



**Interim Report as of June 30, 2010:
Presentation to Investors and Analysts**

July 28, 2010



Disclaimer

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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

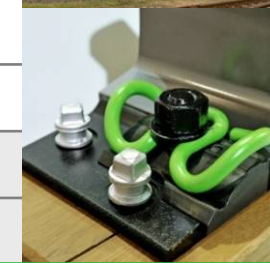
		H1/2009	H1/2010	Δ in %
Sales	€ mill.	599.0	683.1	+14.0
EBIT	€ mill.	67.8	80.4	+18.6
EBIT margin	%	11.3	11.8	—
Group earnings	€ mill.	44.9	50.7	+12.9
Earnings per share (EpS)	€	3.34	3.81	+14.1
ROCE	%	20.8	18.3	—
Value added	€ mill.	32.0	32.2	+0.6



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

Vossloh Group, H1/2010

Freely available cash flow positive

- ▶ **Gross cash flow** rising, largely due to the change in noncurrent accruals and the improved EBIT
- ▶ **Cash flow from operating activities** turning around to a black €35.5 million (from a red €32.6 million a year ago)
- ▶ **Freely available cash flow** at €9.1 million

Cash flow analysis (in € mill.)	H1/2009	H1/2010
EBIT	67.8	80.4
Amortization/depreciation/write-down of noncurrent assets (net after write-up)	12.5	17.5
Change in noncurrent accruals	2.8	21.4
Gross cash flow	83.1	119.3
Net book gain/loss from the disposal of tangibles and intangibles	(0.1)	0.2
Change in working capital	(100.8)	(75.0)
Noncash change in shares in associated affiliates, other noncash income/expenses (net), change in other assets/liabilities	(6.8)	3.7
Income taxes paid	(8.0)	(12.7)
Cash flow from operating activities	(32.6)	35.5
Cash outflow for additions to tangibles and intangibles	(14.9)	(26.4)
Freely available cash flow¹	(47.5)	9.1

5 ¹ Before investments in other noncurrent financial instruments and before acquisitions, disposal of consolidated subsidiaries and dividend payout

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	Δ 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

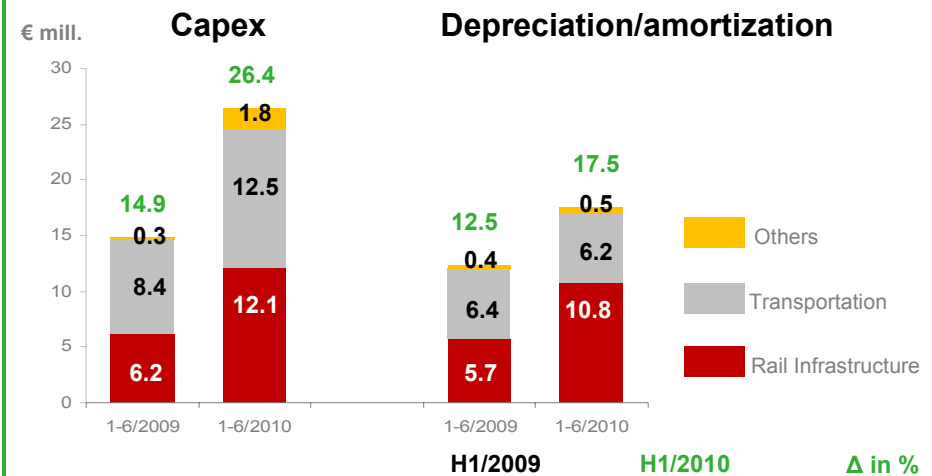


		H1/2009	H1/2010	Δ in %
Sales	€ mill.	275.8	244.4	-11.4
EBIT	€ mill.	20.4	14.6	-28.3
EBIT margin	%	7.4	6.0	—
Average working capital	€ mill.	7.4	41.0	+454.1
Average capital employed	€ mill.	138.6	181.4	+30.9
Closing capital employed	€ mill.	167.6	184.2	+9.9
ROCE	%	29.5	16.1	—
Value added (VA)	€ mill.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

