



VOSSLOH

Vossloh AG

DVFA conference on March 21, 2003,
in the offices of Deutsche Bank AG, Frankfurt

Contents

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- **Finance: 2002, prospects 2003**
- **Additional information**

Highlights 2002

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- **Disposal of Lighting**
undivided focus on Transport Technology
- **Acquisition of the COGIFER Group and disposal of the VAE stake**
harnessing synergy potentials and greatly widening the product range
- **Acquisition of the KIEPE Group**
taking command of other inviting niche markets in the transport technology sector
- **Acquisition of the state-owned Polish company SKAMO**
pole position in attractive infrastructure markets of the future taken
- **Total M&A volume > €600 million**

Group earnings tripled

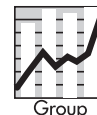
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		2001	2001*	2002	± PY %
Net sales	(€ million)	903.0	650.5	744.5	14.5
EBIT	(€ million)	60.0	49.1	78.4	59.7
EBIT margin	(%)	6.6	7.6	10.5	38.2
Group earnings	(€ million)	17.2	17.2	52.4	204.7
ROS after taxes	(%)	1.9	2.6	7.0	169.2
Earnings per share	(€)	1.20	1.20	3.85	220.8

* excl. Lighting (discontinued operation)

- Disposal gains and risk provisions included
 - in EBIT: €14.4 million
 - in Group earnings: €24.0 million
- Significantly improved earnings of Locomotives and Engineering Systems



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Cash flow from operations significantly up

		2001	2001*	2002	± PY%
Working capital	(€ million)	316.3	207.3	175.5	-15.3
Capital employed	(€ million)	638.3	461.9	590.0	27.7
ROCE	(%)	9.4	10.6	13.3	25.5
Equity ratio	(%)	35.0	34.7	25.2	-27.4
Pretax ROE	(%)	13.6	12.4	26.7	115.3
Cash flow from operations	(€ million)	50.6	39.9	122.9	208.0
Net financial debt	(€ million)	231.2	215.5	227.0	5.3
Net leverage	(%)	73.5	69.1	95.1	37.6

* excl. Lighting (discontinued operation)

- Net cash provided by operating activities at record high
- Leverage temporarily soaring to 95.1%
- ROCE raised despite significantly higher capital employed



Group share indicators

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		2001 ¹	2002 ¹	2003p ³
Market capitalization	(€ million)	310.4	338.1	354.8
Book value per share	(€)	22.5	17.1 ²	20.2
EpS	(€)	1.20 ²	3.85 ²	3.84
CFpS ⁴	(€)	3.9 ²	5.3 ²	5.6
PER		18.8	6.4	6.7
Cash dividend/(proposed)	(€)	0.75	1.20	

- Present PER indicating further stock price potential
- Restructuring and focus on transport technologies opening up additional stock price potential

¹ At year-end

² In 2001, an average 14,355,309 shares (13,777,248 at year-end) were issued and outstanding.

In 2002, an average 13,592,983 shares (13,688,083 at year-end) were issued and outstanding.

³ Based on the price at March 13, 2003 (€25.90) and 13,700,000 shares.

