

Presentation to Investors and Analysts: Interim Report as of June 30, 2011

July 27, 2011



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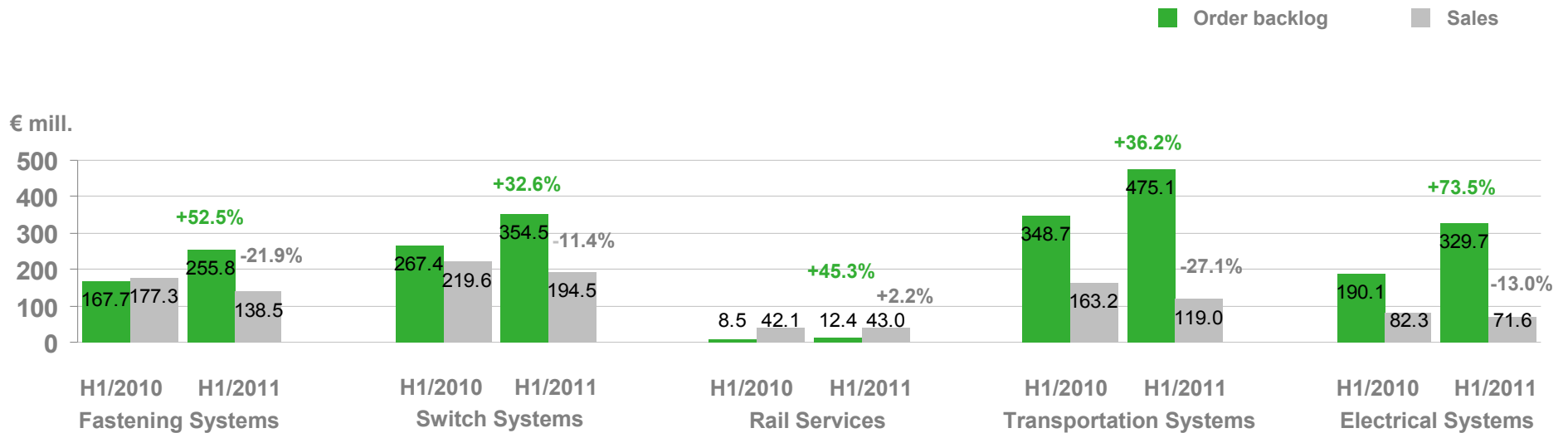
Vossloh Group, H1/2011

Order intake of around €900 million and order backlog of €1.4 billion offer sound prospects

Order intake:

- ▶ Fastening Systems: €188.3 mill. (down from €191.0 mill.)
- ▶ Switch Systems: €238.2 mill. (up from €219.9 mill.)
- ▶ Rail Services: €54.4 mill. (up from €50.6 mill.)
- ▶ Transportation Systems: €254.9 mill. (up from €63.8 mill.)
- ▶ Electrical Systems: €169.2 mill. (up from €50.4 mill.)

Order backlog and sales



Vossloh Group, H1/2011

Project delays present temporary burden

- ▶ **Sales** in H1/2011 down 17.8%, in Q2 alone by 22.1%
- ▶ Shipments in China well below budget, business in Russia hampered by technical problems with other components, Transportation still faltering, as expected
- ▶ Poor workload hurting **EBIT** and **EBIT margin** year-on-year
- ▶ Despite slashed capital employed, **ROCE** short of 15% benchmark

		H1/2010	H1/2011	Δ in%
Sales	€ mill.	683.1	561.5	-17.8
EBIT	€ mill.	80.4	44.5	-44.7
EBIT margin	%	11.8	7.9	—
Group earnings	€ mill.	50.7	27.1	-46.5
Earnings per share	€	3.81	2.04	-46.5
ROCE	%	18.3	11.1	—
Value added	€ mill.	32.2	4.5	—
Average headcount		4,974	4,964	-0.2



Vossloh Group, H1/2011

All financial indicators clearly upgraded

- ▶ Average **working capital** improved by almost €100 million thanks to a reduced net balance of trade receivables/payables and to higher prepayments on orders
- ▶ **Capital employed** significantly curbed despite higher fixed assets
- ▶ **Net financial debt** and **net leverage** substantially downscaled to low levels

		6/30/2010	12/31/2010	6/30/2011
Total assets	€ mill.	1,448.4	1,405.8	1,493.4
Total equity	€ mill.	537.2	580.0	574.6
Equity ratio	%	37.1	41.3	38.5
Average working capital	€ mill.	307.2	309.0	209.6
Average working capital intensity	%	22.5	22.9	18.7
Closing working capital	€ mill.	323.7	258.0	187.1
Closing working capital intensity	%	23.7	19.1	16.7
Average capital employed	€ mill.	876.6	884.5	799.6
Closing capital employed	€ mill.	901.4	848.6	781.3
Net financial debt	€ mill.	200.7	136.6	83.8
Net leverage	%	37.4	23.5	14.6



