



**Interim Report as of March 31, 2008:  
Presentation to Investors and Analysts**

April 29, 2008

## Disclaimer

The presentation contains forward-looking statements 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, Q1/2008

### Good start into fiscal 2008

- ▶ Two-digit organic sales growth rate
  - Both divisions reporting higher sales and EBIT
  - Acquirees in Australia, Denmark, Netherlands contribute some €8 million to Q1 sales
  - Share of non-European sales just under 24%
- ▶ Q1 ROCE and Q1 EBIT margin significantly upgraded in 2008
- ▶ Organic order intake (like-for-like, excl. newly consolidated acquisitions) up 14.5%

## Vossloh Group, Q1/2008

Sales excl. acquisitions +12.4%; margin clearly improved

		2007	Q1/2007	Q1/2008	Δ %
Net sales	(€ mill.)	1,232.1	267.7	344.8	+28.8
Operating result	(€ mill.)	120.0	20.3	32.7	+61.1
EBIT	(€ mill.)	121.5	20.7	32.9	+58.9
EBIT margin	(%)	9.9	7.7	9.5	-
EBT	(€ mill.)	109.2	18.2	29.5	+62.1
Group earnings	(€ mill.)	71.4	12.0	19.4	+61.7
Average headcount		5,493	4,896	6,167	+26.0
Earnings per share	(€)	4.83	0.81	1.31	+61.7

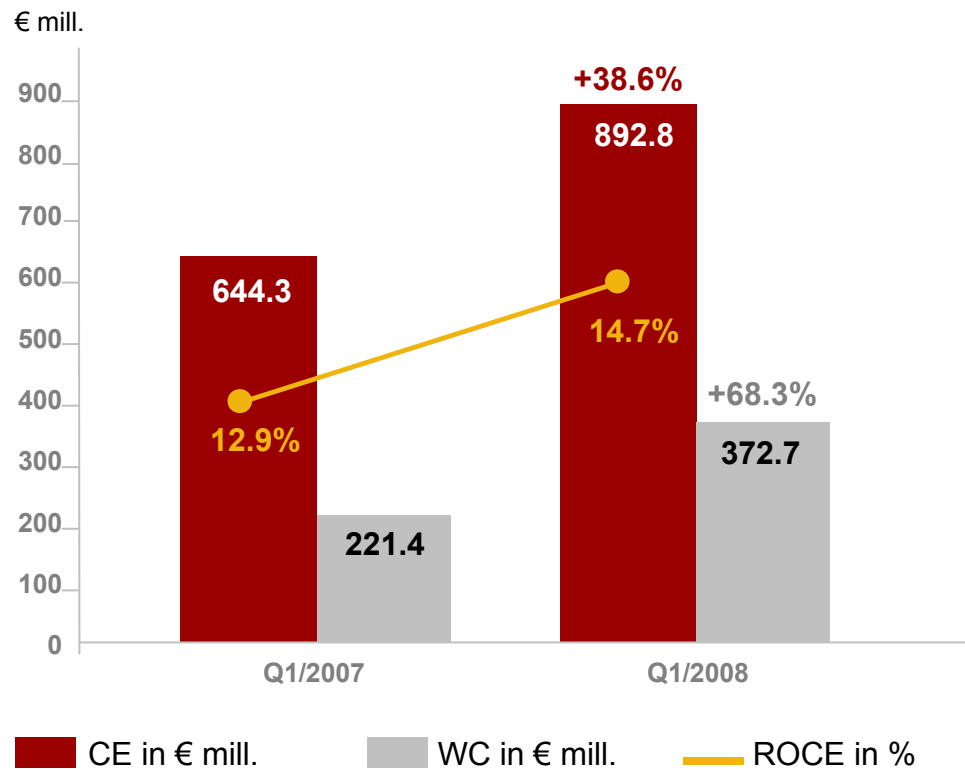
## Vossloh Group, Q1/2008

Share of sales outside of Europe up and rising: just under 24%

	Q1/2007	% share	Q1/2008	% share	Δ %
Germany	36.3	13.6	27.9	8.1	-23.1
France	87.1	32.5	85.0	24.6	-2.4
Other Western Europe	36.8	13.8	64.0	18.6	+73.9
Northern Europe	10.6	4.0	15.8	4.6	+49.1
Southern Europe	54.4	20.3	59.2	17.2	+8.8
C&E Europe	8.7	3.2	11.5	3.3	+32.2
<b>Europe</b>	<b>233.9</b>	<b>87.4</b>	<b>263.4</b>	<b>76.4</b>	<b>+12.6</b>
North and Central America	5.7	2.1	50.1	14.5	+778.9
South America	7.1	2.7	1.7	0.5	-76.1
<b>Americas</b>	<b>12.8</b>	<b>4.8</b>	<b>51.8</b>	<b>15.0</b>	<b>+304.7</b>
Middle East	1.9	0.7	9.5	2.8	+400.0
Other Asia	13.4	5.0	9.3	2.7	-30.6
Africa	4.7	1.7	7.2	2.1	+53.2
Oceania	1.0	0.4	3.6	1.0	+260.0
<b>Total</b>	<b>267.7</b>	<b>100.0</b>	<b>344.8</b>	<b>100.0</b>	<b>+28.8</b>

## Vossloh Group, Q1/2008

ROCE improved despite higher capital employed



Vossloh Group	2006	2007	2008p	2009p
Capital employed (CE) in € mill.	640.1	816.2	792	802
Working capital (WC) in € mill.	216.7	312.8	265	269
ROCE in %	12.9	14.9	17.9	18.5

## Vossloh Group, Q1/2008

M&A purchase price payments step up net financial debt

		<b>3/31/2007</b>	<b>12/31/2007</b>	<b>3/31/2008</b>
Total assets	(€ mill.)	1,225.6	1,326.8	1,366.8
Equity	(€ mill.)	382.9	434.0	455.3
Equity ratio	(%)	31.2	32.7	33.3
Working capital	(€ mill.)	221.4	312.8	372.7
Working capital intensity	(%)	20.7	25.4	27.0
Net financial debt	(€ mill.)	27.3	124.9	141.7
Net leverage	(%)	7.1	28.8	31.1

