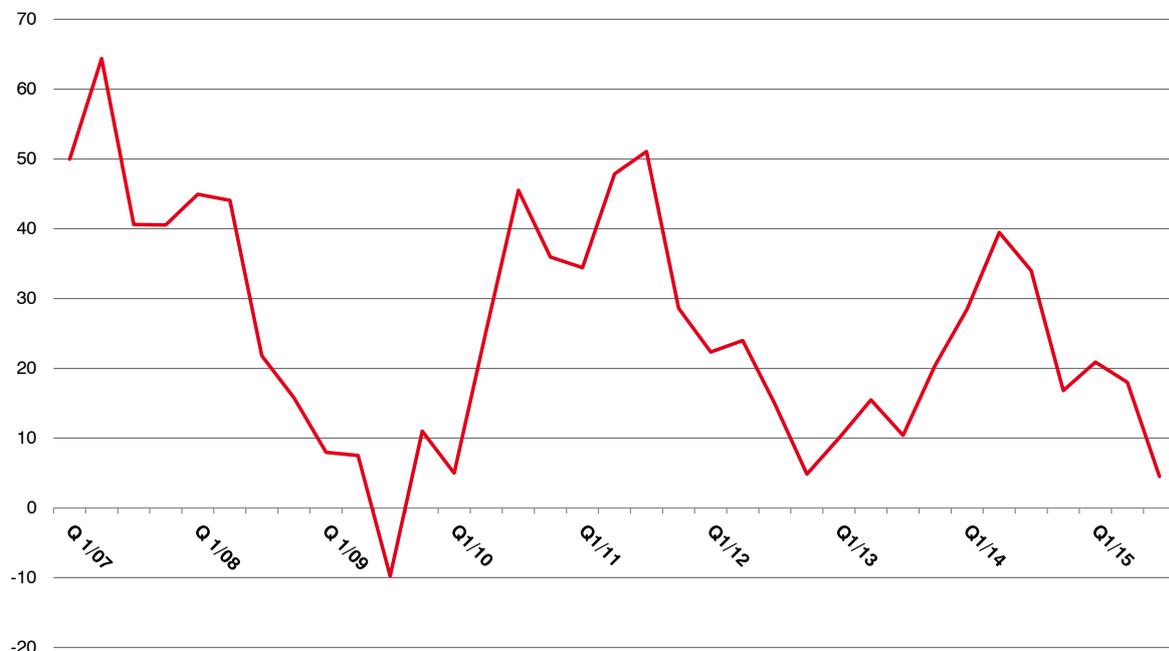


SCI GLOBAL RAIL INDEX 3/2015

Insecurity in the railway industry – Companies worldwide expecting reduction of employment

The business climate in the global railway industry is deteriorating further in the third quarter of 2015. This is made evident by the current SCI Rail Business Index – a regular survey among top executives of the railway industry carried out by independent consulting firm SCI Verkehr. One of the reasons for the continued decline is a combination of the unsatisfactory state of business as well as the increasingly critical assessment of the order backlog. After a prolonged phase of stagnation, this new development, remarkably, is putting a reduction of employment back on the table. In the course of consolidation processes and influenced by growing international competition, for the first time, job losses outnumber new employment. The surveyed companies do hope for an upturn in the climate: The majority of managers expect a positive change within the next six months.

