

## Annual stockholders' meeting

**Vossloh AG**  
**Werdohl, Germany**

ISIN: DE0007667107

We hereby invite our stockholders to attend the

### **annual stockholders' meeting**

to be held on May 31, 2007, at 10:30 AM, in Düsseldorf, Congress Center Ost (CCD), Stockumer Kirchstrasse, Germany.

### **Agenda**

**(1) Presentation of the adopted separate financial statements, the approved consolidated financial statements, the management report on Vossloh AG and the Group, the Executive Board's statutory disclosures under the terms of Arts. 289(4) and 315(4) German Commercial Code ("HGB"), and the Supervisory Board report for the fiscal year 2006**

### **(2) Appropriation of net earnings**

The Executive and Supervisory Boards propose to appropriate the net earnings shown for fiscal 2006 at €19,156,533.50 by distributing a cash dividend of €1.30 per eligible no-par share. Since 14,735,795 no-par shares rank for dividend, the cash dividend distribution will total €19,156,533.50.

Pursuant to Art. 71b German Stock Corporation Act ("AktG"), Company-owned treasury shares are not eligible for dividend. If the number of treasury shares held by the Company when the annual stockholders' meeting adopts the resolution on the appropriation of net earnings increases from the number owned when the Executive and Supervisory Boards proposed the profit appropriation, the cash dividend distribution proratable to such difference in treasury shares accordingly decreases the total cash dividend distributable to the stockholders, this amount then being carried forward as profit. Where applicable, a modified profit appropriation proposal will be submitted to the stockholders' meeting for voting.

### **(3) Vote on the official approval of the Executive Board's acts and omissions in fiscal 2006**

The Executive and Supervisory Boards propose that such approval be granted for 2006.

### **(4) Vote on the official approval of the Supervisory Board's acts and omissions in fiscal 2006**

The Executive and Supervisory Boards propose that such approval be granted for 2006.

### **(5) Election of statutory auditor for the fiscal year 2007**

The Supervisory Board proposes that

- (a) BDO Deutsche Warentreuhand AG, Wirtschaftsprüfungsgesellschaft, Essen branch, be elected statutory auditor of Vossloh AG and the Group for fiscal 2007;
- (b) BDO Deutsche Warentreuhand AG, Wirtschaftsprüfungsgesellschaft, Essen branch, be elected statutory auditor for a review of the abridged financial statements and interim management report of Vossloh AG and the Group for fiscal 2007 under the terms of Arts. 37w(5) and 37y(2) German Securities Trading Act ("WpHG").

### **(6) Vote on the amendment of Art. 3 of the bylaws (Notices)**

The electronic mailing to stockholders of general-meeting documents is proposed to be permitted in future. The German Transparency Directive Implementation Act (i) passed by the Bundestag in order to adopt the EU Transparency Directive 2004/109/EC of the European Parliament and Council of December 15, 2004, for implementing the transparency requirements for information on issuers whose securities are listed for trading on a regulated market, as well as to amend the EU Directive 2001/34/EC, (ii) published on January 10, 2007, in the German Federal Law Gazette, Part I, No. 1, pp. 10 et seq., and (iii) enacted on January 20, 2007, requires for electronic mailing of general-meeting documents that the stockholders' meeting consent thereto. Therefore, if approved as proposed, the option of the electronic transmittal of information to stockholders by remote data transmission shall be set out in the bylaws.

The Executive and Supervisory Boards therefore propose that the following resolution be adopted:

The words "and Information" shall be added to the title of Art. 3 of the bylaws, which then reads: "Art. 3 Notices and Information."

The previously sole paragraph of Art. 3 of the bylaws shall be numbered "(1)."

The following paragraph (2) shall be added to Art. 3 of the bylaws:

"(2) The Company may transmit information to its stockholders by means of data telecommunication."

## **(7) Authorization to acquire treasury stock**

The current authority conferred by the annual stockholders' meeting of May 24, 2006, to acquire shares of treasury stock will expire November 23, 2007 (the "Current Authority"). It is proposed that the authority be extended for the period ending November 30, 2008.

The Executive and Supervisory Boards propose that the following resolution be passed:

Pursuant to Art. 71(1)(8) AktG, the Company is authorized after expiration of the Current Authority (which will expire November 23, 2007), to acquire on or before November 30, 2008, treasury stock equivalent to an aggregate maximum of ten percent of Vossloh AG's capital stock. The price paid for such shares (excluding purchase incidentals) may neither be below five percent of, nor more than five percent above, the average Vossloh stock price as quoted at the closing auction of the Xetra trade (or any successor system in lieu of and replacing the Xetra system) at the Frankfurt Stock Exchange during the five trading days preceding the treasury stock acquisition date.