Vossloh Group, H1/2011

Cash flow far better thanks to slashed working capital

Cash flow trend (in € million)	H1/2010	H1/2011
EBIT	80.4	44.5
Amortization/depreciation/write-down (less write-up) of noncurrent assets	17.5	19.4
Change in noncurrent accruals	21.4	(6.8)
Gross cash flow	119.3	57.1
Net book loss/(gain) from the disposal of tangible and intangible assets	0.2	(1.8)
Change in working capital	(75.0)	60.5
Noncash change in shares in associated affiliates, other noncash income/expenses (net), change in other assets/liabilities (net)	2.1	10.2
Cash outflow for income taxes	(12.7)	(13.4)
Net cash provided by operating activities	33.9	112.6
Cash outflow for additions to tangibles/intangibles	(26.4)	(30.3)
Freely available cash flow¹	7.5	82.3

- ▶ **Cash flow from operating activities** considerably upgraded
- ▶ **Freely available cash flow** at €82.3 million zooming above prior-year level



¹ Before additions to other noncurrent financial instruments and before M&A, divestment of consolidated subsidiaries and dividend payout

Vossloh Group

Redemption of shares and share buyback

- ▶ **Redemption** of 1,470,630 treasury shares (9.94% of capital stock) as of July 26, 2011 without conducting a capital decrease
- ▶ Start of a **new share repurchase program** on July 27, 2011; to be terminated on June 30, 2012, at latest
- ▶ Repurchase program of **July 27, 2011 includes up to 1,332,529 shares**, i.e. up to 10% of existing capital stock after share redemption
- ▶ Share buyback lead-managed by a securities company and carried out independently and without influence by the company
- ▶ Decision on the **purpose of the repurchased shares** not yet made; authorization resolution of General Meeting gives **several options**
- ▶ **Share redemption optimizes financial structure and underlines confidence in the further growth potential of the Group**



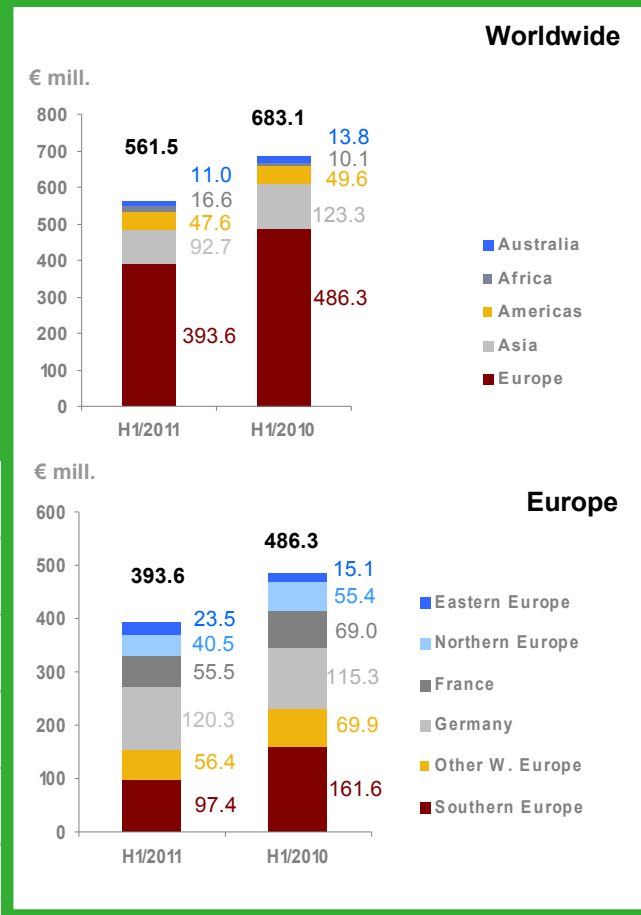
Vossloh Group, H1/2011

Sales in Europe and Asia weak, in the Americas stable and in MENA up

- ▶ **Sales in Europe** down 19.1%, in Germany up to €120.3 million
- ▶ **Non-European sales** at €167.9 million (-14.7%); share of group sales at 29.9% (up from 28.8%)
- ▶ **Sales growth** in MENA countries by €21.2 million to €37.3 million despite suspended deliveries to Libya

	H1/2010 in € mill.	Share in %	H1/2011 in € mill.	Share in %	Δ in %
Europe	486.3	71.2	393.6	70.1	-19.1
Americas	49.6	7.3	47.6	8.5	-4.0
Asia	123.3	18.0	92.7	16.5	-24.8
Africa	10.1	1.5	16.6	2.9	+64.4
Australia	13.8	2.0	11.0	2.0	-20.3
Total	683.1	100.0	561.5	100.0	-17.8

