



**Interim report as of March 31, 2009:  
Presentation to Investors and Financial Analysts**

April 29, 2009



## Disclaimer

NB: This 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.

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## Vossloh Group, Q1/2009

### First-time disclosure of an absolute performance indicator

When submitting the interim report on the first quarter of 2009, Vossloh meets the newly applicable criteria of IFRS 8 by aligning the Group's external and internal segment reporting system and bases, thus again improving on depth and structure of external reports.

True to its strategy of value-focused growth, Vossloh primarily works toward earning a premium on top of the return (cost of capital) claimed by investors and lenders. This premium equals the difference between ROCE (return on capital employed) and WACC (weighted average cost of equity and debt) as a relative indicator and, when multiplied by average capital employed (CE), the value added (VA) in a period is an absolute indicator which Vossloh discloses in the analysis of its results of operations.

The value added is basically modeled on the EVA<sup>®</sup> concept but uses the above three parameters (ROCE, WACC, CE). The WACC which investors and lenders expect Vossloh and its business units to yield as return on the total equity and debt is currently 11 percent. The capital employed underlying the ROCE and VA formulae equals the period average and is adjusted in that the other current accruals, being non-interest, are deducted from working capital and hence also CE.

## Vossloh Group, Q1/2009

### At a glance: key operating indicators

- ▶ Q1 sales virtually a repeat of the year-earlier success
- ▶ EBIT and EBIT margin presenting a minor improvement
- ▶ ROCE at 19.5% (year-on-year down from a high 20.5%)
- ▶ Level of value added in Q1/2009 below year earlier

		Q1/2008	Q1/2009	Δ in %
Net sales	€ mill.	288.4	288.9	+0.2
EBIT	€ mill.	30.3	30.5	+0.7
EBIT margin	%	10.5	10.6	—
Group earnings	€ mill.	19.4	20.3	+4.6
Earnings per share (EpS)	€	1.31	1.49	+13.7
ROCE <sup>1</sup>	%	20.5 <sup>2</sup>	19.5	—
Value added (VA)	€ mill.	14.0 <sup>2</sup>	13.3	-5.0



<sup>1</sup> Annualized

<sup>2</sup> Excluding Vossloh Infrastructure Services

## Vossloh Group, Q1/2009

### At a glance: key financial indicators

- ▶ Working capital increase mainly due to stocked-up inventories
- ▶ Average and closing capital employed both up
- ▶ Net financial position definitely upgraded year-on-year but down versus year-end 2008, also in the wake of the treasury stock repurchase

		3/31/2008 <sup>1</sup>	12/31/2008	3/31/2009
Total assets	€ mill.	1,366.8	1,339.4	1,319.3
Total equity	€ mill.	455.3	492.7	468.6
Equity ratio	%	33.3	36.8	35.5
Working capital	€ mill.	180.3	150.6	213.2
Working capital intensity <sup>2</sup>	%	15.6	12.4	18.5
Average capital employed	€ mill.	592.6	673.3	624.2
Closing capital employed	€ mill.	610.6	582.1	648.5
Net financial assets/(debt)	€ mill.	(137.7)	35.0	(50.8)
Net leverage	%	30.2	(7.1)	10.8



<sup>1</sup> Excluding Vossloh Infrastructure Services

<sup>2</sup> Annualized

## Vossloh Group, Q1/2009

### Cash flow analysis

- ▶ Working capital built up in Q1/2009: a €62.6 million drain on cash flow (up from €20.5 million in Q1/2008)
- ▶ Cash flow from operating activities and unappropriated cash flow in the red, largely due to the higher working capital

