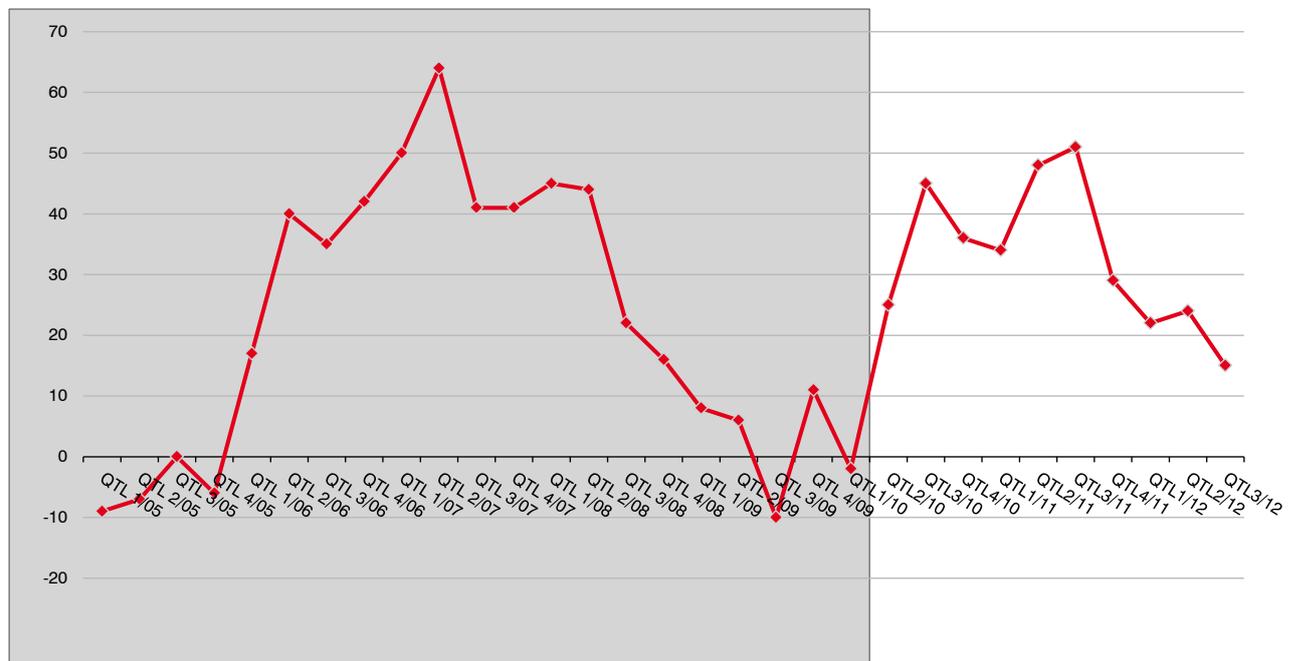


SCI GLOBAL RAIL INDEX 3/2012

Order balance declining in global railway industry – buoyant state due to economic stimulus packages is coming to an end

The mood in the railway sector is declining: The debt crisis affecting countries' public funds has obviously arrived in the railway industry as the sector strongly depends on public investment activities. The business climate for the global railway sector saw another decrease in the third quarter of 2012; the current business situation and the order balance are consolidating the trend of deterioration in the railway sector. However, the positive evaluations of the current situation are still outweighing the negative ones: 34% of those surveyed report a currently good business situation. There is, however, a clear decline compared to the previous quarter, when 46% of the companies surveyed reported a good business situation. The order balance shows a similar development, 31% reported a good order balance in the third quarter of 2012. Long-term contracts in the sector have a positive effect. The declining business climate index is due to a far larger number of companies evaluating the future business development to be negative: 19% of companies expect negative business development for themselves. A trend cannot be derived from this – the railway sector is still very robust and remains calm regarding the declining contract volumes.

