

Financial Statements 2008

March 26, 2009



Disclaimer

The presentation contains forward-looking statements on the Vossloh Group's future business trend that are based on current estimates and assumptions made by the management of Vossloh to the best of its knowledge. Such forward-looking statements are subject to risks and uncertainties, the non-occurrence or occurrence of which could cause a material difference in future results including changes in political, business, economic and competitive conditions, regulatory reforms, effects of future judicial decisions, foreign exchange rate fluctuations and the availability of financing. Neither Vossloh nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss arising from any use of this presentation or its content or otherwise arising in connection with this document. Vossloh does not undertake any responsibility to update the forward-looking statements contained in this presentation.

The information provided in this presentation does not represent an offer or invitation for the purchase of the stock of Vossloh AG or other companies, nor should it be considered as a call to purchase or otherwise trade stocks directly or indirectly.

Vossloh Group, fiscal 2008

At a glance: key operating indicators

- ▶ Sales rise 2008 above expectations; Q4 business trend as budgeted
- ▶ EBIT above budget; high EBIT margin topped again
- ▶ Like-for-like group earnings (total and per share) substantially upgraded

		2007	2008	Δ in %
Net sales	€ mill.	1,023,3	1,212.7	+18.5
Operating profit	€ mill.	109.8	139.9	+27.4
EBIT	€ mill.	111.1	137.7	+23.9
EBIT margin	%	10.9	11.4	-
EBT	€ mill.	99.7	128.4	+28.8
Net result from discontinued operations	€ mill.	8.5	46.8	-
Group earnings	€ mill.	71.4	139.4	+95.2
Annual average headcount		4,066	4,631	+13.9
Earnings per share	€	4.26+0.57	6.30+3.18	+47.9 ¹

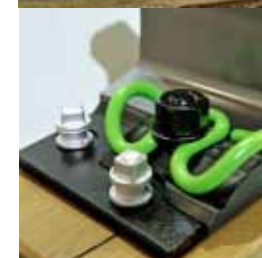


Vossloh Group, fiscal 2008

At a glance: key financial indicators

- ▶ Working capital as of year-end at a sound level
- ▶ ROCE considerably enhanced
- ▶ Net financial assets despite stock repurchase

		12/31/2007	12/31/2008	Δ in %
Total assets	€ mill.	1,326.8	1,339.4	+0.9
Total equity	€ mill.	434.0	492.7	+13.5
Equity ratio	%	32.7	36.8	-
Working capital	€ mill.	263.3	300.7	+14.2
Working capital intensity	%	25.7	24.8	-
Capital employed	€ mill.	675.4	732.1	+8.4
ROCE	%	16.5	18.8	-
Net financial assets/(debt)	€ mill.	124.9	(35.0)	-
Net leverage	%	28.8	(7.1)	-



Vossloh Group, fiscal 2008

Cash flow analysis

- ▶ Gross cash flow improved by some 40% from €155.7 mill. to €218.1 mill.
- ▶ Cash flow from operating activities virtually doubled to €158.0 mill.
- ▶ Unappropriated cash flow surging to around €120 mill.

Cash flow analysis (€ mill.)	2007	2008
EBIT	111.1	137.7
Net result from discontinued operations	8.5	46.8
Amortization/depreciation/write-down (less write-up) of fixed assets	28.9	29.7
Change in noncurrent accruals	3.3	3.9
Gross Cash Flow	151.8	218.1
Net (gain)/loss from fixed-asset disposal	0.1	(47.9)
Short-term securities purchased/sold	(2.4)	15.2
Changes in assets and liabilities from operating activities (incl. working capital)	(40.1)	12.5
Tax payments	(29.2)	(39.9)
Cash flow from operating activities	80.2	158.0
Additions to/disposals of intangible and tangible assets	(52.6)	(37.6)
Unappropriated cash flow¹	27.6	120.4

Rail Infrastructure, fiscal 2008

At a glance: major indicators

- ▶ Sales slightly above expectations overall, Switch Systems unit with particular momentum
- ▶ EBIT again improved; very high prior-year EBIT margin not repeated
- ▶ Fastening Systems: sales of €254.9 mill. up by 28.5%
- ▶ Switch Systems: sales of €453.6 mill. boosted by 26.9%; at €66.8 mill. through M&A
- ▶ Rail Infrastructure business largely driven by replacement requirements