Cash flow analysis (€ mill.)	Q1/2008	Q1/2009
<b>EBIT</b>	<b>30.3</b>	<b>30.5</b>
Net profit from discontinued operations	1.4	—
Amortization/depreciation/write-down (less write-up) of fixed assets	7.7	6.1
Change in noncurrent accruals	(7.6)	1.6
<b>Gross cash flow</b>	<b>31.8</b>	<b>38.2</b>
Net book gain/loss from fixed-asset disposal	(0.5)	0.0
Short-term securities purchased/sold	13.1	(0.1)
Net change in assets/liabilities from operating activities (incl. working capital)	(29.4)	(63.4)
Tax payments	(6.1)	(1.9)
<b>Net cash provided by/(used in) operating activities</b>	<b>8.9</b>	<b>(27.2)</b>
Intangible/tangible assets added/disposed of	(7.1)	(7.0)
<b>Unappropriated cash flow<sup>1</sup></b>	<b>1.8</b>	<b>(34.2)</b>

<sup>1</sup> Before investments in other noncurrent financial instruments and before acquisitions, divestments of consolidated subsidiaries and dividend payout

## Rail Infrastructure, Q1/2009

### At a glance: major indicators

- ▶ Q1 sales edging up from very high year-earlier magnitude
- ▶ EBIT and EBIT margin upgraded
- ▶ Healthy German business and China contract shipments boosting sales of Vossloh Fastening Systems by 76.1% to €56 million
- ▶ Vossloh Switch Systems reporting Q1 sales of €96.5 million, hence 17.5% below high 2008 level, one factor being the business slump in North America

		Q1/2008	Q1/2009	Δ in %
Net sales	€ mill.	147.4	152.1	+3.2
EBIT	€ mill.	24.1	25.2	+4.6
EBIT margin	%	16.4	16.6	—
Working capital	€ mill.	190.4 <sup>1</sup>	213.5	+12.1
Average capital employed	€ mill.	463.5 <sup>1</sup>	502.2	+8.3
Closing capital employed	€ mill.	485.9 <sup>1</sup>	512.3	+5.4
ROCE <sup>2</sup>	%	20.8 <sup>1</sup>	20.1	—
Value added	€ mill.	11.3 <sup>1</sup>	11.4	+0.9



<sup>1</sup> Excluding Vossloh Infrastructure Services

<sup>2</sup> Annualized

## Motive Power&Components, Q1/2009

### At a glance: major indicators

- ▶ Q1 sales moderately below 2008 level
- ▶ EBIT and EBIT margin down
- ▶ Sales at Vossloh Locomotives inching down 2.8% to €101.0 million:  
Vossloh España's up 21.9% to €71.3 million, Kiel's down 34.6% to €29.9 million
- ▶ Vossloh Electrical Systems showing 4.0% sales decline to €35.6 million

		Q1/2008	Q1/2009	Δ in %
Net sales	€ mill.	141.0	136.6	-3.1
EBIT	€ mill.	10.7	9.4	-12.1
EBIT margin	%	7.6	6.9	—
Working capital	€ mill.	(3.9)	6.5	—
Average capital employed	€ mill.	124.2	123.5	-0.6
Closing capital employed	€ mill.	120.3	136.0	+13.1
ROCE <sup>1</sup>	%	34.6	30.5	—
Value added	€ mill.	7.3	6.0	-17.8



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<sup>1</sup> Annualized

## Vossloh Group, Q1/2009

### Analysis of value added (VA)

- ▶ Value added by Rail Infrastructure up 0.9%
- ▶ Vossloh Fastening Systems: VA surging 232.4%, mainly owing to steep EBIT trend;  
Vossloh Switch Systems: VA down 111.7%, partly due to unfavorable sales mix and higher CE
- ▶ Value added by Motive Power&Components declining
- ▶ Vossloh Locomotives: VA down 50.0% in line with EBIT downturn and higher capital employed;  
Vossloh Electrical Systems: VA up 7.3% thanks to reduced working capital

		Q1/2008 <sup>1</sup>	Q1/2009	Δ in %
<b>Group</b>	€ mill.	14.0	13.3	-5.0
<b>Rail Infrastructure</b>	€ mill.	11.3	11.4	+0.9
Vossloh Fastening Systems	€ mill.	3.7	12.3	+232.4
Vossloh Switch Systems	€ mill.	7.7	(0.9)	-111.7
<b>Motive Power&amp;Components</b>	€ mill.	7.3	6.0	-17.8
Vossloh Locomotives	€ mill.	3.2	1.6	-50.0
Vossloh Electrical Systems	€ mill.	4.1	4.4	+7.3