SCI Rail Business Index



Source: SCI Verkehr GmbH

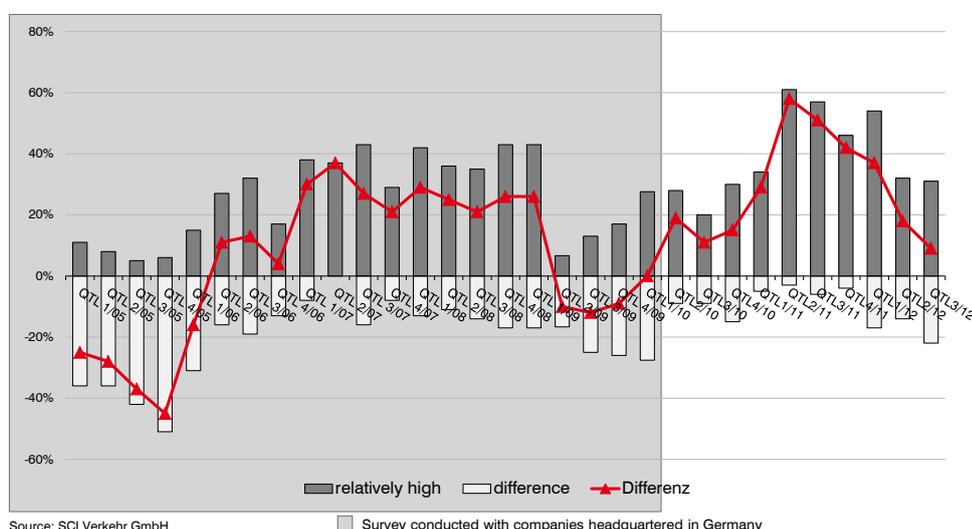
Survey conducted with companies headquartered in Germany

The assessment of the current business situation is similar to that of the previous quarter: 34%, which is 2% less than in the previous quarter, evaluate the current business situation to be positive,

while the proportion of companies which evaluates the business situation to be negative increased from 10% to 13%. The changes to the business situation in the last three months show a clearer decline: only 28% said that it is favourable (36% in the previous quarter) and 19% unfavourable (14% in the previous quarter).

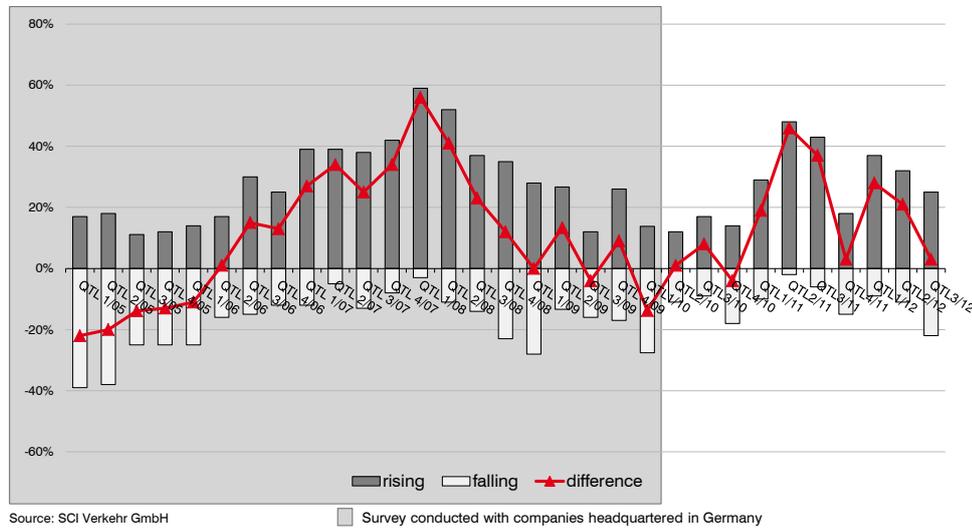
The development of demand has worsened considerably compared to the second quarter of 2012. 31% of companies are enjoying a rise in demand (36% in the previous quarter). 25% were not satisfied with the development of demand (previous quarter: 10%). This indicates a clear decline in demand compared to the previous quarter.

