

PRESS RELEASE – English Translation

On track for two years: Hamburg-Köln-Express Good capacity utilization / Increase in market reach

(Cologne, July 23, 2014) On July 23rd Hamburg-Köln-Express (HKX) celebrates its second anniversary of operation. For exactly two years the private rail company has been operating between Cologne and Hamburg. "That is longer than many observers expected," says Carsten Carstensen, HKX CEO. "We're proud of this success."

Since the launch of this service on July 23, 2012, some 800,000 passengers have travelled on HKX trains. "Since March of this year, we adapted our supply more closely to demand and have been using longer trains on the weekends so our capacity utilization per train has continued to rise," says Carstensen. "For 2015 we're planning further improvements in our timetable."

From an operational point of view, Carstensen is satisfied with the first two years of the service. "In the past two years our trains have covered a distance of almost 940,000 miles, or in other words, we have used more than 3,000 trains. Less than 1% of these trains have had to be cancelled. Our carrier *Veolia Verkehr* has rendered an excellent service." With a 90% punctuality rate, our train service has also been satisfying.

For the first two years of service our expectations concerning sales have not yet been fully met – not least because market conditions have changed. At the start of our service, long-distance buses did not yet operate on this route – nor were there so many flights from Hamburg to Cologne. "HKX reacts to this, for example, by extending its market by a direct link between the Rhineland and the island of Sylt in cooperation with NOB Railway," says Carstensen. "Moreover, we are currently working on integrating HKX into the fare structure applying to regional services throughout Germany."

"In its first two years HKX has been able to expand the market for train journeys and to establish itself in this market. This has just earned us a nomination for this year's European Rail Award in the category Customer Service Excellence," Carstensen continues. "In the future we'll have to react to people's increasingly changing attitude towards mobility, because for more and more people the decision as to their means of transport depends on the respective occasion and prices."

"On the one hand as a network business, railways must cooperate in order to offer their customers a good service all the way from origin to destination, but on the other hand they must also compete," says Henry Posner III, Chairman of Railroad Development Corporation (RDC), whose subsidiary RDC Deutschland GmbH is in turn the main shareholder of Hamburg-Köln-Express GmbH. "Only a combination of cooperation and competition can make the railway industry commercially successful. HKX strives to be a good example of both competition and cooperation."

HKX's second birthday will be accompanied by various activities on Facebook and on HKX trains.

- At www.facebook.com/HKX.de all supporters of HKX are invited to congratulate HKX on its birthday by posting snapshots and funny photographs. Simply open the HKX-Facebook page and the birthday-tab and then upload your photo.
- On July 23, 2014 there will be a surprise on board our trains. On this day all our passengers can look forward to a small surprise.
- Moreover all our passengers and the public along our route are asked to be on the lookout. If they are lucky, they may be able to grab an HKX birthday card distributed on our trains and around stations.

"With these activities we would like to thank all those who have been loyal to HKX in the past two years," says CEO Carsten Carstensen. "They all have contributed to HKX's continuing success."

Facts about HXX:

HKX trains operate between Cologne and Hamburg with stops at the main stations of Düsseldorf, Duisburg, Essen, Gelsenkirchen, Münster and Osnabrück, at Hamburg- Harburg, Hamburg main station and Hamburg-Altona. The journey takes a little more than four hours.

HKX-tickets can be purchased at a price beginning at 18 euro for the complete distance. They are available on the internet at www.HKX.de, at the shops of Kölner Verkehrsbetriebe (KVB), of Rheinbahn, of Stadtwerke Bonn, of metronom and transregio as well as NordWestBahn. They can also be purchased at a growing number of travel agents along the route and by telephone at the HKX Service Centre /tel., 0180-6459459 between 6 am and 10 pm at a cost of .20 euro/call from the German landline, and no more than 0.60 euro/call from German mobile lines). Finally they can also be bought on board our trains from our service staff.

In cooperation with NOB Railway and during the summer season HKX also offers direct links between Cologne and Westerland/Sylt.

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