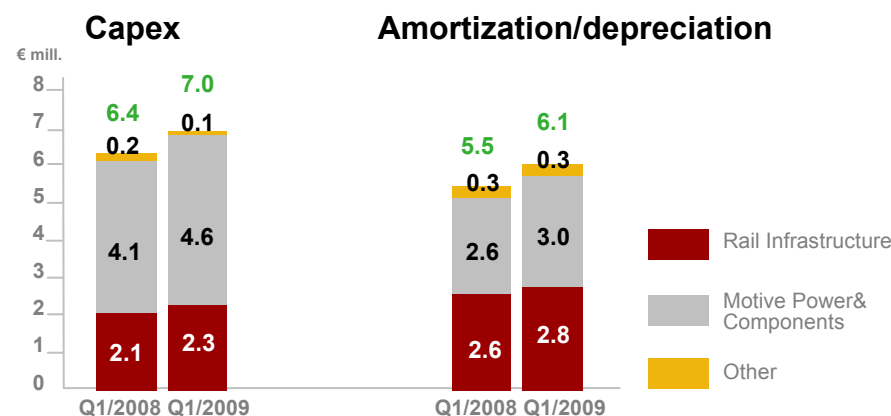
<sup>1</sup> All data excluding Vossloh Infrastructure Services

## Vossloh Group, Q1/2009

### Capital expenditures and amortization/depreciation

#### Capital outlays

- ▶ Vossloh Fastening Systems: setting-up of production plant in Turkey completed
- ▶ Vossloh Switch Systems: various replacement projects
- ▶ Vossloh Locomotives: expansion of Valencia site capacities and further development of the EURO 4000 locomotive

