TRAINOSE
THE CRITICAL LINK TO THE GLOBAL SUPPLY CHAINS FROM ASIA TO THE EUROPEAN HINDERLAND
TRAINOSE, S.A.
History and Status of the Company
TPAINCC is publically owned and the only rail operator in Greece

- It performs 330 line services
- With less than 900 employees

### Locomotive MLW A-450

Power: 1.200hp (890kW) ~ 2,750hp (2,050 kW)
Drive Shafts number: 6

### Locomotive MLW A-504, A-506

Power: 3.000hp (2,240kW) ~ 3,600hp (2,680 kW)
Drive Shafts number: 6

- 150 Freight & shunting locomotives
- 3000 freight wagons fulfilling UIC standards

Containers 40 ft (width 8ft 6ins, ISO standardized) και 45 ft (high cube, pallet-wide) on wagon type 362
The company Overview:

• As part of the infrastructure company TRAINOSE has a continuous history of 150 years of operation (the longer service disruption during World War II for 2 months (the first days of the German occupation in 1941 when all locomotives were destroyed by the engine drivers)
• At its current structure as an operator was established as subsidiary of OSE, S.A. the infrastructure company, in 2005 and as an independent Rail Service Operator in 2007
• From 2007 to 2009 it had an operational deficit (annual) of 240 million euro
• In 2010 an ambitious 2-year restructuring plan was designed and implemented (detailed next)
• In 2012 the company the restructuring was successfully completed and TRAINOSE presented earnings of 1.2 million euro EBITA
Overview of the restructuring plan:

1. Transfer of approximately 800 employees from TRAINOSE to the Greek Government (45% of the workforce) from 1650 down to 860
2. Suspension of loss making service and implementation of new train schedules (40% reduction in operating lines)
3. Renegotiated a new contract agreement with the Unions, rationalizing of the payroll cost by drastically reducing the secondary allowances
4. Revision of the organizational structure, to comply with the company’s strategy (11 instead of 21 directorates)
5. Application of the new pricing policy: 40% increase in the suburban system, a yield management scheme for the intercity system and cost based system for freight tariffs with promotion of block trains.
6. Compensation for the provision of public services of passenger rail transportation, according to Law no. 3891/2010 and Regulation no. 1370/2007
7. Outsourced all the non essential activities
## Income Statement 2008–2013

### Sales

<table>
<thead>
<tr>
<th></th>
<th>Year 2008</th>
<th>Year 2009</th>
<th>Year 2010</th>
<th>Year 2011</th>
<th>Year 2012</th>
<th>Forecast 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALES</strong></td>
<td>91,086,438</td>
<td>96,462,009</td>
<td>94,715,779</td>
<td>84,636,087</td>
<td>83,280,305</td>
<td>89,000,000</td>
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<tr>
<td>Revenue from Intercity Passenger Services</td>
<td>51,984,000</td>
<td>51,730,009</td>
<td>55,345,212</td>
<td>46,937,869</td>
<td>48,069,044</td>
<td>50,000,000</td>
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<tr>
<td>Revenue from Suburban Services</td>
<td>11,649,340</td>
<td>12,342,000</td>
<td>12,980,567</td>
<td>15,499,737</td>
<td>15,333,091</td>
<td>15,000,000</td>
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<tr>
<td>Revenue from Cargo Services</td>
<td>27,453,098</td>
<td>32,390,000</td>
<td>26,390,000</td>
<td>22,198,481</td>
<td>19,878,170</td>
<td>24,000,000</td>
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<tr>
<td><strong>Public Service Obligations</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50,000,000</td>
<td>50,000,000</td>
<td>50,000,000</td>
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<tr>
<td><strong>Other Services</strong></td>
<td>8,934,098</td>
<td>9,234,512</td>
<td>9,234,512</td>
<td>5,679,228</td>
<td>7,465,453</td>
<td>7,500,000</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>100,020,536</td>
<td>105,696,521</td>
<td>103,950,291</td>
<td>140,315,316</td>
<td>140,745,758</td>
<td>146,500,000</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th></th>
<th>Year 2008</th>
<th>Year 2009</th>
<th>Year 2010</th>
<th>Year 2011</th>
<th>Year 2012</th>
<th>Forecast 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Expenses</td>
<td>124,009,000</td>
<td>123,879,000</td>
<td>93,900,900</td>
<td>49,268,756</td>
<td>35,231,632</td>
<td>30,000,000</td>
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<tr>
<td>Maintainance of Rolling Stock</td>
<td>44,234,000</td>
<td>45,908,087</td>
<td>34,600,090</td>
<td>23,202,461</td>
<td>19,175,000</td>
<td>20,000,000</td>
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<tr>
<td>Fuel</td>
<td>42,120,549</td>
<td>43,980,988</td>
<td>33,775,009</td>
<td>25,705,538</td>
<td>25,543,168</td>
<td>26,000,000</td>
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<tr>
<td>Electricity</td>
<td>3,432,098</td>
<td>4,927,000</td>
<td>5,409,000</td>
<td>7,566,032</td>
<td>6,237,305</td>
<td>8,000,000</td>
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<tr>
<td>Rental of Rolling Stock</td>
<td>36,093,000</td>
<td>35,639,000</td>
<td>33,639,000</td>
<td>23,000,000</td>
<td>18,888,172</td>
<td>18,000,000</td>
</tr>
<tr>
<td>Use of Infrastructure</td>
<td>32,109,900</td>
<td>32,012,000</td>
<td>29,012,000</td>
<td>18,029,654</td>
<td>18,050,000</td>
<td>19,000,000</td>
</tr>
<tr>
<td>Other Operating Expenses (cleaning, security, RIV, rentals)</td>
<td>50,591,924</td>
<td>49,870,670</td>
<td>37,200,000</td>
<td>27,113,911</td>
<td>16,351,240</td>
<td>18,000,000</td>
</tr>
<tr>
<td><strong>Συνολικά έξοδα</strong></td>
<td>332,590,471</td>
<td>336,216,745</td>
<td>267,535,999</td>
<td>173,886,353</td>
<td>139,476,517</td>
<td>139,000,000</td>
</tr>
</tbody>
</table>

