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For Immediate Release

22 April 2010

DEUTSCHE BAHN AG

RECOMMENDED CASH OFFER FOR ARRIVA PLC

to be implemented by way of a Scheme of Arrangement
under Part 26 of the Companies Act 2006

SUMMARY

- * The boards of directors of Deutsche Bahn and Arriva are pleased to announce that they have reached agreement on the terms of a recommended cash offer for the entire issued and to be issued share capital of Arriva, to be made by a wholly-owned subsidiary of Deutsche Bahn. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006.
- * Under the terms of the Acquisition, Arriva Shareholders will receive 775 pence in cash for each Arriva Share they hold, valuing the entire issued and to be issued share capital of Arriva at approximately GBP1.585 billion.
- * In addition, Arriva Shareholders on the register at close of business on 9 April 2010 will be entitled to retain the proposed final dividend of 18.8 pence per Arriva Share in respect of the financial year ended 31 December 2009 which, subject to it being approved by Arriva Shareholders at the Arriva Annual General Meeting on 6 May 2010, will be paid on 10 May 2010.
- * The offer price of 775 pence per Arriva Share represents:
 - a premium of approximately 34 per cent. to the Closing Price of 579.5 pence per Arriva Share on 16 March 2010, being the last trading day prior to Arriva's announcement that it had received an unsolicited approach from a third party; and
 - a multiple of approximately 13.2 times Arriva's 2009 adjusted earnings per Arriva Share of 58.8 pence.

- * Deutsche Bahn believes that there is strong strategic logic for a combination of Arriva and Deutsche Bahn. The combined group will be a truly international transport and logistics business, being one of the leading passenger transport groups in Europe, with the necessary scale, knowledge and experience to ensure effective competitiveness in increasingly liberalised transport markets.

- * The Directors of Arriva, who have been so advised by Rothschild and Deutsche Bank, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Directors of Arriva, Rothschild and Deutsche Bank have taken into account the commercial assessments of the Directors of Arriva. Accordingly, the Directors of Arriva intend unanimously to recommend that Arriva Shareholders vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting, as they have irrevocably undertaken to do in respect of their entire beneficial holdings of Arriva Shares (amounting to, in aggregate, 770,476 Arriva Shares, representing approximately 0.39 per cent. of the existing issued share capital of Arriva).

Commenting on the Acquisition, Dr Rüdiger Grube, Chief Executive Officer of Deutsche Bahn said:

“Arriva’s activities will strengthen Deutsche Bahn’s strategic positioning in Europe, principally through Arriva’s successful targeting of Europe’s increasingly liberalised and fast growing transport markets which are of strategic interest to Deutsche Bahn. Arriva will give Deutsche Bahn the platform to expand in Europe and enhance its position as one of Europe’s leading passenger transport groups.”

Commenting on the Acquisition, Sir Richard Broadbent, Chairman of Arriva, said:

“The management team and employees have succeeded in building Arriva into a leading independent European passenger transport business with a presence in 12 countries. Deutsche Bahn also recognises the opportunity there is in Europe and wants to build on our existing presence and skills to further develop these markets. This offer fully reflects the value of the business we have built and gives shareholders the opportunity to realise that value today.”

This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix I. Appendix II contains the sources and bases of certain information contained in this summary and the following announcement. Appendix III contains details of the irrevocable undertakings received by Deutsche Bahn. Appendix IV contains the definitions of certain terms used in this summary and the following announcement.

In accordance with Rule 19.11 of the City Code, a copy of this announcement will be published, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on the following websites: www.deutschebahn.com and www.arriva.co.uk.

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FURTHER INFORMATION

This announcement is not intended to, and does not, constitute or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise. The Scheme Document will contain the full terms and conditions of the Scheme (including details of how to vote in respect of the Scheme). Any vote in respect of the Scheme should be made only on the basis of the information contained in the Scheme Document. Arriva Shareholders are advised to read the Scheme Document carefully, once it has been dispatched.

Please be aware that addresses, electronic addresses and certain other information provided by Arriva Shareholders, persons with information rights and other relevant

persons for the receipt of communications from Arriva may be provided to Deutsche Bahn during the offer period as required under Section 4 of Appendix 4 of the City Code.

Lazard, which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser to Deutsche Bahn and no one else in connection with the contents of this announcement and the Acquisition and will not be responsible to any person other than Deutsche Bahn for providing the protections afforded to clients of Lazard nor for providing advice in relation to the Acquisition or any matters referred to in this announcement.

Rothschild, which is authorised and regulated in the UK by the Financial Services Authority, is acting exclusively for Arriva and no one else in connection with the Acquisition and will not be responsible to anyone other than Arriva for providing the protections afforded to clients of Rothschild nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Services Authority. Details about the extent of Deutsche Bank AG's authorisation and regulation by the Financial Services Authority are available on request. Deutsche Bank is acting for Arriva and no one else in connection with the Acquisition and will not be responsible to anyone other than Arriva for providing the protections afforded to clients of Deutsche Bank nor for providing advice in connection with the Acquisition or any other matters referred to in this announcement.

RBS Hoare Govett, which is authorised and regulated by the Financial Services Authority in the UK, is acting for Arriva and no one else in connection with the Acquisition and will not be responsible to anyone other than Arriva for providing the protections afforded to clients of RBS Hoare Govett nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

OVERSEAS JURISDICTIONS

The distribution of this announcement in jurisdictions other than the UK and the availability of the Acquisition to Arriva Shareholders who are not resident in the UK may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the UK or Arriva Shareholders who are not resident in the UK will need to inform themselves about, and observe, any applicable requirements. Except as required by applicable law, copies of this announcement are not being, and may not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction.

In particular, the Acquisition is not, unless decided otherwise by Deutsche Bahn, being made in or into, and is not capable of acceptance in or from, any Restricted Jurisdiction. Persons receiving this announcement (including, without limitation, custodians, nominees or trustees) should observe these restrictions and should not send or distribute documents in or into any Restricted Jurisdiction.

This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK.

US Holders should note that the Acquisition relates to the shares of a UK company, is subject to UK disclosure requirements (which are different from those of the United States) and is proposed to be made by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the United States tender offer rules. Financial information included in this announcement has been prepared, unless specifically stated otherwise, in accordance with accounting standards applicable in the UK and thus may not be comparable to the financial information of United States companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Deutsche Bahn exercises its right to implement the Acquisition by way of an offer, the Offer will be made in compliance with applicable United States laws and regulations.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the cancellation of its Arriva Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Arriva Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US Holders to enforce their rights and claims arising out of United States federal securities laws, since Deutsche Bahn and Arriva are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Holders may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. Further, it may be difficult to compel a non-United States company and its affiliates to subject themselves to a United States court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Deutsche Bahn or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Arriva Shares outside of the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-news/prices-news/home.htm>.

FORWARD-LOOKING STATEMENTS

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Deutsche Bahn and Arriva contain statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections of the management of Deutsche Bahn and Arriva about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Deutsche Bahn and Arriva, the expected timing and scope of the Acquisition, and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Deutsche Bahn and Arriva believe that the expectations reflected in such forward-looking statements are reasonable, Deutsche Bahn and Arriva can give no assurance that such expectations will prove to be correct.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in light of such factors.

Neither Deutsche Bahn nor Arriva, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements.

Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority), neither Deutsche Bahn nor Arriva is under any obligation and Deutsche Bahn and Arriva expressly disclaim any intention or obligation to update or

revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position

- * a premium of approximately 34 per cent. to the Closing Price of 579.5 pence per Arriva Share on 16 March 2010, being the last trading day prior to Arriva's announcement that it had received an unsolicited approach from a third party; and
- * a multiple of approximately 13.2 times Arriva's 2009 adjusted earnings per Arriva Share of 58.8 pence.

