the international development of our corporate culture, we concluded the second cycle of our employee child exchange in May 2015.

The target of DB Group is to have placed women in every fifth executive position by 2020; by then 25% of the total workforce shall be female. To reach these targets, the diversity management department has initiated many activities and measures. In the first half year of 2015, for example, workshops were held on “Coming Back to Work after Parental Leave” in which recommendations about the topic of parental leave and coming back to work were developed. As of June 30, 2015, women accounted for 22.8% of the workforce in Germany, unchanged since December 31, 2014. The proportion of women in managerial positions increased slightly to 17.8% (as of December 31, 2014: 17.5%).

In June 2015, DB Group took part in the third German Diversity Day, which was all about intercultural cooperation.

Employment conditions

At the end of May 2015 we agreed upon a comprehensive collective bargaining agreement with the Railway and Transport Workers Union (Eisenbahn- und Verkehrsgewerkschaft; EVG). The collective bargaining agreement included, among other items, a wage increase of 5.1% in two stages, as well as a one-time payment of a total of € 1,100. Furthermore, agreements were reached for improvements in the company pension. There will be a bonus of 10% on top of employer contributions starting in 2016.

A collective bargaining agreement was also reached for the occupational group for train drivers. The collective bargaining agreement integrated current rules of the collective bargaining structure of EVG without objection. In addition, an agreement was reached about the introduction of a new, flexible remuneration system that also includes performance components, starting on January 1, 2016.

Furthermore, DB Group and EVG have signed a collective bargaining agreement “Work 4.0.” The target is to take steps actively together to structure the rapid changes in the working environment from increasing digitalization.

In the collective bargaining dispute with the German Train Drivers’ Union (Gewerkschaft Deutscher Lokomotivführer; GDL), rail passenger transport and rail freight transport were affected a total of three times by strikes for a total of 211 hours and 256 hours respectively in the first half of 2015. Collective bargaining negotiations with the GDL were concluded successfully on June 30, 2015. After intense negotiations and a total of nine strike waves since the beginning of collective bargaining negotiations in mid-2014, both parties approved the arbitration decision of the former state premier Matthias Platzeck and the current state premier of Thuringia, Bodo Ramelow. DB Group and the GDL have agreed upon a package consisting of a wage increase of a total of 5.1%, the same as with the EVG; a decrease in the regular working hours starting in 2018 by one hour per week as well as a comprehensive program to reduce workload and cut overtime hours. Furthermore, the GDL received a long-term perspective as a collective bargaining partner until 2020 with a binding arbitration process. At the same time the working hour system will be reformed. All results and agreements concerning working hours, break time rules or compensation are completely consistent with existing regulations. DB Group thereby achieved its target of not having to differentiate on the basis of union membership within the same occupation group.

Optimization and internationalization of HR work

With the “International Top Executive Development Program,” DB Group has concentrated in 2015 for the first time on systematic development of managerial staff with an international focus. In addition, 26 Spanish vocational trainees began vocational training with DB Group in Germany. We have strengthened our internal consultation activities for the use of international employees and offer systematic support for the integration of foreign employees and interns in Germany. Similarly, we support the formation and development of cross-border businesses of DB Group with personnel concepts.

The IT system PeopleSoft international (PSI) was rolled out in four further countries in the first half of 2015.

ENVIRONMENTAL

New climate protection target under development
Refitting to whisper brakes proceeding according to plan
Nature protection and nature dialogues continued

CLIMATE PROTECTION

Development of a new climate protection target

The reduction of CO_2 emissions is one of the most important concerns of DB Group. Modern, energy-efficient vehicles, energy-saving driving styles and the use of renewable energy sources reduce CO_2 emissions. Already in 2014 we exceeded our self-assigned climate protection target – global reduction of specific CO_2 emissions of our carriers by 20% compared to 2006 – with 22.7%. At present we are working on a new target for the contribution of DB Group to climate protection. The focus is still increasing energy efficiency and the use of renewable energy sources.

Reduction of CO_2 emissions in air and ocean freight

We have signed so-called "Carbon Reduction Agreements" with our top carriers in air and ocean freight business. With this agreement, the carrier commits to individual CO_2 reduction targets of up to 23% per transport unit in the period from 2014 to 2020.

Construction of a CO_2-neutral ICE facility

We are building a maintenance facility in Köln-Nippes as a so-called "Green Facility" equipped with modern environmental technology. We are also planning our own electricity generation with a photovoltaic plant with a size of about 16,000 m². We will use a silent, emissions-free geothermal system for heating and cooling all parts of the facility. The facility will not use any fossil fuels at all.

Second green station in Lutherstadt Wittenberg

In mid-2015 we began construction of the green station in Lutherstadt Wittenberg. The station enables CO_2-neutral station operations through the use of geothermal energy, photovoltaic panels, rooftop greenery, rainwater management and LED lighting. The first green station was opened in June 2014 in Kerpen-Horrem in North Rhine-Westphalia.

Vocational trainees for the environment successfully completed

All long-distance transport vocational trainees in the second year of vocational training were called on to make long-distance transport even more environmentally friendly with fresh and creative ideas. 130 vocational trainees in all departments developed and elaborated their ideas in 23 projects. Vocational trainees have discussed the strategy DB 2020 in intensive project work, and thereby they are becoming the environmental ambassadors of DB long-distance transport.

NOISE REDUCTION

Refitting to whisper brakes on schedule

Noticeable noise reduction is one of the top targets of DB Group. By 2020 we want to cut the noise from rail transport in half compared to 2000. Noise abatement in the infrastructure is the center of this (active and passive noise abatement) and the refitting of freight cars to quiet brake technology that significantly reduces rolling noise. The refitting of freight cars is on schedule. At the end of 2014, the number of new and refitted cars was about 14,500. In 2015, another 5,000 cars should be refitted, so that by the end of 2015, about 20,000 quiet cars will be in operation for DB Schenker Rail. About 2,500 cars were equipped with whisper brakes in the first half of 2015.

Communication strengthened

With the opening of the "InfoPunkt Lärmschutz" (info point noise control) at the Heinrich Hertz Institute in Berlin, we have added another format to our information program on the topic of noise control. In the "TiME Lab," visitors can experience the effects of noise control measures such as walls of different height or freight trains with whisper brakes. With this new forum, we would like most of all to intensify the ongoing dialog with political officials, associations and citizens' groups.

RESOURCE EFFICIENCY

Lower paper consumption through digitalization

DB Group assumes responsibility with an eye to its entire value-added chain: from purchasing through operations to recycling and disposal. The focus in this is careful handling of materials and resources as well as a high recycling ratio. Digital media offers new INFORMATION POSSIBILITIES [PAGE 14] that can in part replace printed media and lead thereby to lower material consumption.

AIR QUALITY CONTROL

Low-emissions vehicles in service

With the use of modern vehicles, we are reducing pollutant emissions even further and thereby contribute to air quality control. DB Bahn Regional Bus has begun operating the 555th bus with the environmentally friendly Euro VI engine. This emissions standard has been met in the Iveco Crossway Low Entry through further technological development that lowers fuel consumption and with a reduced noise level.

DB Arriva will operate the first electric bus line in London from September. The contracting entity is Transport for London (TFL), the state transport authority. At present, DB Arriva is already operating the line with two electric buses in addition to conventional vehicles. Seven further electric buses have been ordered. The buses produce no exhaust as well as less noise and fewer vibrations than conventional diesel buses.

Reduce nitrous oxides

DB Netze Energy began operating the 11th AdBlue® facility. AdBlue® is a liquid based on urea for exhaust treatment in diesel engines. Their use reduces the emissions of nitrous oxides by around 90%. We will increase the number of DB Netze Energy AdBlue® fueling facilities to 15 by the end of 2015.

NATURE CONSERVATION

Offset measures on the Karlsruhe–Rastatt line

When we build new railway facilities or redesign existing ones, we take environmental protection into account even at the planning stage. The target is to largely avoid disturbing nature and the landscape. If harmful impact still does occur, we try to arrange an offset or replacement. One example is the offset measures completed in late April 2015 on the Karlsruhe–Rastatt line segment. We planted various deciduous trees, shrubs, hedges, meadow orchards and grasslands in an area of about 30 hectares. We relocated sand lizards, a strictly protected species, in a new habitat for the construction of the tunnel near Rastatt.

Towards environmental protection through dialog

In early March, the seventh DB Group Specialist Meeting for Environmental Protection was held for internal and external environmental protection representatives. About 300 experts discussed, among other issues, projects to assist traffic route crossings for animals as well as the protection of birds from overhead lines.

In early 2015 a pilot project began in Bavaria to return unused railway land to nature. Environmental groups and DB Group had agreed upon this in 2014. In “Facility Dialogues,” the participants developed a procedure for the identification of appropriate land.

OTHER TOPICS

New Destination Nature area

The Ammergau Alps conservation area became a Destination Nature area in 2015. In cooperation with the environmental associations BUND (Friends of the Earth Germany), NABU (Nature and Biodiversity Conservation Union) and VCD (the German Transport Association), DB Group is taking a stand for the promotion of environmentally appropriate tourism.

Bergwaldprojekt continued

In 2015 as well, DB Group continues our work together with the Bergwaldprojekt association which is working for the protection and preservation of German forest regions. Since 2009 DB Group has supported the Bergwaldprojekt and since then has sponsored the planting of over 200,000 trees.

DEVELOPMENT OF BUSINESS UNITS

Strikes affect all activities in rail transport in Germany
DB Bahn Long-Distance with additional declines due to competition with long-distances buses
International business units with a slightly positive development in revenues

OVERVIEW OF BUSINESS UNITS

REVENUES ADJUSTED [€ MILLION]	Total revenues				External revenues			
	H1		Change		H1		Change	
	2015	2014	absolute	%	**2015**	2014	absolute	%
DB Bahn Long-Distance	1,875	1,979	-104	-5.3	1,800	1,904	-104	-5.5
DB Bahn Regional	4,254	4,438	-184	-4.1	4,205	4,386	-181	-4.1
DB Arriva	2,375	2,210	+165	+7.5	2,372	2,208	+164	+7.4
DB Schenker Rail	2,391	2,452	-61	-2.5	2,226	2,292	-66	-2.9
DB Schenker Logistics	7,756	7,407	+349	+4.7	7,728	7,385	+343	+4.6
DB Services	1,521	1,507	+14	+0.9	124	120	+4	+3.3
DB Netze Track	2,490	2,425	+65	+2.7	614	534	+80	+15.0
DB Netze Stations	604	589	+15	+2.5	248	238	+10	+4.2
DB Netze Energy	1,392	1,416	-24	-1.7	552	533	+19	+3.6
Other	809	778	+31	+4.0	131	134	-3	-2.2
Consolidation	-5,467	-5,467	-	-	-	-	-	-
DB Group	**20,000**	**19,734**	**+266**	**+1.3**	**20,000**	**19,734**	**+266**	**+1.3**

OPERATING PROFIT FIGURES [€ MILLION]	EBIT adjusted				EBITDA adjusted			
	H1		Change		H1		Change	
	2015	2014	absolute	%	**2015**	2014	absolute	%
DB Bahn Long-Distance	58	123	-65	-52.8	197	285	-88	-30.9
DB Bahn Regional	348	485	-137	-28.2	666	776	-110	-14.2
DB Arriva	101	104	-3	-2.9	224	219	+5	+2.3
DB Schenker Rail	-74	9	-83	-	74	157	-83	-52.9
DB Schenker Logistics	165	148	+17	+11.5	258	240	+18	+7.5
DB Services	21	28	-7	-25.0	118	119	-1	-0.8
DB Netze Track	313	267	+46	+17.2	781	731	+50	+6.8
DB Netze Stations	152	136	+16	+11.8	219	202	+17	+8.4
DB Netze Energy	36	34	+2	+5.9	70	66	+4	+6.1
Other/consolidation	-230	-246	+16	-6.5	-233	-241	+8	-3.3
DB Group	**890**	**1,088**	**-198**	**-18.2**	**2,374**	**2,554**	**-180**	**-7.0**
Margin (%)	4.5	5.5	-	-	11.9	12.9	-	-

CAPITAL EXPENDITURES [€ MILLION]	Gross capital expenditures				Net capital expenditures			
	H1		Change		H1		Change	
	2015	2014	absolute	%	**2015**	2014	absolute	%
DB Bahn Long-Distance	141	116	+25	+21.6	141	116	+25	+21.6
DB Bahn Regional	339	707	-368	-52.1	338	706	-368	-52.1
DB Arriva	96	75	+21	+28.0	96	74	+22	+29.7
DB Schenker Rail	91	78	+13	+16.7	89	78	+11	+14.1
DB Schenker Logistics	82	88	-6	-6.8	82	88	-6	-6.8
DB Services	134	106	+28	+26.4	134	106	+28	+26.4
DB Netze Track	2,237	1,987	+250	+12.6	648	578	+70	+12.1
DB Netze Stations	187	194	-7	-3.6	72	62	+10	+16.1
DB Netze Energy	46	44	+2	+4.5	20	20	-	-
Other/consolidation	13	19	-6	-31.6	13	19	-6	-31.6
DB Group	**3,366**	**3,414**	**-48**	**-1.4**	**1,633**	**1,847**	**-214**	**-11.6**
thereof investment grants	1,733	1,567	+166	+10.6	-	-	-	-

PASSENGER TRANSPORT

Declining order development

Revenues that are directly connected with transport contracts or concessions are either independent of (secured revenues, primarily concession fees) or dependent on (unsecured revenues, primarily revenues from fares) the number of passengers.

ORDER VOLUME IN PASSENGER TRANSPORT [€ BILLION]	Jun 30, 2015	Dec 31, 2014	Change absolute	%
DB Bahn Regional	69.4	69.4	–	–
secured	46.3	46.3	–	–
unsecured	23.1	23.1	–	–
DB Arriva	14.3	14.8	-0.5	-3.4
secured	6.7	6.9	-0.2	-2.9
unsecured	7.6	7.9	-0.3	-3.8
Total	**83.7**	**84.2**	**-0.5**	**-0.6**
secured	53.0	53.2	-0.2	-0.4
unsecured	30.7	31.0	-0.3	-1.0

In the first half of 2015, the order volume slightly decreased overall. Additions from newly awarded transport contracts of around € 4.6 billion and changes in assumptions of about € 0.6 billion, which are primarily due to exchange rate effects, were offset by disposals, mainly due to services performed, of about € 5.7 billion.

TRANSPORT CONTRACTS IN GERMANY

CONCLUDED TRANSPORT CONTRACTS (RAIL) IN THE FIRST HALF OF 2015	Term	Volume (million train km) p. a.	total [1]
S-Bahn Rhine-Neckar Lot 1	Dec 2016 - Dec 2033	7.9	134.3
Meinerzhagen - Lüdenscheid	Dec 2016 - Dec 2033	0.3	5.1
Additional transport Saar RB 70 [2]	Dec 2014 - Dec 2018	0.6	2.4
Total [1]		**8.8**	**141.8**

[1] *Differences due to rounding are possible.*
[2] *Published retrospectively in EU Official Journal.*

Eight tender award procedures were concluded by contracting organizations for rail passenger transport in Germany in the first half of 2015 (first half of 2014: 11). A total of approximately 32 million train kilometers (train km) were awarded, as was the case for the first half of 2014. Of the train kilometers for which new orders were placed in the first half of 2015, around 93% had previously been provided by companies within DB Group.

We won three of the tenders (first half of 2014: four), which accounts for 27% of the train kilometers awarded (first half of 2014: 74%).

CONCLUDED TRANSPORT CONTRACTS (BUS) IN THE FIRST HALF OF 2015	Term	Volume (million Nkm) p. a.	total [1]
VRN Pfälzer Bergland and Kaiserslautern (Lots 2, 3 and 4)	Aug 2015 - Jun 2025	3.5	34.7
Dithmarschen (North and South subnetworks)	Jan 2016 - Dec 2025	3.0	30.1
VRN Leimen and St. Leon-Rot, Sandhausen	Dec 2015 - Dec 2025	2.1	21.4
LK Roth - LB Nordost (Lots 1 and 2)	Dec 2015 - Dec 2024	0.9	7.7
MVV lines 240, 242, 243	Dec 2015 - Dec 2023	0.7	5.2
NVV LB 303 Rotenburg - Bebra	Dec 2015 - Dec 2025	0.6	5.8
KVV Hardt-Ost	Dec 2015 - Dec 2023	0.5	3.7
AVV LB Wittelsbacher Land 01	Jan 2016 - Dec 2023	0.5	3.6
Other (8 competitive procedures)	1 to 10 years	1.2	9.0
Total [1]		**13.0**	**121.2**

[1] *Differences due to rounding are possible.*

In bus service, in Germany, orders were placed in 52 procedures (first half of 2014: 43 procedures) for services with a total volume of around 29 million commercial vehicle kilometers (Nkm) in the first half of 2015 (in the first half of 2014: 27 million Nkm). Of the commercial vehicle kilometers for which new orders were placed, 53% (first half of 2014: 29%) had previously been provided by companies within DB Group.

In the first half of 2015, we participated in 44 competitive procedures (first half of 2014: 35 procedures) with a volume of 27 million Nkm (first half of 2014: 25 million Nkm). In the procedures for the awarding of contracts that we participated in, we were successful in 48% of cases (first half of 2014: 49%).

TRANSPORT CONTRACTS IN EUROPE (EXCLUDING GERMANY)

DB Arriva has participated in invitations to tender throughout Europe.