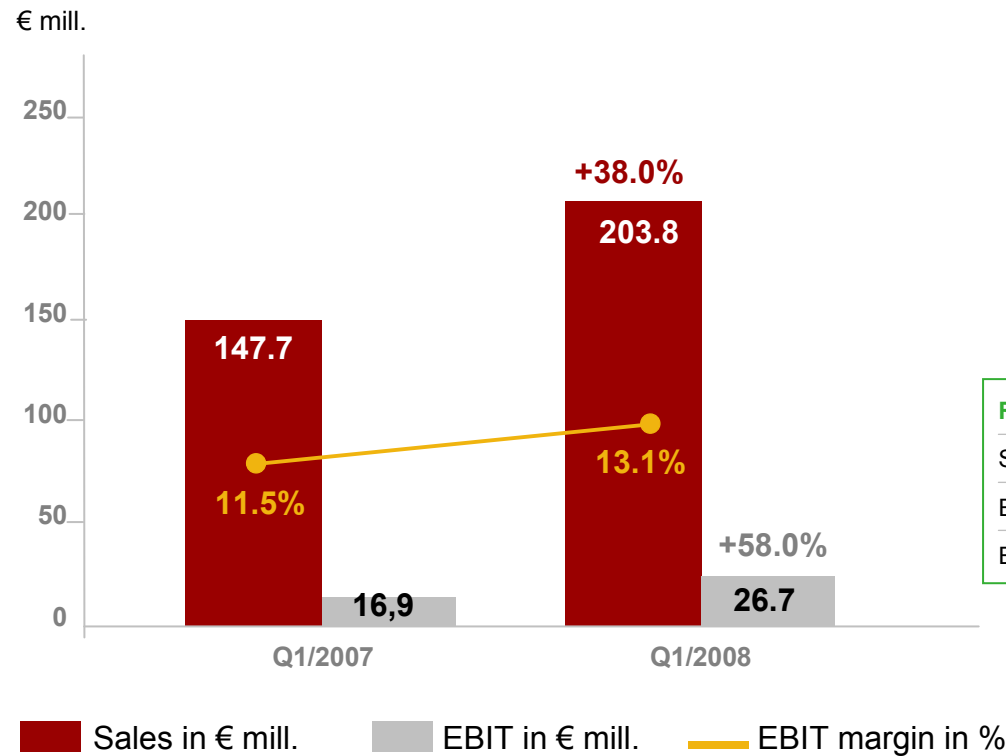
## Vossloh Group, Q1/2008

### Working capital buildup saps cash flow from operating activities

€ mill.	Q1/2007	Q1/2008
<b>EBIT</b>	<b>20.7</b>	<b>32.9</b>
Amortization/depreciation/write-down (less write-up) of fixed assets	5.9	7.7
Other noncash income/expenses, net	0.4	(0.4)
Net book (gain)/loss from fixed-asset disposal	0.0	(0.5)
Short-term securities (bought)/sold	(8.9)	13.1
Change in assets/liabilities from operating activities (incl. working capital), net	29.2	(42.7)
Cash outflow for taxes	(0.3)	(6.1)
<b>Cash flow from operating activities</b>	<b>47.3</b>	<b>4.0</b>
Cash outflow for additions to intangible and tangible assets	(5.6)	(1.6)
<b>Freely available cash flow<sup>1)</sup></b>	<b>44.4</b>	<b>2.4</b>

## Rail Infrastructure, Q1/2008

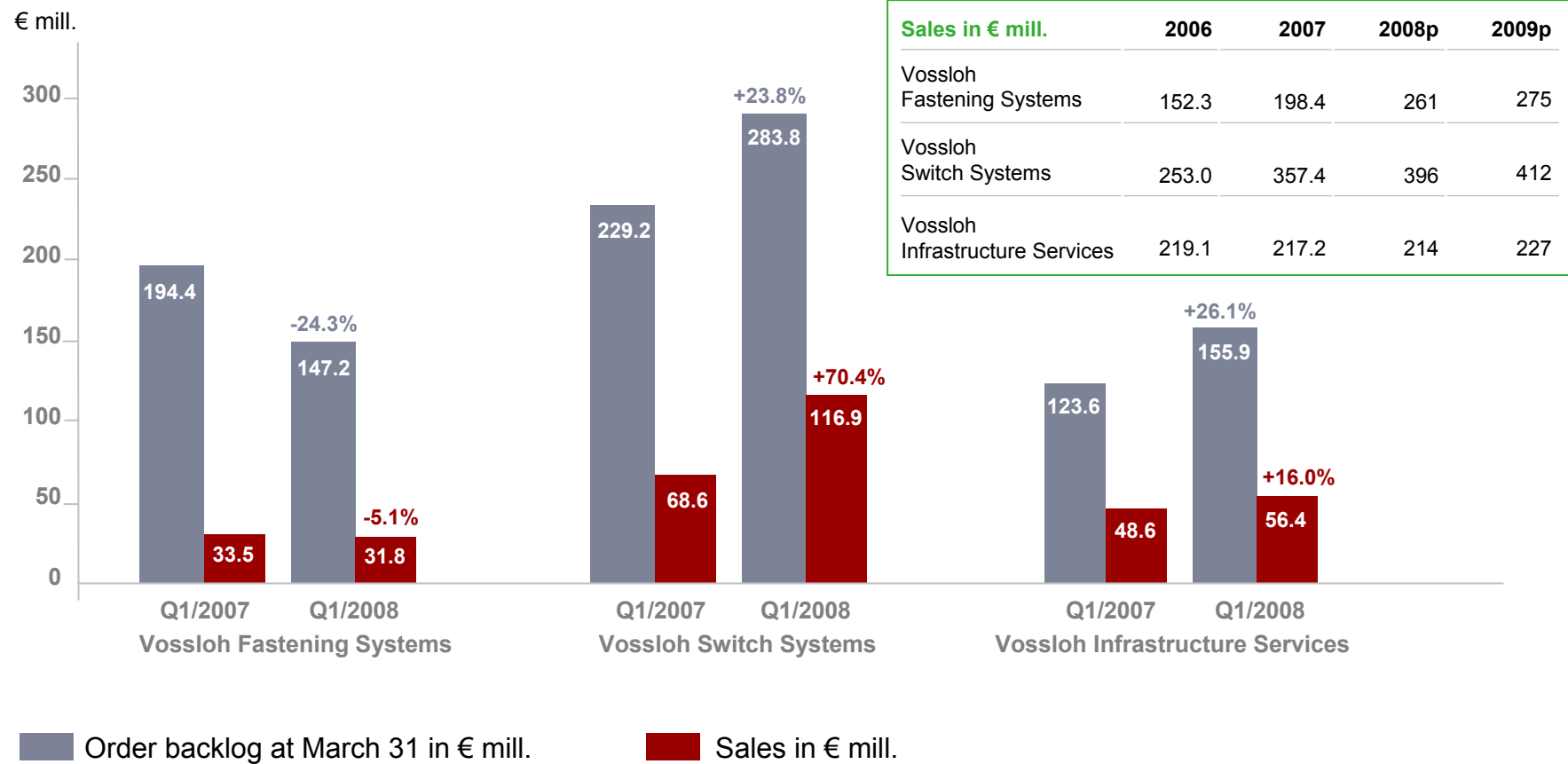
LFL sales up 22.3%, EBIT margin significantly upgraded