3. IRREVOCABLE UNDERTAKINGS

Deutsche Bahn has received irrevocable undertakings from all of the Directors of Arriva in respect of their entire beneficial holdings of Arriva Shares (amounting to, in aggregate, 770,476 Arriva Shares, representing approximately 0.39 per cent. of the existing issued share capital of Arriva):

- * to vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting; and
- * if the Acquisition is subsequently structured as an Offer, to accept any Offer made by Deutsche Bahn.

The irrevocable undertakings shall each lapse, inter alia, if:

- * Deutsche Bahn announces that it does not intend to proceed with the Scheme or make the Offer (as applicable) and no new, revised or replacement Scheme or Offer is announced in accordance with Rule 2.5 of the City Code at the same time; or
- * the Scheme or Offer lapses or is withdrawn and no new, revised or replacement Scheme or Offer has been announced, in accordance with Rule 2.5 of the City Code, in its place or is announced, in accordance with Rule 2.5 of the City Code, at the same time.

Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

4. BACKGROUND ON DEUTSCHE BAHN

Deutsche Bahn was founded in 1994. Today, it is one of the world's leading passenger and logistics companies and operates in more than 130 countries. During the 2009 financial year Deutsche Bahn posted revenues of about EUR29.3 billion, and an EBIT of EUR1.7 billion after adjustments for special items. The company's core business is the railway in Germany with more than five million customers every day in the passenger transport segment, and about a million tonnes of freight shipped each day via rail. More than two million customers use Deutsche Bahn buses every day in Germany. In Germany, Deutsche Bahn operates a 34,000km rail network.

5. BACKGROUND ON ARRIVA

Arriva is a European public transport services provider, operating through three divisions: UK Bus, UK Rail and Mainland Europe.

Arriva's UK Bus division is the second largest bus operator in the UK, with a strong, well invested business and a consistent track record of delivery through the cycle.

Arriva also has a strong position in UK rail with the CrossCountry and Arriva Trains Wales franchises, and is well positioned for current and upcoming franchise opportunities.

Outside the UK, Arriva has created a leading independent European passenger transport business with operations in eleven mainland European countries. The European public transport market is in the early stages of extensive liberalisation. Arriva's significant investment in the development of its European businesses over the last decade provides Arriva with an excellent platform to benefit from this trend.

For the year ended 31 December 2009, the Arriva Group reported revenues of approximately GBP3.1 billion, with a profit on ordinary activities before taxation of approximately GBP121.7 million.

6. BACKGROUND TO AND REASONS FOR THE ACQUISITION

Deutsche Bahn believes that there is strong strategic logic for a combination of Arriva and Deutsche Bahn. The combined group will be a truly international transport and logistics business, being one of the leading passenger transport groups in Europe, with the necessary scale, knowledge and experience to be an effective competitor in increasingly liberalised transport markets.

The liberalisation and deregulation of European passenger transport markets has created significant growth potential for Deutsche Bahn. The expected opening of currently closed markets will further enhance this opportunity. The increasingly dense population in conurbations and heightened environmental awareness will drive the demand for public transport even further. As a result, Deutsche Bahn regards passenger transport in Europe as its most important area of future growth.

Deutsche Bahn has therefore started to focus on international opportunities in order to maintain and develop its business and to sustain its competitiveness over the medium to long term. Deutsche Bahn has already established a presence in the UK, Denmark, Sweden, Poland and Czech Republic, although its international operations remain small.

Deutsche Bahn and Arriva have largely complementary businesses and skill-sets. Deutsche Bahn is an integrated transport and logistics group, with a very well established and regarded reputation, that offers bus, regional and national rail and high-speed rail transportation. Arriva has a broad geographic scope in Europe, combined with the experience of operating in liberalised and competitive markets. The combination of Deutsche Bahn and Arriva will provide Deutsche Bahn with the ideal platform to grow and develop both groups' services throughout Europe.

Deutsche Bahn intends to build on Arriva's international platform. Deutsche Bahn views Arriva's senior management team as a key strength of the business and intends to offer them significant responsibilities within the international business of the enlarged group. As part of the enlarged group, it is intended that Arriva's current management team will lead the enlarged group's regional and urban transportation business outside Germany and will maintain Arriva's headquarters in Sunderland. Whilst these plans represent Deutsche Bahn's current intentions, as agreed with Arriva's current management team, Deutsche Bahn reserves its future rights to reorganise the enlarged group as its strategy evolves.

7. BACKGROUND TO AND REASONS FOR RECOMMENDING THE ACQUISITION

Since the acquisition of British Bus in 1996, Arriva has set itself the strategic goal of transforming itself into a leading independent European transport business, focused on European bus and rail. Arriva has established operations in the UK and eleven mainland European countries and is a leading private sector operator in many of these markets. Arriva is also the second largest bus operator in the UK, and operates two UK rail franchises (CrossCountry and Arriva Trains Wales).

The Directors of Arriva believe that Arriva is well positioned to continue its expansion strategy based on the liberalisation of the European transport industry while building on its strong position in the UK. However, the Directors of Arriva also believe that Deutsche Bahn's proposed offer is at a level which fully recognises the current and future benefits of this strategy. Taking into account the proposed final dividend of 18.8 pence per Arriva Share, Deutsche Bahn's offer represents a premium of approximately 37 per cent. to the Closing Price of 579.5 pence per Arriva Share on 16 March 2010 (being the last trading day prior to Arriva's announcement that it had received an unsolicited approach from a third party) and a premium of approximately 56 per cent. to the average Closing Price of 508.2 pence per Arriva Share over the three months to 16 March 2010.

The Directors of Arriva also welcome Deutsche Bahn's statement of the basis on which it intends to build on Arriva's international platform and to maintain Arriva's headquarters in Sunderland.

8. RECOMMENDATION

The Directors of Arriva, who have been so advised by Rothschild and Deutsche Bank, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Directors of Arriva, Rothschild and Deutsche Bank have taken into account the commercial assessments of the Directors of Arriva. Accordingly, the Directors of Arriva intend unanimously to recommend that Arriva Shareholders vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting, as they have irrevocably undertaken to do in respect of their entire beneficial holdings of Arriva Shares (amounting to, in aggregate, 770,476 Arriva Shares, representing approximately 0.39 per cent. of the existing issued share capital of Arriva).

9. FINANCING OF THE ACQUISITION

The cash consideration payable by Deutsche Bahn under the terms of the Acquisition will be funded by Deutsche Bahn's existing cash resources.

As required by the City Code, Lazard, as financial adviser to Deutsche Bahn, confirms that it is satisfied that sufficient resources are available to Deutsche Bahn to satisfy in full the cash consideration payable under the terms of the Acquisition.

10. ARRIVA INCENTIVE SCHEMES

The Acquisition will extend to any Arriva Shares which are unconditionally allotted or issued before the date on which the Scheme becomes effective or the Offer becomes or is declared wholly unconditional (as applicable) as a result of the exercise or vesting of options or awards granted under the Arriva Incentive Schemes.

Appropriate proposals will be made to holders of options or awards under the Arriva Incentive Schemes.

11. DIRECTORS, MANAGEMENT AND EMPLOYEES

Arriva Management

Deutsche Bahn views Arriva's senior management team as a key strength of the business and intends to offer them significant responsibilities within the international business of the enlarged group. Deutsche Bahn intends to build on Arriva's international platform. Discussions between Deutsche Bahn and Arriva's senior management team about the team members' specific roles in the enlarged group, and the terms of their employment, have yet to take place. It is envisaged that such discussions will take place after the Acquisition has completed.

Arriva Employees

Deutsche Bahn recognises the contribution made to Arriva's expansion and success by Arriva's employees and believes that a combination of Deutsche Bahn and Arriva will provide attractive opportunities for Arriva employees. In addition, the existing rights of the employees of Arriva will be fully safeguarded.