CONCLUDED TRANSPORT CONTRACTS (BUS) IN THE FIRST HALF OF 2015		Term	Volume (million bus km) p. a.	total [1]
Great Britain	London (10 separate lines) [2]	5 years each	9.0	44.9
Denmark	Movia A13	Dec 2015 - Dec 2025	3.0	30.3
Great Britain	London (Route 73) [3]	Sep 2016 - Sep 2018	2.9	5.8
Great Britain	Kent County Council [3]	May 2015 - May 2019	2.0	7.9
Great Britain	London (2 separate lines)	3 years each	0.9	2.5
Great Britain	London (2 separate lines) [3]	1 year each	0.5	0.5
Total [1]			**18.3**	**91.9**

[1] *Differences due to rounding are possible.*
[2] *Predominantly an extension of the existing contract.*
[3] *Extension of the existing contract.*

CONCLUDED TRANSPORT CONTRACTS (RAIL) IN THE FIRST HALF OF 2015

		Term	Volume (million train km) p. a.	total [1]
Sweden	Pågatåg [2]	Dec 2016 - Dec 2018	12.2	24.4
Denmark	Jutland [2]	Dec 2018 - Dec 2020	8.4	16.8
Total [1]			**20.6**	**41.2**

[1] *Differences due to rounding are possible.*
[2] *Extension of the existing contract.*

DB Bahn Long-Distance business unit

EVENTS IN THE FIRST HALF OF 2015

Vehicle availability improved

The availability of the ICE fleet remained stable in the first half of 2015 in comparison with the first half of 2014:

- Mild weather at the start of the year led to limited vehicle impairments, meaning that it was possible to further stabilize the reliability of the fleet thanks to available maintenance capacities.
- Approval was given to the new 407 series ICE 3 multiple units in France, and the trains have been gradually taking over services to France since the start of June. The approvals in Belgium, and in double-traction for France, have been further pushed forward.

The refit of the ICE 3 fleet with new driving wheel sets started at the end of June 2015, and is expected to be ongoing until 2018. This means that increasing ultrasound testing intervals will have a positive impact on availability. Regarding the new wheel sets for the ICE T fleet, commissioning approval is expected in the first half of 2016. In addition, there is an increased need for replacement for the wheel sets on ICE 1 and ICE 2 trains due to the known problems due to distorted disks and bearing damage.

The arrival of the first ICx units is still expected in the second half of 2016 for a test run of one year.

The availability of the Intercitys was also good in the first half of 2015. The arrival of the new double-deck Intercitys has been further delayed and will not happen before the end of 2015.

Vehicle projects in long-distance transport

The reinforcement of the ICE T fleet continued, with 30 of 42 multiple units having been completed so far. The core of the work is stabilizing and modernizing the vehicle technology. In the interior, repairs are being made and some components are being renewed.

At the same time, the preparations for the ICE 3 redesign continued. Extensive technological and comfort measures will be initially implemented on a prototype from 2016, and then – from October 2016 – in series production.

The multiple units in the ICE T and ICE 3 fleet not yet fitted with the European Train Control System (ETCS), are being fitted for use with ETCS during the redesign.

The stabilizing of our IC and EC fleet with additional technological measures is moving forward and completion is intended for the end of 2016.

DEVELOPMENT IN THE FIRST HALF OF 2015

- A price-sensitive market with intense competition.
- Adverse effects due to the GDL strikes.
- Increase in volume sold in long-distance bus passenger transport.

DB BAHN LONG-DISTANCE	H1 2015	H1 2014	Change absolute	Change %
Punctuality (rail) (%)	78.8	81.0	-	-
Rate of people making connections (long-distance transport/ long-distance transport) (%)	87.7	88.1	-	-
Passengers rail (million)	60.3	62.2	-1.9	-3.1
Passengers long-distance bus (million)	0.4	0.2	+0.2	+100
Volume sold rail (million pkm)	17,044	17,250	-206	-1.2
Volume sold long-distance bus (million pkm)	96.5	71.0	+25.5	+35.9
Volume produced (million train-path km)	67.4	71.6	-4.2	-5.9
Load factor (%)	49.1	47.7	-	-
Total revenues (€ million)	1,875	1,979	-104	-5.3
External revenues (€ million)	1,800	1,904	-104	-5.5
EBITDA adjusted (€ million)	197	285	-88	-30.9
EBITDA margin (adjusted) (%)	10.5	14.4	-	-
EBIT adjusted (€ million)	58	123	-65	-52.8
Gross capital expenditures (€ million)	141	116	+25	+21.6
Employees as of Jun 30 (FTE)	16,368	16,844	-476	-2.8

The average level of punctuality in the first half year has noticeably decreased. Operating difficulties due to several storms and the GDL STRIKES [PAGE 24] prevented better punctuality. The rate of people making their long-distance train connections therefore declined slightly.

The GDL strikes, performance reductions in the car and night train business, and the increased competition due to the developments on the long-distance bus market, resulted in a decline in the number of passengers and volume sold. In this context, the volume produced also recorded a decline in the first half of 2015. The load factor increased slightly, which is due to the effects of strikes. In contrast, the number of passengers and volume sold for long-distance buses increased as a result of the extension of this business area.

In this environment, revenue development was weaker than in the first half of 2014. Both total and external revenues declined. In contrast, supply-side measures had a supportive effect.

Other operating income (+1.2%) increased, partly due to higher compensation for vehicle accidents as well as more services for third-party railways. Lower income from vehicle sales and the release of provisions had an opposite effect.

Cost of materials (–2.5%) decreased. The drivers for this were lower infrastructure expenses as a result of the decreased volume produced.

Personnel expenses (+2.7%) were higher than the figure for the previous year as a result of the collective bargaining agreement.

Depreciation (–14.2%) declined significantly as a result of a decrease in the ICE 3 and ICE T series. The ICE 3 407 series vehicle acquisitions had an opposite effect.

Overall, it was only possible to partially compensate for the revenue development by means of the decline in expenses, meaning that there was a significant deterioration in adjusted EBITDA and adjusted EBIT.

Gross capital expenditures increased primarily due to vehicle acquisitions and workshop projects.

The number of employees declined as of June 30, 2015, due to adjustments in the scope of service, including for car and night train transport.

DB Bahn Regional business unit

EVENTS IN THE FIRST HALF OF 2015

Vehicle renovations continued

We are also working on the constant improvement of our vehicle fleet at DB Bahn Regional; the renovations include redesigning the interior, the passenger information system and video recording systems as well as painting:

- 78 vehicles of the 423 series were completely renovated by the end of June 2015 for the operation of the Rhein-Main S-Bahn (metro), and 36 multiple units received an automatic passenger-counting system. This is intended to be 100 vehicles by the end of 2015.
- For the Main-Weser/Kinzigtal/Niddertal tender, 107 double-deck cars had been entirely renovated by the end of June 2015. This is intended to be 131 vehicles by the end of 2015.
- For the North-South tender, 62 double-deck cars were completely renovated by the end of June 2015. This is intended to be 98 vehicles by the end of 2015. The entire renovation volume is 102 vehicles.
- For the North-East Stadtbahn, 45 double-deck cars were completely renovated by the end of June 2015. This is intended to be 75 vehicles by the end of 2015.
- For the future operation of the Stuttgart S-Bahn (metro), 32 vehicles of the 423 series were completely renovated by the end of June 2015. By the end of 2015, it is intended to be 44 of a total of 60 vehicles.

Delivery of new regional trains

Further delays have occurred in the delivery of new trains for DB Bahn Regional:

442 SERIES (TALENT 2)

- Apart from 30 vehicles, all vehicles have now been delivered and put into service throughout Germany in 12 different regions. All vehicles were delivered with a significant delay, as well as with faults; work is currently being performed to remedy these faults.

430 SERIES (RHEIN-MAIN DESIGN)

- The delayed delivery of the 91 vehicles ordered was completed in January 2015.
- There are still many faults, and work is currently being performed to remedy these faults.

430 SERIES (STUTTGART S-BAHN DESIGN)

- 87 vehicles can still only be operated without the retractable step function.

620/622 SERIES

- The final four of 56 vehicles ordered from Alstom were delivered at the start of 2015.

DOUBLE-DECK TRAINS

- These will not arrive before the fourth quarter of 2015.

Agreement reached with Bombardier Transportation

At the end of the first quarter of 2015, DB Bahn Regional and Bombardier Transportation were able to agree an out-of-court settlement for various vehicle projects, thereby mutually settling extensive legal disputes, including regarding the 442 series (Talent 2) and 430 series (Stuttgart S-Bahn) vehicles. The parties wish to resolve the remaining differences of opinion through a new, effective collaboration.

DEVELOPMENT IN THE FIRST HALF OF 2015

- Competitive environment remained intense.
- GDL strikes had a negative impact.
- Performance losses in some areas.

DB BAHN REGIONAL	H1 2015	H1 2014	Change absolute	Change %
Punctuality (rail) (%)	95.0	96.0	-	-
Punctuality regional trains (%)	93.1	94.5	-	-
Punctuality S-Bahn (metro) d.c. (%)	95.0	96.3	-	-
Punctuality S-Bahn (metro) a.c. (%)	97.9	98.0	-	-
Passengers (million)	1,264	1,284	-20	-1.6
thereof long-distance bus	0.3	0.3	-	-
Volume sold (million pkm)	24,771	25,503	-732	-2.9
thereof long-distance bus	79.2	91.7	-12.5	-13.6
Total revenues (€ million)	4,254	4,438	-184	-4.1
External revenues (€ million)	4,205	4,386	-181	-4.1
Rail concession fees (€ million)	1,910	2,116	-206	-9.7
EBITDA adjusted (€ million)	666	776	-110	-14.2
EBIT adjusted (€ million)	348	485	-137	-28.2
Gross capital expenditures (€ million)	339	707	-368	-52.1
Employees as of Jun 30 (FTE)	36,629	36,842	-213	-0.6

DB Bahn Regional punctuality declined in the first half of 2015. The punctuality of regional trains and S-Bahn (metro) trains worsened as a result of the GDL STRIKES [PAGE 24] and due to the impact of weather. The punctuality of alternating current S-Bahn (metro) trains was impaired in particular due to the low figure for the Rhein-Main S-Bahn (metro) (ramp-up phase for the new transport contract since the timetable change in December 2014).

Performance declined in the first half of 2015. The volume sold reduced both in the rail line of business and in the bus line of business. In rail transport, tender losses and the GDL strikes, and in long-distance bus transport, performance losses and supply adjustments, had negative effects.

The development of the higher-revenue and higher-performance rail line of business particularly affected the economic performance of the DB Bahn Regional business unit. Therefore, the declines in revenues here, which are primarily due to lower concession fees, had a negative effect on the business unit overall. Performance losses and repayments respectively reductions, including as a result of the GDL strikes, were the most important factors for the decrease in concession fees. The bus line of business, however, with slightly increased total revenues, made a positive contribution to revenue development; however, this could not compensate for the decline in the rail line of business.

Other operating income, however, recorded an increase as a result of higher compensation payments and the sale of materials and vehicles.

Cost of materials (+0.3%) increased slightly, primarily due to higher distribution commissions and higher expenses for maintenance. This was countered by lower energy expenses.

Other operating expenses (+3.5%) increased as a result of recognition of higher provisions.

Personnel expenses also increased as a result of the collective bargaining agreement (+2.3%). This was countered by the lower number of employees.

Overall, the profitability deteriorated, driven by the rail line of business. Adjusted EBITDA and adjusted EBIT fell noticeably.

Gross capital expenditures significantly reduced as a result of the conclusion of two large vehicle acquisition projects in the previous year.

The number of employees reduced in comparison to June 30, 2014. The growth in the bus line of business was more than offset by a decline in the rail line of business as a result of performance losses.

Rail line of business

- GDL strikes had a negative impact.
- Performance losses in some regions.
- Negative impact from increasing factor costs.

RAIL LINE OF BUSINESS SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Passengers (million)	949.7	967.5	-17.8	-1.8
Volume sold (million pkm)	21,181	21,826	-645	-3.0
Volume produced (million train-path km)	234.7	242.1	-7.4	-3.1
Total revenues	3,783	3,963	-180	-4.5
External revenues	3,595	3,774	-179	-4.7
Rail concession fees	1,910	2,116	-206	-9.7
EBITDA adjusted	599	704	-105	-14.9
EBIT adjusted	310	444	-134	-30.2
Gross capital expenditures	324	674	-350	-51.9
Employees as of Jun 30 (FTE)	27,844	28,300	-456	-1.6

Performance in the rail line of business was shaped by declining volume sold and declining volume produced. The performance losses relate primarily to the regions Southwest, Southeast and North. The strikes also negatively impacted performance. The number of passengers also reduced.

Revenues and concession fees reduced, driven by performance losses. Both total revenues and external revenues reduced. Higher revenues from the public transport network due to prices had a dampening effect here.

Other operating income (+67.4%) increased as a result of payments to compensate for damage.

Energy expenses that were lower due to performance were compensated for through higher distribution commissions as well as higher maintenance expenses. This resulted in an increased cost of materials (+0.7%).

Despite a reduction in the workforce, personnel expenses (+1.4%) increased as a result of the collective bargaining agreement.

Other operating expenses (+2.5%) also increased. This resulted primarily from the recognition of provisions for impending losses. This development was offset by savings for services obtained.

As a result of additions of vehicles, depreciation significantly increased (+11.3%).

The increase in personnel expenses and cost of materials was more than offset by the increase in other operating income. Ultimately, however, the lower revenues could not be offset, meaning that there was a decline in adjusted EBITDA and adjusted EBIT.

Gross capital expenditures were significantly below the level of the first half of 2014. This resulted in particular from higher additions of vehicles in the first half of 2014 for the Stuttgart S-Bahn (metro) and the Rhein-Main S-Bahn (metro).

The number of employees reduced as of June 30, 2015, as a result of performance losses.

Bus line of business

- Increasing competition and demographic change have meant a decline in performance and are dampening economic development.
- Optimizing the business portfolio is having a positive effect.
- Negative impact from increasing factor costs.

BUS LINE OF BUSINESS SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Passengers (million)	314.7	316.3	-1.6	-0.5
thereof long-distance bus	0.3	0.3	–	–
Volume sold (million pkm)	3,590	3,678	-88	-2.4
thereof long-distance bus	79.2	91.7	-12.5	-13.6
Volume produced (million bus km)	278.7	279.9	-1.2	-0.4
Total revenues	661	657	+4	+0.6
External revenues	610	613	-3	-0.5
EBITDA adjusted	67	73	-6	-8.2
EBIT adjusted	38	41	-3	-7.3
Gross capital expenditures	15	33	-18	-54.5
Employees as of Jun 30 (FTE)	8,785	8,542	+243	+2.8

Performance development in bus transport was lower in the first half of 2015. Volume sold was primarily shaped by declining numbers of passengers as well as the reduction of long-distance bus performance. Tender losses could not be offset by newly won transport services, meaning that the volume produced also reduced.

Revenues development was more positive than performance development. Here, it was possible to offset the slightly reduced external revenues resulting from, among other things, lower revenues from long-distance bus lines, with higher revenues from rail substitute transports. Other operating income increased as a result of higher income in particular from the sale of vehicles.

Cost of materials (−0.1%) was at the same level as it was in the first half of 2014. The savings for energy as a result of lower diesel prices were largely offset by increased expenses for contractors and maintenance services.

Personnel expenses (+6.2%) increased due to volume increases and as a result of collective bargaining agreements.

Other operating expenses increased due to, among other things, increased consultancy services. Depreciation reduced compared with the first half of 2014 as a result of lower capital expenditures.

As a result of increased production costs (in particular personnel expenses), adjusted EBITDA and adjusted EBIT reduced.

Due to the extensive vehicle acquisitions effected in the first half of 2014 for new services won, gross capital expenditures significantly declined.

As of June 30, 2015, the number of employees has increased primarily due to starting new transport services in the regions Hesse and East.

DB Arriva business unit

EVENTS IN THE FIRST HALF OF 2015

Transport contract won in Limburg

- DB Arriva was awarded a € 2 billion contract from the Lower-Saxony province of Limburg for the operation of local public transport. The contract has a term of 15 years and comprises services with over 200 buses and around 40 regional trains. Operation will start in December 2016. The services are closely connected with the neighboring German transport networks. As part of this, we will operate the planned train connection from Maastricht to Aachen. There is also a connection to our long-distance transport network in Germany via the IC bus. The transport contract coming into legal force, however, still depends on the conclusion of an ongoing appeal proceeding.

Investments

- In June 2015, DB Arriva obtained 100% of the shares in GOTFRI spol s r.o., Slovakia. GOTFRI operates regional and urban transport services in Northern Slovakia and has around 230 buses. GOTFRI has been included in the DB consolidated financial statements since July 1, 2015.

DEVELOPMENT IN THE FIRST HALF OF 2015

- Condition of the business environment remains weak.
- Positive effects from new contracts.
- Noticeable impact of exchange rate effects.

