

Deutsche Bahn International and Qatari Diar Real Estate Investment Company Signed EUR 17 Billion Contract

NUMOV / The German Near and Middle East Association congratulates its Chairman, Martin Bay, also Chairman of the Board of Managing Directors, Deutsche Bahn International, on closing a major business deal with the State of Qatar.

The signing of the contract for the establishment of the Qatar Railways Development Company (QRDC), a joint venture between Qatari Diar Real Estate Investment Company and Deutsche Bahn AG, has been the result of several years of negotiations. Prior to the signing of the agreement, H.H. the Emir Sheikh Hamad Bin Khalifa Al-Thani received H.E. Dr. Peter Ramsauer, German Federal Minister of Transport, Building and Urban Development. The high-level delegation accompanying the minister also included the German Ambassador to Qatar, H.E. Dr. Dirk Baumgartner. The signing ceremony, led by H.E. Sheikh Hamad Bin Jassim Bin Jabr Al-Thani, Prime Minister and Minister of Foreign Affairs of Qatar, and H.E. Dr. Peter Ramsauer, took place at the Amiri Diwan in the Qatari capital Doha and was attended by high-ranking ministerial officials from Qatar and Germany. The joint venture agreement was signed by Ghanim Bin Saad Al-Saad, Managing Director and CEO of Qatari Diar Real Estate Investment Company, Dr. Rüdiger Grube, CEO and Chairman of the Management Board of Deutsche Bahn AG and by Martin Bay, Chairman of the Board of Managing Directors of Deutsche Bahn International.

DB International, an affiliate of Deutsche Bahn AG and an international provider of design, construction and operation services, will have a 49 percent stake in QRDC, while Qatari Diar will hold a stake of 51 percent. During the first four years, two of the four positions of Managing Directors, including the post of Chief Executive Officer, will be filled with German executives. In addition, DB International will dispatch around 50 experts to work in Qatar.

Under the agreement a metro network in Doha, freight transport capacities including a national rail network, and a rail connection for passenger trains to neighbouring Bahrain and Saudi Arabia will be designed and constructed. The projects will have an estimated total value of EUR 17 billion of which approximately EUR 14 billion will be attributed to developing the infrastructure. The project's planning costs will amount to EUR 700 million. HOCHTIEF, a German construction company, has expressed an interest in contracts relating to the development of the infrastructure, while Siemens is considered as a potential supplier of trains with an amount of up to EUR 2 billion. Once construction works have been accomplished, DB International will also have access to the operation business.

The metro system scheduled for the Qatari capital will comprise four lines stretching over a length of 300 kilometres and serving 98 stations. At the same time a connection to Bahrain, neighbouring on Qatar, will be built specially designed for a high-speed train which will travel at a maximum speed of 350 kilometres per hour. On the 100-kilometres track connecting Qatar with Saudi Arabia, trains will travel at a maximum speed of 200 kilometres per hour. With regard to freight transport, a rail network of 325 kilometres will be constructed which will eventually also be available for passenger services. The completion of the entire project is anticipated for 2026.

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