Forward-Looking Statements

This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, guidance, targets, goals, priorities, our market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; our competitive position; and the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “maintain” or “align”, the negative of these terms, variations of them or similar terminology. By their nature, forward-looking statements require us to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecasted results. While we consider our assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. For additional information with respect to the assumptions underlying the forward-looking statements made in this presentation, refer to the respective Guidance and forward-looking statements section in Transportation section in the Management’s Discussion and Analysis (“MD&A”) of the Corporation’s annual report for the fiscal year ended December 31, 2013.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include risks associated with general economic conditions, risks associated with our business environment (such as risks associated with the financial condition of the airline industry and major rail operators), operational risks (such as risks related to developing new products and services; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; the environment; dependence on certain customers and suppliers; human resources; fixed-price commitments and production and project execution), financing risks (such as risks related to liquidity and access to capital markets, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support) and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual values and increases in commodity prices). For more details, see the Risks and uncertainties section in Other in the MD&A of the Corporation’s annual report for the fiscal year ended December 31, 2013. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect our expectations as at the date of this presentation and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.
Agenda

1. OUR PROFILE
2. OUR STRATEGY
3. OUR MARKETS
WE ARE A LEADER IN THE RAIL INDUSTRY

Bombardier Transportation
[Fiscal Year ended December 31, 2013]

REVENUES: $8.8B
EBIT: $505M
EBIT MARGIN: 5.8%

CUSTOMERS IN > 60 COUNTRIES
PRESENCE IN 1) 40 COUNTRIES
ORDER BACKLOG 2) $32.4B

EMPLOYEES 3): 38,500
HEADQUARTERS IN BERLIN, GERMANY

1) Defined as countries with BT employees
2) As at December 31, 2013
3) Including inactive and contractual employees

Highlights of the year
Bombardier Transportation – a global player with a European base

North America
18%
23%

Europe
67%
67%

Asia-Pacific
9%
8%

Rest of world¹)
6%
2%

Total BT revenues 2013: 8.8$B
Total BT employees²): 38,500

Note: As at December 31, 2013
1) Rest of world includes CIS (incl. Russia), South America, Central America, Africa and the Middle East
2) Including inactive and contractual employees
Traditionally strong in rolling stock, BT is diversifying the portfolio in growth areas.

**Transportation Revenues Breakdown by Business [IN %]**

- **Rolling Stock**: 63%
- **Services**: 18%
- **System and Signalling**: 19%

**Total Revenues 2013 = 8.8 $B**
BT offers one of the broadest and most innovative portfolio of products and services in the industry (1)

**ROLLING STOCK**

**LIGHT RAIL VEHICLES**
- **Application:** Efficient transit in urban centers
- **Major products:** FLEXITY family (FLEXITY 2, Outlook, Freedom, Berlin, Classic, Swift)
- **Competitive advantages:** The broad portfolio of FLEXITY vehicles with high technical capabilities, low life-cycle costs together with our profound and long-lasting customer relationships makes of our light rail vehicles the first choice in the market

**METROS**
- **Application:** High-capacity mobility for urban mass transit
- **Major products:** MOVIA and INNOVIA platforms
- **Competitive advantages:** Flexible modular product platform adaptable to the requirements of customers across diverse markets, with a track record for rapid, reliable, cost and energy efficient operation, including driverless solutions

**COMMUTER AND REGIONAL TRAINS**
- **Application:** Suburban and regional rail transit for urban centres and surrounding regions
- **Major products:** OMNEO, SPACIUM, TALENT 2, TWINDEXX Vario, ELECTROSTAR
- **Competitive advantages:** Broad product line featuring electric, diesel and dual mode multiple unit trains/vehicles, along with locomotive-hauled coaches in both single and double-deck configurations. Our modular train platforms offer very high flexibility to transit authorities and operators, as well as highest levels of comfort and capacity
BT offers one of the broadest and most innovative portfolio of products and services in the industry (2)

### ROLLING STOCK

#### INTERCITY, HIGH SPEED TRAINS, AND VERY HIGH SPEED TRAINS
- **Application:** Equipment for medium and long-distance operations
- **Major products:** ZEFIRO family, REGINA and TWINDEXX Express
- **Competitive advantages:** Solutions offering very high operating flexibility, high comfort and safety standards for the passengers in combination with efficiency gains of up to 50% covering the full spectrum of speed requirements: intercity (160-200 km/h), high speed (200-250 km/h) and very high speed (250-380 km/h)

