Session 4:
How to gain Market Shares

Moderator: László Mosóczi
President of HUNGRAIL Hungarian Rail Association
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
How to gain market shares
Rail Cargo Group – structured in 5 complementary rail freight businesses.

- 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

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

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

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

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 Gépészeti 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

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)

Current connections

- 5 block trains per week and direction

Potential future connections

- 10 block trains per week and direction

Future situation: (until end of 2014)
Independent state of the art hub to connect high frequency rail shuttle network

**Facts & figures**

**New Terminal Inzersdorf**

<table>
<thead>
<tr>
<th></th>
<th>1. Module</th>
<th>Completion</th>
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<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Connection to the high-quality rail and road network interface</td>
<td></td>
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<td><strong>Functions</strong></td>
<td>Multi-function terminal for intermodal traffic, general Cargo and wagonload traffic</td>
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<tr>
<td><strong>Completion</strong></td>
<td>Mid 2016 (combined traffic)</td>
<td>2017 (total commissioning)</td>
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<tr>
<td><strong>Loading tracks</strong></td>
<td>4</td>
<td>8</td>
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<tr>
<td><strong>Container loading track length</strong></td>
<td>700 m</td>
<td>700 m</td>
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<tr>
<td><strong>Max. handling capacity</strong></td>
<td>210,000 ITE/year</td>
<td>420,000 ITE/year</td>
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Partnership RCG – BALO to develop an attractive continental rail route between Northwest Europe and Turkey

- Among top-3 European Rail Cargo companies
- 2 home markets, strong presence in further 16 countries
- Rail Cargo Carrier as lean, high quality international traction arm
- 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)

- 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 UTIKAD
- 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

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.

UTIKAD (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

Approximately 75 Percentage of National Income (560 Billion $)
Approximately 95 Percentage of Turkey Export (130 Billion $),
12 commercial, 16 official and 12 social affiliates.

1 Million 396 Thousand Members in 81 Cities And 160 Counties,
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
THANK YOU