### EBITA

|                | -232,569,935  | -230,520,224  | -163,585,708  | -33,571,037   | 1,269,241      | 7,500,000      |
It operates on a 2500 km rail network in Greece
And we are interoperable with all networks from Aegean to the North Sea.
TRAINOSE, S.A.
Prospects of the Railway Industry in Greece
Opportunities for the Railway Industry in Greece

- The opportunities for the company are substantial and they are mainly attributed to 3 major reasons/enablers:
  
  1. The completion of the rail connection to the Port of Peraeus and the Peraeus Container Terminal on March 2013
  
  2. The completion of the double line and electrification/signalization/telecomand (ETCS Level 3) on the axis Athens–Thessaloniki by 2016 (1st phase was completed 2 are left to go)
  
  3. TRAINOSE passed all tests and received the EU wide License as a Rail Operator, which allows us to enter the rail market of Central Europe through Bulgaria and Rumania as well as Turkey
Today TRAINOSE’s cargo services are limited to the Port of Thessaloniki (about 8–10 trains a day) averaging 20–25 million euros annual revenue from the cargo business.

No logistical, warehousing or other value added freight services are offered.

The major opportunity in the cargo service is created by the completion of the Ikonion line that connects the national network to the Port of Peraeus (OLP) and the Peraeus Container Terminal (PCT).

Providing rail services to the Port create enormous opportunities both for the Port as well as the Rail Industry. PCT and OLP have managed to reach the handling of over 2.5 million TEUs in 2012. Most of these containers are transshipped by feeder lines to other Ports and few are shipped to the hinderland of the Port of Peraeus by truck.

Rail service became available this year for the first time thus enabling the Port to serve as remote hinterland destinations as Hungary, Slovakia, Czech Republic, Poland and of course the Balkans and the Black Sea Region.

Each train can serve up to 80 TEUs to a remote destination at a competitive cost with lead times approaching those of a truck. With an average cost of 10–15 euros per train–km the cost for shipping a typical 40 foot container to a destination 1000 km away can be as little as 300 euro (excluding handling and last mile charges).

This can substantially increase the reach of PCT in the Balkan and Central Europe hinterland, especially if critical mass of necessary shipments is attracted to initiate regular block trains or line services.
Peraeus Container Terminal was established in 2009 after a concession agreement between the Greek Government and COSCO Pacific.

- In 2010 500K TEUs were handled
- In 2011 1 million TEUs
- In 2012 2 million TEUs
In June 2013, 450 meters of Pier III will be ready and operational, with 5 new generation 26 rows SPP QCs.

In total 7 new super SPP QC will be added on Pier III.

9 semi-automated RMG’s will be also added.