DB ARRIVA	H1 2015	H1 2014	Change absolute	Change %
Punctuality (rail) (%)	93.5	92.0	-	-
Passengers (million)	814.5	823.4	-8.9	-1.1
Volume sold rail (million pkm)	4,300	4,196	+104	+2.5
Volume produced rail (million train-path km)	65.6	64.3	+1.3	+2.0
Volume produced bus (million bus km)	509.3	498.3	+11.0	+2.2
Total revenues (€ million)	2,375	2,210	+165	+7.5
External revenues (€ million)	2,372	2,208	+164	+7.4
EBITDA adjusted (€ million)	224	219	+5	+2.3
EBIT adjusted (€ million)	101	104	-3	-2.9
Gross capital expenditures (€ million)	96	75	+21	+28.0
Employees as of Jun 30 (FTE)	45,336	45,814	-478	-1.0

Punctuality in rail passenger transport (Great Britain, Denmark, Sweden, the Netherlands and Poland) increased in the first half of 2015 as a result of the absence of the weather-related disturbance in the first half of 2014.

Passenger numbers declined slightly. While the number of passengers in rail transport increased, the number of bus passengers decreased. The main driver for this was the reduced volume produced in the London bus market. The volume sold in rail transport increased as a result of increased passenger numbers, in particular due to the lack of weather-related disturbance.

The increase in revenues is primarily due to the newly introduced transport services in the Netherlands and positive exchange rate effects. The restructuring of TGM and the sale of The Original Sightseeing Tour Ltd. (TOT), London/Great Britain, in the second half of 2014 offset this.

The lower cost of materials (–5.4%) is particularly due to lower train-path utilization expenses for UK trains and reduced fuel costs.

In contrast, personnel expenses (+10.1%) increased, which was particularly due to exchange rate effects and an increase in the number of employees as a result of new transport services in the Netherlands.

Adjusted EBIT was lower primarily due to a planned reduction of support payments for the Cross Country franchise. In contrast, new transport services in the Netherlands had a positive effect.

Gross capital expenditures increased in the first half of 2015. This resulted mainly from temporary effects in connection with the the timing of new acquisitions of buses, which will be offset in the course of the year.

The number of employees was lower as compared with June 30, 2014, due to the restructuring of TGM, the sale of TOT and the loss of lines in London. These effects were partly offset by the newly introduced transport services in the Netherlands.

UK Bus line of business

- Significant competitive pressure in the London market.
- Noticeably positive exchange rate effects.
- Negative revenue effects due to the restructuring of TGM and the sale of TOT.

UK BUS LINE OF BUSINESS SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Passengers (million)	350.7	371.7	–21.0	–5.6
Volume produced (million bus km)	188.9	195.3	–6.4	–3.3
Total revenues	673	651	+22	+3.4
External revenues	668	634	+34	+5.4
EBITDA adjusted	97	92	+5	+5.4
EBIT adjusted	51	48	+3	+6.3
Gross capital expenditures	67	35	+32	+91.4
Employees as of Jun 30 (FTE)	16,764	17,857	–1,093	–6.1

Performance development in the bus business in Great Britain was negative in the first half of 2015. Volume produced reduced as a result of the loss of lines as well as strikes in London. The number of passengers also decreased in line with this.

As a result of positive exchange rate effects, an increase in revenues was recorded. Adjusted for exchange rate effects, revenues were lower compared to the same period of the previous year due to performance and the sale of TOT and the restructuring of TGM.

The cost of materials (–8.4%) reduced, primarily due to energy costs that were lower due to performance. Personnel expenses (+8.7%) increased due to exchange rates. Adjusted for exchange rate effects, there was a decline in personnel expenses as a result of the smaller workforce.

The positive development in revenues due to exchange rates largely offset the increased expenses and led to a slight increase in operating profits. Adjusted EBITDA and adjusted EBIT were higher than in the first half of 2014.

Temporary effects due to the addition in connection with the new acquisition of buses resulted in a significant increase in gross capital expenditures. These, however, will be offset in the course of the year.

The number of employees fell, primarily due to the restructuring of TGM, the sale of TOT and the loss of lines in London.

UK Trains line of business

- Expansion of services at Grand Central.
- Planned changes in support payments reduced profit.

UK TRAINS LINE OF BUSINESS SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Passengers (million)	63.9	61.2	+2.7	+4.4
Volume sold (million pkm)	3,180	3,055	+125	+4.1
Volume produced (million train-path km)	37.7	36.9	+0.8	+2.2
Total revenues	812	711	+101	+14.2
External revenues	797	699	+98	+14.0
EBITDA adjusted	20	23	-3	-13.0
EBIT adjusted	6	11	-5	-45.5
Gross capital expenditures	7	5	+2	+40.0
Employees as of Jun 30 (FTE)	5,588	5,485	+103	+1.9

Performance development was positive in the first half of 2015. The development of volume produced was reduced by poor weather conditions, which resulted, among other things, in temporary route closures.

Revenue development was also positive in the first half of 2015, but primarily driven by the exchange rate effects. The growth in revenues at Grand Central also had a positive effect on revenue development. Negative revenue effects resulted from lower planned support payments for the Cross-Country franchise.

Cost of materials was negatively impacted by exchange rate effects and positively impacted by lower train-path utilization costs. The positive development of train-path utilization expenses was, however, offset by the associated lower support payments, and increased franchise payments.

Personnel expenses, in contrast, rose as a result of exchange rate effects, an increased number of employees, collective wage increases and increasing pension expenses.

Overall, the adjusted profit figures worsened. Adjusted EBITDA and EBIT reduced significantly. This development is due to lower planned support payments and increased pension expenses, which it was only possible to partly compensate for with increases in revenues at Grand Central.

Gross capital expenditures remained nearly unchanged at a low level.

The number of employees increased in comparison with the first half of 2014 as a result of new hires.

Mainland Europe line of business

- Positive effects from transport services introduced in the Netherlands in December 2014.

MAINLAND EUROPE LINE OF BUSINESS SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Passengers rail (million)	49.9	50.2	-0.3	-0.6
Passengers bus (million)	350.0	340.2	+9.8	+2.9
Volume sold rail (million pkm)	1,120	1,142	-22	-1.9
Volume produced rail (million train-path km)	27.9	27.4	+0.5	+1.8
Volume produced bus (million bus km)	320.4	303.0	+17.4	+5.7
Total revenues	937	905	+32	+3.5
External revenues	907	875	+32	+3.7
EBITDA adjusted	127	116	+11	+9.5
EBIT adjusted	62	55	+7	+12.7
Gross capital expenditures	21	35	-14	-40.0
Employees as of Jun 30 (FTE)	22,742	22,298	+444	+2.0

In the Mainland Europe line of business, performance development was primarily shaped by the effects of new transport services in the Netherlands.

The number of passengers in rail transport slightly reduced in the first half of 2015, while the volume produced slightly increased. The volume sold in rail transport reduced. An increase in the number of passengers and the volume produced has been achieved in bus transport, which resulted from the transport services introduced in the Netherlands.

Revenue development was positive overall. Both total and external revenues rose. The driver for this was the introduction of transport services in the Netherlands.

On the expenses side, cost of materials (−4.5%) reduced as a result of lower diesel prices and lower purchased transport services. Personnel expenses (+5.2%) increased, however, mainly due to the increased number of employees.

Overall, the adjusted profit figures improved. Adjusted EBITDA and adjusted EBIT each increased.

Gross capital expenditures were lower compared to the corresponding period of the previous year. This decline was caused by the capital expenditures made in the previous year for new transport services in the Netherlands, Italy and Denmark.

The number of employees had increased as of June 30, 2015 primarily as a result of transport contracts won in the Netherlands.

TRANSPORT AND LOGISTICS

DB Schenker Rail business unit

EVENTS IN THE FIRST HALF OF 2015

Action plan for Germany with positive effects

The action plan for Germany initiated in 2012 has been further developed in order to respond to the challenges DB Schenker Rail is facing in Germany, and to ensure overall financial sustainability.

Efficiency and the net operating profits are optimized using various levers within the action plan for Germany plus. In addition to structural activities on the production side and measures with a keener focus on the market and customers, attention has been paid to process improvements within the scope of service provisions. The purpose of all these measures is to increase efficiency and improve the quality at the same time.

The program had tangible, positive effects even in the first half of 2015. In addition to sustainable optimization of the control and maintenance of our fleet, operational processes in particular are currently being further developed in order to make use of resources whilst achieving the greatest possible added economic value at the same time.

Investments

- We sold 13.94% of the shares in PCC Intermodal S.A. in May 2015. PCC Intermodal has not been included in the DB consolidated financial statements since June 2015.

DEVELOPMENT IN THE FIRST HALF OF 2015

- Negative impact of GDL strikes.
- A challenging economic and geopolitical environment.
- Pressures on price and from competitors have further increased on an inter- as well as intramodal basis.

	H1		Change	
DB SCHENKER RAIL	2015	2014	absolute	%
Punctuality [1] (%)	75.0 [2]	69.9	–	–
Freight carried (million t)	150.9	166.7	-15.8	-9.5
Volume sold (million tkm)	48,912	52,019	-3,107	-6.0
Volume produced (million train-path km)	93.4	97.1	-3.7	-3.8
Capacity utilization (t per train)	523.7	535.8	-12.1	-2.3
Total revenues (€ million)	2,391	2,452	-61	-2.5
External revenues (€ million)	2,226	2,292	-66	-2.9
EBITDA adjusted (€ million)	74	157	-83	-52.9
EBIT adjusted (€ million)	-74	9	-83	–
EBIT margin (adjusted) (%)	-3.1	0.4	–	–
Gross capital expenditures (€ million)	91	78	+13	+16.7
Employees as of Jun 30 (FTE)	30,907	31,219	-312	-1.0

[1] *Change in methods from 2015 onwards.*
[2] *January through May 2015.*

Punctuality in rail freight traffic has significantly increased, primarily due to a change in the method of calculation. Operational improvements on the part of large foreign subsidiaries also had a positive effect on the punctuality trend in the first half of 2015.

The market situation for rail freight transport in Europe has also remained challenging in the first half of 2015. The GDL STRIKES [PAGE 24] also put a strain on development. Transport services recently won in the European network have offset the resulting effects only partially. As a result, performance development remained behind the first half of 2014. The trend of the volume of freight carried, volume sold and capacity utilization was weak. Counteractive measures had a compensatory effect on utilization development to some extent.

Revenue development was weaker than in the first half of 2014, primarily due to the GDL strikes. FOREIGN EXCHANGE RATE EFFECTS IN GREAT BRITAIN [PAGE 7 F.] as well as the development of region East and additional transactions in the European network, including in Spain, had a positive effect. Other operating income (–18.2%) reduced as compared with the first half of 2014, primarily due to lower income from the sale of locomotives and freight cars.

Cost of materials (–4.5%) reduced as a result of the decrease in volume. This resulted in particular due to lower expenses for purchased transport services and for energy. Lower diesel prices were also a factor of influence.

Despite a smaller workforce, personnel expenses (+4.9%) has increased as compared with the first half of 2014 due to tariffs and exchange rates.

The other operating expenses (+5.9%) has increased due to factors including higher expenses for IT projects.

Declining income and additional strains on the expenses side overall resulted in a significant reduction in the EBITDA and EBIT operating profit figures, as well as a declining EBIT margin.

The focus for gross capital expenditures was in the regions East and Central. Furthermore, the focus of key capital expenditures was on freight cars and locomotives.

The number of employees was slightly reduced as of June 30, 2015. The main reason for this was restructuring and optimization measures implemented in Poland. New hires in Great Britain and Spain had the contrary effect.

Region Central

- GDL strikes resulted in loss of transport services.
- A lack of economic stimuli, and an environment of intense competition.
- The geopolitical environment and low diesel prices resulted in declines in volumes.

REGION CENTRAL SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Freight carried (million t)	124.8	131.3	- 6.5	- 5.0
Volume sold (million tkm)	38,495	41,274	-2,779	- 6.7
Volume produced (million train-path km)	72.5	76.4	-3.9	- 5.1
Total revenues	2,314	2,383	- 69	-2.9
External revenues	1,727	1,810	- 83	- 4.6
EBITDA adjusted	84	131	- 47	- 35.9
EBIT adjusted	-27	19	- 46	-
Gross capital expenditures	54	49	+ 5	+10.2
Employees as of Jun 30 (FTE)	19,806	20,223	- 417	-2.1

The volume of freight carried and volume sold were lower in region Central in the first half of 2015. This result is due to the GDL STRIKES [PAGE 24], the lack of economic stimuli, the increasingly intense competitive environment and geopolitical uncertainties. The intermodal competitive pressure also increased due to a cost reduction for road traffic and inland waterway transport due to significantly lower diesel prices. Against the backdrop of these developments, the volume produced was also reduced. Counteractive measures were used to broadly stabilize the capacity utilization, despite lower transport volume (–1.6%).

As a result of the performance development, revenue development in region Central was also reduced. Other operating income (–7.5%) was also reduced as compared with the first half of 2014. The reasons for this are lower income obtained from selling locomotives and freight cars as well as lower income obtained from release of provisions.

Cost of materials (–3.4%) reduced in the first half of 2015 due to the performance development. Personnel expenses (+1.4%) increased due to tariffs.

It was not possible to fully compensate for the decline in income through reducing expenses. The adjusted EBIT and EBITDA results underwent a significantly weaker development than in the first half of 2014, primarily due to strikes.

As a result of the implementation of requirements for introducing new automatic train protection systems, gross expenditures increased.

The number of employees was below the level of the first half of 2014, for reasons including fluctuations.

Region West

- Reduction in coal transports in Great Britain dampened the performance development.
- Tangible impact due to exchange rate effects.
- Improved development in Spain and France.

REGION WEST SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Freight carried (million t)	40.1	48.0	-7.9	-16.5
Volume sold (million tkm)	8,244	8,771	- 527	- 6.0
Volume produced (million train-path km)	17.1	17.2	- 0.1	- 0.6
Total revenues	475	457	+18	+3.9
External revenues	412	398	+14	+3.5
EBITDA adjusted	16	34	-18	- 52.9
EBIT adjusted	-13	6	-19	-
Gross capital expenditures	17	16	+1	+ 6.3
Employees as of Jun 30 (FTE)	5,625	5,539	+ 86	+1.6

The performance development in region West was weak in the first half of 2015. The volume of freight carried, volume sold and volume produced as well as the capacity utilization saw significant declines in some areas, primarily due to a decline in coal transport services in Great Britain. In addition to a statutory change (CO_2 taxation) the development of coal transport services resulted primarily from lower gas prices, leading to combined-cycle power plants switching from coal operation to gas firing. Positive stimuli came from stronger performance development achieved in France.

The weaker revenue development in operations in Great Britain was more than compensated for by positive exchange rate effects. The revenues for both Spain and France were above the level of the first half of 2014 due to new transport services. Other operating income (– 0.8%) was slightly below the level of that obtained in the same period of the last year. This resulted from lower rental income due to changes in the real estate stock.

The development of expenses has been put under contrary strain due to exchange rate effects. Higher expenses of purchased transport services and maintenance also resulted in increased cost of materials (+5.6%). Lower diesel prices had a dampening effect. Additional employees and effects of tariff increases and exchange rates resulted in higher personnel expenses (+12.8%).

Other operating expenses (+3.3%) and depreciation (+3.0%) increased in comparison to the first half of 2014 due to exchange rate effects.

Overall, expenses underwent stronger increase than income, with the result that the adjusted EBITDA and the adjusted EBIT decreased.

Gross capital expenditures were slightly above the level of the first half of 2014, primarily due to exchange rate effects.

The number of employees increased due to taking on contract workers in Great Britain and new transport services in Spain.

Region East

- Positive development in Southeast Europe.
- The geopolitical environment dampened the volume sold.
- Portfolio measures as a reaction to the market environment in the coal market in Poland.

REGION EAST SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Freight carried (million t)	7.9	7.6	+0.3	+3.9
Volume sold (million tkm)	2,173	1,973	+200	+10.1
Volume produced (million train-path km)	3.8	3.5	+0.3	+8.6
Total revenues	124	117	+7	+6.0
External revenues	86	84	+2	+2.4
EBITDA adjusted	15	11	+4	+36.4
EBIT adjusted	7	2	+5	–
Gross capital expenditures	20	13	+7	+53.8
Employees as of Jun 30 (FTE)	4,311	4,419	–108	–2.4

The development of the volume of freight carried, volume sold and volume produced was above the level of the first half of 2014. The positive business development in Southeast Europe also had an effect here.

The development of revenues was accordingly positive. Losses in East-West transport services due to the Ukraine crisis had a dampening effect. Other operating income (–5.6%) was below the level achieved in the same period of the previous year.

Cost of materials (–3.8%) also reduced. It was possible to more than compensate for increased purchased transport services and higher train-path usage fees through savings measures implemented mostly in the area of energy costs. Among other aspects, restructuring measures in Poland had an effect here. The increase in personnel expenses (+1.4%) resulted from the expansion of the business in Southeast Europe.

Other operating expenses (+2.8%) was above the level of the first half of 2014 due to provisions made for process risks.

Overall, the adjusted EBIT and EBITDA operating profit figures developed positively.

Gross capital expenditures increased as a result of procurement of locomotives in Poland.

The number of employees reduced in particular due to the restructuring and optimization measures implemented in Poland. Hires as a result of business expansion in Southeast Europe had a contrary effect.

DB Schenker Logistics business unit

EVENTS IN THE FIRST HALF OF 2015

New terminal opened in Finland

- At the start of June 2015, DB Schenker Logistics opened a new logistics terminal in Finland. The facility is located near Helsinki and has an area of almost 51,000 m². The new terminal makes it possible to consolidate four locations and bring together different products under one roof. We expect this to result in increases in efficiency and productivity, as well as bundling freight goods flows between different modes of transport. International environmental standards were taken into account during construction, and environmental measures such as a solar power system for charging electric forklifts were implemented. The capital expenditure volume amounted to a total of around € 60 million.