Current order balance



In general, the situation in the railway sector is currently good. However, the signs indicating a worsening situation in the short to medium term are intensifying as the index value of the current order balance has been worsening for more than five quarters in a row. The expected price development slightly recovered in the third quarter, after the negative development began early in the second quarter of 2011. The railway sector is now hoping to be able to maintain its prices. Long contract terms are currently still providing a relatively high order balance for more than one third of those surveyed. Due to contracts being stopped, non-implemented options and stretched delivery times, the backlog seems to be reducing faster than expected.

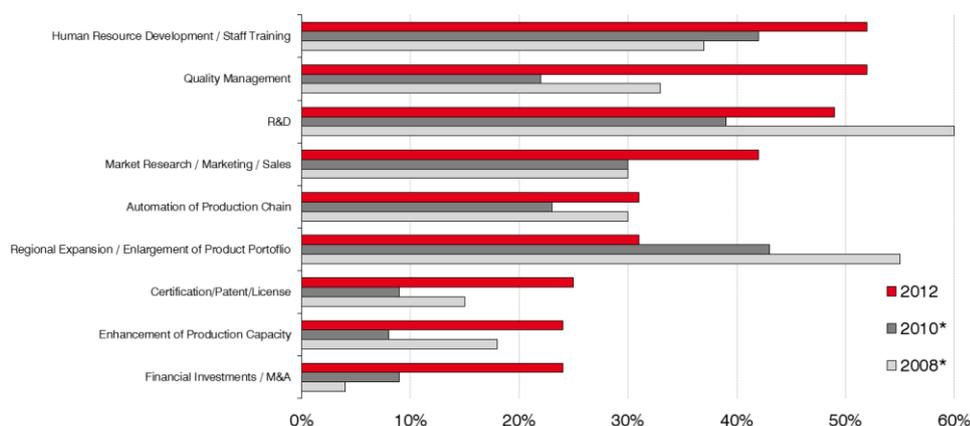
Expected number of employees over the next six months



In parallel to the decreasing order balance, the outlook of the employment situation is developing the same way. 34% of the companies surveyed have reported increasing numbers of staff over the last six months and 16% have reported staff cuts. Due to the gloomy prospects, 22% of the companies are expecting a decline in employee figures. Compared to the previous quarter, the changing mood becomes clear as only 11% of the companies surveyed were expecting the number of employees to decrease in the second quarter of 2012.

Future expectations for companies' own business have become slightly negative for the next six months. 68% of the companies surveyed expect a constant level of development in the near future. 13% are optimistic and 19% expect a negative development of the business situation.

Planned investments by company divisions – high importance – comparison of the years 2008, 2010 and 2012



Source: SCI Verkehr GmbH

*Survey conducted with companies headquartered in Germany

In a special question regarding the second quarter, rail companies were asked about their most important fields of investment. Comparing the values of 2008, 2010 and 2012, it can be seen that investments in employee training and quality management have increased considerably. In contrast, penetration of foreign markets as well as research and development dropped considerably in importance, though research and development can still be found among the top 3. It appears that global railway markets are now fairly widely distributed, meaning that the penetration of new markets is losing importance. Instead, efforts towards consolidation and sustainability are increasing: Investments in personnel development and quality management are therefore playing an important role, as the railway sector strongly depends on experienced and well-qualified employees.

Legend: The SCI Global Rail Index is based on around 100 reports from representative companies from the global rail industry. The companies are regularly asked to assess their present business situation and share their expectations for the coming six months. They can describe their situation as "good", "satisfactory" or "poor" and their business expectations for the coming six months as "better", "the same" or "worse". The balance value for the current business situation is the difference between the percentages of the responses "good" and "poor", and the balance value for the expectations is the difference between the percentages of the responses "better" and "worse". The business climate is a transformed mean value from the balances of their business situation and their expectations.