



Passenger Stations

Financial plans and marketing strategies **Renting out station floorspace in Germany**

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Head of Department

Commercial Renting Space

DB Station&Service AG - Rental Division

Overview



Division's aim

- Creating a premium real-estate infrastructure for retailing, catering and services at attractive and heavily-frequented stations
- Our main customers are passengers, whom we offer a premium service and a feel-good environment

Facts and figures

- Commercial floorspace **1,200,000 sq.m**
- Rental income 2004 **€271 million**
- Rental staff **188**
- Number of rental contracts **17,000**

Average time spent by customers at the station

Commuters	10 minutes
Business travellers	15 minutes
Patrons	20 minutes
Accompanying persons	25 minutes
Private and holiday travellers	30 minutes

Basic needs of passengers

All stations should be “feel-good stations”

We survey our customers in frequent opinion polls ...



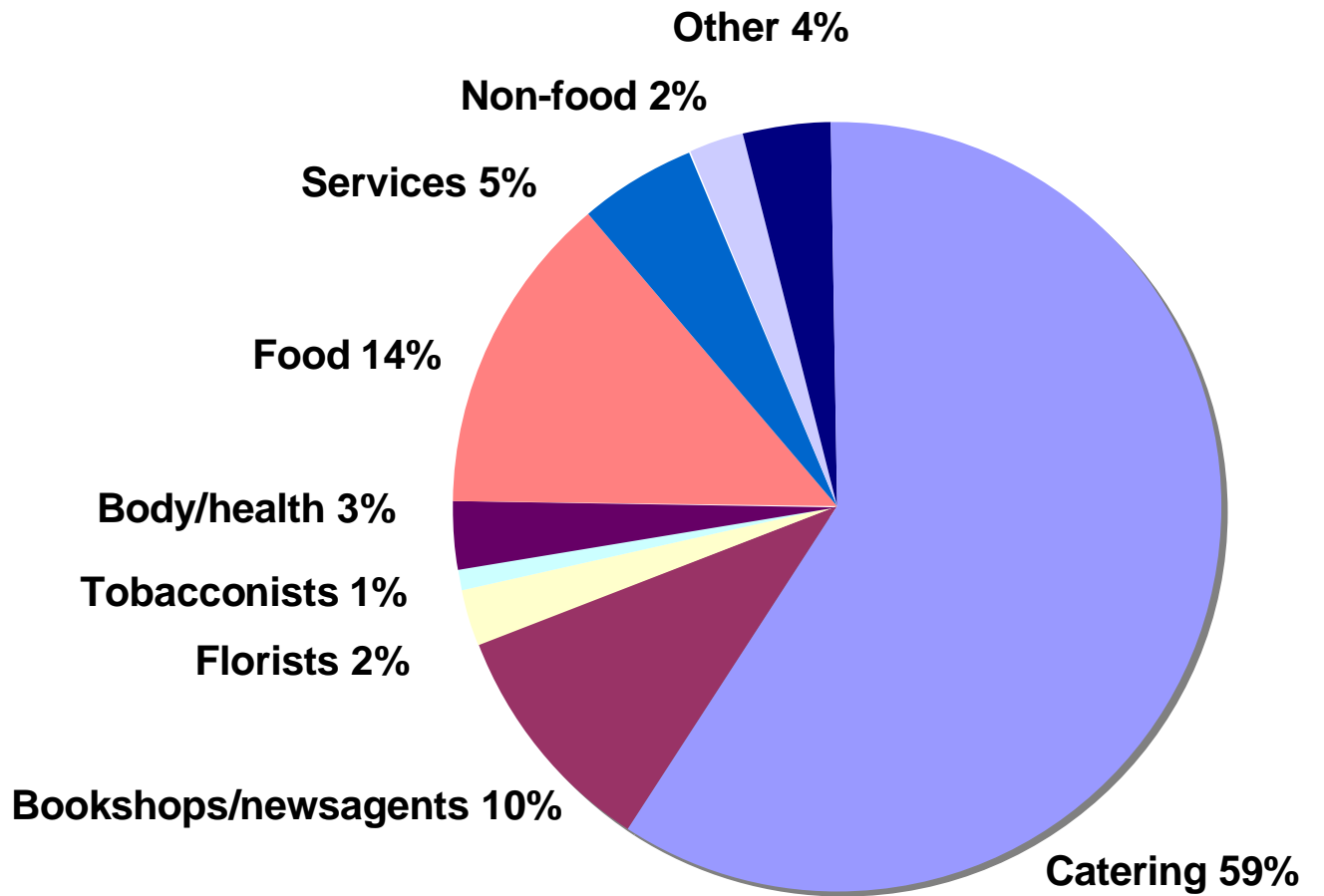
The basic needs of our customers

- Wide range of merchandise
- Catering and take-away food
- Services
- Safety and security
- Cleanliness
- Light and transparency
- Parking facilities

