

Facts and figures recent developments Railion Nederland Introduction on the works council of Railion Nederland N.V.

Railion Nederland N.V.

Fred van Oort

Member of the Dutch works council

March 2008

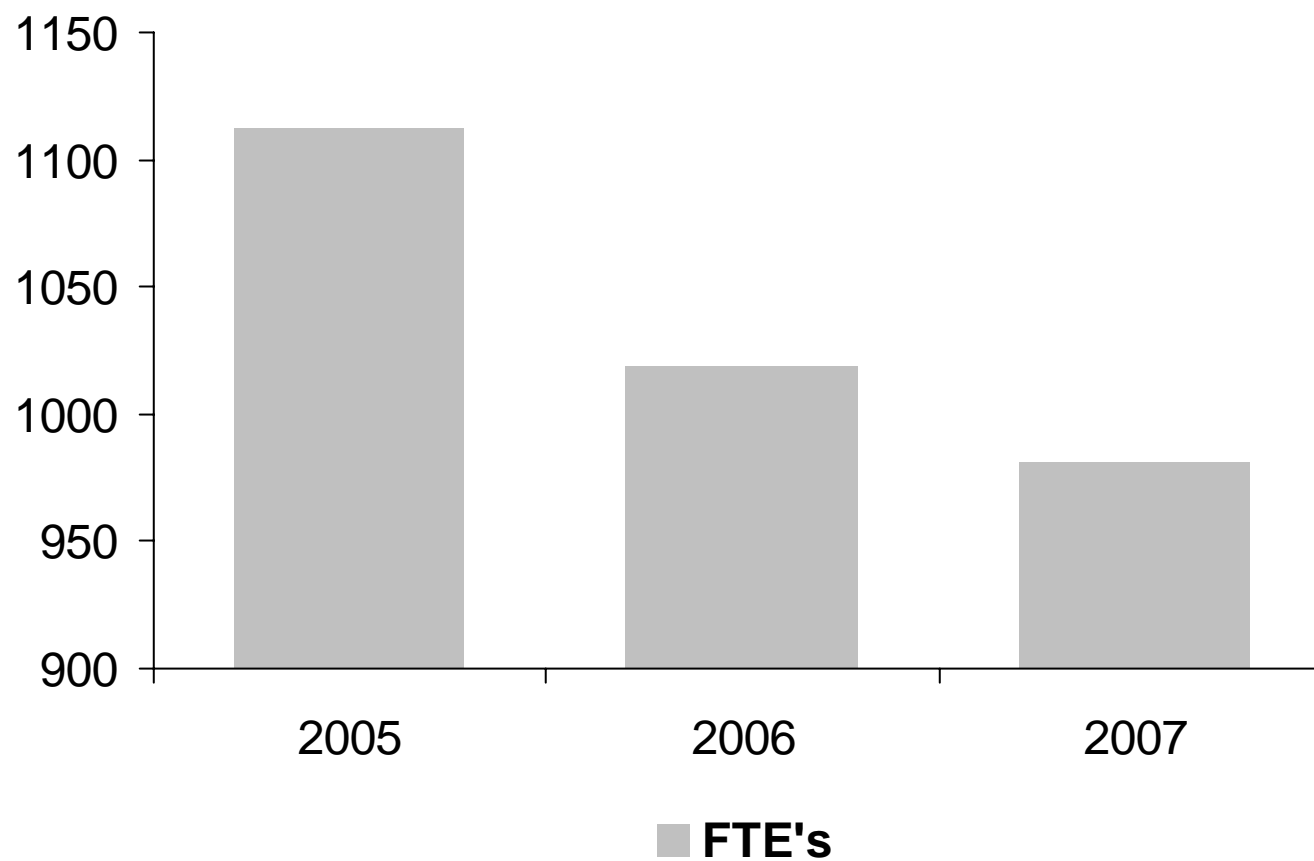
Facts & Figures

1. About 350 trains of Railion are on their way every day within the Netherlands.
2. Railion has a workforce of some 1000 in the Netherlands, as well as its own locomotives, wagons and train drivers
3. Railion transported more than 29 million tons of goods by rail in 2005, which makes Railion market leader in the Netherlands.
4. Railion is as well active in intermodal transport as in conventional transport (coal, chemicals, steel, waste, cars, etc.).
5. Companies such as Corus, DSM, Akzo Nobel, Lyondell, Du Pont, Sappi, SCA, Volkswagen, Essent, Opel, Ford and IKEA are among our customers.