		2007	2008	Δ in %
Sales	€ mill.	554.3	707.1	+27.6
EBIT	€ mill.	99.8	113.4	+13.6
EBIT margin	%	18.0	16.0	-
Working capital	€ mill.	187.6	226.4	+20.7
Capital employed	€ mill.	466.0	524.8	+12.6
ROCE	%	21.4	21.6	-



Motive Power&Components, fiscal 2008

At a glance: major indicators

- ▶ Sales further up, as expected; Locomotives unit topping budget
- ▶ EBIT and EBIT margin strongly revved up
- ▶ Sales of Locomotives unit climbing 10.2% to €375.2 mill.;
Kiel to €158.7 mill. (+8.5%) with 64 locomotives, Valencia to €217.2 mill. (+11.5%)
- ▶ Lion's share of Valencia business with state-owned rail companies and municipalities;
Kiel with main focus on industrial customers, private railway operators and leasing companies
- ▶ Sales of Electrical Systems unit edging up to €129.8 mill. (+1.1%)

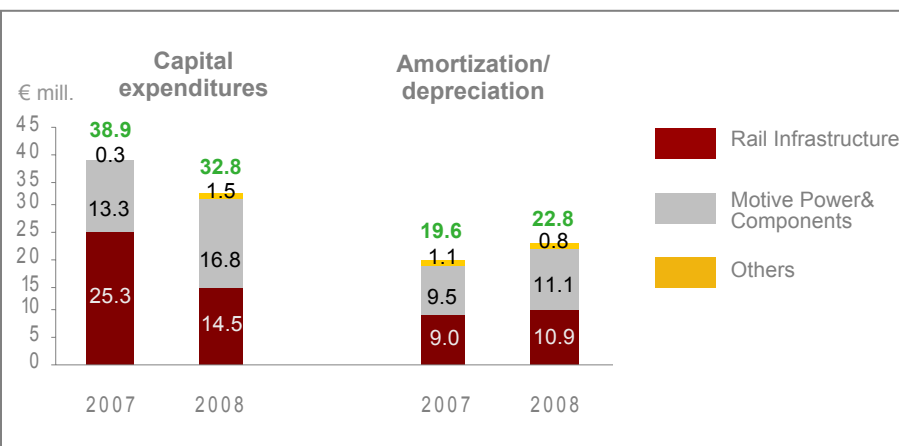
		2007	2008	Δ in %
Sales	€ mill.	468.9	505.0	+7.7
EBIT	€ mill.	30.6	42.3	+38.2
EBIT margin	%	6.5	8.4	-
Working capital	€ mill.	76.1	75.8	(0.4)
Capital employed	€ mill.	198.7	202.6	+1.9
ROCE	%	15.4	20.9	-



