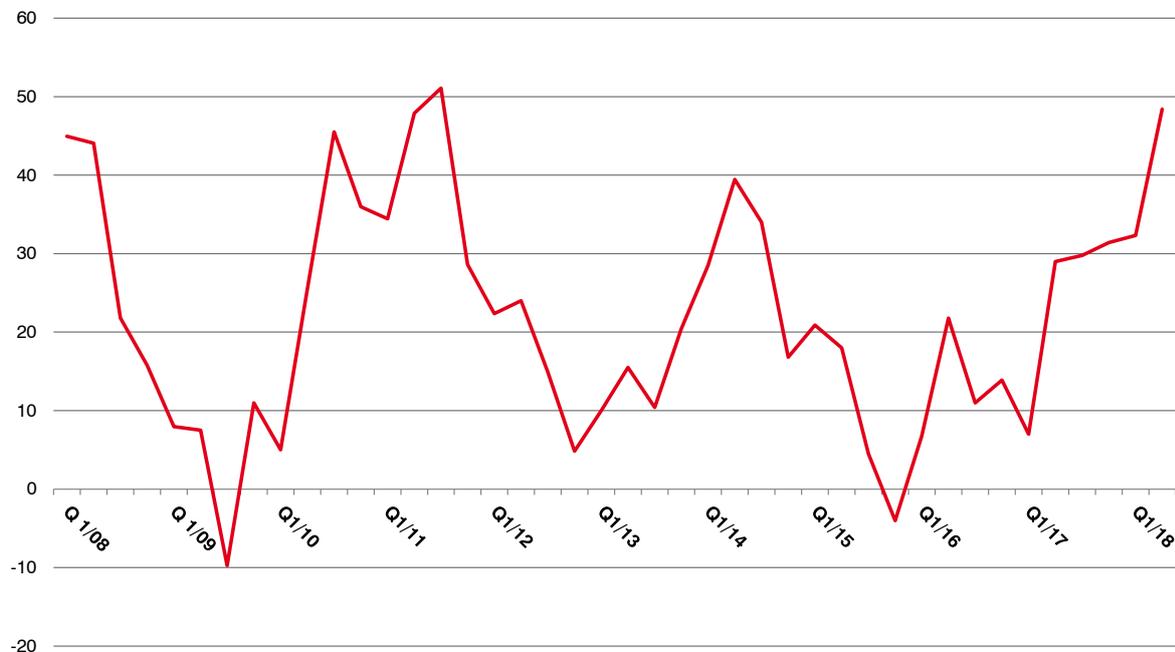


SCI GLOBAL RAILINDEX 2/2018

Business climate reaches significant peak in second quarter of 2018

The business climate among the leading companies in the global rail industry is benefiting from the good order situation, and has risen significantly once again in the second quarter of 2018 (Q2/2018) to a seven-year high. This is shown by the latest SCI RAIL BUSINESS INDEX, a regular survey of the top managers in the worldwide rail industry by consultancy company SCI Verkehr. The index, which has been steadily rising since Q1/2017 has now, after a phase of moderate growth, made a massive leap and almost reached the highest level of the last decade. Compared to the previous peak level, however, the driver responsible this time is not only the currently good business situation but above all the positive expectations of the managers surveyed in relation to the future business development. Maria Leenen, CEO of SCI Verkehr, is slightly less enthusiastic: "We are currently observing that the worldwide demand for goods – especially for transport between China and Europe – is slightly declining. Protectionist measures, increasing tariff barriers and political sanctions could certainly have a dampening effect on the business climate in the rail industry in the foreseeable future."

