



Presentation to Investors

July 30, 2015, interim report as of June 30, 2015

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Disclaimer

Note:

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Vossloh Group, H1/2015

Group sales increase by 11.0%, EBIT significantly recovered

- ▶ Group sales increases substantially, driven by the Customized Modules division as well as the business units Rail Vehicles and Electrical Systems from the Transportation division
- ▶ EBIT significantly improved mainly due to the Customized Modules and Transportation divisions; EBIT adjusted for one-time items at €11.7 million in the first half of 2014
- ▶ Markedly lower interest expense resulting from refinancing supports positive net income

| | | 1-6/2014 | 1-6/2015 |
|--------------------|---------|----------|----------|
| Net sales | € mill. | 626.0 | 694.7 |
| EBIT | € mill. | 11.7* | 19.0 |
| EBIT margin | % | 1.9* | 2.7 |
| Net income | € mill. | -151.0 | 4.8 |
| ROCE | % | -34.3 | 4.9 |
| Value added | € mill. | -187.8 | -19.4 |
| Earnings per share | € | -12.31 | 0.12 |

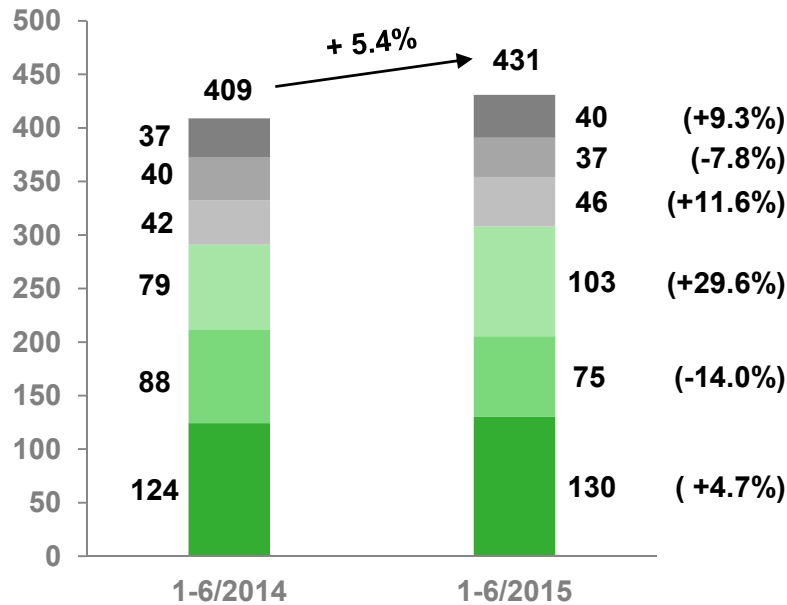
* Calculated on a comparable basis; the six-month financial statements for 2014 included the vast majority of necessary restructuring expenses. The reported figures represent EBIT and EBIT margin adjusted for one-time items.

Vossloh Group, H1/2015

Share of sales from non-European regions increases to 38.0%

- ▶ Group sales increased in Europe: Higher sales in Germany, significant revenue increases in the rest of Western Europe (United Kingdom), revenues in Northern Europe (Sweden) above those of the previous year
- ▶ Significant increase in sales in America (North America, Brazil and Argentina) and Africa (South Africa); as expected, lower sales in Asia due to weaker business development in China and declining sales in Israel
- ▶ Share of sales from non-European regions increased to 38.0% (previous year: 34.7%)

Sales trend in Europe (in € mill.)



| Sales by region | 1-6/2014 | | 1-6/2015 | |
|-----------------|--------------|------------|--------------|------------|
| | Mio.€ | % | Mio.€ | % |
| Europe | 409.0 | 65.3 | 431.0 | 62.0 |
| America | 76.7 | 12.3 | 124.6 | 17.9 |
| Asia | 114.2 | 18.2 | 85.2 | 12.3 |
| Africa | 14.5 | 2.3 | 43.0 | 6.2 |
| Australia | 11.6 | 1.9 | 10.9 | 1.6 |
| Total | 626.0 | 100 | 694.7 | 100 |

■ Germany
 ■ France
 ■ Other Western Europe
 ■ Northern Europe
 ■ Southern Europe
 ■ Eastern Europe

