Globally positioned

Separate financial statements
of Vossloh AG as of December 31, 2013

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Combined management report

Vossloh AG

Rail Infrastructure division	Transportation division
Business units: Vossloh Fastening Systems Vossloh Switch Systems Vossloh Rail Services	Business units: Vossloh Transportation Systems Vossloh Electrical Systems

Business and market environment

Strategy, segmentation, and competitive position

Today, Vossloh is a global player in the rail technology markets. The Group's core businesses comprise rail infrastructure products and services, rail vehicles, and components for rail vehicles and buses.

Under the umbrella of Vossloh AG as the management and financial holding parent, the Group has organized its business operations into two divisions: Rail Infrastructure and Transportation.

Rail Infrastructure offers products and services related to the infrastructure. The division has three business units: Fastening Systems, Switch Systems, and Rail Services.

International leader in selected rail infrastructure product groups

- Vossloh Fastening Systems is a leading supplier of rail fastening systems. The product lineup covers rail fasteners for all types of transport, from light-rail extending over heavy-haul to high-speed.
- Vossloh Switch Systems supplies, installs and services switches as well as control and monitoring systems for rail networks. Here, too, the range reaches from light-rail to high-speed lines.
- Vossloh Rail Services supplies all types of services having to do with the rails themselves, including welding, transport, maintenance, preventive care, and reconditioning.

The Transportation division covers the operations concerned with rail vehicles and vehicle systems/components including the related services. The division has two business units: Transportation Systems and Electrical Systems.

Diesel locomotives, light rail vehicles, electrical systems and key components

- With its production locations at Valencia, Spain (Vossloh Rail Vehicles), and Kiel, Germany (Vossloh Locomotives), Vossloh Transportation Systems is Europe's leading manufacturer of diesel locomotives and additionally supplies maintenance services. At its Valencia location it also develops and builds light rail vehicles.
- Vossloh Electrical Systems develops and manufactures key electrical components and systems for local transport rail vehicles and locomotives. The business unit is among the world's foremost suppliers of electrical equipment for trams as well trolleybuses and hybrid buses. Besides furnishing complete systems, the unit supplies air conditioners for rail vehicles, individual components, subassemblies, revamping work, servicing and maintenance.

The Vossloh Group operates according to the following core strategic principles:

Core strategic principles

- Focused portfolio: Vossloh offers products and services for the global rail technology market while concentrating on those submarkets in which it aspires to market leadership.
- Value-driven growth: Vossloh intends for its business to grow in value at a rate superior to the overall rail technology market. Organic growth is nurtured by expanding into high-potential markets and developing new products.
- High profitability: Vossloh aims to add value by earning a premium on top of the cost of capital.

Organization

The Vossloh Group has a broad international base. It local presence and customer proximity are integral elements of its business model. Key European production plants are in Germany, France, Spain, Luxembourg, Sweden, Poland, and Austria. Outside of Europe, Vossloh produces switch systems mainly in Australia and in the USA. It has major rail fastener plants in China and Turkey. A further production location in the USA is currently under construction. Vossloh operates through sales companies and branches and has in some instances, together with competent partners, entered into local joint ventures and alliances. Major subsidiaries and, at the same time, business unit lead companies are: Vossloh Fastening Systems GmbH, Werdohl, Germany; Vossloh Cogifer SA, Rueil-Malmaison, France; Vossloh Rail Services GmbH, Seevetal, Germany; Vossloh Locomotives GmbH, Kiel, Germany; Vossloh España SA, Valencia, Spain; and Vossloh Kiepe GmbH, Düsseldorf, Germany.

Control system and targets

Vossloh's growth strategy targets the addition of value, measured as value added. Positive value added is generated when a premium on top of the return claimed by investors and lenders (cost of capital) is earned. This premium is the difference between the return on capital employed (ROCE) and WACC, the weighted average cost of capital (debt and equity). Multiplying the premium by average capital employed produces the value added in a period in absolute terms. For intragroup controlling purposes, ROCE and value added are determined on a pretax basis. In line with IFRS 8, value added is disclosed in published reports as the business unit controlling parameter.

Cost of equity is composed of a risk-free rate plus a market risk premium. As a result of the pretax consideration, the interest factor is accordingly adjusted. Cost of debt is calculated on the basis of the Group's average funding terms. The ratio of equity to interest-bearing debt, required to determine WACC, is two-thirds to one-third and is derived not from the balance sheet since it is not only predicated on a benchmark for the funding structure but also because equity is here based on fair value and not the carrying amounts in the balance sheet. Intragroup controlling in fiscal 2013 was based on pretax WACC of 8.5 percent as the yield expected by investors and lenders. The components of the cost of capital are analyzed at regular intervals. The review performed as of the end of the fiscal year led to a new estimate of the market risk premium to be applied. The increase in the market risk premium accordingly leads to an increase in the return expected by investors, which since fiscal 2014 has been increased to 10.0 percent.

In addition to positive added value, Vossloh has defined additional financial targets for the Group as a whole, the most important being:

Financial benchmarks

- sustainable profitability improvement (EBIT margin),
- sustainable increase in earnings per share,
- adequate dividends for shareholders,
- conservative net borrowings in the medium term.

The monthly financial reporting represents a central element for the analysis and control of the business units and the Group for management of Vossloh AG. Here, the financial statements and also the key performance indicators of all Group entities are consolidated and analyzed as is the monthly annual projection. Variations from plan are investigated as to their effects on the financial targets and are explained in a commentary. The monthly annual projection is supplemented by a risk report to identify potential decreases or increases to assets. Business unit monthly reports are discussed at regular meetings between the Executive Board and management of the operating units.

