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Presentation to Investors

August 2010

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Vossloh

Specialist in rail technology with leading market positions

Vossloh AG

Rail Infrastructure

Vossloh Fastening Systems

Vossloh Switch Systems

Vossloh Rail Services

Transportation

Transportation Systems

Vossloh Locomotives

Vossloh Rail Vehicles

Vossloh Electrical Systems

Vossloh Group

Vossloh Fastening Systems

- Sales 2009: **€267 million**, workforce: 447
- **A worldwide market leader** in rail fastening systems
- Products used in over 65 countries
- **Exports 80%** of total sales
- Elastic rail fastening systems, screwed, bolted and maintenance-free, for ballast and ballastless tracks (high-speed), for mainline & conventional lines, heavy-haul tracks and urban rail haulage (LRT)
- More than 120 years of experience

Vossloh Group

Vossloh Switch Systems

- Sales 2009: **€425 million**, workforce: 2,263
- A **worldwide leader** in switch and crossing systems
- **23 manufacturing sites** in 15 countries
- Exports more than **80% of total sales**
- Standard, high-speed and specialty (heavy-haul) switches to all international standards
- Signaling components, switch actuators, locking devices and monitoring systems
- More than a century of experience

Vossloh Group

Vossloh Rail Services

- Since 2010 part of the Vossloh Group
- Workforce: 330
- Semi-stationary and stationary welding, logistics, testing, milling, grinding, etc. of rails
- Customers: rail producers and rail operators (e.g. German Rail)
- **A leader in the German market for comprehensive rail services and logistics**
- More than 60 years of experience

Vossloh Group

Transportation Systems, Vossloh Locomotives

- Sales 2009: **€122 million**, workforce: 501
- A leader in the European market for ultramodern **diesel-hydraulic and diesel-electric locomotives** for shunting and long-distance transport
- Locomotives from 400 to 2700 kW that regularly set new standards in their respective fields
- **Modular platform concepts**
- Locomotives homologated for a wide range of European countries; multi-country homologation to permit cross-border operation
- More than 90 years of experience

Vossloh Group

Transportation Systems, Vossloh Rail Vehicles

- Sales 2009: **€215 million**, workforce: 857
- **Europe’s leading manufacturer of diesel-electric locomotives**
- Metro and LRV systems
- Manufacturer of Europe’s most powerful diesel-electric locomotive, the EURO 4000
- **Exports to** the United States, the United Kingdom, France, Switzerland, Portugal, Algeria, Egypt, Brazil, and other countries
- More than a century of experience

Vossloh Group

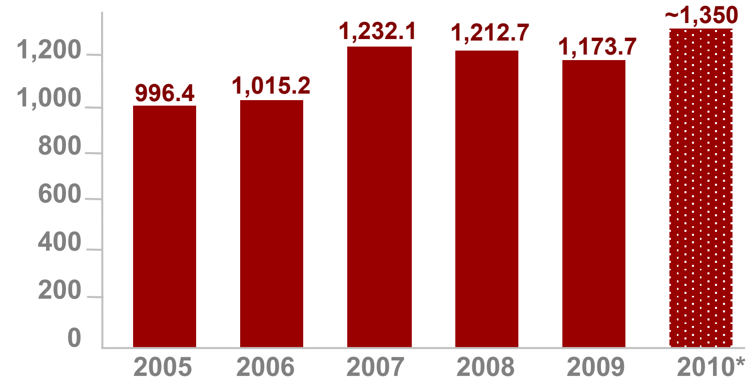
Vossloh Electrical Systems

- Sales 2009: **€149 million**, workforce: 598
- Vossloh Kiepe supplies innovative **electrical systems** used in road and rail vehicles operating on mainline and local public transportation systems
- The product range includes integrated systems for new vehicles, vehicle overhaul work, turnkey projects, components, and a wide range of services
- More than 100 years of experience—worldwide
- Customized and efficient solutions address the ultimate quality requirements, with special emphasis on economic efficiency and ecology

