

Presentation to Investors

September 2012



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Vossloh Group

Rail technology specialist in leading market positions


Rail Infrastructure



Fastening Systems



Switch Systems



Rail Services

Transportation



Transportation Systems
Vossloh Locomotives



Vossloh Rail Vehicles



Electrical Systems

Vossloh Group

Vossloh Fastening Systems



- Sales 2011: **€263 million**, workforce: 573
- **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 2011: **€433 million**, workforce: 2,273
- **A worldwide leader** in switch and crossing systems
- **27 production locations** in 19 countries
- **Exports more than 85%** 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
- Sales 2011: **€88 million**, workforce: 360
- Rail grinding, specifically high-speed grinding (HSG—an innovative high-speed grinding technique as preventive maintenance measure), mobile, semi-stationary and stationary rail welding, rail milling, rail testing
- Customers: rail producers and rail operators (e.g. German Rail)
- **A leader in the German market for comprehensive rail servicing and logistics**
- More than 60 years of experience

Vossloh Group

Transportation Systems, Vossloh Locomotives



- Sales 2011: **€124 million**, workforce: 468
- A leader in the European market for ultramodern **diesel-hydraulic and diesel-electric locomotives** for shunting and mainline applications
- Locomotives from 400 to 2700 kW that regularly set new standards in their respective fields
- One-stop provider of development, construction, production and excellent support services within Europe (maintenance, repair and refurbishment of locomotives)
- Provision of ecologically compatible technologies based on a **modular platform concept**
- Locomotives homologated for a wide range of European countries to permit flexible cross-border operation
- More than 90 years of experience

Vossloh Group

Transportation Systems, Vossloh Rail Vehicles



- Sales 2011: **€156 million**, workforce: 619
- **Europe's leading manufacturer of diesel-electric locomotives**
- Metro and LRV systems
- State-of-the-art technology and optimum quality typify the whole range of our products
- Manufacturer of Europe's most powerful diesel-electric locomotive, the EURO 4000
- Provision of maintenance services for locomotive bogies and passenger trains
- **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