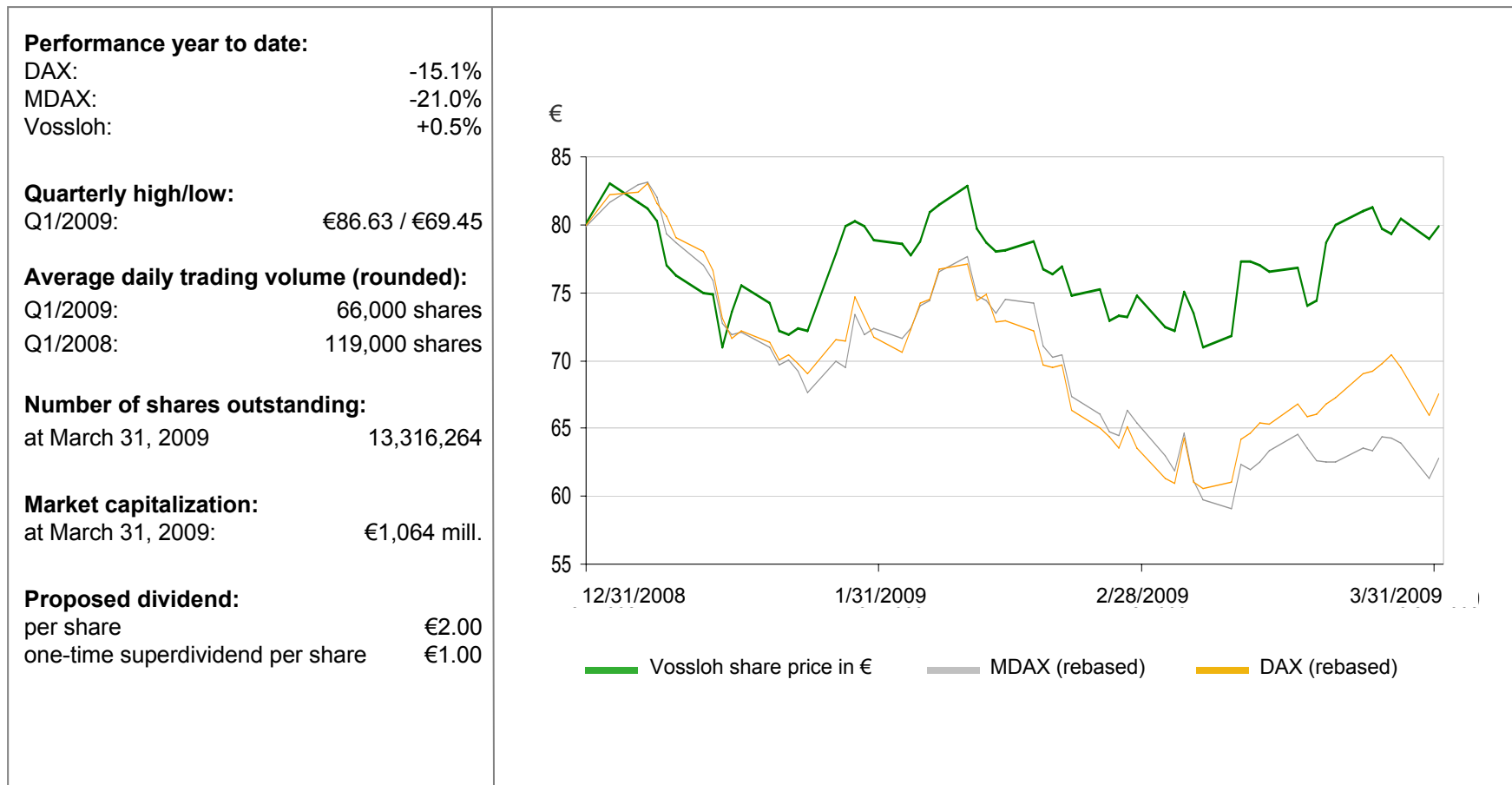


€ mill.	Q1/2008 <sup>1</sup>	Q1/2009	Δ in %
<b>Group</b>			
Capex	6.4	7.0	+9.4
Amortization/depreciation	5.5	6.1	+10.9
<b>Rail Infrastructure</b>			
Capex	2.1	2.3	+9.5
Amortization/depreciation	2.6	2.8	+7.7
<b>Motive Power&amp;Components</b>			
Capex	4.1	4.6	+12.2
Amortization/depreciation	2.6	3.0	+15.4

<sup>1</sup> All data excluding Vossloh Infrastructure Services

## Vossloh stock:

Price trend January 1 to March 31, 2009:  
again outperforming the comparative indexes

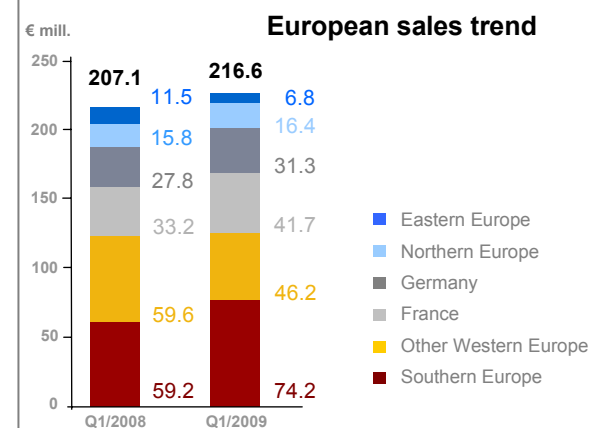
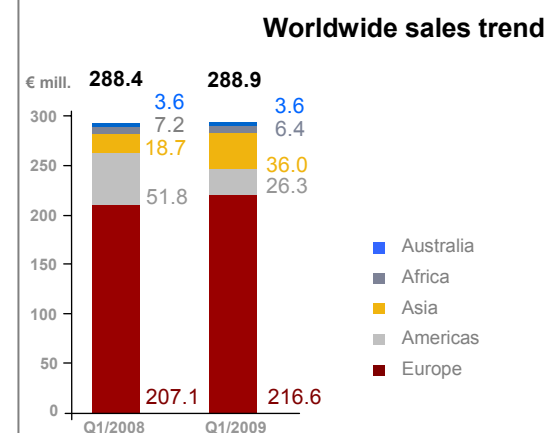