360 Reefer Plugs in Reefer Towers.

Construction of Pier III, commenced on Oct. 2011, achieving an additional capacity of 1.1 million TEUs and will be ready by the end of Oct. ’15.
Terminal Capacity:  Pier II: 3,2M TEU - Pier III: 3,0M TEU - TOTAL: 6,2M TEU

Piraeus Container Terminal S.A.
Bridging East and West with the Best Quality Services

**Annual Throughput**

- 2010: 685,440 TEUs
- 2011: 1,118,147 TEUs
- 2012: 2,108,087 TEUs

**Vessel calls per annum**

- 2010: 965
- 2011: 1,359
- 2012: 1,867

**Average Moves per QC per Hour**

- December 2010: 13.10
- December 2011: 19.45
- December 2012: 24.85

Piraeus Container Terminal S.A.
Shorter Vessel Turnaround Time

Guaranteed Efficiency & Availability of Equipment Serving vessel

Negotiable Transshipment Tariff and Volume Contribution

Assisting to develop East & Central Mediterranean Feeder Network centered at Piraeus

Piraeus Container Terminal S.A.
### North Africa Coverage, Libya

<table>
<thead>
<tr>
<th><strong>Rotation</strong></th>
<th>Piraeus, Al Khoms (Tripoli), Misurata, Benghazi, Port Said, Piraeus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Voyage Time</strong></td>
<td>18 Days</td>
</tr>
<tr>
<td><strong>No of Vessels</strong></td>
<td>x 2</td>
</tr>
<tr>
<td><strong>Frequency</strong></td>
<td>Every 9 Days</td>
</tr>
<tr>
<td><strong>Operator</strong></td>
<td>X-PRESS</td>
</tr>
</tbody>
</table>

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*Piraeus Container Terminal S.A.*
## Aegean - Spain Coverage

<table>
<thead>
<tr>
<th>Rotation</th>
<th>Valencia, Castelon, Barcelona, Fos, Piraeus, Thessaloniki, Istanbul, Eyvap, Gemlik, Izmir, Cagliari, Valencia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voyage Time</td>
<td>7 Days</td>
</tr>
<tr>
<td>No of Vessels</td>
<td>x 3</td>
</tr>
<tr>
<td>Frequency</td>
<td>7 Days</td>
</tr>
<tr>
<td>Operator</td>
<td>EMES</td>
</tr>
</tbody>
</table>
In 3 years PCT managed to go from 0 to 2 million TEUs
None of this has come to Rail so far, mostly because the connection was not there
Now that the connection is completed, what can we expect in terms of Volumes?
For which destinations?
What is the expected Level of Service (lead time, cost, reliability)?
Is the capacity there?
What does this mean to the Port: Is this existing volume or it will be new one?
Transit Cargo Service
Becoming a Critical Link in the Asia to Europe Supply Chains …
And we are interoperable with all networks from Aegean to the North Sea.
The first Success Story:

HP–COSCO–TRAINOSE Deal
Shortening the time from China to Europe by 10 days for even less $$$...
- Greece (Peireus–Idomeni) : 634 Km (12 hrs)
- FYROM (Gevgelia–Tabanovci): 248 Km (8 hrs)
- Serbia (Presevo–Subotica): 603 Km (24 hrs)
- Hungary (Kelebia–Szob): 378 Km (8 hrs)
- Slovakia (Szob–Kuty): 162 km (4 hrs)
- Chech Rep (Breclav–Pardubice): 223 Km (8 hrs)
- Engine exchange times at border stations max time 48 hrs

**TOTAL 2200 Km Journey Time 5 DAYS**
This Route's Parameters

6 Countries
2200 km
2000 km Electrified

38 40-foot Containers on a train

Carbon Footprint equivalent to moving just 1 container by truck!

5 days lead time (Target 3.5 days)

Initial Volume for HP 100 trains a year

Port Output Target Volume by 2015
2000 trains a year or
150 000 TEUs

Port Output Target Volume by 2020
10000 trains a year or
700 000 TEUs
What do this Port Business mean to Rail?