Business report

Business environment

The outlook for the global economic development has improved since the first half of 2013. According to the international Monetary fund (IMF), the worldwide gross domestic product (GDP) increased by 3.0 percent in 2013 (2012: 3.1 percent). For the global business development of the Vossloh Group, the regions of Europe, China and the USA are of paramount importance. Around 80.0 percent of Vossloh Group revenues were generated in these regions in 2013.

According to the IMF, growth in Vossloh's most important sales market, the euro zone, was slightly negative in 2013, with (0.4) percent, compared to a growth rate of (0.7) percent in 2012. In 2013, Germany was able to generate growth of 0.5 percent. However, the GDP in Germany showed lower growth compared to 2012. In 2012, an increase in GDP in Germany of 0.9 percent was reported. The economies bordering on the euro zone of Middle and Eastern Europe were able to record a gain of 2.5 percent and thereby significantly exceeded the 2012 growth rate of 1.4 percent.

In 2013, the aspiring Asian emerging countries one again generated the strongest growth. China's economy grew in 2013, unchanged to the prior year, by 7.7 percent. Economic growth in the USA declined in 2013 to 1.9 percent from 2.8 percent in the prior year.

The markets for rail technology that are relevant for Vossloh only follow general worldwide economic trends to a limited extent. This has led to the situation that since the economic collapse in 2009, the attractiveness of the rail technology market has increased in the eyes of market participants. The capacity of established suppliers has been expanded, and new suppliers have entered the market; former primarily local suppliers are driving their internationalization forward. The attractiveness of the overall market for rail technology is supported by several worldwide megatrends which can be observed. Increasing demand for mobility, diminishing energy supplies, the advancing urbanization and especially also a growing environmental consciousness are bringing rail as a mode of transport into focus.

Thus, the European Union is striving for a considerable shift of transport to rail. According to the EU's "Transport White Paper", greenhouse gas emissions are to be reduced in the transportation sector by approximately 20.0 percent by 2030 from the level in level in 2008. In order to achieve a sustainable reduction in greenhouse gas emissions, several targets have been formulated. By 2030, 30.0 percent of road freight haulage over a distance exceeding 300 km is to be shifted to other modes of transport. Along with transport by ship, railways in particular are mentioned. In this connection, the establishment of an infrastructure for efficient and eco-friendly cargo haulage corridors is required. It is also planned by 2030 to triple the overall length of the European high-speed railway networks and to ensure the existence and upkeep of a closely-meshed rail system in all EU member states.

Furthermore, the public debt situation has a significant effect on the demand in the rail technology market. According to the Statistical Office of the European Union (Eurostat), the debt situation in the European area has continually deteriorated since the end of 2009. The debt position of the euro countries, measured in terms of the GDP, increased from 80.0 percent in 2009 to 90.6 percent in 2012. Especially strong increases have been reported for the Southern European countries of the euro area relevant for Vossloh of Spain (from 53.9 percent in 2009 to 84.2 percent in 2012), Portugal (from 83.7 percent in 2009 to 123.6 percent in 2012) and Italy (from 116.4 percent in 2009 to 127.0 percent in 2012). According to Eurostat, in the third quarter of 2013 for the first time since the fourth quarter of 2007, a slight decline in the debt ratio compared to the previous quarter (second quarter of 2013) was able to be realized. Alongside Italy, a slightly declining trend was reported in Portugal. On the other hand, Spain showed a further increase in its debt. The increase in debt especially in these Southern European countries led to a serious drop in sales of the Vossloh Group in these regions. The Vossloh Group already intensified its internationalization efforts at a very early stage in order to compensate for this foreseeable weakness in demand in Europe and especially in Southern Europe. As a result of the extensive measures taken, Vossloh was able to achieve above-average growth.

The public debt and the increased attractiveness of the rail technology market, especially since the economic crisis in 2009, have led overall to a noticeable and sustainable increase in the intensity of competition. The Vossloh Group was not able to entirely escape this trend in recent years. An appreciable decline in the EBIT margin was the result.

Studies on the global rail technology market include the World Rail Market Study published by UNIFE, the Association of the European Rail Industry, and the Worldwide Market for Railway Technology published by the consultants SCI Verkehr. Both studies were most recently updated in September 2012. An update of both studies is carried out every two years, and the new results should be available in the third quarter of 2014. According to UNIFE, the worldwide market in the period from 2009 to 2011 amounted on average to approximately €146 billion per year. According to the consulting firm of SCI Verkehr, the market volume in 2011 amounted to about €143 billion. Based on information of the Association of the European Rail Industry, €106 billion has been rated as the accessible market. Accessible means that the respective market is in principle accessible to foreign suppliers, and the market demand is not exclusively met through domestic capacity. According to UNIFE, the total rail technology market can be subdivided into four segments: Infrastructure, Rolling Stock, Control, Signaling and Safety, as well as Services. Rolling Stock has the largest share (40.0 percent) of the accessible market, followed by Services (28.0 percent), Infrastructure (21.0 percent), and lastly Control, Signaling and Safety.

The largest single accessible markets are Western Europe (30.0 percent) and Asia/Pacific (24.0 percent), followed by the 20.0-percent share of the member countries of the North American Free Trade Agreement (NAFTA) and the Commonwealth of Independent States (CIS) at 10.0 percent. Africa, the Middle East, and South America, up to now smaller, are expected to show high growth rates.

Vossloh with its Rail Infrastructure and Transportation divisions has a footing primarily in the Infrastructure and Rolling Stock segments. But whereas in its Rail Infrastructure division (excluding Vossloh Rail Services), the Group operates on a global scale and ranks among the leaders, the business Transportation division is still tailored very heavily to the European market. The most recent sales success of the division – locomotives for South Africa and the USA and trams for Brazil – will lead to a noticeable increase in non-European sales in this division in 2014.