⁴ Cash flow = Group earnings + amortization/depreciation

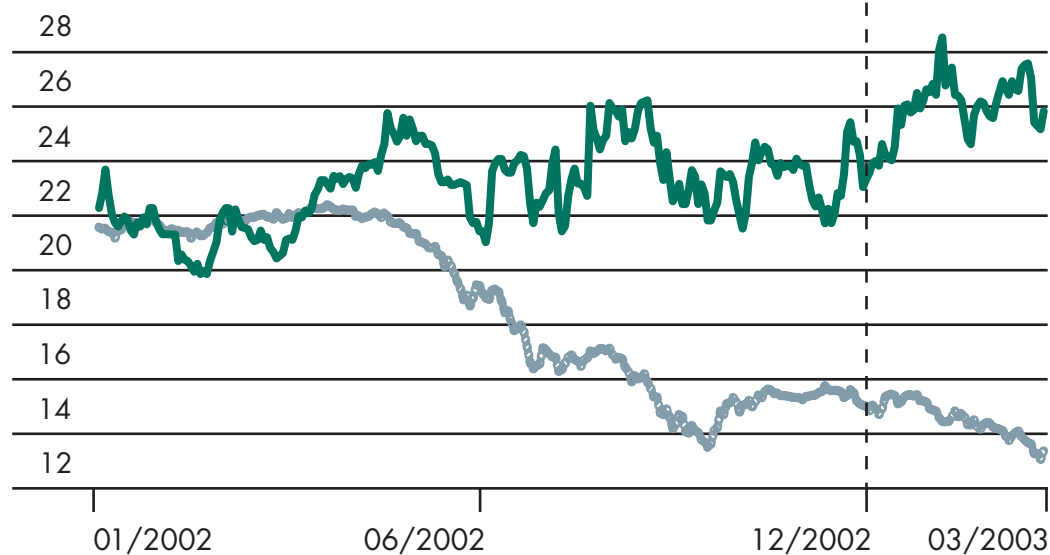
p = present projection



Stock price trend in 2002 and 2003

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■ Vossloh stock price in €
■ MDAX (rebased)



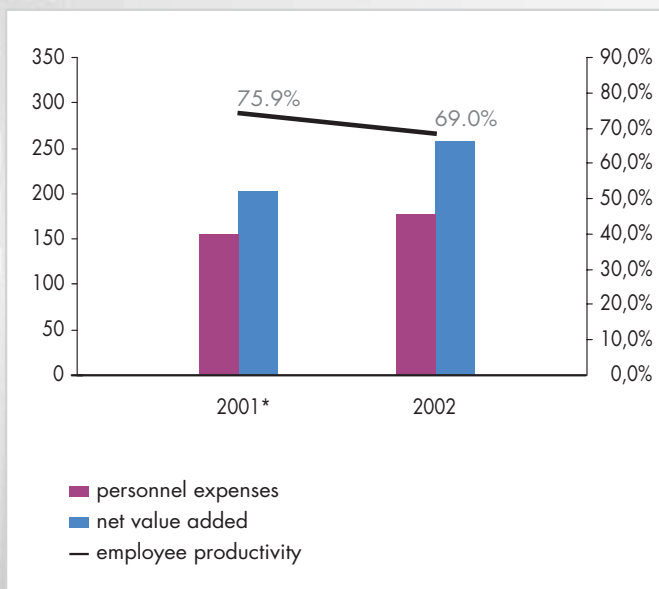
2002: increase from annual opening price by about 10% (MDAX down 30%)

2003: further price rise of around 5% (MDAX down 10%)

As of March 21, 2003

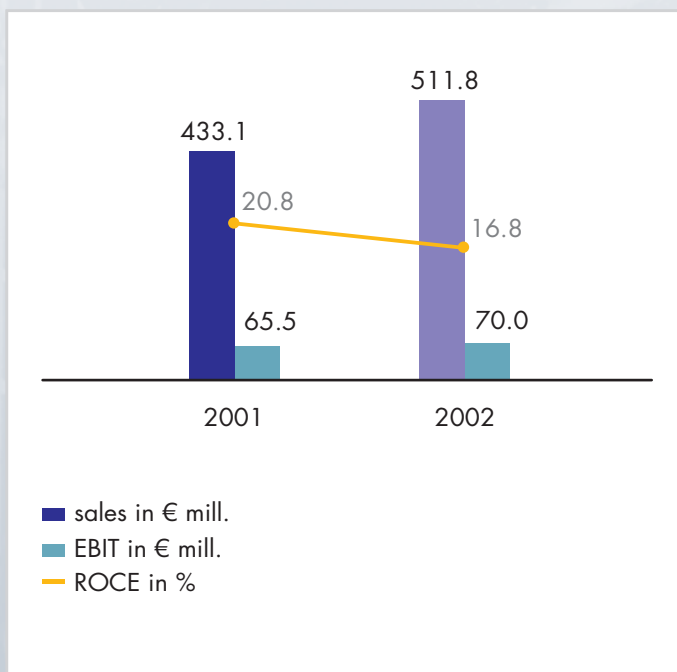
Employees

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Annual average workforce	2001*	2002
Track	3,027	3,178
Railbound Vehicles & Maintenance	582	727
Engineering Systems	275	262
Vossloh AG	22	23
Group	3,906	4,190