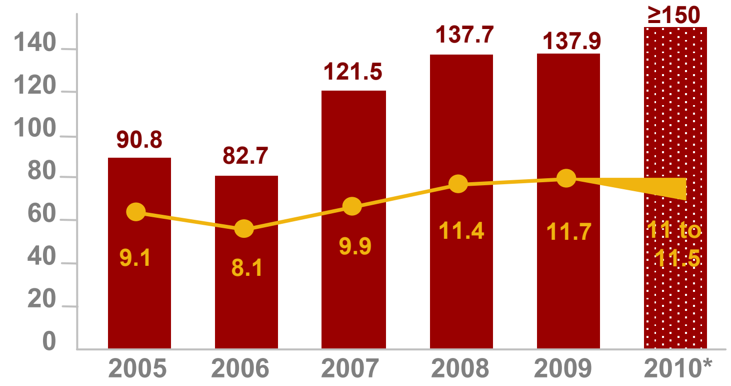
Vossloh Group

Fiscal 2009: EBIT at prior-year record, margin improved

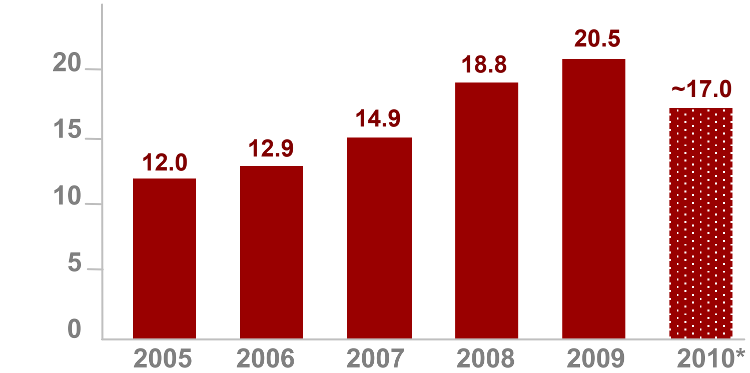
► Sales in € mill.



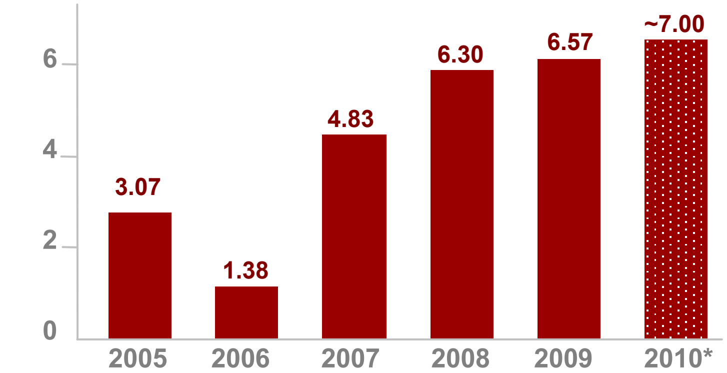
► EBIT in € mill./EBIT margin in %



► ROCE in %



► EpS in €



* Estimated

Vossloh Group, 2010–2011p

Forecast for 2010 and 2011 slightly lifted

- Forecast of the Vossloh Group's operating performance for 2010 slightly stepped up
- Further business uptrend expected for 2011: sales to rise at least 2.5%, EBIT margin to range between 11% and 11.5%
- Current working capital level to be further downscaled by year-end 2010

	2009	2010p	2011p
Sales	€1,173.7 mill.	appr. €1.35 bill.	up ≥2.5%
EBIT	€137.9 mill.	≥€150 mill.	appr. €155 mill.
EBIT margin	11.7%	11%–11.5%	11%–11.5%
Earnings per share	€6.57	appr. €7.00	appr. €7.20
Average working capital	€231.7 mill.	appr. €280 mill.	→
Capital expenditures	€41.9 mill.	>€60 mill.	>€60 mill.
Average capital employed	€674.0 mill.	appr. €850–900 mill.	appr. €850–900 mill.
ROCE	20.5%	appr. 17%	appr. 18%
Value added	€63.7 mill.	appr. €60 mill.	>€60 mill.
Net financial debt	€70.2 mill.	appr. €100–150 mill.	↘