Rail Infrastructure	2006	2007	2008p	2009p
Sales in € mill.	613.9	763.1	862	908
EBIT in € mill.	81.2	110.1	126	127
EBIT margin in %	13.2	14.4	14.6	14.0

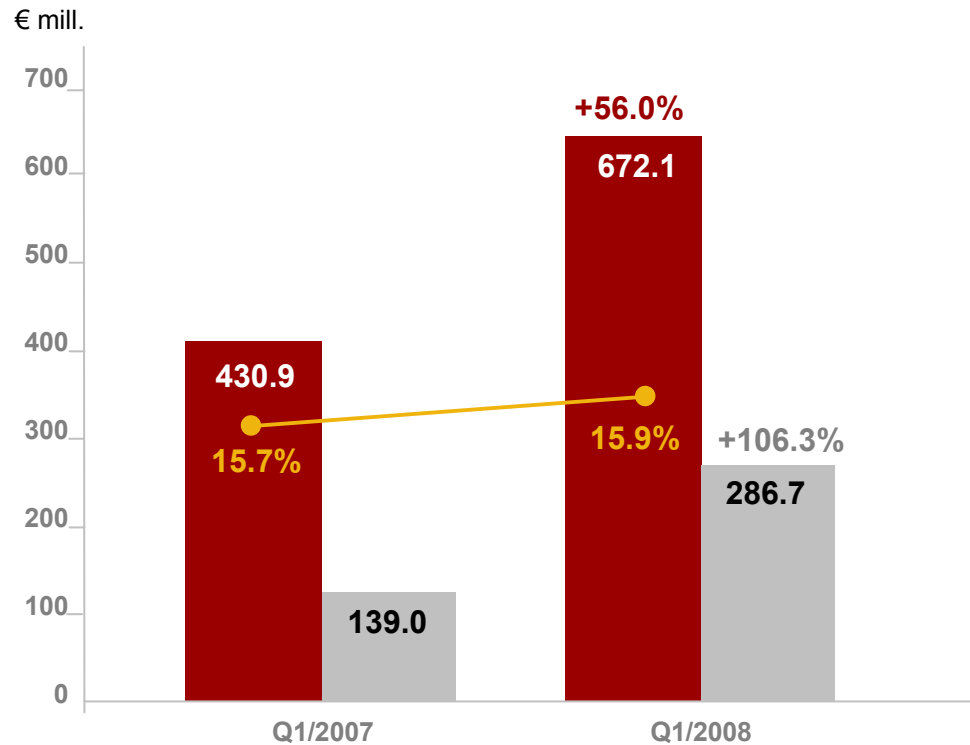
## Rail Infrastructure, Q1/2008

### Vossloh Switch Systems highly dynamic



## Rail Infrastructure, Q1/2008

ROCE improved despite surge in capital employed

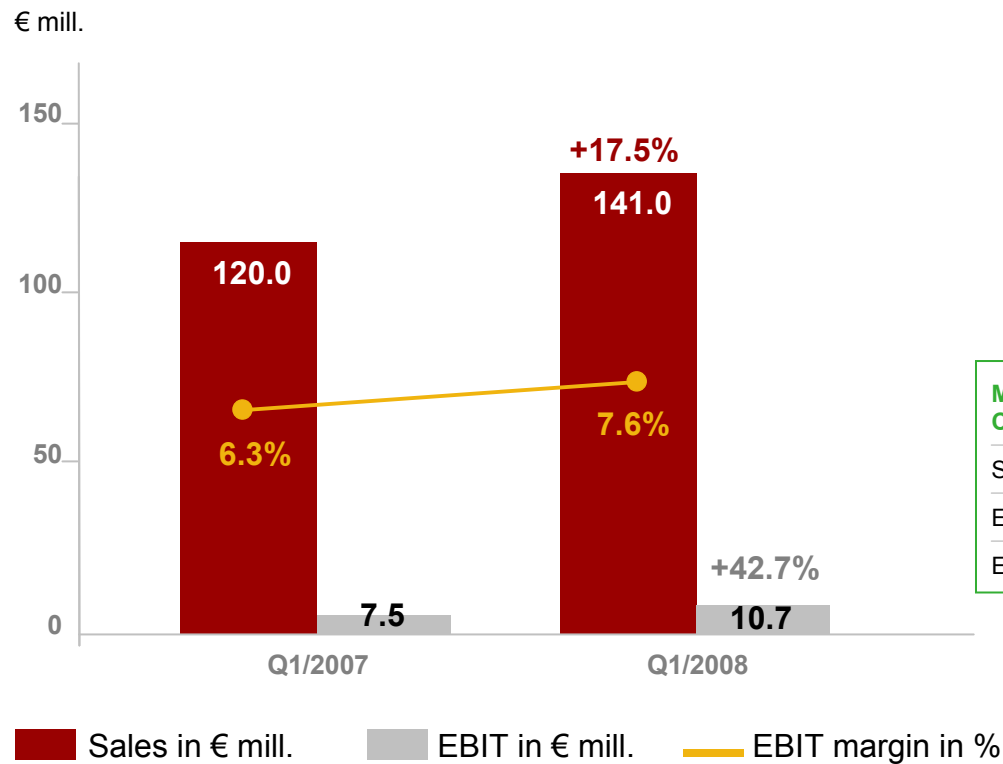


Rail Infrastructure	2006	2007	2008p	2009p
Capital employed in € mill.	412.4	606.4	575	593
Working capital in € mill.	120.5	236.7	203	219
ROCE in %	19.7	18.2	21.9	21.4