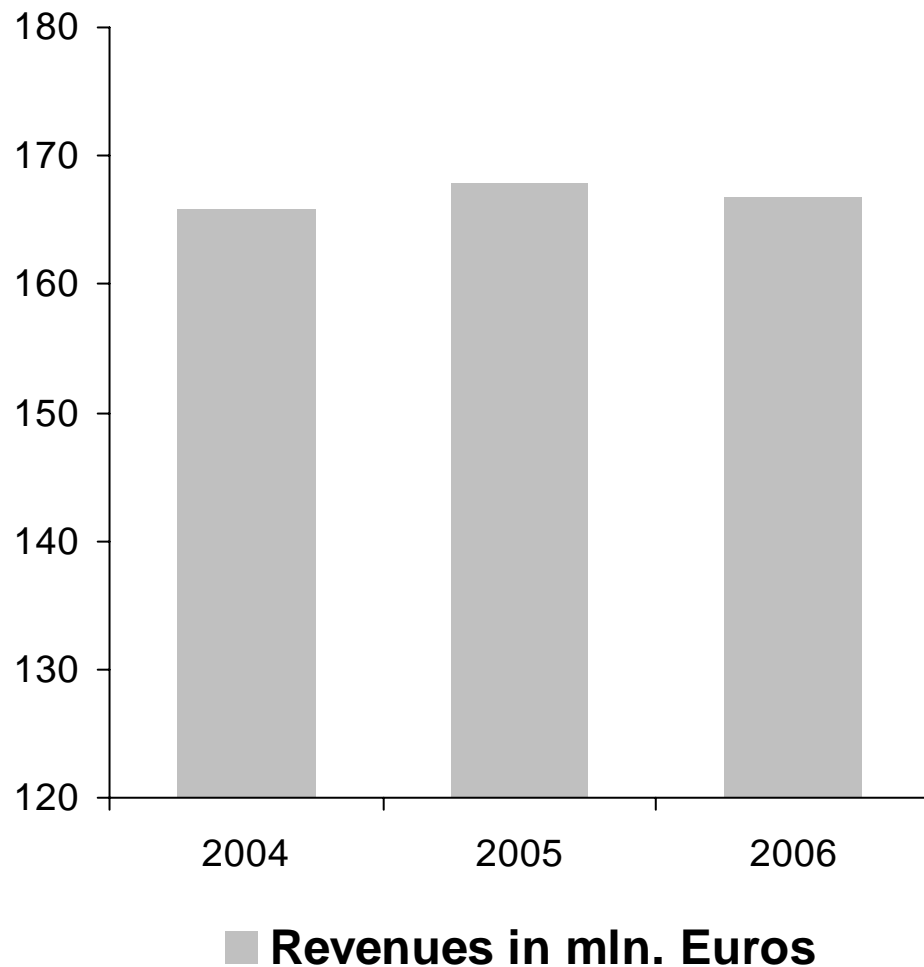


Railion is the Netherlands' largest rail transport company and belongs to DB Logistics.