Generally, Vossloh's significant sales markets are hardly homogeneous in their structure and development and, moreover, generally available and reliable data on them is very limited. A more detailed description of the market trends is therefore generally provided in the following business unit reports and in the Outlook section.

Mergers & Acquisitions

On January 18, 2013, the acquisition of the entire shares in Metalúrgica Barros Monteiro Ltda., Sorocaba, Brazil via two intermediate holdings was carried out. In the meantime, the two holding companies were merged with each other, and the operating business now renamed as Vossloh Cogifer do Brasil Metalúrgica MBM S.A. It operates in the area of the design and construction of switches and switch components and has been assigned to the Switch Systems business unit.

On July 23, 2013, the Group acquired the entire shares in the company Outreau Technologies SAS, Outreau, France. Outreau Technologies manufactures and sells switches and switch components and has been assigned to the Switch Systems business unit. The acquisition ensures the supply of casted main components and should further strengthen the market position of Vossloh Switch Systems.

Results of operations

Sales climbed in line with expectations, result significantly lower than planned

In fiscal 2013, as planned, Vossloh was able to realize further growth in sales and once again expand, in some cases considerably, the international presence of all business units. Group sales in 2013 increased by 6.3 percent, which was driven by a positive trend in revenue in the Rail Infrastructure division. With the amount generated, revenues were at lower end of the originally planning of 5 to 10 percent. In spite of the tight public budgets in a number of European countries, sales of Vossloh continued to improve in Europe as expected. The growth was even stronger in the non-European markets, so that the share of these regions of Group sales climbed to 37.4 percent.

Non-recurring effects – here, primarily significantly higher expenses for the out-of-court settlement of a legal dispute – and a development in the results of the Transportation division which were significantly below expectations caused a noticeable decline in the earnings before interest and income taxes (EBIT), from €97.5 million in 2012 to €54.2 million in 2013. The EBIT margin thus decreased to 4.1 percent from 7.8 percent in 2012. For 2013, Vossloh had expected an EBIT margin of 6 to 8 percent. Consequently, EBIT and the EBIT margin developed significantly worse than assumed at the beginning of the year. With the low earnings of fiscal 2013, the return on capital employed (ROCE) of 6.1 percent also dropped, and was not only lower than in 2012 (11.5 percent), but also lower than the pretax cost of capital established for the Group and lower than originally planned. The forecast at the beginning of 2013 was between 9 percent and 12 percent. Thus, Vossloh was not able in 2013 to achieve a positive value added at the Group level. With an increase of 5.9 percent, the average capital employed in the past fiscal year was lower than planned. Significantly contributing to this was the very good working capital management in the fourth quarter of 2013.

Orders received and the order backlog were considerably higher than expected. The Group obtained incoming orders in excess of €1.5 billion and at year end had an order backlog in excess of €1.7 billion.

Rail Infrastructure with clearly increased sales, Transportation division with lower sales

In 2013 Vossloh achieved Group sales of €1,321.2 million. Compared to sales in 2012 of €1,234.0 million, this represents an increase in revenues of 6.3 percent. The increase in sales resulted entirely from the significantly higher sales of the Rail Infrastructure division, whose business units all reported an improvement in sales. Especially significant and stronger than expected, revenues of Vossloh Fastening Systems increased.

Vossloh Group - sales by business unit

	€ million	%	€ million	%
	2013		2012	
Rail Infrastructure	**896.0**	**67.8**	**792.4**	**63.7**
Fastening Systems	376.4	28.5	291.4	23.4
Switch Systems	460.7	34.9	451.3	36.3
Rail Services	62.1	4.7	54.6	4.4
Consolidation	(3.2)	(0.3)	(4.9)	(0.4)
Transportation	**425.2**	**32.2**	**451.1**	**36.3**
Transportation Systems	261.9	19.8	293.7	23.6
Electrical Systems	165.7	12.5	166.8	13.4
Consolidation	(2.4)	(0.1)	(9.4)	(0.7)
Holding company and consolidation	**0.0**	**0.0**	**(0.5)**	**(0.0)**
Total	**1,321.2**	**100.0**	**1,243.0**	**100.0**

Sales of the Transportation division declined in the past year primarily due to the lower sales in the Transportation Systems business unit. Against this background, the share of Rail Infrastructure of Group sales increased noticeably to 67.8 percent (2012: 63.7 percent), and the share of sales of the Transportation division declined to 32.2 percent (2012: 36.3 percent).

Sales in Europe higher than in 2012, increase outside of Europe even larger

In spite of the growing importance of Asia, Europe remains the largest sub-market for rail technology worldwide. For Vossloh, Europe remains the home market and at the same time, with a 62.6 percent share of Group sales it represents a major sales region. In fiscal 2013, almost all of the Group's business units were able to more or less maintain their sales in Europe and were partially able to expand them. In total, revenues in Europe rose by 3.3 percent to €827.3 million (2012: €801.0 million).