#### ELECTRIC AND DIESEL LOCOMOTIVES
- **Application:** Locomotives for intercity, regional and freight rail service
- **Major products:** TRAXX platform, ALP electric and dual-power locomotives
- **Competitive advantages:** Versatile product platform offering electric, diesel-electric, dual-power and multi-system propulsion, last-mile diesel or battery drive features. Innovative solutions increase power and reliability capacity in combination with high energy efficiency. Homologated in 18 countries in Europe, allowing cross-border service

#### PROPULSION AND CONTROLS
- **Application:** Complete propulsion and control product portfolio for all rail vehicles and e-mobility applications, including traction and auxiliary converters, traction motors and train control & management systems for onboard solutions
- **Major products:** MITRAC permanent magnet motor and ORBIFLO monitoring system
- **Competitive advantages:** A leader in reliability, modular design, energy efficiency and ease of maintenance technologies, applicable to the full spectrum of rolling stock
BT offers one of the broadest and most innovative portfolio of products and services in the industry (3)

### ROLLING STOCK

#### BOGIES
- **Application:** Complete solutions for our full portfolio and third-party businesses
- **Major products:** *FLEXX* bogies portfolio including latest technologies: *FLEXX* Eco, *FLEXX* Urban, *FLEXX* Speed, *FLEXX* Power and Innovation award-winning *WAKO* Technology
- **Competitive advantages:** Advanced product technology and complete aftermarket services covering the full spectrum of rolling stock applications. Our track-friendly bogies ensure safe and smooth operation, reduce wheel and rail wear, minimizing operational costs and noise

### SYSTEMS

#### MASS TRANSIT AND AIRPORT SYSTEMS
- **Application:** Fully Automated People Mover (APM), metro, monorail and light rail systems
- **Major products:** *INNOVIA* APM 300 system, *INNOVIA* Monorail 300 system, *INNOVIA* Metro 300 system, *FLEXITY* 2 tram systems
- **Competitive advantages:** Broad rolling stock portfolio for urban and airport applications that can be customized to provide a complete turnkey system solution. Strong track record for reliability and availability across 60 complete systems around the world

#### MAINLINE SYSTEMS
- **Application:** System solutions for intercity and high speed applications covering medium- to long-distance operations
- **Competitive advantages:** Turnkey system approach to provide reliable rail systems for mainline applications featuring very high passenger comfort and safety standards. Highly experienced in systems integration and engineering as well as in operations and maintenance
BT offers one of the broadest and most innovative portfolio of products and services in the industry (4)

OPERATIONS AND MAINTENANCE OF SYSTEMS

- **Application:** Operations and maintenance (O&M) services for fully automated transit and mass transit systems
- **Competitive advantages:** Strong O&M experience in automated, driverless technologies, including APM, metro and monorail systems as well as fleet management solutions for urban and intercity transportation systems

PRIMOVE TRUE E-MOBILITY

- **Application:** Bombardier’s *PRIMOVE* portfolio offers vehicle manufacturers and operators a flexible package of zero-emission e-mobility solutions for several types of electric rail and road vehicles such as trams, buses, trucks and cars. The fully integrated system of fast inductive charging, long-life batteries and efficient propulsion equipment allows cities and the transportation industry to easily incorporate electric mobility
- **Major products:** *PRIMOVE* charging, *PRIMOVE* battery, *PRIMOVE* propulsion 1)
- **Competitive advantages:** Bombardier develops unique solutions for true e-mobility. *PRIMOVE* provides a convenient, automatic and wireless energy supply system that allows electric vehicles to be charged dynamically and statically at high power levels without affecting driving habits or journey times. It delivers high power battery systems that are optimized for long lifetime. The *PRIMOVE* opportunity charging concept has been designed to achieve even longer battery life and to reduce the battery size. The *PRIMOVE* propulsion and controls system integrates electrical driveline solutions with clever interfaces for all major vehicle components to boost the overall efficiency and performance of electric buses

1) The *PRIMOVE* product family referred to here and in the following consists of products under development
BT offers one of the broadest and most innovative portfolio of products and services in the industry (5)