12. INFORMATION ON COMPETITION APPROVALS

The Acquisition falls within the scope of, and is conditional upon receipt of approval by the European Commission under, the EU Merger Regulation. Deutsche Bahn has already had preliminary discussions with the European Commission. In view of the largely complementary nature of the activities of Deutsche Bahn and Arriva, Deutsche Bahn is confident that the Competition Conditions will be satisfied in a timely manner, in particular in view of the fact that Deutsche Bahn has committed to Arriva that it will offer to divest the entirety of Arriva's rail passenger and freight transportation business in Germany.

13. DISCLOSURE OF INTEREST ARRIVA

As at close of business on 20 April 2010, being the latest practicable date prior to the publication of this announcement, save as disclosed below, neither Deutsche Bahn (nor any of its directors) nor any other member of the Deutsche Bahn Group, nor, so far as Deutsche Bahn is aware and save as described below, any person deemed or presumed by the Panel to be acting in concert with Deutsche Bahn, owns or controls, or has borrowed or lent, any Arriva Shares or any securities convertible or exchangeable into Arriva Shares (including pursuant to any long exposure, whether conditional or absolute, to changes in the prices of securities) or any rights to subscribe for or purchase the same, or holds any options (including traded options) in respect of, or has any option to acquire, any Arriva Shares or has entered into any derivatives referenced to, Arriva Shares (“**Relevant Arriva Securities**”) which remain outstanding, nor does any such person hold any short positions in relation to Relevant Arriva Securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor does any such person have any arrangement in relation to Relevant Arriva Securities. An “arrangement” also includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Arriva Securities which may be an inducement to deal or refrain from dealing in such securities.

As at close of business on 20 April 2010, being the latest practicable date prior to this announcement:

Party	Nature of interest in Arriva Shares	Number of Arriva Shares
J.P. Morgan Securities Ltd	Long	49,863

14. STRUCTURE OF THE ACQUISITION

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Arriva and the Arriva Shareholders, under Part 26 of the Companies Act 2006. This procedure involves, inter alia, an application by Arriva to the Court to sanction the Scheme and confirm the cancellation of the Arriva Shares subject to the Scheme, in consideration for which Arriva Shareholders on the register at the Scheme Record Time will receive cash on the basis described in paragraph 2 above. The purpose of the Scheme is to provide for a wholly-owned subsidiary of Deutsche Bahn to become the owner of the entire issued and to be issued share capital of Arriva. The cancellation and the subsequent issue of new shares in Arriva to a wholly-owned subsidiary of Deutsche Bahn provided for in the Scheme will result in Arriva becoming a wholly-owned subsidiary of Deutsche Bahn.

The implementation of the Scheme will be subject to the Conditions and certain further terms referred to in Appendix I to this announcement, and to be set out in the Scheme Document. To become effective, the Scheme will require, amongst other things, the following events to occur on or before 22 December 2010 or such later

date as Deutsche Bahn and Arriva agree (with the consent of the Panel and (if required) the approval of the Court):

- * the Scheme being approved by a majority in number representing three-quarters or more in value of the Arriva Shareholders present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment thereof);
- * the special resolution in connection with and required to implement the Scheme (including appropriate amendments to the articles of association of Arriva) being duly passed by Arriva Shareholders representing not less than 75 per cent. of the votes cast at the General Meeting (or at any adjournment thereof); and
- * the Court sanctioning the Scheme and confirming the Capital Reduction (in each case, with or without modification, on terms agreed by Deutsche Bahn and Arriva) and office copies of the Scheme Court Order and the Statement of Capital being delivered to the Registrar of Companies and registered by him.

Upon the Scheme becoming effective:

- * it will be binding on all Arriva Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and
- * share certificates in respect of the Arriva Shares will cease to be valid and entitlements to Arriva Shares held within the CREST system will be cancelled.

If the Scheme does not become effective on or before 22 December 2010, it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

The Scheme Document containing details of the Scheme and notices of the Court Meeting and the General Meeting, together with the forms of proxy, will be posted to Arriva Shareholders, and, for information only, to persons with information rights and to participants in the Arriva Incentive Schemes, within 28 days of the date of this announcement, unless otherwise agreed with the Panel. It is expected that the Court Meeting and the General Meeting to approve the Acquisition will be held in June 2010. Subject to the approval of Arriva Shareholders and the satisfaction or waiver of the other Conditions, it is expected that the Scheme will become effective in August 2010.

15. IMPLEMENTATION AGREEMENT

Deutsche Bahn, DB UK Holding Limited, a wholly-owned subsidiary of Deutsche Bahn, and Arriva have entered into the Implementation Agreement which provides, inter alia, for the implementation of the Scheme and related matters in accordance with an agreed indicative timetable. It contains certain assurances and confirmations between the parties, including provisions to implement the Scheme and to achieve

satisfaction of the Conditions on a timely basis and undertakings regarding the conduct of the Arriva Group prior to the Effective Date.

The Implementation Agreement terminates in certain circumstances, including:

- * if the Scheme lapses or terminates, unless Deutsche Bahn has elected prior to such time or elects within five Business Days following such time, to implement the Acquisition by way of an Offer;
- * upon service of a written notice by Deutsche Bahn on Arriva if the recommendation of the Directors of Arriva is withdrawn, qualified or adversely modified at any time prior to the Court Meeting and the Panel agrees that Deutsche Bahn may lapse or withdrawn from the Acquisition;
- * if the Acquisition has not become effective by 22 December 2010 or such later date as Deutsche Bahn and Arriva may agree; or
- * by notice from either Deutsche Bahn or Arriva in certain other defined circumstances.

The Implementation Agreement includes a break fee of approximately GBP15.7 million (equal to one per cent. of Arriva's market capitalisation, based on the value of the Acquisition), which would be payable if, prior to the Acquisition lapsing or being withdrawn, a Competing Proposal is announced and:

- * that Competing Proposal or any other Competing Proposal subsequently becomes effective, becomes or is declared unconditional in all respects or is otherwise completed; or
- * the Directors of Arriva withdraw, qualify or adversely modify their recommendation of the Acquisition, or fail to recommend the Acquisition and the Acquisition subsequently lapses or is withdrawn as a result of:
 - the Scheme not being approved by the Arriva Shareholders at the Court Meeting or the Shareholders' Meeting, in each case by the Longstop Date; or
 - in the event the Acquisition proceeds by way of a Takeover Offer, the acceptance condition not being satisfied,

provided that Deutsche Bahn is not at any time prior to the date on which the Acquisition lapses or is withdrawn in material breach of its obligations under the Implementation Agreement.

Arriva has also agreed that it (together with Arriva Connected Persons) will not solicit, initiate or (save where necessary to ensure compliance with the fiduciary duties of the Directors of Arriva or to ensure compliance with the City Code) enter into or participate in any discussions or negotiations or otherwise seek to procure a Competing Proposal or a Major Transaction. In addition, Arriva shall notify Deutsche Bahn if it or any Arriva Connected Person receives any approach in relation to a

possible Competing Proposal or possible Major Transaction or any request for information under Rule 20.2 of the City Code. Subject to the fiduciary duties of the Directors of Arriva, Arriva must also promptly provide the price and other key terms of any possible Competing Proposal or Major Transaction to Deutsche Bahn.

16. SUSPENSION, DE-LISTING AND RE-REGISTRATION

It is intended that dealings in Arriva Shares will be suspended at 5:00pm on the Business Day immediately prior to the Effective Date. It is further intended that an application will be made by Arriva to the UK Listing Authority for the listing of Arriva Shares to be cancelled and to the London Stock Exchange for Arriva Shares to cease to be admitted to trading on the London Stock Exchange's main market for listed securities, with effect as of or shortly following the Effective Date.