■ Capital employed in € mill.  
 ■ Working capital in € mill.  
 —●— ROCE in %

## Motive Power & Components, Q1/2008

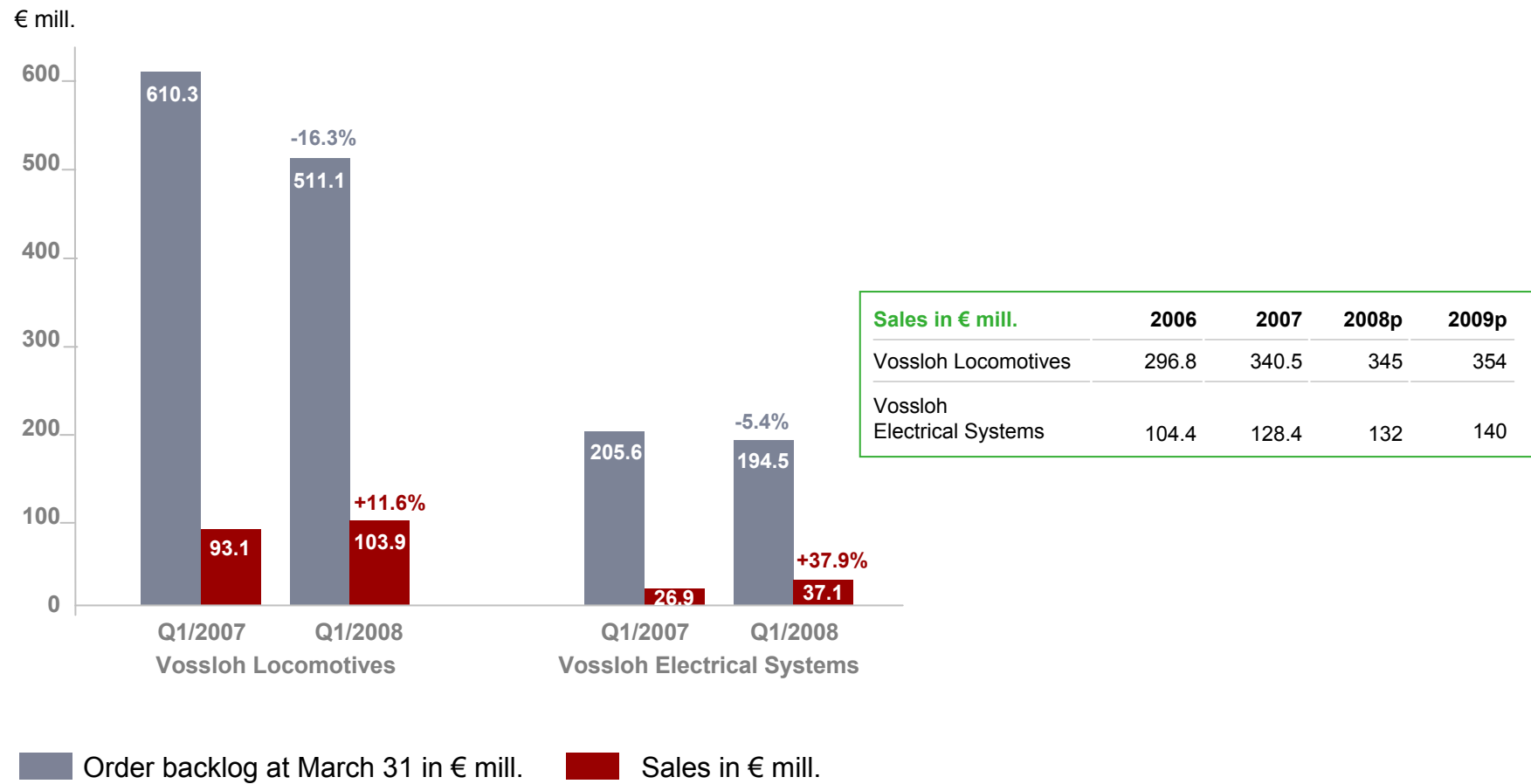
### Double-digit sales and EBIT growth rates



Motive Power & Components	2006	2007	2008p	2009p
Sales in € mill.	401.2	468.9	477	494
EBIT in € mill.	23.6	30.6	31	36
EBIT margin in %	5.9	6.5	6.6	7.3