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

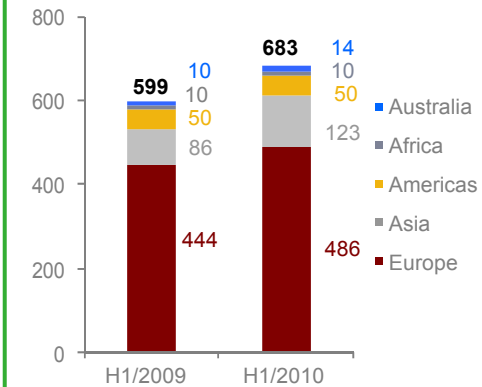


Vossloh Group, H1/2010

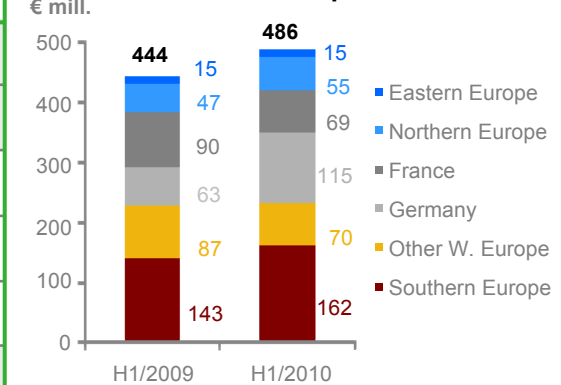
Non-European share of sales close to 30% of the total

- ▶ Sales in Europe growing 9.5%
- ▶ Germany Europe's prime growth driver, also thanks to Vossloh Rail Services
- ▶ **Non-European markets** showing sales increase of 27.2%; share of group sales year-on-year up from 25.9% to 28.8%
- ▶ Business outside Europe booming mainly in Asia; marked sales growth in Northern and Central America

Worldwide sales trend



European sales trend



	H1/2009 in € mill.	Share in %	H1/2010 in € mill.	Share in %	Δ in %
Europe	444.3	74.1	486.3	71.2	+9.5
Americas	49.5	8.2	49.6	7.3	+0.2
Asia	86.2	14.5	123.3	18.0	+43.0
Africa	9.5	1.6	10.1	1.5	+6.3
Australia	9.5	1.6	13.8	2.0	+45.3
Total	599.0	100.0	683.1	100.0	+14.0

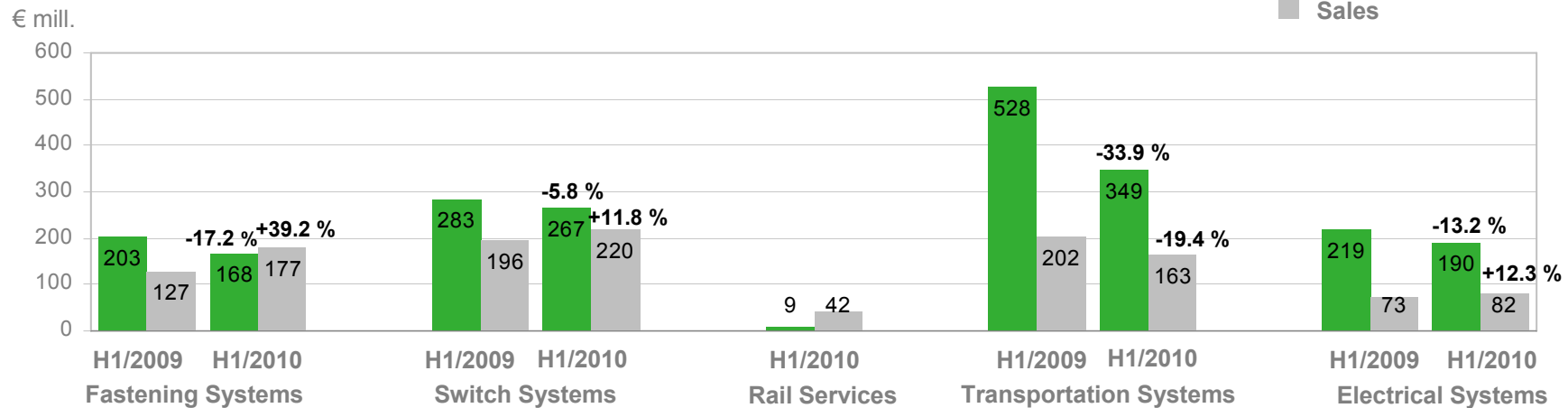
Vossloh Group, H1/2010

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 stock

Price trend from January 1 through June 30, 2010:

Vossloh share price most recently declining

► **Performance year-to-date:**

DAX:	+0.1%
MDAX:	+6.7%
Vossloh:	-4.3%

► **Semiannual high/low:** €82.98 / €66.05

► **Average daily trading volume (rounded):**

H1/2010:	77,900
H1/2009:	67,200

► **Number of shares outstanding:**

at June 30, 2010:	13,319,690
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► **Market capitalization:**

at June 30, 2010:	€886.0 mill.
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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.	➔



Financial diary and contacts

Financial diary 2010/2011

- ▶ October 27, 2010 Interim report on 9 months 2010¹
- ▶ December 2, 2010 Investors and analysts conference¹
- ▶ May 25, 2011 Annual general meeting

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