The railway station typical sectoral mix

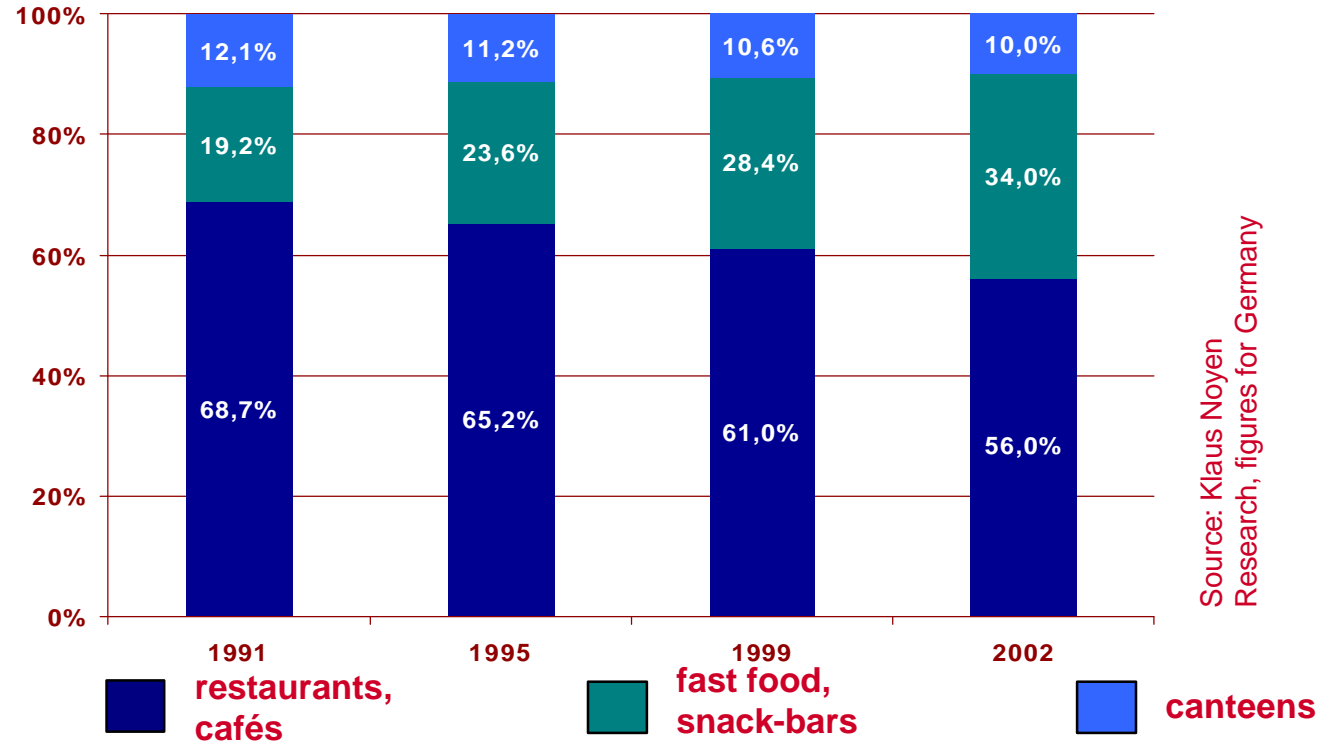


Current use of rental space



Market trend

Old-style restaurants and eating houses are losing out to fast-food catering concepts



Forecast

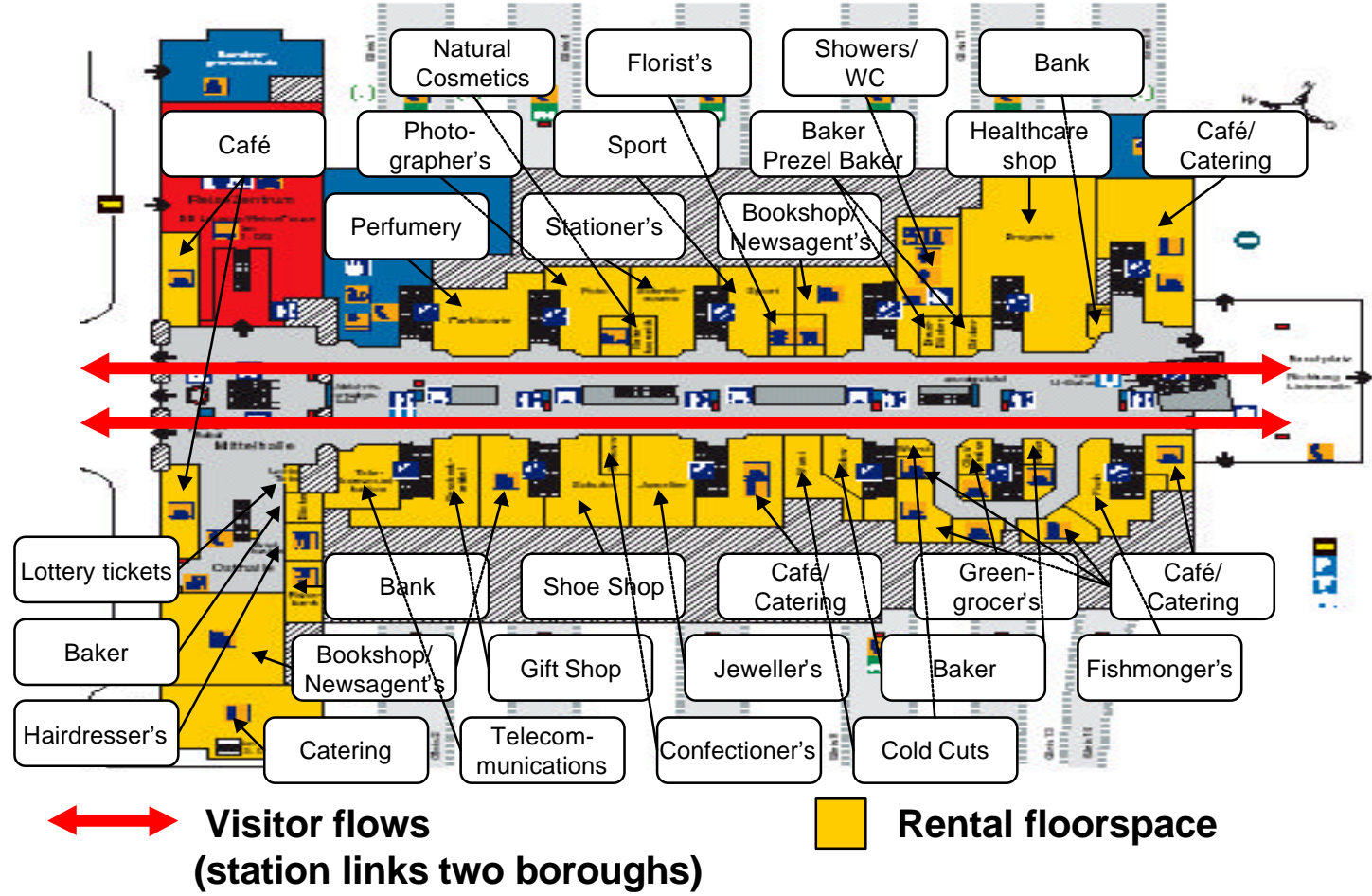
- Market for take-away food is growing
- Europe-wide, 1 in 3 meals is a take-away
- In the USA approx. 50% of all meals are take-aways
- By 2010 the figure is set to rise to almost 45% in Europe
- It is expected to exceed 50% for Germany in 2005

Hanover Central Railway Station

Example of successful implementation of the rental strategy



Hanover Central Railway Station			
Inaugurated	2000	Passengers/patrons per day	250,000
Opening hours	06:00-22:00	Commercial floorspace rented sq.m	6,000 (excluding offices)