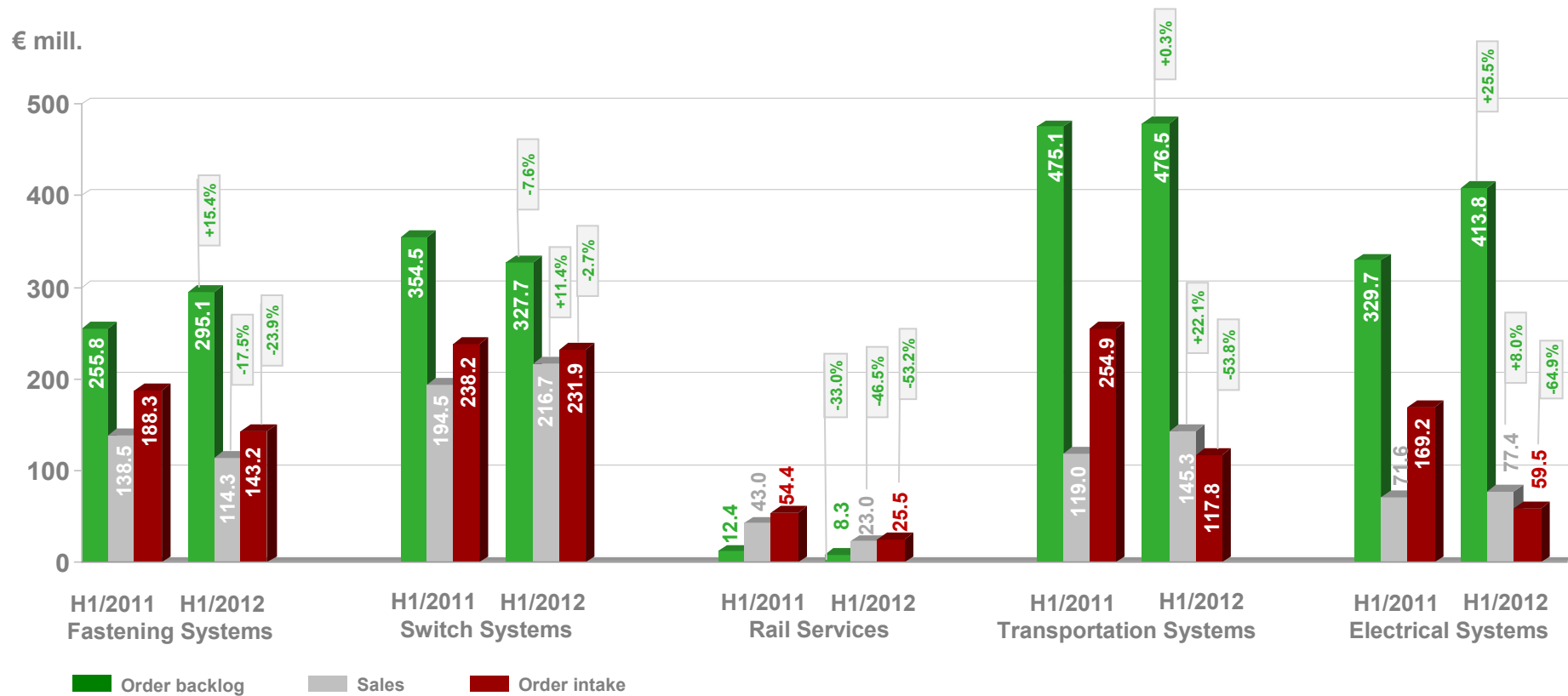


- Sales 2011: **€147 million**, workforce: 661
- Vossloh Kiepe supplies innovative **electrical systems** for mass transit vehicles as well as traction systems for electric road vehicles and locomotives
- The product range includes integrated systems for new vehicles, vehicle overhaul work, turnkey projects, components, and a wide range of services
- A worldwide service and sales network ensures fast and competent customer support
- More than 100 years of experience—worldwide
- Sustainable development by implementing environment-friendly public transit with zero-emission electric traction, hybrid systems, and fuel-cell applications

Vossloh Group, H1/2012

Order intake at €573.6 million sound, order backlog at €1,498.6 million still very solid

Order backlog, sales and order intake



Vossloh Group, H1/2012

Q2 sales rise leads to H1 increase, EBIT still burdened

- Project delays in China and poor demand for rail welding weigh on business trend, shipments in China resumed in June
- Sales** of the Transportation division growing further, at Rail Infrastructure year-on-year still shrinking
- EBIT margin** due to lower Rail Infrastructure EBIT still below year-earlier level but showing quarter-on-quarter uptrend in Q2
- ROCE** down year-on-year due to EBIT decline at Rail Infrastructure

	H1/2011	H1/2012	Δ in %
Sales (€ million)	561.5	571.3	+1.8
EBIT (€ million)	44.7* [44.5]	31.0	-30.6
EBIT margin (%)	8.0* [7.9]	5.4	—
Group earnings (€ million)	27.3* [27.1]	14.6	-46.6
Earnings per share (€)	2.05* [2.04]	1.22	-40.5
ROCE (%)	11.2* [11.1]	7.7	—
Value added (€ million)	4.7* [(4.5)]	(9.4)	—
Average headcount	4,964	5,062	+2.0



Vossloh Group, H1/2012

Working capital slashed again, capital employed unchanged

- **Working capital** significantly downsized thanks to higher prepayments within Transportation division
- **Capital employed** barely changed year-on-year despite swelling fixed assets
- **Total equity** below year-earlier level after H2/2011 share buyback
- **Net financial debt** rising year-on-year, also due to funds spent on stock repurchase

	6/30/2011	6/30/2012	Δ in %
Total assets (€ million)	1,493.4	1,566.4	+4.9
Total equity (€ million)	571.7* [574.6]	467.5	-18.2
Equity ratio (%)	38.3* [38.5]	29.8	—
Average working capital (€ million)	209.6	178.4	-14.9
Average working capital intensity (%)	18.7	15.6	—
Closing working capital (€ million)	187.1	153.0	-18.3
Closing working capital intensity (%)	16.7	13.4	—
Average capital employed (€ million)	799.6	808.6	+1.1
Closing capital employed (€ million)	781.3	798.9	+2.3
Net financial debt (€ million)	83.8	225.3	+168.8
Net leverage (%)	14.7* [14.6]	48.2	—



Vossloh Group, H1/2012

Freely available cash flow improved in Q2 as well

Cash flow analysis (€ million)	H1/2011	H1/2012
EBIT	44.7* [44.5]	31.0
Amortization/depreciation/write-down of noncurrent assets (net after write-up)	19.4	20.2
Change in noncurrent accruals	(7.5)* [(6.8)]	(2.3)
Gross cash flow	56.6* [57.1]	48.9
Net book gain/loss from the disposal of tangibles/intangibles	(1.8)	0.0
Change in working capital	60.5	57.4
Noncash change in shares in associated affiliates, other noncash income/expenses (net), change in other assets/liabilities	11.6* [11.1]	(16.5)
Income taxes paid	(14.3)	(5.2)
Cash flow from operating activities	112.6	84.6
Cash outflow for additions to tangibles/intangibles	(30.3)	(24.1)
Freely available cash flow**	82.3	60.5



- **Gross cash flow** inching down due to lower EBIT
- **Net cash provided by operating activities** at €84.6 million in H1/2012
- **Freely available cash flow** at €60.5 million