* excl. Lighting



Rail Fastening Systems

- Net sales 2001: €115.6 million
- Net sales 2002: €122.4 million

Switch Systems

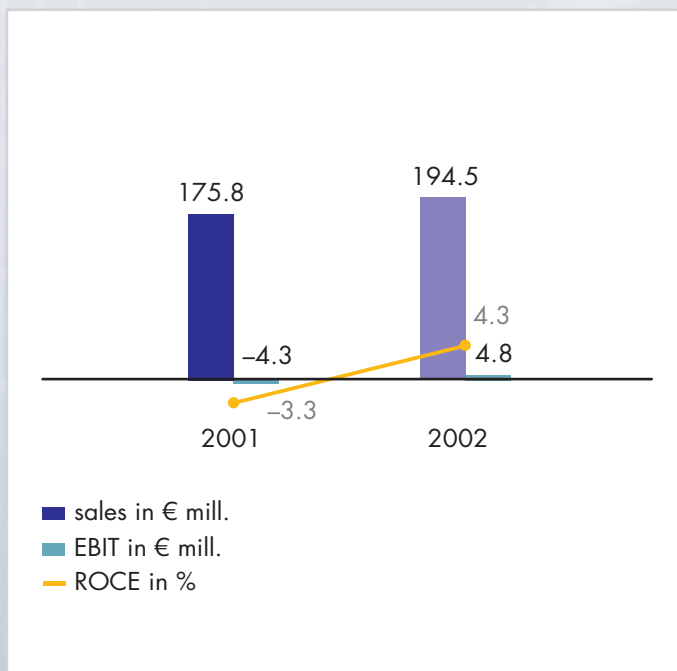
- Net sales 2001: €320.9 million
- Net sales 2002: VAE: €291.1 million
Cogifer SA: €57.0 million

Infrastructure Services

- Net sales Q4/2002: €46.3 million

Railbound Vehicles & Maintenance

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Locomotives

- Net sales 2001: €172.3 million
- Net sales 2002: €172.5 million

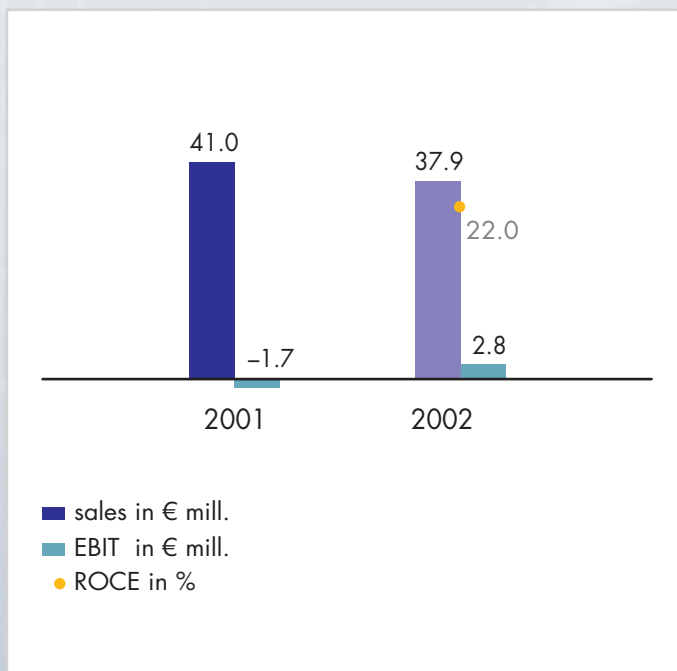
Electrical Systems

- Net sales 2002: €19.3 million

Engineering Systems

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- EBIT up despite lower sales





Profitability to further improve in 2003

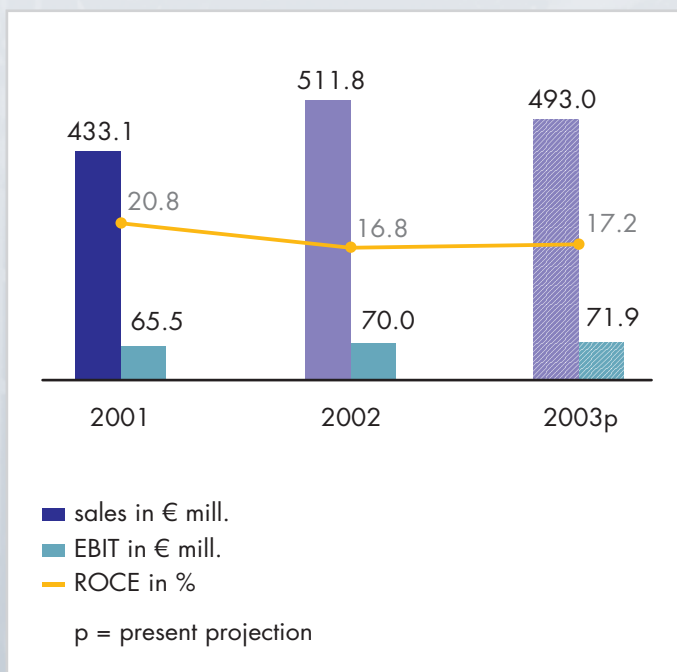
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		2002	2003p
Net sales	(€ million)	744.5	872.0
EBIT	(€ million)	78.4	94.5
EBIT margin	(%)	10.5	10.8
Group earnings	(€ million)	52.4	51.9
ROS after taxes	(%)	7.0	6.0
Capital employed	(€ million)	590.0	627.0
ROCE	(%)	13.3	15.1