Investments

- DB Schenker Logistics has founded a 50%/50% joint venture with Shenyang Jinbei Automotive Co. Ltd. The joint venture has been included in the DB consolidated financial statements since April 2015.
- In May 2015, Intertec Beteiligungs-GmbH and System-Partner GmbH & Co. KG consolidated their activities into MarkenTechnikService GmbH & Co. KG. DB ML AG holds a 69% share in the company and has been included in the DB Group financial statements since 2015 on a fully consolidated basis.

Ongoing antitrust proceedings

- Since fall 2007, antitrust authorities have been performing worldwide investigations with respect to companies in the freight forwarding industry. Most of these proceedings have now been completed. We do not expect the proceedings that are still ongoing to be completed before the end of 2015.
- In 2013, the EU Commission carried out checks and investigations at two Schenker companies located in Europe. They were accused of anticompetitive practices such as price fixing and segmenting customers when performing transport activities. The investigations to the extent of the accusations have not yet been completed. It is alleged that the years 2004 through 2012 are affected. An EU Commission penalty charge notice of € 32 million is expected in the third quarter of 2015.

DEVELOPMENT IN THE FIRST HALF OF 2015

- Contract logistics/SCM is the line of business with the strongest growth.
- Intense competitive environment.
- Strong influence of exchange rate effects.

DB SCHENKER LOGISTICS	H1 2015	H1 2014	Change absolute	Change %
Shipments in European land transport (thousand)	50,862	48,985	+1,877	+3.8
Air freight volume (export) (thousand t)	545.8	540.0	+5.8	+1.1
Ocean freight volume (€ thousand)	953.8	988.1	-34.3	-3.5
Total revenues (€ million)	7,756	7,407	+349	+4.7
External revenues (€ million)	7,728	7,385	+343	+4.6
Gross profit (€ million)	2,631	2,427	+204	+8.4
Gross profit margin (%)	33.9	32.8	-	-
EBITDA adjusted (€ million)	258	240	+18	+7.5
EBIT adjusted (€ million)	165	148	+17	+11.5
EBIT margin (adjusted) (%)	2.1	2.0	-	-
Gross capital expenditures (€ million)	82	88	-6	-6.8
Employees as of Jun 30 (FTE)	65,560	64,441	+1,119	+1.7

The volume development was positive in the first half of 2015 with the exception of ocean freight.

Revenue development was significantly influenced by exchange rate effects in the first half of 2015. Adjusted by the exchange rate effects, revenues increased only slightly in comparison to those achieved in the same period of last year. Development was most dynamic in contract logistics and in the regions Southeast, West and Americas.

Cost of materials has been negatively influenced by exchange rate effects, and increased in comparison to the first half of 2014. When adjusted for exchange rate effects, development declined, particularly in air and ocean freight.

The gross profit increased, even when adjusted for exchange rate effects. The driver for this was the development in contract logistics. In comparison to the revenues, the gross profit underwent a disproportionately high increase, meaning that the gross profit margin also underwent a positive development.

Personnel expenses increased in comparison to the respective period of the previous year. In addition to exchange rate effects, this is in particular due to an increased number of employees in contract logistics as a result of positive business development.

The development of adjusted EBITDA and adjusted EBIT was above the level of the first half of 2014. The basis for this was the positive development in contract logistics.

Gross capital expenditures were below the level of the first half of 2014. The decrease resulted predominantly from the development of the regions Asia/Pacific and Central.

The focal points for capital expenditures continued to be in region Europe, in particular for new construction projects and for expansion capital expenditures in Germany, Sweden, Finland, Austria and France. Projects for introducing new IT systems constituted additional large-scale capital expenditures.

The increase in the number of employees as of June 30, 2015, was primarily driven by increased business activities in contract logistics.

European land transport line of business

- Market environment remained very competitive, resulting in significant price pressure; price measures could only be implemented in some areas.
- Extension and optimization of the network. Within the system and direct transport areas, there was a greater focus on international transport services.
- Additional optimization of the IT landscape.

EUROPEAN LAND TRANSPORT SELECTED KEY FIGURES [€ MILLION]	H1 2015	H1 2014	Change absolute	Change %
Shipments in European land transport (thousand)	50,862	48,985	+1,877	+3.8
Total revenues	3,198	3,216	-18	-0.6
External revenues	3,174	3,197	-23	-0.7
EBITDA adjusted	96	100	-4	-4.0
EBIT adjusted	51	53	-2	-3.8
Employees as of Jun 30 (FTE)	24,542	24,720	-178	-0.7

As a result of positive development both in the system and direct transport areas, as well as in the parcel business, shipment volume recorded an increase as compared with the first half of 2014.

Despite the increased shipment volume, revenue development was weaker than in the first half of 2014. Adjusted by negative exchange rate effects, revenues were, however, slightly higher than those in the first half of 2014.

Cost of materials slightly decreased as compared with the first half of 2014. Adjusted for exchange rate effects, cost of materials remained at the same level when compared to the same period in the previous year. Personnel expenses increased as a result of wage adjustments and exchange rate effects.

The slight decrease in revenues has only been partly compensated for by the development of expenses. The operating profit development worsened accordingly. Overall, the adjusted EBITDA and adjusted EBIT decreased. Adjusted for exchange rate effects, the decline was slightly smaller.

The number of employees has decreased slightly as of June 30, 2015.

Air and ocean freight line of business

- Measures were introduced in order to increase productivity and optimize costs, as well for the purpose of optimizing the container capacity utilization in ocean freight and further improving the freight mix in air freight (consolidation area).
- Differentiated performance development on individual routes.

AIR AND OCEAN FREIGHT SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Air freight volume (export) (thousand t)	545.8	540.0	+5.8	+1.1
Ocean freight volume (thousand TEU)	953.8	988.1	-34.3	-3.5
Total revenues	3,427	3,225	+202	+6.3
External revenues	3,424	3,223	+201	+6.2
EBITDA adjusted	102	98	+4	+4.1
EBIT adjusted	87	82	+5	+6.1
Employees as of Jun 30 (FTE)	20,177	20,669	-492	-2.4

Performance development was differentiated in the first half of 2015:

- The volumes increased slightly in air freight. This was primarily due to transpacific transport services, the routes between Europe and Asia, and transports within Asia. By contrast, volume development on the transatlantic routes, as well as transport services to and from Latin America, declined.
- The ocean freight volume declined. Here, the declines primarily had an effect on the routes between Asia and Europe as a result of weak development in Chinese exports, as well as transport services within Europe as a result of the Russia-related sanctions. Transpacific transport services also recorded declining volumes. Positive development of transport services in Asia among others, as well as transatlantic transports, had a compensating effect in some areas.

Revenue development driven by exchange rate effects was positive. Adjusted for exchange rate effects, ocean freight achieved the level it had in the first half of 2014. Air freight development underwent a slight decrease when compared to the comparable period of the previous year.

Exchange rate effects had a contrary negative impact on the development of expenses, as this increased the costs for purchased transport services in particular. Adjusted for exchange rate effects, the cost of materials reduced in air and ocean freight.

Personnel expenses also increased, primarily due to exchange rate effects. Also adjusted for exchange rates, a slight increase is also to be recorded due to wage adjustments.

Overall, the development of operating profits was positive in the areas of air and ocean freight. The operating profit for ocean freight also developed positively, adjusted by exchange rate effects.

The number of employees has slightly reduced as compared with June 30, 2014.

Contract logistics/SCM line of business

- Growth remained strong in contract logistics in the first half of 2015.
- This line of business again represented DB Schenker Logistics' strongest area of growth.
- A focus on capacity expansion: global commissioning of new and expansion of existing logistics centers.

CONTRACT LOGISTICS/SCM SELECTED KEY FIGURES [€ MILLION]	H1		Change	
	2015	2014	absolute	%
Total revenues	1,130	966	+164	+17.0
External revenues	1,130	965	+165	+17.1
EBITDA adjusted	72	54	+18	+33.3
EBIT adjusted	45	29	+16	+55.2
Employees as of Jun 30 (FTE)	19,953	18,514	+1,439	+7.8

Revenues in the contract logistics/SCM line of business remained clearly positive in the first half of 2015. Good business development in existing and new customer business is recorded here. Overall and external revenue development was accordingly very satisfactory. Positive exchange rate effects also had an influence in this area, meaning that the development was again less dynamic, adjusted by exchange rates.

Cost of materials increased due to business expansion, as did personnel expenses due to the higher number of employees and wage adjustments.

The development of operating profits was positive, and the adjusted EBITDA and adjusted EBIT significantly increased.

The dynamic business development also resulted in an increase in the number of employees.

SERVICES

DB Services business unit

EVENTS IN THE FIRST HALF OF 2015

Success in non-Group orders for DB Services

At the start of 2015, several new and additional transactions were concluded with customers external to DB Group. These included, among others:

- An extension of the contract for technical maintenance, inspection and upkeep with the ARD Berlin studio up to 2021.
- On behalf of Union Investment, we are taking on the cleaning, maintenance, upkeep and fault clearing of technical systems for 2018.
- A contract with Siemens for providing services in post and document management has been extended to 2017.
- Development of the post and messenger services for Bosch household devices.
- The collaboration with TÜV Süd has been extended by cleaning services in 70 additional service centers.

Cooperation with Daimler in the rental vehicle segment

DB Group and Daimler have cross-linked their mobility offerings. This means that more than 7,000 vehicles are now available across Germany. The Flinkster fleet can now be booked using moovel, Daimler's mobility app, and car2go vehicles can be booked using the Flinkster app.

Equipping S-Bahn (metro) trains with an assistance system

We have entirely equipped the S-Bahn (metro) Berlin vehicle fleet with the train driver assistance system FASSI, which was developed in-house. The system helps to save energy, improve punctuality and passenger information and simplify operational processes. The introduction of FASSI also changes and improves the crew's work processes: from now on, extensive timetable documents will be at the drivers' disposal in electronic format and constantly updated. This means that some four million pages of printed paper are no longer required. Any changes required to timetables in the event of a fault can be promptly electronically transferred.

Redesign of electric rail cars in the Neumünster plant

The Neumünster plant has been commissioned with modernization of 111 Hamburg S-Bahn (metro) series 474 electric rail cars, following the successful conversion of a sample. Around € 70 million are to be invested in modernization of the vehicles. The train unit, consisting of three cars, will be made universally accessible. The modernization measures comprise, among other aspects, the installation of a new passenger information system as well as monitors for passenger televisions.

DEVELOPMENT IN THE FIRST HALF OF 2015

- Reductions in performance at vehicle maintenance.
- Strains due to factor cost increases.

DB SERVICES	H1 2015	H1 2014	Change absolute	Change %
Total revenues (€ million)	1,521	1,507	+14	+0.9
External revenues (€ million)	124	120	+4	+3.3
EBITDA adjusted (€ million)	118	119	-1	-0.8
EBIT adjusted (€ million)	21	28	-7	-25.0
Gross capital expenditures (€ million)	134	106	+28	+26.4
Employees as of Jun 30 (FTE)	25,257	26,103	-846	-3.2

The development of the DB Services business unit is dominated by the support provided to DB Group-internal customers. Internal revenues (€ 1,397 million) therefore continue to represent the largest part of overall revenues. This was slightly above the level of the previous year (+0.7%). Price effects and higher demand in the area of telecommunication and IT services were almost completely offset by the decline in demand and the structural effects of maintaining rail vehicles.

Cost of materials (–1.0%) slightly reduced. The negative effects due to the increased use of external services at DB Services were weakened by the performance decline as well as structural effects due to the product mix when maintaining rail vehicles and price effects due to lower fuel costs at DB Fleet Management.

Personnel expenses (+4.0%) increased due to tariffs. Quantity effects had the contrary effect.

Depreciation (+6.7%) was significantly higher than in the respective period of the previous year as a result of the increased acquisition of low-value assets in the IT area as well as the expansion of our own vehicle fleet at DB Fleet Management.

Overall, driven by the increased personnel expenses, the decline in commissioning at DB Vehicle Maintenance and factor cost increases, in particular at DB Services, a decline in the adjusted EBITDA and adjusted EBIT was recorded.

Capital expenditures increased, primarily due to greater vehicle acquisitions at DB Fleet Management.

The number of employees decreased due to the sale of WBN Waggonbau Niesky and adjustment to the declining situation regarding orders.

INFRASTRUCTURE

The Stuttgart–Ulm project

In the first half of 2015 the Stuttgart–Ulm project achieved more milestones and the project was pushed forward in all areas. The highlights thereof are the approval of the fire protection concept at Stuttgart Central Station, issued by the Federal Railway Office, the agreement with all project partners regarding the improved connection with the airport for the Gäubahn rail link, and the presence of all plan permissions with the new Wendlingen–Ulm line. In Stuttgart city center, the project enterprise is continuing to perform construction work at the central station and on its four tunnel feed lines. The project partners have resolved to construct a third platform in the terminal station at the airport in order to improve the connection with the airport. The overall project is still within the set cost framework. The project partners will conclude a separate agreement on the improved connection with the airport.

Further development launched in the infrastructure and services division

The processes and structures in the infrastructure division are being further developed with a focus on the future. The key changes are transferring employees with competence in project management from DB Netze Projects to DB Netze Track business unit and the merger of DB Netze Projects and DB International. This means that the competence and resources for planning and construction monitoring will be bundled.

DB Netze Track business unit

EVENTS IN THE FIRST HALF OF 2015

Existing network modernization with LuFV II started

On the basis of the service and financing agreement (Leistungs- und Finanzierungsvereinbarung; LuFV) II that came into effect on January 1, 2015, we have continued with comprehensive modernization of the existing network. Within this process, around 1,500 km of track, around 1.4 million t of ballast, around 1.1 million t of railway sleepers and around 1,100 switch points have been renewed. Around 17,000 construction measures have been started. 285 bridges are currently being worked on.

Measures successfully implemented include those on tunnel systems on the North-South link in the Berlin S-Bahn (metro) network as well as on the Cologne-Rhine/Main high-speed line.

Greater capacity on the Mainz railway hub

In January 2015, we started up the North terminal of Mainz central station with a total length of 680 m, meaning that trains are now able to pass the station on different levels. The capital expenditures amounted to around € 50 million.

Starting up the Senne line after modernization

The costs of modernization of the Senne line from Bielefeld to Paderborn amounted to more than € 30 million. It is an integral part of the local rail passenger transport framework agreement, which was adopted within the North Rhine-Westphalia Rail Summit.

The Hanau–Nantenbach extension is progressing rapidly

The Hanau–Nantenbach expansion line is a part of the Main–Spessart line between Hanau and Würzburg, and with over 200 trains per day, it is one of the most frequently used train paths. Tunnel works have been pressed ahead on various tunnels in the first half of 2015.

Dialog forum started on the Y terrace

The dialog forum organized by the Lower-Saxony Ministry of Economics has been running since February 2015 on the subject of the Hamburg/Bremen-Hanover (Y route) expansion and new construction line. The findings from the dialog held in the period until autumn 2015 will be included in the update process of the Federal Transport Infrastructure Plan. Alongside the creation of transparency in the planning procedure, the goal of public participation is to establish an open discussion about the possible development of additional capacities for seaport hinterland transport between Hamburg, Bremen and Hanover.

DEVELOPMENT IN THE FIRST HALF OF 2015

- Positive effects resulted from higher demand and price-related measures.
- Burdens as a result of GDL strikes.
- Tangible strains on the cost side as a result of collective bargaining agreement.

DB NETZE TRACK	H1 2015	H1 2014	Change absolute	Change %
Punctuality of DB Group (rail) in Germany (%)	94.4	95.5	–	–
Punctuality in Germany [1] (%)	94.2	95.3	–	–
Train kilometers on track infrastructure (million train-path km)	517.2	516.6	+0.6	+0.1
thereof non-Group customers	141.5	127.2	+14.3	+11.2
Share of non-Group customers	27.4	24.6	–	–
Total revenues (€ million)	2,490	2,425	+65	+2.7
External revenues (€ million)	614	534	+80	+15.0
Share of total revenues (%)	24.7	22.0	–	–
EBITDA adjusted (€ million)	781	731	+50	+6.8
EBIT adjusted (€ million)	313	267	+46	+17.2
Operating income after interest (€ million)	171	64	+107	+167
ROCE (%)	3.5	3.0	–	–
Capital employed as of June 30 (€ million)	18,082	17,687	+395	+2.2
Net financial debt as of Jun 30 (€ million)	10,575	10,241	+334	+3.3
Redemption coverage (%)	12.0	10.3	–	–
Gross capital expenditures (€ million)	2,237	1,987	+250	+12.6
Net capital expenditures (€ million)	648	578	+70	+12.1
Employees as of Jun 30 (FTE)	43,806	43,320	+486	+1.1

[1] *Non-DB Group and DB Group train operating companies.*

The punctuality of non-DB Group and DB Group train operating companies in Germany worsened in the first half of 2015 as a result of the GDL STRIKES [PAGE 24], larger amounts of construction work on the rail network as planned, and unfavorable weather conditions.

In the first half of 2015, the train kilometers on track infrastructure slightly increased due to a higher demand from non-DB Group customers for regional and freight transport. The decline in demand from DB Group customers, in particular passenger transport, had a dampening effect due to the GDL strikes among other factors.