Railion Nederland: Employment data of the last three years

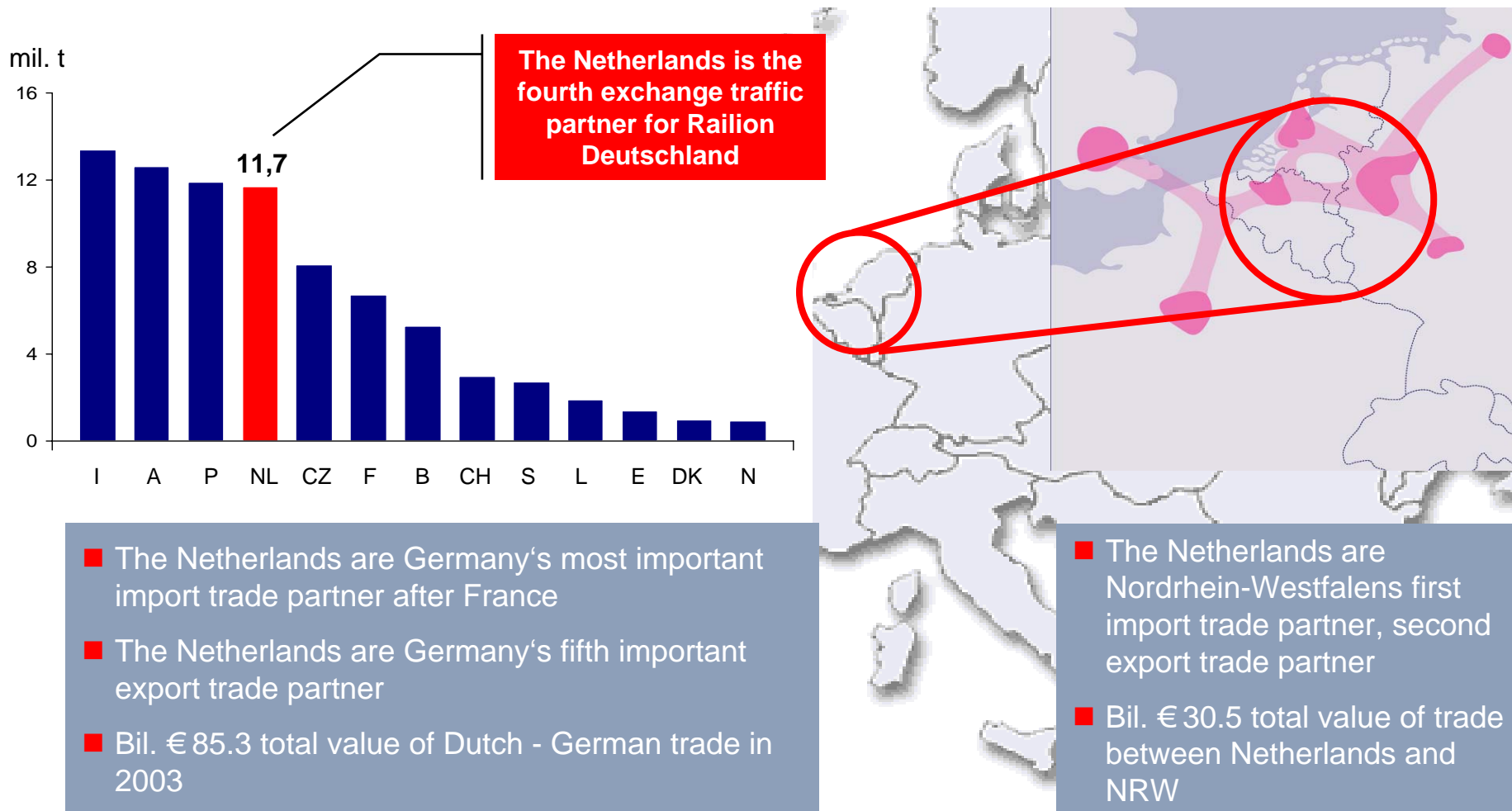


Railion Nederland: Acquisitions, sales, divestments and co-operations.



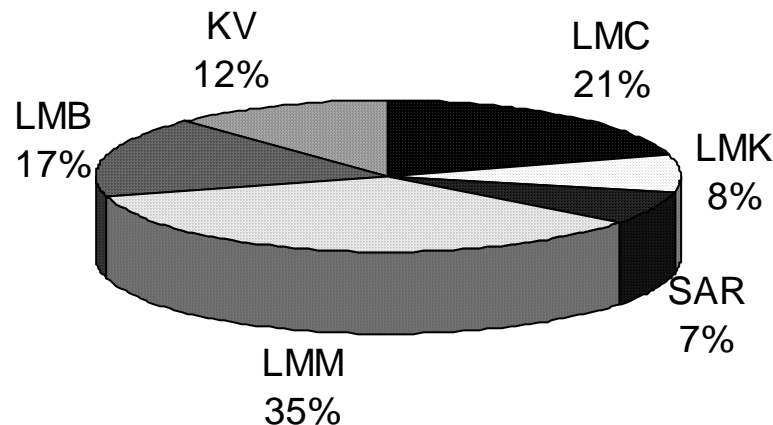
1. Acquisitions: no acquisitions have taken place in this period;
2. Sales (see graphic left): only limited variance in revenue development during 2004 – 2006 (figures 2007 not available yet);
3. Divestments: no divestments made during these years although as result of rationalization the wagon load network decreased;
4. Co-operations: introduction of cross border traffic between Belgium, Netherlands and Germany together with B Cargo and Railion Deutschland.