p = present projection

- **EBIT:** one-time factors
2002: €14.4 million
2003: €14.5 million
- EBIT up through enhanced productivity in locomotive building and at the new acquisitions
- Uncertainty about economic developments and invoice timing of long-term projects

Rail Infrastructure (formerly Track)



Fastening Systems (formerly Rail Fastening Systems)

- Net sales 2001: €115.6 million
- Net sales 2002: €122.4 million
- Net sales 2003: €131.9 million

Switch Systems (formerly Special Trackwork)

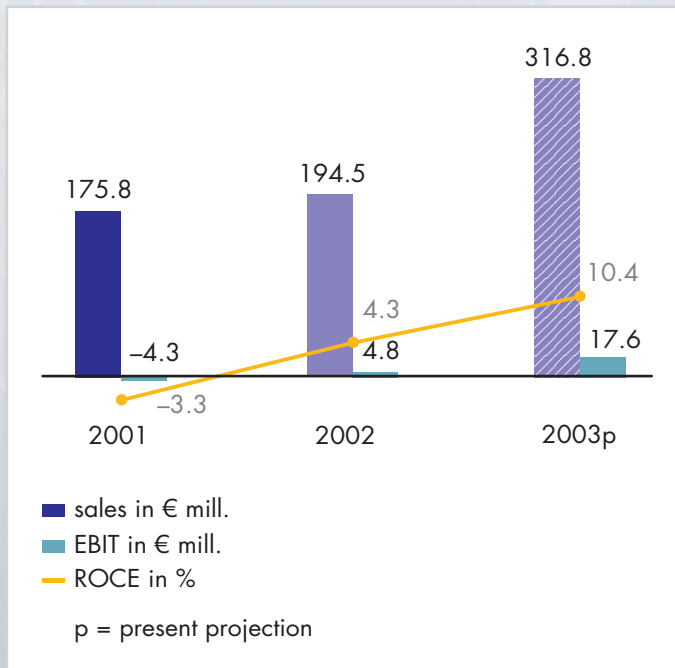
- Net sales 2001: €320.9 million
- Net sales 2002: VAE: €291.1 million
Cogifer SA: €57.0 million
- Net sales 2003: €214.6 million

Infrastructure Services

- Net sales Q4/2002: €46.3 million
- Net sales 2003: €146.4 million

Motive Power

(formerly Railbound Vehicles & Maintenance)



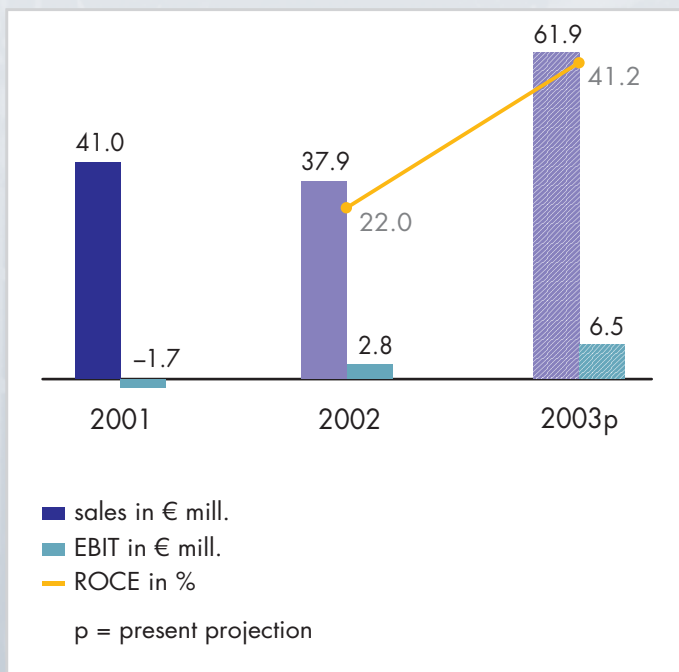
Locomotives

- Net sales 2001: €172.3 million
- Net sales 2002: €172.5 million
- Net sales 2003: €202.1 million