Rail Infrastructure, H1/2012

Project delays in China and poor demand at Vossloh Rail Services depress business, shipments resumed in China in June

- **Sales due to long project delays in China** until now below year-earlier level, China shipments resumed in June, re-generating initial sales
- **EBIT and EBIT margin** still down due to **sales decline**
- **Vossloh Fastening Systems:** sales drop by 17.5% to €114.3 million (down from €138.5 million). New contracts mainly from Germany, France, Morocco, and Thailand
- **Vossloh Switch Systems:** sound business primarily in Iraq, Poland, and the USA. Sales climbing 11.4% to €216.7 million (up from €194.5 million). New orders chiefly from Sweden
- **Vossloh Rail Services:** slumping rail-welding and rail logistics orders in Germany slash sales by 46.5% to €23.0 million (down from €43.0 million)

	H1/2011	H1/2012	Δ in %
Sales (€ million)	373.3	353.1	-5.4
EBIT (€ million)	45.9	31.7	-30.9
EBIT margin (%)	12.3	9.0	—
Average working capital (€ million)	234.4	230.0	-1.9
Average capital employed (€ million)	661.1	686.3	+3.8
Closing capital employed (€ million)	685.9	699.5	+2.0
ROCE (%)	13.9	9.2	—
Value added (€ million)	12.9	(2.6)	—



Transportation, H1/2012

Sales growth thanks to solid order intake in 2011

- **Sales** in H1 boosted, mainly by uptrends at both Vossloh Transportation Systems locations (Kiel and Valencia)
- **EBIT, EBIT margin** and **ROCE** clearly upgraded year-on-year
- **Vossloh Transportation Systems:** H1 sales up 22.1% to €145.3 million (from €119.0 million)
 - **Vossloh Locomotives:** 32.8% sales jump to €58.0 million (up from €43.7 million)
 - **Vossloh Rail Vehicles:** 16.0% sales rise to €87.4 million (up from €75.3 million)
- **Vossloh Electrical Systems:** H1 sales climbing 8.0% to €77.4 million (up from €71.6 million)

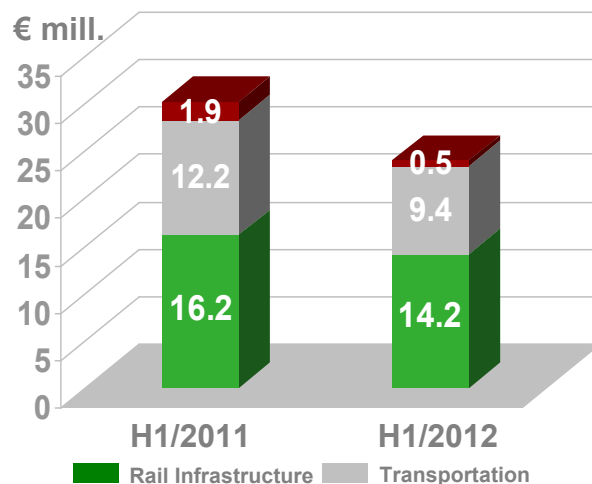
	H1/2011	H1/2012	Δ in %
Sales (€ million)	188.6	218.5	+15.9
EBIT (€ million)	7.1	9.3	+32.2
EBIT margin (%)	3.7	4.3	—
Average working capital (€ million)	(19.5)	(45.0)	—
Average capital employed (€ million)	134.1	117.5	-12.4
Closing capital employed (€ million)	87.6	88.1	+0.5
ROCE (%)	10.5	15.9	—
Value added (€ million)	0.4	3.5	—