Vossloh Group, fiscal 2008

Capital expenditures and amortization/depreciation

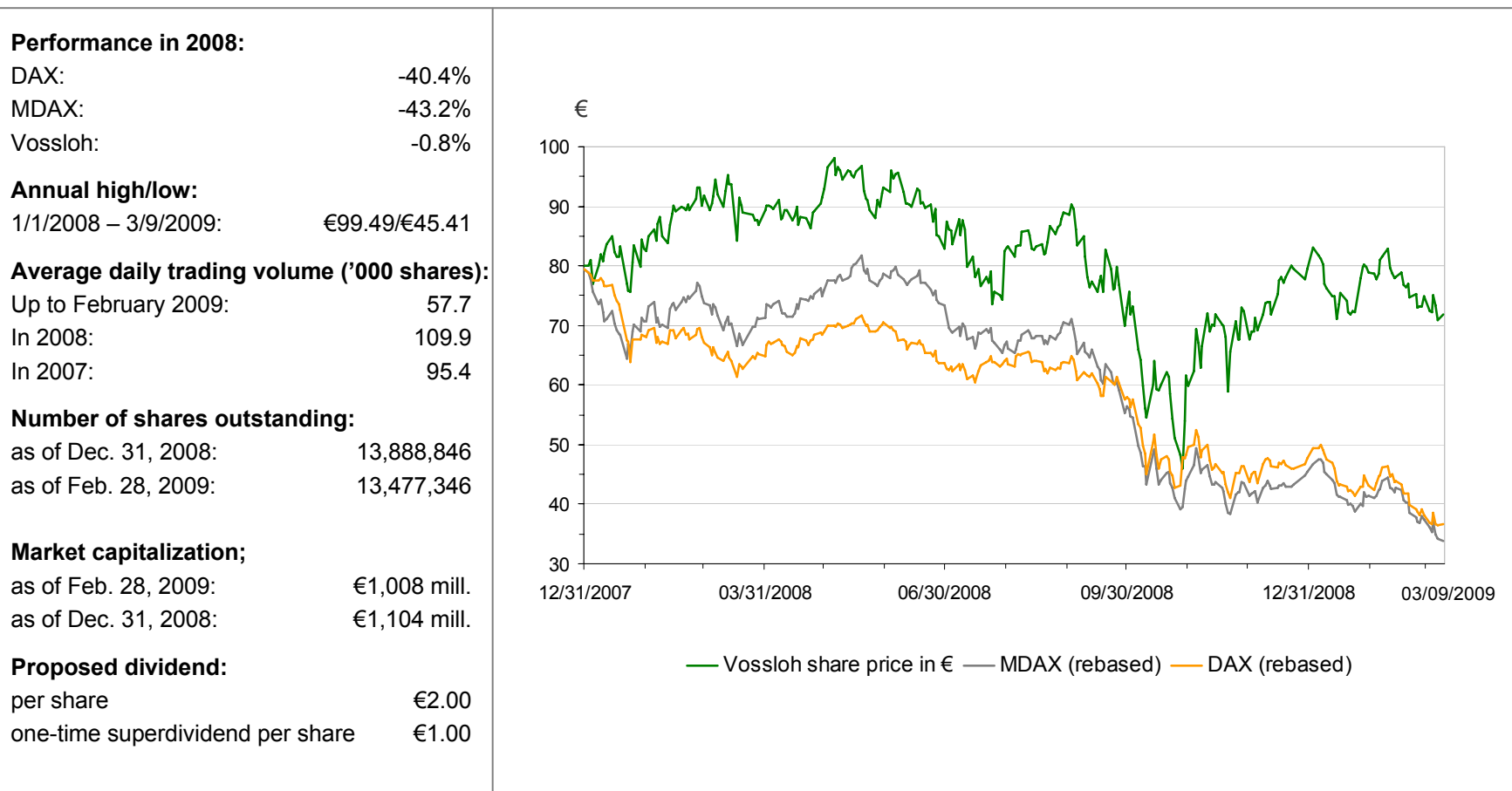
- ▶ Fastening Systems: location in Turkey
- ▶ Switch Systems: most outlays for replacements at several locations
- ▶ Locomotives: enhancement of the EURO 4000 und G 6
- ▶ Electrical Systems: process optimization program



€ mill.	2007	2008	Δ in %
Group			
Capital expenditures	38.9	32.8	(15.7)
Amortization/depreciation	19.6	22.8	+16.3
Rail Infrastructure			
Capital expenditures	25.3	14.5	(42.7)
Amortization/depreciation	9.0	10.9	+21.1
Motive Power & Components			
Capital expenditures	13.3	16.8	+26.3
Amortization/depreciation	9.5	11.1	+16.8

Vossloh stock:

Price trend January 2008 to March 9, 2009:
easily outperforming the market throughout