German trade with The Netherlands is reflected in high exchange rail volumes for Railion Deutschland



Source: Statistisches Bundesamt 2004

Railion Nederland: Most important freight goods

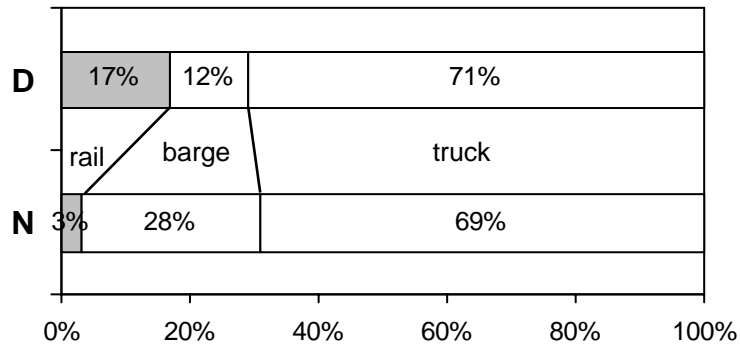


Overview relative importance markets
(based on income)

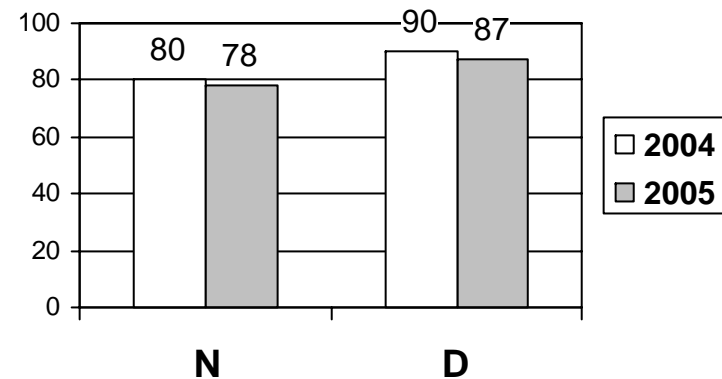
1. L.MM (Montan) most important segment. Goods transported are: steel, coal and ore;
2. L.MC (Chemicals) – Holland still have a big chemical industry (DSM, Sabc) as well as petrochemical facilities (Shell, Vopak);
3. L.MB: waste, special transports and building materials for rail infrastructure;
4. KV: Rotterdam is the biggest container port of Europe.

Railion Nederland: Some basic figures (2004, 2005)

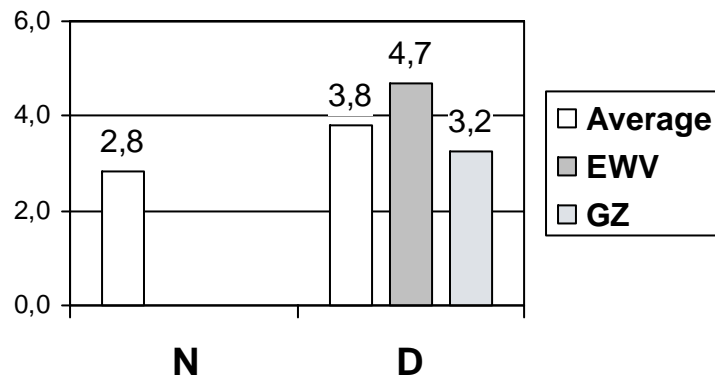
Modal split (2004, in %)



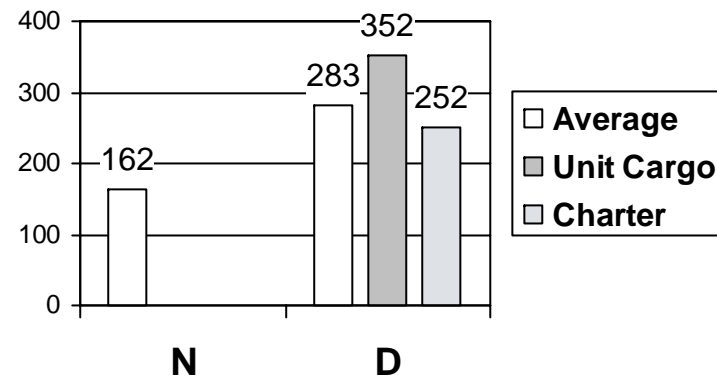
Market share Railion (in %)