### SIGNALLING

#### MASS TRANSIT SIGNALLING
- **Application:** Rail control and signalling solutions for mass transit systems such as metros, light rail or APMs
- **Major products:** CITYFLO
- **Competitive advantages:** Complete portfolio of solutions ranging from manual applications to fully automated Communication-Based Train Control (CBTC), which helps to increase infrastructure capacity and can be installed without interruption to service

#### MAINLINE SIGNALLING
- **Application:** Rail control and signalling solutions for mainline railways ranging from freight traffic to regional/commuter, intercity and high speed lines
- **Major products:** INTERFLO and EBI Cab Automatic Train Control (ATC) onboard equipment
- **Competitive advantages:** Complete portfolio of conventional signalling systems. A leader in European Rail Traffic Management System (ERTMS) technology\(^1\), which already functioning in several countries inside and outside of Europe. Bombardier is the only supplier deploying moving block technology on non-mass transit lines

#### INDUSTRIAL SIGNALLING (mining solutions)
- **Application:** Rail control and signalling solutions for industrial sector, major application in mining industry
- **Major product:** INTERFLO 150
- **Competitive advantages:** Innovative signalling system technologies used to transport ore from the excavation in a secure and cost effective manner. Our technology covers the whole process, enhancing not only the underground operation, but also the transfer of ore to the transportation hub (e.g. port)

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\(^1\) By kilometres of track with ERTMS and by number of global route km in operation
BT offers one of the broadest and most innovative portfolio of products and services in the industry (6)

SERVICES

MATERIAL SOLUTIONS
- **Application:** Supply chain, spare parts inventory management, obsolescence management and technical support services for rail operators
- **Competitive advantages:** Advanced material supply solutions together with global engineering and purchasing power through vast network of parts and components suppliers. Logistics capability to source and deliver what is needed, when needed, where needed

FLEET MANAGEMENT
- **Application:** Comprehensive portfolio of fleet and operations management services
- **Competitive advantages:** Robust and effective ‘back office’ solutions support rail operators in delivering their ‘front line’ service every day. Engineering expertise, whole life maintenance techniques and tools optimize availability, reliability, punctuality, safety and cost. Our innovative life cycle management approach secures reliable and efficient operations for the long term

ASSET LIFE MANAGEMENT, COMPONENT RE-ENGINEERING AND OVERHAUL
- **Application:** Upgrade, life extension and overhaul of rail vehicles and components
- **Competitive advantages:** Broad portfolio of system and component upgrades executed at Bombardier specialist facilities and customer sites. We leverage Bombardier’s engineering and supply chain strength to bring operational performance and whole life cost advantages. More than 4,000 vehicles refurbished. Experience in more than 4,000 different component types
Our game-changing products shape the market

**Bombardier Transportation’s Game Changing Products**

**C30 Metro Stockholm**
- Latest flagship of MOVIA metros for Sweden’s capital
- New generation of metros, meeting the highest environmental standards and offering best value for money to our customer
- Redefining the urban transport of one of the world’s greenest cities

**New TRAXX generation**
- Launched new TRAXX family with a frame agreement for up to 450 electric locomotives with Deutsche Bahn, to cover DB’s needs for locomotives in the next years, for passenger as well as for freight services
- Standardization and modular technologies will help to meet today’s customers needs
- AC/DC, multisystem and diesel-electric solutions all built from the same TRAXX platform

**PRIMOVE**
- E-mobility redefined, offering modern and smart solutions for trams, cars and buses
- Complete e-mobility package for urban solutions of tomorrow’s cities

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**1) Pictures extracted from BT Bid Design Proposal**
Final Design under Development Between BT and the customer
C30 project for Stockholm

Latest flagship of MOVIA metros

- **C30 increases capacity by 34%**, without higher axle loads compared to older trains on the line
- Bombardier offered the **best value for money** to our customer: C30 **offered the overall the best solution to the customer** (incl. energy consumption, passenger comfort)
- **Low operational costs**, increasing return on investment
- **Intelligent remote control and diagnostic** through Bombardier ORBIFLO communication system

Environmentally friendly

- **Highest environmental standards** regarding energy consumption (fulfilling Environmental Product Declaration according to ISO 14025 and the Product Category Rules for Rail Vehicles, 2009:05)
- Choice of **almost entirely recyclable materials**, with 98% recyclability
- The modern **FLEXX Eco Bogies** minimize energy consumption as well as track wear

