INTERNATIONAL UNION
OF RAILWAYS

unity, solidarity, universality

2012 Report on Combined Transport in Europe

key findings

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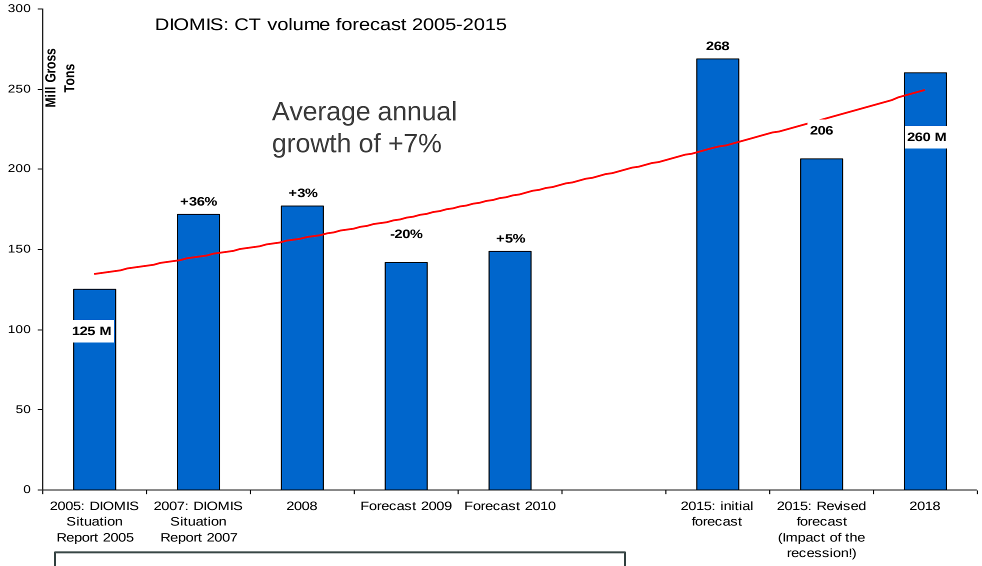
Rail can be used to support the transportation required by globalisation:

combined transport is part of the logistics solution

Segments	Commodities	Share of volume	Competitive environment
Full Train 	Coal, Steel Construction materials	~ 35 %	✓ Traditionally barge Competition ✓ Focus of intra-modal rail competition ✓ Price decline
Single Wagon Load 	Chemicals Paper and pulp	~ 50 %	✓ Focus of road competition ✓ Complex production process, high barriers to entry
Intermodal 	Finished goods Containerized goods	~ 15 %	✓ Strong road competition ✓ Subsidized in several geographies

Steady increase for combined transport volumes in Europe

UIC has a dedicated structure: The Combined Transport Group



Combined Traffic

A special group was created to deal with this fast growing market segment.

The priorities for the period ahead are:

- Terminals in the combined transport chain
- Train dimensions and masses
- Positioning combined transport in the debate on freight corridors
- Launching international pilot trains using the electronic consignment note
- Monitor trends in combined transport and issue the "the 2012 Report on Combined Transport".

"2012 Report on Combined Transport in Europe"

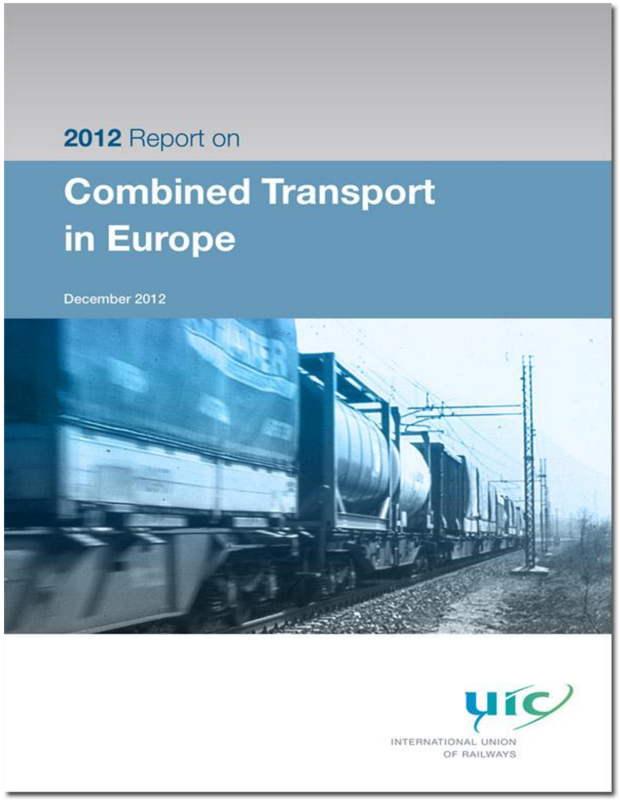
Purpose of the Report

➢To deliver evidence of the importance of the intermodal industry in Europe to stakeholders