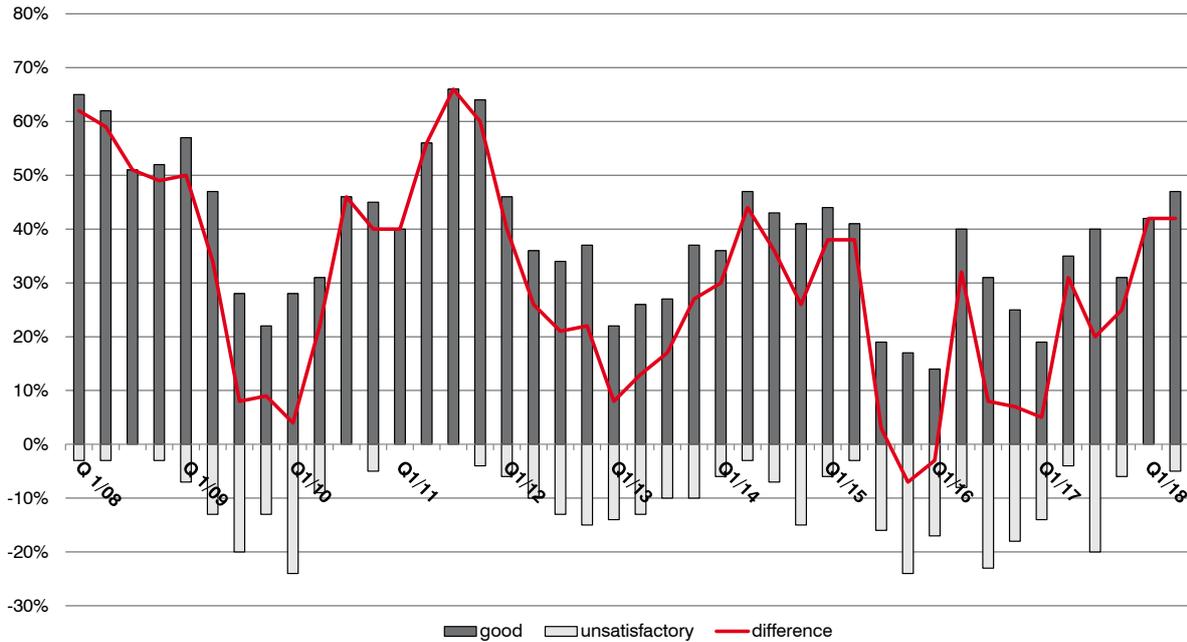
SCI Rail Business Index



Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

Development of current business situation

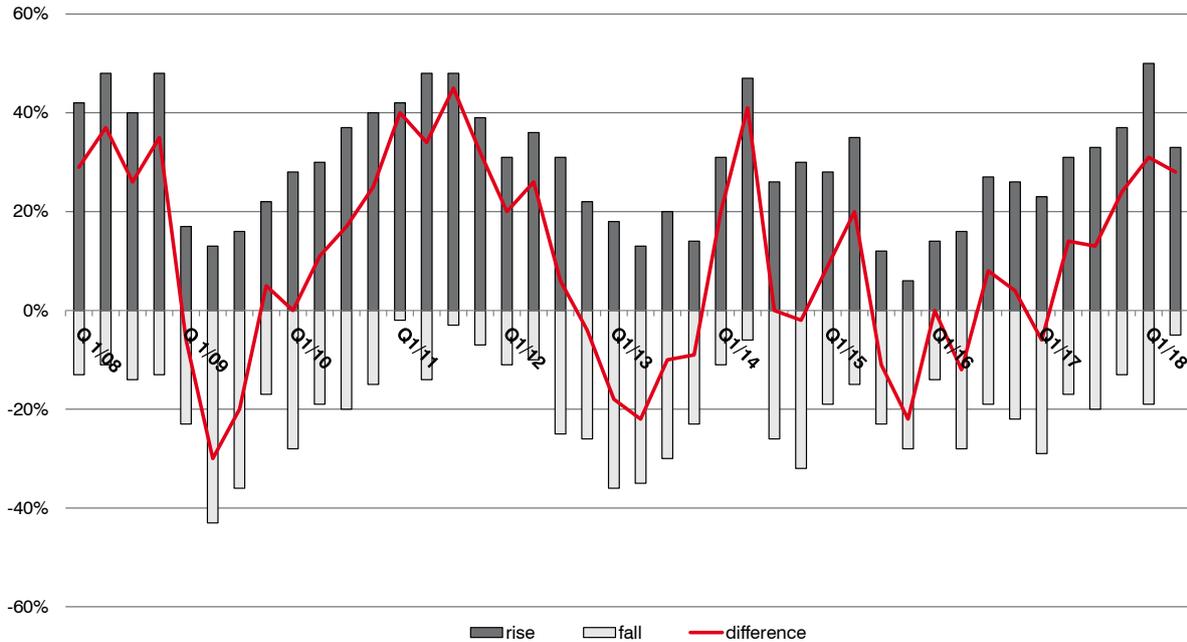


Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

Compared to the previous quarter, the evaluation of the current business situation has remained at a constant high level. The number of managers evaluating the current business situation as positive has risen by 5% compared to the previous quarter. However, there has been a similar increase in the number describing the current situation as “unsatisfactory”. Compared to the previous quarter, the current balance has therefore remained at a constant high level. The continued highly positive evaluation of the current business situation highlights the currently dominant positive mood in the industry.

Demand for products and services