Vossloh Group: sales by region

	€ million	%	€ million	%
	2013		2012	
Germany	282.3	21.4	260.1	20.9
France	154.5	11.7	138.6	11.2
Rest of Western Europe	152.5	11.5	125.4	10.1
Northern Europe	71.7	5.4	84.8	6.8
Southern Europe	98.9	7.5	121.9	9.8
Eastern Europe	67.4	5.1	70.2	5.6
Total Europe	**827.3**	**62.6**	**801.0**	**64.4**
Americas	124.1	9.4	125.5	10.1
Asia	314.3	23.8	264.2	21.3
Africa	22.4	1.7	18.3	1.5
Australia	33.1	2.5	34.0	2.7
Total	**1,321.2**	**100.0**	**1,243.0**	**100.0**

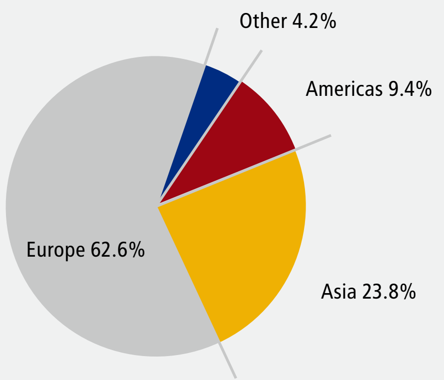
While significant declines in sales were once again reported in Southern and Northern Europe, and also in Eastern Europe the sales of 2012 were not quite able to be reached, Vossloh achieved above-average revenue increases in Germany and France. Sales in Great Britain in 2013 were also ahead of 2012. In comparison to all European countries, Great Britain in the meantime is the third largest contributor to sales for Vossloh after Germany and France. With locomotives and light-rail vehicles, the Transportation division was especially able to more strongly position itself.

Sales in Southern and Northern Europe declined once again

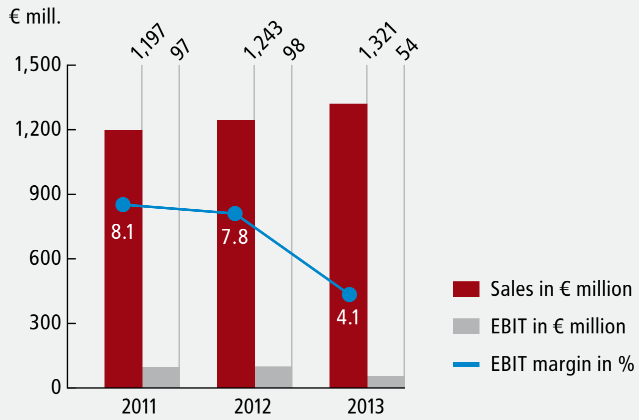
Significant for the further decline in revenues in Southern Europe were losses of sales particularly in Spain. Since 2008, with the beginning of the public debt crisis, the sales of Vossloh in Southern Europe have declined by €160 million. This was compensated for by sales increases, particularly in Western Europe.

In Northern Europe, Sweden is the largest single market of Vossloh. The Rail Infrastructure division, in particular, is operating there successfully. However, overall the demand in the region was lower in 2013. In the Eastern Europe region, sales, above all in Russia, developed positively in 2013. For several years, Vossloh Fastening Systems has been supplying fastening systems in the country. The decline of sales in the region is due to the completion of a local transport project of Vossloh Electrical Systems in Poland. In the other Eastern European countries sales overall remained at the level of 2012.

In the past years, Vossloh has strongly driven its expansion forward, and especially in Asia new sales markets have been successfully developed. In 2013 in China, Kazakhstan and South Korea, significant contributions to sales were generated in the Rail Infrastructure division. In total, revenues in the Asian area, excluding the Near Eastern countries, increased by approximately €87 million, or 55 percent, compared to 2012.



Sales by region in 2013



Sales and EBIT of the Vossloh Group, 2011–2013

A large portion of this growth is due to the fact that in 2012, as a result of a suspension of deliveries in China until summer, no deliveries were able to be made for rail fastening systems, and thus there was a catch-up effect in 2013. Furthermore, in fiscal 2013 a large infrastructure project was implemented in South Korea, and higher sales were once again generated in Kazakhstan. In addition to the mentioned countries, in Asia Vossloh supplies a number of further markets. In this connection, projects in Thailand, India, Malaysia and Vietnam were of more siginificance in 2013.

Asia including Near East together represent 23.8 percent of Group sales

Both Vossloh divisions are actively involved in various projects in the Near East. In 2012 and 2013 Vossloh Rail Vehicles delivered locomotives to the Israeli Railway Authority. Vossloh Switch Systems and Vossloh Fastening Systems generated significantly higher sales in 2013 in the United Arab Emirates as in 2012. Overall, however, revenues in this region remained behind the prior year, since a large infrastructure project was already able to be completed in Iraq in 2012. Sales in 2013 of the Vossloh Group in Asia, including the Near East, amounted to €314.3 million, representing a share of Group sales of 23.8 percent compared to 21.3 percent in 2012. By far, Asia is the most important region for Vossloh outside of the home market.

In the Americas, Vossloh has gained in importance for several years. In 2013, sales were achieved there in the amount of €124.1 million (2012: €125.5 million). The largest single market for Vossloh is the USA, followed by Brazil. In the USA, in addition to the locations of Vossloh Switch Systems and Vossloh Electrical Systems, beginning in 2014 Vossloh will start operations in its own production location of Vossloh Fastening Systems. In Brazil, Vossloh Switch Systems has had a local operating company since the beginning of 2013.

Africa is becoming an increasingly important player for rail technology not only in the north of Africa but also in other parts of the continent, in spite of continuing political uncertainty. In 2013, Vossloh generated higher sales, particularly in Morocco. With a large order for locomotives, South Africa will be contributing to Group sales to a greater extent in the coming years. In 2013, the sales volume in Africa already increased from €18.3 million to €22.4 million.

With €33.1 million, sales of Vossloh in Australia were in a stable range (2012: €34.0 million).