1) Pictures extracted from BT Bid Design Proposal
Final Design under Development Between BT and the customer
New family of TRAXX 3 locomotives

Standardization and modular technologies help our customers

- Our new locomotives fulfil the most demanding customer requirements, either for freight or passenger applications (e.g., proven track record for reliability; low life-cycle costs and energy consumption; cross border operations)
- Only minor adaptations are required to change between both service types
- This helps our customers to reduce costs through a higher percentage of commonality in spare parts, stock reduction and maintenance

TRAXX 3 locomotives are reliable and flexible

- **Proven technology** by using components present in more than 1,500 TRAXX locomotives in service worldwide
- 3 in 1 solution: in the same platform we build AC/DC, multisytem and diesel-electric locomotives
- **High modularity** enables adaption to different requirements all over the world
- **Large service network** throughout Europe, where almost 40% of the locomotives running, or shortly entering into operations, are TRAXX locomotives
1) According to data of BT and competitors who publish orders
**PRIMOVE – enabling true emission-free mobility**

**E-mobility redefined**
- **PRIMOVE** introduces a complete e-mobility package that allows cities and the transportation industry to easily incorporate electric mobility for improved economics and quality of life.
- It includes **PRIMOVE wireless charging, PRIMOVE high power battery and PRIMOVE efficient propulsion**.
- **PRIMOVE** reduces local CO₂ emissions to zero, eliminates noise pollution and frees e-mobility from the constraints of cables, wires and plugs.
- Available for all types of electric transport – from light rail and bus networks to commercial vehicles and cars.

**Main advantages**
- **Clean**: no emissions, carbon or noxious gases for a healthier environment.
- **Quiet**: no noise or vibrations for greater passenger comfort.
- **Invisible**: no cables, wires or plugs for more attractive cities.
- **Energy efficient**: fast charging and minimized energy loss for reduced operating costs.
- **Practical**: small and compact products for easy maintenance and higher passenger capacity.
- **Complete**: a one-stop-shop that delivers a turnkey system solution for true e-mobility.

**On the way to mass market**
- **PRIMOVE** is being successfully implemented in a number of research and commercial projects around Europe (Germany, Belgium) and China.
Agenda

1. OUR PROFILE
2. OUR STRATEGY
3. OUR MARKETS
We offer innovative solutions to our customers during the whole lifecycle

- We continue to leverage our technology leadership to respond to our customers’ needs – taking a comprehensive and long-term perspective
- We are a trusted partner for our customers worldwide – and we work hard to earn this distinction again with every project
- We are committed to:

DEVELOP INNOVATIVE AND COST OPTIMIZED SOLUTIONS
CAPTURE THE FULL POTENTIAL OF FAST-GROWING MARKETS
ACHIEVE FLAWLESS EXECUTION
Innovation, local presence and flawless execution will enable us to remain an industry leader

**DEVELOP INNOVATIVE AND BEST VALUE FOR MONEY SOLUTIONS**

We constantly invest in innovations and successfully implement them in our products to satisfy customer needs:

1. **C30, Stockholm metro**: high environmental standards through **lower energy consumption** and **high degree of fully recyclable materials**, delivering our customers the best value for money solution.
2. **ZEFIRO**, very high speed train: **efficiency gains of up to 50%** – our ECO4 technologies optimizes energy use, decreases waste, minimizes CO2 output and increases economic value.
3. **SBB TWINDEXXX**: innovative **tilting technology** makes the train 15% faster in curves, ensuring **tight operating schedules** and causing less friction on rail (savings of ~$280M p.a. in maintenance costs for SBB[^1])

**CAPTURE THE FULL POTENTIAL OF FAST-GROWING MARKETS**

We use different approaches to capture new opportunities and promising new markets:

1. **Local footprint**, e.g., in Brazil and India with fully owned manufacturing plants
2. **Partnership with local players**, e.g., in China (JV for VHS, Metro, Services, PPC) and Russia (JV for Metro, Signalling and Locomotives)
3. **Local capability building**, e.g., with a Project Management academy in Saudi Arabia
4. **Licensing agreements**, e.g., with a local partner in China to address new market segments (e.g. LRV)

**ACHIEVE FLAWLESS EXECUTION**

Customers recognize our excellence in execution:

1. We have a strong focus on execution, supported by our **Bombardier Operations System** (BOS) and upfront investments in R&D to **reduce execution risks** (e.g. the ironbird)
2. We now further expand our efforts by adopting initiatives from **BA’s Achieving Excellence System** program
3. The trust of our customers is proofed through a large amount of project **options executed worldwide**

[^1]: Source: Independent scientific study, École polytechnique fédérale de Lausanne, Switzerland
Innovation is a driving factor across all our products and divisions

**Our Innovative Solutions Create Great Customer Value**

We attract creative engineers and qualified project managers, who develop innovative technologies and unique solutions.