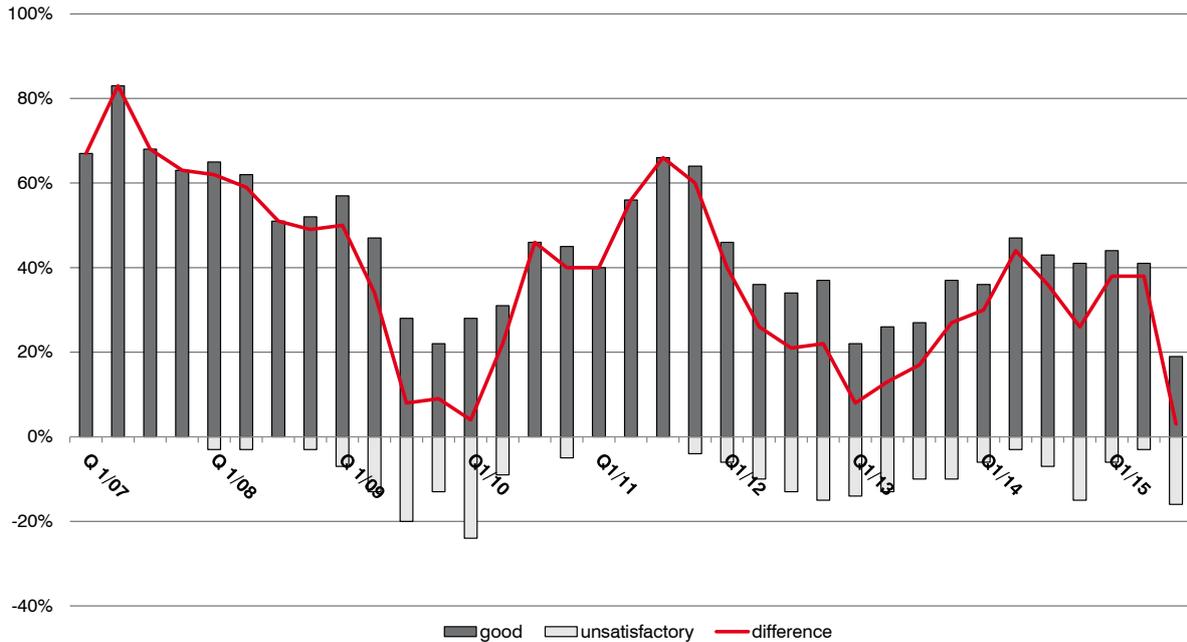
SCI Rail Business Index



Source: SCI Verkehr GmbH

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

Development of current business situation

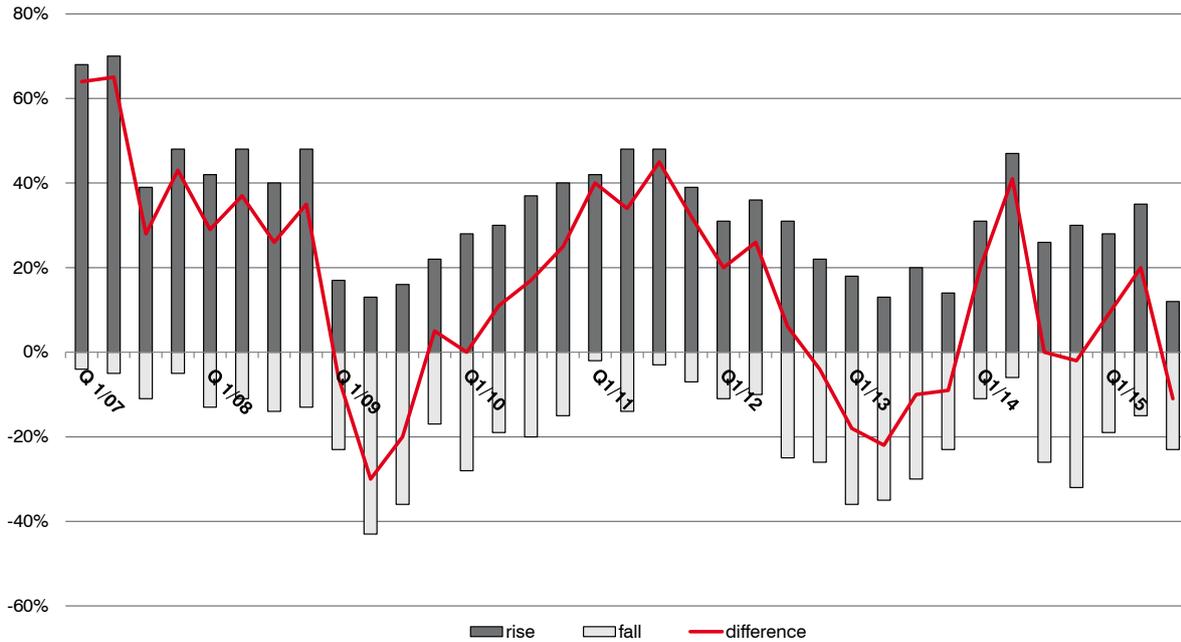


Source: SCI Verkehr GmbH

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

The current business situation is being evaluated by the managers as significantly worse than in the past two quarters. On the one hand, the majority of companies is still satisfied with its current business, but on the other hand the number of managers who do evaluate the current situation as “good” has fallen below the 20% mark. At the same time, the bottom line assessment of the business situation has sunk lower than the first quarter of 2013. The current order backlog has been valued similarly. Compared to the previous quarter, the number of managers describing their current order situation as “good” or “satisfactory” has sunk by 5% while around 20% of the surveyed managers describe their order backlog as too low.