Vossloh Group, H1/2015

Capital Employed declining significantly, net debt higher than previous year

- ▶ Decrease in equity mainly related to the poor earnings situation of the Group in the second half of 2014
- ▶ Working capital changes only slightly as compared to prior year level, partly due to exchange rates
- ▶ Capital employed decreased significantly year-on-year
- ▶ Equity rises over the course of 2015 (December 31, 2014: €349.6 million)
- ▶ Net financial debt rises due to still negative free cash flow

| | | 1-6/2014 | 1-6/2015 |
|-----------------------------------|---------|----------|----------|
| Total assets | € mill. | 1,576.4 | 1,664.2 |
| Equity | € mill. | 413.2 | 362.0 |
| Equity ratio | % | 26.2 | 21.7 |
| Average working capital | € mill. | 141.3 | 139.6 |
| Average working capital intensity | % | 11.3 | 10.0 |
| Closing working capital | € mill. | 153.0 | 162.6 |
| Average capital employed | € mill. | 847.7 | 768.0 |
| Net financial debt | € mill. | 267.2 | 319.0 |

Vossloh Group, H1/2015

Further improved cash flow development from operating activities

- ▶ Gross cash flow after six months of 2015 again clearly positive
- ▶ Free cash flow improved substantially as compared to prior year period; positive free cash flow expected for full year

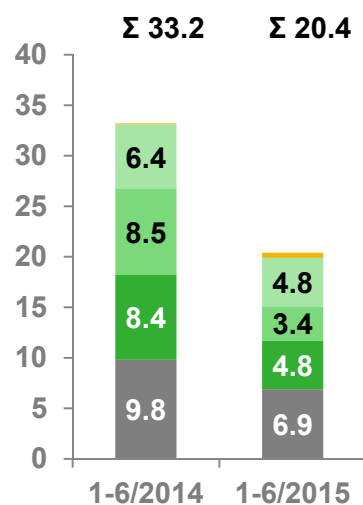
| Cash flow analysis (in € million) | 1-6/2014 | 1-6/2015 |
|---|---------------|--------------|
| EBIT | -145.4 | 19.0 |
| Amortization/depreciation/write-down of noncurrent assets (net, after write-up) | 105.1 | 22.4 |
| Change in noncurrent provisions | 25.9 | -9.8 |
| Gross cash flow | -14.4 | 31.6 |
| Income taxes paid | -9.9 | -7.7 |
| Change in working capital | -51.3 | -59.5 |
| Other changes | 4.8 | 17.6 |
| Cash flow from operating activities: | -70.8 | -18.0 |
| Investments in intangible assets and property, plant and equipment, investments in associated companies | -33.2 | -20.4 |
| Free cash flow | -104.0 | -38.4 |

Vossloh Group, H1/2015

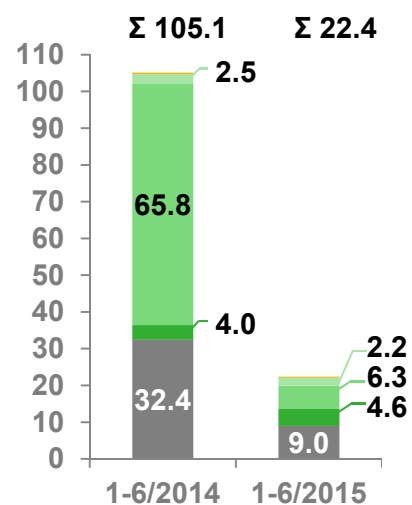
Mayor investment projects almost completed

- ▶ Investment volume in the Core Components division nearly halved, in previous year high level of expenses incurred in connection with the construction of new production facilities in the USA
- ▶ Declining investments at Customized Modules, installation of a new forge and associated expenses at the location in Luxembourg nearly completed
- ▶ Focus in the Lifecycle Solutions division remains on continued development and capacity increase of high speed grinding trains as well as development of a milling train
- ▶ Declining investment volume in Transportation division, key individual projects: development of new locomotives and expansion of capacities at Vossloh Rail Vehicles and finalization of new locomotive family at Vossloh Locomotives