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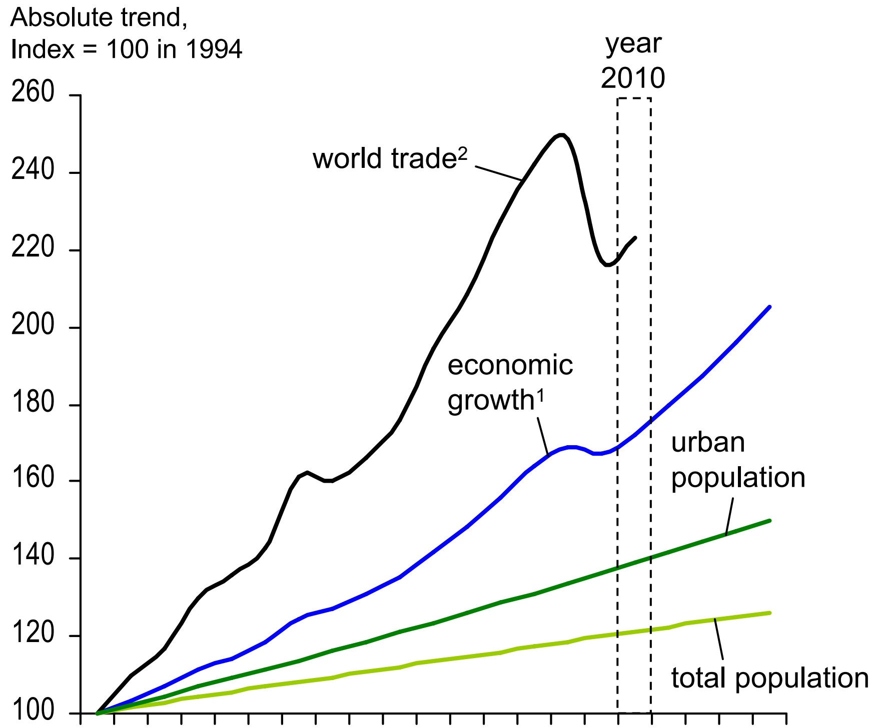
Targets

Vossloh to supply the rail technology market worldwide

- **Target I: Vossloh to market its products and services on a global basis**
- The rail technology market is highly attractive thanks to its sustainable and significant growth
- Several megatrends appear to boost demand for passenger transportation and freight haulage:
  - Economic growth and global trade
  - Growing population and urbanization
  - Focus on environmental protection
- Stronger emphasis on environmental protection
- Deregulation and standardization enlarging the share of rail transportation in modal mix

- **Worldwide growth 1994 to 2014**



[1] GDP worldwide [2] Worldwide exports of goods

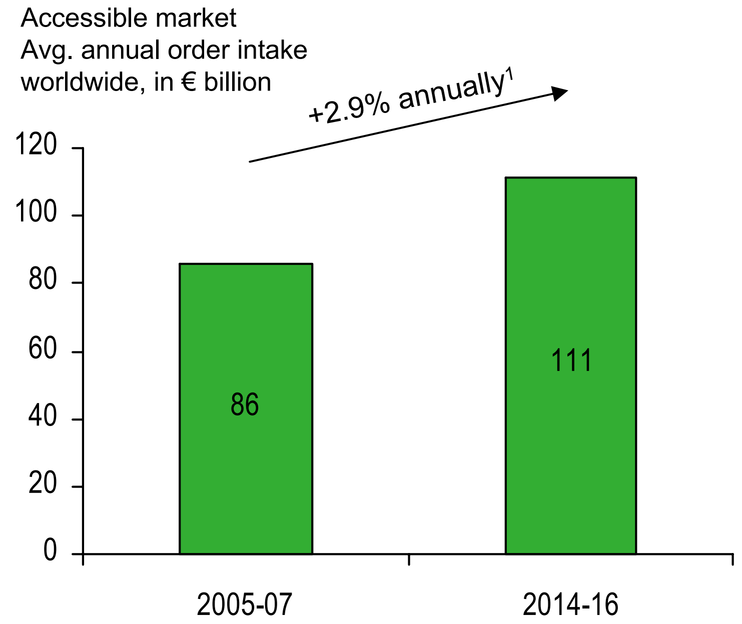
Sources: International Monetary Fund; US Consensus Bureau; United Nations; Corporate Development/M&A Vossloh AG

Targets

Vossloh endeavors to grow above average …

- **Target II: Vossloh aims to outgrow the global rail technology market**
- The multiyear annual rail technology market growth averages 2.9%[1]
- No straight-line growth of market: above average in 2006/2007 yet below average in 2009/2010
- Vossloh intends to maintain or expand its share of the rail technology market