Gross profit and gross margin decline due to non-recurring expenses and operational charges

Vossloh Group's gross profit – sales revenues less cost of sales – amounted to €233.9 million in 2013, representing a gross margin of 17.7 percent (2012: 20.0 percent). The decline in gross profit compared to the prior year (€248.7 million) and the significantly lower margin were due in large part to the non-recurring charges which related mainly to the Transportation division. They resulted primarily from expenses in connection with a damage claim of a customer in the Transportation Systems business unit which was finally settled in October 2013. In addition, valuation allowances on receivables as well as higher start-up costs and extensive additional costs in connection with new project processes had a negative effect on gross profit of the Electrical Systems business unit.

The expenses of the two functional areas sales and administration in 2013 amounted in total to €185.6 million (2012: €172.4 million). This represented an expense ratio compared to sales of 14.0 percent (2012: 13.9 percent). Compared to the prior year, there were increases in both selling expenses to €98.9 million (2012: €88.3 million) and in administrative expenses to €86.7 million (2102: €84.1 million). While the increase in selling expenses was primarily in connection with the higher sales of the Rail Infrastructure division, the higher administrative expenses were due for the largest part to consulting projects. The "other result" of the Vossloh Group in 2013 amounting to €17.4 million was clearly lower than in 2012 (2012: €30.3 million). This resulted mainly from releases of provisions which were substantially below those in the prior year and higher exchange losses.

EBIT significantly under prior year; approx. €25 million non-recurring charges

Due to the extensive charges to earnings in the Transportation division, the Vossloh Group's earnings before interest and income taxes (EBIT) declined from €97.5 million in 2012 to €54.2 million in 2013. The EBIT margin decreased markedly from 7.8 percent in 2012 to 4.1 percent in 2013. Net interest expense in fiscal 2013 amounted to €21.8 million and was only insignificantly higher than in 2012 (€21.4 million). The earnings before income taxes of the Group for fiscal 2013 dropped by more than 50 percent compared to 2012, from €76.1 million to €32.4 million. In light of a higher tax ratio of 34.6 percent (2012: 27.3 percent) and due to a noticeably increased share of non-controlling interests in earnings after taxes, group net income in 2013 declined disproportionately from €59.2 million in 2012 to €15.0 million in the fiscal year. Included in net profit in 2012 were results of discontinued operations in the amount of €9.5 million. In 2013, the result of discontinued operations amounted to €2.9 million.

Vossloh Group: sales and performance

	€ million	%	€ million	%
	2013		2012	
Sales revenues	1,321.2	100.0	1,243.0	100.0
Gross profit	233.9	17.7	248.7	20.0
Operating result	53.0	4.0	96.9	7.8
EBITDA	96.8	7.3	138.9	11.2
EBIT	54.2	4.1	97.5	7.8
EBT	32.4	2.5	76.1	6.1
Result of discontinued operations	2.9	0.2	9.5	0.8
Group net income	15.0	1.1	59.2	4.8
Earnings per share (in €)	1.25		4.94	

The increase in the tax ratio is due primarily to the loss situation of individual companies in the Switch Systems business unit. The share of non-controlling interests in earnings before taxes of €9.1 million, which was higher than in 2012 (€5.6 million) resulted especially from the markedly increased result in 2013 of the Chinese subsidiary in the Fastening Systems business unit.

Compared to the prior year (11,993,491 shares), the average number of outstanding shares increased to 11,998,887, since 6,118 shares were issued in the fourth quarter of 2013 in connection with current employee stock participation program. Based on the average outstanding shares, earnings per share for 2013 amounted to €1.25 (2012: €4.94).

Proposed dividend for 2013 reflects decline in earnings

Due to the sharp decline in earnings, the Executive and Supervisory Boards of Vossloh AG are proposing a dividend of €0.50 per share to the shareholders for fiscal 2013. For 2012, a total of €2.00 per share was distributed to shareholders.

ROCE below cost of capital

Vossloh Group's return on capital employed (ROCE) in 2013 amounted to 6.1 percent, compared to 11.5 percent in 2012. The significant decline of ROCE is primarily due the markedly lower Group EBIT. However, in 2013, capital employed also increased. On average for the year it amounted to €895.4 million, compared to €845.5 in 2012. The cause of the higher capital employed was mainly higher tangible assets as well as, to a smaller extent, a higher average level of working capital. In fiscal 2013, the weighted return expectations for equity holders and lenders were estimated to be 8.5 percent. With a ROCE of 6.1 percent, no positive value added was thus generated in the past fiscal year. The negative value added of Vossloh Group for 2013 amounted to €(21.9) million, compared to a positive contribution of €13.0 million for fiscal 2012.

Order backlog and order intake at new record levels

With €1,728 million at the end of 2013, the Vossloh Group is showing a record level for the order backlog. The strong increase, compared to the prior year's backlog of €1,548 million, was due to the significant increase in orders received in the Transportation division. Overall, order intake in the Group amounted to €1,502 million, which is an increase of €208 million, or 16.0 percent, over the prior year (€1,294 million).

Vossloh divisions: order backlog

€ million	2013	2012
Rail Infrastructure	517	600
Transportation	1,211	949
Consolidation	0	(1)
Vossloh Group	**1,728**	**1,548**

In the course of 2013, the Rail Infrastructure division received incoming orders amounting to €814 million. The comparable amount in 2012 of €809 million was slightly exceeded; however, in 2012, in both the Switch Systems and Fastening Systems business units larger project awards in several countries were able to obtained, which in 2013 were not tendered to the same extent. In 2013, nevertheless, the Switch Systems business unit significantly exceeded the original forecast for new order volume. As expected, orders received in the Rail Services business unit increased in 2013 compared to 2012. As of the end of 2013, the order backlog of the Rail Infrastructure business unit amounted to €517 million. The noticeable decrease compared to the prior year's amount of €600 million is due to the strong increase in sales of over €100 million in the business unit.