We have state of the art engineering and manufacturing capacities worldwide for efficient design and optimized production.

Our employees, latest technologies and innovations make it possible to transform customer’s ideas into reality and deliver rail products with high efficiency and reliability covering the needs of operators worldwide:

**Examples from Our Portfolio**

**Double Deck Trains**
- Regio 2N, France
- **TWINDEXX** Regio, Germany

**Metro Trains**
- Fully automated metro, Singapore
- **C30 MOVIA** metro, Stockholm

**Very High Speed Trains**
- **ZEFIRO**, Italy
- **ZEFIRO**, China
We continue to expand our global presence

We are active all over the world and continue to enter new markets

New markets opened\(^1\) by Bombardier Transportation in the last 5 years (2009-2013)

Existing markets that have ordered\(^1\) products from Bombardier Transportation in the last 5 years (2009-2013)

Other Bombardier Transportation Markets\(^1\)

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\(^1\) Only orders with a total value >5 M$ were considered in this overview, based on published orders.
Flawless execution: we are committed to deliver our projects as sold

- **Understanding our customers’ needs** is key for Bombardier Transportation
- **We assist our customers** in every step of the project process
- A close collaboration and latest technologies are keys to fully satisfy customer needs and deliver our products as sold

**WHAT WE PROMISE (PRODUCT RENDERED IMAGES)**

ZEFIRO 380, China  
MOVIA Metro, Singapore  
FLEXITY Swift, Melbourne (AU)  
ZEFIRO V300, Italy

**WHAT WE DELIVER (END PRODUCTS IN EXECUTION)**

_The trust of our customers is proofed through options executed worldwide_

- For the first time in its history, **Singapore Land Transport Authority** executed an option on a vehicle family before final delivery started
- **San Francisco Bay Area** executed an option for 365 additional metro cars in January 2014, only one year after signing the base contract, taking the total number of cars to be delivered to 775 units
- **Deutsche Bahn and SNCF** (Société Nationale des Chemins de fer Français) continued to exercise call off orders from the frame agreements for double deck trains of the new families **TWINDEXX Regio** for Germany and **Régio 2N** for France
Our product portfolio and global presence sustain our long-term growth

- In 2013, BT year-on-year revenues grew by double digit percentage points, clearly outgrowing the rail market
- BT continues to secure large and strategic orders around the world
- BT remains the manufacturer with the most differentiated portfolio to withstand international competition
- Our markets continue to grow – steadily in our traditional core markets, and dynamically in fast-growing rail markets
- BT is well-positioned for key upcoming opportunities in all markets
- The industry fundamentals are positive – global trends continue to favor rail

1) According to the 2012 UNIFE study, worldwide market growth of BT’s accessible and relevant market between the periods 2010-12 and 2015-17 is forecasted to be at 2.8% p.a.
BT continues to secure large and strategic orders around the world

- **300 metro cars**
  - for MTA in New York
  - $599M (2012)

- **210 commuter cars**
  - for RATP/STIF in Paris
  - $417M (2012)

- **60 LRVs for Basel**
  - $241M (2012)

- **775 metro cars\(^1\)**
  - for BART in San Francisco
  - $1.5B (2012)

- **450 cars and maintenance**
  - for Queensland Rail
  - $2.7B (2014)

- **130 TRAXX Locomotives\(^2\)**
  - for DB
  - $573M (2013)

- **180 commuter cars**
  - for S-Bahn Hamburg
  - $427M (2013)

- **384 MOVIA metro cars**
  - for Stockholm Metro
  - $771M (2013)

- **CITYFLO200 signalling**
  - for Kars-Baku in Azerbaijan
  - $203M (2013)

- **180 commuter cars**
  - for S-Bahn Hamburg
  - $427M (2013)

- **39 FLEXITY LRVs**
  - for BVG in Berlin
  - $168M (2012)