➢To provide market data for the intermodal industry

➢To establish a time series on the evolution of the intermodal industry (2005, 2007, 2010, 2012 Report)

➢Put intermodal at the heart of the discussion on freight and logistics



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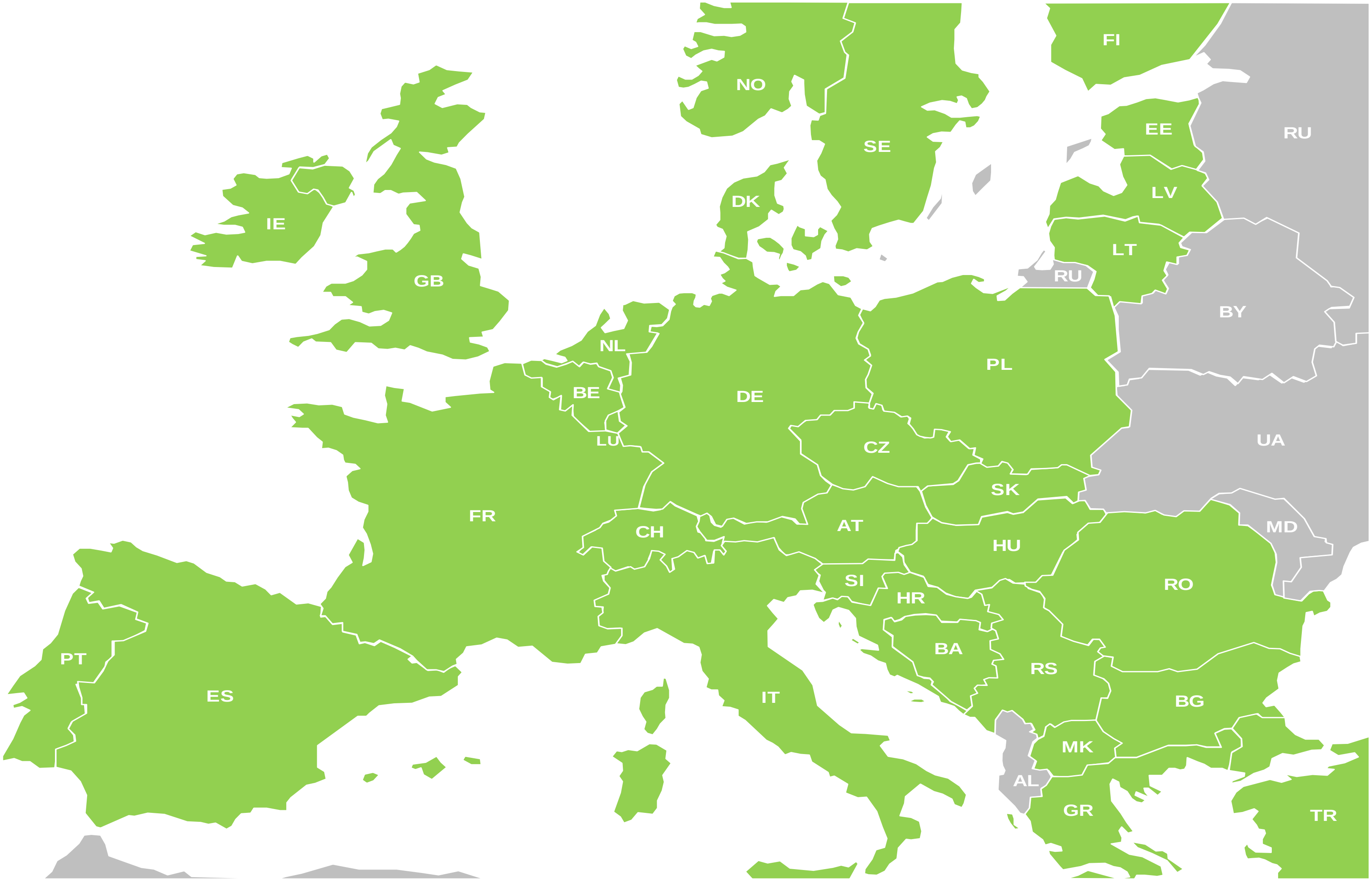
Countries covered by the Report