€ mill. Investment



Amortization/depreciation



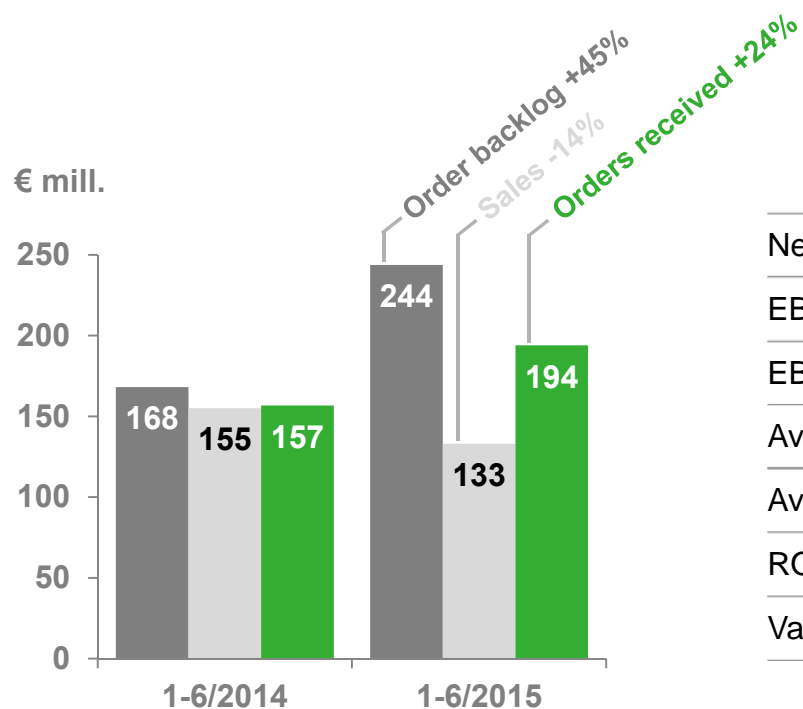
| in € mill. | Investment | | Amortization/Depreciation | |
|---------------------|-------------|-------------|---------------------------|-------------|
| | 1-6/2014 | 1-6/2015 | 1-6/2014 | 1-6/2015 |
| Group | 33.2 | 20.4 | 105.1 | 22.4 |
| Core Components | 8.4 | 4.8 | 4.0 | 4.6 |
| Customized Modules | 8.5 | 3.4 | 65.8 | 6.3 |
| Lifecycle Solutions | 6.4 | 4.8 | 2.5 | 2.2 |
| Transportation | 9.8 | 6.9 | 32.4 | 9.0 |

■ Core Components
 ■ Customized Modules
 ■ Lifecycle Solutions
 ■ Transportation
 ■ Other

Core Components division, H1/2015

Decrease in sales revenues burdens profitability

- ▶ Sales decrease of 14.2% due to weaker development in China as well as declining volumes in Thailand, Poland and Turkey
- ▶ EBIT falls as a result of decreasing volumes in several countries
- ▶ Important new €70 million order from China; book-to-bill at 1.46
- ▶ Working capital declines compared to previous year; capital employed minimally below previous year



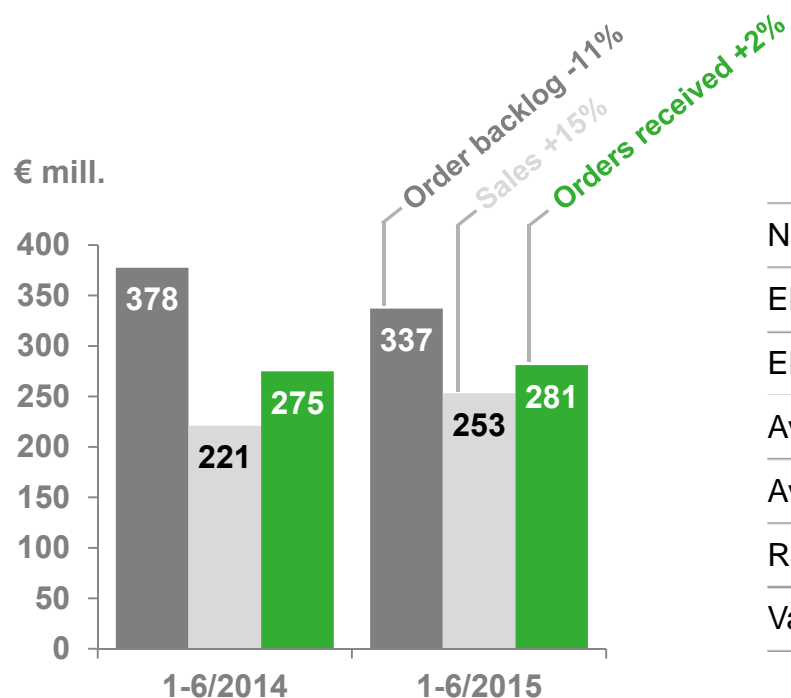
| | | 1-6/2014 | 1-6/2015 |
|--------------------------|---------|----------|----------|
| Net sales | € mill. | 155.0 | 133.0 |
| EBIT | € mill. | 26.7* | 14.2 |
| EBIT margin | % | 17.2* | 10.7 |
| Average working capital | € mill. | 83.0 | 74.8 |
| Average capital employed | € mill. | 134.0 | 132.5 |
| ROCE | % | 57.0 | 21.4 |
| Value added | € mill. | 31.5 | 7.6 |

* Calculated on a comparable basis; In the first quarter of 2014, an intra-group sale of the US subsidiary, Vossloh Fastening Systems America Corporation, was carried out. The related income in the amount of €14.9 million had been eliminated at the Group level.