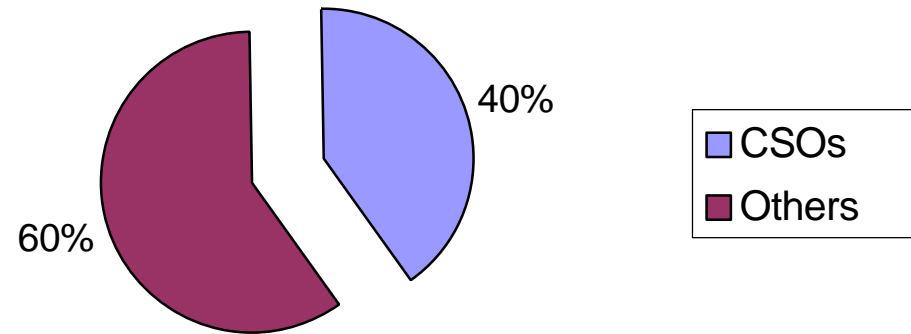


Station sites are of interest to attractive lessees









40% of rental income is generated with chain store operators (CSOs)



Level of chain-store involvement



Source: DB Station&Service AG 2003; external chain store operators as a ratio of total rent 2003

- | | | | |
|--|-------------|---|---------------|
|  | - fast food |  | - healthcare |
|  | - grocer's |  | - bookshop |
|  | - fast food |  | - foodservice |
|  | - baker's |  | - perfumery |

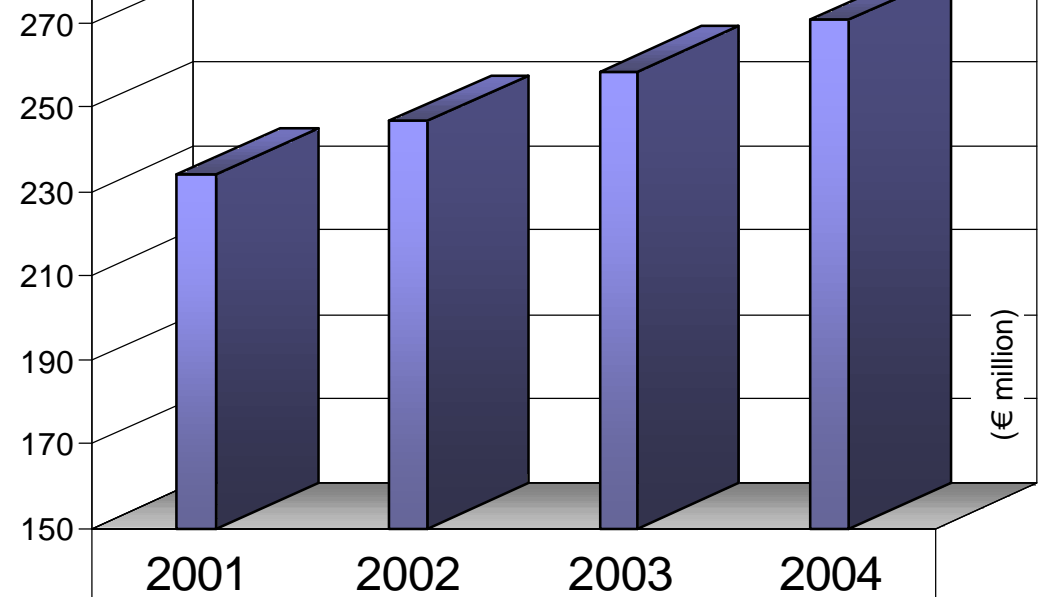
Success of rental strategy

Against the market trend, increases in turnover of 5 per cent per annum



15.7 per cent increase in rental turnover from 2001 to 2004

DB Station&Service AG
rental income



■ rental income	234,0	246,8	258,6	270,7
∅ increase over previous year		5.5%	4.8%	4.7%

Generating new potentials (1)

Standardised pavilions make for high-quality rental premises



Facts

- Attractive, high-quality rental floorspace for top lessees
- Modular design from 25-100 sq.m
- 20 pavilions already in place, nationwide roll-out planned

Generating new potentials (2)

