Sassan RABET

Sassan Rabet, born 1972, holds a Master's degree in Public Policy and Management. He joined the railway industry in 2001 and has been working in the fields of strategy, business development, product management and business process reengineering, before joining the Xrail Alliance as deputy CEO in 2010. As of 2013 Mr. Rabet became CEO of Xrail. Mr. Rabet is married and has two children.
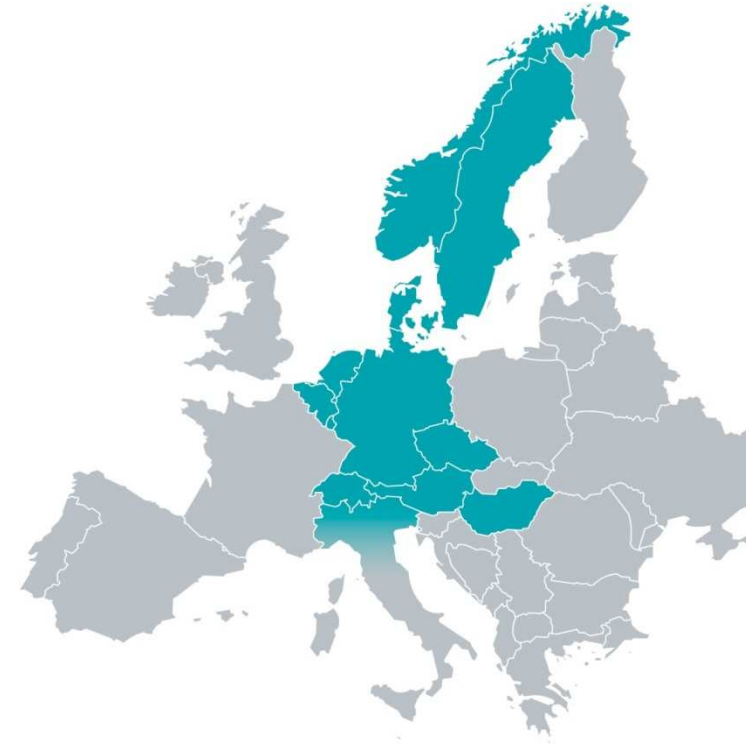
The Xrail Alliance is a Single Wagonload (SWL) production cooperation – commercial aspects and other rail transport modes are out of focus

- 7 Alliance members, representing about 2/3 of European SWL business

- Cooperation with clear focus on production / SWL business

- Common targets and mutually committed service standards as foundation

- Strictly out of scope of Xrail / competition remains between members for:

    - Block train business

    - Combined traffic

    - Any commercial aspects

Xrail The European quality SWL network

SNCB Logistics | Cargo | CFL cargo | DB SCHENKER | green cargo | Rail Cargo Austria Rail Cargo Group | SBB CFF FFS Cargo

Source: Xrail

Xrail aiming to significantly enhance competitiveness of int. SWL compared to full truck load by increasing customer benefits in 3 core areas