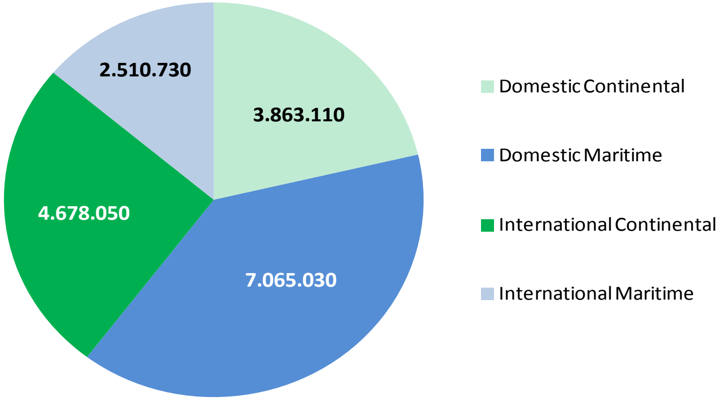
Source: UIC “2012 Report on Combined Transport in Europe” by KombiConsult

Unaccompanied Combined Transport Volumes, 2011

2011: new record high with 18 Mio TEU

CT market segment	Continental	Maritime	Total
	(TEU)		
Domestic CT	3.863.110	7.065.030	10.928.140
International CT	4.678.050	2.510.730	7.188.780
Total CT	**8.541.160**	**9.575.760**	**18.116.920**

TEU carried by CT market segment, 2011



CT market segment	Continental		Maritime		Total		
	2009	2011	2009	2011	2009	2011	2011/2009
Domestic CT	3,010	3,863	6,442	7,065	9,452	10,928	15,6%
International CT	3,708	4,678	2,416	2,511	6,124	7,189	17,4%
Total CT	**6,718**	**8,541**	**8,858**	**9,576**	**15,576**	**18,117**	**16,3%**

- ❑Maritime continues to keep its leading position with a share of 53% yet slight decline vs. 2009
- ❑Domestic maritime still largest market segment
- ❑Continental witnessed strongest growth rate

Source: UIC "2012 Report on Combined Transport in Europe" by KombiConsult

European network of international CT services, 2011

top 20 trade lanes our of a total of 126

Trade lane		TEU	Tonnes
Germany -	Italy via AT	673.000	8.394.000
Belgium -	Italy via CH	569.000	7.201.000
Germany -	Italy via CH	565.000	6.804.000
Germany -	Czech Republic	492.000	4.330.000
Germany -	Netherlands	470.000	4.771.000
Germany -	Austria	447.000	4.782.000
Netherlands -	Italy via CH	266.000	3.080.000
Germany -	Switzerland	256.000	2.230.000
Belgium -	Germany	205.000	2.156.000
France -	Italy	201.000	2.393.000
Sweden -	Germany	193.000	2.576.000
Germany -	Poland	169.000	1.350.000
Poland -	CIS States	165.000	1.353.000
Belgium -	France	164.000	1.748.000
Hungary -	Slovenia	142.000	1.131.000
Slovakia -	Slovenia	134.000	856.000
Germany -	Hungary	128.000	1.355.000
Germany -	Spain	113.000	1.294.000
Luxemburg -	France	110.000	1.104.000
Netherlands -	Czech Republic	96.000	517.000

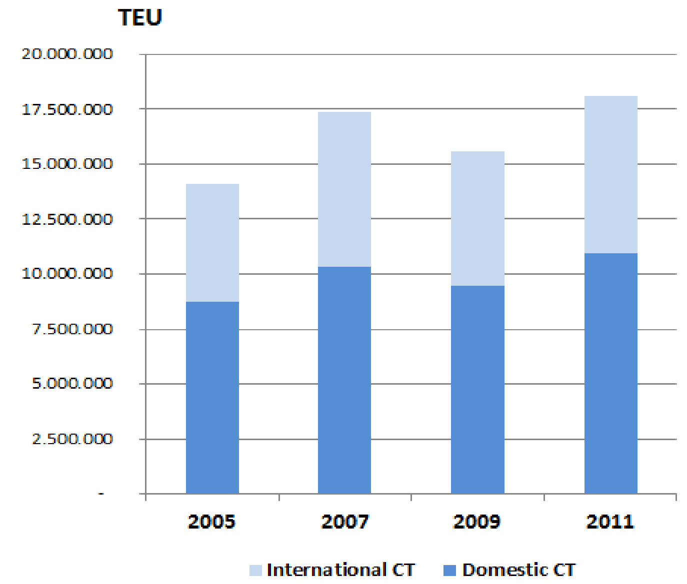
- The 2012 survey revealed that CT shipments moved on at least 126 international country-country trade lanes.
- Concentration: 78% shipped on the top 20 trade lanes.
- Germany-Italy via Austria still the largest single international trade lane.
- Marginal advantage vs. Germany-Italy via Switzerland where operators reinforced existing services or launched additional ones over the Brenner corridor AND new interest for the Tauern - major corridor for goods from/to Turkey, which land or leave by ferry at the port of Trieste.
- Belgium-Italy and Germany-Italy both via Switzerland share second place. Both depend highly on chemical industry vs. Austrian routes, which have a much more balanced goods structure.
- High dependency of European CT on goods travelling on transalpine trains from and to Italy