Customized Modules division, H1/2015

Sales and EBIT well above prior year level thanks to stronger demand

- ▶ Sales growth of 14.5% as compared to the prior year period, driven in particular by positive development in the USA, Brazil and Sweden
- ▶ EBIT as compared to previous year nearly increased by nearly 60%
- ▶ Working capital slightly above prior year level, capital employed decreased significantly year-on-year
- ▶ Larger orders received from France, USA and Sweden; book-to-bill > 1



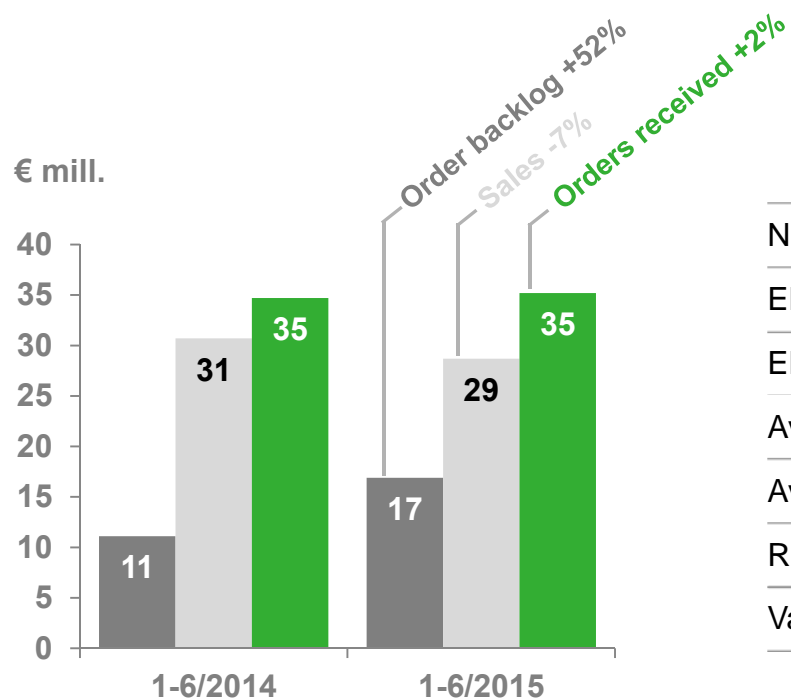
| | | 1-6/2014 | 1-6/2015 |
|--------------------------|---------|----------|----------|
| Net sales | € mill. | 220.9 | 253.1 |
| EBIT | € mill. | 9.7* | 15.5 |
| EBIT margin | % | 4.4* | 6.1 |
| Average working capital | € mill. | 133.0 | 137.7 |
| Average capital employed | € mill. | 464.7 | 424.4 |
| ROCE | % | -27.8 | 7.3 |
| Value added | € mill. | -87.9 | -5.7 |

* Calculated on a comparable basis; the six-month financial statements for 2014 included the vast majority of necessary restructuring expenses. The reported figures represent EBIT and EBIT margin adjusted for one-time items.

Lifecycle Solutions division, H1/2015

Sales remain below prior year level, EBIT even

- ▶ Sales decrease by 6.3%, decline primarily attributable to the area of transport/logistics
- ▶ EBIT even compared to the previous year figure
- ▶ Contract awards in first half of the year still restrained; book-to-bill > 1