Demand for products and services

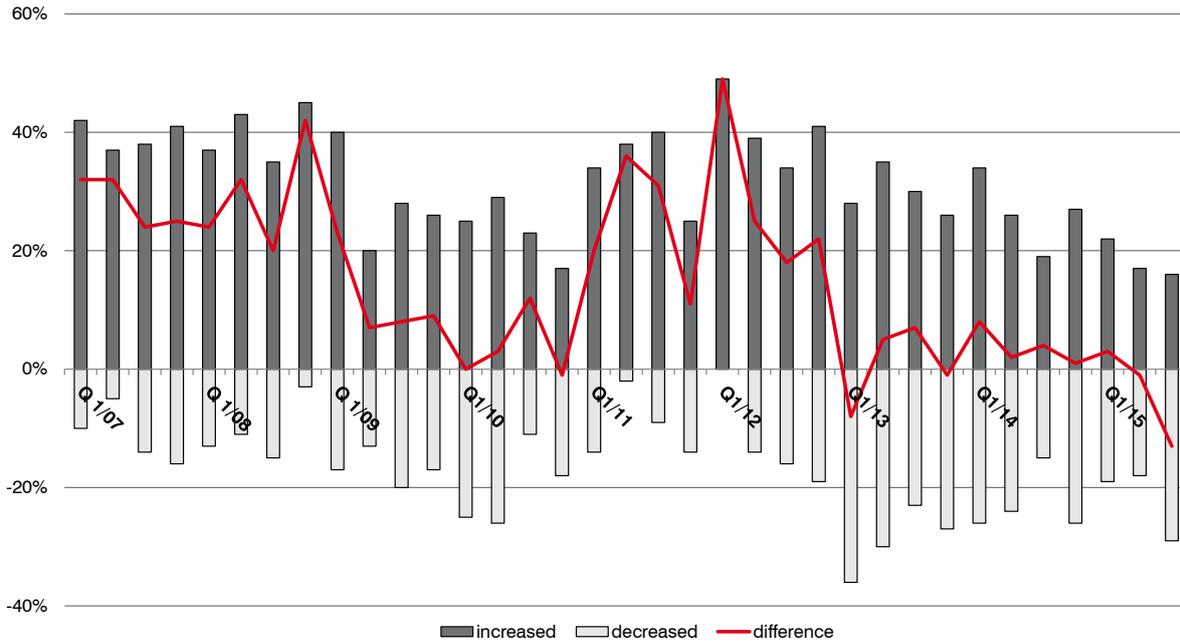


Source: SCI Verkehr GmbH

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

The negative evaluation of the current business situation is consistent with the noticeable decline in demand for products and services: Compared to the last quarter, more companies have seen a drop in demand than have seen it rise. More than 10% of the surveyed managers have noticed a negative development of demand – only the last quarter of 2013 saw worse results. This shows that the industry is feeling the impact of the generally subdued macroeconomic outlook worldwide.

Number of employees in the last six months

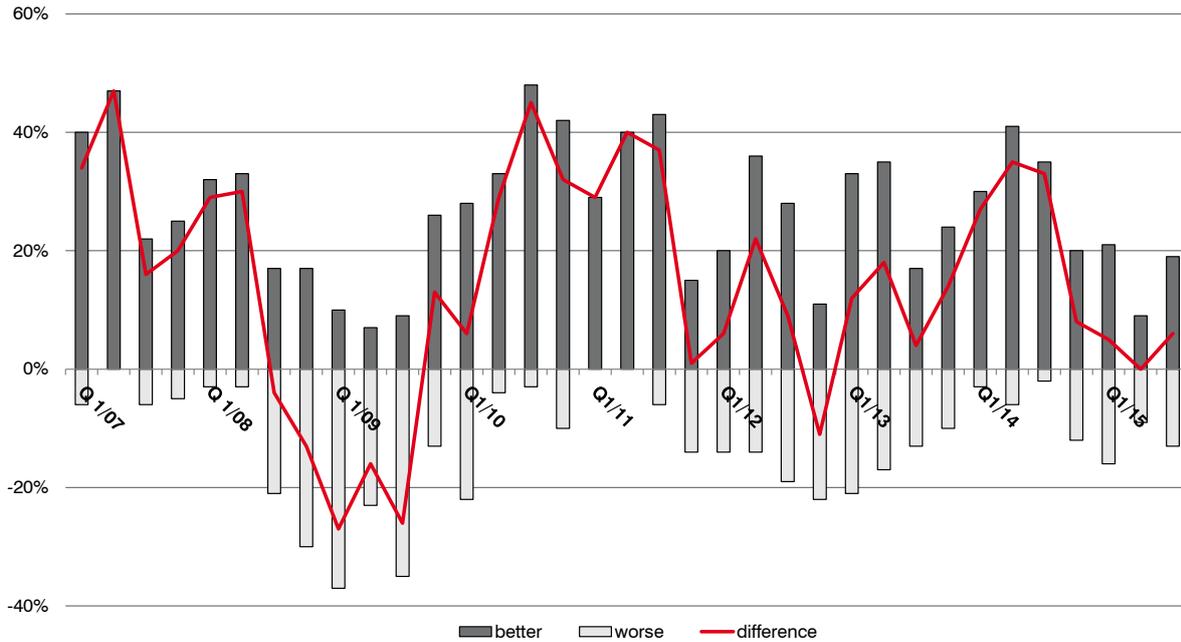


Quelle: SCI Verkehr GmbH

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

After two years of stagnating employment numbers, the third quarter of 2015 has seen more people leave their positions than taking new jobs in in the railway industry. In addition to active reductions in employment, for example as part of consolidation measures, this might also result from the general demographic change in the railway industry: An experienced generation is retiring while the industry is unable to find and recruit enough skilled young professionals to compensate for this development.

Expected business development in coming 6 months



Source: SCI Verkehr GmbH

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

Surprisingly, the surveyed managers evaluated the future development significantly more favourably than the current situation – optimistic expectations predominate this segment. „Many companies are figuratively doing their homework to reorganize and start more successfully into the new quarter,“ Maria Leenen, CEO of SCI Verkehr, said with regard to the industry’s optimism for the future.

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.