In spite of the continued restrained demand for locomotives for freight transport caused by the economy, Vossloh in 2013 reported in the Transportation division a significant increase in orders received, from €487 million to €687 million. Vossloh Electrical Systems and Vossloh Rail Vehicles achieved appreciably higher order intake than in the prior year with a number of projects for local transport rail services. In addition, Vossloh Rail Vehicles received a large order for locomotives from South Africa. In contrast, incoming orders of Vossloh Locomotives in Kiel declined once again. As of December 31, 2013, the order backlog in the total Transportation division amounted to €1,211 million and was thus significantly higher than in 2012 (€949 million).

Financial position and investing activities

As the Group's management holding company, Vossloh AG is also responsible for managing the Group's financing and funding. In addition to the central management of cash flows, Corporate Treasury Management is responsible for ensuring the financing of all subsidiaries as well as for hedging and managing financial risks. These include not only liquidity risks but also especially risks from interest and exchange rate fluctuations. For hedging purposes, derivative hedging instruments, among others, are employed. The Group companies are primarily financed through intra-group funding by Vossloh AG. Only in isolated cases where funding outside Germany is either economically preferable or required by law do subsidiaries obtain financing locally.

Net financial debt unchanged

The net financial debt of the Vossloh Group in the amount of €201.2 million at December 31, 2013, barely changed from the balance at December 31, 2012 of €200.8 million. At the end of 2013, the Group's financial liabilities of €265.4 million were slightly below the corresponding amount of €270.7 million as of the December 31, 2012 balance sheet date. While the Group's working capital in the first quarter of 2013 increased significantly and had to be accordingly financed, the financial liabilities that were built up during the year were able to be substantially reduced again, especially in the fourth quarter in light of larger advance payments for projects in the Transportation division.

Vossloh Group – net leverage

		2013	2012
Equity[1]	€ million	490.3	505.7
Net financial debt	€ million	201.2	200.8
Net leverage	%	41.0	39.7

[1]Group equity, including non-controlling interests

First tranche of the US-PP due in 2014

Current financial liabilities of the Group of €140.9 million were significantly higher than at the end of 2012 (€85.5 million). The increase can be explained primarily by a reclassification: The first tranche of the US private placement that was carried out in 2004 was reclassified from noncurrent liabilities to current liabilities, since in 2014 US-$140.0 million of a total US-$240.0 million is to be repaid; the second tranche matures in 2016. The principle and interest payments of both tranches have been entirely hedged in euro by an interest and currency swap, since the foreign currency financing was carried out at fixed interest rates. Both installments carry a fixed euro interest rate, the first at 5.325 percent and the second at 5.455 percent. For the redemption and refinancing of the first tranche, a number of possibilities are available to the Vossloh Group. For the partial refinancing of the financial liabilities maturing in 2014, a promissory note bond for €50.0 million was already taken up in fiscal 2013.

The Vossloh Group's noncurrent financial liabilities in the total amount of €124.5 million as of December 31, 2013 (2012: €184.9 million) relate primarily to the second tranche of the US private placement as well as the promissory note bond issued in fiscal 2013 and running until 2018. The loan carries a variable interest rate tied to the six-month Euribor.

Cash and cash equivalents as well as short-term securities of the Vossloh Group totaled €64.2 million as of December 31, 2013 (2012: €69.9 million). The net leverage of the Group, defined as the net financial debt in relation to equity, amounted at the end of 2013 to 41.0 percent (2012: 39.7 percent). In addition to the directly available funds, the Vossloh Group had unused credit lines available at December 31, 2013 in the amount of €393.8 million. For a partial amount of €313.1 million the maturity was of up to one year; €61.5 million was available for over one year and €19.2 was granted for an unlimited term.

Cash flows from operating activities with reduction of working capital of over €100 million

Vossloh Group's cash flow from operating activities amounted in 2013 to €122.6 million (2012: €162.6 million). The decrease compared to the prior year was due primarily to the lower EBIT and a smaller reduction of working capital in the Group.

Vossloh Group: analysis of cash flows

€ million	2013	2012
Cash flow from operating activities	122.6	162.6
Cash flow from investing activities	(77.8)	(72.9)
Cash flow from investing activities	(54.0)	(109.9)
Net cash outflow/inflow	**(9.2)**	**(20.2)**

Cash flow from investment activities in the Vossloh Group amounted to €(77.8) million (2012: €(72.9) million). The increase in net cash outflow compared to 2012 resulted from higher investments in intangible assets and property, plant and equipment in the amount of €66.8 million (2012: €58.5 million). Free cash flow, defined as cash flow from operating activities less investments in intangible assets and property, plant and equipment amounted in 2013 to €55.8 million (2012: €104.1 million). Cash flow from financing activities in 2013 amounted to €(54.0) million (2012: €(109.9) million).

Vossloh Group: Capex and depreciation/amortization (incl. impairment write-downs and reversals of write-downs) by division

€ million	2013		2012	
	Capital expenditure	Depreciation/ amortization	Capital expenditure	Depreciation/ amortization
Rail Infrastructure	41.9	25.8	34.4	24.0
Transportation	24.6	15.9	24.0	16.5
Holding companies	0.3	0.9	2.7	0.9
Vossloh Group	**66.8**	**42.6**	**61.1**	**41.4**

Capex again increases in connection with ongoing investment programs

In connection with the investment program initiated in 2009, Vossloh made greater investments in property, plant and equipment again in 2013. The capital expenditures in the Group amounted in total to €66.8 million (2012: €61.1 million). Both divisions invested more than in the prior year, whereby once again the significantly larger portion of the investments was made in the Rail Infrastructure division. Depreciation and amortization in fiscal 2013 also increased, from €41.4 million to €42.6 million.