- **48 FLEXITY2 LRVs**
  - for DeLijn
  - $165M (2012)

Note: Contract values, BT share only, only year of base contract signature considered

1) Including an option for 365 cars exercised in January 2014

2) First call-offs from a frame agreement for up to 450 locomotives
BT’s backlog includes several very high-volume projects to be executed through 2016 and beyond

A significant number of projects are currently being executed across the world, providing BT with a solid backlog to be delivered over the next years.
BT offers the broadest portfolio of products of all players in the rail industry

### Bombardier Transportation’s Key Competitors

<table>
<thead>
<tr>
<th>Rolling stock</th>
<th>Light-rail</th>
<th>Metros</th>
<th>Commuter and Regional</th>
<th>High speed and Intercity</th>
<th>Locomotives</th>
<th>Monorail</th>
<th>System integration</th>
<th>Signalling</th>
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BT offers a full spectrum of efficient rail solutions from complete trains to sub-systems, services, systems integration, and signalling.

Source: publicly available from competitor reports/websites
Our accessible markets are expected to grow, reaching $112.6B per year in 2015-17

- The rail market has been resilient despite a challenging economic environment, showing commitment from governments to invest in rail solutions
- Rolling stock continues to be the biggest segment, representing $53.9B per year in 2015-17
- Europe will see continuous investment and remain the largest market

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<th>Segment</th>
<th>2011-2013</th>
<th>2015-2017</th>
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<tr>
<td>System and Signalling</td>
<td>100.5</td>
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<tr>
<td>Services</td>
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<td>Rolling Stock</td>
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<td><strong>Total</strong></td>
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<td><strong>195.5</strong></td>
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<th>Region</th>
<th>2011-2013</th>
<th>2015-2017</th>
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<tr>
<td>Rest of world</td>
<td>42.5</td>
<td>53.9</td>
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<td><strong>Total</strong></td>
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</tbody>
</table>

Source: calculation based on UNIFE World Rail Market Study – forecast 2012 to 2017 published in September 2012

1) The accessible market excludes the share of markets in which contracts are awarded to local players without open-bid competition. The breakdown of the market by category excludes the infrastructure, freight wagons and shunter segments.
Europe – the largest market for rail maintains its high level of investment

Following large orders and options in the regional and intercity segment, France and Germany will invest in better solutions for commuters in major cities.

The UK will continue to see strong investments, e.g. in London Underground and Crossrail projects.

In addition, other Western European countries are also planning major investments (e.g. Belgium).

High potential also exists in Eastern Europe, where large ageing fleets could be replaced or renewed.

In addition, the demand for locomotives will remain high.

**Annual Accessible Market**

<table>
<thead>
<tr>
<th>Segment</th>
<th>2011-2013</th>
<th>2015-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>System and Signalling</td>
<td>39.0</td>
<td>42.5</td>
</tr>
<tr>
<td>Services</td>
<td>13.2</td>
<td>14.6</td>
</tr>
<tr>
<td>Rolling Stock</td>
<td>18.0</td>
<td>19.2</td>
</tr>
</tbody>
</table>

**Outlook**

- Following large orders and options in the regional and intercity segment, France and Germany will invest in better solutions for commuters in major cities.
- The UK will continue to see strong investments, e.g. in London Underground and Crossrail projects.
- In addition, other Western European countries are also planning major investments (e.g. Belgium).
- High potential also exists in Eastern Europe, where large ageing fleets could be replaced or renewed.
- In addition, the demand for locomotives will remain high.


"The accessible market excludes the share of markets in which contracts are awarded to local players without open-bid competition. The breakdown of the market by category excludes the infrastructure, freight wagons and shunter segments."
Asia-Pacific – focus will be on urban mass transit

- **Outlook**
  - In China we see a continued need for rolling stock products, especially mass transit and a growing demand for services solutions.
  - Activities are also starting in the light rail vehicle segment.
  - The Indian market could be driven by an active mass transit and locomotive segment.
  - Investments are also expected to continue in Australia and Southeast Asia, especially in the mass transit and freight segments.