On the Effective Date, Arriva will become a wholly-owned subsidiary of Deutsche Bahn and share certificates in respect of Arriva Shares will cease to be valid and should be destroyed. In addition, on the Effective Date, entitlements to Arriva Shares held within the CREST system will be cancelled.

As soon as possible after the Effective Date, it is intended that Arriva will be re-registered as a private limited company.

17. OVERSEAS SHAREHOLDERS

The availability of the Acquisition or the distribution of this announcement to persons who are not resident in the UK may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in the UK should inform themselves of, and observe, any applicable requirements.

This announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Arriva Shareholders are advised to read carefully the Scheme Document and related forms of proxy once these have been dispatched.

18. GENERAL

The Scheme will be governed by English law and will be subject to the jurisdiction of the English courts. The Scheme will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange and the Financial Services Authority.

Appendix I to this announcement contains the Conditions to, and certain further terms of, the Acquisition.

Appendix II contains the sources and bases of certain information contained in this announcement.

Appendix III contains details of the irrevocable undertakings received by Deutsche Bahn.

The definitions of certain terms used in this announcement are set out in Appendix IV.

In accordance with Rule 19.11 of the City Code, a copy of this announcement will be published, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on the following websites: www.deutschebahn.com and www.arriva.co.uk.

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FURTHER INFORMATION

This announcement is not intended to, and does not, constitute or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise. The Scheme Document will contain the full terms and conditions of the Scheme

(including details of how to vote in respect of the Scheme). Any vote in respect of the Scheme should be made only on the basis of the information contained in the Scheme Document. Arriva Shareholders are advised to read the Scheme Document carefully, once it has been dispatched.

Please be aware that addresses, electronic addresses and certain other information provided by Arriva Shareholders, persons with information rights and other relevant persons for the receipt of communications from Arriva may be provided to Deutsche Bahn during the offer period as required under Section 4 of Appendix 4 of the City Code.

Lazard, which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser to Deutsche Bahn and no one else in connection with the contents of this announcement and the Acquisition and will not be responsible to any person other than Deutsche Bahn for providing the protections afforded to clients of Lazard nor for providing advice in relation to the Acquisition or any matters referred to in this announcement.

Rothschild, which is authorised and regulated in the UK by the Financial Services Authority, is acting exclusively for Arriva and no one else in connection with the Acquisition and will not be responsible to anyone other than Arriva for providing the protections afforded to clients of Rothschild nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Services Authority. Details about the extent of Deutsche Bank AG's authorisation and regulation by the Financial Services Authority are available on request. Deutsche Bank is acting for Arriva and no one else in connection with the Acquisition and will not be responsible to anyone other than Arriva for providing the protections afforded to clients of Deutsche Bank nor for providing advice in connection with the Acquisition or any other matters referred to in this announcement.

RBS Hoare Govett, which is authorised and regulated by the Financial Services Authority in the UK, is acting for Arriva and no one else in connection with the Acquisition and will not be responsible to anyone other than Arriva for providing the protections afforded to clients of RBS Hoare Govett nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

OVERSEAS JURISDICTIONS

The distribution of this announcement in jurisdictions other than the UK and the availability of the Acquisition to Arriva Shareholders who are not resident in the UK may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the UK or Arriva Shareholders who are not resident in the UK will need to inform themselves about, and observe, any applicable requirements. Except as required by applicable law, copies of this announcement are not being, and may not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction.

In particular, the Acquisition is not, unless decided otherwise by Deutsche Bahn, being made in or into, and is not capable of acceptance in or from, any Restricted Jurisdiction. Persons receiving this announcement (including, without limitation, custodians, nominees or trustees) should observe these restrictions and should not send or distribute documents in or into any Restricted Jurisdiction.

This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK.

US Holders should note that the Acquisition relates to the shares of a UK company, is subject to UK disclosure requirements (which are different from those of the United States) and is proposed to be made by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the United States tender offer rules. Financial information included in this announcement has been prepared, unless specifically stated otherwise, in accordance with accounting standards applicable in the UK and thus may not be comparable to the financial information of United States companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Deutsche Bahn exercises its right to implement the Acquisition by way of an offer, the Offer will be made in compliance with applicable United States laws and regulations.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the cancellation of its Arriva Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Arriva Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US Holders to enforce their rights and claims arising out of United States federal securities laws, since Deutsche Bahn and Arriva are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Holders may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. Further, it may be difficult to compel a non-United States company and its affiliates to subject themselves to a United States court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Deutsche Bahn or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Arriva Shares outside of the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at

prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-news/prices-news/home.htm>.

FORWARD-LOOKING STATEMENTS

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Deutsche Bahn and Arriva contain statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections of the management of Deutsche Bahn and Arriva about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Deutsche Bahn and Arriva, the expected timing and scope of the Acquisition, and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Deutsche Bahn and Arriva believe that the expectations reflected in such forward-looking statements are reasonable, Deutsche Bahn and Arriva can give no assurance that such expectations will prove to be correct.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in light of such factors.

Neither Deutsche Bahn nor Arriva, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in

this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements.

Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority), neither Deutsche Bahn nor Arriva is under any obligation and Deutsche Bahn and Arriva expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

APPENDIX I

CONDITIONS AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

A. CONDITIONS OF THE ACQUISITION

1. The Acquisition will, if it is implemented by way of the Scheme, be conditional upon the Scheme becoming unconditional and becoming effective, subject to the City Code, by not later than 22 December 2010 or such later date (if any) as Deutsche Bahn and Arriva may, with the consent of the Panel, agree and (if required) the Court may approve.
2. The Scheme will be conditional upon:
 - a) the approval of the Scheme by a majority in number representing three-quarters or more in value of the Arriva Shareholders present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment thereof);
 - b) the special resolution in connection with and required to implement the Scheme, set out in the notice of the General Meeting, being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof); and
 - c) the sanction of the Scheme and the confirmation of the Capital Reduction by the Court (in each case with or without modification, on terms agreed by Deutsche Bahn and Arriva) and office copies of the Scheme Court Order and the Statement of Capital attached thereto being delivered to the Registrar of Companies and registered by him.
3. In addition, Arriva and Deutsche Bahn have agreed that, subject as stated in Part B below, application to the Court to sanction the Scheme will be conditional upon the following matters and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended, if appropriate) have been satisfied or waived:

- a) the European Commission having adopted a decision, on terms and in a form reasonably satisfactory to Deutsche Bahn, under Article 6(1)(b) of Council Regulation (EC) 139/2004 (the "Regulation") that declares the transaction contemplated by or in connection with the Acquisition or any part thereof or any matter arising therefrom or relating thereto (the "Transaction") (or that part or parts of the Transaction that is or are not referred to a competent authority of a Member State pursuant to a decision adopted under Article 9(3) of the Regulation, if any, following a request by such Member State under Article 9(2) of the Regulation) to be compatible with the common market, or the European Commission being deemed to have done so under Article 10(6) of the Regulation;
- b) to the extent that it has jurisdiction to review the Transaction (or any part of it) under the provisions of the Enterprise Act 2002 (as amended) the Office of Fair Trading not having referred the Transaction (or any part of it) to the Competition Commission;
- c) to the extent that it has jurisdiction to review the Transaction (or any part of it) under the Act Against Restraints on Competition of 1958 (Gesetz gegen Wettbewerbsbeschränkungen) (as amended) (the "GWB"), the German Federal Cartel Office (Bundeskartellamt) (the "FCO") having either: (i) adopted a Derogation, whether or not subject to any additional resolutive conditions (auflösende Bedingungen) and/or requirements (Auflagen); or (ii) within a period of four (4) months after having received a complete notification regarding the Transaction (or those parts of which it has jurisdiction to review) either (a) having notified Deutsche Bahn, on terms and in a form reasonably satisfactory to Deutsche Bahn, that the Transaction (or the parts of it reviewed by it) does not meet the requirements for a prohibition according to section 36 of the GWB or (b) having failed to notify Deutsche Bahn of a decision prohibiting or approving the Acquisition (or the parts of it reviewed by it) in accordance with section 40 para (2) sentence 2 of the GWB; or (iii) not having notified Deutsche Bahn in accordance with section 40 para (1) sentence 1 of the GWB (so-called 'Monatsbrief');