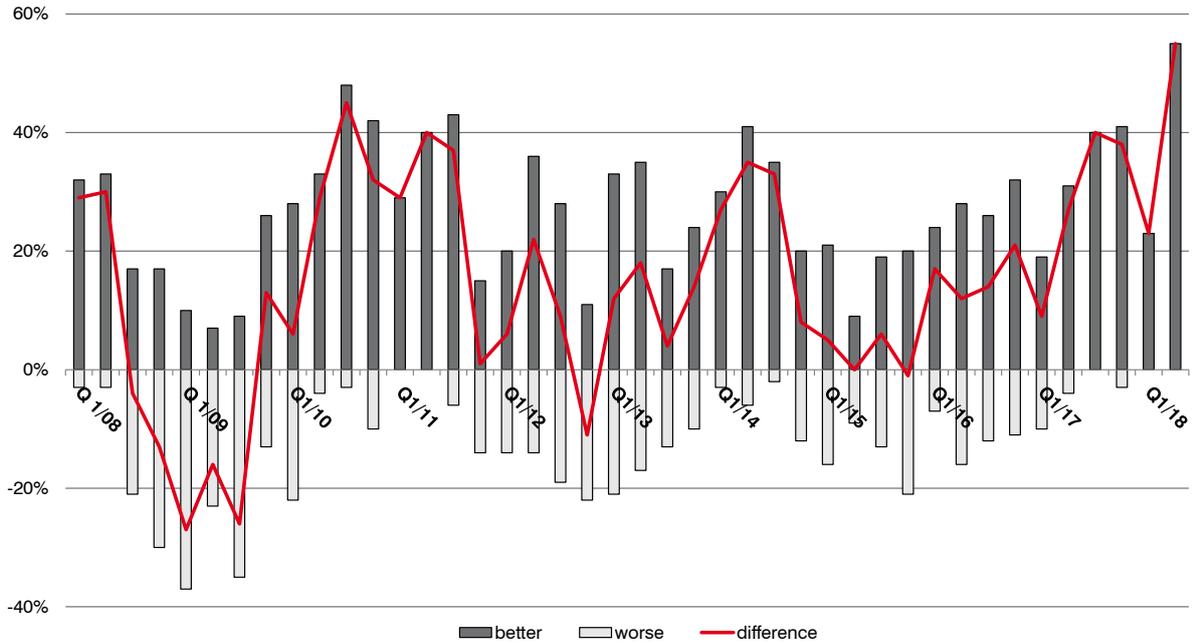
Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

An important indicator for the development of the industry is the demand for products and services. At 62%, by far the largest proportion of managers surveyed reported an unchanged demand level within the last quarter. At the same time, one third of managers reported a rise in demand in the past three months. Thus a significant proportion of 95% of participants reported either stable or growing demand for products and services. Only 5% reported falling demand, which is the lowest level in seven years.

The positive development is also reinforced by the full order books. The current order backlog is evaluated by the majority of the top managers as relatively large, thus reaching the most positive level of the last four years. The current order situation is thus almost as high as the top rating of the last decade.