Xrail focus

Relevance for decision-making

Price
- Commercial aspect is not within the scope of Xrail

1 Reliability
- Xrail striving for a reliable execution of the defined trip plan / estimated time of arrival

2 Transport information
- Alliance members to increase transparency for customers before, during and after transport

3 Offer time
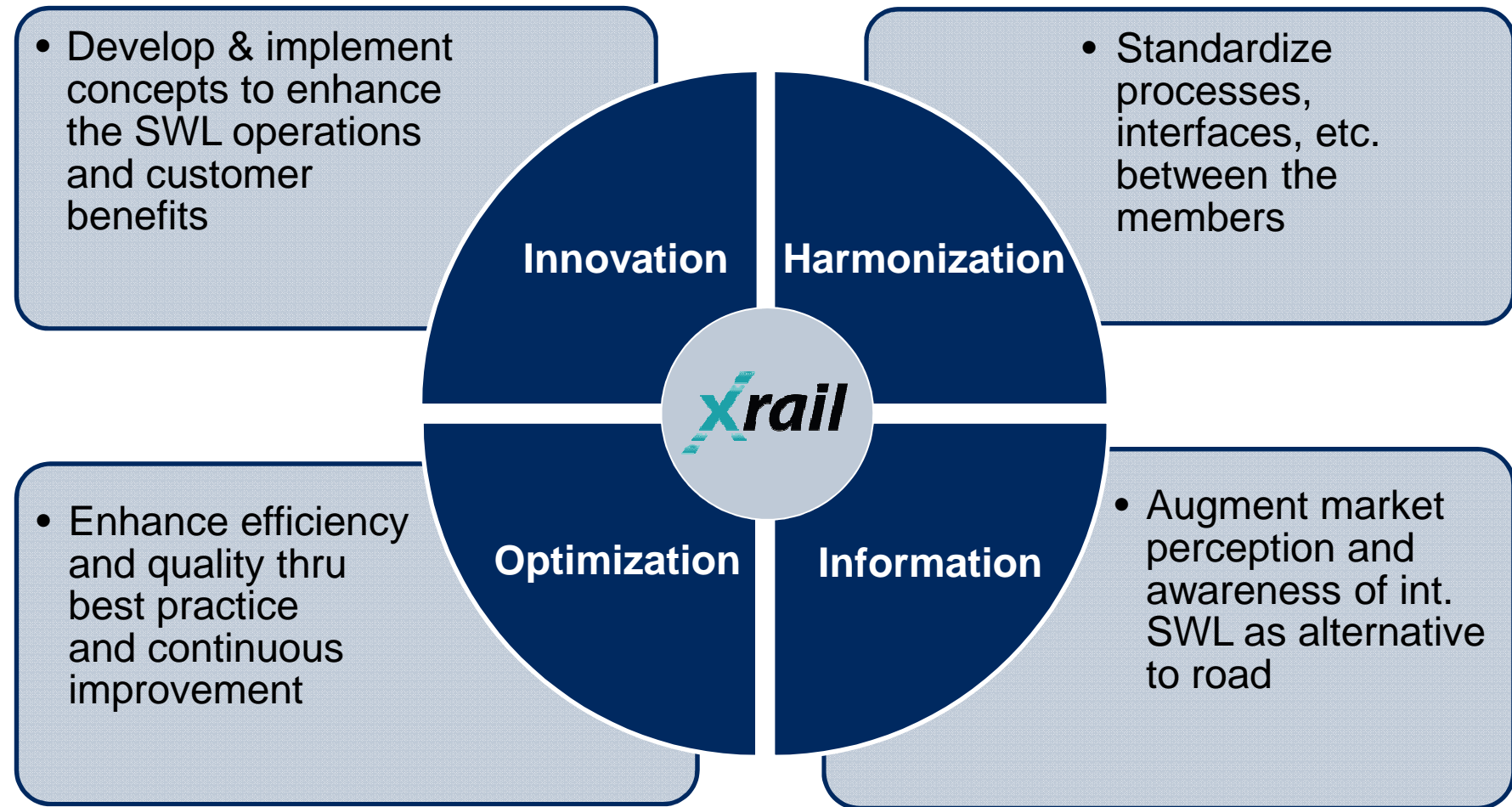- Xrail members aim to provide standard transport quotes within max. 3 working days

Environment
- Rail transport is leading in environmental performance, particularly on long distances

Xrail has a pivotal role in driving innovation, improvement & standardization between the Xrail partners to enhance the international SWL offer

XRAIL'S AREAS OF ACTIVITY

- Develop & implement concepts to enhance the SWL operations and customer benefits

- Standardize processes, interfaces, etc. between the members

Innovation

Harmonization

xrail

Optimization

Information

- Enhance efficiency and quality thru best practice and continuous improvement

- Augment market perception and awareness of int. SWL as alternative to road

Xrail's current solution / approach with relevant benefits for SWL customers – limited roll-out in open SWL systems identified as major handicap