Stand systems create modular rental units for special campaigns and events

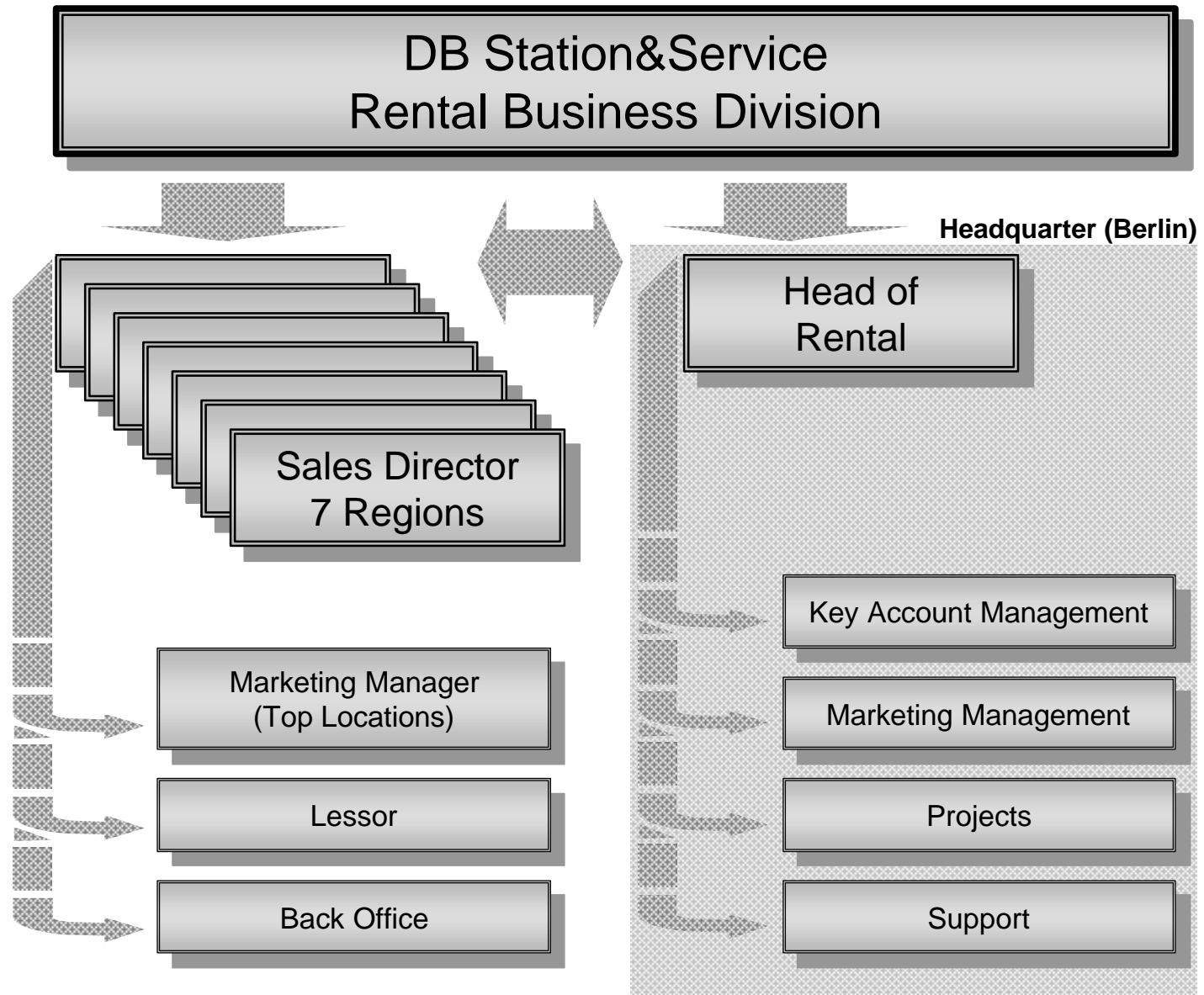
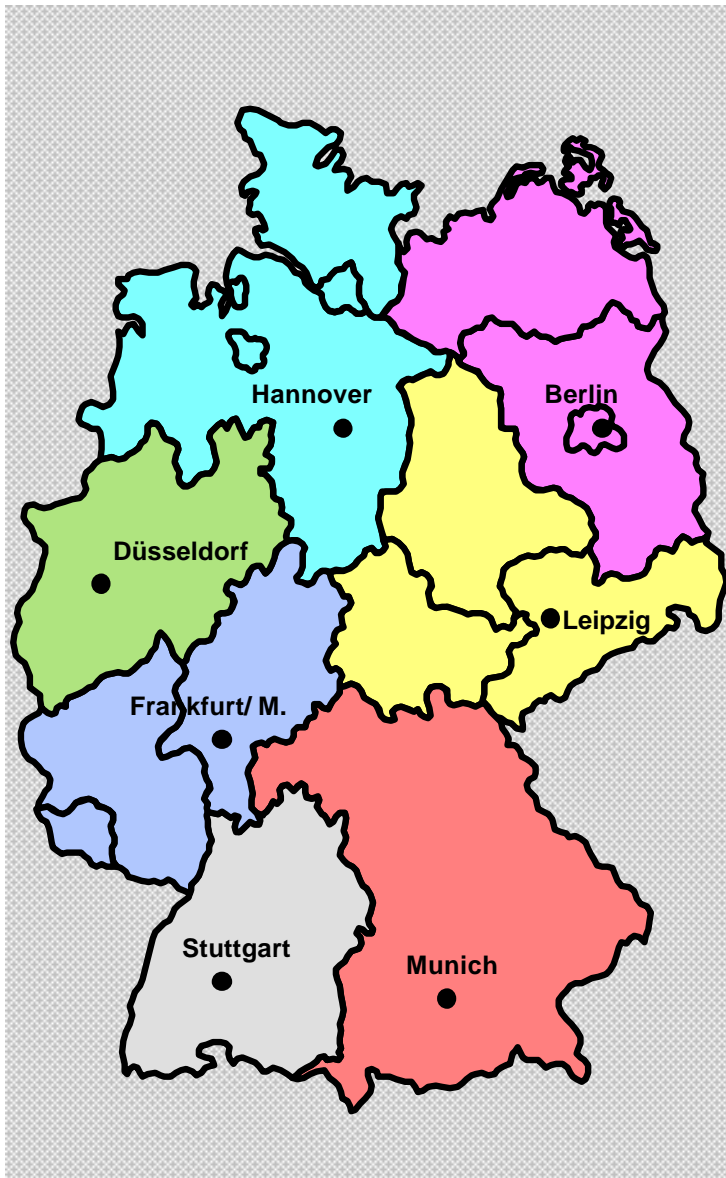


Facts

- Short-term rentals at top locations
- Demand-driven offering/special campaigns
- Standardised module system 8-9 sq.m in size
- 120 units to be rolled out at 50 stations nationwide