Total revenues increased as a result of positive price effects as well as slight quantity effects. Alongside price effects, the increase in demand from non-DB Group railways, which were due both to winning transport contracts in regional transport services and to increases in rail freight transport services, was reflected in the external revenue development.

Other operating income (+19.8%) increased significantly for reasons including seasonal effects and adjustment payments for equal-height crossings as well as selling plots and reversals of provisions.

Cost of materials (+3.5%) increased in the first half of 2015, primarily as a result of increased expenses of winter services and maintenance services, as well as rail transport services.

Personnel expenses (+6.6%) increased due to the higher number of employees, as well as a result of collective bargaining agreement.

The increase in other operating expenses (+7.8%) is due, among other factors, to higher costs of projects as well as seasonal effects.

Depreciation (+0.8%) was slightly above the level of the first half of 2014.

In total, the increases in income exceeded the expenses, meaning that the adjusted EBITDA and the adjusted EBIT increased.

Lower interest expenses resulted primarily in an improvement in the net operating interest income. Accordingly, the increase in the operating income after interest is even more significant.

The increase in the adjusted EBIT resulted in an improvement to the ROCE, dampened by the increase in capital employed as a result of the persistently high capital expenditure activity.

Among other aspects, higher net capital expenditures resulted in increased net financial debt. The redemption coverage has improved with the slightly increased adjusted net financial debt as a result of the gain in the operating cash flow.

Gross capital expenditures increased as a result of the higher project volume for measures in the existing network, such as superstructure and bridge renovation or renewing command and control technology, as well as other structural engineering works.

The number of employees has increased as of June 30, 2015, primarily due to new hires in operations and maintenance as well as the greater product range for rail track services.

DB Netze Stations business unit

EVENTS IN THE FIRST HALF OF 2015

Extension of train station

Within the station offensive, DB Station&Service has identified thousands of potential locations for setting up new train stations, within which the additional income exceeds the costs. In this way, up to 200,000 additional passengers per day could be won for rail. The first framework agreement relating to the station offensive for Bavaria was signed in March 2015. Twenty new stops with free access for disabled persons will be set up.

The capital expenditure volume amounting to more than € 40 million are being borne by the state and DB Group half each. Exploratory discussions regarding corresponding offensives in other Federal states will follow.

Construction measures successfully started

On April 30, 2015, the cornerstone was laid for the new station building at Münster central station. It is intended that a modern station building will have taken the place of the old by the end of 2016, a building that will be an essential part of a new mobility hub for the city and its region.

DEVELOPMENT IN THE FIRST HALF OF 2015

- Increased demand from non-Group railways.
- Steady development in rental income.
- Burdens due to higher personnel expenses.
- Reduction of energy costs.

DB NETZE STATIONS	H1 2015	H1 2014	Change absolute	Change %
Facility quality (grades)	2.95 [1]	3.03	–	–
Station stops (million)	72.7	72.3	+ 0.4	+ 0.6
thereof non-Group customers	15.4	14.1	+1.3	+ 9.2
Total revenues (€ million)	604	589	+15	+2.5
thereof station revenues (€ million)	399	387	+12	+3.1
thereof leasing income (€ million)	200	197	+3	+1.5
External revenues (€ million)	248	238	+10	+4.2
EBITDA adjusted (€ million)	219	202	+17	+8.4
EBIT adjusted (€ million)	152	136	+16	+11.8
ROCE (%)	10.5	9.4	–	–
Capital employed as of Jun 30 (€ million)	2,899	2,887	+12	+ 0.4
Net financial debt as of Jun 30 (€ million)	1,261	1,269	- 8	- 0.6
Redemption coverage (%)	29.6	26.1	–	–
Gross capital expenditures (€ million)	187	194	-7	-3.6
Net capital expenditures (€ million)	72	62	+10	+16.1
Employees as of Jun 30 (FTE)	4,894	4,915	-21	- 0.4

[1] *Change in methods from 2015 onwards.*

The assessment of facility quality (Bewertung Anlagenqualität; BAQ) was locally recorded and determined using a detailed calculation and weighting algorithm. The method for determining the BAQ was adjusted as a result of the conclusion of the new LuFV. It was possible to slightly improve the level of facility quality.

The number of station stops increased slightly in the first half of 2015. This resulted primarily from increased demand from non-Group railways, as well as the opening of around 20 new traffic stations.

The increase in total revenues is due to quantity- and price-related higher station revenues, as well as increased income from rental and leases. The non-Group railways demand is also reflected in the increase of external revenues.

Other operating income has increased significantly due to higher external income obtained from claims for compensation as well as sales of unused concourse buildings.

Cost of materials (– 0.4%) reduced due to aspects including lower expenses for energy costs. Personnel expenses (+ 6.8%) increased primarily as a result of collective bargaining agreement. Depreciation (+ 0.9%) was almost at the level of the first half of 2014.

Overall, the increase in income was more than enough to compensate for the higher expenses. As a result, the adjusted EBITDA increased, as did the adjusted EBIT.

The increased capital employed was more than compensated by the positive operating profit development, meaning that there was an improvement in ROCE. The increased property, plant and equipment was the key for the higher capital employed.

Net financial debt has slightly declined as a result of a profit-related increase in the operating cash flow as well as lesser liabilities arising from Group financing. This had a positive effect on redemption coverage.

Gross capital expenditures reduced as a result of the lowered run-up of project activity in comparison to the first half of 2014. Net capital expenditures increased as a result of investment grants still pending.

The number of employees was slightly below the level of June 30, 2014, as a result of a smaller workforce.

DB Netze Energy business unit

EVENTS IN THE FIRST HALF OF 2015

Opening the traction current grid

In 2014, DB Netze Energy, as the first railway infrastructure company in Europe, completely liberalized traction current supply, thereby creating the opportunity for train operating companies to select alternative energy suppliers. The number of changes of supplier significantly increased in the first half of 2015. Currently we are working on developing the IT systems further in order to be able to phase out the change and invoicing processes in accordance with the regulation authorities.

Legal suits pending due to the traction current pricing system

DB Netze Energy was taken to court by several train operating companies for damages due to improper traction current pricing in the past. The years 2009 to 2012 are affected. Frankfurt am Main Regional Court accepted the claims to the greatest possible extent at the beginning of June 2015. The court's justification was that the granting of discounts on traction current had been designed in such a way that only DB Group train operating companies would enjoy the discounts; we do not believe that this justification is sustainable. We will lodge an appeal against the Court's decision. A procedure initiated by the EU Commission in the same matter against DB Netze Energy was discontinued at the beginning of 2013, as no breach of competition law was found.

DEVELOPMENT IN THE FIRST HALF OF 2015

- Significant reduction in mineral oil prices.
- Increasing competition as a result of liberalization in the traction current network.
- Increasing energy charges as a result of German Renewable Energy Sources Act amendment.
- Regulation requirements anchored further in the business processes and IT systems.

	H1		Change	
DB NETZE ENERGY	2015	2014	absolute	%
Supply reliability (%)	99.99	99.99	–	–
Traction current (16.7 Hz and direct current) (GWh)	4,290	5,114	-824	-16.1
Traction energy pass-through (16.7 Hz) (GWh)	606.9	–	+606.9	–
Stationary energy (50 Hz and 16.7 Hz) (GWh)	6,635	5,624	+1,011	+18.0
Diesel fuel (million l)	209.7	218.9	-9.2	-4.2
Total revenues (€ million)	1,392	1,416	-24	-1.7
External revenues (€ million)	552	533	+19	+3.6
EBITDA adjusted (€ million)	70	66	+4	+6.1
EBIT adjusted (€ million)	36	34	+2	+5.9
ROCE (%)	7.3	7.8	–	–
Capital employed as of Jun 30 (€ million)	981	868	+113	+13.0
Net financial debt as of Jun 30 (€ million)	254	126	+128	+101
Redemption coverage (%)	27.0	32.4	–	–
Gross capital expenditures (€ million)	46	44	+2	+4.5
Net capital expenditures (€ million)	20	20	–	–
Employees as of Jun 30 (FTE)	1,752	1,770	-18	-1.0

The high level of supply reliability was again retained.

The development of demand for traction current and diesel was shaped in particular by non-DB Group customers switching from full energy supply to pass-through as a result of the traction current network opening, as well as lower consumption within DB Group in rail passenger and freight transport. In addition to increase in efficiency, the lower volume produced as a result of factors including the GDL STRIKES [PAGE 24] contributed to the lower traction energy consumption.

In the area of stationary energies, the quantity of sales to non-DB Group customers increased significantly and was only slightly dampened by a lower need for energy by DB Group customers.

Internal revenues significantly reduced due to lower demand for traction energy. The increase in non-DB Group customers in the stationary energies had the opposite effect in total revenues. Despite this, total revenues fell slightly.

Other operating income (–33.4%) decreased, primarily due to lower income from services rendered to third parties and from the previous year's effects of provisions for the Neckar joint power plant (Gemeinschaftskraftwerk).

Cost of materials (−3.2%) declined as a result of quantity-related lower electricity purchase expenses as well as decreasing expenses for the purchase of mineral oil products. The expansion of business with stationary energies had the opposite effect.

Personnel expenses (+5.5%) increased, driven by an increase as a result of the collective bargaining agreement. A smaller workforce had a dampening effect.

Other operating expenses (+6.8%) increased due to higher expenses of communications and IT services, as a result of the adjustment made to invoicing systems to make them meet the regulation requirements.

Depreciation (+2.5%) increased slightly as a result of adjustments made to the useful life in the intangible assets for the Neckar joint power plant.

Overall, an increase in the operating profit is seen, arising from the decrease, which is disproportionately great when compared with the income, in expenses associated with the energy purchase.

The significant increase in capital employed is justified, among other aspects, by the capital expenditure-related growth in property, plant and equipment as well as an increase in working capital. The positive effects from the improved operating profit have been overlapped by this, and resulted in a decrease in ROCE.

Net financial debt has significantly increased for reasons including the higher funds commitment in working capital. The redemption coverage tangibly worsened due to the negative development of net financial debt.

The increase in gross capital expenditures is primarily due to additional capital expenditures in renewing hydroelectric power stations.

The number of employees has decreased slightly due to fluctuations.

OTHER/CONSOLIDATION

The Other/consolidation item primarily includes the holding companies DB AG and DB ML AG along with other companies that cannot be assigned to any specific business unit. The increase in total revenues (€ +31 million or +4.0% respectively), resulted primarily from increases at DB Netze Projects and from internal services relating to the Stuttgart–Ulm project. The consolidation effects remained unchanged in comparison to the first half of 2014.

The change to the adjusted EBITDA (€ +8 million or −3.3% to € −233 million respectively) and the adjusted EBIT (€ +16 million or −6.5% to € −230 million respectively) resulted from higher cartel income among other aspects. Strain was put on the development by tariff increases.

ADDITIONAL INFORMATION

Contracts awarded for infrastructure capital expenditures
Antitrust proceedings relating to ticket sales
Investigations of DB International completed

SIGNIFICANT CONTRACT AWARDS

Infrastructure

- For modernization of the train radio network GSM-R (Base Station Subsystem), we concluded framework contracts with a term until 2024 (total volume: € 111 million).
- For the German unification transport project (Verkehrsprojekte Deutsche Einheit; VDE) 8.1 we awarded a contract for digital BOS radio (public authorities and organizations that perform security tasks) for the new Ebensfelde–Erfurt construction line (volume: € 7 million).
- For the large project Stuttgart–Ulm, for the new Ulm–Wendlingen construction line in planning segment 2.1c, lot 4, we awarded a contract for the construction of a railway line (total length: 3.8 km) (total volume: € 40 million).
- In the area of bridge renovation, we awarded contracts for numerous renovations of railway bridges (total volume: € 55 million).
- For the new construction of a traffic tunnel, related infrastructure measures for the city of Magdeburg and many railway bridges in the municipal area, we awarded a general contract for construction (volume: € 69 million).
- In the context of the ETCS (European Train Control System) project, we concluded framework contracts with four companies over a period of two years (volume: € 115 million) including an extension option.
- For the production and delivery of steel rails, we awarded framework contracts (volume: € 187 million).
- In the area of superstructure repair (repair of tracks and switches, railway crossing work and welding services), we concluded framework contracts (volume: € 80 million).
- We awarded several contracts for the production and delivery of prefabricated prestressed concrete track (volume: € 85 million).
- We signed framework contracts for waste management services for the collection, intermediate transport, removal and disposal of the tunnel excavation and soil material resulting from the construction projects (volume: € 74 million).
- We awarded several rail track contract packages in the area of large-scale machinery (volume: € 81 million).

CSR INDUSTRY INITIATIVE FOUNDED

Together with other companies in the rail industry (Alstom, Bombardier Transportation, Knorr-Bremse, the Dutch state railway company NS and the French state railway company SNCF) we founded the industry initiative “Railsponsible.” The target is to promote sustainable purchasing strategies along the entire supply chain. Railsponsible stands for a rail industry in which suppliers pledge to uphold high ethical, social, environmental and commercial standards.

OTHER LEGAL ISSUES

Antitrust proceedings relating to ticket sales

The proceedings against DB AG initiated in January 2014 by the German Federal Cartel Office on suspicion of the abuse of market dominance with regard to the distribution of tickets are still underway. The German Federal Cartel Office sent a comprehensive disclosure order to DB AG which concerned primarily the structuring of distribution commissions and access to distribution channels. In April 2015 the German Federal Cartel Office sent follow-up questions on specific topics. We are cooperating with the German Federal Cartel Office and have answered each of the questions within the stipulated period. DB AG has not yet received any written reply concerning this matter from the German Federal Cartel Office.

Investigations at DB International concluded

In early 2015, the investigation proceedings against DB International were concluded with a fine of € 2.1 million. The reason for this was due to improper payments made by former employees of DB International to decision makers in Greece, Libya and Thailand from 2003 to 2008. When fixing the amount of the fine, the District Court of Frankfurt am Main took into account the efforts of the current leadership towards conducting an official comprehensive investigation even before the investigation proceedings, complete cooperation with the public authorities and the implementation of interim measures to prevent further incidents of corruption. Along with extensive structural modifications since 2010, DB International created a compliance management system in collaboration with its own Compliance Division.

OPPORTUNITY AND RISK REPORT

DB Group well positioned to exploit opportunities
Risks for EBIT development in 2015 in the areas of the economy, market and competition
Risk portfolio unchanged, without any risks to DB Group as a going concern

Our business activities are associated with risks as well as opportunities. Our business policy therefore aims to take advantage of opportunities through our opportunity management system, while also actively managing those risks identified within the framework of our risk management system. The information processing necessary for this purpose is carried out in our integrated risk management system. The system is based on the requirements of the Corporate Sector Supervision and Transparency Act (Gesetz zur Kontrolle und Transparenz im Unternehmensbereich; KonTraG) and is continuously refined. There were no significant changes to DB Group's RISK MANAGEMENT SYSTEM [2014 INTEGRATED REPORT, PAGE 168 FF.] in the first half of 2015. Nor were there any changes to DB Group's SIGNIFICANT OPPORTUNITIES AND RISKS [2014 INTEGRATED REPORT, PAGE 170 FF.].

MANAGEMENT ASSESSMENT OF THE RISK SITUATION

The current risk situation is assessed on the basis of our risk management system. In comparison to the estimate in the 2014 Integrated Report, the total risk position has significantly reduced from € 0.9 billion to € 0.2 billion. The very likely (vl) risks contained in this are only in the areas economy, market and competition, and are almost zero.

The risk analysis was performed compared to the anticipated MARKET DEVELOPMENT OF DB GROUP IN FULL-YEAR 2015 [PAGE 52], in which the significant unplanned negative impact on profits from strikes (about € 320 million), weaker growth in fares for DB Bahn Regional (about € 110 million) as well as weather-related restrictions in the first half of 2015 (about € 50 million) are already taken into account. Although we will respond effectively to these impacts through targeted countermeasures as well as the realization of additional opportunities, we could not avoid a reduction in the previous forecast for adjusted EBIT for full-year 2015 (≥ € 2.2 billion) by € 0.2 billion to ≥ € 2.0 billion.

The remaining risks in the updated forecast are mostly in the areas economy, market and competition in the amount of € 0.1 billion (thereof vl: € 0.0 billion) as well as law and contracts in the amount € 0.1 billion (thereof vl: € 0.0 billion).

Third-party evaluation is also an important indicator for overall risk assessment. In addition to internal risk assessment, DB Group's credit standing and its aggregated default risk is also assessed by the RATING AGENCIES [PAGE 18] Moody's and S&P. Their external assessments of DB Group's overall risk position are reflected in their good ratings.

Our analyses of risks, countermeasures, hedging and precautionary measures, together with the opinion of the Group Management Board based on the current risk assessment and our medium-term planning (MTP), indicate that there are no risks that, individually or jointly, could have an impact on the net assets, financial or earnings position of DB Group and would pose a threat to the Group as a going concern.

In terms of organization, we have created all of the conditions necessary to enable the early identification of possible risks. Our continuous risk management system and the active management of key risk categories help limit risks within DB Group.

EVENTS AFTER THE BALANCE SHEET DATE

New direction planned for DB Group
Participation in flinc agreed

NEW DIRECTION PLANNED FOR DB GROUP

In late July 2015, the Supervisory Board of DB Group will decide about structural and personnel changes in DB Group in an extraordinary meeting.

In connection with the planned restructuring of DB Group and the realignment in the areas of Technology and Environment, Dr. Heike Hanagarth, Management Board member for Technology and Environment, has stepped down. She will leave the company by mutual consent at the end of July.