- Northern Ports (Port of Hamburg, Antwerp, Rotterdam) receive more than 20 million TEUs.
- Almost 1/3 of them goes out by rail and 1/3 by barges; the rest is transshipped or by truck.
- Peraeus Port has of course particularities as it is a major transshipment port, serving other major Mediterranean and Black Sea Ports; therefore it is not expected to generate this share of traffic for land modes.
- According to our estimates though almost 3 million TEUs are destined to Central Europe from the Northern Ports another one by other means (e.g. Port of Koper in Slovenia and Port of Costanza in the Black Sea).
- Given that the PCT today handles little (through feeders to Koper and Costanza) to these markets, we had to target new business that uses the northern ports.
TRAINOSE obtained in 2012 the European Rail Operator license as well as Safety Certificates A and B. To operate in the other EU countries it only needs to certify its electric locomotives (it operates 30 brand new Siemens electric engines) by obtaining the Safety Certificate Type B in the other EU countries.

Therefore it is fairly straightforward to extend operations to Bulgaria, Romania, Hungary, Austria, Slovakia, Czech Republic, Slovenia, Poland, and Germany which will allow TRAINOSE to offer seamless services from PCT, OLP and the Port of Thessaloniki (OLTh) to Central Europe, Western Europe, Black Sea, Adriatic Sea all the way to the Baltic Sea.

The networks of FYROM and SERBIA are closed to competition and offer today the fastest way to central Europe.

We are investigating the development of a strategic alliance with these 2 networks, TRAINOSE and PCT with an open books pricing, priority access and routing.
We are investigating forming a joint venture company (PCT, TRAINOSE, CFARYM, SZ) based on the following 4 principles:

- Open book pricing and priority cargo routing from all railway undertakings to the coalition through their networks.
- The coalition will offer freight-forwarding and logistics services to all RAIL shipments out of the Port of Peraeus (PCT and OLP) and Port of Thessaloniki.
- The Coalition will develop a network of TERMINALS in Greece, Serbia, and Slovakia (near Bratislava) as well as strategic collaborations with terminals such as Sopron and BILK in Budapest.
- The coalition using TRAINOSE’s EU license and the resources of the other partners aims to develop rail traction services in Hungary, Slovakia, Slovenia, Czech Republic, Austria, Germany and Poland.
PEARLHub and Spoke Network to penetrate the EU Hinterland
Container Terminals in Central Europe:

- Bönen (DE)
- Beiseförth (DE)
- Berlin Westhafen (DE)
- Birsfelden (CH)
- Bludenz CCT (AT)
- Bologna Interporto (IT)
- Bonn (DE)
- Bonneuil-sur-Marne (FR)
- Borlänge Combiterminal (SE)
- Bratislava ŚND (ČSKD INTRANS) (SK)
- Bratislava Palenisko (SK)
- Braunschweig (DE)
- Containerterminal (DE)
- Bremen-Roland (DE)
- Brennersee (AT)
- Brno Horní Heršpice (CZ)
- Heršpice (CZ)
The Coalition’s Terminal Strategy

The strategy is to acquire one terminal in Central Europe located preferably close to Slovakia–Austria border and develop partnerships with the major other terminals, such as

- Sopron (Hungary),
- Lambach (Austria),
- BILK (Hungary),
- Munchen–Riem (Germany),
- METRANS (Czech Rep),
- SpedCont (Poland)
The Rail Coalition will allow PCT to effectively penetrate the EU Hinterland offering a land bridge from Aegean to Baltic Sea

It will acquire and operate at least 4 terminals (Thriassion, Thessaloniki, Niss, and Bratislava)

It will build strategic collaborations with other terminals not related to port authorities, such as BILK in Budapest, Sopron in the Austria–Hungary border, Manheim in Germany, Lumback in Austria, Yanna in Sophia and potentially others

It will operate in a market power status for at least 5–10 years on the Serbian, FYROM and even Greek territory and it will maintain market power on its own rail operation in the other EU countries

It is expected to reach at least 5 more ports besides Peraeus: Thessaloniki, Costanza, Varna, Kopper and Gdansk offering services of moving cargo and repositioning empties

It is expected to move by 2016 20–40 trains/day in and out PCT to its own terminals with efficient trunk line services and reaching the EU hinderland in less than 4 days

Moderate investments will be required to acquire terminals, make the upgrades and improvements and additional acquiring rolling stock and cargo handling equipment

The investment should not exceed 200 million euro

It can generate from freight-forwarding cargo and handing equipment at the terminals between 300 and 600 million euros a year with a reasonable margin of 10–25%
OUR STRATEGIC GOAL

To become the main rail service provider in South Eastern Europe by serving efficiently the global supply chains from Far East to the SE and Central Europe through GREECE
ΕΥΧΑΡΙΣΤΩ
THANK YOU
Xie xie ni
谢谢你