XRAIL CURRENT SOLUTION – INNOVATION STEP 1

Xrail as of today

Historic int. SWL

Features & scope	• Limited transparency, pickup timetable only • Wide variation of arrival times, no reliability • Manual tracking of single wagons for selected customers	+ **O/D* specific ETA** (estimated time of arrival) based on pre-defined transport plans + **>90% reliability ambition** + **Track & Trace** (via ISR) + **Automated delay alerts** + **New ETA in case of delay**
Signal to the market	• Historic transport mode for historic customers • SWL volumes constantly declining → downsizing by most incumbents	+ **Strong sign of life for SWL** + **Augmented perception** of SWL + **Stop the downward spiral** of losing volumes from existing customers

*Origin/Destination
Source: Xrail

10 networks and 460 O/Ds* are served according to Xrail standards today – geographical coverage further extended to Northern-Italy in 2014

GEOGRAPHIC COVERAGE

AS OF JUNE 2014

■ Served networks ☐ Planned networks for 2014

Covered networks

green cargo
1 Sweden

SBB CFF FFS Cargo
6 Switzerland

CFL cargo
2 Luxembourg

CD Cargo
7 Czech Republic

B SNCB Logistics
3 Belgium

DB SCHENKER
8 Germany
9 Netherlands
10 Denmark
11 Northern-Italy (2014)

Rail Cargo Austria
4 Austria
5 Hungary

12 North East Italy (2014)

*Origin/Destination
Source:Xrail

Freight RUs today usually focus on managing capacity supply while levers to actively manage demand are not properly applied

LEVERS FOR RAILWAY UNDERTAKINGS (RUs) TO MANAGE CAPACITY

Capacity demand

Key levers to adapt demand to better match given supply:

- ✓ Pricing (on yearly basis)
- ✗ Capacity booking
- ✗ Yield Management

Capacity Management

Capacity supply

Key levers to adapt supply to given demand:

- ✓ Planning & forecasting
- ✓ Flexible production system (to cover peaks)

✓ Applied but only to a limited extent by most European SWL RUs without a booking system
✗ Not applied by RUs with open systems

Source: Xrail

# By better managing the capacity the members can plan their networks more efficiently and offer more competitive products to the customers

XRAIL CAPACITY BOOKING (XCB) – INNOVATION STEP 2

Enhanced customer offer

- RUs' SWL systems to change from "open" to "controlled" capacities

- RU capacity management systems to be connected on international level via the central XCB broker enabling:

  - **Network-wide coverage** btw. the partners

  - **Seamlessly bookable** int. SWL

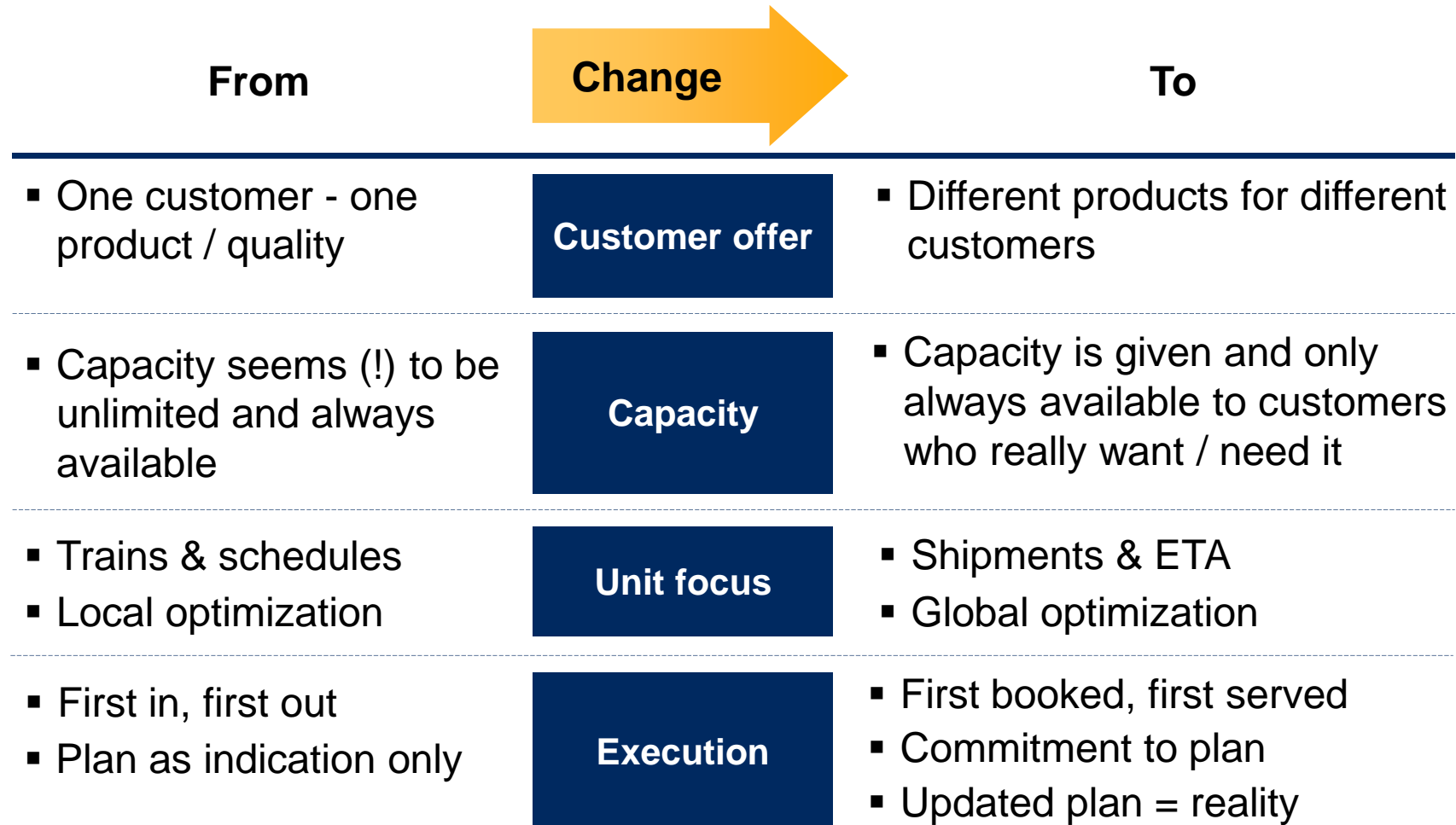 - **Wagon / booking specific ETA** (based on capacities) provided at time of booking

Enhanced operations
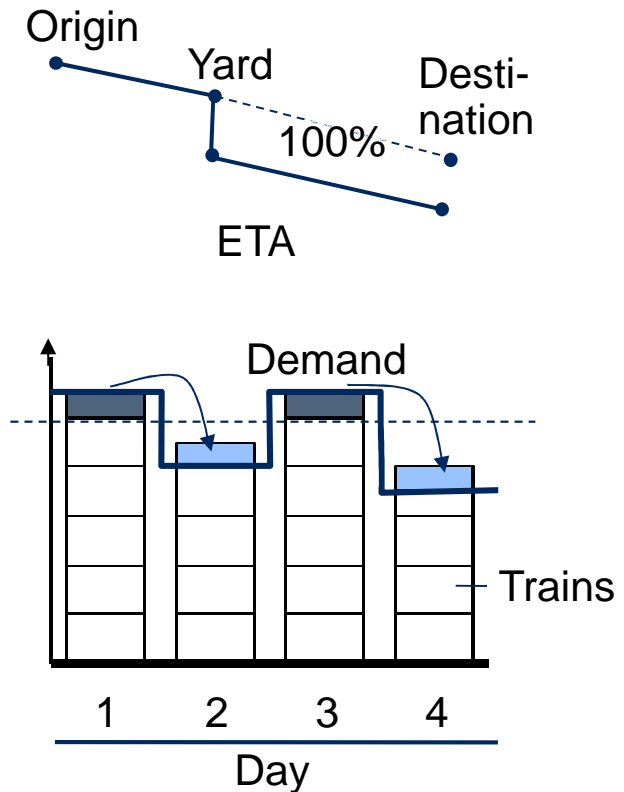
XCB initiative to support the development of a sustainable model for int. SWL