# Vossloh Group, Q1/2009

## Sales trend by region

- ▶ European sales slightly up
- ▶ Business improved mainly in Southern Europe, France, and Germany
- ▶ Non-European sales share downscaled to 25% of group sales
- ▶ Asia presenting strong growth rates, North and Central America in contrast showing sales downtrend

	Q1/2008 <sup>1</sup> in € mill.	Share in %	Q1/2009 in € mill.	Share in %	Δ in %
Europe	207.1	71.8	216.6	75.0	+4.6
Americas	51.8	18.0	26.3	9.1	-49.2
Asia	18.7	6.5	36.0	12.5	+92.5
Africa	7.2	2.5	6.4	2.2	-11.1
Australia	3.6	1.2	3.6	1.2	+0.0
<b>Total</b>	<b>288.4</b>	<b>100.0</b>	<b>288.9</b>	<b>100.0</b>	<b>+0.2</b>



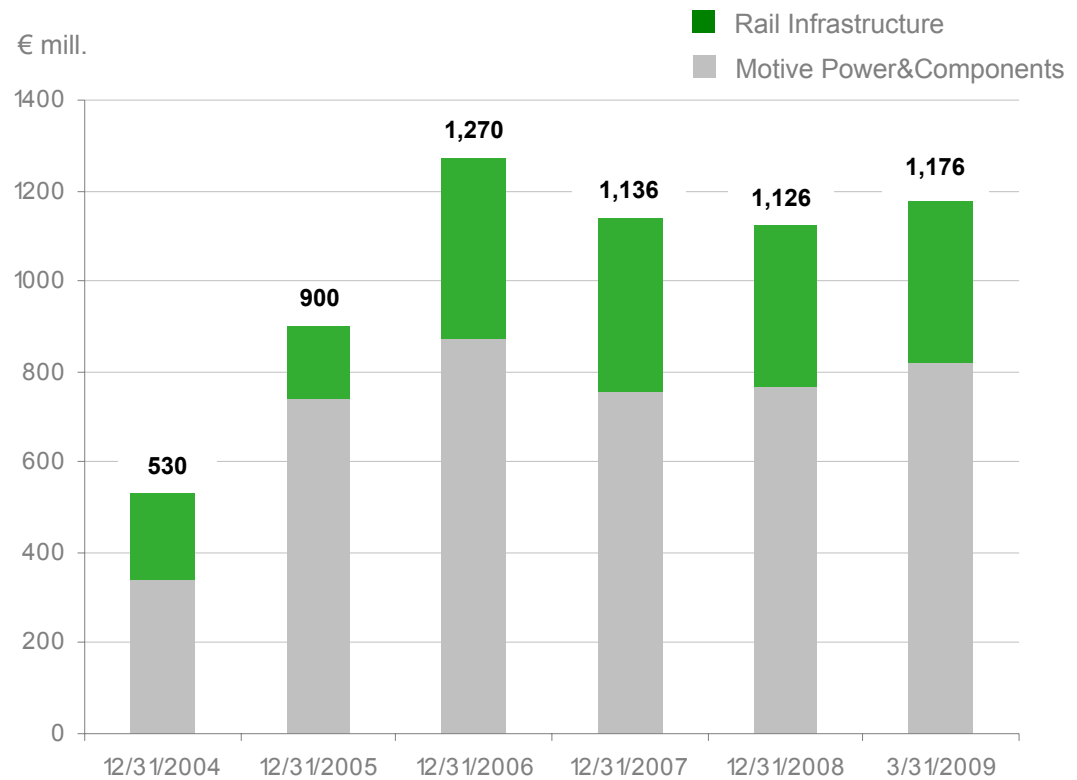
<sup>1</sup> All data excluding Vossloh Infrastructure Services

## Vossloh Group, Q1/2009

### Quarter-end order backlog

- ▶ Group order backlog at March 31, 2009, up 4.2% year-on-year
- ▶ Vossloh Fastening Systems' order backlog continuously diminishing as goods are shipped out under the China contract
- ▶ Switch Systems BU up and rising
- ▶ Kiel with downtrend; Vossloh España easily up over year-earlier level
- ▶ Vossloh Electrical Systems even topping the tall backlog at March 31, 2008