- d) other than in respect of (i) Conditions 3(a) to 3(c) (inclusive), (ii) the constitution or internal policies of Deutsche Bahn or any person who controls (as defined under the Code) Deutsche Bahn and (iii) Merger Control Laws in any such jurisdiction where a Derogation has been granted by a relevant Competition Authority (in each case in connection with the Acquisition) all notifications and filings which are necessary having been made, all necessary waiting periods (including any extensions of such waiting periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in each case (A) necessary for the Scheme or the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Arriva by any member of the Wider Deutsche Bahn Group or the carrying on by any member of the Wider Arriva Group of its business and (B) where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting period or to comply with any such obligation would be of material significance in the context of the Acquisition;
- e) other than in respect of (i) Conditions 3(a) to 3(c) (inclusive), (ii) the constitution or internal policies of Deutsche Bahn or any person who controls (as defined under the Code) Deutsche Bahn and (iii) Merger Control Laws in any such jurisdiction where a Derogation has been granted by a relevant Competition Authority (in each case in connection with the Acquisition), all Authorisations in any jurisdiction which are necessary for, or in respect of or required for the implementation of, the Scheme or the Acquisition, or any acquisition of or any proposed acquisition of any shares in, or control or management of, Arriva by Deutsche Bahn or any member of the Wider Deutsche Bahn Group having been obtained in terms and in a form satisfactory to Deutsche Bahn acting reasonably from all appropriate Third Parties or from any relevant persons or bodies with whom any member of the Wider Arriva Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise unconditional and there being no notice of any intention to revoke, suspend, restrict, modify or not renew the same in connection with the Scheme or Acquisition in each case where the direct consequence of a failure to obtain any such Authorisation or for it to remain in full force and effect at such time or for any such notice to be given would be of material significance in the context of the Acquisition;

- f) all Authorisations necessary to carry on the business of any member of the Wider Arriva Group remaining in full force and effect at the time at which the Acquisition becomes otherwise unconditional and there being no notice of any intention to revoke, suspend, restrict, modify or not to renew the same, in each case where the direct consequence of a failure for any such Authorisation to remain in full force and effect at such time or for any such notice to be given would be of material significance in the context of the Acquisition;
- g) other than in respect of (i) Conditions 3(a) to 3(c) (inclusive) and (ii) Merger Control Laws in any such jurisdiction where a Derogation has been granted by a relevant Competition Authority, no Third Party having intervened and there not continuing to be outstanding any statute, regulation, order or decision to, the effect that it would or might be expected to:
 - (i) make the Scheme or the Acquisition or, in each case, its implementation illegal, prohibited, void or unenforceable under the laws of any jurisdiction; or
 - (ii) make the proposed acquisition of any shares in, or control or management of, the Wider Arriva Group by Deutsche Bahn or any member of the Wider Deutsche Bahn Group illegal, void or unenforceable in any jurisdiction; or
 - (iii) otherwise directly or indirectly prevent, prohibit or otherwise materially restrict, restrain, delay or interfere in the implementation of or impose additional material conditions or obligations with respect to or otherwise materially impede, challenge, interfere with or require amendment to the Scheme or the Acquisition or any acquisition or proposed acquisition of Arriva Shares or the acquisition of control or management of Arriva or the Wider Arriva Group by Deutsche Bahn or any member of the Wider Deutsche Bahn Group; or
 - (iv) require, prevent or delay the divestiture or alter the terms for any proposed divestiture by any member of the Wider Deutsche Bahn Group of any Arriva shares or other securities in Arriva of all or any part of their respective businesses, assets or property, or impose any limitation on the ability of any member of the Wider Deutsche Bahn Group or the Wider Arriva Group to conduct any of their respective businesses or own or dispose of any of their respective assets or property or any part thereof which, in any case, is of material significance in the context of the Acquisition; or

- (v) limit or delay, or impose any limitation on the ability of any member of the Wider Deutsche Bahn Group or any member of the Wider Arriva Group to acquire or hold or exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities or the equivalent in any member of the Wider Arriva Group or to exercise management control over any member of the Wider Arriva Group or any member of the Wider Deutsche Bahn Group which, in any case, is of material significance in the context of the Acquisition; or
- (vi) require, prevent or delay the disposal by Arriva or any member of the Wider Deutsche Bahn Group or alter the terms of any proposed disposal by any member of the Wider Deutsche Bahn Group or by any member of the Wider Arriva Group, of all or any part of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses or own their respective assets or properties or any part thereof which in any case is of material significance in the context of the Acquisition; or
- (vii) except pursuant to sections 974 to 991 of the Companies Act 2006 require any member of the Wider Deutsche Bahn Group or of the Wider Arriva Group to offer to acquire any shares or other securities (or the equivalent) in any member of the Wider Arriva Group owned by any third party or to sell or offer to sell any shares or other securities (or their equivalent) or any interest in any of the assets owned by any member of the Wider Deutsche Bahn Group or the Wider Arriva Group; or
- (viii) impose any limitation on the ability of any member of the Wider Deutsche Bahn Group or the Wider Arriva Group to conduct or integrate or coordinate its business, or any material part of it, with the businesses or any part of the businesses of any other member of the Wider Deutsche Bahn Group or of the Wider Arriva Group; or
- (ix) result in any member of the Wider Arriva Group ceasing to be able to carry on business under any name under which it presently does so to an extent which is material to Deutsche Bahn in the context of the Acquisition or, as the case may be, to the Wider Arriva Group taken as a whole or ceasing to be able to use in its business any name, trademark or other intellectual property right which it as present uses in each case on the same basis and terms as at present apply; or

- (x) otherwise adversely affect any or all of the businesses, assets, profits, financial or trading position or prospects of any member of the Wider Deutsche Bahn Group or the Wider Arriva Group in each case to the extent that it is material in the context of the Deutsche Bahn Group or the Arriva Group taken as a whole,

and all applicable waiting and other time periods during which any Third Party could announce or notify any decision to take, institute, or implement any such action, proceedings, suit, investigation, reference or enquiry, or otherwise intervene under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated.

- h) since the Accounting Date and except as disclosed in Arriva's annual report and accounts for the year then ended, this Announcement or as publicly announced by Arriva prior to the date of this Announcement (by the delivery of the announcement to a Regulatory Information Service) or as otherwise fairly disclosed prior to the date of this Announcement to Deutsche Bahn by or on behalf of Arriva in the course of negotiations, there being no provision of any agreement, arrangement, licence, permit, franchise or other instrument to which any member of the Wider Arriva Group is a party, or by or to which any such member, or any part of its assets, may be bound, entitled or subject, or any circumstance which would or might, in each case as a consequence of the Scheme or the Acquisition or of the acquisition or proposed acquisition of all or any part of the issued share capital or other securities in, or control or management of, Arriva or any other member of the Wider Arriva Group by any member of the Wider Deutsche Bahn Group or otherwise would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Arriva Group taken as a whole:
 - (i) any assets or interests of any member of the Wider Arriva Group being or falling to be disposed of or charged in any way or ceasing to be available to any member of the Wider Arriva Group or any right arising under which any such asset or interest could be required to be disposed of or charged in any way or could cease to be available to any member of the Wider Arriva Group otherwise than in the ordinary course of business; or

- (ii) any moneys borrowed by or other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider Arriva Group being or becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or the ability of such member of the Wider Arriva Group to borrow monies or incur any borrowing or indebtedness becoming or being capable of becoming withdrawn, inhibited or prohibited; or
- (iii) any such agreement, arrangement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Deutsche Bahn Group thereunder being terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder; or
- (iv) the rights, liabilities, obligations, interests or business of any member of the Wider Arriva Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
- (v) the financial or trading position or prospects or value of any member of the Wider Arriva Group being prejudiced or adversely affected; or
- (vi) the creation of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Arriva Group or any such security (whenever created, arising or having arisen) becoming enforceable or being enforced; or
- (vii) any member of the Wider Arriva Group ceasing to be able to carry on business under any name under which or on the terms on which it currently does so or any person presently not able to carry on business under any name under which any member of the Wider Arriva Group currently does becoming able to do so; or
- (viii) the creation of actual or contingent liabilities by any member of the Wider Arriva Group.