Source: UIC “2012 Report on Combined Transport in Europe” by KombiConsult

Unaccompanied Combined Transport Volumes

TEU carried by CT market segment, 2005-2011

CT market segment	TEU				% change 2011/2005
	2005	2007	2009	2011	
Domestic CT	8.708.170	10.367.810	9.451.870	10.928.140	25,5%
International CT	5.378.880	7.007.250	6.123.280	7.188.780	33,6%
Total CT	**14.087.050**	**17.375.060**	**15.575.150**	**18.116.920**	**28,6%**

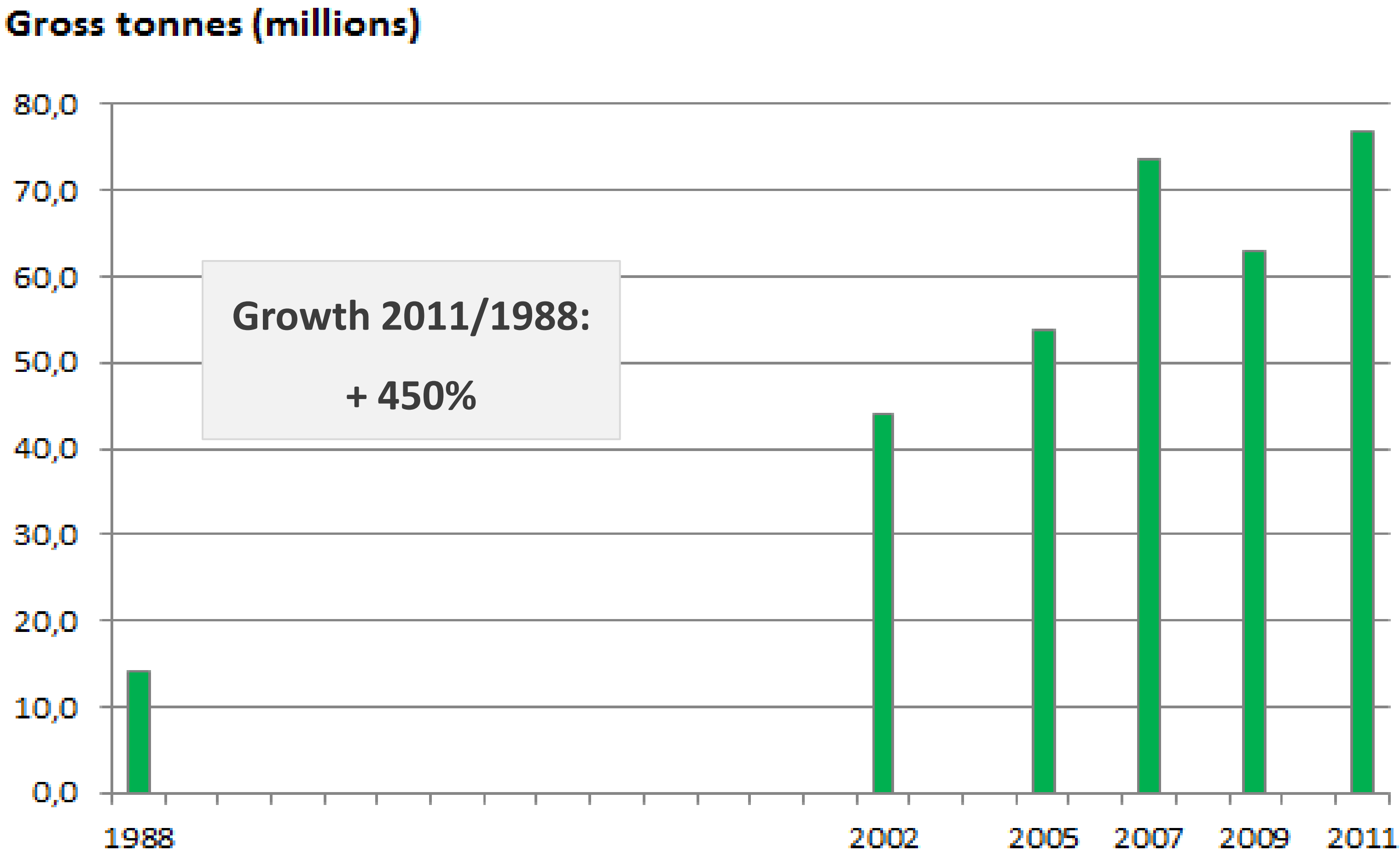


- ➢In 2011, CT industry was able to recover from the 2009 worldwide economic downturn: all-time high with 18.1 million TEU.
- ➢Compared to 2005 when the first report was issued, the total unaccompanied volume rose by 28.6% in the period to 2011.
- ➢On cross-border services +33.6%
- ➢Total domestic volume +25.5%,