- **Worldwide rail technology market**



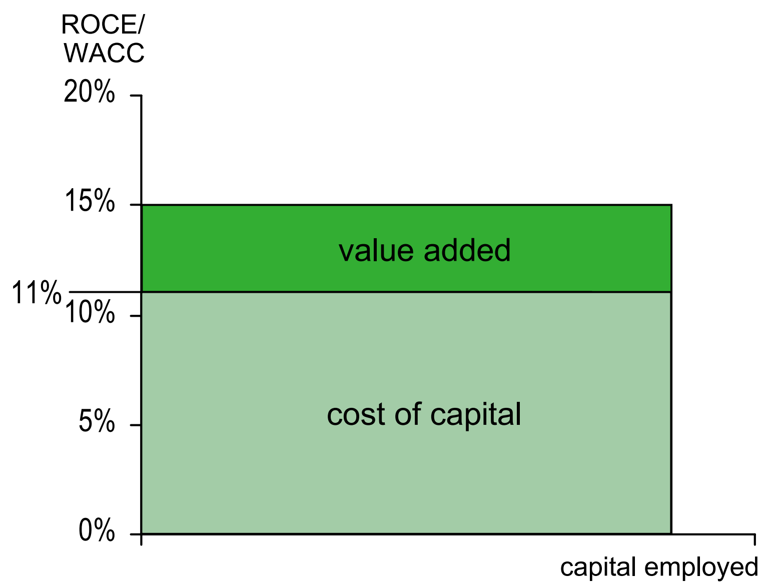
[1] Purely quantitative growth (assuming unchanged prices and exchange rates)
Sources: UNIFE Worldwide Rail Market Study 2008, Figs. 9, 10; Corporate Development/M&A Vossloh AG

Targets

… and earn a premium over and above its cost of capital

- **Target III: Vossloh aims each year to add value, i.e., earn a premium on top of its cost of capital**
- Vossloh's WACC is 11%; annual value added of 4% of capital employed targeted
- Secondary financial targets:
  - Sustainable, ongoing increase in earnings per share
  - Commensurate dividend payout to stockholders
  - Medium-range conservative net financial debt
  - EBIT margin lastingly above 10%

- **VA concept**



Relative value added = premium on top of WACC
Source: Corporate Development / M&A Vossloh AG

Vossloh Group, H1/2010

Sales driven up appreciably, EBIT boosted

- **Sales** in H1/2010 up 14.0%, adjusted for Vossloh Rail Services a like-for-like rise of 7.0%
- Sales leap **in Q2/2010** of 25.0%, LFL (excl. Vossloh Rail Services) 15.9%
- **EBIT** and **EBIT margin** improved
- **ROCE** short of prior year yet remaining well above 15% benchmark
- **Group earnings** and **earnings per share** climbing

		H1/2009	H1/2010	Δ in %
Sales	€ mill.	599.0	683.1	+14.0
EBIT	€ mill.	67.8	80.4	+18.6
EBIT margin	%	11.3	11.8	—
Group earnings	€ mill.	44.9	50.7	+12.9
Earnings per share (EpS)	€	3.34	3.81	+14.1
ROCE	%	20.8	18.3	—
Value added	€ mill.	32.0	32.2	+0.6

Vossloh Group, H1/2010

Vossloh Rail Services acquisition swells capital employed and net financial debt

- **Working capital** significantly above year-earlier level, working capital intensity upgraded from Q1/2010
- **Capital employed** hiking up upon Vossloh Rail Services acquisition and due to higher working capital
- **Net financial debt** surging (while still at a moderate level), mainly due to Vossloh Rail Services acquisition and, versus year-end 2009, to the dividend payout

		6/30/2009	12/31/2009	6/30/2010
Total assets	€ mill.	1,260.7	1,338.4	1,448.4
Total equity	€ mill.	444.3	492.6	537.2
Equity ratio	%	35.2	36.8	37.1
Average working capital	€ mill.	212.8	231.7	307.2
Working capital intensity	%	17.8	19.7	22.5
Average capital employed	€ mill.	650.3	674.0	876.6
Closing capital employed	€ mill.	688.0	703.2	901.4
Net financial debt	€ mill.	107.8	70.2	200.7
Net leverage	%	24.3	14.3	37.4