Order backlog (trend 12/31/2004–3/31/2009)



All data excluding Vossloh Infrastructure Services

## Rail Infrastructure, Q1/2009

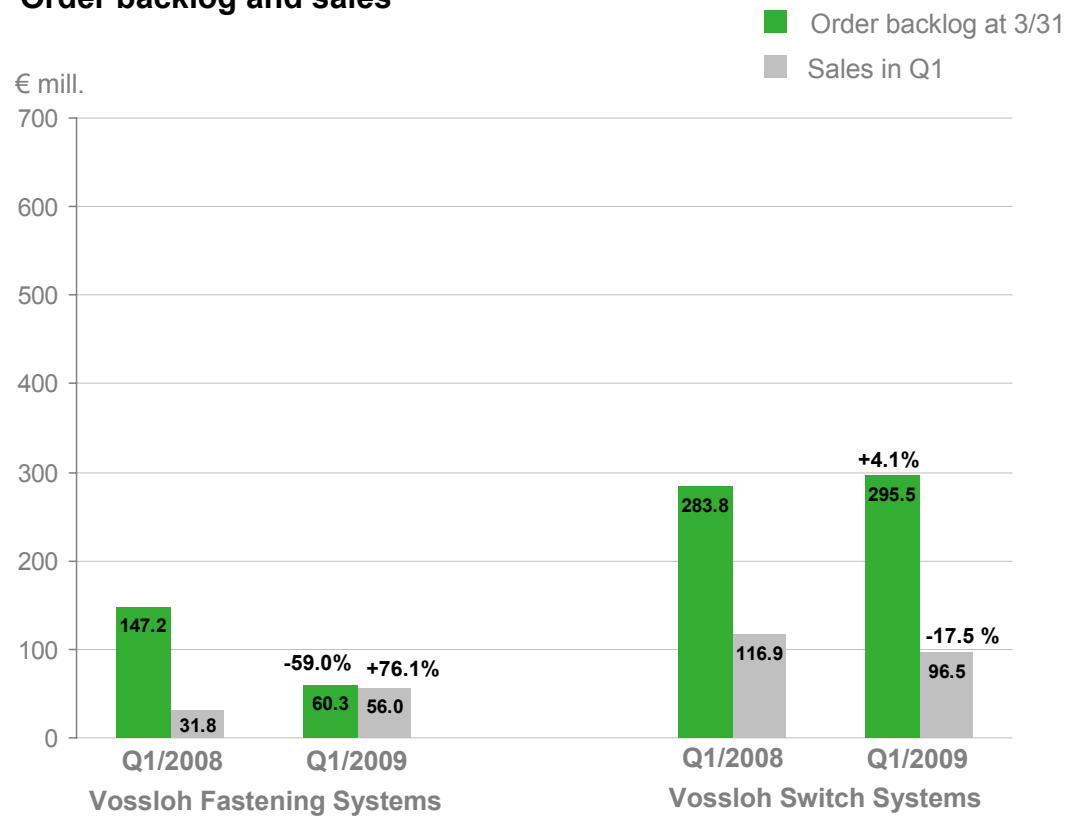
### Order backlog and intake

#### Order intake:

Vossloh Fastening Systems:  
€44.1 million (down 4.8%)

Vossloh Switch Systems:  
€105.7 million (down 12.2% on  
a comparable basis)