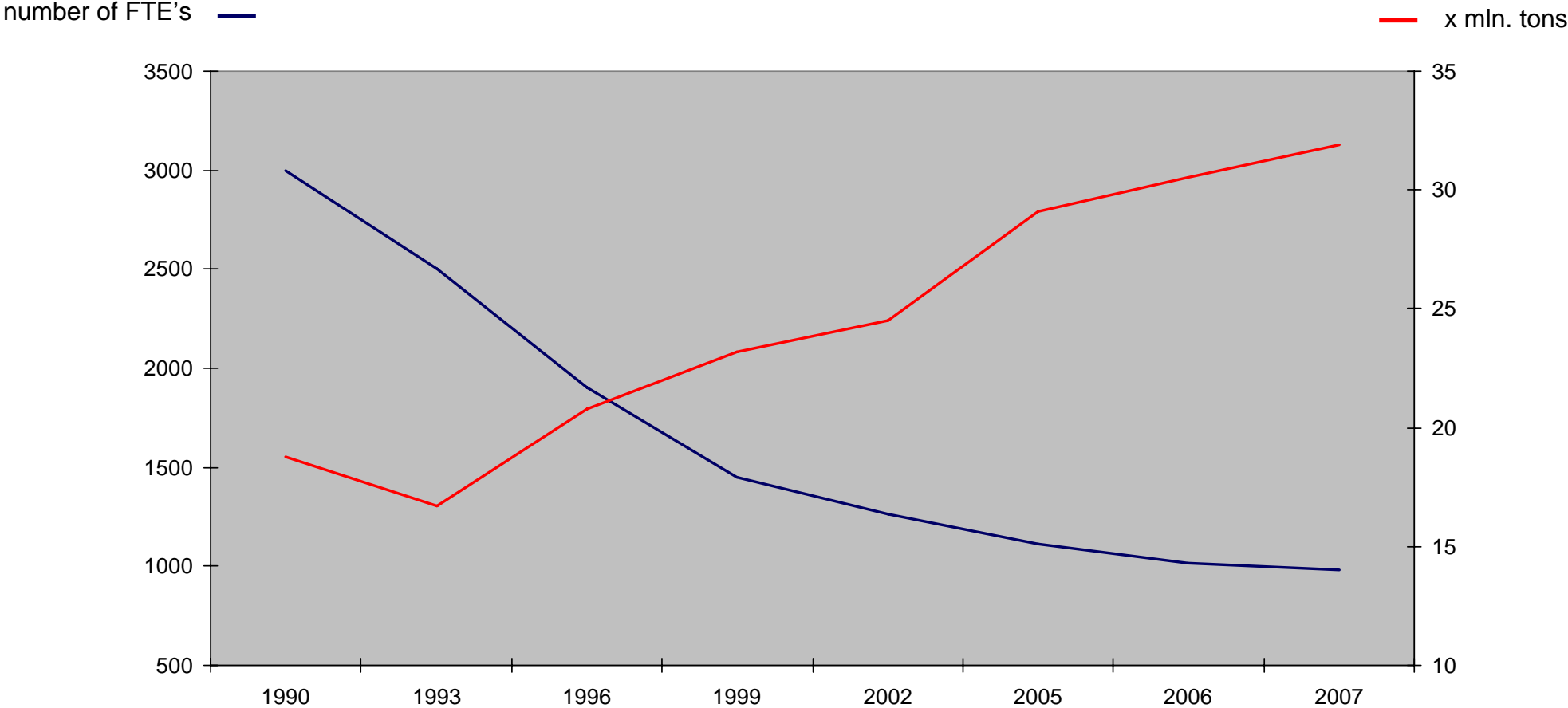
Average revenue (FC2/2005; ct / tkm)



Average transport distance (FC2/2005; km)



Railion Nederland: Transported volume versus employment.