Rail Infrastructure, H1/2010

Substantial sales and EBIT surge

- **Sales** in H1 hiking 35.8%, LFL (excluding Vossloh Rail Services) up 22.7%
- Sales soaring **in Q2/2010** by 52.7%, adjusted for Vossloh Rail Services by 36.1%
- **EBIT** considerably upgraded
- **Fastening Systems sales** jumping 39.2% to €177.3 million year-on-year
- **Switch Systems sales** upraised by 11.8% to €219.6 million
- **Rail Services sales** at €42.1 million

		H1/2009	H1/2010	∆ in %
Sales	€ mill.	323.0	438.6	+35.8
EBIT	€ mill.	56.6	74.7	+32.0
EBIT margin	%	17.5	17.0	—
Average working capital	€ mill.	212.1	272.6	+28.5
Average capital employed	€ mill.	511.7	687.5	+34.4
Closing capital employed	€ mill.	520.8	710.8	+36.5
ROCE	%	22.1	21.7	—
Value added (VA)	€ mill.	28.4	36.9	+30.0

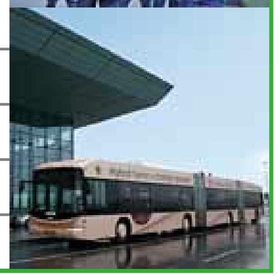
Transportation, H1/2010

Electrical Systems sales up, locomotive business down

- **Sales** below year-earlier magnitude, due to (expected) sluggish locomotive business
- **EBIT** and **EBIT margin** shrinking
- **Transportation Systems sales** dropping 19.4% to €163.2 million;
  thereof Rail Vehicles, Valencia: €129.3 million (-6.3%); Locomotives, Kiel: €33.8 million (-48.2%)
- **Electrical Systems business** thriving: sales up another 12.3% to €82.3 million

		H1/2009	H1/2010	Δ in %
Sales	€ mill.	275.8	244.4	-11.4
EBIT	€ mill.	20.4	14.6	-28.3
EBIT margin	%	7.4	6.0	—
Average working capital	€ mill.	7.4	41.0	+454.1
Average capital employed	€ mill.	138.6	181.4	+30.9
Closing capital employed	€ mill.	167.6	184.2	+9.9
ROCE	%	29.5	16.1	—
Value added (VA)	€ mill.	12.8	4.7	-63.3



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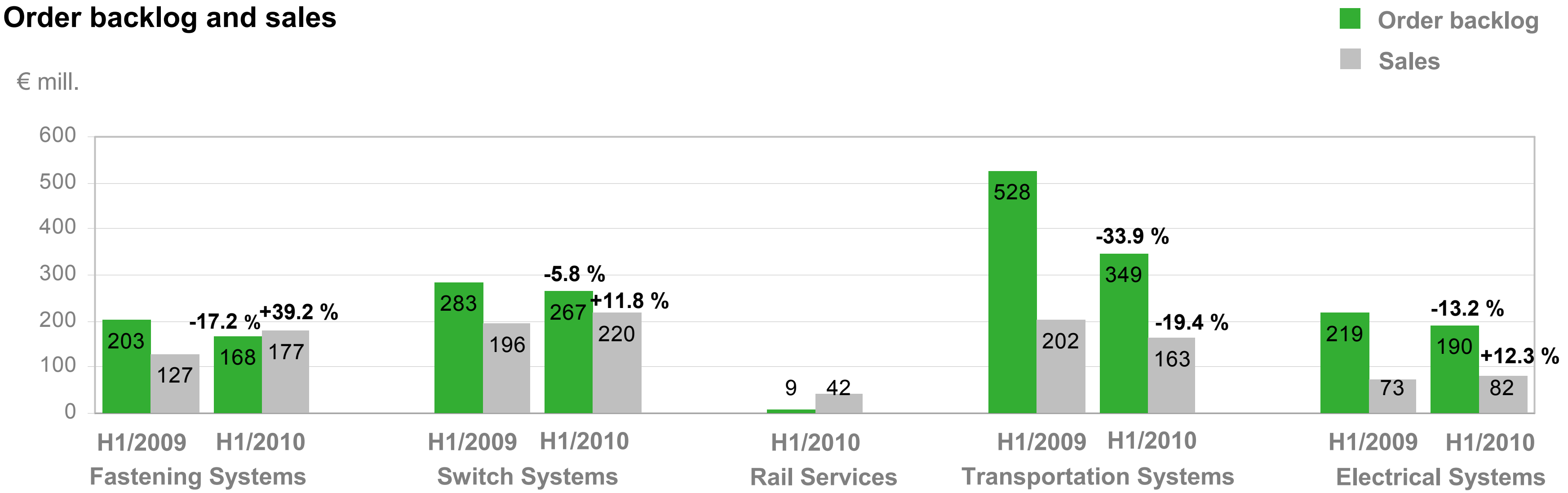
Vossloh Group, H1/2010