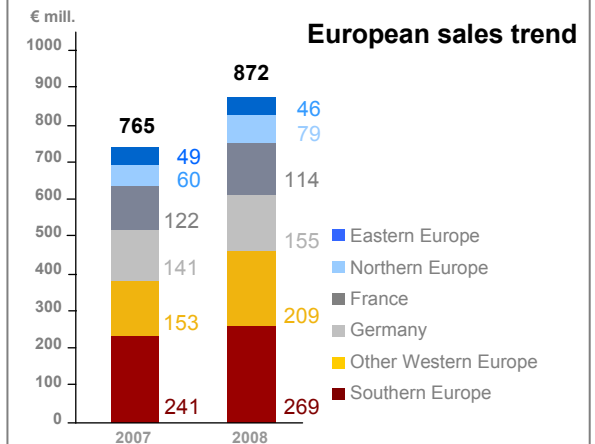
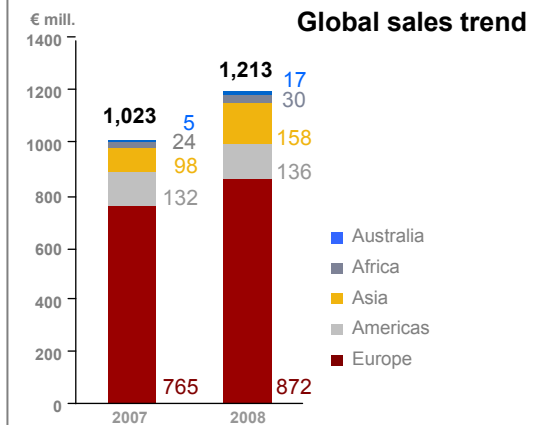


Vossloh Group, fiscal 2008

Sales trend by region

- ▶ Business expanded in all regions
- ▶ Proportion of non-European sales showing steeper rise than total: now accounting for 28.2% of group sales
- ▶ Sales growing in Western and Southern Europe, too; stagnant in Eastern Europe

	2007 in € mill.	Share in %	2008 in € mill.	Share in %	Δ in %
Europe	765.3	74.7	871.6	71.8	+13.9
Americas	131.9	12.9	135.8	11.2	+3.0
Asia	97.5	10.6	158.0	13.1	+62.1
Africa	23.8	2.3	30.3	2.5	+27.3
Australia	4.8	0.5	17.0	1.4	+254.2
Total	1,023.3	100.0	1,212.7	100.0	+18.5