Introduction of capacity management implies basic changes in focus and culture on RU organizational as well as on customer level

XRAIL CAPACITY BOOKING – BUSINESS MODEL CHANGES

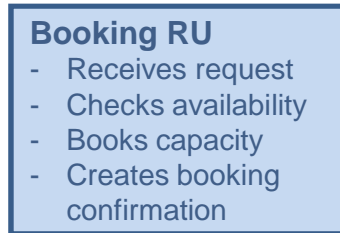| From	Change	To
▪ One customer - one product / quality	**Customer offer**	▪ Different products for different customers
▪ Capacity seems (!) to be unlimited and always available	**Capacity**	▪ Capacity is given and only always available to customers who really want / need it
▪ Trains & schedules ▪ Local optimization	**Unit focus**	▪ Shipments & ETA ▪ Global optimization
▪ First in, first out ▪ Plan as indication only	**Execution**	▪ First booked, first served ▪ Commitment to plan ▪ Updated plan = reality

Source: Xrail

Xrail to connect the different Alliance partners' booking systems and facilitate an int. wagonload ETA offer – ramp-up foreseen for 2016
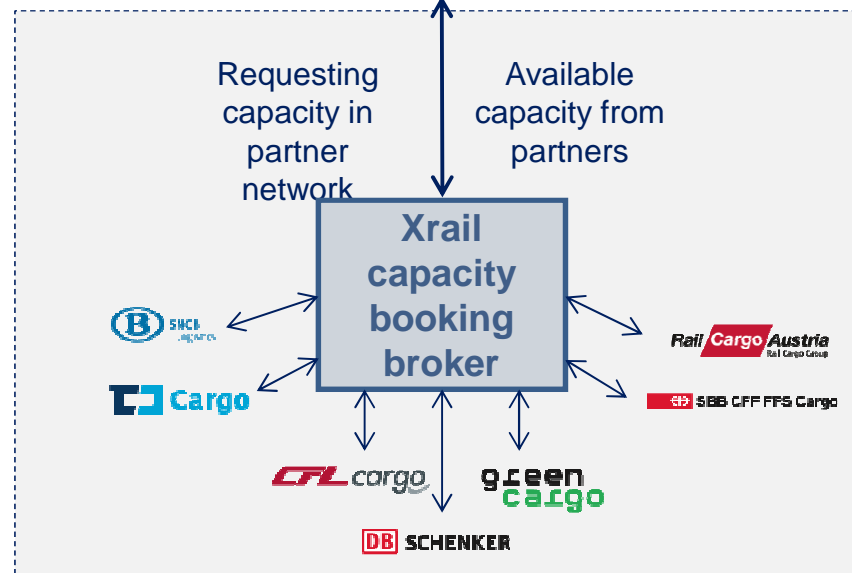
XRAIL CAPACITY BOOKING – BASIC SETUP

International SWL reservation

Booking RU
- Receives request
- Checks availability
- Books capacity
- Creates booking confirmation

Booking request →

Booking confirmation →

- Wagon booking initiated via RU's customer service center or booking portal (depending on RU)

Requesting capacity in partner network

Available capacity from partners

Xrail capacity booking broker

B SNCB Logistics
TX Cargo
CFL cargo
green cargo
DB SCHENKER
Rail Cargo Austria
SBB CFF FFS Cargo

- Booking party receives booking confirmation incl. ETA after capacity check based on specific trip plan

Related IT developments and process re-engineering on RU / Xrail level ongoing based on aligned technical specifications and agreed-on business rules

And this is about how it will work…

XRAIL CAPACITY BOOKING – TRAILER

Source: Xrail

Thanks a lot for your attention!