- i) since the Accounting Date, and except as disclosed in Arriva's annual report and accounts for the year then ended, in this Announcement or as otherwise publicly announced by Arriva prior to the date of this Announcement (by the delivery of an announcement to a Regulatory Information Service) or as otherwise fairly disclosed prior to date of this Announcement to Deutsche Bahn by or on behalf of Arriva in the course of negotiations no member of the Wider Arriva Group having:
- (i) issued or agreed to issue or authorised or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury, other than (i) as between Arriva and wholly-owned subsidiaries of Arriva and (ii) any shares issued upon the exercise or vesting of options or awards granted under the Arriva Incentive Schemes; or
 - (ii) other than by a wholly owned subsidiary of Arriva, redeemed, purchased, repaid or reduced or proposed the redemption, purchase, repayment or reduction of any part of its share capital or, save in respect of matters referred to in sub-paragraph (i) above, made or proposed the making of any other change to its share capital (other than pursuant to the implementation of the Scheme or the Acquisition) to an extent which (other than in the case of Arriva) is material in the context of the Wider Arriva Group; or
 - (iii) made or authorised any change in its loan capital; or
 - (iv) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise; or
 - (v) (other than as a transaction between Arriva and a wholly-owned subsidiary of Arriva or between such wholly-owned subsidiaries) merged with or demerged from, or acquired, any body corporate, partnership or business or authorised or proposed or announced any intention to propose the same which, in any case, is material in the context of the Wider Arriva Group taken as a whole; or

- (vi) other than any acquisition or disposal in the ordinary course of business and other than any transaction described below between Arriva and a wholly-owned subsidiary of Arriva or between such wholly-owned subsidiaries, acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, any assets (including shares and trade investments) or authorised or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any mortgage, charge or other security interest which in any case is material in the context of the Wider Arriva Group taken as a whole; or
- (vii) issued or authorised or proposed the issue of, or made any changes to, any debentures or incurred or, save in the ordinary course of business, increased any borrowings, indebtedness or liability (actual or contingent) of any aggregate amount which is material in the context of the Wider Arriva Group taken as a whole; or
- (viii) entered into or varied, or authorised or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or could involve an obligation of such nature or magnitude or which is or could be restrictive to the existing business of any member of the Wider Arriva Group or which is other than in the ordinary course of business and which in any case is material in the context of the Wider Arriva Group taken as a whole; or
- (ix) other than in relation to the implementation of the Scheme or Acquisition, entered into, implemented, effected, authorised or proposed or announced its intention to enter into, implement, effect, authorise or propose any contract, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Arriva Group otherwise than in the ordinary course of business which is material in the context of the Wider Arriva Group taken as a whole; or
- (x) waived or compromised any claim which is material in the context of the Wider Arriva Group taken as a whole, or

- (xi) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract with any of the directors or senior executives of Arriva or (to the extent it is material in the context of the Wider Arriva Group taken as a whole) any of the directors or senior executives of any other member of the Wider Arriva Group; or
- (xii) other than in respect of a body corporate which was dormant and solvent at the relevant time, taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction; or
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
- (xiv) other than as required by the implementation of the Scheme or the Acquisition, made any alteration to its memorandum or articles of association, or other incorporation documents; or
- (xv) made or agreed or consented to any material change:
 - (1) to the terms of the trust deeds constituting the pension schemes established for its directors, employees or their dependants; or
 - (2) to the benefits which accrue or to the pensions which are payable thereunder; or
 - (3) to the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
 - (4) to the basis upon which the liabilities (including pensions) or such pension schemes are funded or made,

in each case, which has an effect that is material in the context of the Wider Arriva Group taken as a whole, and excluding changes which (i) have previously been announced to relevant members, (ii) would have the effect of decreasing the liability of any such pension schemes or (iii) are made in the ordinary course of business; or

- (xvi) other than as required by the implementation of the Scheme or the Acquisition, proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Arriva Group which, in each case, is material in the context of the Wider Arriva Group taken as a whole.
- j) since the Accounting Date, and except as disclosed in Arriva's annual report and accounts for the year then ended, in this Announcement or as otherwise publicly announced by Arriva prior to the date of this Announcement (by the delivery of an announcement to a Regulatory Information Service) or as otherwise fairly disclosed prior to date of this announcement to Deutsche Bahn by or on behalf of Arriva in the course of negotiations:
- (i) no litigation or arbitration proceedings, prosecution, investigation or other legal proceedings having been announced, instituted, threatened or remaining outstanding by, against or in respect of, any member of the Wider Arriva Group or to which any member of the Wider Arriva Group is or may become a party (whether as claimant, defendant or otherwise) in any case which is material in the context of the Wider Arriva Group taken as a whole; or
 - (ii) no adverse change or deterioration having occurred in the business, assets, financial or trading position or prospects, assets or profits of any member of the Wider Arriva Group in any case which is material in the context of the Wider Arriva Group taken as a whole; or
 - (iii) no enquiry or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Arriva Group having been threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of, any member of the Wider Arriva Group which in any such case is material in the context of the Wider Arriva Group taken as a whole; or

- (iv) no member of the Wider Arriva Group having conducted its business in breach of any applicable laws and regulations in any material respect which in any case is material in the context of the Wider Arriva Group taken as a whole; or
 - (v) no contingent or other liability of any member of the Wider Arriva Group having arisen or become apparent or increased which is material in the context of the Wider Arriva Group taken as a whole; or
 - (vi) no steps having been taken which are likely to result in the withdrawal (without replacement), cancellation or termination of any licence, permit, authorisation or consent held by any member of the Wider Arriva Group which is material in the context of the Wider Arriva Group taken as a whole.
- k) Deutsche Bahn not having discovered other than to the extent otherwise disclosed in Arriva's annual report and accounts for the financial year ended on the Accounting Date or this Announcement or as publicly announced by Arriva prior to the date of the Announcement (by the delivery of an announcement to a Regulatory Information Service) or as otherwise fairly disclosed prior to date of the Announcement to Deutsche Bahn by or on behalf of Arriva in the course of negotiations:
- (i) that any financial or business or other information concerning the Wider Arriva Group disclosed at any time by or on behalf of any member of the Wider Arriva Group, whether publicly, to any member of the Wider Deutsche Bahn Group or to any of their advisers or otherwise which is material in the context of the Acquisition, is to a material extent misleading or contains any material misrepresentation of fact or omits to state a material fact necessary to make any information contained therein not misleading and which was not subsequently corrected before the date of this Announcement by disclosure either publicly or otherwise to Deutsche Bahn to an extent which in any case is material in the context of the Wider Arriva Group taken as a whole;
 - (ii) that any member of the Wider Arriva Group is subject to any liability (actual or contingent) which is not disclosed in Arriva's annual report and accounts for the financial year ended 31 December 2009 and which in any case is material in the context of the Wider Arriva Group taken as a whole; or
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Arriva Group to an extent which is material in the context of the Wider Arriva Group taken as a whole.