Sales trend (in € million)



Rail Infrastructure, H1/2011

Fastening Systems burdened, Switch Systems up on Q1/2011

- ▶ H1 **sales** down 14.9%, Q2 revenue shrinking 19.5%
- ▶ **EBIT** and **EBIT margin** receding due to poor workload and rising cost of materials
- ▶ **Fastening Systems sales** down 21.9% to €138.5 million in H1, 31.6% down in Q2
- ▶ **Switch Systems sales** falling 11.4% to €194.5 million, in Q2 down 10.4%
- ▶ **Rail Services sales** climbing 2.2% to €43.0 million, in Q2 dipping 7.3%

		H1/2010	H1/2011	Δ in %
Sales	€ mill.	438.6	373.3	-14.9
EBIT	€ mill.	74.7	45.9	-38.5
EBIT margin	%	17.0	12.3	—
Average working capital	€ mill.	272.6	234.4	-14.0
Closing working capital	€ mill.	286.8	256.7	-10.5
Average capital employed	€ mill.	687.5	661.1	-3.8
Closing capital employed	€ mill.	710.8	685.9	-3.5
ROCE	%	21.7	13.9	—
Average value added	€ mill.	36.9	12.9	—



Transportation, H1/2011

Transportation Systems still weak, Electrical Systems in cases below budget

- ▶ **Sales** still weak, as expected
- ▶ **EBIT** and **EBIT margin** year-on-year down due to low workload at Transportation Systems
- ▶ **ROCE** short of 15% benchmark but at 10.5% still double digit, despite EBIT slump
- ▶ **Transportation Systems sales** down 27.1% to €119.0 million; Vossloh Locomotives sales up 29.0% to €43.7 million; Vossloh Rail Vehicles' plunging 41.7% to €75.3 million
- ▶ **Electrical Systems sales** declining 13.0% to €71.6 million in the wake of project delays

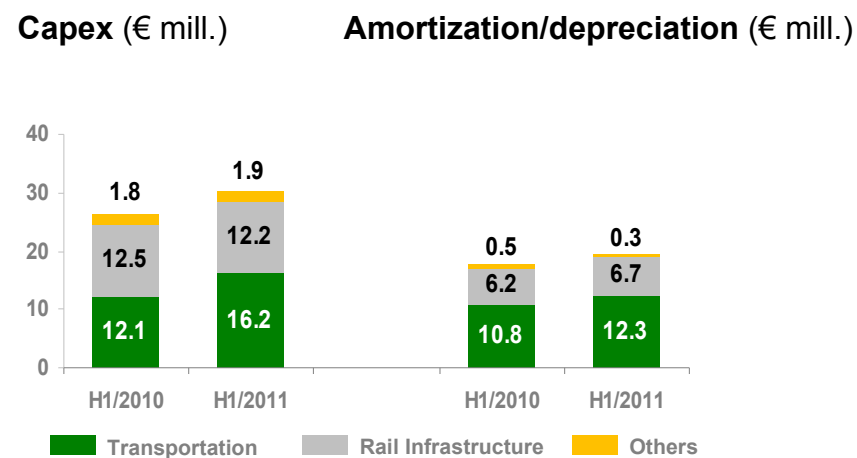
		H1/2010	H1/2011	Δ in %
Sales	€ mill.	244.4	188.6	-22.9
EBIT	€ mill.	14.6	7.1	-51.8
EBIT margin	%	6.0	3.7	-
Average working capital	€ mill.	41.0	(19.5)	-147.4
Closing working capital	€ mill.	41.3	(66.9)	-262.0
Average capital employed	€ mill.	181.4	134.1	-26.1
Closing capital employed	€ mill.	184.2	87.6	-52.4
ROCE	%	16.1	10.5	-
Average value added	€ mill.	4.7	0.4	-



Vossloh Group, H1/2011

Capex and amortization/depreciation rising as budgeted

- ▶ **Rail Infrastructure:** Capital outlays of €7.4 million for the Switch Systems business unit, including for the new production plant in China. Capex of €4.4 million for Vossloh Fastening Systems. The Rail Services business unit spends altogether €4.4 million, with emphasis on building new high-speed grinding trains.
- ▶ **Transportation:** The Transportation Systems business unit incurs capex of €6.9 million, Vossloh Electrical Systems €5.4 million.