PARTICIPATION IN FLINC AGREED

In mid-July 2015 we signed an agreement to participate in FLINC [WWW.FLINC.ORG], a digital platform for regional mobility solutions. Along with DB Group, GM Ventures also participates in flinc. In addition, the participation agreement allows limited places for further investors. We have had a PARTNERSHIP IN THE BLACK FOREST [PAGE 14] with flinc already since April 2015. The closing of the transaction is expected soon.

OUTLOOK

Expectations for economic environment weakened
Slightly declining profits due to strikes expected
Outlook remains encumbered with uncertainty

FUTURE DIRECTION OF DB GROUP

The FUTURE DIRECTION OF DB GROUP [2014 INTEGRATED REPORT, PAGE 178] is described in the 2014 Integrated Report. There were no significant changes to this in the first half of 2015.

ECONOMIC OUTLOOK

Forecasts for economic development in 2015 are based on the assumption of no further deterioration of the geopolitical situation. Our March 2015 forecasts of economic developments for 2015 are still operative, but on the basis of current estimates we expect weaker growth of the global economy and global trade.

ANTICIPATED DEVELOPMENT [%]	2014	2015 (Mar forecast)	2015 (Jul forecast)
GDP World	2.7	~ +3.0	~ +2.5
World trade [1]	3.5	~ +4.0	+2.5
GDP Eurozone	0.9	~ +1.5	~ +1.5
GDP Germany	1.6	~ +2.0	~ +2.0

[1] *Trade in goods only.*
The data for 2014, adjusted for price and calendar effects, is based on the information and estimates available as of July 2015. Expectations for 2015 are rounded off to the nearest half percentage point.
Source: Oxford Economics.

We assume that global economic growth will be about the same as in the previous years. This means a slight decline in comparison with our earlier forecast. The significant developments from the first half of 2015 will continue for the rest of the year. We assume in particular a continuation of the recovery in the Eurozone. However, the US economy will probably not be able to recover from the weak start in the year, and full-year growth in the US will be somewhat slower than in the previous year.

The economies of many economically important developing countries such as Argentina, Brazil and Russia will grow only marginally or even shrink. By contrast, growth in India has accelerated somewhat. All in all, for the global economy, the slowdown of growth in China has the largest effects on the global economy. The performance of China is also a significant reason for the growth of global trade being very weak in comparison to many previous years. One part of the weak performance of the value of trade can also be explained by the decline in the price of commodities, and does not have an effect on the volumes transported.

In Europe, certain national economies outside of the Eurozone are likely to continue to have the strongest growth, especially Great Britain, Poland and Sweden. Within the Eurozone, recovery continues, but growth in many large countries such as France and Italy remains weak. There are also uncertainties due to the talks regarding a third aid package for Greece.

Relatively low GDP growth in Germany in the first quarter is at least partially attributable to changes in inventory levels and will therefore probably be offset by higher growth during the rest of the year. Strong consumer demand, encouraged by higher employment rates, wage increases and low inflation, continues to support economic growth. Along with this, the weak euro has a positive effect on exports, because it makes German products more competitive outside the Eurozone.

ANTICIPATED DEVELOPMENT OF THE RELEVANT MARKETS

Passenger transport

ANTICIPATED MARKET DEVELOPMENT [%]	2014	2015 (Mar forecast)	2015 (Jul forecast)
German passenger transport market (based on pkm)	+1.4	+1.0	+0.5

The data for 2014 are based on the information and estimates available as of July 2015. Expectations for 2015 are rounded off to the nearest half percentage point.

We expect stable gainful employment rates, significantly increasing disposable real incomes and a low level of fuel prices to be the main drivers of the performance of European passenger transport. At the same time, the competition among modes of transport remains predictably intense.

Our estimates with regard to the German passenger transport market have changed insofar as we anticipate the performance of rail passenger transport to be the same as last year because of the heavy losses of service due to strikes. Motorized personal transport profited from the strikes in rail and air transport. Domestic German air transport received a positive impetus from the entry of Ryanair in the hubs in Berlin and Köln/Bonn.

Transport and logistics

ANTICIPATED MARKET DEVELOPMENT [%]	2014	2015 (Mar forecast)	2015 (Jul forecast)
German freight transport (based on tkm)	~ +1.9	~ +2.0	> +2.0
European rail freight transport (based on tkm)	+ 0.8	~ + 0.5	~ - 0.5
European land transport (based on revenues)	+2.1	~ +1.0	~ +1.5
Global air freight (based on t)	+ 4.0	~ +3.0	~ +3.0
Global ocean freight (based on TEU)	+ 4.0	~ + 4.0	~ + 4.0
Global contract logistics (based on revenues)	+ 5.4	~ + 6.0	~ + 5.5

The data for 2014 are based on the information and estimates available as of July 2015. Expectations for 2015 are rounded off to the nearest half percentage point.

The outlook for the German freight transport market improved slightly after a stronger than expected start of the year. However, the risks due to the continued uncertainties in Europe remain high and, along with the existing price and competitive pressure, pose a great challenge for market actors:

- Strike effects and the related loss of trust will impair the growth in rail freight transport in Germany in the second half of 2015 as well. Taking into account the limited perspective for growth in rail-related branches as well as in the heavy intermodal competition, it is expected that volume sold will be at the same level as last year.
- Road freight transport is expected to record ongoing above-average growth. Weaker impetus from the construction industry will thereby be more than compensated by additional volume from growing foreign demand and positive consumer sentiment. Furthermore, road transport continues to benefit from the lower cost developments in comparison with the previous year and additional volumes from transport shifts due to price/strikes.
- After the strong opening quarter in 2015, inland waterway transport, supported above all by additional volumes resulting from growing imports via ARA ports as well as transport shifts, developed more positively than expected and should develop at least as well as the overall market.

A slight decline in demand is expected for European rail freight transport for 2015. The reasons for this are the relatively low economic growth in Europe, the in part significant decline in coal transport in certain countries as well as negative effects as a result of the Ukraine crisis.

On the whole, for the current year slightly higher growth in demand is expected for European land transport in connection with the ongoing recovery. This is likely to be reflected in revenues growth only to a limited extent because of the heavy price competition.

For the global air freight market, the expected growth in volume in 2015 is unchanged.

The forecast for ocean freight is also unchanged. We see Intra-Asia as the driver of growth. We view the delivery of even larger container ships to be especially problematic, since ever-fewer ports can be visited by ever-larger ships in direct traffic. As a result, more transshipment of containers is necessary, which can lead to delays in the logistics chain. Through capacity reduction, for example cancellation of departures, carriers have better chances to implement their rate increases and maintain the price level.

For the contract logistics market, very strong growth is expected, albeit in a slightly weakened form.

Infrastructure

Because of the heavy restrictions in the first half of the year, we assume that there will also be a slight decline in full-year train-path demand, despite a stable market environment in passenger and freight transport.

We assume that there will be increasing growth in station stops.

Slightly positive developments are being forecasted for real retail sales (excluding cars and gas stations) in Germany in 2015. Leasing income in train stations in 2015 will probably be just over the level of the previous year.

ANTICIPATED DEVELOPMENT OF THE PROCUREMENT AND FINANCIAL MARKETS

Procurement markets

We continue to expect no bottlenecks in procurement. Because of the oversupply in the oil market, we expect no significant increase in the oil price in the second half of the year, but negative surprises are possible due to geopolitical risks. In Germany there will continue to be struggles over the design of the new electricity market (Electricity Market 2.0). The wholesale price might fall even further without political intervention. We continue to expect that on the whole there will be moderate growth in energy and commodity prices.

Financial markets

We can expect that bond prices will return to almost historically high levels in the course of the year because of the investment shortage in the German bond market caused in part by the European Central Bank (ECB) program for direct purchasing of securities (quantitative easing), and also by the still-unsolved Greek question.

The low level of interest rates in the Eurozone may continue to hold for the foreseeable future, since for the time being the ECB will not change interest rates.

A fundamental risk is the uncertainty over changes in key interest rates by the largest central bank in the world. Since according to current estimates, the US central bank will raise interest rates before the ECB, capital reallocation to the US financial market is likely. The lower demand for European financial investments that results from this may put the prices of investments under pressure.

ANTICIPATED DEVELOPMENT OF IMPORTANT CONDITIONS

In the context of transport policy and the regulatory environment, it is not possible to exclude the possibility that the legislative proposals of the EU Commission for the fourth railway package as well as the preparations for a railway regulation act may have noticeable effects on our business activities in the future. In view of the current plans, however, we expect that any implementation will not yet have a significant impact on the course of the second half of 2015.

ANTICIPATED DEVELOPMENT OF DB GROUP

ANTICIPATED DEVELOPMENT	2014	2015 (Mar forecast)	2015 (Jul forecast)
Volume sold rail passenger transport (Germany) (billion pkm)	79.6	~+0.5%	~-0.5%
Volume sold rail freight transport (billion tkm)	102.9	~+7%	-0.5%
Volume produced on track infrastructure (million train-path km)	1,044	~+1.0%	+0.5%
Shipments in European land transport (million)	98.9	+4-5%	+4.0%
Air freight volume (export) (million t)	1.1	+8-10%	+3-4%
Ocean freight volume (million TEU)	2.0	+7-8%	+2-3%
Customer satisfaction B2C (index)	76.1	~77	76-77
Customer satisfaction B2B (index)	68.2	~69	68-69
Punctuality DB Group (rail) in Germany (%)	94.3	~94.5	~94.5
Revenues (€ billion)	39.7	>41.0	~41.0
EBIT adjusted (€ billion)	2.1	>2.2	≥2.0
ROCE (%)	6.3	~6.3	<6.0
Redemption coverage (%)	20.9	>20	>19

On the basis of the developments to date in the 2015 financial year and the current estimates for the second half of 2015, we have reduced our expectations for full-year 2015. This resulted mostly from the negative effects of the GDL strikes on performance in rail transport as well as the tense market and competitive situation in long-distance rail passenger transport in Germany as well as in the area of transport and logistics. At the start of the year, we had expected significantly stronger growth in air and ocean freight in particular.

Business units

ANTICIPATED DEVELOPMENT [€ MILLION]	Revenues adjusted		EBIT adjusted	
	2014	2015	2014	2015
DB Bahn Long-Distance	4,034	↘	212	↘
DB Bahn Regional	8,831	↘	843	↘
DB Arriva	4,491	↗	265	↗
DB Schenker Rail	4,863	↗	46	→
DB Schenker Logistics	14,943	↗	332	↗
DB Services	3,172	→	82	↘
DB Netze Track	4,951	↗	562	↗
DB Netze Stations	1,172	↗	240	→
DB Netze Energy	2,797	↗	55	↗

↗ *above previous year's figure*
→ *at previous year's figure*
↘ *below previous year's figure*

At the business unit level, most changes in expectations affect the business units DB Bahn Long-Distance, DB Bahn Regional and DB Schenker Rail. In these, it was not possible to compensate completely for the negative effects from the GDL strikes in the current market and competitive situation.

ANTICIPATED CAPITAL EXPENDITURES

ANTICIPATED DEVELOPMENT [€ BILLION]	2014	2015 (Mar forecast)	2015 (Jul forecast)
Gross capital expenditures	9.1	~ 9.5	~ 9.0
Net capital expenditures	4.4	~ 4.0	< 4.0

We will continue our modernization course in the 2015 financial year with high capital expenditures. On the basis of current estimates, we expect somewhat lower capital expenditures on the whole than we had forecast at the start of 2015. This resulted from postponements at DB Bahn Regional and DB Arriva.

ANTICIPATED FINANCIAL POSITION

ANTICIPATED DEVELOPMENT [€ BILLION]	2014	2015 (Mar forecast)	2015 (Jul forecast)
Maturities	1.6	1.1	1.1
Bond emissions	1.9	> 1.5	≥ 1.6
Cash and cash equivalents as of Dec 31	4.0	< 3.0	< 3.0
Net financial debt as of Dec 31	16.2	> 17.5	> 17.5

Our actual estimates of the financial situation are nearly unchanged. Our bond issues will likely be slightly higher than previously expected. In addition, we may use the low interest level opportunistically already in 2015 in anticipation of redemptions in 2016.

OVERALL STATEMENT OF THE MANAGEMENT BOARD REGARDING THE ECONOMIC DEVELOPMENT OF DB GROUP

The Management Board of DB AG expects that development of DB Group will be stable to slightly negative in full-year 2015. The increase in revenues will likely not be noticeable in profit because of costs.

We expect to continue to have excellent access to the capital market in the second half of the 2015 financial year.

Our activities are exposed to various risks, which are presented in the OPPORTUNITY AND RISK REPORT [PAGE 48]. For the 2015 financial year, we see risks above all in the areas of economy, market and competition as well as legal and contracts.

The Management Board believes that DB Group has taken all necessary measures to protect itself against existing risks and has taken advantage of possible opportunities. We want to further expand our market position and continue to implement our strategy. On the whole our assessment of DB Group's medium-term prospects is therefore positive.

FORWARD-LOOKING STATEMENTS

This management report contains statements and forecasts pertaining to the future development of DB Group, its business units and individual companies. These forecasts are estimates made based on information that was available at the current time. Actual developments and profits may diverge from the current expectations as a result of the non-materialization of the assumptions upon which our forecasts are based or the materialization of risks such as those presented in the Risk report.

DB Group does not assume any obligation to update the statements made within this management report.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF INCOME

	H1		
[€ MILLION]	**2015**	2014	2014
Revenues	19,960	19,741	39,728
Inventory changes and internally produced and capitalized assets	1,311	1,244	2,694
Overall performance	21,271	20,985	42,422
Other operating income	1,216	1,056	2,824
Cost of materials	-9,934	-9,919	-20,250
Personnel expenses	-7,707	-7,270	-14,919
Depreciation	-1,533	-1,513	-3,190
Other operating expenses	-2,557	-2,326	-5,057
Operating profit (EBIT)	**756**	**1,013**	**1,830**
Result from investments accounted for using the equity method	15	6	8
Net interest income	-410	-444	-898
Other financial result	-3	-5	-3
Financial result	**-398**	**-443**	**-893**
Profit before taxes on income	**358**	**570**	**937**
Taxes on income	33	72	51
Net profit	**391**	**642**	**988**
Net profit attributable to:			
Shareholder of Deutsche Bahn AG	382	627	966
Minority interests	9	15	22
Earnings per share (€ per share)			
undiluted	0.89	1.46	2.25
diluted	0.89	1.46	2.25

RECONCILIATION OF CONSOLIDATED COMPREHENSIVE INCOME

	H1		
[€ MILLION]	**2015**	2014	2014
Net profit	391	642	988
Changes due to the revaluation of defined benefit plans	718	-241	-1,107
Changes in items recognized directly in equity which are not reclassified to the income statement	**718**	**-241**	**-1,107**
Changes resulting from currency translation	197	58	143
Changes resulting from market valuation of securities	-4	-5	1
Changes resulting from market valuation of cash flow hedges	222	-44	-313
Changes in items recognized directly in equity which are reclassified to the income statement	**415**	**9**	**-169**
Balance of result items covered directly in equity (before taxes)	**1,133**	**-232**	**-1,276**
Revaluation of defined benefit plans	-29	28	83
Changes in deferred taxes on result items recognized directly in equity, which are not reclassified to the income statement	**-29**	**28**	**83**
Deferred taxes relating to the change in the market valuation of securities	0	0	0
Deferred taxes relating to the change in the market valuation of cash flow hedges	-10	2	32
Changes in deferred taxes on result items recognized directly in equity, which are reclassified to the income statement	**-10**	**2**	**32**
Balance of result items recognized directly in equity (after taxes)	**1,094**	**-202**	**-1,161**
Comprehensive income	**1,485**	**440**	**-173**
Comprehensive income attributable to:			
Shareholder of Deutsche Bahn AG	1,473	424	-195
Minority interests	12	16	22

CONSOLIDATED BALANCE SHEET

ASSETS

[€ MILLION]	Jun 30, 2015	Dec 31, 2014	Jun 30, 2014
NON-CURRENT ASSETS			
Property, plant and equipment	39,319	39,022	38,067
Intangible assets	4,330	4,195	4,124
Investments accounted for using the equity method	532	478	514
Available-for-sale financial assets	19	10	11
Receivables and other assets	201	126	110
Derivative financial instruments	500	95	82
Deferred tax assets	1,671	1,604	1,493
	46,572	**45,530**	**44,401**
CURRENT ASSETS			
Inventories	1,026	959	1,001
Available-for-sale financial assets	1	5	5
Trade receivables	4,553	4,146	4,505
Other receivables and assets	1,348	1,121	1,039
Income tax receivables	72	84	81
Derivative financial instruments	6	7	8
Cash and cash equivalents	2,814	4,031	3,557
Assets held for sale	0	0	0
	9,820	**10,353**	**10,196**
Total assets	**56,392**	**55,883**	**54,597**