- l) Deutsche Bahn not having discovered other than to the extent otherwise disclosed in Arriva's annual report and accounts for the financial year ended on the Accounting Date or in this Announcement or as publicly announced by Arriva prior to the date of the Announcement (by the delivery of an announcement to a Regulatory Information Service) or as otherwise fairly disclosed prior to the date of the Announcement to Deutsche Bahn by or on behalf of Arriva in the course of negotiations:
- (i) that any past or present member of the Wider Arriva Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Arriva Group which in any case is material in the context of the Wider Arriva Group taken as a whole;
 - (ii) that there is, or is reasonably likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Arriva Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Wider Arriva Group taken as a whole; or
 - (iii) that circumstances exist whereby a person or class of persons would be reasonably likely to have a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Arriva Group which in any case is material in the context of the Wider Arriva Group taken as a whole.

B. CERTAIN FURTHER TERMS OF THE ACQUISITION

Conditions 3(a) to 3(l) (inclusive) must each be fulfilled, determined by Deutsche Bahn to be or to remain satisfied or (if capable of waiver) be waived by no later than 11.59 p.m. on the date immediately preceding the date of the Scheme Hearing, failing which the Scheme will lapse.

Subject to the requirements of the Panel, Deutsche Bahn reserves the right in its sole discretion to waive all or any of Conditions 3(b) to 3(l) (inclusive), in whole or in part.

Except as is otherwise agreed between Arriva and Deutsche Bahn, Deutsche Bahn shall be under no obligation to waive (if capable of waiver) or to determine to be satisfied, or to treat as fulfilled, any of the Conditions 3(b) to 3(l) (inclusive) by a date earlier than that date specified in Condition 1 for the fulfilment thereof notwithstanding that some of the other Conditions 3(b) to 3(l) (inclusive) may at some earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

Deutsche Bahn reserves the right to elect to implement the Acquisition by way of a takeover offer (as defined in section 974 of the Companies Act 2006), subject to the Panel's consent. In such event, such Offer will be implemented on the same terms and conditions (subject to appropriate amendments, including (without limitation) an acceptance condition set at seventy five per cent. (or such percentage (being more than 50 per cent.) as Deutsche Bahn may decide (in each case, subject to the Panel's consent)) of the shares to which such Offer relates, so far as applicable, as those which would apply to the Scheme.

If the Panel requires Deutsche Bahn to make an offer or offers for any Arriva shares under the provisions of Rule 9 of the City Code, Deutsche Bahn may make such alterations to the Conditions, including Condition 1, as are necessary to comply with the provisions of that Rule.

The Acquisition will be on the terms and will be subject to, inter alia, the conditions which will be set out in the Scheme Document and related forms of proxy and such further terms as may be required to comply with the Listing Rules and the provisions of the City Code.

The Acquisition will lapse and the Scheme will not proceed (unless the Panel otherwise consents) if the European Commission either (i) initiates proceedings under Article 6(1)(c) of the Regulation or (ii) makes a referral to the Office of Fair Trading under Article 9(3) of the Regulation and there is then a reference to the Competition Commission, in each case before the date of the Court Meeting. Save to the extent cancelled pursuant to the Scheme, the Arriva Shares will be acquired by Deutsche Bahn fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or payable after the date of this announcement other than the proposed final dividend of 18.8 pence per Arriva Share in respect of the financial year ended 31 December 2009 which, subject to it being approved by Arriva Shareholders at the Arriva Annual General Meeting on 6 May 2010, will be paid on 10 May 2010 to those Arriva Shareholders on the register at close of business on 9 April 2010.

The Acquisition and the Scheme and any forms of proxy will be governed by English law and will be subject to the jurisdiction of the English courts. The City Code applies to the Acquisition.

The availability of the Acquisition to persons not resident in the UK may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the UK should inform themselves about and observe any applicable requirements.

Each of Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

APPENDIX II

SOURCES AND BASES

Unless otherwise stated, the financial information on Deutsche Bahn is extracted from Deutsche Bahn's Annual Report and Accounts for the year ended 31 December 2009 and from DB Mobility Logistics Facts and Figures 2009.

Unless otherwise stated, the financial information on Arriva is extracted from Arriva's Annual Report and Accounts for the year ended 31 December 2009.

For the purposes of the financial comparisons contained in this announcement, no account has been taken of any liability to taxation or the treatment of fractions under the Scheme or the Acquisition.

The value placed by the Acquisition on the existing issued and to be issued share capital of Arriva is based on:

- (i) 199,257,639 Arriva Shares in issue as announced by Arriva on 24 March

2010;

- (ii) 5,262,596 awards outstanding over Arriva Shares, being the sum of all outstanding awards under the Arriva Incentive Schemes; and
- (iii) the price of 775 pence per Arriva Share under the terms of the Acquisition.

The stated Acquisition multiple of approximately 13.2 times Arriva's 2009 adjusted earnings per share is based on:

- (i) the price of 775 pence per Arriva Share under the terms of the Acquisition; and
- (ii) Arriva's 2009 basic earnings per share before goodwill, impairment, intangible asset amortisation and exceptional items of 58.8 pence, sourced from Arriva's Annual Report and Accounts for the year ended 31 December 2009.

APPENDIX III

DETAILS OF IRREVOCABLE UNDERTAKINGS

The following holders of Arriva Shares have given irrevocable undertakings: (i) to vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting; and (ii) if the Acquisition is subsequently structured as an Offer, to accept any Offer made by Deutsche Bahn:

NAME	NUMBER OF SHARES	PERCENTAGE OF ISSUED SHARE CAPITAL OF ARRIVA
Sir Richard Broadbent	27,246	0.0137 per cent.
David Martin	452,974	0.2273 per cent.
Steve Lonsdale	274,831	0.1379 per cent.
Simon Batey	7,268	0.0036 per cent.
Nick Buckles	5,000	0.0025 per cent.
Angie Risley	2,097	0.0011 per cent.
Steve Williams	1,060	0.0005 per cent.

APPENDIX IV

DEFINITIONS

In this announcement, the following definitions apply unless the context requires otherwise:

Accounting Date	means 31 December 2009;
Acquisition	means the direct or indirect acquisition of the entire issued and to be issued share capital of Arriva by Deutsche Bahn (other than any Arriva Share as already held by Deutsche Bahn), to be implemented by way of (i) the Scheme or (ii) the Offer (as the case may be);
Announcement	means this announcement;
Arriva	means Arriva plc;
Arriva Connected Person	means, in relation to Arriva, each member of Arriva's Group and each of their respective directors, officers, employees, consultants, agents and advisers;
Arriva Group	means Arriva and its subsidiaries and subsidiary undertakings;
Arriva Shareholders	means holders of Arriva Shares;
Arriva Shares	means: (i) the existing unconditionally allotted or issued and fully paid ordinary shares of five pence each in the capital of Arriva; and (ii) any further ordinary shares of five pence each in the capital of Arriva which are unconditionally allotted or issued and fully paid before the date on which the Scheme becomes effective or the Offer becomes or is declared wholly unconditional (as applicable) or before such earlier date as Deutsche Bahn (subject to the City Code) may determine not being earlier than the date on which the Scheme becomes effective or the Offer becomes or is declared wholly unconditional, but excludes any shares held as treasury shares on such date as Deutsche Bahn may determine before the date on which the

Schemes becomes effective or the Offer becomes or is declared wholly unconditional (as applicable) (which may be a different date to the date referred to in (ii));