Source: UIC "2012 Report on Combined Transport in Europe" by KombiConsult

Unaccompanied Combined Transport Volumes

Goods moved in international CT in Europe since 1988



Source: UIC “2012 Report on Combined Transport in Europe” by KombiConsult

Accompanied Combined Transport Volumes

The survey identified six companies which supplied accompanied CT services in Europe in 2011:

- ✓Adria Kombi
- ✓Alpe Adria
- ✓Hungarokombi
- ✓Ökombi
- ✓RAlpin
- ✓VIIA Autoroute Ferroviaire Alpine

CT market segment	Gross tonnes	N° of trucks	TEU
Domestic CT	5.421.430	149.153	347.530
International CT	9.448.570	284.397	662.650
Total CT	**14.870.000**	**433.550**	**1.010.180**

CT market segment	TEU		% change 2011/2009
	2009	2011	
Domestic CT	435.020	347.530	-20,1%
International CT	586.910	662.650	12,9%
Total CT	1.021.930	1.010.180	-1,1%

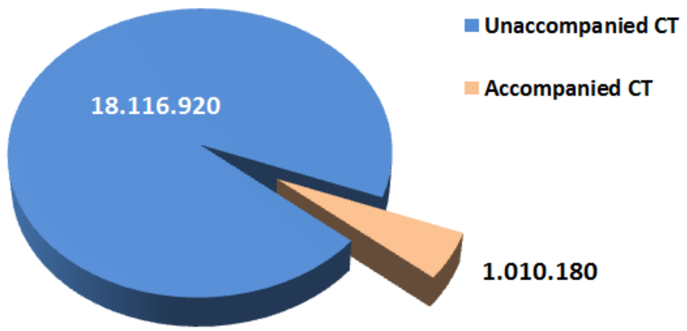
- ➢433,550 road vehicles transported - based on an average ratio of 2.33 TEU per truck a total volume of 1,010,180 TEU
- ➢Compared to 2009 decrease of 1.1%
- ➢While the total of international accompanied CT services performed extraordinarily well and raised the number of trucks carried by about 13%, the domestic market segment lost 20% against 2009.

Source: UIC "2012 Report on Combined Transport in Europe" by KombiConsult

Total Combined Transport Volumes

Total TEU carried, 2011

CT market segment	Unaccompanied		Accompanied		Total	
	TEU	%	TEU	%	TEU	%
Domestic CT	10.928.140	96,9%	347.530	3,1%	11.275.670	100%
International CT	7.188.780	91,6%	662.650	8,4%	7.851.430	100%
Total CT	**18.116.920**	**94,7%**	**1.010.180**	**5,3%**	**19.127.100**	**100%**