Capex in the Rail Infrastructure division amounted in the reporting period to €41.9 million and was €7.5 million higher than the amount of €34.4 million in 2012. Both the Fastening Systems and the Rail Services business units invested significantly more than in the prior year. The fitting out of a new production facility in the USA was the focus of investment for Vossloh Fastening Systems, whose capex in total amounted to €8.1 million (2012: €4.5 million). Vossloh Rail Services incurred expenses in total of €12.3 million (2012: €9.1 million), primarily to make capacity available for the high-speed grinding and rail milling. Capex in the Switch Systems business unit of €21.5 million (2012: €20.8 million) related to a new forge in Luxembourg, a technology center in France and the modernization of the milling capacity in France as well as the expansion of the capacity in the USA.

Investment in Rail Infrastructure division flowing into modernization and targeted capacity expansion

Capex in the Transportation division of €24.6 million in 2013 was slightly higher than in the prior year (€24.0 million). Substantially higher than in 2012 were investments in the Electrical Systems business unit of €10.1 million (2012: €5.7 million), since a test field was constructed at the Düsseldorf site. Capital expenditures in the Transportation division in 2013 of €13.5 million were lower than those in 2012 of €15.8 million. Investments of Vossloh Rail Vehicles in Valencia were incurred mainly for development expenditures and amounted in total to €8.2 million (2012: €10.2 million). They went primarily into the further development of the TramLink light-rail vehicle and the EURO 3000 locomotive. Vossloh Locomotives in Kiel once again invested €5.3 million (2012: €5.6 million) in the family of platform locomotives existing since 2010 with the series G 12 and G 18 as well as DE 12 and DE 18.

Vossloh Group: breakdown of capital expenditures

€ million	2013		2012	
	Capital expenditure	%	Capital expenditure	%
Development costs	12.4	18.6	15.1	24.7
Other intangible assets	2.6	3.9	2.3	3.8
Land and buildings	4.4	6.7	8.9	14.6
Technical installations and machinery	13.0	19.3	16.0	26.2
Other plant, factory and office equipment	8.8	13.0	7.3	11.9
Advances to suppliers, construction in process	25.6	38.5	11.5	18.8
Vossloh Group	**66.8**	**100.0**	**61.1**	**100.0**

Asset and capital structure

The Group's balance sheet total of €1,586.3 million as of December 31, 2013 was significantly higher than at the prior year's balance sheet date of €1,500.0 million, due primarily to the increased noncurrent assets.

The equity ratio of the Group at December 31, 2013 declined to 30.9 percent compared to the prior year (33.7 percent). Total equity receded from €505.7 million at the end of 2012 to €490.3 million, due mainly to markedly lower Group net income and the dividend payment effected in the business year 2013.

Working Capital at year end below already low amount in the prior year

The Group's working capital as of the 2013 balance sheet date amounted to €102.1 million, compared to €166.0 million as of December 31, 2012. Decisive for this decline was the fact that in 2013 significantly higher liabilities and markedly higher advance payments stood opposite only slightly increased inventories and trade receivables. On average for the year, working capital was €217.5 million compared to €204.8 million on average in 2012. Working capital intensity on the basis of the average working capital in fiscal 2013 compared to the prior year remained unchanged at 16.5 percent.

Average capital employed increased mainly due to higher property, plant and equipment

As of December 31, 2013, capital employed of the Group amounted to €817.7 million. The decrease of €11.0 million compared to the balance sheet date in the prior year of €828.7 million is due to the decreased working capital at the 2013 balance sheet date. On average for the year, capital employed of the Group amounted to €895.4 million (2012: €845.5 million). The increase in capital employed compared to the average in 2012 resulted, aside from the increase in noncurrent assets, from the higher average working capital in the year.

Vossloh Group: assets and capital structure

		2013	2012
Total assets	€ million	1,586.3	1,500.0
Total equity*	€ million	490.3	505.7
Equity ratio	%	30.9	33.7
Closing working capital	€ million	102.1	166.0
Closing capital employed	€ million	817.7	828.7
Noncurrent assets	€ million	715.6	662.7
Return on equity (ROE)*	%	6.6	15.1

*Group equity including non-controlling interests; return in relation to equity as of the balance sheet date

Shareholder value management

The Vossloh Group's return on capital employed (ROCE) for fiscal 2013 of 6.1 percent was below the prior year (11.5 percent) and also below the cost of capital assessed at 8.5 percent. Originally, the return expectation for 2013 had amounted to 9.0 percent to 12.0 percent. Having a significant effect for the decline in the return on capital was the substantially lower Group EBIT, which was decisively below the original expectations. Furthermore, capital employed increased as expected, since noncurrent assets and also working capital were higher than in 2012. In 2013, the Group did not generate a premium on the capital employed. The value added was negative and amounted to €(21.9) million (prior year: €13.0 million).

Group ROCE under 2012 and lower than cost of capital

In the Rail Infrastructure division, ROCE improved significantly in the past fiscal year, with 12.7 percent compared with 11.6 percent in the prior year. In spite of the increased capital employed, the division generated a higher premium on capital employed than in previous years. The value added in the division almost tripled to €31.4 million (2012: €11.0 million). While Vossloh Switch Systems and Vossloh Rail Services generated negative value added, this positive development was substantially achieved by the Fastening Systems business unit.

