

**unaudited Financial report
for the six-month period ending
30 June 2009
Deutsche Bahn Finance B.V.
Amsterdam**

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Interim report of the directors

Interim report of the directors

We have pleasure in presenting the interim Report of Deutsche Bahn Finance B.V. (hereafter the Company) for the six-month period ended 30 June 2009.

Activities and group structure

The Company was incorporated in Amsterdam on 16 September 1994. The Company is a wholly owned subsidiary of Deutsche Bahn AG, Germany. The Company is incorporated in the Netherlands with its statutory seat in Amsterdam and acts as a finance company for the Deutsche Bahn Group. Funding of these activities is done mainly through the issue of bearer bonds on different stock exchanges in Europe. As per 30 June 2009, the total book value of the bonds outstanding was in thousands of EUR 10,234,197 (31 December 2008: in thousands of EUR 9,291,394).

The annual accounts are prepared in thousands of EUR.

Result for the period

The profit for the period until 30 June 2009 after taxation amounts to thousands of EUR 2,956 (same period 2008: thousands of EUR 3,465).

Risk management

Risk management of the company is based on the policy that almost all interest and currency risks are hedged via back to back on lending within the group. The credit risks are covered by a guarantee issued by Deutsche Bahn AG.

We refer to the notes of the financial statements.

Events after balance sheet date

There were no post balance sheet events to be mentioned in this Report.

Future developments

The Company will continue its operations as a group finance company for the foreseeable future.

Responsibility Statement

“To the best of our knowledge, and in accordance with the applicable reporting principles for the financial reporting, the financial statements for the period ending 30 June 2009 give a true and fair view of the assets, liabilities, financial position and profit and loss of the company; the management report specifies the most important events of the reporting period and their effects on the financial statements; necessary estimates have been made with due care.”

Amsterdam, 31 July 2009

The Directors,

W. Reuter

Deutsche International Trust Company N.V.

Interim Financial report for the six-month period ending 30 June 2009

Balance sheet as at 30 June 2009

(before proposed appropriation of result)

		30 June 2009		31 December 2008		30 June 2008	
	Notes	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Assets							
Fixed assets							
Financial fixed assets:							
- loans receivable from group companies	2.1.	7,868,196		7,925,837		9,024,523	
- inter-company Deutsche Bahn AG		41,118		39,034		35,173	
			7,909,314		7,964,871		9,059,696
Current assets							
Interest receivable on inter-company loans		270,944		250,231		261,495	
Inter-company loans receivable	2.1.	2,365,512		1,365,149		301,329	
Prepaid Corporate taxes		1,379		11		1,036	
Cash and bank balances		21		16		13	
			2,637,856		1,615,407		563,873
			10,547,170		9,580,278		9,623,569

		30 June 2009		31 December 2008		30 June 2008	
Notes		EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Liabilities							
Shareholders' equity							
Share capital	2.2.	100		100		100	
Retained earnings	2.3.	42,780		35,883		35,883	
Profit for the period		2,956		6,897		3,465	
			45,836		42,880		39,448
Long-term debt							
Long-term debt	2.4.	7,868,379		7,925,970		9,024,813	
			7,868,379		7,925,970		9,024,813
Current liabilities							
Interest payable on bonds		260,973		240,538		251,947	
Short-term bonds	2.5.	2,365,818		1,365,424		301,374	
Inter-company payable							
Deutsche Bahn AG		5,652		4,947		5,446	
Expired bonds and coupons							
Not yet collected		482		489		511	
Accrued expenses		30		30		30	
			2,632,955		1,611,428		559,308
			10,547,170		9,580,278		9,623,569

Profit and loss account for the period

		ending 30 June 2009	ending 30 June 2008
		EUR'000	EUR'000
Financial income			
Interest on inter-company loans		242,402	247,263
Release of discount on loans receivable		5,913	6,174
Other interest		248	719
		<hr/>	<hr/>
		248,563	254,156
Financial expense			
Interest expense		233,363	238,105
Amortisation/discount on bonds issued		5,984	6,172
Exchange difference		1	28
		<hr/>	<hr/>
		239,348	244,305
Net financial income		9,215	9,851
Other expenses			
Guarantee fee	3.2	4,958	5,028
Bond-issue costs		131	125
General and administrative expenses		173	55
		<hr/>	<hr/>
		5,262	5,208
Net result before taxation		3,953	4,643
Taxation on result from ordinary operations	3.3	997	1,178
		<hr/>	<hr/>
Net result after taxation		2,956	3,465

Notes to the balance sheet and profit and loss account

1 Accounting principles

1.1 Activities and group structure

The Company was incorporated in Amsterdam on 16 September 1994. The Company is a wholly owned subsidiary of Deutsche Bahn AG, Germany. The Company is incorporated in the Netherlands with its statutory seat in Amsterdam and acts as a finance company for the Deutsche Bahn Group. Funding of these activities is done mainly through the issue of bearer bonds on different stock exchanges in Europe. As per 30 June 2009, the total book value of the bonds outstanding was in thousands of EUR 10,234,197 (31 December 2008: in thousands of EUR 9,291,394).