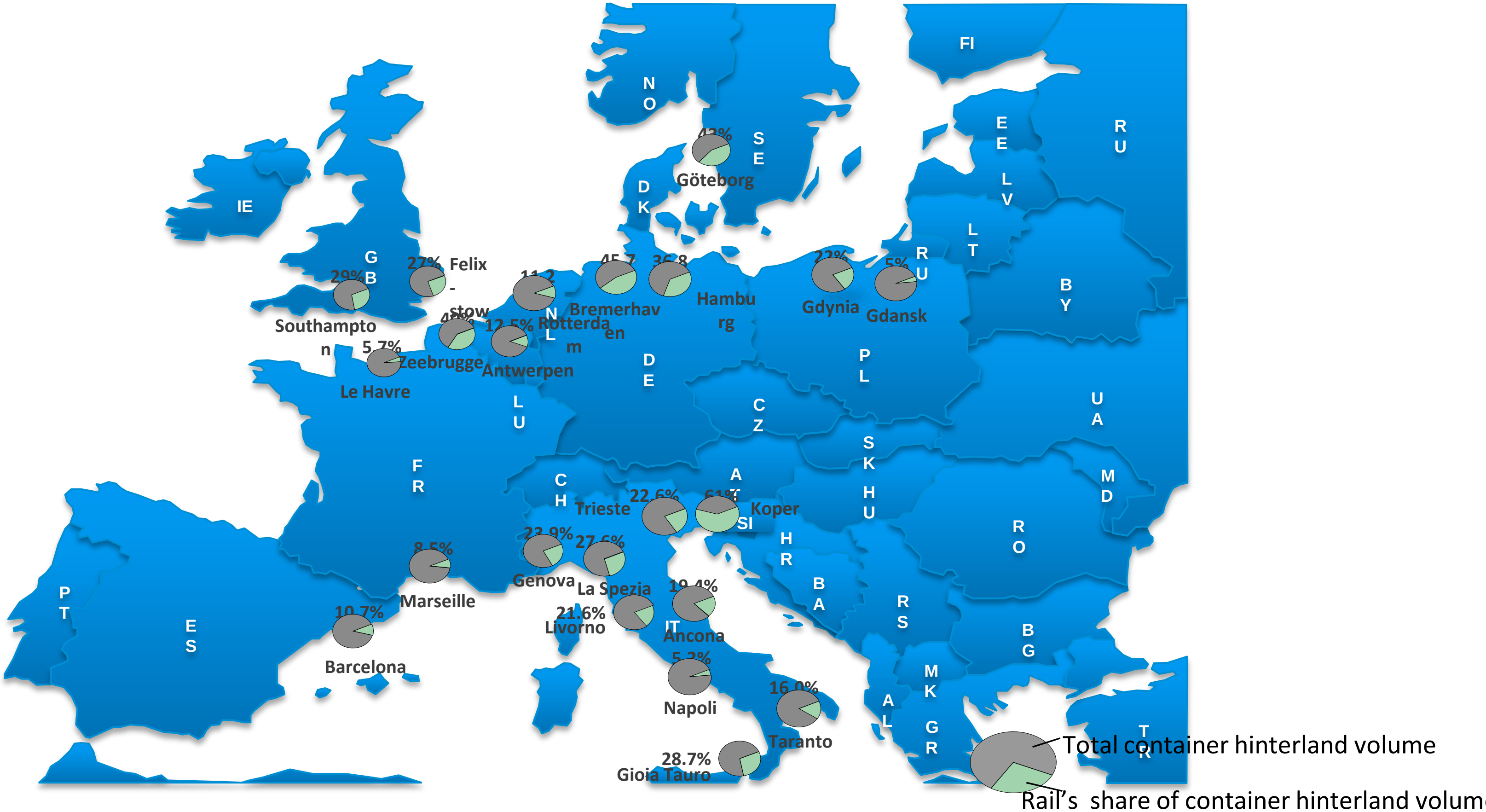


Total TEU carried 2005-2011

CT market segment	TEU (millions)				Percentage change	
	2005	2007	2009	2011	2011/2009	2011/2005
Domestic UCT	8,7	10,4	9,5	10,9	15,7%	25,5%
International UCT	5,4	7,0	6,1	7,2	17,5%	33,6%
Domestic ACT	0,1	0,3	0,4	0,4	-20,5%	250,0%
International ACT	0,7	0,7	0,6	0,7	11,9%	1,5%
Total CT	**14,8**	**18,3**	**16,6**	**19,1**	**15,2%**	**28,9%**

Source: UIC “2012 Report on Combined Transport in Europe” by KombiConsult

Rail’s share of hinterland container transport, 2011



- ➢According to worldwide logistics provider: Europe remains the first market for logistics services in the world
- ➢65% of European exports are for Europe
- ➢Strong demand for intermodal solutions (maritime & continental) : potential to further develop hinterland offer out of ports

Source: UIC “2012 Report on Combined Transport in Europe” by KombiConsult

Importance of CT Industry in 2011

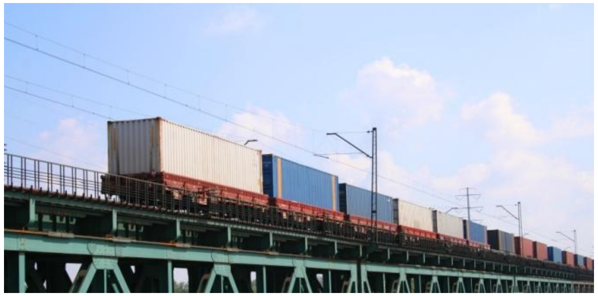
Revenues from unaccompanied CT services, 2007-2011

Total CT Revenues (€bn)		
2007	2009	2011
5.21	4.6	5.31

- ➢Average income of € 293 per TEU moved by the CT service was calculated
- ➢CT as integrated company
- ➢Increase of 15.4% against 2009 – in line with volumes

Estimated nb of employees unaccompanied CT industry, 2011

Sector	Employees 2011
CT service providers	12.600
Train operating companies	6.100
Terminal managers	4.900
Infrastructure managers	15.000
Total staff	**38.600**