**Annual Accessible Market**

<table>
<thead>
<tr>
<th>Segment</th>
<th>2011-2013</th>
<th>2015-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>System and Signalling</td>
<td>23.4</td>
<td>24.1</td>
</tr>
<tr>
<td>Services</td>
<td>6.3</td>
<td>6.9</td>
</tr>
<tr>
<td>Rolling Stock</td>
<td>14.2</td>
<td>13.7</td>
</tr>
</tbody>
</table>


1) The accessible market excludes the share of markets in which contracts are awarded to local players without open-bid competition. The breakdown of the market by category excludes the infrastructure, freight wagons and shunter segments.
North America – significant investment is expected in metros, high speed and signalling have promising potential

**Outlook**

- The market has been resilient to the economic downturn with major cities such as New York, San Francisco, Montreal and Toronto continuing investments into greener transportation. This trend is forecasted to be sustained.

- New opportunities will come in Mexico for urban transport (LRV, metro, commuter trains).

- The services market is widely accessible, and typical service activities (e.g., O&M) are regularly outsourced by operators.

- Deployment of new signalling standards in the U.S. could trigger a wave of investment.

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**Annual Accessible Market**

<table>
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<tr>
<th>Segment</th>
<th>2011-2013</th>
<th>2015-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>System and Signalling</td>
<td>17.2</td>
<td>19.7</td>
</tr>
<tr>
<td>Services</td>
<td>9.8</td>
<td>11.2</td>
</tr>
<tr>
<td>Rolling Stock</td>
<td>5.8</td>
<td>6.5</td>
</tr>
</tbody>
</table>

[3-year average, $B]


1) The accessible market excludes the share of markets in which contracts are awarded to local players without open-bid competition. The breakdown of the market by category excludes the infrastructure, freight wagons and shunter segments.
Rest of world – mega-events, ageing fleets and freight drive rail investment

In light of upcoming Olympic Games and FIFA World Cups, governments in Brazil, Russia, and the Middle East are investing in state-of-the-art rail projects.

In addition, Russia and other CIS states plan to renew their ageing fleet and infrastructure.

Investment in freight to accelerate the movement of goods is expected to trigger orders for locomotives in Brazil and South Africa.

**ANNUAL ACCESSIBLE MARKET**

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<th>2011-2013</th>
<th>2015-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>System and Signalling</td>
<td>20.9</td>
<td>26.3</td>
</tr>
<tr>
<td>Services</td>
<td>6.7</td>
<td>8.2</td>
</tr>
<tr>
<td>Rolling Stock</td>
<td>11.2</td>
<td>14.3</td>
</tr>
</tbody>
</table>

**OUTLOOK**

- In light of upcoming Olympic Games and FIFA World Cups, governments in Brazil, Russia, and the Middle East are investing in state-of-the-art rail projects.
- In addition, Russia and other CIS states plan to renew their ageing fleet and infrastructure.
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**Source:** calculation based on UNIFE World Rail Market Study – forecast 2012 to 2017 published in September 2012.

The accessible market excludes the share of markets in which contracts are awarded to local players without open-bid competition. The breakdown of the market by category excludes the infrastructure, freight wagons and shunter segments.
We deliver on our promises – we secured the large majority of target opportunities we announced since 2009

### Projects mentioned as opportunities since 2009 in our annual reports:

<table>
<thead>
<tr>
<th>Category</th>
<th>Country</th>
<th>Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very-high speed trains</td>
<td>🇨🇳</td>
<td>✔️</td>
</tr>
<tr>
<td>Intercity replacement</td>
<td>🇩🇪</td>
<td>✔️</td>
</tr>
<tr>
<td>Intercity replacement</td>
<td>🇨🇭</td>
<td>✔️</td>
</tr>
<tr>
<td>Very high speed trains</td>
<td>🇮🇹</td>
<td>✔️</td>
</tr>
<tr>
<td>Intercity trains (Porteur Hyperdense)</td>
<td>🇫🇷</td>
<td>✔️</td>
</tr>
<tr>
<td>Montreal metro</td>
<td>🇨🇦</td>
<td>✔️</td>
</tr>
<tr>
<td>LRV for Berlin</td>
<td>🇩🇪</td>
<td>✔️</td>
</tr>
<tr>
<td>Toronto light rail</td>
<td>🇨🇦</td>
<td>✔️</td>
</tr>
<tr>
<td>Stockholm metro</td>
<td>🇸🇪</td>
<td>✔️</td>
</tr>
<tr>
<td>Thameslink London</td>
<td>🇬🇧</td>
<td>🔴</td>
</tr>
<tr>
<td>San Francisco rapid transit</td>
<td>🇺🇸</td>
<td>✔️</td>
</tr>
<tr>
<td>Riyadh Metro</td>
<td>☑️</td>
<td>✔️</td>
</tr>
<tr>
<td>Delhi Metro III</td>
<td>🇮🇳</td>
<td>🔴</td>
</tr>
<tr>
<td>Queensland Rail Project</td>
<td>🇦🇺</td>
<td>✔️</td>
</tr>
</tbody>
</table>