Arriva Incentive Schemes

means each of the following incentive schemes operated by the Arriva Group: (i) the 1994 Executive Share Option Scheme; (ii) the 1996 Share Incentive Scheme; (iii) the Long Term Incentive Plan 2000; (iv) the Company Share Option Plan 2006 (Parts A and B); (v) the Share Incentive Plan 2004; (vi) the Long Term Incentive Cash Plan Rules – 2008 Conditional Award; (vii) the Long Term Incentive Cash Plan Rules – 2009 Conditional Award; and (viii) the Long Term Incentive Cash Plan Rules – 2010 Conditional Award;

Authorisations

means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals;

Business Day

means a day (other than a Saturday or Sunday) on which the banks in the UK and Germany are generally open for business;

Capital Reduction

means the proposed reduction of capital associated with the Scheme under Chapter 10 of Part 17 of the Companies Act 2006;

City Code

means the City Code on Takeovers and Mergers;

Competing Proposal

means any offer, scheme of arrangement, merger or business combination, or similar transaction which is announced or entered into by a third party which is not acting in concert (as defined in the City Code) with Deutsche Bahn, including any revisions thereof, and the purpose of which is to enable that third party (or any other person) to acquire, directly or indirectly all or a significant proportion (being 30 per cent. or more when aggregated with the shares already held by the third party and anybody acting in concert (as defined in the City Code) with that third party) of the share capital of Arriva, or all or a significant proportion (being 30 per cent. or more) of its undertaking, assets or business,

or any other arrangement or transaction or series of the same which is inconsistent with the implementation of the Acquisition, or, if relevant, the exercise of Deutsche Bahn's rights to buy out any minority shareholders of Arriva under section 979 of the Companies Act;

Competition Authority

means any anti-trust or merger control regulatory body in any relevant jurisdiction, including but not limited to the European Commission, the UK Office of Fair Trading, the UK Competition Commission and the German Federal Cartel Office (Bundeskartellamt);

Competition Conditions

means the Conditions set out in paragraphs 3(a) to 3(d) and (to the extent that they relate to Merger Control Laws) 3(e) and 3(g) of Part A of Appendix I to this Announcement;

Conditions

means the conditions to the implementation of the Acquisition by way of the Scheme which are set out in Part A of Appendix I to this Announcement;

Court

means the High Court of Justice in England and Wales;

Court Meeting

means the meeting (and any adjournment thereof) of holders of Arriva Shares convened by order of the Court under Part 26 of the Companies Act to consider and vote on the Scheme;

Derogation

means a decision adopted by a Competition Authority exempting the Transaction or any part of it from any prohibition on the implementation or closing of the Acquisition, pending completion of that Competition Authority's review of the Transaction under the relevant Merger Control Laws;

Deutsche Bahn

means Deutsche Bahn AG and/or, where the context so requires, the wholly-owned subsidiary of Deutsche Bahn which will acquire the entire issued and to be issued share capital of Arriva pursuant to the Scheme or the Offer (as the case may be);

Deutsche Bahn Group	means Deutsche Bahn AG and its subsidiaries and subsidiary undertakings;
Deutsche Bank	means Deutsche Bank AG, London Branch;
Directors of Arriva	means the directors of Arriva plc;
Effective Date	means the day on which the Scheme becomes effective in accordance with its terms;
General Meeting	means the general meeting of Arriva Shareholders (including any adjournment thereof) to be convened in connection with the Scheme;
Implementation Agreement	means the agreement between Deutsche Bahn and Arriva entered into on 22 April 2010 containing certain obligations and commitments in relation to the implementation of the Acquisition;
intervened	means, in the context of a Third Party only, if that Third Party has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and "intervene" shall be construed accordingly;
Lazard	means Lazard & Co., Limited;
Longstop Date	means the date falling eight months after the date of this Announcement;
Major Transaction	means any proposal by Arriva or any other member of the Arriva Group to dispose of any significant part of its business or assets or any other transaction requiring the approval of Arriva Shareholders under the UK Listing Rules of the Financial Services Authority or under Rule 21.1 of the City Code;
Meetings	means the Court Meeting and the General Meeting;

Merger Control Laws	means any relevant merger control laws which are or may be applicable to the Acquisition, including without limitation Council Regulation 139/2004, the Enterprise Act 2002 (as amended) and the German Act Against Restraints on Competition of 1958 (Gesetz gegen Wettbewerbsbeschränkungen) (as amended);
Offer	means the offer to acquire the entire issued share capital and to be issued share capital of Arriva by Deutsche Bahn (or its wholly owned subsidiary) by means of a takeover offer made pursuant to the City Code;
Panel	means The Panel on Takeovers and Mergers;
RBS Hoare Govett	means RBS Hoare Govett Limited;
Restricted Jurisdiction	means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Arriva Shareholders in such a jurisdiction;
Rothschild	means N M Rothschild & Sons Limited;
Scheme or Scheme of Arrangement	means the scheme of arrangement under Part 26 of the Companies Act to be proposed by Arriva to the Arriva Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Arriva and Deutsche Bahn;
Scheme Court Order	means the order of the Court, to be granted at the Scheme Court Hearing, sanctioning the Scheme;
Scheme Document	means the document to be addressed to, among others, Arriva Shareholders containing, among other things, the Scheme and the notices of the Meetings;
Scheme Hearing	means the hearing of the Court to sanction the Scheme and to grant the Scheme Court Order;
Scheme Record Time	means 6:00 p.m. (London time) on the Business Day prior to the Effective Date;

Statement of Capital	means the statement of capital approved by the Court and showing with respect to Arriva's share capital, as altered by the Court Order confirming the Capital Reduction, the information required by section 649 of the Companies Act 2006;
Substantial Interest	means a direct or indirect interest of more than 20 per cent. but less than 50 per cent. of the voting equity capital of an undertaking;
Superior Proposal	means a bona fide Competing Proposal which the Directors of Arriva consider, acting reasonably and in good faith and after consultation with their legal and financial advisers is able to be announced pursuant to Rule 2.5 of the City Code promptly and is likely to be completed in accordance with its terms taking into account all financial, regulatory and other aspects of such proposal (including the ability of the proposing party to consummate the transactions contemplated by such proposal) and which at the time of announcement would be superior to the Acquisition from a financial point of view for Arriva Shareholders, and which the Directors of Arriva are therefore minded to recommend;
Third Party	means any central bank, government, government department or governmental, quasi governmental, supranational, statutory, regulatory or investigative body, authority (including any national anti trust or merger control authority), court, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction;
Transaction	means the transaction contemplated by or in connection with the Acquisition or any part thereof or any matter arising therefrom or relating thereto;
UK	means the United Kingdom of Great Britain and Northern Ireland;
United States of America or United States	means the United States of America, its territories and possessions, or any state of the United States and the District of Columbia;

US Exchange Act	means the United States Securities Exchange Act of 1934, as amended;
US Holders	means holders of Arriva Shares ordinarily resident in the United States or with a registered address in the United States, and any custodian, nominee or trustee holding Arriva Shares for persons in the United States or with a registered address in the United States;
Voting Record Time	means 6:00pm on the date which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6:00pm on the second day before the date of such adjourned meeting;
Wider Arriva Group	means Arriva and the subsidiaries and subsidiary undertakings of Arriva and associated undertakings (including any joint venture, partnership, firm or company in which any member of the Arriva Group is interested or any undertaking in which Arriva and such undertakings (aggregating their interests) have a Substantial Interest); and
Wider Deutsche Bahn Group	means Deutsche Bahn and the subsidiaries and subsidiary undertakings of Deutsche Bahn and associated undertakings (including any joint venture, partnership, firm or company in which any member of the Deutsche Bahn Group is interested or any undertaking in which Deutsche Bahn and such undertakings (aggregating their interests) have a Substantial Interest).

All times referred to are London time unless otherwise stated.

For the purposes of this announcement, "subsidiary", "subsidiary undertaking" and "undertaking" have the meanings given by the Companies Act 2006.