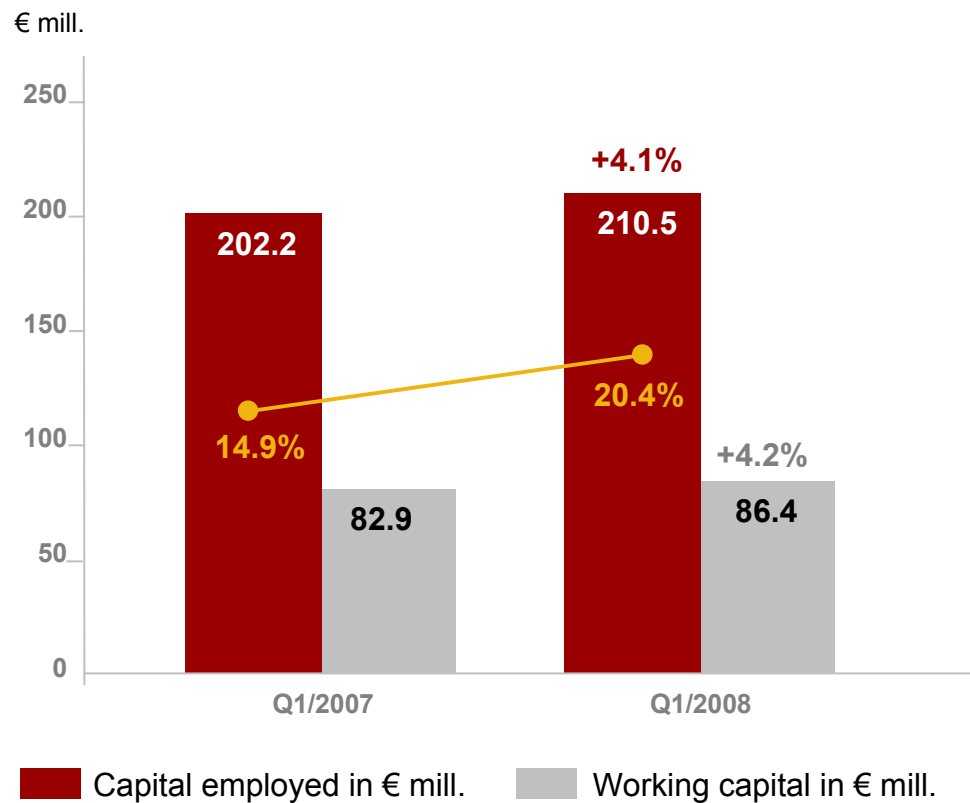
## Motive Power & Components, Q1/2008

Both business units performing well



## Motive Power & Components, Q1/2008

ROCE >20%

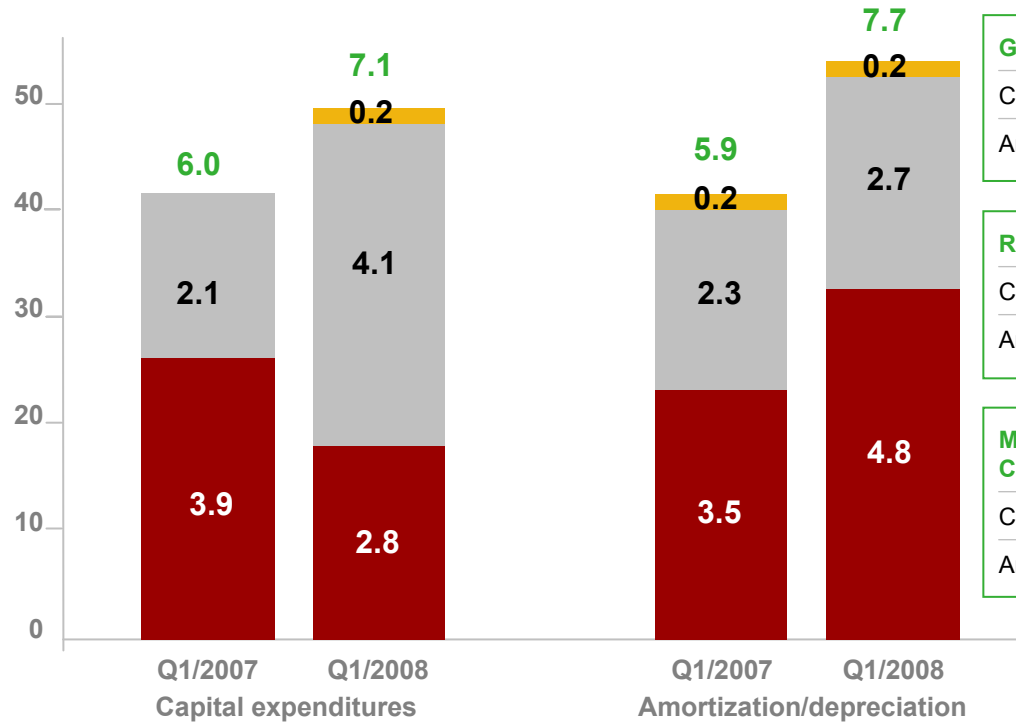


Motive Power & Components	2006	2007	2008p	2009p
Capital employed in € mill.	216.6	198.7	195	186
Working capital in € mill.	96.9	76.1	64	52
ROCE in %	10.9	15.4	16.1	19.3

## Vossloh Group, Q1/2008

Development work on new locomotive models drives up capex

€ mill.



€ mill.

Group	2006	2007	2008p	2009p
Cap. expenditures	22.8	52.6	57	43
Amort./depreciation	25.9	29.2	34	36

Rail Infrastructure	2006	2007	2008p	2009p
Cap. expenditures	9.7	39.0	38	26
Amort./depreciation	14.0	18.5	22	23

Motive Power & Components	2006	2007	2008p	2009p
Cap. expenditures	12.9	13.3	17	17
Amort./depreciation	8.2	9.5	12	13

■ Rail Infrastructure in € mill.   
 ■ Motive Power & Components in € mill.   
 ■ Others in € mill.

## Vossloh Group

### Prospects: profitable growth continuing

- ▶ Budgeted sales and earnings for 2008 are endorsed; further sales growth and sustainably high margin targeted for 2009
- ▶ Order intake in early 2008 nails down budgeted business uptrend



## Appendix

## Vossloh Group

Core competence: Rail Infrastructure and Rail Technology

Group sales 2007: €1,232 million

### Rail Infrastructure

Sales: €763 million



#### Fastening Systems

16%



#### Switch Systems

29%



#### Infrastructure Services

17%

### Motive Power&Components

Sales: €469 million



#### Locomotives

28%



#### Electrical Systems

10%

## Vossloh Group

Well positioned for value-driven, long-term growth

- ▶ Rail technology is a market of international sustained growth
- ▶ Vossloh with a closely focused portfolio, foremost market position, and expanding worldwide presence
- ▶ International product references and high product reputation
- ▶ Better-than-average profitability
- ▶ Extensive financing parameters for better-than-average growth

## Vossloh Group

### Controlling system

- ▶ Growth strategy based on value addition
  - ROCE >15% (current pretax cost of capital [WACC] of about 11%)
- ▶ Additional controlling parameters
  - EBIT margin, adjusted for nonoperating one-time effects, >10%
  - Sustainable rise in earnings per share and commensurate dividend payout
  - Conservative net-debt range; max. leverage 100%

## Rail Infrastructure

### Fastening Systems profile



#### ▶ Business

- Elastic rail fasteners for ballast and slabbed main-line and (sub)urban rail networks
- Bolted rail fastening systems for all load profiles: from heavy-load to high-speed lines

#### ▶ Market position

- Supplied to over 65 countries worldwide: export sales around three-quarters of total
- Worldwide foremost position

#### ▶ Main competitors

- Pandrol (Delachaux, FR) (UK)

## Rail Infrastructure

### Switch Systems profile



#### ► Business

- Standard, high-speed and specialty rail switches to all standards worldwide
- Signaling components such as switch actuating mechanisms and switch monitoring systems

#### ► Market position

- Production facilities in 17 countries (since March 2007, also in the USA and since 2008, in Australia, Denmark, Netherlands)
- Worldwide #2

#### ► Main competitor

- VAE (voestalpine AG) (AT)

## Rail Infrastructure

### Infrastructure Services profile



#### ▶ **Business**

- Track construction and maintenance for state and industrial rail networks, for tram and (sub)urban rail systems
- Overhead line construction

#### ▶ **Market position**

- Track maintenance: market leader in France, Luxembourg
- Track construction: market leader in France

#### ▶ **Main competitors**

- Wayss & Freytag (DE), Colas SA (FR), TSO (FR), Balfour Beatty (UK), Heitkamp (DE), Vías y Construcciones (ES)

## Motive Power&Components

### Locomotives profile



#### ▶ Business

- Diesel-electric and diesel-hydraulic locomotives for passenger and freight transport; rising share of (sub)urban service locomotives
- Locomotive components—bogies—locomotive maintenance and leasing

#### ▶ Market position

- Biggest and Europe-wide leading manufacturer of diesel locomotives

#### ▶ Main competitors

- Siemens (DE), Bombardier (CA), Alstom (FR), General Electric (US), EMD (US)

## Motive Power&Components

### Electrical Systems profile



#### ► Business

- Electrical systems for (trolley)buses and LRV
- Manufacture of parts and components, revamping, upkeep, maintenance, installation and assembly

#### ► Market position

- Worldwide leading supplier of electrical systems for trolleybuses
- Specialist in advanced-engineering (sub)urban rail systems