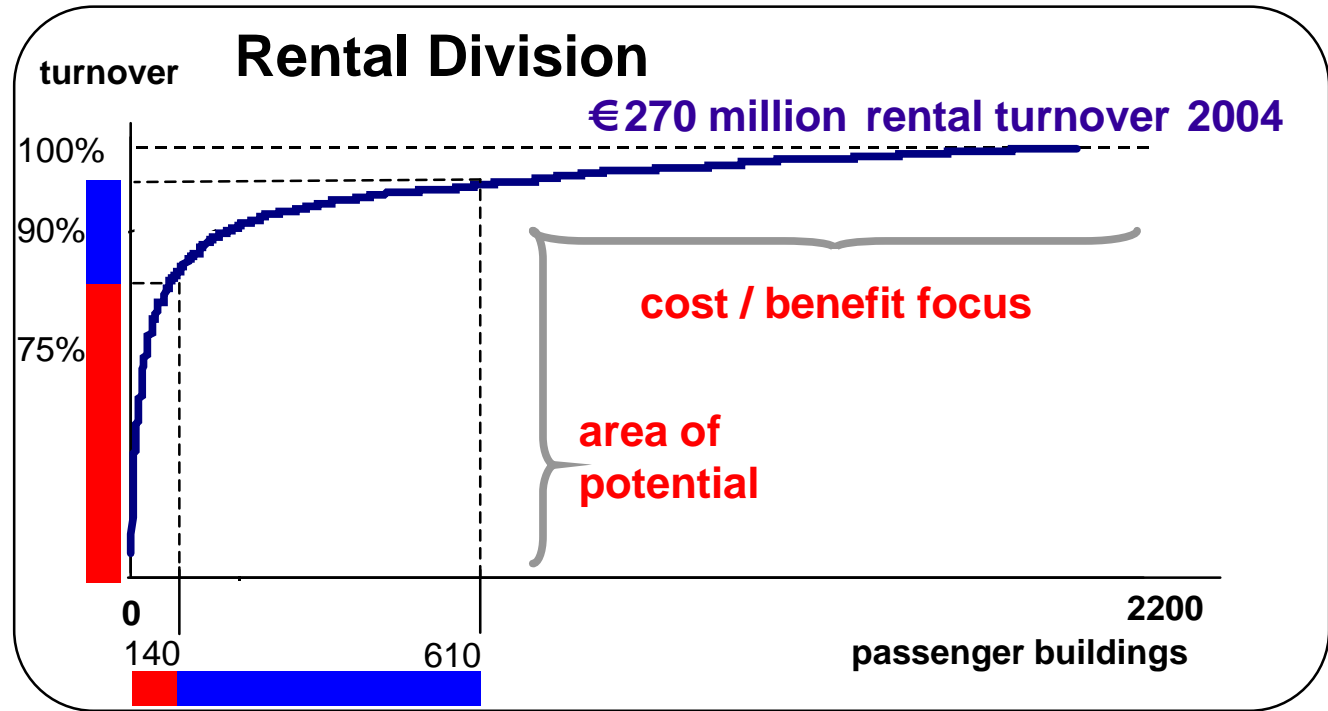
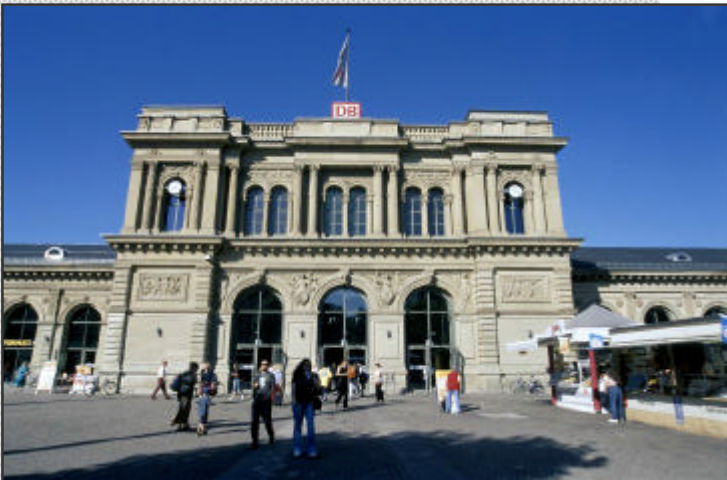
Who's behind it all?

The set-up at rental division



Pattern of rental turnover relative to number of stations

90 per cent of turnover is generated at 600 stations



140 stations
yield 75 % of
turnover



470 stations
yield 15 % of
turnover

The Rental Business Division is rigorously organised and run on the basis of top, average and small rental categories

development of
case-by-case strategy



for sale



- Drafting of utilisation concepts
- Gearing towards travel requisites
- Greater degree of chain store involvement
- Increase in floorspace productivity
- Reduction in vacant premises
- International consultancy projects

- Standardised DB ServiceStore product
- Across-the-board roll-out
- High customer benefit and complete cost coverage

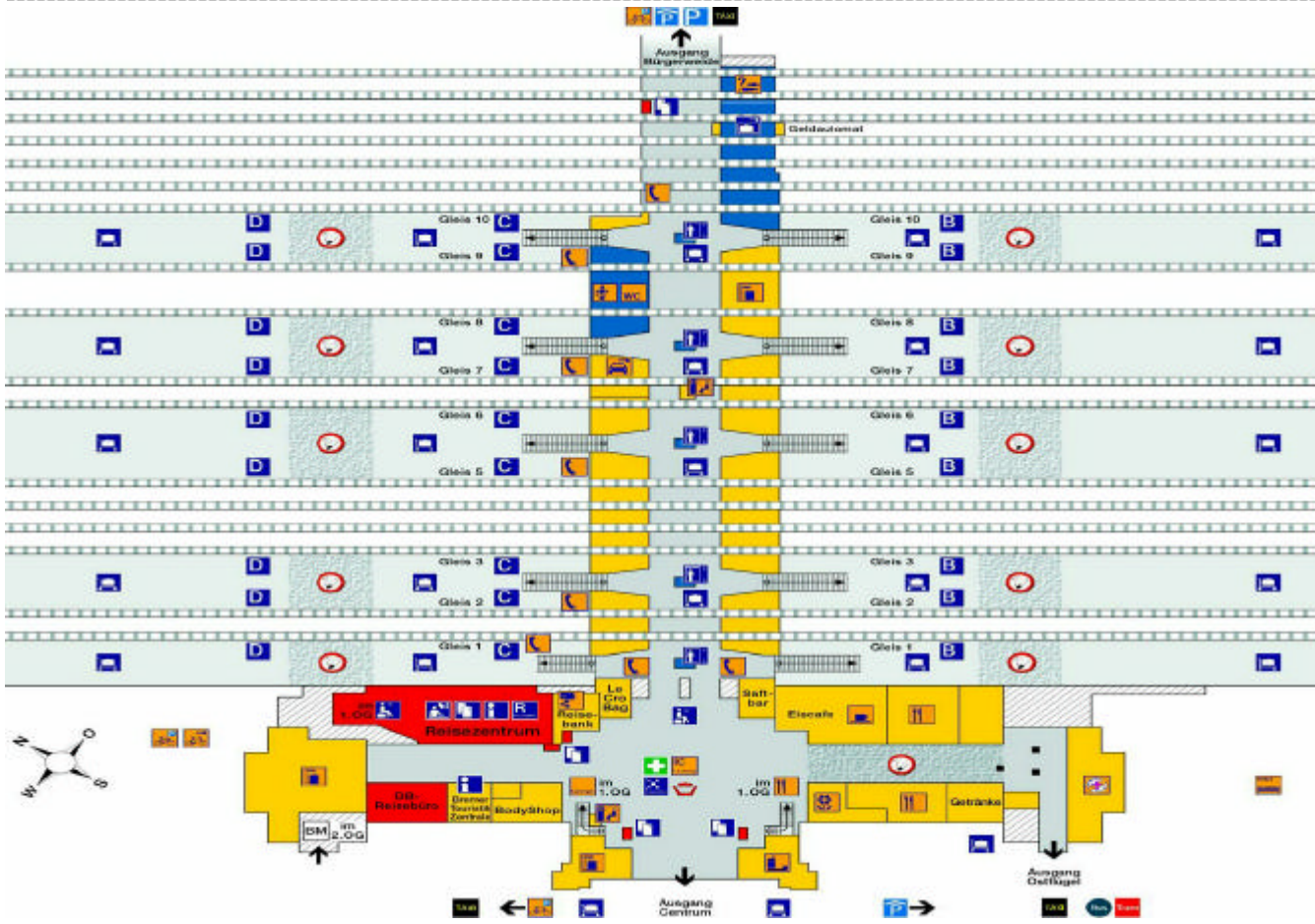
- Poorly frequented
- Buildings do not meet yield expectations
- Sale to municipalities or private investors