The Company is party to a EUR 2,000,000,000 multi-currency commercial paper programme, arranged by Deutsche Bahn AG in October 1994, re-denominated into EUR (previously DEM) in January 1999 and increased from EUR 1,000,000,000 to EUR 2,000,000,000 in December 2003, under which the Company can issue notes, together with Deutsche Bahn AG.

The Company is party to a EUR 10,000,000,000 debt issuance programme, arranged by Deutsche Bahn AG in May 2001. The programme was increased from EUR 5,000,000,000 to EUR 10,000,000,000 in August 2003. This instrument enables the Company to issue all kinds of bonds in different currencies and with different maturity dates.

The proceeds were used to finance Deutsche Bahn AG in Berlin or other companies of Deutsche Bahn Group.

Currently the programme is being updated. This update will be finalised in the next few weeks.

1.2 General

The annual accounts are prepared in accordance with Titel 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The annual accounts are prepared in thousands of EUR. Assets and liabilities are valued at face value, unless otherwise indicated. The principles of valuation and determination of result remained unchanged compared to the prior year.

1.3 Foreign exchange

Balance sheet items relating to assets and liabilities denominated in currencies other than EUR are translated at the rate of exchange prevailing on balance sheet date. The resulting exchange rate differences are credited or charged to the profit and loss account.

The Company manages its exchange exposure by means of back to back funding of the initiated loans in the respective currencies. Therefore, the Company has no currency exposure on the nominal loan amounts in foreign currencies. Exchange results arise from settlement and translation and are charged or credited to the profit and loss account.

The company's functional currency is EURO.

1.4 Related parties

All companies belonging to the Deutsche Bahn Group are considered to be related parties. The parent company and intermediate parents of the Company are also considered to be related parties.

1.5 Financial fixed assets

Financial fixed assets relate to the inter-company loans receivables and the inter-company account with Deutsche Bahn AG. The inter-company loans receivables are stated at nominal value minus the value of the discount at year-end. Impairment of financial fixed assets as at balance sheet date if any, is taken into account in the valuation of these assets.

1.6 Impairment

At each balance sheet date, the company tests whether there are any indications of receivables being subject to impairment. If any such indications are present, the recoverable amount of the receivable is determined. A receivable is subject to impairment if its carrying amount exceeds its recoverable amount. An impairment loss is directly recognised as an expense in the income statement. As at June 30, 2009 no impairment loss is recognised.

1.7 Cash at banks

Cash represents cash in hand and bank balances.

1.8 Financial income

Financial income represents the interest income on inter-company loans recognised, the release of discounts on these loans as well as other interest income.

1.9 Financial expense

Financial expense represents the interest expenses on outstanding bonds, the amortisation of discounts/premiums on these bonds as well as other interest expenses.

1.10 Discount/premium on bond and loan issues

Discounts/premiums arising on the issue of inter-company loans and the issue of bonds are respectively released, amortised on a straight-line basis over the term of the loans/bonds.

1.11 Guarantee fee

Guarantee fee represents the costs relating to the guarantee issued by Deutsche Bahn AG in relation to the redemption of the bonds and the payment of interest thereon. The guarantee fee amounts to 0.1% of the issued bonds per annum. The outstanding balance at year-end relating to the guarantee fee is part of the inter-company payable with Deutsche Bahn AG.

1.12 Bond issue costs

Bond issue costs relate to the marketing costs of new bonds issued. These costs include road shows, conferences, hotel and travelling expenses. These costs are recognised on the historical cost convention and are expensed in the reporting year the bond was issued.

1.13 General and administrative expenses

General and administrative expenses relate to professional fees and other office expenses.

1.14 Taxation

The provision for income tax is based on taxable income, which is defined under a specific Advanced Pricing Agreement for the Company applicable up to and including the period until 30 June 2009.

1.15 Cash flow statement

The Company does not draw up a cash flow statement, because its capital is entirely contributed directly or indirectly by Deutsche Bahn Group which prepares an equivalent cash flow statement included in its semi annual accounts. The semi annual accounts of Deutsche Bahn Group are available at the address of the Company, being Herengracht 450, 1017 CA Amsterdam, The Netherlands.

1.16 Risk management

General

The company has limited exposure to currency risk, interest rate risk and credit risk. These risks are actively managed via natural hedging. Risks are closely managed as following:

- *Currency risk*

The Company manages its exchange exposure by means of back to back funding of the initiated loans in the respective currencies. Therefore, the Company has no currency exposure on the nominal loan amounts in foreign currencies.

- *Interest rate risk*

The Company obtains a set margin on the back to back funding. Its margin is therefore fixed and interest rate risk is minimised.

- *Credit risk*

The Company has limited credit risks in connection with providing to loans of companies belonging to the Deutsche Bahn Group. A guarantee has been issued by Deutsche Bahn AG which limits the credit risk for the company.