In addition, the Executive Board is authorized, after first obtaining the Supervisory Board's approval, to dispose of such treasury shares in a form other than (i) through a stock market or (ii) by offering them to all Vossloh stockholders, however, always provided that the previously acquired shares of treasury stock are sold at a price that is not significantly below the stock market price then current for same-class Vossloh stock. This authority is confined, including the Current Authority under the terms of Art. 4(2)(c) of the Company's bylaws, to an aggregate maximum of ten percent of Vossloh AG's capital stock. The applicable stock purchase price for the purposes of the preceding clause shall be the average Vossloh stock price as quoted during the closing auction of the Xetra trade (or any successor system in lieu of and replacing the Xetra system) at the Frankfurt Stock Exchange during the five trading days preceding the sale of such shares.

The Executive Board is further authorized, subject to the Supervisory Board's consent and excluding the stockholders' subscription right, to sell and transfer to third parties any such repurchased stock in the scope of business combinations or M&A transactions, or when acquiring other companies or any equity interest therein.

Furthermore, the Executive Board is authorized to redeem and withdraw treasury stock with the Supervisory Board's approval, however, without requiring another vote by the stockholders' meeting.

### **Report of the Executive Board on agenda item 7 pursuant to Art. 71(1)(8) AktG in conjunction with Art. 186(3) clause 4 and 186(4) clause 2 AktG**

The Executive Board has submitted the following report on agenda item 7 pursuant to Art. 71(1)(8) AktG in conjunction with Art. 186(3) clause 4 and 186(4) clause 2 AktG for detailing the reasons why the statutory subscription right may be excluded and why the Executive Board should be authorized to exclude the stockholders' statutory subscription right if and when the Company sells any shares of treasury stock.

This Executive Board report will be available in the Company's offices as from the date of invitation to, as well as at the place and date of, the annual stockholders' meeting for inspection by the stockholders. On request, any stockholder may promptly obtain a free copy of this report, which reads as follows:

Agenda item 7 proposes that the Company be authorized pursuant to Art. 71(1)(8) AktG, after expiration of the Current Authority, to acquire on or before November 30, 2008, treasury stock up to an aggregate ten percent of the capital stock. The Current Authority granted by the stockholders' meeting of May 24, 2006, for the statutory maximum period of 18 months will expire November 23, 2007. The proposed reauthorization will enable Vossloh AG for an additional period expiring November 30, 2008, to exploit the advantages linked to a stock repurchase in the best interests of both the Company and its stockholders. In view of the considerable potential increase in stock price in the wake of stock repurchase, it would make good sense for Vossloh AG to flexibly have such an instrument at its command. In fiscal 2006, the Current Authority had not been exercised. The Executive Board believes that the option created by the reauthorization to acquire treasury stock again offers attractive opportunities for Vossloh AG's stockholders by raising the Vossloh stock price for a sustained period of time. The proposed reauthorization will enable the Company to exercise this option in the future, as and when it sees fit.

The authority to acquire treasury stock is limited by the provisions of Art. 71(2) AktG. Consequently, the renewed authority lapses ipso jure provided and to the extent that the Current Authority is exercised to acquire treasury stock and the shares thus repurchased are neither sold nor redeemed and withdrawn.

The proposed authorization provides that the Executive Board, after first obtaining the Supervisory Board's approval, may sell the acquired treasury shares also in a form other than (i) through a stock market or (ii) by offering them to all Vossloh stockholders, however, always provided that the previously acquired shares of treasury stock are sold at a price that is not significantly below the stock market price then current for same-class Vossloh stock. The applicable stock purchase price for the purposes of this clause shall be the average Vossloh share price as quoted during the closing auction of the Xetra trade (or any successor system in lieu of and replacing the Xetra system) at the Frankfurt Stock Exchange during the five trading days preceding the sale of such shares. The selling price of treasury stock will be finally fixed shortly before the disposal of such treasury stock.

The option offered by the proposed reauthorization to exclude the stockholders' statutory subscription by analogously applying the provisions of Art. 186(3) clause 4 AktG is destined to offer the Company the opportunity, for instance, to sell treasury shares to institutional investors or to float stock at international exchanges. Moreover, new investor groups can thus be attracted in Germany and abroad. The possibility of excluding subscription rights offers management the latitude required for promptly and cost-effectively seizing upcoming stock market opportunities for the placement of Vossloh stock without the need for any time-consuming and costly processing of subscriptions. Including the authority pursuant to Art. 4(2)(c) of Vossloh AG's bylaws, the authority is confined to an aggregate maximum of ten percent of the Company's capital stock. If disposed of in any way other than via a stock market or by offer to all Vossloh stockholders, the acquired shares of treasury stock may only be sold at a price that is not significantly below the stock market price then current for same-class Vossloh stock.