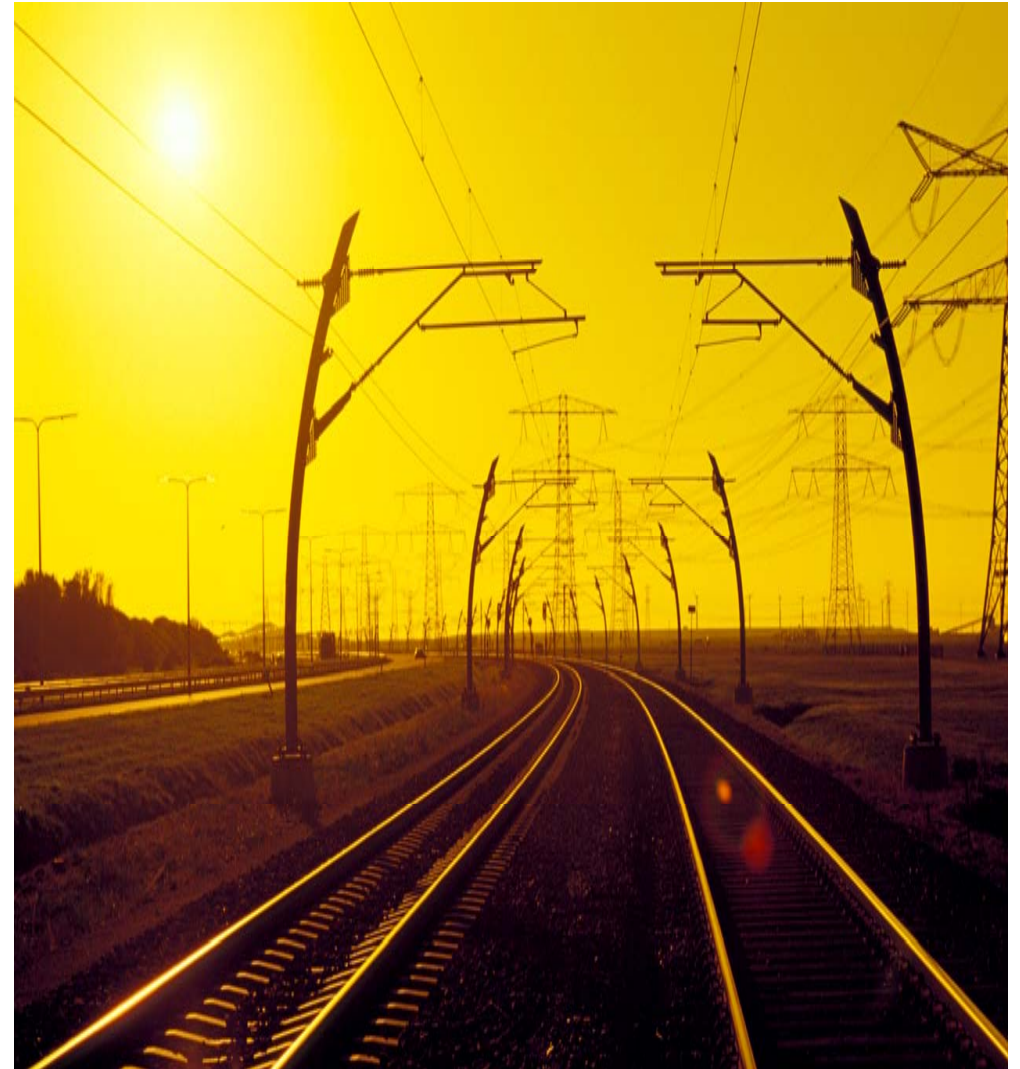
Port statistics

- The port offers direct employment to around 60,000 people in Rotterdam as well as to an additional 250,000 people in the rest of the country
- The port and industrial area spans forty kilometers and runs from the city center to the North Sea.
- The accessibility for ships with a very deep draught (24 meters) and the excellent hinterland connections by water, road, rail and pipeline make Rotterdam an outstanding logistic hub.
- In 2003 some 328 million tons of cargo passed through Rotterdam. This is almost as much as the numbers two, three and four in Europe – Antwerp, Hamburg and Marseille – combined.
- Most of the transshipment entails bulk goods such as oil, chemicals, coal and ores. Rotterdam in addition is Europe's largest container port.