Examples in practice (1)

Major rental project at Bremen Central Railway Station



Bremen Central Railway Station			
Inaugurated	2001	Passengers/patrons per day	90,000
Opening hours	06:00-22:00	Commercial floorspace rented sq.m	3,000



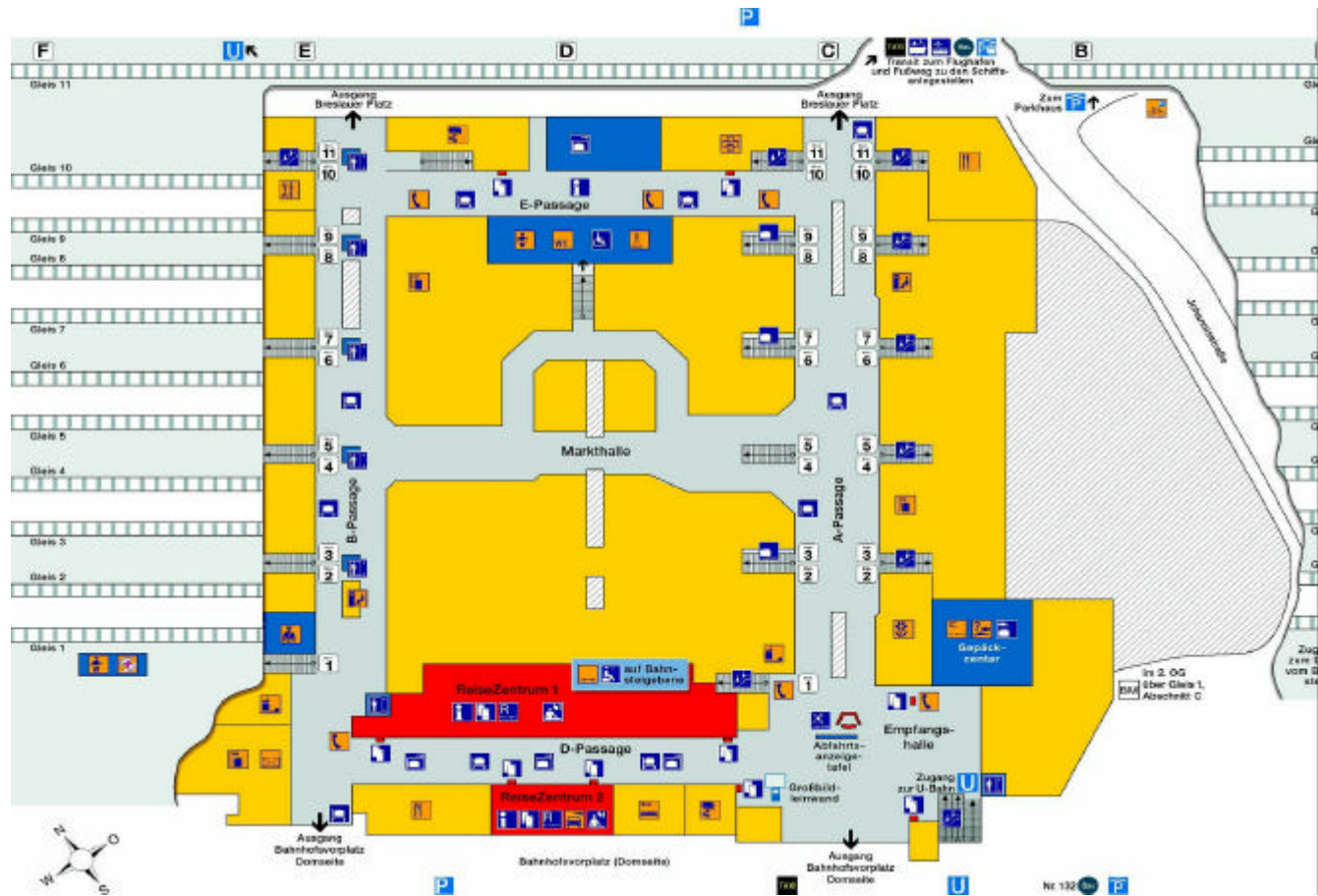
Examples in practice (2)

Major rental project at Cologne Central Railway Station



Cologne Central Railway Station

Inaugurated	2000	Passengers/patrons per day	280,000
Opening hours	06:00-22:00	Commercial floorspace rented sq.m	8,000



Examples in practice (3)