Expected business development in coming 6 months

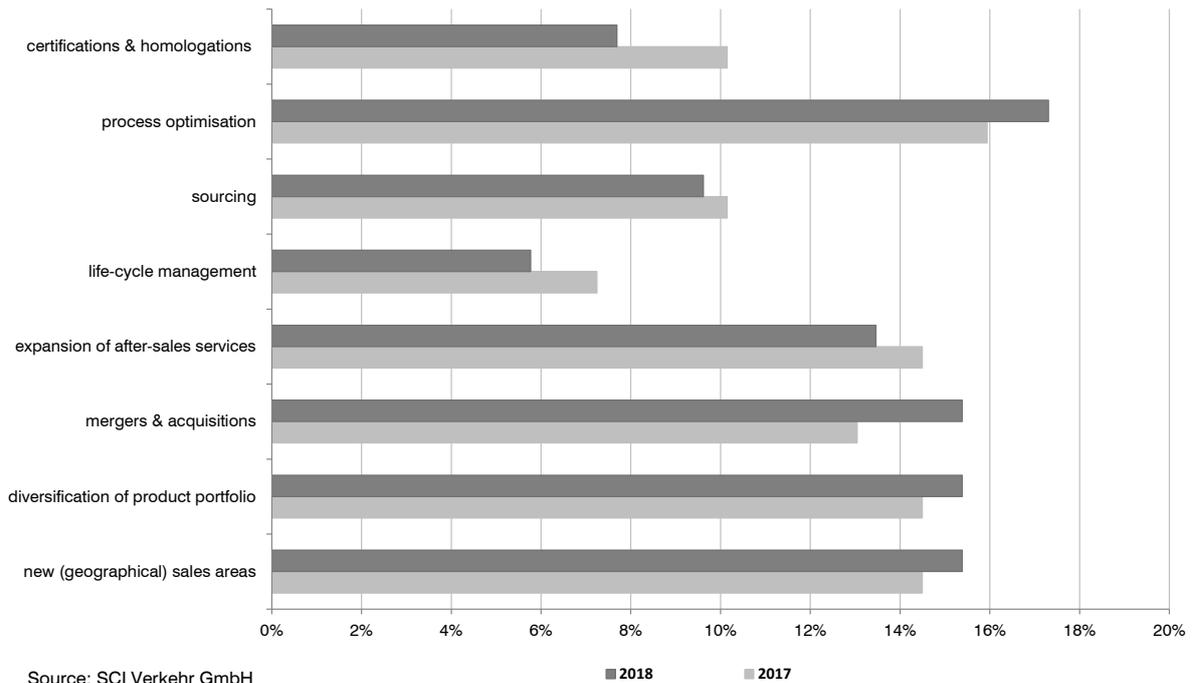


Source: SCI Verkehr GmbH

Up to Q 4/2009, only companies with headquarters in Germany surveyed.

The top managers' evaluation of the expected business development in the coming six months has jumped to the highest level in the history of this survey. Contributing to this peak level was not only the unanimous response to the survey in this quarter but also in particular the very high proportion of managers who evaluated the development in the coming six months as "better". This positive evaluation applies generally across all fields within the rail industry.

Perceiving key challenges of the railway industry 2017/18



A fixed part of the SCI GLOBAL RAILINDEX is an annual survey among companies in the rail industry on the fundamental challenges within the industry in the relevant year. Compared to last year, there were only slight shifts without significant changes. As such, process optimisation continues to be a significant goal within the industry. Behind this, issues which can be grouped under the topic of business orientation, such as M&As, diversification of the product portfolio and development of new sales areas, also count as important challenges for managers in the rail industry in 2018. A slight decrease on the issue of approval and certification procedures points to an improved situation in this area.

Key: The SCI GLOBAL RAIL INDEX is based on c. 100 responses from representative companies from the global rail industry. The companies are regularly asked to evaluate their current 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 “more favourable”, “staying the same” or “less favourable”. The balance of the current business situation is the difference in percentages between the answers “good” and “poor”, the balance of expectations is the difference in percentages between the answers “more favourable” and “less favourable”. The business climate is a transformed mean produced from the values for current business climate and future expectations.