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SEAMLESS TRANSPORT CHAINS THROUGH HARMONISATION

Success Stories and Global Perspectives for Rail Freight

Session 4: How to gain Market Shares

*Moderator: László Mosóczi
President of HUNGRAIL Hungarian
Rail Association*



GRFC 2014 VIENNA



23-26 June 2014



Eric REGTER

Member of the Board Sales Distribution

Born: 4 February 1964

Education

Degree in Business Administration, Groningen University, Netherlands

Professional Carrier

A key focus in his professional career has been the restructuring and turnaround of internationally active businesses (in the Baltics, Benelux, Austria and France) predominantly in the energy sector. Erik Regter held commercially oriented senior management roles at director and general management levels and gained considerable experience with public ownership, regulation, liberalisation and internationalisation, particularly in the Central and Eastern European region.

Since 2011 Member of the Board

Rail Cargo Group (Rail Cargo Austria AG)

2009 – 2011 CEO and Member of the Board

POWEO S.A., Paris

2007 – 2009 Managing Director

Verbund International GmbH

2003 – 2007 Board Director and Deputy Managing Director, Previously

Commercial Director

Stredoslovenska Energetika a.s. (SSE), Slovakia

Prior to this various management positions in different international companies



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How to gain market shares



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Rail Cargo Group – structured in 5 complementary rail freight businesses.

Rail Cargo Group Member of **ÖBB**

- Focus on **core competence rail logistics**
- **5 businesses, with their own business models and (internal, external) markets**
- **Bundled competencies, resources, and responsibilities**
- **Consistent brand architecture**

1 Rail freight forwarding with high industry competency

Rail Cargo Logistics
Rail Cargo Group

2 Operator of high-frequency long-haul shuttles (IM, conventional, mix) between economic centers

Rail Cargo Operator
Rail Cargo Group

3 Own traction services when economically advantageous (e.g. basic load, SWL)

Rail Cargo Austria
Rail Cargo Group

Rail Cargo Hungaria
Rail Cargo Group

Rail Cargo Carrier
Rail Cargo Group

4 Wagon rental when economically advantageous (e.g., basic load)

Rail Cargo Wagon
Rail Cargo Group

5 Maintenance of rolling stock when economically advantageous (e.g., light maintenance in Eastern Europa)

ÖBB Technische Services

- Technical Services Hungaria Kft.
- Technical Services Slovakia, s.r.o.
- TS-MÁV Gépészet Kft.

Facts and Figures | 2013

- Sales: 2,3 billion EUR, 60% outside Austria
- EBIT: 76 million EUR, Successful managed Turnaround
- 1.500 trains/day
- Goods transported: 109.3 million tons
- Traction output: 25,9 billion tons-km
- Employees: 8.157
- Rolling stock:
 - 407 Service locomotives electric and diesel
 - 217 Shunting locomotives electric and diesel
- 26.500 wagons of different types