Source: UIC "2012 Report on Combined Transport in Europe" by KombiConsult

Importance of CT Industry

CO_2 emission savings through unaccompanied CT, 2011

CT market segment	Transport volume (tonnes)	Average distance (km)	Transport performance (bn tonne-kms)	Savings of CO_2 emissions (tonnes)
Domestic CT	115,053,570	350	40.3	2,668,610
International CT	76,788,460	800	61.4	4,071,020
Total CT	**191,842,030**		**101.7**	**6,739,630**

- The most important impact is the reduction of greenhouse gas emissions and emission of carbon dioxides
- In order to calculate the positive effects of unaccompanied CT on the environment, the following assumptions have been used:
  - CO_2 emissions (according to topical EU data):
    - Rail : 30.91 g/tonne-km
    - Road : 97.18 g/tonne-km
  - Average transport distance of unaccompanied services:
    - Domestic CT: 350 km
    - International CT: 800 km

Source: UIC “2012 Report on Combined Transport in Europe” by KombiConsult

Importance of CT Industry

Share of unaccompanied CT of total rail freight by country, 2011 *)

Country	Unit	Total rail freight	CT	CT as % of total rail
Germany	bn tkm	113,32	39,79	35,1%
	m tons	374,74	76,51	20,4%
Poland	bn tkm		2,39	4,5%
	m tons		5,74	2,3%
Spain	bn tkm	7,56	2,98	39,4%
	m tons	17,33	5,57	32,1%
Sweden	bn tkm	22,86	5,94	26,0%
	m tons	67,91	11,61	17,1%
United Kingdom	bn tkm	21,06	6,31	30,0%

*) Only for countries providing for relevant data.

- Only five European countries seem to publish data on the share of CT in relation to rail freight. The data shows that in countries with very “mature” CT systems such as Germany, Sweden and the UK, combined transport has a significant market share of rail freight which range from 26% to 35%.

- In Poland, where CT is undergoing a structural change, the share of CT is small compared to wagonload transport.

Source: UIC “2012 Report on Combined Transport in Europe” by KombiConsult

Importance of CT Industry

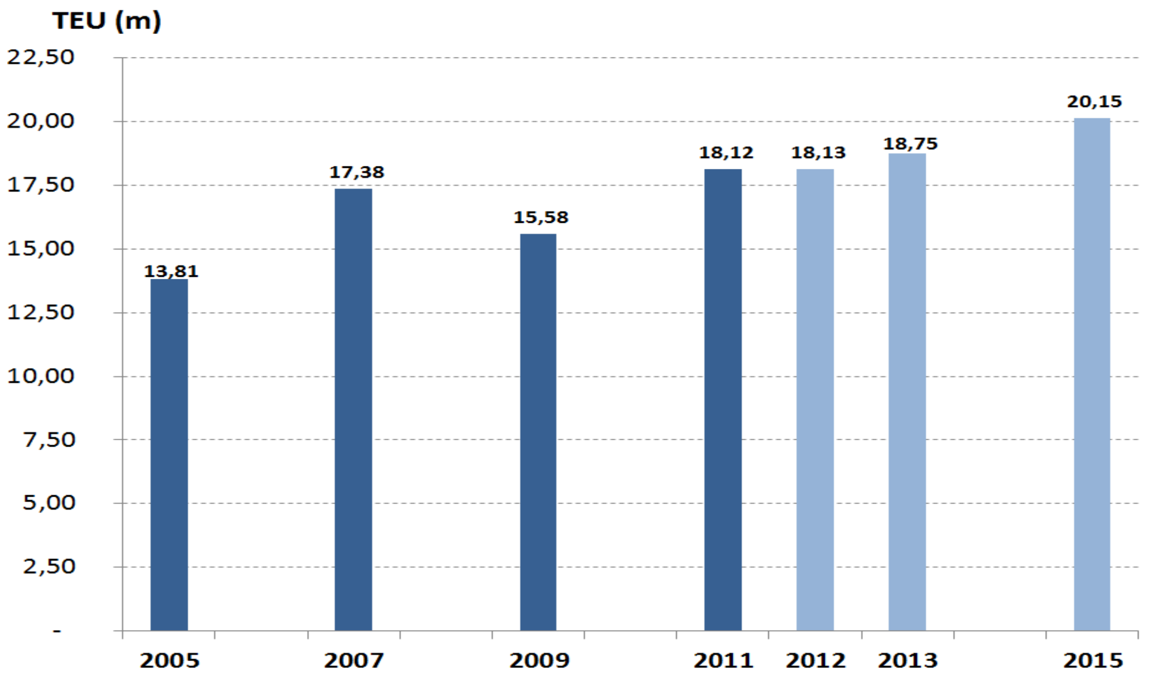
Volume of CT block trains by market segment, 2011

CT market segment	TEU carried	Block trains
Unaccompanied CT		
Domestic	10.928.140	170.800
International	7.188.780	133.100
Subtotal Unaccompanied CT	**18.045.300**	**303.900**
Accompanied CT	1.010.180	25.400
Total CT	**18.045.300**	**329.300**

- ➢ Approximately 1320 unaccompanied combined transport trains run on the European network every day.
- ➢ On some corridors, the percentage of those trains exceeds 50% of trains run.