2 Notes to the balance sheet

2.1 Financial fixed assets

	Loans receivable from group companies	Inter- company Deutsche Bahn AG	Total
	EUR'000	EUR'000	EUR'000
1 January 2009			
Inter-company account opening			
Balance	-	39,034	39,034
Loans granted	7,966,580	-	7,966,580
Loan discounts	-40,743	-	-40,743
Book value	7,925,837	39,034	7,964,871
Movements 2009			
Amortisation of discounts/premiums	4,404	-	4,404
New loan granted	993,280	-	993,280
Foreign exchange revaluation	-56,472	-	-56,472
Reclassification Loans	-998,853	-	-998,853
Increase inter-company loan	-	2,084	2,084
30 June 2009	7,868,196	41,118	7,909,314
30 June 2009			
Loans granted	7,909,992		
Loan discounts	-41,796		
Book value	7,868,196		

Loans to group companies included in financial assets are stated at the fair value of the amount owed, which normally consists of its face value net of any provisions considered necessary. Deferred premiums and discounts on loans to group companies are amortized over the term of the loans.

The interest rate charged on loans to group companies vary between 1.305% and 6.15%, depending on the respective currency, maturity and market conditions.

Inter-company loans receivable

30 June 2009

Loans granted	2,366,700
Loan discounts	-1,188

Book value

2,365,512

The remaining lifetime of these loans is less than 1 year and therefore considered as short-term.

The total market value of outstanding loans is EUR 10.518 bn.

2.2 Shareholder's equity

Share capital

The authorised share capital of Deutsche Bahn Finance B.V. is composed of 1,000 shares, with a nominal value of EUR 500 per share. The authorised share capital amounts to EUR 500,000.

Called-up and paid-in share capital

	<u>30 June 2009</u>	<u>31 Dec 2008</u>
	EUR'000	EUR'000
200 shares of EUR 500 each	100	100
	<u> </u>	<u> </u>

2.3 Retained earnings

	<u>30 June 2009</u>	<u>31 Dec 2008</u>
	EUR'000	EUR'000
Balance at January 1	35,883	28,978
Result for the previous period	6,897	6,905
	<u>42,780</u>	<u>35,883</u>

2.4 Long-term debt

The total amount of Bonds outstanding can be specified as follows:

	30 June 2009	31 Dec 2008
	EUR'000	EUR'000
Bonds Issued	7,909,994	7,966,578
Remaining discount on Bonds	-41,615	-40,608
Book value	<u>7,868,379</u>	<u>7,925,970</u>

Re-payment schedule for long-term debt

			30 June 2009		31 December 2008	
	Term 1 – 5 years	Term > 5 years	Average Coupon	Total	Average coupon	Total
	EUR	EUR		EUR		EUR
Bonds						
Bonds issued in EUR	1,250,000	4,900,000	4.73%	6,150,000	4.92%	6,150,000
Bonds issued in CHF	245,659	-	2.31%	245,659	2.31%	252,525
Bonds issued in HKD	45,645	-	5.49%	45,645	5.49%	46,356
Bonds issued in JPY	73,800	369,000	1.61%	442,800	1.61%	475,800
Bonds issued in USD	1,025,890	-	5.10%	1,025,890	5.10%	1,041,897
Discount on bonds	-8,722	-32,893		-41,615		-40,608
	<u>2,632,272</u>	<u>5,236,107</u>		<u>7868,379</u>		<u>7,925,970</u>

2.5 Short-term debt

The short-term bonds consist of the following

	30 June 2009	31 Dec 2008
	EUR'000	EUR'000
Bonds	2,367,000	1,367,000
Discount	1,182	1,576
	<u>2,365,818</u>	<u>1,365,424</u>

Summary of short-term bonds, which will become due before 30 June 2010

Face value in EUR'000	Currency	Amount in thousands	Interest per annum	Issue date	Maturity date	Ratio	Stock Exchange Listing
1,000,000	EUR	1,000,000	4.875%	06.07.1999	06.07.2009	98.932%	Frankfurt/Berlin/ Paris/Milan
350,000	EUR	350,000	4.875%	19.11.1999	06.07.2009	94.575%	Frankfurt/Berlin Paris/Milan
17,000	EUR	17,000	3.25%	28.10.2004	28.10.2009	98.980%	Frankfurt
1,000,000	EUR	1,000,000	6.0%	15.06.2000	15.06.2010	98.814%	Frankfurt/Berlin/Paris/Milan
Total		<u>2,367,000</u>					

The total market value of outstanding bonds is EUR 10.504 bn.

3 Notes to the profit and loss account

3.1 Employee information

The company has two directors and no employees. The directors received no emoluments in the current and previous year.

3.2 Guarantee fee

	Period until: 30 June 2009 EUR'000	30 June 2008 EUR'000
Guarantee fee	<u>4,958</u>	<u>5,028</u>
Total	4,958	5,028

3.3 Taxation on result

	Period until: 30 June 2009 EUR'000	30 June 2008 EUR'000
Taxable amount	3,953	4,643
Tax expense based on nominal tax rate (25.5%)	997	1,178

Amsterdam, 31 July 2009

The Directors,

W. Reuter

Deutsche International Trust Company N.V.

Other information

Profit appropriation according to the Articles of Association

In accordance with Article 20 of the Articles of Association, the result after taxation is at the disposal of the Shareholder at the Annual General Meeting.

Post Balance Sheet Events

No significant events occurred after the balance sheet date.