Electrical Systems

- Net sales 2002: €19.3 million
- Net sales 2003: €107.8 million

Information Technologies (formerly Engineering Systems)



- Net sales and earnings leap expected in 2003



Profitability to further improve in 2003 and 2004

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		2002	2003p	2004b
Net sales	(€ million)	744.5	872.0	932.0
EBIT	(€ million)	78.4	94.5	106.0
EBIT margin	(%)	10.5	10.8	11.4
Group earnings	(€ million)	52.4	51.9	52.7
ROS after taxes	(%)	7.0	6.0	5.7
Capital employed	(€ million)	590.0	627.0	630.2
ROCE	(%)	13.3	15.1	16.8

p = present projection
b = budget/plan

- **EBIT:** one-time factors
2002: €14.4 million
2003: €14.5 million
2004: –
- EBIT up through enhanced productivity in locomotive building and at the new acquisitions
- Uncertainty about economic developments and invoice timing of long-term projects

Vossloh AG

DVFA presentation on March 21, 2003

Additional information

Switch Systems: Cogifer SA

Businesses:

- Standard, high-speed, and specialty switches according to all of the world's standards
- Signal components such as point drives and detection relays (10% sales share)

Positioning:

- Second to VAE as the world's biggest switch supplier
- 1,150 employees, production plants in 12 countries
- 85% of sales outside of France

Competitors:

VAE (some €320 million switch sales)

Strategy and expansion plans:

- Access new markets (Eastern Europe, Asia)
- Consolidate and expand switch business in Central Europe while harnessing the synergies within the Vossloh Group

Infrastructure Services: Cogifer TF

Businesses:

- Track construction (25% sales) and track maintenance (75% sales)
- Industrial rail systems
- Trams/urban rail systems, public and private rail networks

Positioning:

- Track maintenance: market leader in France, Belgium, Luxembourg
- Industrial rail networks: market leader in France
- 1,250 employees

Competitors:

Wayss & Freytag (Germany), Colas SA (France), Balfour Beatty (UK), Spie Drouard (F), subsidiary of the British AMEC Group.

Strategy plans:

- Consolidate and expand the positions in the French and Benelux markets
- Build a comparable position in other major EU markets

Rail Fasteners

Businesses:

- Elastic rail fastening systems for ballast and slabbed tracks on mainline and urban services
- Bolted rail fastening systems for all load profiles, from heavy to high speed
- Boltless rail fasteners and spikes (Skamo)

Positioning:

- World market share: around 35%, rail fastening systems used in over 65 countries
- Sales outside of Germany: 51%

Competitors:

Pandrol (UK), around 35% world market share

Strategy plans:

- Consolidate and expand world leadership
- Launch new products
- Harness synergies shared with COGIFER
- Share in rail infrastructure projects in the wake of eastward EU enlargement (Skamo)

Railbound Vehicles & Maintenance: Locomotives

Businesses:

- Diesel-hydraulic locomotives of up to 2,500 kW (main activity)
- Locomotive maintenance (also for third parties) and leasing
- Locomotive components (bogies)

Positioning:

- Western European market volume of up to around 260 diesel-locomotives annually
- Western European market share: around 40% to 50%
- Capacity of up to 150 locomotives annually
- Growing significance through proliferating cross-border traffic within Europe

Competitors:

Siemens (diesel-electric locomotives), Bombardier (Blue Tiger)

Strategy plans:

- Expand the product range
- Growth through leasing business expansion
- Expansion of Europe-wide service activities

Railbound Vehicles & Maintenance: Electrical Systems

Businesses:

- Electrical systems for buses/trolleybuses
- Electrical systems for trains/trams
- Parts, modernization, servicing, maintenance, assembly
- Components

Positioning:

- First in the market for trolleybuses
- Niche supplier of technically advanced tram systems

Competitors:

Siemens, Bombardier, Alstom

Strategy plans:

- Expand leadership in the markets for trolleybuses and hybrid vehicles
- Internationalization in the direction of North America, Eastern Europe, and selected export markets
- Closer cooperation with the manufacturers of mechanical parts and components outside the single-source system suppliers
- Access the Japanese and Korean markets for urban rail systems