#### Order backlog and sales



## Motive Power&Components, Q1/2009

### Order backlog and intake

#### Order intake:

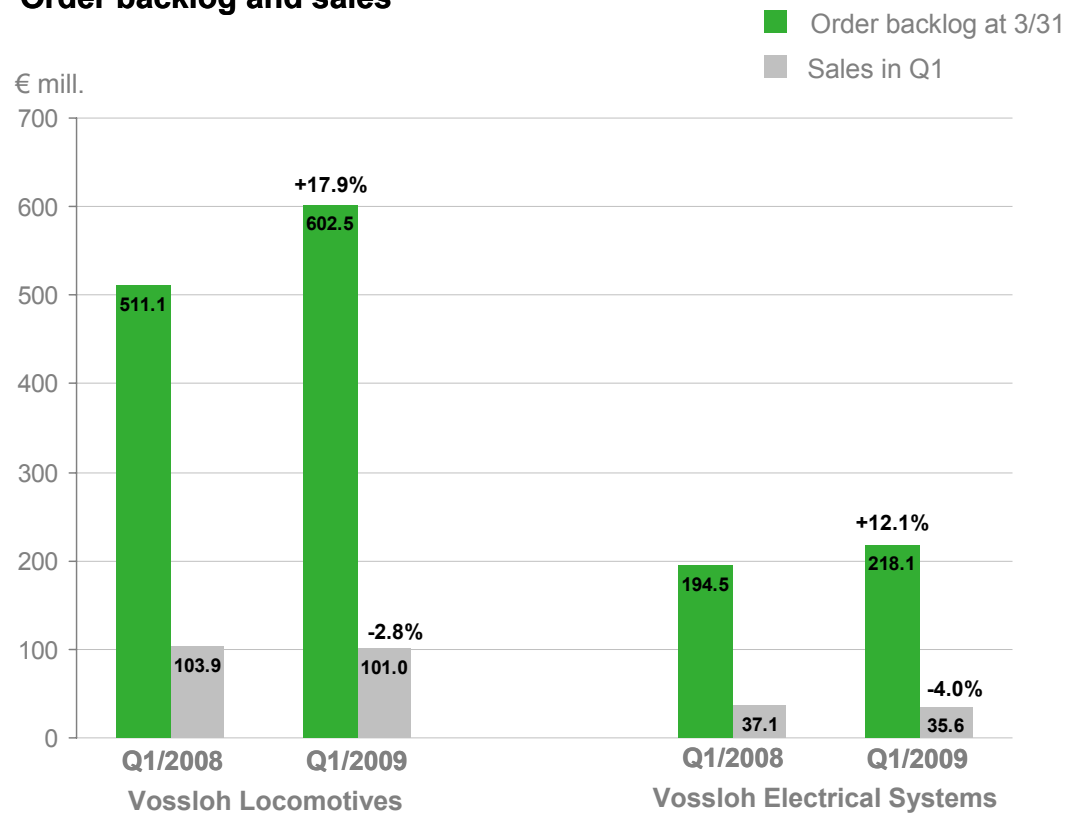
Vossloh Locomotives:

€172.2 million (up 137.8%)

Vossloh Electrical Systems:

€17.5 million (down 9.3%)

#### Order backlog and sales



## Vossloh Group, 2009p and 2010p

### Outlook reaffirmed

- ▶ Expected trend of operations again endorsed; reviving demand anticipated in North America in the course of the year
- ▶ Order intake and backlog support forecasts

		2008	2009p	Δ in %	2010p	Δ in %
Net 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	—
Group earnings	€ mill.	92.6+46.8	86	-7.1 <sup>1</sup>	96	+11.6
Earnings per share	€	6.30+3.18	6.37	+1.1 <sup>1</sup>	7.11	+11.6
Closing working capital	€ mill.	150.6	162	+7.6	171	+5.6
Closing capital employed	€ mill.	582.1	642	+10.3	688	+7.2
Average capital employed	€ mill.	673.3	639	-5.1	665	+4.1
ROCE	%	20.4	21.6	—	22.7	—
Value added	€ mill.	63.6	68	+6.9	78	+14.7
Net financial assets/(debt)	€ mill.	35.0	(38)	—	(3)	—

<sup>1</sup> On a like-for-like basis

All data excluding Vossloh Infrastructure Services



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## Financial diary and contacts

### Financial diary 2009

- ▶ May 20, 2009 Annual general meeting
- ▶ July 29, 2009 Publication of interim report as of June 30 <sup>1</sup>
- ▶ October 28, 2009 Publication of interim report as of September 30 <sup>1</sup>
- ▶ December 3, 2009 Investors and analysts conference <sup>1</sup>

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