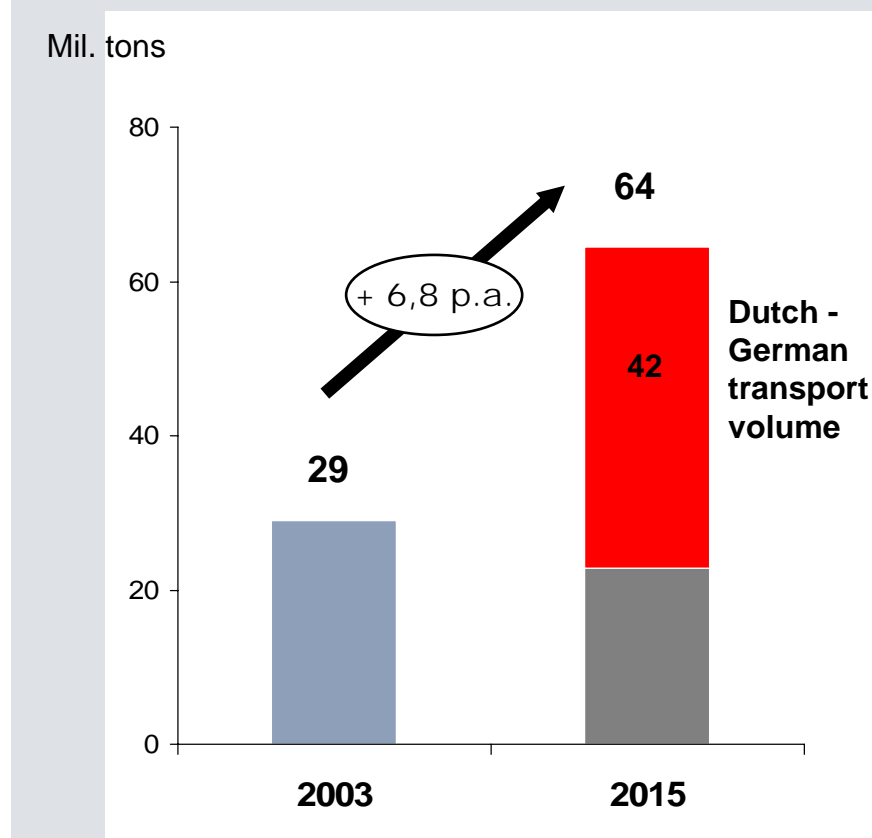
Betuweroute

- Exclusively intended for freight
- Runs from Rotterdam Maasvlakte to German border
- A fast, efficient and reliable alternative to other means of transport, especially on the longer and middle distances.
- Total length of 160 kilometres
- Design speed: max. 120 km/h
- Weight axle: max 25 tons
- Capacity: 10 trains per hour per direction
- Completion: as from 2006



The market for rail transport in the Netherlands will grow by 6,8% per year, up to 64 Mio tons in 2015