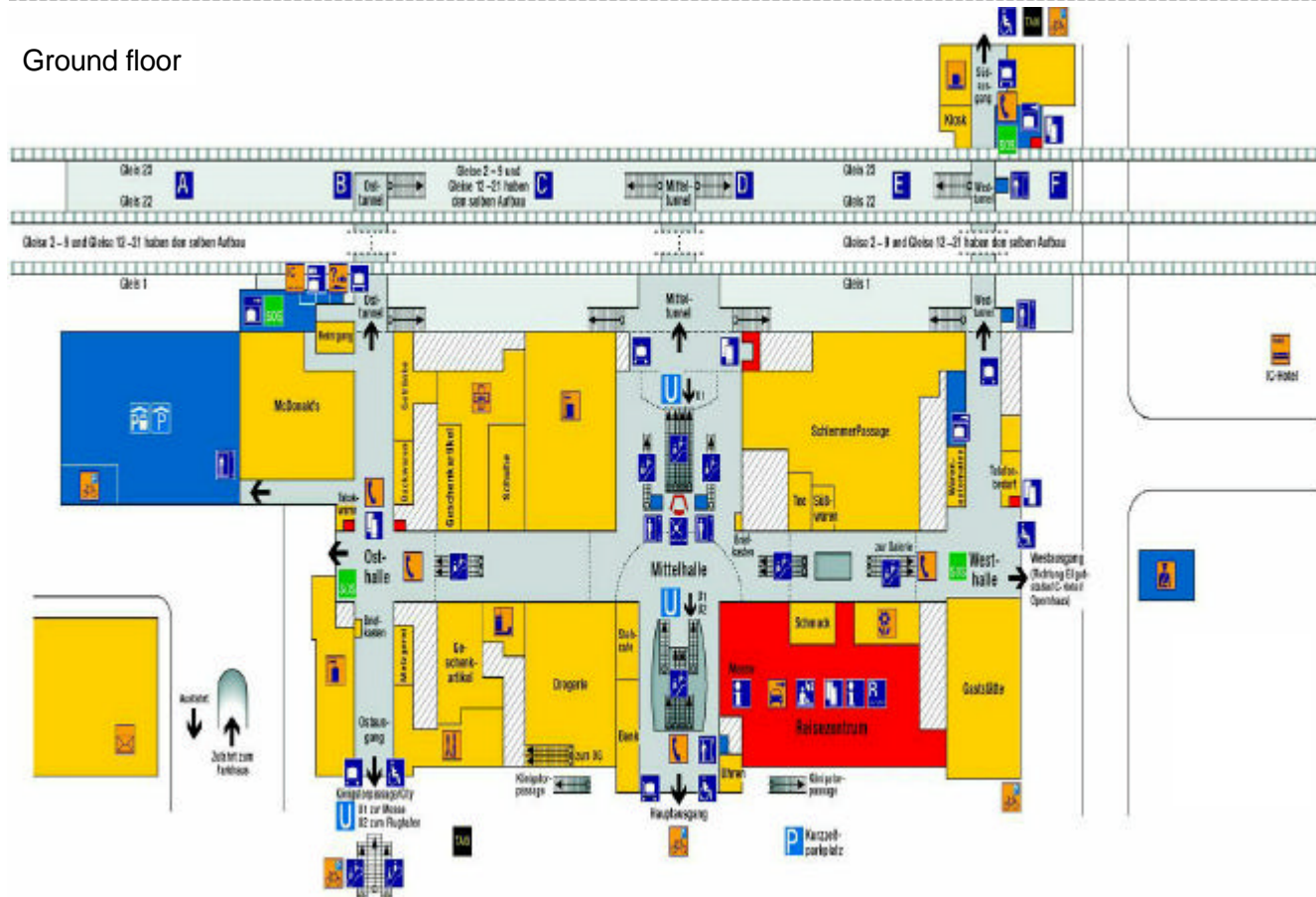
Major rental project at Nuremberg Central Railway Station



Nuremberg Central Railway Station

Inaugurated	2002	Passengers/patrons per day	110,000
Opening hours	06:00-22:00	Commercial floorspace rented sq.m	10,000

Ground floor



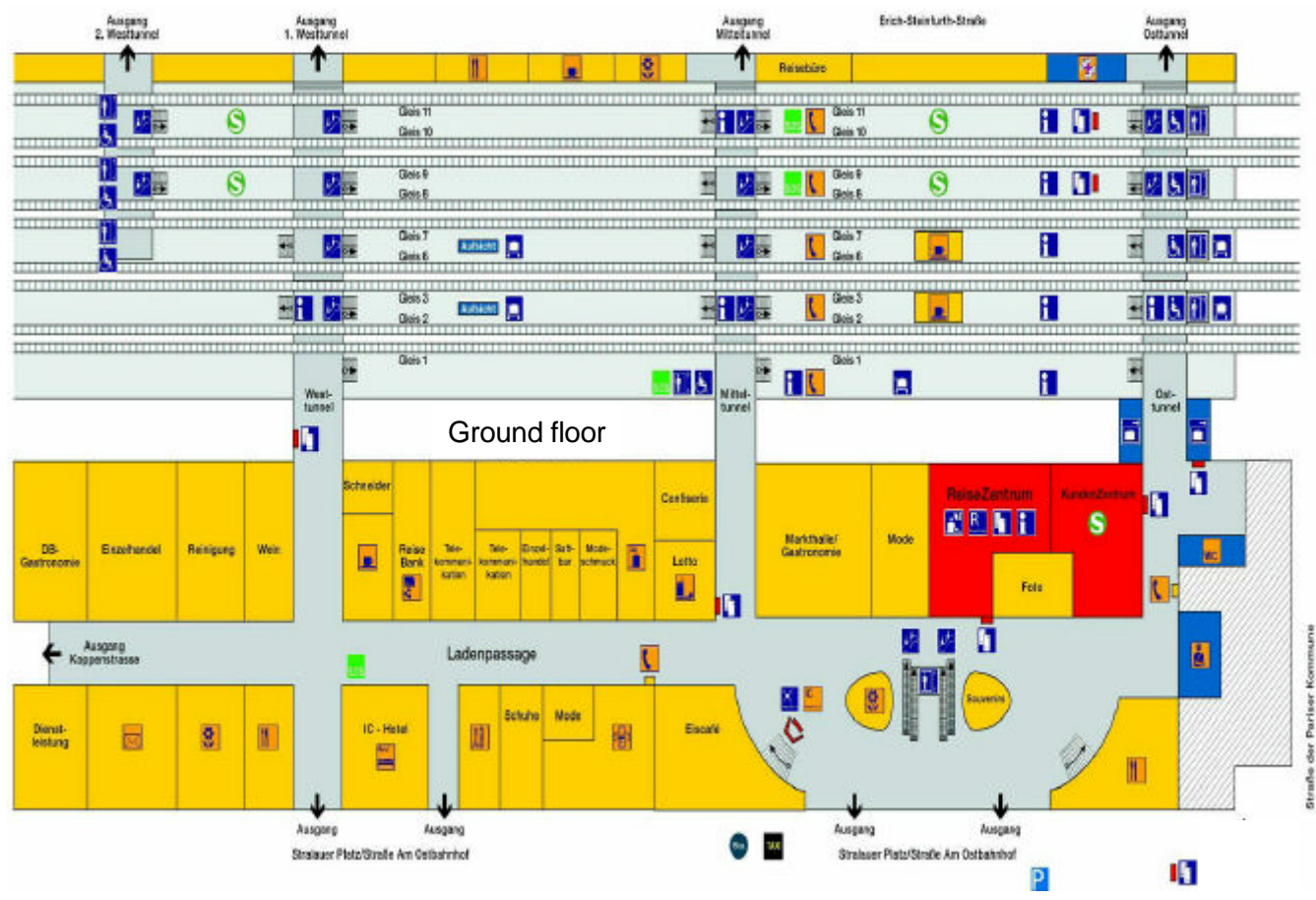
Examples in practice (4)