Order backlog/intake showing mostly a (cutoff-related) downtrend

Order intake:

- Fastening Systems: €191.0 mill. (down 25.9%)
- Switch Systems: €219.9 mill. (up 13.9%)
- Rail Services: €50.6 mill.
- Transportation Systems: €63.8 mill. (down 67.9%)
- Electrical Systems: €50.4 mill. (down 10.8%)

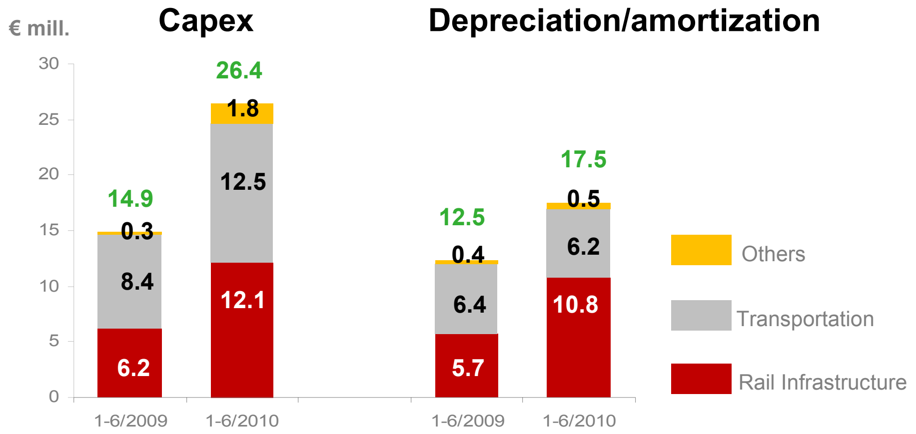
Order backlog and sales



Vossloh Group, H1/2010

Capex and depreciation/amortization advancing as budgeted

- **Vossloh Group** virtually doubles capital outlays under its 2009–2011 expenditure program, in H1 at €26.4 million
- **Rail Infrastructure:** spending focus on Switch Systems business unit, with capex of €6.4 million
- **Transportation:** expenditures centering on Vossloh Transportation Systems, at €11.4 million, including €9.1 million for the development of new locomotive models



	H1/2009	H1/2010	Δ in %
Group (in € mill.)			
Capital expenditures	14.9	26.4	+77.2
Depreciation/amortization	12.5	17.5	+40.0
Rail Infrastructure			
Capital expenditures	6.2	12.1	+95.2
Depreciation/amortization	5.7	10.8	+89.5
Transportation			
Capital expenditures	8.4	12.5	+48.8
Depreciation/amortization	6.4	6.2	-3.1

Vossloh Group, 2010–2011p

Sound prospects

- **Vossloh**'s organic growth to match or surpass the rates of the relevant product markets of each business unit; M&A to supplement organic growth
- **Growth regions:** Asia, Eastern Europe, MENA nations, and North America
- The **capex program** launched in 2009 foresees for 2010 and 2011 modernization and expansion work at the Rail Infrastructure division's and the Electrical Systems business unit's plants. At the Locomotives locations the emphasis is on broadening the product range
- **The Vossloh Group's profitability** to stay strong; ROCE and EBIT margin to remain above the benchmarks of 15% and 10%, respectively
- **Net debt and net leverage** continuing at a conservative level

Financial diary and contacts

Financial diary 2010/2011

- October 27, 2010 — Interim report on 9 months 2010[1]
- December 2, 2010 — Investors and analysts conference[1]
- May 25, 2011 — Annual general meeting

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[1] Conference call planned