Source: UIC "2012 Report on Combined Transport in Europe" by KombiConsult

Outlook for Unaccompanied CT in Europe



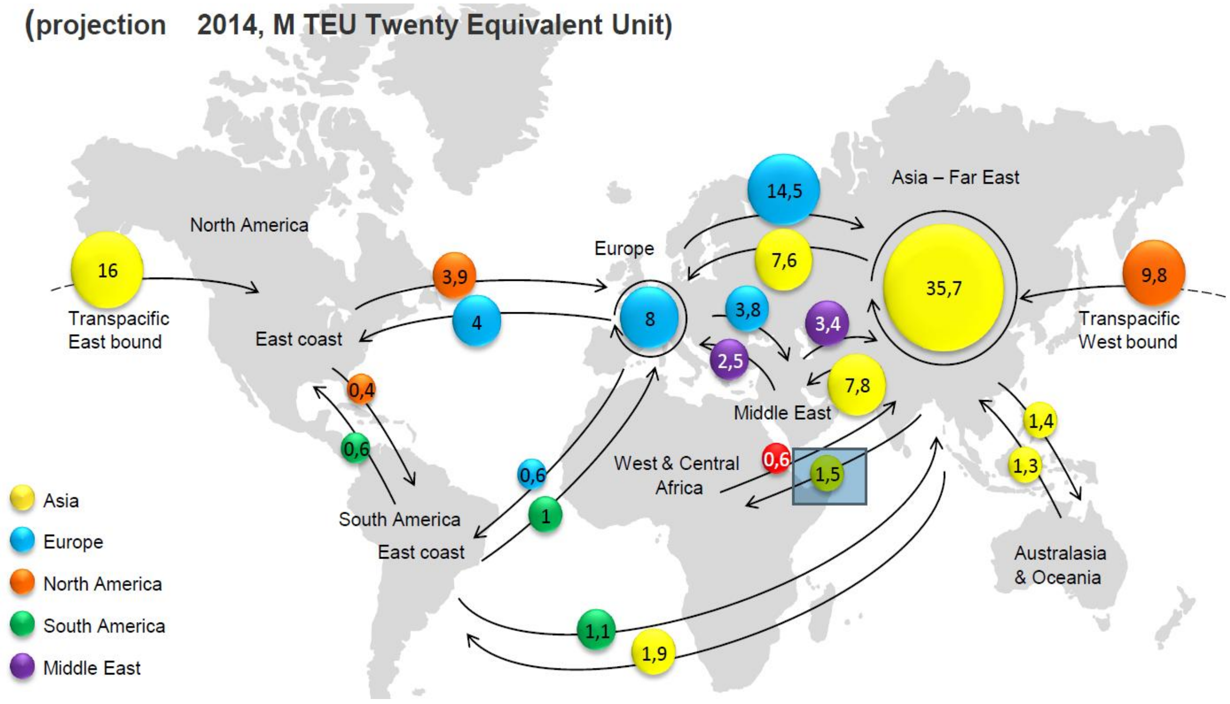
Forecast for unaccompanied CT by 2015, TEU carried

<u>Fact</u>: Continuous growth
<u>Fact</u>: Need to be a key actor part of the logistics chain

<u>Solution</u>: UIC can provide a visionary approach to collaborative work in order to strengthen the position of combined transport in debates on logistics and rail freight, in order to anticipate market developments and better respond to market demand.

Source: UIC “2012 Report on Combined Transport in Europe” by KombiConsult

Interest for transcontinental rail developments



Forecast 2014 (TEU)

Fact: Long-term (2030), rail transport between Asia and Europe is forecast to reach around 950,000 TEU p.a. This includes traffic from East Asia, Mongolia and Kazakhstan to the EU in both directions. Traffic from South Asia could add another 150,000 TEU in the long-term.

Fact: Already today, rail could hypothetically achieve a potential of 480,000 TEU p.a providing some adjustments

Fact: Need to create awareness on opportunities, prepare the ground for enhanced rail cargo services between Asia and Europe and to promote rail transport solutions

Tool: UIC's GTE group of stakeholders which collaborates with other expert bodies : Chair RZD

Source : GGS – Containerisation International 2012 - Drewry

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Thank you for your attention