EQUITY AND LIABILITIES

[€ MILLION]	Jun 30, 2015	Dec 31, 2014	Jun 30, 2014
EQUITY			
Subscribed capital	2,150	2,150	2,150
Reserves	4,121	3,029	3,988
Retained earnings	8,895	9,203	8,872
Equity attributable to shareholder of Deutsche Bahn AG	**15,166**	**14,382**	**15,010**
Minority interests	165	143	137
	15,331	**14,525**	**15,147**
NON-CURRENT LIABILITIES			
Financial debt	18,941	19,173	18,931
Other liabilities	309	241	255
Derivative financial instruments	387	555	349
Pension obligations	3,807	4,357	3,433
Other provisions	2,771	2,828	2,778
Deferred items	1,181	1,265	1,326
Deferred tax liabilities	95	108	162
	27,491	**28,527**	**27,234**
CURRENT LIABILITIES			
Financial debt	1,963	1,161	1,290
Trade liabilities	4,494	4,949	4,454
Other liabilities	3,648	3,412	3,387
Income tax liabilities	158	170	163
Derivative financial instruments	148	125	55
Other provisions	2,372	2,216	2,080
Deferred items	787	798	787
	13,570	**12,831**	**12,216**
Total assets	**56,392**	**55,883**	**54,597**

CONSOLIDATED STATEMENT OF CASH FLOWS

	H1		
[€ MILLION]	**2015**	2014	2014
Profit before taxes on income	358	570	937
Depreciation on property, plant and equipment and intangible assets	1,533	1,513	3,190
Write-ups/write-downs on non-current financial assets	0	0	6
Result on disposal of property, plant and equipment and intangible assets	-48	-16	-226
Result on disposal of financial assets	-2	0	-1
Result on sale of consolidated companies	0	6	-37
Interest and dividend income	-29	-42	-68
Interest expense	438	485	965
Foreign currency result	-3	3	-15
Result of investments accounted for using the equity method	-15	-6	-8
Other non-cash expenses and income	617	341	999
Changes in inventories, receivables and other assets	-1,233	-649	-479
Changes in liabilities, provisions and deferred items	104	-43	-664
Cash generated from operating activities	1,720	2,162	4,599
Interest received	20	29	43
Dividends and capital distribution received	1	1	-7
Interest paid	-330	-324	-653
Paid (–)/reimbursed (+) taxes on income	-73	-3	-86
Cash flow from operating activities	**1,338**	**1,865**	**3,896**
Proceeds from the disposal of property, plant and equipment and intangible assets	146	104	460
Payments for capital expenditures in property, plant and equipment and intangible assets	-3,640	-3,367	-8,492
Proceeds from investment grants	1,733	1,567	4,687
Payments for repaid investment grants	-149	-15	-30
Proceeds from sale of financial assets	5	0	2
Payments from investments in financial assets	-9	0	0
Proceeds from sale of shares in consolidated companies less net cash and cash equivalents sold	0	1	65
Payments/proceeds (+) for acquisitions of consolidated companies less net cash and cash equivalents acquired	4	-2	-2
Proceeds from disposal of investments accounted for using the equity method	0	1	36
Payments from acquisitions of investments accounted for using the equity method	0	0	-2
Cash flow from investing activities	**-1,910**	**-1,711**	**-3,276**
Distribution of profits to shareholder	-700	-200	-200
Distribution of profits to minority interests	-5	-5	-8
Payments for finance lease transactions	-114	-49	-78
Proceeds from issue of bonds	–	1,051	1,948
Payments for redemption of bonds	–	-64	-430
Payments for the redemption and repayment of interest-free loans	-220	-220	-220
Proceeds from borrowings and commercial paper	356	25	22
Payments for the redemption of borrowings and commercial paper	-13	-5	-520
Cash flow from financing activities	**-696**	**533**	**514**
Net changes in cash and cash equivalents	**-1,268**	**687**	**1,134**
Cash and cash equivalents as of Jan 1	4,031	2,861	2,861
Changes in cash and cash equivalents due to changes in scope of consolidation	0	-1	-1
Changes in cash and cash equivalents due to changes in exchange rates	51	10	37
Cash and cash equivalents as of Jun 30/Dec 31	**2,814**	**3,557**	**4,031**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Reserves										
[€ MILLION]	Subscribed capital	Capital reserves	Currency translation	Fair value valuation of securities [1]	Fair value valuation of cash flow hedges [1]	Revaluation of pensions	Other movements	**Total reserves**	Retained earnings	**Equity attributable to shareholders of Deutsche Bahn AG**	Minority interests	**Total equity**
As of Jan 1, 2014	2,150	5,310	-66	3	-181	-864	-12	**4,190**	8,446	**14,786**	126	**14,912**
+ Capital increase	–	–	–	–	–	–	–	**–**	–	**–**	1	**1**
– Dividend payments	–	–	–	–	–	–	–	**–**	-200	**-200**	-5	**-205**
± Other changes	–	–	–	–	–	–	1	**1**	-1	**–**	-1	**-1**
± Comprehensive income	–	–	57	-5	-42	-213	–	**-203**	627	**424**	16	**440**
thereof net profit	–	–	–	–	–	–	–	**–**	627	**627**	15	**642**
thereof currency effects	–	–	57	–	–	–	–	**57**	–	**57**	1	**58**
thereof deferred taxes	–	–	–	–	2	28	–	**30**	–	**30**	–	**30**
thereof market valuation	–	–	–	-5	-44	–	–	**-49**	–	**-49**	–	**-49**
thereof revaluation of defined benefit plans	–	–	–	–	–	-241	–	**-241**	–	**-241**	–	**-241**
thereof share of items not recognized in the income statement from investments accounted for using the equity method	–	–	–	–	–	–	–	**–**	–	**–**	–	**–**
As of Jun 30, 2014	**2,150**	**5,310**	**-9**	**-2**	**-223**	**-1,077**	**-11**	**3,988**	**8,872**	**15,010**	**137**	**15,147**

		Reserves										
[€ MILLION]	Subscribed capital	Capital reserves	Currency translation	Fair value valuation of securities [1]	Fair value valuation of cash flow hedges [1]	Revaluation of pensions	Other movements	**Total reserves**	Retained earnings	**Equity attributable to shareholders of Deutsche Bahn AG**	Minority interests	**Total equity**
As of Jan 1, 2015	2,150	5,310	75	4	-462	-1,886	-12	**3,029**	9,203	**14,382**	143	**14,525**
+ Capital increase	–	–	–	–	–	–	–	**–**	–	**–**	12	**12**
– Dividend payments	–	–	–	–	–	–	–	**–**	-700	**-700**	-5	**-705**
± Other changes	–	–	-1	–	–	2	–	**1**	10	**11**	3	**14**
± Comprehensive income	–	–	195	-4	212	688	–	**1,091**	382	**1,473**	12	**1,485**
thereof net profit	–	–	–	–	–	–	–	**–**	382	**382**	9	**391**
thereof currency effects	–	–	195	–	–	–	–	**195**	–	**195**	2	**197**
thereof deferred taxes	–	–	–	–	-10	-29	–	**-39**	–	**-39**	–	**-39**
thereof market valuation	–	–	–	-4	222	–	–	**218**	–	**218**	–	**218**
thereof revaluation of defined benefit plans	–	–	–	–	–	717	–	**717**	–	**717**	1	**718**
thereof share of items not recognized in the income statement from investments accounted for using the equity method	–	–	–	–	–	–	–	**–**	–	**–**	–	**–**
As of Jun 30, 2015	**2,150**	**5,310**	**269**	**0**	**-250**	**-1,196**	**-12**	**4,121**	**8,895**	**15,166**	**165**	**15,331**

[1] *Equity capital includes deferred taxes.*

SEGMENT INFORMATION ACCORDING TO SEGMENTS

	DB Bahn Long-Distance		DB Bahn Regional		DB Arriva		DB Schenker Rail		DB Schenker Logistics	
JAN 1 THROUGH JUN 30 [€ MILLION]	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
External revenues	1,800	1,904	4,205	4,386	2,372	2,208	2,226	2,292	7,728	7,385
Internal revenues	75	75	49	52	3	2	165	160	28	22
Total revenues	1,875	1,979	4,254	4,438	2,375	2,210	2,391	2,452	7,756	7,407
Other external income	72	77	207	97	69	87	89	114	89	102
Other internal income	24	18	56	56	2	0	18	17	4	2
Changes in inventories and internally produced and capitalized assets	3	3	35	33	3	0	13	10	4	3
Total income	1,974	2,077	4,552	4,624	2,449	2,297	2,511	2,593	7,853	7,514
Cost of materials	-1,111	-1,139	-2,664	-2,656	-698	-738	-1,223	-1,282	-5,185	-5,039
Personnel expenses	-447	-435	-947	-926	-1,026	-932	-836	-797	-1,491	-1,375
Other operating expenses	-219	-218	-275	-266	-501	-408	-378	-357	-919	-860
EBITDA	197	285	666	776	224	219	74	157	258	240
Scheduled depreciation 2)	-139	-162	-318	-288	-123	-115	-148	-149	-93	-91
Impairment losses recognized/reversed 2)	0	0	0	-3	0	0	0	1	0	-1
EBIT (operating profit)	58	123	348	485	101	104	-74	9	165	148
Net operating interest income 3)	-1	0	-24	-23	-19	-17	-36	-45	-21	-21
Operating income after interest 3)	57	123	324	462	82	87	-110	-36	144	127
+ Property, plant and equipment	1,464	1,517	6,596	5,752	2,139	1,982	2,925	3,045	1,459	1,449
+ Intangible assets	0	0	17	11	2,028	1,969	514	511	1,479	1,320
thereof goodwill	0	0	6	6	1,585	1,457	470	461	1,199	1,075
+ Inventories	68	68	146	140	73	77	107	99	68	48
+ Trade receivables	225	183	551	470	290	284	619	597	2,648	2,682
+ Receivables and other assets	1,658	1,681	146	316	591	852	289	81	750	664
– Receivables from financing	-1,648	-1,666	0	-219	-254	-578	-199	-7	-266	-426
+ Income tax receivables	–	–	0	–	17	7	1	0	22	24
+ Available-for-sale assets	–	–	–	–	0	0	0	–	–	–
– Trade liabilities	-261	-213	-743	-820	-371	-370	-514	-496	-1,836	-1,762
– Miscellaneous and other liabilities	-274	-280	-494	-372	-390	-335	-419	-416	-771	-666
– Income tax liabilities	–	–	0	–	-92	-91	-8	-9	-58	-50
– Other provisions	-60	-70	-1,187	-1,030	-193	-199	-159	-127	-381	-291
– Deferred items	-361	-371	-132	-134	-148	-133	-10	-10	-17	-14
Capital employed 4)	811	849	4,900	4,114	3,690	3,465	3,146	3,268	3,097	2,978
Net financial debt	-1,552	-1,545	2,434	1,585	677	926	1,289	1,731	637	469
Investments accounted for using the equity method	0	0	5	5	129	133	24	22	14	15
Result from investments accounted for using the equity method	0	0	0	–	7	-2	3	0	1	4
Gross capital expenditures	141	116	339	707	96	75	91	78	82	88
Investment grants received	–	0	-1	-1	0	-1	-2	–	–	–
Net capital expenditures	141	116	338	706	96	74	89	78	82	88
Additions to the scope of consolidation	–	–	–	–	2	2	–	–	10	–
Employees 5)	16,368	16,844	36,629	36,842	45,336	45,814	30,907	31,219	65,560	64,441

1) *Relating to special items and reclassification PPA amortization of customer contracts.*

2) *The non-cash items are included in the segment result shown.*

3) *Key figure from internal reporting, no external figures.*

4) *Profit transfer agreements were not assigned to segment assets or liabilities.*

5) *The number of employees comprises the workforce, excluding trainees, at the end of the reporting period (part-time employees have been converted to full-time equivalents).*

DB Services		DB Netze Track		DB Netze Stations		Subsidiaries/ other		**Sum of segments**		Consolidation		**DB Group adjusted**		Reconciliation [1]		**DB Group**	
2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	**2014**	**2015**	2014	**2015**	**2014**	**2015**	2014	**2015**	**2014**
124	120	614	534	248	238	683	667	20,000	19,734	–	–	20,000	19,734	-40	7	19,960	19,741
1,397	1,387	1,876	1,891	356	351	1,518	1,527	5,467	5,467	-5,467	-5,467	–	–	–	–	–	–
1,521	1,507	2,490	2,425	604	589	2,201	2,194	25,467	25,201	-5,467	-5,467	20,000	19,734	-40	7	19,960	19,741
37	34	359	286	55	43	229	215	1,206	1,055	7	–	1,213	1,055	3	1	1,216	1,056
24	12	90	89	9	9	672	589	899	792	-899	-792	–	–	–	–	–	–
325	316	385	336	12	11	10	8	790	720	521	514	1,311	1,234	–	10	1,311	1,244
1,907	1,869	3,324	3,136	680	652	3,112	3,006	28,362	27,768	-5,838	-5,745	22,524	22,023	-37	18	22,487	22,041
-902	-911	-841	-813	-237	-238	-1,589	-1,635	-14,450	-14,451	4,524	4,555	-9,926	-9,896	-8	-23	-9,934	-9,919
-691	-664	-1,227	-1,151	-134	-125	-910	-857	-7,709	-7,262	2	-3	-7,707	-7,265	0	-5	-7,707	-7,270
-196	-175	-475	-441	-90	-87	-773	-690	-3,826	-3,502	1,309	1,194	-2,517	-2,308	-40	-18	-2,557	-2,326
118	119	781	731	219	202	-160	-176	2,377	2,553	-3	1	2,374	2,554	-85	-28	2,289	2,526
-97	-91	-468	-464	-67	-66	-54	-58	-1,507	-1,484	23	21	-1,484	-1,463	-49	-47	-1,533	-1,510
0	0	0	0	0	0	0	0	0	-3	–	–	0	-3	–	–	0	-3
21	28	313	267	152	136	-214	-234	870	1,066	20	22	890	1,088	-134	-75	756	1,013
-5	-6	-142	-203	-21	-25	-118	-74	-387	-414	–	–	-387	-414	–	–	–	–
16	22	171	64	131	111	-332	-308	483	652	20	22	503	674	–	–	–	–
696	663	20,320	19,927	3,257	3,234	1,171	1,170	40,027	38,739	-708	-672	39,319	38,067	–	–	39,319	38,067
29	31	160	179	3	1	100	102	4,330	4,124	–	–	4,330	4,124	–	–	4,330	4,124
0	0	0	0	0	0	13	14	3,273	3,013	–	–	3,273	3,013	–	–	3,273	3,013
305	310	207	195	0	–	52	64	1,026	1,001	–	–	1,026	1,001	–	–	1,026	1,001
233	232	365	344	24	23	769	730	5,724	5,545	-1,171	-1,040	4,553	4,505	–	–	4,553	4,505
228	244	62	119	12	8	18,866	18,669	22,602	22,634	-21,053	-21,485	1,549	1,149	–	–	1,549	1,149
-159	-170	-1	0	–	–	-18,228	-17,953	-20,755	-21,019	20,661	20,926	-94	-93	–	–	-94	-93
0	0	0	0	–	–	32	50	72	81	–	–	72	81	–	–	72	81
–	–	–	–	–	–	–	–	0	0	–	–	0	0	–	–	0	0
-186	-184	-763	-699	-85	-94	-903	-851	-5,662	-5,489	1,168	1,035	-4,494	-4,454	–	–	-4,494	-4,454
-159	-155	-952	-940	-113	-91	-777	-948	-4,349	-4,203	392	561	-3,957	-3,642	–	–	-3,957	-3,642
0	-1	0	0	0	0	-34	-23	-192	-174	34	11	-158	-163	–	–	-158	-163
-92	-98	-297	-280	-55	-49	-2,691	-2,711	-5,115	-4,855	-28	-3	-5,143	-4,858	–	–	-5,143	-4,858
-28	-27	-1,019	-1,158	-144	-145	-111	-124	-1,970	-2,116	2	3	-1,968	-2,113	–	–	-1,968	-2,113
867	845	18,082	17,687	2,899	2,887	-1,754	-1,825	35,738	34,268	-703	-664	35,035	33,604	–	–	35,035	33,604
213	196	10,575	10,241	1,261	1,269	2,077	1,699	17,611	16,571	–	–	17,611	16,571	–	–	17,611	16,571
–	–	2	2	–	–	358	337	532	514	–	–	532	514	–	–	532	514
–	–	0	0	–	–	4	4	15	6	–	–	15	6	–	–	15	6
134	106	2,237	1,987	187	194	58	58	3,365	3,409	1	5	3,366	3,414	–	–	3,366	3,414
0	0	-1,589	-1,409	-115	-132	-26	-24	-1,733	-1,567	–	–	-1,733	-1,567	–	–	-1,733	-1,567
134	106	648	578	72	62	32	34	1,632	1,842	1	5	1,633	1,847	–	–	1,633	1,847
–	–	–	–	–	–	–	5	12	7	–	–	12	7	–	–	12	7
25,257	26,103	43,806	43,320	4,894	4,915	28,215	27,399	296,972	296,897	–	–	296,972	296,897	–	–	296,972	296,897

INFORMATION BY REGIONS

JAN 1 TO JUN 30 [€ MILLION]	External revenues		Non-current assets [1]		Capital employed [1]		Gross capital expenditures		Net capital expenditures		Employees [1]	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Germany	11,207	11,468	36,626	35,522	28,315	27,245	3,165	3,239	1,434	1,673	188,671	189,202
Europe (excluding Germany)	6,380	6,123	6,706	6,481	6,324	6,055	186	146	184	145	83,786	84,107
Asia/Pacific	1,290	1,188	810	712	817	747	6	16	6	16	13,877	13,762
North America	862	704	221	185	276	200	7	6	7	6	8,118	7,269
Rest of world	261	251	27	28	39	35	1	2	1	2	2,520	2,557
Consolidation	–	–	–708	–642	–736	–678	1	5	1	5	–	–
DB Group adjusted	**20,000**	**19,734**	**43,682**	**42,286**	**35,035**	**33,604**	**3,366**	**3,414**	**1,633**	**1,847**	**296,972**	**296,897**
Reconciliation	–40	7	–	–	–	–	–	–	–	–	–	–
Total	**19,960**	**19,741**	**43,682**	**42,286**	**35,035**	**33,604**	**3,366**	**3,414**	**1,633**	**1,847**	**296,972**	**296,897**

[1] *As of June 30.*

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BASIC PRINCIPLES AND METHODS

The unaudited, short-form interim financial statements for the period ending June 30, 2015 are prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU and their interpretation by the IFRS Interpretations Committee (IFRIC). The requirements of IAS 34 (Interim Financial Reporting) were followed. The accounting policies underlying the consolidated financial statements 2014 have been consistently applied for these interim financial statements.