Major rental project at Berlin Ostbahnhof Railway Station



Berlin Ostbahnhof

Inaugurated	2000	Passengers/patrons per day	160,000
Opening hours	06:00-22:00	Commercial floorspace rented sq.m	14,000



Examples in practice (5)

Major project at Berlin Central - Lehrter Bahnhof

Berlin Central Railway Station



Visualised exterior view



Layout plan

Facts & Figures

Key Data:

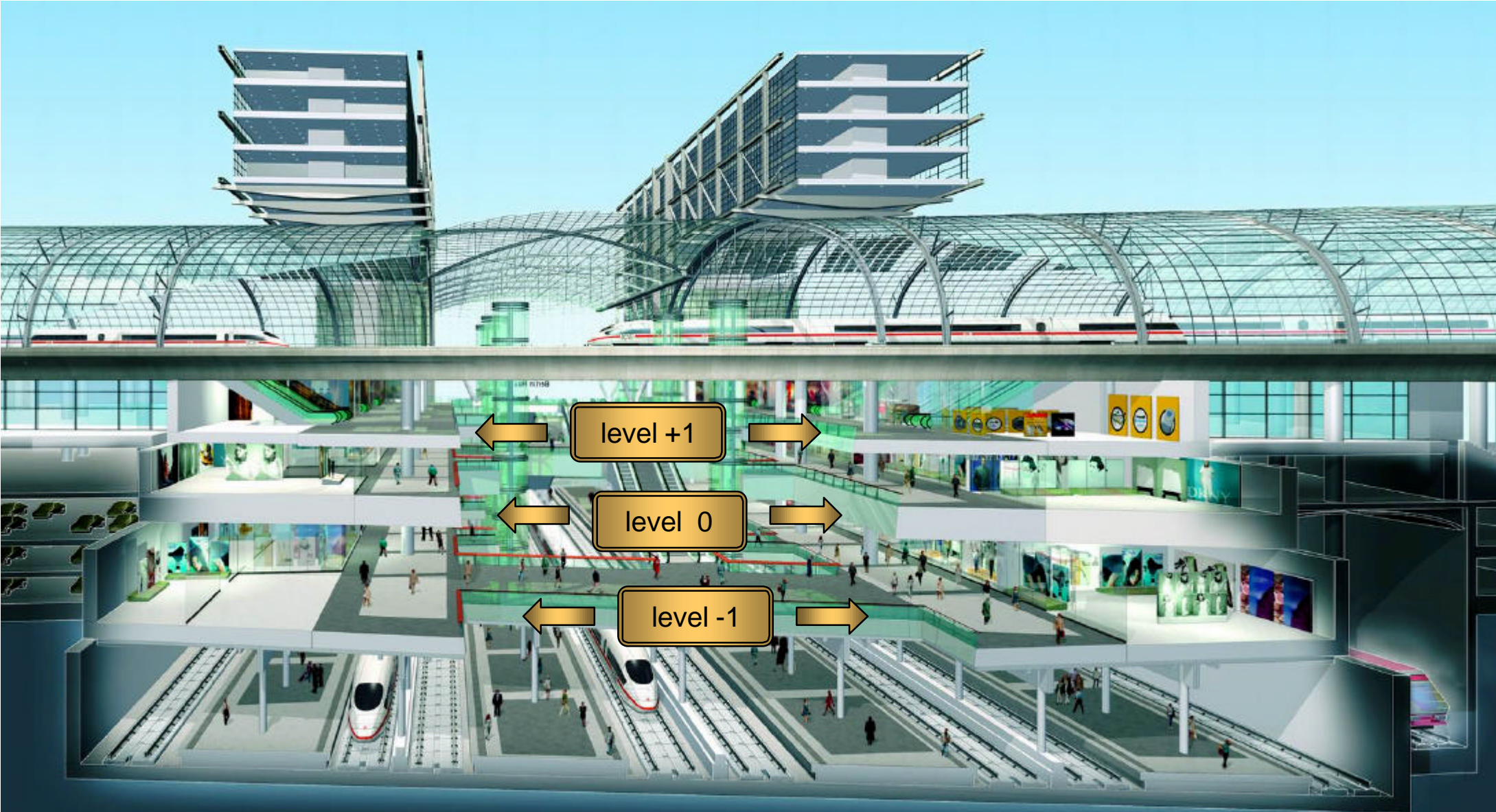
- Inauguration 2006
- Customers per day (expected) 300,000
- Number of platforms 7

Rental activity (planned):

- rental premises:
 - retail and service ~18,000 sq.m
 - offices ~42,000 sq.m

Berlin Central/Lehrter Bahnhof Railway Station

Rental space on 3 levels between 2 train stations



Berlin Central/Lehrter Bahnhof Railway Station

Level +1 (1-st floor)

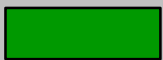
Retailing



Restaurant/
Café



Service/
General Services





DB Floorspace

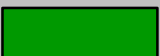



Berlin Central/Lehrter Bahnhof Railway Station

Level 0 (ground floor - the main entrance)

Retailing 

**Restaurant/
Café** 

**Service/
General Services** 

DB Floorspace 



Berlin Central/Lehrter Bahnhof Railway Station

Level -1 (basement)

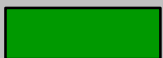
Retailing



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DB Floorspace