The stock repurchase on the basis of the proposed authorization is, moreover, meant to give Vossloh AG the scope and resources needed to flexibly and efficiently take action in acquiring other enterprises, for instance, by using treasury stock in certain cases in exchange for equity interests in businesses. When determining the pricing ratios, the Executive Board will ensure that the reasonable interests of Vossloh stockholders are duly respected.

While, as a rule, the pricing of the treasury stock to be swapped and transferred will be based on stock market quotations, the Company will not insist that the treasury stock price be hinged to quoted prices, in particular, lest negotiations be put at risk due to stock price swings. The financial as well as the voting interests of Vossloh stockholders will be adequately respected when treasury stock is sold to third parties although the subscription right of stockholders is excluded under the terms of Art. 71(1)(8) AktG.

### **Participation in the annual stockholders' meeting**

Only such stockholders will be entitled to participate in, and vote at, the annual stockholders' meeting as have registered with the Company at the following address, duly submitting evidence of their shareholding issued by their depositary in a reproducible (English- or German-language) document (as defined in Art. 126b German Civil Code—“BGB”):

Vossloh AG  
c/o Deutsche Bank AG  
– General Meetings –  
60272 Frankfurt/Main, Germany

The proof of stock ownership must refer to the beginning of May 10, 2007 (00:00 a.m. CET) and be furnished in a reproducible (English- or German-language) document under the terms of Art. 126b BGB. The registration and proof of stock ownership must be received by the close of May 24, 2007. After due receipt of these documents, stockholders will receive admission tickets where the number of votes assignable to the owner is indicated. Stockholders are requested to arrange for the timely dispatch of their stock ownership proof to the Company to ensure that the tickets are received in due time.

### **Voting proxies**

Stockholders may also appoint a proxy to exercise their voting right at the stockholders' meeting by issuing a written power of attorney to e.g. a bank or association of stockholders. Together with the ticket, stockholders will automatically receive a form for the power of attorney.

As a special service for our stockholders' convenience, general voting proxies have been appointed who will ensure the exercise of the voting rights of, in accordance with instructions issued by, stockholders at the meeting. Stockholders wishing to exercise their voting right through a Vossloh-appointed proxy require an admission ticket (obtainable from the depositary) for the annual stockholders' meeting. Together with the ticket, stockholders will automatically receive a form for the power of attorney along with instructions where details of the proxies' authorization and their exercise of voting rights on behalf of stockholders are explained; this information is also downloadable from the Company's website at [www.vossloh.com](http://www.vossloh.com). Power of attorney and voting instructions must be physically mailed and received by the close of May 29, 2007. In this context, bear in mind that Whitsunday and Whitmonday (May 27/28) are public holidays in Germany. The general voting proxies are strictly bound by the written instructions of each stockholder when exercising the voting right on behalf of their respective principals.

## **Queries and motions of stockholders**

Stockholders intending to put queries at the annual stockholders' meeting are asked, wherever practicable, to submit these in advance to the Company so that the Executive Board may prepare a reply. Motions submitted by stockholders against a Supervisory or Executive Board proposal for a certain agenda item in accordance with Art. 126(1) AktG shall be addressed to, and only to:

Vossloh AG  
Vosslohstrasse 4  
58791 Werdohl, Germany  
Fax: (+49-2392) 52-219  
Email: investor.relations@ag.vossloh.com

Any stockholder motions disclosable under the terms of Art. 126 AktG will be published on the Company's website at [www.vossloh.com](http://www.vossloh.com), as will the Executive Board's comments or responses (if any).

## **Publication of this invitation**

The invitation to the annual stockholders' meeting was published on April 17, 2007, in the digital version of the German Federal Gazette ("Bundesanzeiger") and in Börsenzeitung. Moreover, the complete agenda is also available free of charge at the paying agent, Deutsche Bank AG, 60262 Frankfurt/Main, Germany. This invitation, as well as the reports and documents subject to stockholder inspection as from invitation date, are also downloadable from the Company's website at [www.vossloh.com](http://www.vossloh.com)

## **Disclosure pursuant to Art. 30b(1)(1) WpHG**

Pursuant to Art. 30b(1)(1) WpHG as amended by the Transparency Directive Implementation Act, we disclose the following information:

When inviting to the annual stockholders' meeting 2007, Vossloh AG had issued altogether 14,780,170 shares entitling to 14,780,170 votes. As of the date of invitation to the annual stockholders' meeting, the Company held no shares of treasury stock.

Werdohl, April 2007  
The Executive Board

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