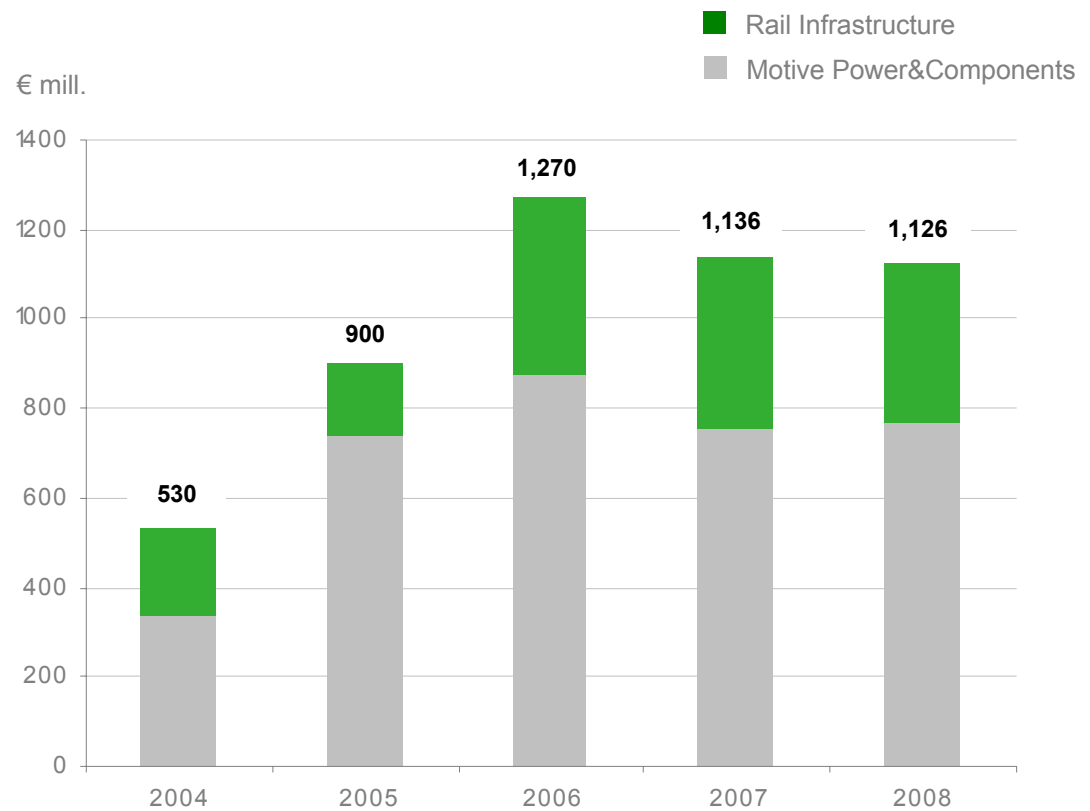


Vossloh Group, fiscal 2008

Order backlog

- ▶ Fastening Systems: shrinking as China contracts are shipped out
- ▶ Switch Systems: uptrend continuing
- ▶ Kiel up at year-end; Valencia inching down from prior year
- ▶ Electrical Systems: significantly taller

Order backlog (trend 2004–2008)



Rail Infrastructure, fiscal 2008

Order backlog and intake

Order backlog:

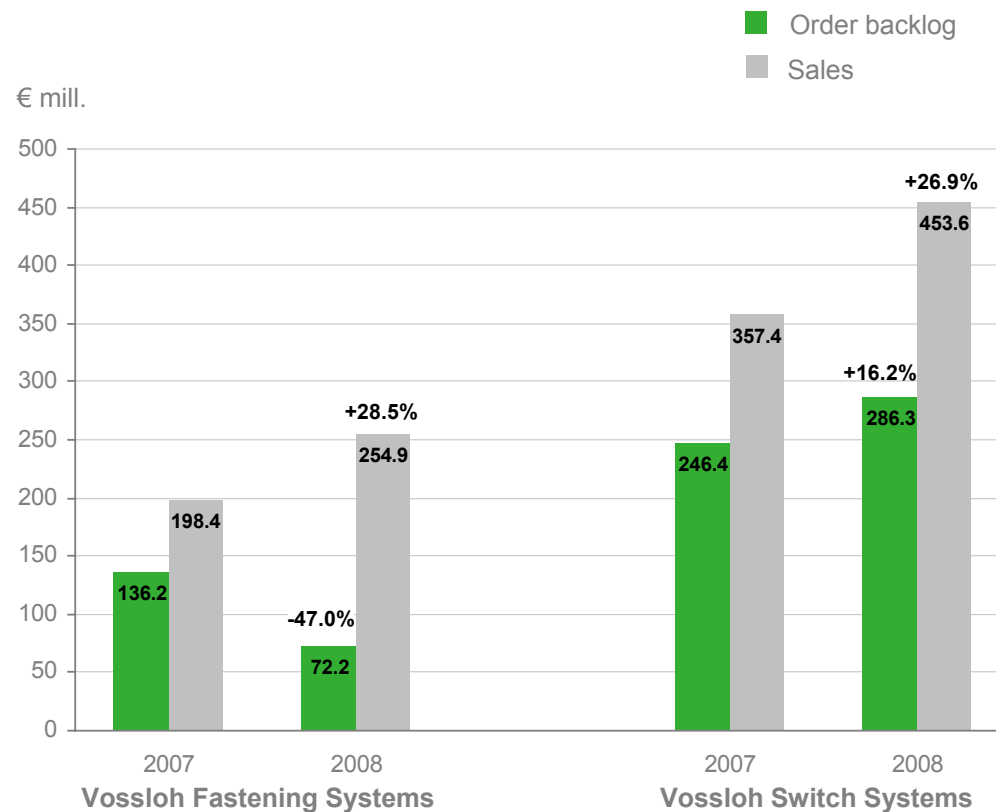
- ▶ Fastening Systems adjusted for China above prior year
- ▶ Switch Systems: double-digit growth rate

Order intake:

Fastening Systems:
€191.0 mill. (+31%)

Switch Systems:
€493.4 mill. (+25%)

Order backlog and sales



Motive Power&Components, fiscal 2008

Order backlog and intake

Order backlog:

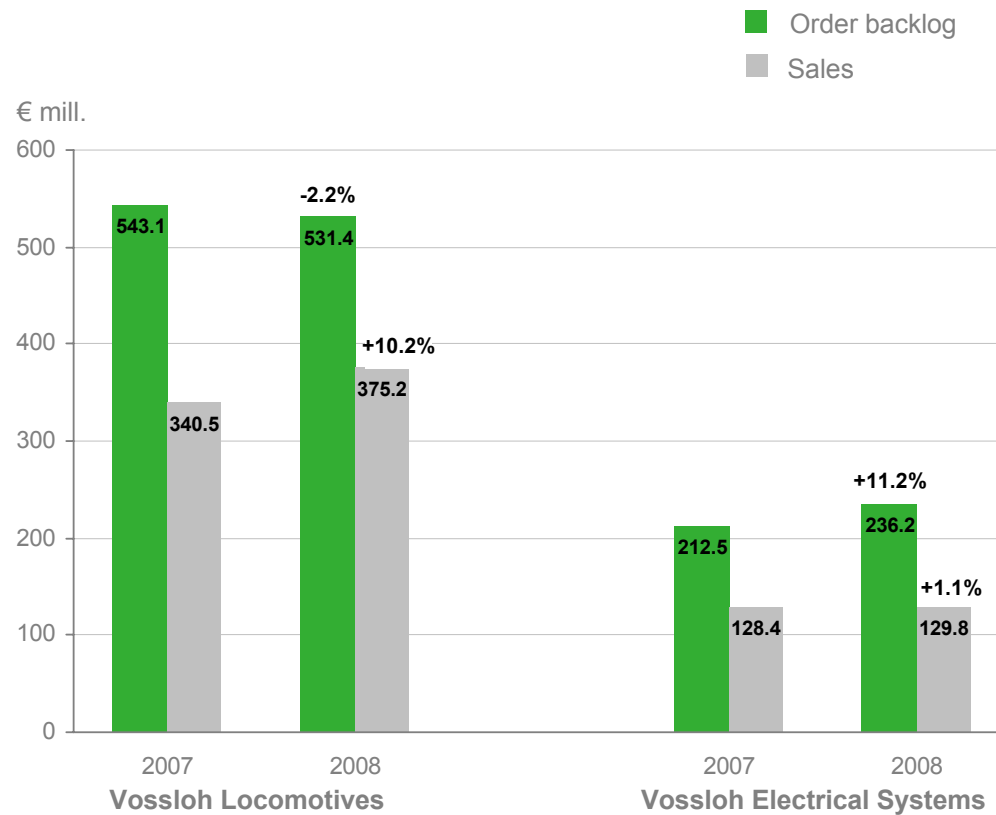
- ▶ Valencia €406 mill.
- ▶ Kiel €126 mill.
- ▶ Electrical Systems: new orders from a broad range of customers

Order intake:

Locomotives:
€363.4 mill. (+60%)

Electrical Systems:
€153.6 mill. (+24%)

Order backlog and sales



Vossloh Group, 2008–2010p

Key operating indicators

- ▶ **Sales** uptrend to continue in 2009 und 2010; growth outpacing market as such
- ▶ **EBIT** set to be upgraded even further
- ▶ **EBIT margin** to remain above benchmark, however, edging down from 2008 mainly due to remixed product range

		2008	2009p	Δ in %	2010p	Δ in %
Sales	€ mill.	1,212.7	1,291	+6.5	1,370	+6.1
EBIT	€ mill.	137.7	138	+0.2	151	+9.4
EBIT margin	%	11.4	10.7	-	11.0	
EBT	€ mill.	128.4	126	(1.9)	141	+11.9
Group earnings	€ mill.	92.6+46.8	86	(7.1) ¹	96	+11.6
Earnings per share	€	6.30+3.18	6.37	+1.1 ¹	7.11	+11.6



Vossloh Group, 2008–2010p

Key financial indicators

- ▶ **Working capital** remaining at stable level despite sales rise; working capital intensity improving
- ▶ **Capital employed** continuing at high level due to additions to fixed assets
- ▶ **Net financial debt** climbing after higher capital expenditures but staying low