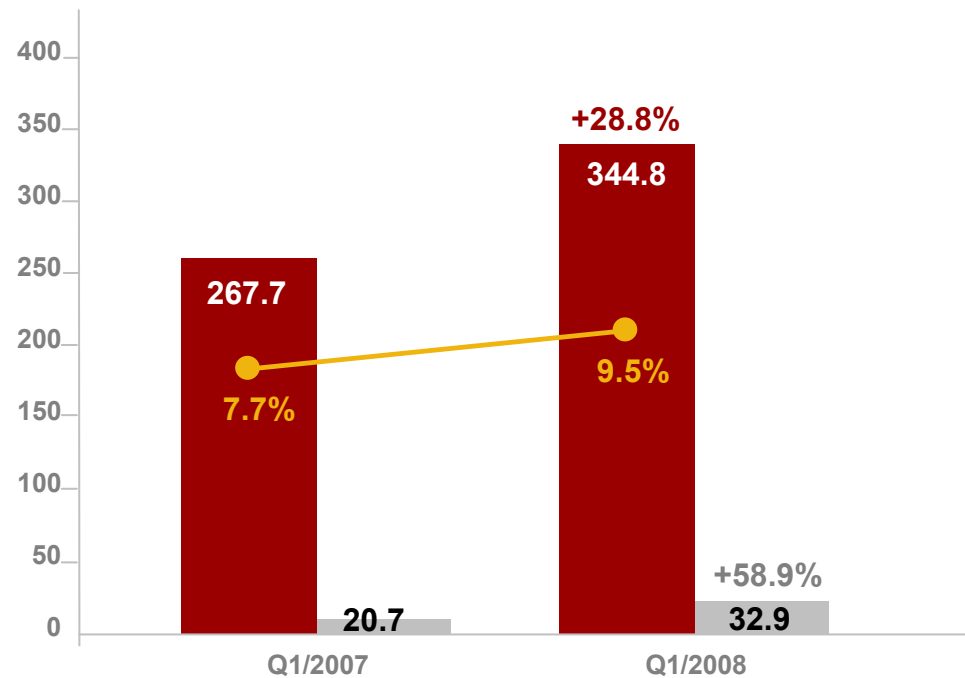
#### ► Main competitors

- Siemens (DE), Bombardier (CA), Alstom (FR)

## Vossloh Group, Q1/2008

Double-digit sales and EBIT growth rates set to continue

€ mill.



Vossloh Group	2006	2007	2008p	2009p
Sales in € mill.	1,015.2	1,232.1	1,340	1,402
EBIT in € mill.	82.7	121.5	142	149
EBIT margin %	8.1	9.9	10.6	10.6

■ Sales in € mill.   
 ■ EBIT in € mill.   
 —●— EBIT margin in %

## Vossloh Group

### Budget 2008 and plan 2009: key figures (1)

		2007	2008p	Δ %	2009p	Δ %
Net sales	(€ mill.)	1,232.1	1,340	+9	1,402	+5
Operating result	(€ mill.)	120.0	141	+18	148	+5
EBIT	(€ mill.)	121.5	142	+17	149	+5
EBIT margin	(%)	9.9	10.6		10.6	
Group earnings	(€ mill.)	71.4	91	+27	93	+2
Average headcount		5,493	6,126	+12	6,184	+1
Earnings per share	(€)	4.83	6.15	+27	6.28	+2
PER (price-earnings ratio)		19.0 <sup>1</sup>	14.9 <sup>1</sup>		14.6 <sup>1</sup>	

## Vossloh Group

### Budget 2008 and plan 2009: key figures (2)

		2007	2008p	Δ %	2009p	Δ %
Working capital	(€ mill.)	312.8	265	-15	269	+2
Capital employed	(€ mill.)	816.2	792	-3	802	+1
ROCE	(%)	14.9	17.9		18.5	
Net financial debt	(€ mill.)	124.9	87	-30	32	-63