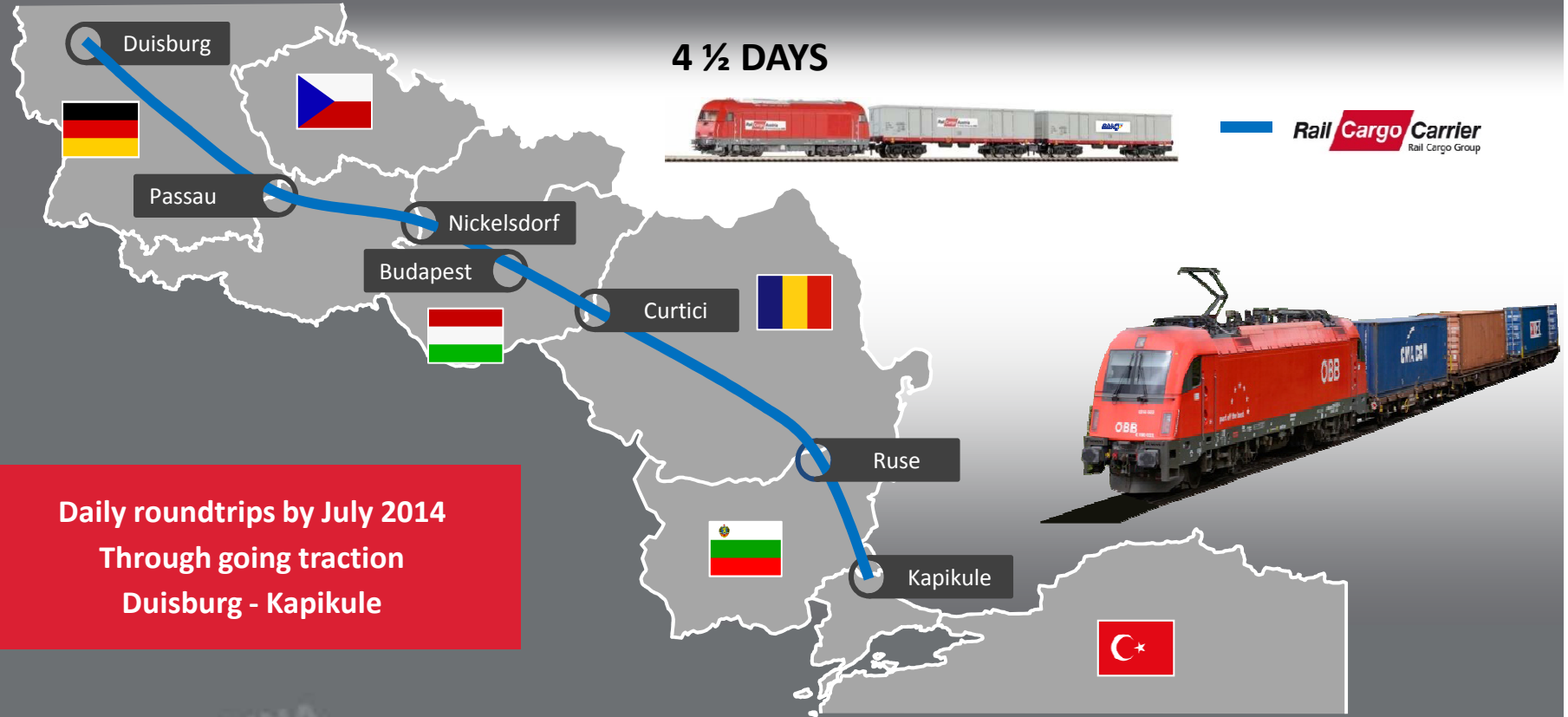


How to gain market shares through the example of Turkey

**Market
share**

- 1** High frequency long haul shuttles between commercial centres
- 2** Better quality due to traction with own locomotives
- 3** Integrated network
- 4** State of the art hub to boost high frequent rail shuttles
- 5** Strong partner

High frequency, short transit times and top reliability due to own through going traction



Daily roundtrips by July 2014
Through going traction
Duisburg - Kapikule

Existing and Future Network to connect Northern & Middle Europe with Turkey

Business description

- Leading shuttle connection Benelux – Germany – Austria – Hungary – Turkey
- Connecting point for NE customers to Turkey (further network extension)



Blocktrains between Turkey and Germany

Current situation:

- ✓ 5 block trains per week and direction

Future situation: (until end of 2014)

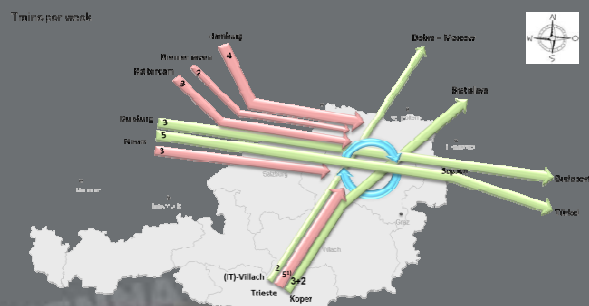
- 10 block trains per week and direction

Feeder lines Turkey provided by BALO

Independent state of the art hub to connect high frequency rail shuttle network

Facts & figures New Terminal Inzersdorf

	<u>1.Module</u>	<u>Completion</u>
Location	Conection to the high-quality rail and road network interface	
Functions	Multi-function terminal for intermodal traffic, general Cargo and wagonload traffic	
Completion	Mid 2016 (combined traffic)	2017 (total commissioning)
Loading tracks	4	8
Container loading track length	700 m	700 m
Max. handling capacity	210,000 ITE/year	420,000 ITE/year



Partnership RCG – BALO to develop an attractive continental rail route between Northwest Europe and Turkey

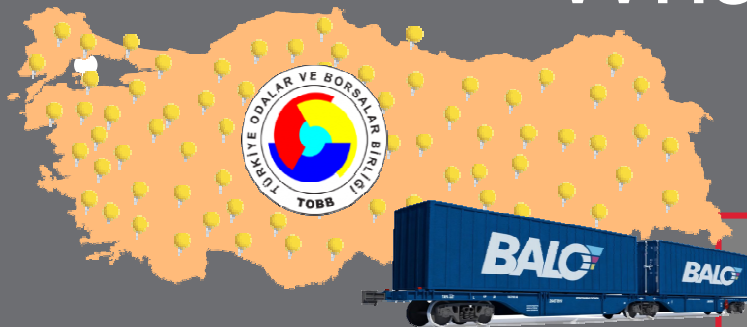
Rail Cargo Group
Member of OBB

- Among top-3 European Rail Cargo companies
- 2 home markets, strong presence in further 10 countries
- Rail Cargo Carrier as lean, high quality international traction
- RCO one of the leading operators in Central Europe
- 2 round trips/day until end of year



- Strong Corporate Structure
- **Strong partner** to link Anatolian economic centers and Western Europe
- Integrated in strong **growing economy**
- **Export driven** low rail share in transportation

What is BALO?



BÜYÜK ANADOLU LOJİSTİK ORGANİZASYONLAR (Great Anatolia Logistics Organizations)

TOBB (The Union of Chambers and Commodity Exchanges of Turkey)

- 1 Million 396 Thousand Members in 81 Cities And 160 Counties,
- Approximately 75 Percentage of National Income (560 Billion \$)
- Approximately 95 Percentage of Turkey Export (130 Billion \$),
- 12 commercial, 16 official and 12 social affiliates.



UTİKAD (Association of International Forwarding and Logistics Service Providers)

- National and International Transport by Road, Air, Sea, Railway
- Combined Transport
- Logistics Services
- NGO with 400 members

- Established to **increase rail transport share in intermodal split** (currently below 1%) in order to tripling Turkey's export by 2023
- A **neutral** Intermodal Service Operator
- **Owned by TOBB** (national chamber of commerce) and over 90 other shareholders (local chambers of commerce, logistic zones) with UTİKAD
- Gets strong political support to **build intermodal rail network, incl. terminals, traction and wagons**
- Plans to **collect trains from all whole Turkey and bundle volumes for exports** to:
 - Western Europe (cooperation with RCA)
 - Balticum / Scandinavia (with VIKING, not started yet)
 - Silk Road to Iran / Pakistan (long-term plan, not started)
- Wants **close cooperation with other partners, like RCA**, to increase its market reach and strength

BALO Shuttle Service in Turkey

Loading/Unloading Points

- Manisa
- Ankara
- Konya
- Eskisehir
- Bursa
- Bandırma
- Tekirdag
- Istanbul

- ✓ With own 45' HC PW containers
- ✓ With own 90' Sggmrss wagons