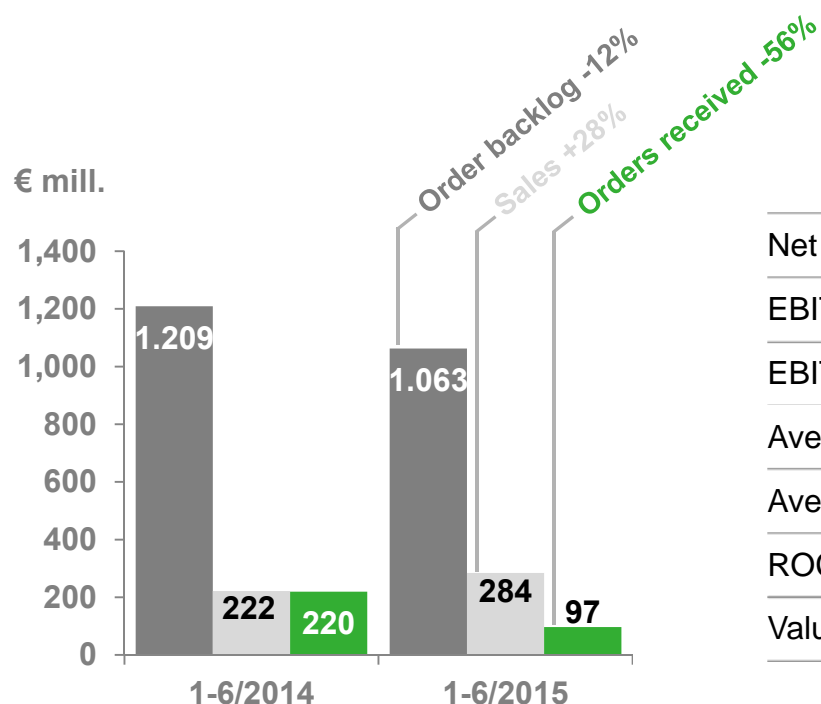
| | | 1-6/2014 | 1-6/2015 |
|--------------------------|---------|----------|----------|
| Net sales | € mill. | 30.7 | 28.7 |
| EBIT | € mill. | 0.5* | 0.0 |
| EBIT margin | % | 1.6* | 0.1 |
| Average working capital | € mill. | 6.6 | 8.8 |
| Average capital employed | € mill. | 112.1 | 118.3 |
| ROCE | % | -2.7 | 0.1 |
| Value added | € mill. | -7.1 | -5.9 |

* Calculated on a comparable basis; the six-month financial statements for 2014 included the vast majority of necessary restructuring expenses. The reported figures represent EBIT and EBIT margin adjusted for one-time items.

Transportation division, H1/2015

Substantial sales increase, orders received below prior year figure

- ▶ Strong sales growth of 28.3% boosted by positive sales development in the business units Rail Vehicles (sales increase of 29.2% to €128.8 million) and Electrical Systems (sales increase of 46.2% to €111.2 million)
- ▶ EBIT of €(3.4) million significantly improved compared to previous year
- ▶ Significant decrease in capital employed due to the impairments carried out in the previous year as of June 30 on capitalized development costs and on the net market value of prototypes at the Kiel location
- ▶ Lower orders received due, among other things, to project postponements in the business units; book-to-bill < 1 in all business units



| | | 1-6/2014 | 1-6/2015 |
|--------------------------|---------|----------|----------|
| Net sales | € mill. | 221.6 | 284.4 |
| EBIT | € mill. | -18.1* | -3.4 |
| EBIT margin | % | -8.2* | -1.2 |
| Average working capital | € mill. | -77.7 | -79.3 |
| Average capital employed | € mill. | 127.4 | 83.6 |
| ROCE | % | -148.7 | -8.2 |
| Value added | € mill. | -101.1 | -7.6 |

* Calculated on a comparable basis; the six-month financial statements for 2014 included the vast majority of necessary restructuring expenses. The reported figures represent EBIT and EBIT margin adjusted for one-time items.

Vossloh Group, H1/2015

Transforming Vossloh: Summary

- ▶ The Vossloh Group's recovery continues as planned in Q2/2015, guidance confirmed
- ▶ Sales in the first half of year 11.0% above previous year
- ▶ Group EBIT significantly positive at €19.0 million
- ▶ Sales and EBIT aided by currency effects
- ▶ Increase in orders received in the three core business areas
- ▶ Launch of strategically important joint ventures in Finland in the Customized Modules and Lifecycle Solutions divisions
- ▶ EBIT in the Transportation division turned positive in Q2 after five loss-making quarters
- ▶ Weak orders received in the Transportation division in the first half of 2015, in July already two new larger orders received by Vossloh Electrical Systems and Vossloh Rail Vehicles with a volume totaling €50 million: locomotives of the EURO LIGHT family for the United Kingdom and follow-up order from the city of Chemnitz for Citylink hybrid light rail vehicles
- ▶ Ongoing discussions on disinvestment of activities in the Transportation division

Vossloh Group, Outlook

Outlook 2015 confirmed – Ongoing improvement expected

2015e*



- Sales growth between 3% and 4%
- EBIT margin improves to between 3% and 4%
- Positive free cash flow

2016e*



- Still below EBIT target margin; development impacted by low-margin multi-year projects and increased expenditures focusing on accelerated innovation

2017e*



- EBIT target margin of 5% to 6% on the basis of existing portfolio structure

* Planning based on existing portfolio structure

Financial calendar and contact

Financial calendar

- ▶ October 29, 2015 Interim Report as of September 30, 2015
- ▶ March 2016 Publication of Group financial statements 2015

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