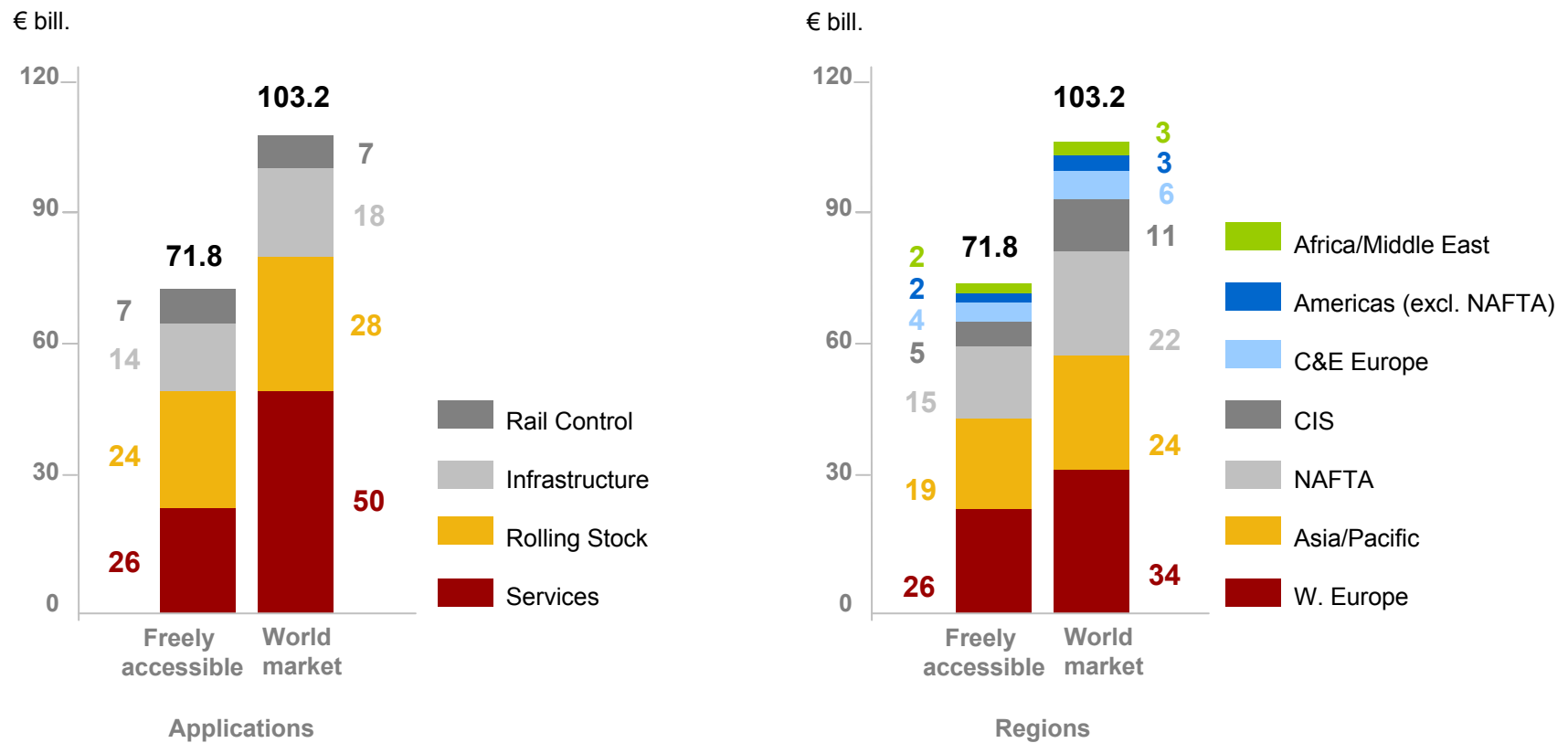
## Vossloh Group

### Rail technology market—prospects and trends<sup>1</sup>

- ▶ The global rail technology market is worth around €100 billion, of which about €72 billion is freely accessible
- ▶ Western Europe is still easily the world's biggest rail technology market
- ▶ Within the foreseeable future Asia will be the market with the strongest growth, chiefly due to the expansion of the Chinese rail network
- ▶ The rail infrastructure market is predicted to grow annually by 2.5% up to 2015
- ▶ The rail infrastructure markets particularly relevant to Vossloh (high-speed, suburban passenger services, and goods haulage) will outgrow the market as such