Engineering Systems

Businesses:

- Planning systems, operations management, signals engineering, passenger information systems, simulations systems, consulting

Positioning:

- Leading IT specialist for urban and mainline rail traffic

Competitors:

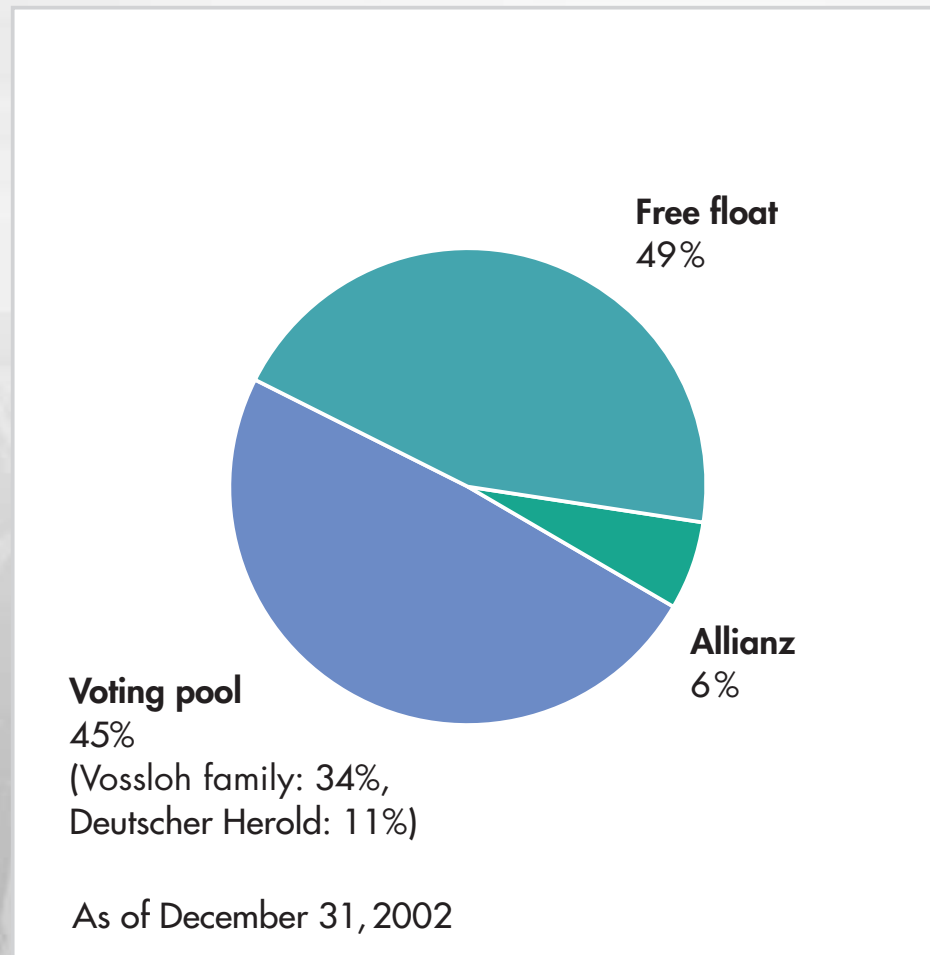
IT companies and software systems developers

Strategy plans:

- Expand position in the market for passenger information systems
- Develop software and systems for improved rail business operations
- Expand consultancy side of the business
- Access the market for operations management on secondary and branch lines

Ownership structure

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Vossloh Group: organizational chart

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Rail Infrastructure

Vossloh
Switch Systems

Vossloh
Fastening Systems

Vossloh
Infrastructure Services

Motive Power

Vossloh
Locomotives

Vossloh
Electrical Systems

Vossloh
Services

Information Technologies

Vossloh
Information Technologies

As of December 2002

Executive Board

Burkhard Schuchmann **CEO**

Werner Andree **CFO**

Milagros Caiña-Lindemann **HR**

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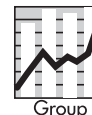
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Financial diary 2003

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- **Press conference, DVFA conference on Q1/2003 report, presentation of annual report 2002** **4/23/2003**
- **Annual stockholders' meeting:**
2003: **5/27/2003**
2004: **6/03/2004**
- **Q1 report:** **4/23/2003**
Q2 report: **7/28/2003**
Q3 report: **10/27/2003**
- **DVFA conference:** **07/29/2003**
- **DVFA conference:** **12/10/2003**



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