		2008	2009p	Δ in %	2010p	Δ in %
Working capital	€ mill.	300.7	282	(6.2)	289	+2.5
Working capital intensity	%	24.8	21.9	-	21.1	-
Capital employed	€ mill.	732.1	762	+4.1	806	+5.8
ROCE	%	18.8	18.1	-	18.8	-
Equity ratio	%	36.8	38	-	41	-
Net financial debt/(assets)	€ mill.	(35.0)	38	-	3	-
Net leverage	%	(7.1)	7.7	-	0.6	-




Vossloh Group, prospects

Continued value-driven growth

- ▶ Growth rates of 2006–2008 continuing at high level, organic growth rate slightly shallower
- ▶ Successful presence in numerous international markets remaining prime growth driver:
 - ▶ Outstanding opportunities to be seized to exploit existing or even new markets in Asia, Africa, USA, and Russia
 - ▶ Europe (especially Southern and Northern) offering added growth potential
- ▶ Tall order backlog and high order intake endorse prospects and outlook
- ▶ Stepping up capital outlays creates basis for further expansion and cements market position
- ▶ Thanks to low net financial debt, great latitude for M&A transactions





Dr.-Ing. Norbert Schiedeck
Markets and Technologies

Vossloh's markets

Relevant segments

- ▶ Infrastructure: global rail fastener and switch supplier
- ▶ Freight: diesel locomotives—mainly for Europe and North America
- ▶ Local public transit: suburban trains, electric traction systems for light rail vehicles (LRV) and trolleybuses—mainly for Europe and North America



Market opportunities / business prospects

People and products on the move even in a recession

- ▶ Pressure on municipalities to set up and expand local public transportation rather mounting than easing worldwide
- ▶ High-speed line projects in many countries despite economic crisis
- ▶ Politicians have stated their intent to invest in rail infrastructure (e.g., in China, Russia, USA, Western Europe)
- ▶ North America: for Vossloh, exploitable potentials in the markets for rail fasteners and local transit vehicles
- ▶ Despite much reduced haulage volumes, demand for replacement locomotives (present rolling stock of high average age)
- ▶ Future higher demand for revamping and overhauling existing vehicles



The status quo 2008

What have the Vossloh operations accomplished?

- ▶ China: rail fasteners doing a good job, new systems patented
- ▶ Rail fastener production plant set up in Turkey
- ▶ Switch manufacturing newcomers in Australia, Denmark and the Netherlands assimilated within the Group
- ▶ 50+ EURO 4000 mainline locomotives sold; “small” triple-axle G 6 shunter newly developed
- ▶ Numerous Vossloh-equipped trolleybuses for Italian (e.g. Milan, Genova) and Swiss (e.g. St. Gallen, Biel) cities and elsewhere
- ▶ Alternative traction: first hybrid-bus orders booked, public-sector subsidies about to take off, work started on a fuel-cell bus
- ▶ New LRV projects: Bielefeld (general contractor), Edinburgh, Krefeld, Valencia, etc.



Vossloh's plans for 2009

Capital expenditures of €60 million

- ▶ Added capacities: no bottlenecks
- ▶ Revamped production plant: more efficient machining equipment
- ▶ New products, especially vehicles



Vossloh's plans for 2009

Engineering

- ▶ Development of EURO 4000 light mainline locomotive
- ▶ Revamped shunters (parts commonality, modified to new emission and collision standards, extended production integration)
- ▶ Launch of new, patented rail fasteners, e.g., for heavy haul under extreme conditions
- ▶ Product line-up extended to assimilate such switch-related products as diagnosis systems, signaling equipment, switch-actuating machines
- ▶ Development of a fuel-cell drive system
- ▶ Integration of hybrid traction into other types of vehicle



Financial diary and contacts

Financial diary 2009

- ▶ April 29, 2009 Publication of interim report as of March 31¹
- ▶ May 20, 2009 Annual general meeting
- ▶ July 29, 2009 Publication of interim report as of June 30¹
- ▶ October 28, 2009 Publication of interim report as of September 30¹
- ▶ December 3, 2009 Meeting with investors and analysts¹

Contacts

- ▶ Werner Andree, CEO
- ▶ Investor Relations contact: Lucia Mathée
Email: investor.relations@ag.vossloh.com
Phone: (+49-2392) 52-359
Fax: (+49-2392) 52-219
Internet: www.vossloh.com