	H1/2010	H1/2011	Δ in %
Group (€ million)			
Capital expenditures	26.4	30.3	+14.8
Amortization/depreciation	17.5	19.0	+8.5
Rail Infrastructure (€ million)			
Capital expenditures	12.1	16.2	+34.5
Amortization/depreciation	10.8	12.0	+10.9
Transportation (€ million)			
Capital expenditures	12.5	12.2	-2.7
Amortization/depreciation	6.2	6.7	+7.5

Vossloh stock

H1/2011 closing price almost unchanged at €96.78

Vossloh stock price trend Jan. 1 to June 30, 2011

► **Performance in H1/2011:**

DAX: +6.7%
MDAX: +7.9%
Vossloh: +1.3%

► **H1 high/low:** €102.75/€78.03

► **Average trading day volume (1,000 shares):**

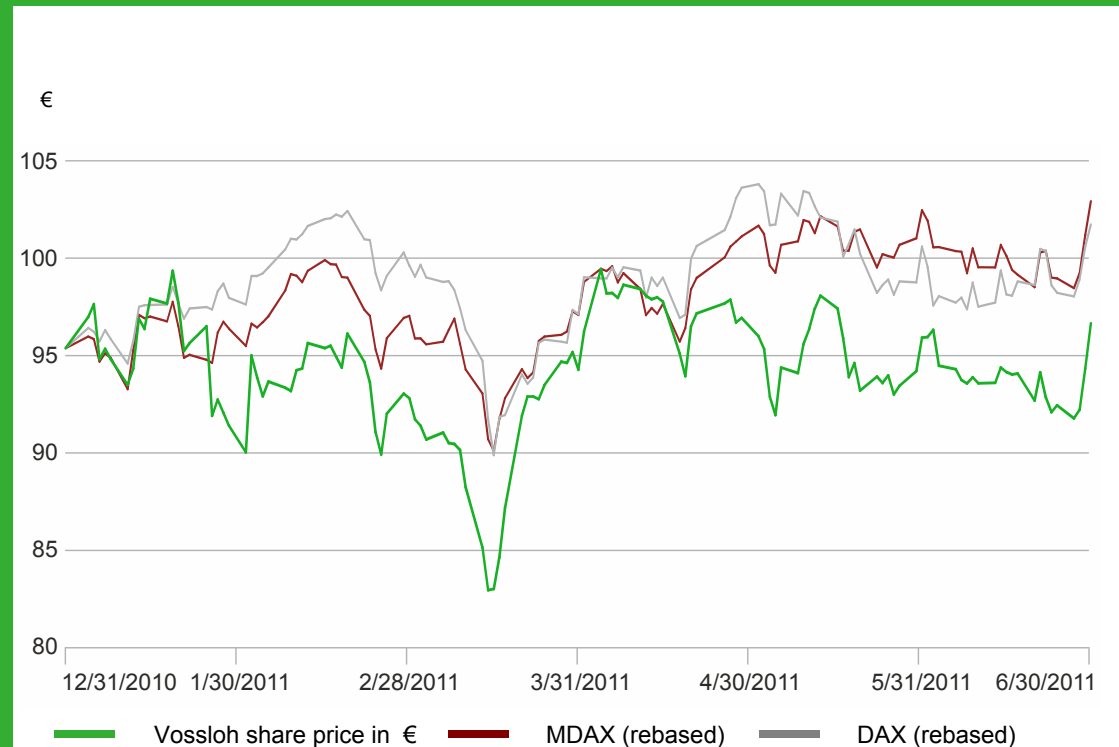
H1/2011: 69.1
H1/2010: 79.9

► **Number of shares outstanding (in 1,000):**

at June 30, 2011: 13,325

► **Market capitalization:**

at June 30, 2011: €1.29 billion



Vossloh Group, 2010–2012p

Tall order backlog supports growth expectations for 2012

- ▶ **Order backlog** endorses budgets for 2011 and 2012
- ▶ **Prospects for 2012** mainly for the Transportation division already considerably brightening; details of the Group's expectations for 2012 will be communicated in December 2011 when the 2012 budget has been finalized.
- ▶ **Second half of 2011** expected to improve substantially, within the Rail Infrastructure division for Switch Systems in particular and at the Transportation division primarily for Kiel
- ▶ **Capex program continued** in order to seize market opportunities
- ▶ **Ample financial latitude** for judicious M&A in selected areas



	2010	2011p	2012p
Sales	€1,351.3 mill.	approx. €1.25 bill.	➔
EBIT	€152.1 mill.	approx. €120–130 mill.	➔

Financial diary and contacts

Financial diary

- ▶ October 27, 2011 Interim report as of September 30, 2011¹
- ▶ December 2, 2011 Investors and analysts conference¹
- ▶ May 23, 2012 Annual general meeting

Contacts

- ▶ Werner Andree, CEO
- ▶ IR contacts: Lucia Mathée

Email: investor.relations@ag.vossloh.com

Phone: (+49-2392) 52-359

Fax: (+49-2392) 52-219

Internet: www.vossloh.com

¹ Conference call with financial analysts planned