

RNE Business Conference, Vienna

MRCE Dispolok GmbH

04. December 2009

Mitsui & Co., Ltd. is one of the largest integrated trading house – “Sogo Shosha” in Japan and is an ultimate shareholder of MRCE B.V. and MRCE Dispolok GmbH

- Establishment: July 25, 1947
- No. of employees (consolidated): 39,684 worldwide
- No. of worldwide trading subsidiaries (outside Japan): 98 (in 66 countries)
- No. of subsidiaries and associated companies: 533 worldwide
- Financial Highlights (Consolidated, Year end of March 2009)
 - Total Revenue: EUR 44.3billion (EUR 36.3 billion in 2008)
 - Net Income: EUR 1.42billion (EUR 2.59 billion in 2008)
 - Total Assets: EUR 66.9billion
 - Total Shareholders' Equity: EUR 15.1billion
 - Credit Rating: A+/A2 (S&P/Moody's, long-term debt)



Mitsui's recent experiences of global railway business



MRCE Dispolok has a large and very balanced portfolio of locomotives in Europe

Locomotive type	Manufacturer	Models	Own-Risk Fleet		Total fleet
			In Service	On order	
Electric Locomotive	SIEMENS	ES64U2, ES64F4	112	64	176
	BOMBARDIER TRANSPORTATION	TRAXX AC / MS	32	0	32
Diesel Locomotive	ELECTRO MOTIVE	Class-66	18	0	18
	SIEMENS	ER20	15	0	15
	vossloh	G1000, G1206 etc.	37	0	37
Total			214	64	278



Siemens, ES64U2



Siemens, ES64F4



Bombardier, E185



EMD, Class-66



Siemens, ER20



Vossloh, MaK1206

Macroeconomic situation

Positive trends...

- **Q3 / German GDP: +0,8 % vs. Q2** , 2nd increase after 4 quarters decrease, China grows by 9% in Q3, US grows by 3.5% in Q3.
- Revenue of **manufacturing industry in Germany** July vs. June + 2%, August vs. July + 1,7%.
- **Order intakes** for **German manufacturing industry** increased constantly last four month, **+8% in August vs. July.**
- **Japanese economy** is growing steadily in second half of 2009.
- **Procurement Manager Index in Germany** still climbing.
- **Intermediate goods sector** (i.e. **steel** and **chemicals** = increased rail transport demand) facing growth again.
- **Baltic Dry Index** rises again from low value in November 2008.
- **Commodity Research Bureau (CRB) Index** (summarizes prices for important commodities) rises again from low value in November 2008.

But...

- **Number of Insolvencies** is rising fast
- **Unemployment rate** is rising worldwide
- Overall **level of industry** activities in Europe is still low

A valid assumption how the market is developing is still not possible. For sure the trend is positive but the mentioned constraints can negatively effect this trend.

Microeconomic situation

Actual situation

- Market drops by 25% (worst drop since 60 years)
- MRCE utilization drops by more than 10%
- New deliveries add more than 30% capacity to fleet

**Logical result:
Idle capacity**

Initiatives started to overcome difficult market situation

- Sales training with external consultant conducted
- New marketing plan released and live / adjustment to reflect current market situation
- Short term leases with good contribution to margin focused
- “New market” Italy (domestic) under development / good progress
- New KPI system in implementation phase (focus on sales and service)
- Procurement function established
- Re-negotiations with major suppliers ongoing