Dutch rail market development

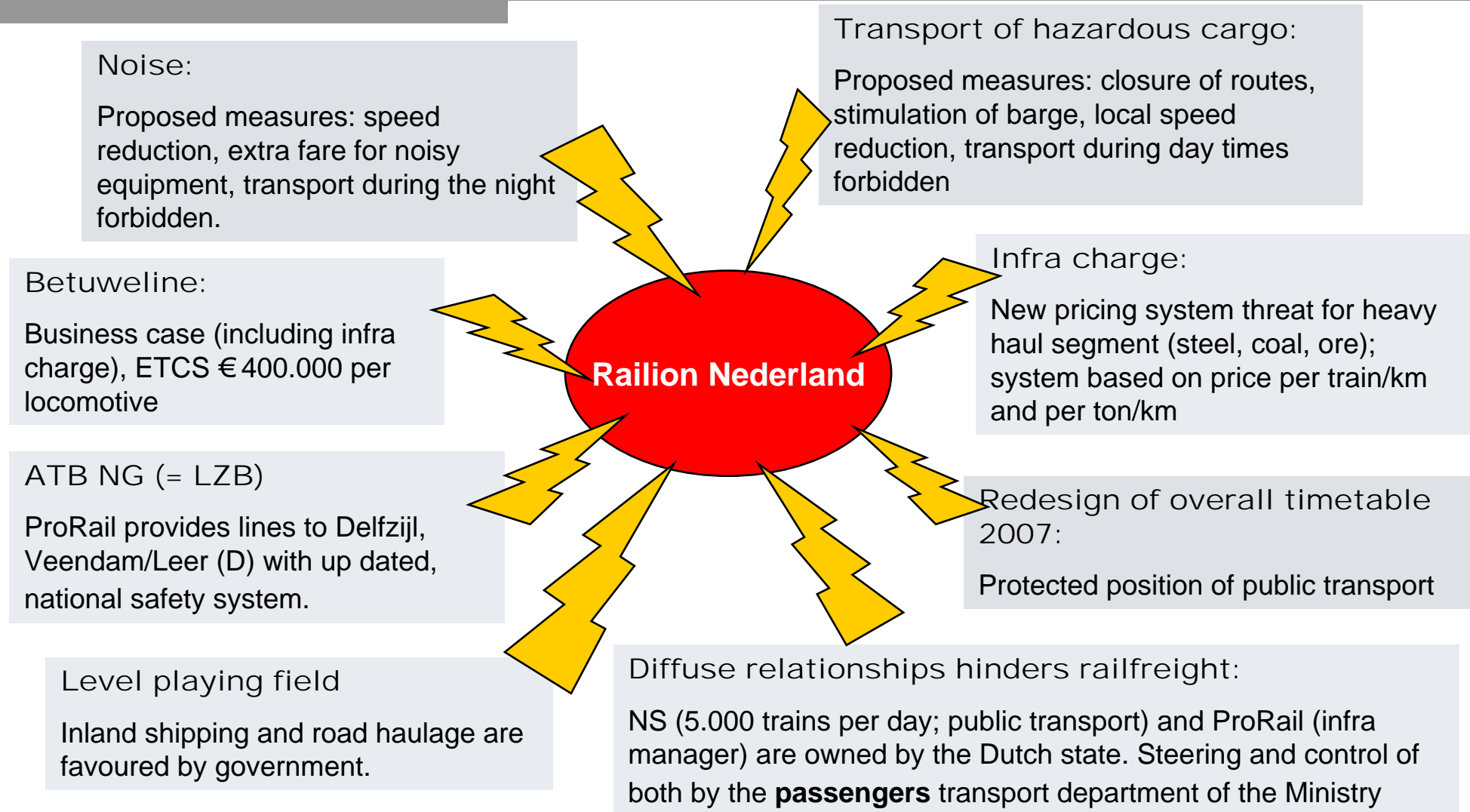


Remarks

- The Dutch rail market **grows by 6,8% per year**
- Basing on an average price per ton (5 €/ ton in 2003) this **growth represents a total value of €177 Mio**
- **65% of the volume in 2015 will cross the Dutch - German border, i.e. 41.6 Mio Tons**
- **As of 2008 Betuweroute will be operational**, a dedicated rail freight link between the port of Rotterdam and the Ruhr area.

Source: Dutch Ministry of Transport Policy, Research Corporation 2003

Actual issues in the political environment of Railion Nederland demands a lot of management attention and involvement.



Work council finds origin in specific Dutch law.

1. Works council finds origin in specific Dutch law: 'wet op de ondernemingsraden' (Dutch work councils act);
2. The act describes:
 - When to establish a works council;
 - How the composition of the works council will look like;
 - The process of consultation of the works council by the entrepreneur;
 - Special powers of the works council;
 - How to inform the works council;
 - Rules of arbitration.
 - Facilities for members of the works council.
3. In general the act provide the works council four major rights:
 - Right to advise article 25
 - Right of approval article 27
 - Right of information article 31
 - Right to take initiatives article
4. Elections every 3 or 4 years. Candidates belong either to a trade union or are independent.

Organisation of works council (13 members) at Railion NL: 4 committees monitor company policy, steering committee coordinates.

1. Monitoring of company policy by 4 committees. Each committee has a clear focus and scope.
 - Staff and organisational matters (HR)
 - Rolling stock (Production)
 - Labour conditions (including safety matters) (Safety, well-being, health, environment)
 - Strategy (including marketing & sales) (Sales, Communication, Finance)
- Steering committee of works council (consists of 4 members) coordinates work flow of 4 committees, takes care for preparation of complete work council sessions (once per month without management of Railion NL; once a month together with management Railion NL) and takes care for communications activities with staff.
- Clear partition in tasks and responsibilities between trade unions and works council; works council is responsible for 'well being' of the complete staff; trade unions represents individual interests of staff members. The responsibility for the total 'well being' of the company means that the works council have to find a balance between organisational objectives and staff interests!

Who represent what kind of affairs?

Trade Unions

1. Negotiation of Collective Labour Agreement.
2. Representation of individual rights of members of trade unions.

Works council

1. A correct implementation and application of Collective Labour Agreement conditions, e.g. planning of shifts.
2. Representation of interests of staff as well as entrepreneur to ensure a proper functioning of the enterprise.