The following new standards, interpretations and amendments of the IAS/IFRS standards are the subject of mandatory adoption within the reporting period.

- Improvements to IFRS 2011–2013: "Improvements to IFRS" (published December 2013; applicable for reporting periods starting January 1, 2015[1])

  "Improvements to IFRS 2011–2013" represents a sixth collective standard for various changes to four existing IFRS. These changes have no material effect on the DB Group consolidated financial statements.
- IFRIC 21: "Levies" (published May 2013; to be applied for reporting periods starting June 17, 2014[2])

  This interpretation clarifies at which time a company must account for a liability for payment of levies imposed by governments as debt. The change has no material effect on the DB Group consolidated financial statements.

Comparability with the first half-year 2014

After due consideration is given to the following issues, the financial information presented for the reporting period is comparable with the financial information for the corresponding period in the previous year.

CHANGES IN THE PRESENTATION OF NET FINANCIAL DEBT

Beginning in the 2015 financial year, the presentation of net financial debt includes also the effects from currency hedges on bonds shown under derivative financial instruments as assets and liabilities. As a result net financial debt has since then been shown at the hedging rate. No adjustment of the figure from the previous year has been performed on the grounds that the effect would be negligible.

Changes in DB Group

Movements in the scope of consolidation of Deutsche Bahn Group (DB Group) are detailed in the following:

[NUMBER]	German as of Jun 30, 2015	Foreign as of Jun 30, 2015	Total as of Jun 30, 2015	Total Jun 30, 2014	Total Dec 31, 2014
FULLY CONSOLIDATED SUBSIDIARIES					
As of Jan 1	130	502	**632**	661	661
Additions	4	5	**9**	6	11
Additions due to changes in type of inclusion	0	0	**0**	0	0
Disposals	5	5	**10**	23	38
Disposals due to changes in type of inclusion	1	0	**1**	2	2
Total	**128**	**502**	**630**	**642**	**632**

ADDITIONS OF COMPANIES AND PARTS OF COMPANIES

Additions to the scope of consolidation consisted of four new companies founded in the reporting period as well as the acquisition of 69.0% of the shares in SPA SystemPartner GmbH & Co. KG (SPA).

The transaction is detailed in the following:

- With the shareholders' agreement of January 27, 2015 (closing May 20, 2015), 69.0% of the shares in SPA were acquired through the contribution of all shares of Intertec Beteiligungs-GmbH. SPA is active as a wholesale company in the area of automobile parts and automobile care and carries a full range of leading brand products and low-cost alternatives. Its activities have been combined with a company that now is doing business under the name MTS MarkenTechnikService GmbH & Co. KG. This subsidiary has been included in the segment report in the segment DB Schenker Logistics since June 1, 2015.

Below, the purchase costs and the fair value of the acquired net assets are presented cumulatively for all changes to the scope of consolidation, insofar as they are included in the scope of IFRS 3. The purchase price allocation for the acquisition in the reporting period is consistent with IFRS 3. Goodwill is to a large extent substantiated by the synergy effects

[1] *In December 2014, the European Commission postponed the time at which this was due to come into force from July 1, 2014 to January 1, 2015.*
[2] *In December 2014, the European Commission postponed the time at which this was due to come into force from January 1, 2014 to June 17, 2014.*

expected for the period after the aquisition. In addition, a considerable proportion of goodwill is attributable to assets which are not eligible for recognition under IFRS 3, and in particular the employee base, market access and the future revenue potential.

The goodwill is calculated as follows:

[€ MILLION]	2015	thereof SPA
PURCHASE PRICE		
Payments made	0	0
+ Shares in a subsidiary issued by buyer to seller	16	16
Total compensation	**16**	**16**
– Fair value of net assets acquired	8	8
Goodwill	**8**	**8**

With this aquisition, we do not expect that any part of the goodwill is deductible for income tax purposes.

Purchase price allocation SPA

The acquired net assets are broken down as follows:

[€ MILLION]	Carrying amount	Adjust-ment	Fair value
Property, plant and equipment	0	–	0
Intangible assets	2	–	2
Inventories	18	–	18
Receivables from financing	0	–	0
Trade receivables	15	–	15
Other receivables and assets	2	–	2
Derivative financial instruments	0	–	0
Cash and cash equivalents	4	–	4
Assets	**41**	**–**	**41**
Financial debt	12	–	12
Liabilities	12	–	12
Other provisions	5	–	5
Deferred income	0	–	0
Liabilities	**29**	**–**	**29**
Share of third parties	4	–	4
Net assets acquired	**8**	**–**	**8**
Purchase price paid in cash and cash equivalents	0	–	0
Cash and cash equivalents acquired	4	–	4
Inflow of cash and cash equivalents due to transaction	**4**	**–**	**4**

The purchase price allocation has not yet been finalized as a result of the short period between the closing date and the time at which the interim financial statements were prepared.

The purchase price was paid through the transfer of the share interest in the partnership of Intertec Beteiligungs-GmbH by DB Mobility Logistics AG (DB ML AG) to SPA in return for a limited partnership interest.

The fair value of the trade receivables is € 15 million, including impairments of € 1 million.

If SPA had been included in the DB consolidated financial statements as of January 1, 2015, DB Group would have reported additional revenues of € 34 million and additional net profits of € 2 million.

After being initially consolidated, SPA has generated revenues of € 6 million and net profits of € 0 million.

DISPOSALS OF COMPANIES AND PARTS OF COMPANIES

Disposal from the scope of consolidation involved four mergers and four liquidations, one sale and one disposal by means of a change in the type of inclusion by the parent company. The sale has generated a cash inflow of € 0.3 million.

The disposal by means of a change in the type of inclusion affected one company that had been recognized at equity since April 2015.

The following table shows a summary of the major effects on the consolidated income statement resulting from the changes in the scope of consolidation which have taken place compared with the corresponding previous year period:

[€ MILLION]	H1 2015	thereof from additions to the scope of consolidation	Amounts due to disposals from scope of consolidation
Revenues	19,960	9	-15
Inventory changes and internally produced and capitalized assets	1,311	–	–
Overall performance	21,271	9	-15
Other operating income	1,216	0	0
Cost of materials	- 9,934	-7	2
Personnel expenses	-7,707	-1	7
Depreciation	-1,533	0	1
Other operating expenses	-2,557	-1	6
Operating profit (EBIT)	**756**	**0**	**1**
Result from investments accounted for using the equity method	15	–	0
Net interest income	- 410	0	0
Other financial income	-3	0	0
Financial result	**-398**	**0**	**0**
Profit before taxes on income	**358**	**0**	**1**
Taxes on income	33	0	0
Net profit	**391**	**0**	**1**

The revenues resulting from additions to the scope of consolidation of € 9 million were € 6 million for SPA acquired in this year and € 3 million for Bochimar, acquired during the course of the previous year (now operating under the name of Schenker Angola Limitada). Of the amounts for disposals from the scope of consolidation, € 12 million of the revenues were from The Original London Sightseeing Tour Ltd., disposed of in the previous year.

CONTINGENT RECEIVABLES AND LIABILITIES AS WELL AS GUARANTEE OBLIGATIONS

Contingent receivables were stated as € 61 million as of June 30, 2015 (as of 31 December 2014: € 64 million, as of June 30, 2014: € 61 million), and mainly comprise a claim for a refund of investment grants which had been paid; however, as of the balance sheet date, the extent and due date of the claim was not sufficiently certain.

The contingent liabilities are broken down as follows:

[€ MILLION]	Jun 30, 2015	Dec 31, 2014	Jun 30, 2014
Other contingent liabilities	109	128	328

Other contingent liabilities also comprise risks arising from litigation which had not been stated as provisions because the expected probability of occurrence is less than 50%.

There are also contingencies of € 36 million from guarantees as of June 30, 2015 (as of December 31, 2014: € 41 million, as of June 30, 2014: € 40 million). Property, plant and equipment with carrying values of € 6 million (as of December 31, 2014: € 6 million, as of June 30, 2014: € 18 million) were also used as security for loans. The reported figure essentially relates to rolling stock and buses which are used at the operating companies in the segments DB Arriva and DB Bahn Long-Distance.

Cartel authorities have been investigating companies in the freight forwarding sector worldwide since the autumn of 2007. Most proceedings have been concluded since then. Most recently, the proceedings conducted by the cartel authorities in Singapore ceased. We do not anticipate that the cartel authority investigations that are still underway will be completed before the end of 2015. The European Commission in 2013 conducted follow-up investigations and searches at two European Schenker companies. The companies were accused of anti-competitive practices such as price fixing as well as allocation of customers in their transport activities. With respect to time, the years 2004 to 2012 should be affected. The proceedings are not yet fully concluded. In the third quarter, a fine of over € 32 million is expected to be issued by order of the EU Commission.

DB Group acts as guarantor mainly for equity participations and joint ventures, and is subject to joint and several liability for all syndicates in which it is involved.

INFORMATION REGARDING THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the cash and cash equivalents, trade accounts receivable and other financial assets (€ 5,534 million) approximate the fair values as of the balance sheet date.

The carrying amounts of the trade accounts payable, the other and miscellaneous financial liabilities (a total of € 6,138 million) as well as the short-term financial debt approximate the fair values as of the balance sheet date.

With regard to the following balance sheet items, the other financial assets and other financial liabilities are as follows:

	Jun 30, 2015			Dec 31, 2014			Jun 30, 2014		
		thereof			thereof			thereof	
[€ MILLION]	Carrying amount	financial	non-financial	Carrying amount	financial	non-financial	Carrying amount	financial	non-financial
ASSETS									
Receivables and other assets	201	79	122	126	41	85	110	66	**44**
Other receivables and assets	1,348	902	446	1,121	701	420	1,039	617	**422**
Total	**1,549**	**981**	**568**	**1,247**	**742**	**505**	**1,149**	**683**	**466**
LIABILITIES									
Other liabilities	309	196	113	241	106	135	255	114	**141**
Trade liabilities and other liabilities	8,142	5,942	2,200	8,361	6,436	1,925	7,841	5,944	**1,897**
Total	**8,451**	**6,138**	**2,313**	**8,602**	**6,542**	**2,060**	**8,096**	**6,058**	**2,038**

The fair value of the non-current financial debt amounted to € 21,087 million as of June 30, 2015 (as of December 31, 2014: € 21,641 million, as of June 30, 2014: € 20,914 million).

The financial instruments recognized at fair value are classified under valuation level 2 and to a lesser extent under valuation level 1.

	Jun 30, 2015				Dec 31, 2014				Jun 30, 2014			
[€ MILLION]	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS												
Available-for-sale financial assets (securities at fair value)	2	–	–	**2**	6	–	–	6	6	–	–	**6**
Derivatives – non-hedging	–	5	–	**5**	–	4	–	4	–	3	–	**3**
Derivatives – hedging	–	501	–	**501**	–	98	–	98	–	87	–	**87**
Total	**2**	**506**	**–**	**508**	**6**	**102**	**–**	**108**	**6**	**90**	**–**	**96**
LIABILITIES												
Derivatives – non-hedging	–	8	–	**8**	–	6	–	6	–	1	–	**1**
Derivatives – hedging	–	527	–	**527**	–	674	–	674	–	403	–	**403**
Total	**–**	**535**	**–**	**535**	**–**	**680**	**–**	**680**	**–**	**404**	**–**	**404**

The other available-for-sale financial assets shown in the balance sheet (a total of € 18 million) comprise other investments and securities which are recognized at cost of purchase, because there is no corresponding price listed on an active market and because the fair value cannot be reliably determined. At present, there is essentially no intention to sell.

There have been no reclassifications between the valuation levels in the current reporting period.

For establishing the fair values of the derivative financial instruments, the contractually agreed or most probable cash flows are discounted using the appropriate market interest rate, whereby due consideration is given to the credit risk by means of credit spreads. No credit risk markdowns have been recognized in the case of secured exposures. The credit risk resulting from the derivative portfolio is treated on a net basis. Credit support annexes, which are subject to daily security settlement with a threshold value of € 0, are concluded to minimize the credit risk of long-term interest and cross-currency transactions as well as energy-based derivatives.

OTHER FINANCIAL OBLIGATIONS

The other financial obligations amounted to € 20,874 million as of June 30, 2015 (as of December 31, 2014: € 20,866 million, as of June 30, 2014: € 22,293 million).

Capital expenditures in relation to which the company has entered into contractual obligations as of the balance sheet date, but for which no consideration has yet been received, are broken down as follows:

[€ MILLION]	Jun 30, 2015	Dec 31, 2014	Jun 30, 2014
Committed capital expenditures			
Property, plant and equipment	15,548	15,512	16,631
Intangible asset	5	6	9
Purchase of financial assets	451	391	387
Total	**16,004**	**15,909**	**17,027**

The slight increase in order commitments in property, plant and equipment is particularly affected by the planned capital expenditure projects due to own construction services; this was counteracted by the completed purchases of new vehicles. In the case of some supply arrangements, there are independent admissions of guilt with regard to fulfilling the order commitment; these are opposed by claims of the same amount, backed by bank guarantees and insurance policies with maximum creditworthiness.

The purchase of financial assets amounting to € 451 million (as of December 31, 2014: € 391 million, as of June 30, 2014: € 387 million) relates to outstanding contributions at the European Company for the Financing of Railroad Rolling Stock (EUROFIMA), Basel/Switzerland.

RELATED-PARTY DISCLOSURES

Major economic relations between DB Group and the Federal Republic of Germany relate to liabilities due to the Federal Republic of Germany arising from loans which have been extended (present value € 1,306 million, as of December 31, 2014: € 1,494 million, as of June 30, 2014: € 1,461 million). There are also relations arising from the fees paid to the Federal Republic of Germany within the framework of pro forma billing for the assigned civil servants as well as cost refunds for the secondment of business relationship service provision personnel as well as from investment grants which have been received. The guarantees received from the Federal Government primarily relate to the loans received from EUROFIMA as well as the outstanding contributions and liabilities arising from collective liability of Deutsche Bahn AG (DB AG) at EUROFIMA.

Business relations with Deutsche Telekom and Deutsche Post regarding the use of telecommunications and postal services have taken place to the usual extent.

OTHER DISCLOSURES

Dividend payment

Pursuant to the resolution of the Annual General Meeting of March 18, 2015, DB Group paid a dividend of € 700 million to the Federal Republic of Germany.

Number of issued shares

The number of issued shares is unchanged at 430,000,000.

Acquisition of shares of GOTFRI spol. s.r.o.

With the contract of April 13, 2015 (closing June 19, 2015), ARRIVA Slovakia a.s. acquired 100% of the shares of GOTFRI spol. s.r.o., Bratislava/Slovakia. The company operates about 230 buses of regional and municipal bus lines in the north of Slovakia through the operating company SAD Liorbus a.s. The purchase price allocation has not yet been finalized as a result of the short period between the balance sheet date and the time at which the interim financial statements were prepared. The purchase price was € 9 million.

Major events after the balance sheet date

The Supervisory Board of DB AG will decide at the end of July 2015 about the implementation of the planned restructuring of DB Group.

In connection with this, the Management Board member for the Technology and Environment Board Division, Dr. Heike Hanagarth, will leave the company by mutual consent at the end of July 2015.

Berlin, July 17, 2015

Deutsche Bahn Aktiengesellschaft
The Management Board

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The Interim Report was published on July 28, 2015 (copy deadline: July 17, 2015) and is available on the Internet at www.db.de/zb-e.

The Interim and Integrated Reports of Deutsche Bahn Group and the Interim and Annual Reports of DB Mobility Logistics Group as well as the Financial Statements of Deutsche Bahn AG are published in German and English.

The Interim and Integrated Reports of Deutsche Bahn Group, the Interim and Annual Reports of DB Mobility Logistics Group, the Financial Statements of Deutsche Bahn AG, the Annual Reports of DB Fernverkehr AG, DB Regio AG, DB Station & Service AG and DB Netz AG as well as up-to-date information are also available online.

Corporate Communications

Corporate publications and the Competition Report are available on the Internet or can be requested from Corporate Communications:
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DB service number

Our service number + 49-180-699-6633 gives you direct access to all of our telephone services. The access includes information regarding Group-wide general information, booking of train tickets, finding train times, our customer dialogue and our frequent traveler system (BahnCard).

The following charges apply: calls from the German fixed-line network cost 20 ct/call. Charges from the German cell phone network cost 60 ct/call at most.

FINANCIAL CALENDAR

March 16, 2016

Annual Results Press Conference
Publication of the 2015 Integrated Report

July 27, 2016

Interim Results Press Conference
Publication of the Interim Report January – June 2016

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