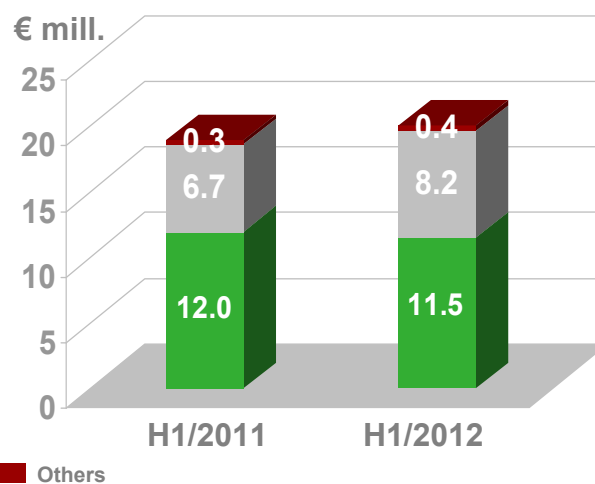
Vossloh Group, H1/2012

Year-on-year still lower capex at both divisions

Capital expenditures



Amortization/depreciation



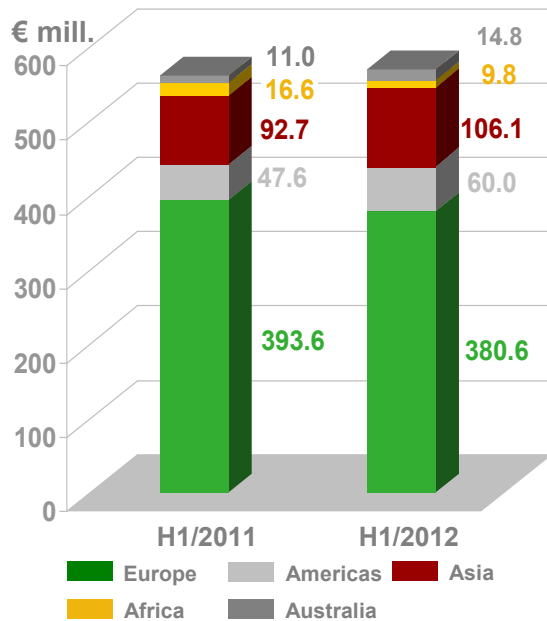
€ million	H1/2011	H1/2012	Δ in %
Group			
Capex	30.3	24.1	-20.6
Amort./depreciation	19.0	20.1	+5.6
Rail Infrastructure			
Capex	16.2	14.2	-12.4
Amort./depreciation	12.0	11.5	-4.5
Transportation			
Capex	12.2	9.4	-23.2
Amort./depreciation	6.7	8.2	+22.4

- Outlay volume within the **Vossloh Group** down after rescheduling of internal capex projects
- Rail Infrastructure:** capital expenditures of €8.6 million at Vossloh Switch Systems incurred for establishing a switch blade production line in USA and a rail switch plant in China. Vossloh Fastening Systems spent €1.5 million, centering in 2012 on capacity expansion and restructuring projects for its Werdohl location. Vossloh Rail Services appropriated €4.1 million to the construction of new high-speed grinding trains and to a new mobile rail-welding machine
- Transportation:** capex at the Transportation Systems business unit totaled €7.7 million, with unchanged focus on the further development of the new EURO 3000 and EUROLIGHT locomotives, as well as the Tralink tram. Vossloh Electrical Systems' H1 capital outlay added up to €1.7 million

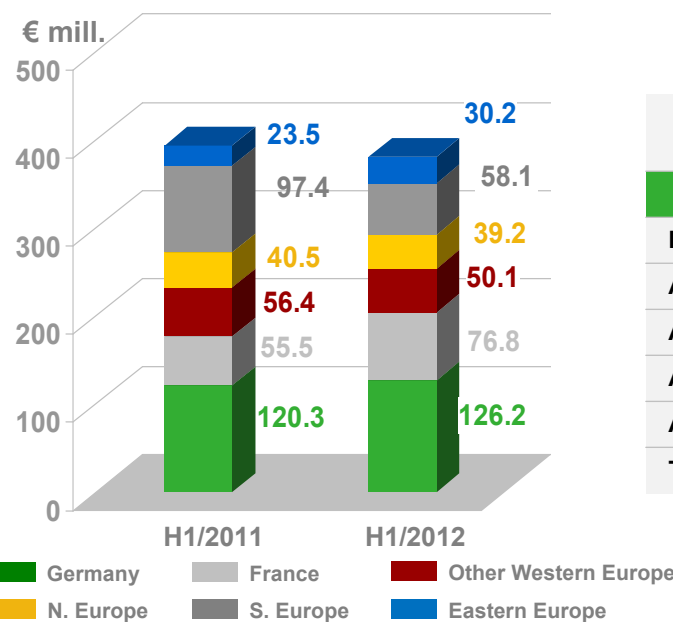
Vossloh Group, H1/2012

Marked sales growth outside Europe, sales in Germany and France keep rising; Asia biggest non-European market

Sales trend worldwide



Sales trend in Europe



	% H1/2011	% H1/2012	Δ sales in %
Europe	70.1	66.6	-3.3
Americas	8.5	10.5	+26.2
Asia	16.5	18.6	+14.4
Africa	2.9	1.7	-40.8
Australia	2.0	2.6	+33.9
Total	100.0	100.0	+1.8

- Sales share in Europe** at 66.6% inching down, mainly in light of vigorous growth elsewhere
- Germany** remaining biggest individual market and keeps growing, **France** showing distinct sales uptrend
- Clear sales decline in **Southern Europe**; **strong growth in Eastern Europe**, chiefly in Poland but also Latvia and Lithuania
- Share of **non-European regions** in group sales at 33.4% (up from 29.9%)
- Overall growth in **Asia** despite sales erosion in China; sales continuing to rise in the **Americas**

Financial diary and contacts

Financial diary

- October 31, 2012 Interim report as of September 30, 2012¹
- December 6, 2012 Investors and analysts conference¹

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