### We are successful in the competition for the right projects

- We are competing for the largest orders – proving our good market visibility and right priority setting
- We are successful in winning large projects – understanding customers better than competitors
## Selection of upcoming key opportunities for BT by region

### Key Projects Europe

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro projects in London and the Crossrail project</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Options for regional and commuter trains for SNCF</td>
<td>France</td>
</tr>
<tr>
<td>Call-offs from DB for double decks; new commuter trains</td>
<td>Germany</td>
</tr>
</tbody>
</table>

### Key Projects North America

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro, signalling, LRV and O&amp;M opportunities</td>
<td>USA</td>
</tr>
<tr>
<td>LRV and signalling projects</td>
<td>Canada</td>
</tr>
<tr>
<td>Commuter trains</td>
<td>Mexico</td>
</tr>
</tbody>
</table>

### Key Projects Rest of World

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locomotives, Monorails</td>
<td>Brazil</td>
</tr>
<tr>
<td>Locomotives</td>
<td>South Africa</td>
</tr>
<tr>
<td>Signalling opportunities</td>
<td>GCC¹</td>
</tr>
</tbody>
</table>

### Key Projects Asia

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass transit and locomotives</td>
<td>India</td>
</tr>
<tr>
<td>Mass transit and signalling</td>
<td>Singapore</td>
</tr>
<tr>
<td>High speed, services and LRV</td>
<td>China</td>
</tr>
</tbody>
</table>

¹ Gulf Cooperation Council
Urbanization, energy cost and environmental issues continue to favour rail

**GLOBAL TRENDS**

**URBANIZATION AND POPULATION GROWTH**
According to the McKinsey Global Institute\(^1\), by 2025, the 600 largest cities by GDP will represent nearly 65% of world GDP. Rapidly expanding medium-sized and mega cities have to mitigate major challenges in urban planning, pollution and traffic management by implementing optimized urban and intercity mass transportation systems.

**OIL SUPPLY AND ENERGY PRICE**
An International Union of Railways (UIC) study\(^2\) showed that rail transportation is on average two to five times more energy efficient than road, water or air transportation. Efficient and eco-friendly rail solutions are the mode of transportation required by changing travel behaviour.

**ENVIRONMENTAL AWARENESS**
The UIC conducted a study demonstrating that rail transportation is three to ten times less CO\(_2\) emission intensive compared to other modes. As environmental awareness increases worldwide and regulations are introduced, behaviour and investment will continue to change towards greener transportation.

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1) McKinsey Global Institute (2012), *Urban world: Cities and the rise of the consuming class*
2) UIC (2012), *High-speed rail – Fast track to sustainable mobility*
Public funding and liberalization of the transport system secure cash flow to the rail market

**GLOBAL TRENDS**

**PUBLIC FUNDING**
Governments responded to the 2008 financial crisis through stimulus packages and rescue plans which partly targeted rail. Nevertheless, since over 90% of the rolling stock business is conducted with rail operators from the public sector, a potential consequence of budget constraints is that under the current economic uncertainties, funding for new projects might be more difficult to obtain.

**REPLACEMENT, UPGRADE AND EXTENSION OF AGEING RAIL EQUIPMENT**
Ageing fleet upgrades, replacements and urban rail network extensions are driving growth, especially in fast-growing markets. The modernization of signalling equipment is also key to improving network safety, maximizing existing infrastructure and relieving growing capacity needs, to optimize overall operations.

**LIBERALIZATION OF RAIL TRANSPORT MARKETS**
The continued liberalization of rail markets across Europe has improved the conditions for new operators to invest and enter the market, with Sweden, U.K., Denmark, Germany and the Netherlands leading the way.

*Industry fundamentals remain positive – rail is uniquely suited to provide energy-efficient mobility for millions of people, today and tomorrow*