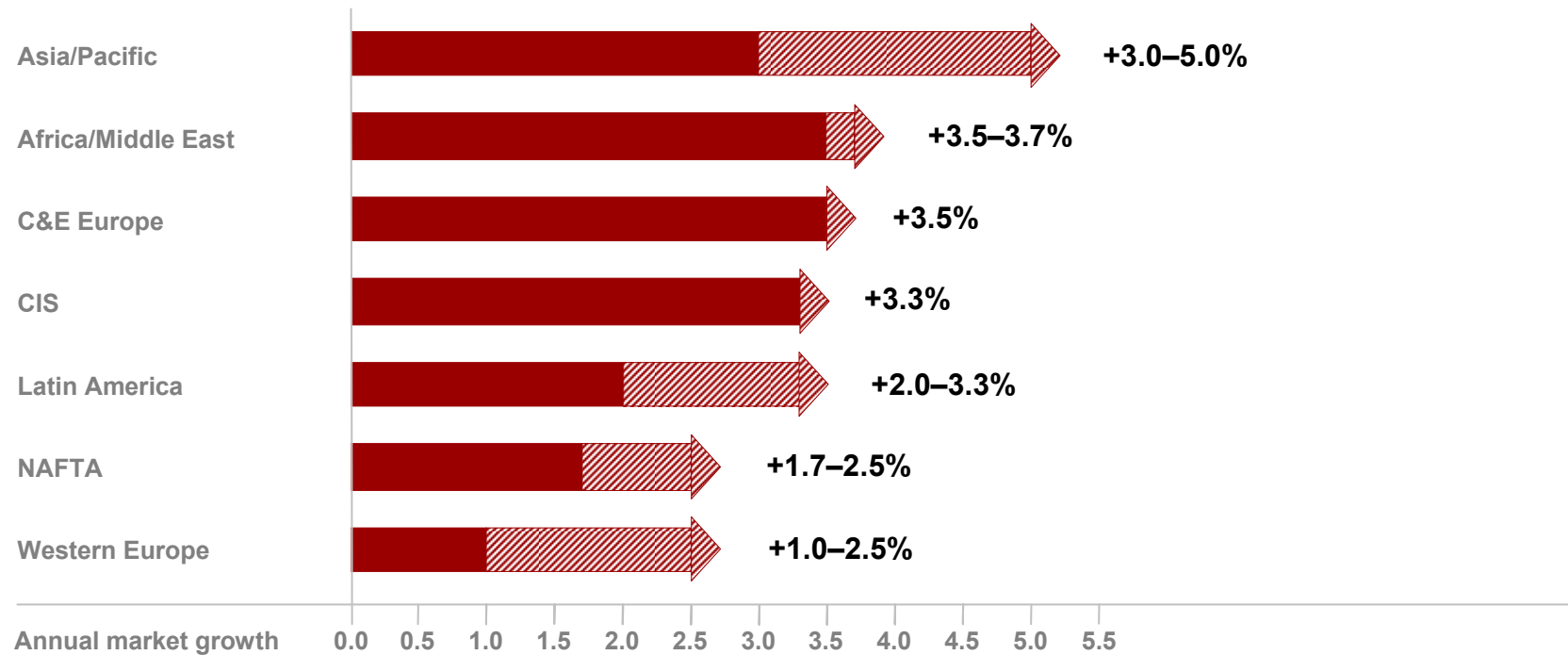
# Vossloh Group

## Rail technology market—size and structure<sup>1</sup>



## Vossloh Group

### Rail technology market growth up to 2012<sup>1</sup>



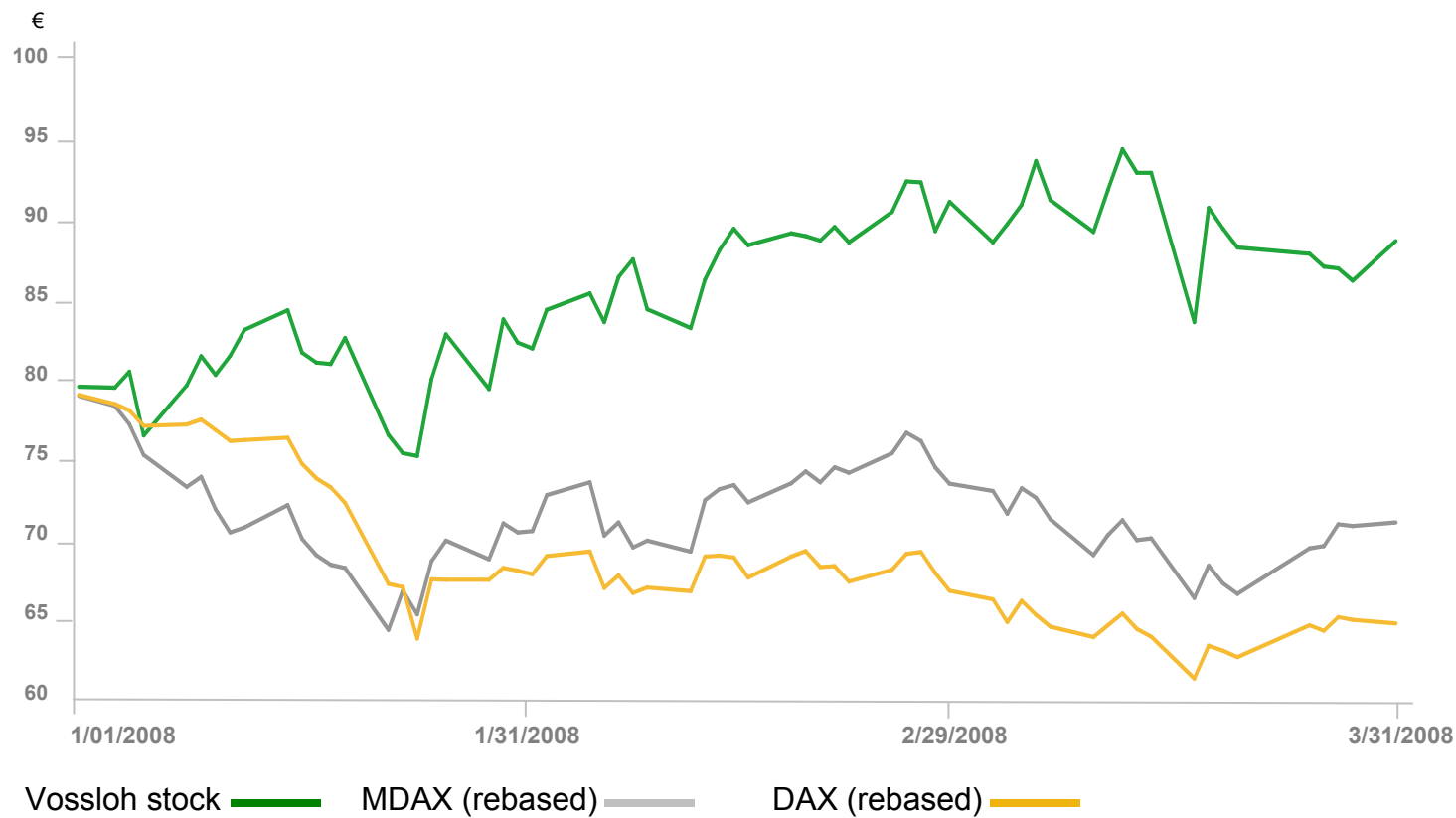
<sup>1</sup> Approximate rates

Sources: Rail Industry Association 2007; Unife 2007, SCI 2006, F&S 2006, own estimates;

Survey basis: average for 2003–2005

## Vossloh share price from January 1, 2008<sup>1</sup> to March 31, 2008<sup>1</sup>

### Stock price gain and excellent relative performance



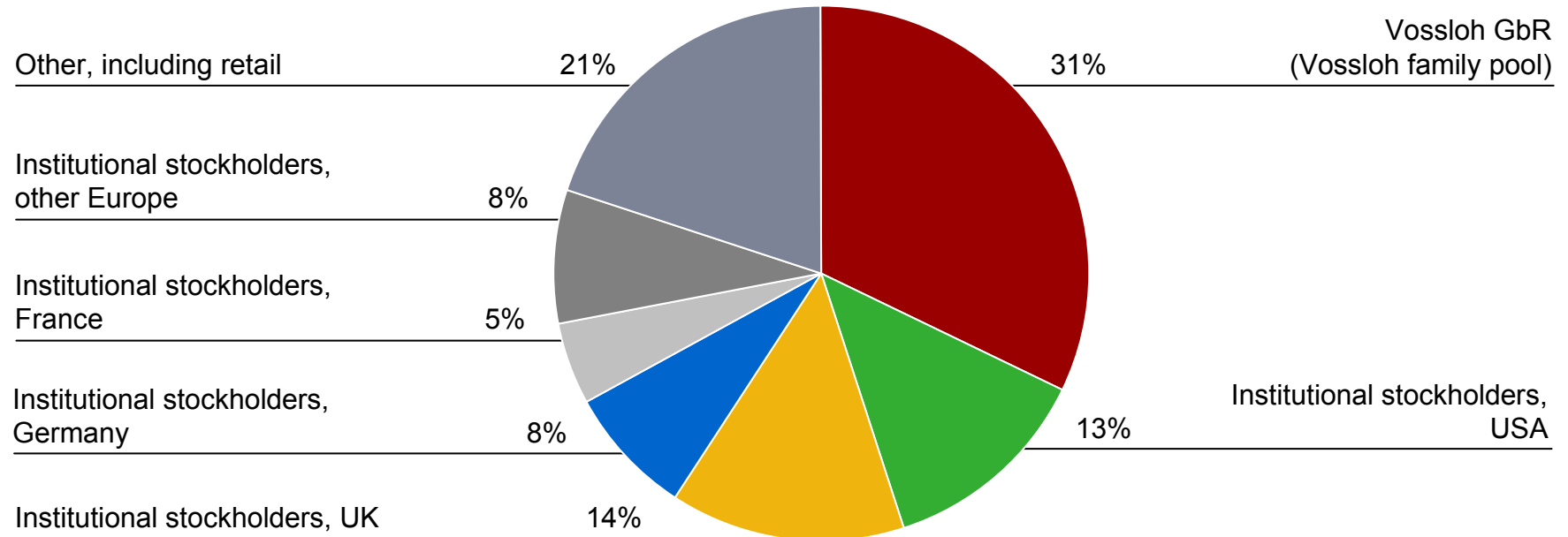
## Vossloh stock

Market capitalization >€1.3 billion, dividend rising

		12/31/2006	12/31/2007	3/31/2008
Number of shares outstanding	(1,000)	14,736	14,796	14,796
Earnings per share	(€)	1.38	4.83	1.31
Dividend per share	(€)	1.30	1.70 <sup>1</sup>	-
Closing price	(€)	57.14	80.10	89.36
Period high	(€)	59.20	94.47	96.99
Period low	(€)	34.90	56.21	68.00
Market capitalization	(€ mill.)	842.0	1,185.1	1,322.2

## Vossloh stock

High proportion of free float in the US and UK



## Financial diary

### Financial diary 2008

- ▶ May 21, 2008 Annual general meeting
- ▶ July 30, 2008 Publication of interim report as of June 30<sup>1</sup>
- ▶ October 30, 2008 Publication of interim report as of September 30<sup>1</sup>
- ▶ December 4, 2008 Meeting with DVFA analysts<sup>1</sup>

## Contacts

- ▶ Werner Andree, CEO
- ▶ IR contact: Lucia Mathée
- ▶ Email: [investor.relations@ag.vossloh.com](mailto:investor.relations@ag.vossloh.com)
- ▶ Phone: (+49-2392) 52-249
- ▶ Fax: (+49-2392) 52-219
- ▶ Internet: [www.vossloh.com](http://www.vossloh.com)