ROCE of Rail Infrastructure significantly improved to 12.7 percent

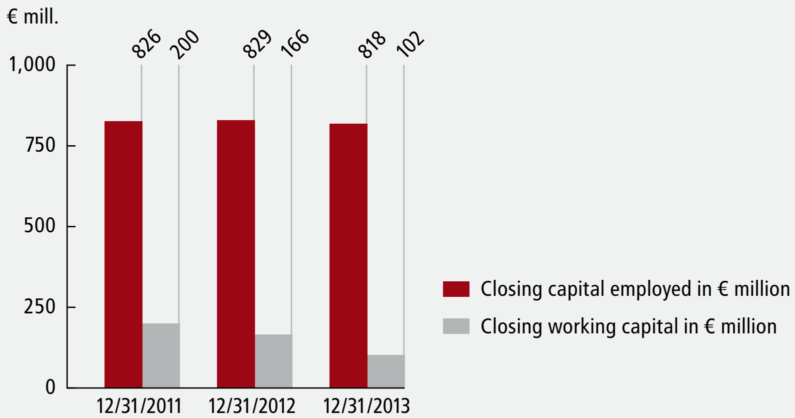
As a result of the substantially deteriorated earnings in the Transportation division, ROCE of the division was also negative in fiscal 2013. It amounted to (14.2) percent, compared to 27.3 percent for 2012. Value added turned around from €22.5 million for 2012 to €(33.8) million for the reporting period. Both business units of the division are showed negative value added.

Negative ROCE in Transportation division

Vossloh Group: value management

		2013	2012
Average capital employed	€ mill.	895.4	845.5
ROCE	%	6.1	11.5
Value added*	€ mill.	(21.9)	13.0

*To calculate value added, a weighted average cost of capital (WACC) of 10.0 percent was applied in 2012 and 8.5 percent in 2013.

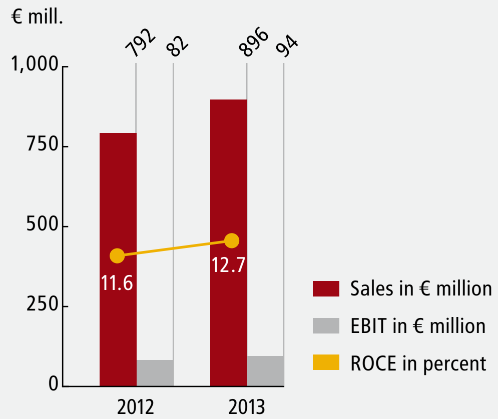


Vossloh Group: capital employed and working capital trend, 2011–2013

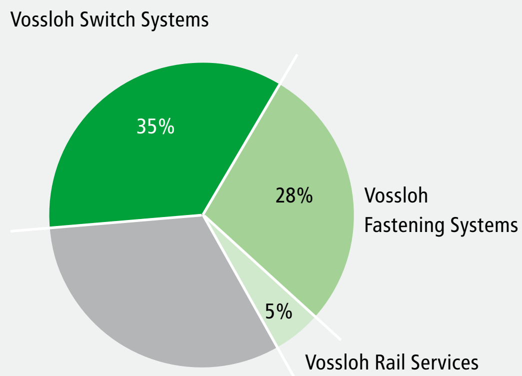
Vossloh Fastening Systems raises sales and earnings significantly and more strongly than expected

Vossloh Switch Systems increases sales and incoming orders in a competitive environment

Vossloh Rail Services showing higher sales and earnings



Sales, EBIT and ROCE of Rail Infrastructure division



Shares of business units in Group sales

Rail Infrastructure business trend

The Rail Infrastructure division's business comprises all operations in the area of rail infrastructure products and services. The division has three business units: Fastening Systems, Switch Systems, and Rail Services. Vossloh is one of the internationally leading manufacturers of fastening and switch systems worldwide. The lineup includes products for conventional rail lines, rail lines for heavy-load traffic and for short-distance traffic. With many years of experience and comprehensive expertise, Vossloh Fastening Systems and Vossloh Switch Systems are setting standards and with innovative solutions are establishing benchmarks for the future. The Rail Services business unit offers all types of services relating to rails, and in fact, throughout their entire life cycle: from the production and logistics of long welded rails, extending over the maintenance and preventive care all the way to the refurbishing and reuse of old rails. Vossloh leads the market in the application area of high-speed track grinders.

In the Rail Infrastructure division, sales in 2013, driven by all three business units, increased significantly by 13.1 percent to €896.0 million (2012: €792.4 million). The largest portion of the growth came from the Fastening Systems business unit, which increased its sales compared to the prior year by almost 30.0 percent. Sales revenues of Vossloh Switch Systems, in terms of sales the largest business unit in the Group, increased slightly, while revenues from Vossloh Rail Services again achieved growth in the double-digit percentage range, even though at a lower level than in 2012.

With a 50 percent share of sales, Europe remained the most important sales region for the Rail Infrastructure division. In spite of higher total revenues, the sales share of the region compared to total sales decreased compared to the prior year (52 percent). This was due to the fact that growth particularly in Asia was even stronger. The largest single European market in the division in 2013 was France, with a percentage sales share of approximately 12 percent which was almost entirely generated in the switch business. In second place of the European sales countries was Germany, with 11 percent of the revenues (2012: almost 14 percent). Over half of the sales in Germany come from the Rail Services business unit. The largest contributor to sales outside of Europe was Asia, with a share of sales in the division of 27 percent. The Americas market contributed 13 percent of the sales. The most important individual countries for the division in 2013 were China, France, the USA, Germany, Sweden and Kazakhstan.

Vossloh Fastening Systems provides marked increase in value added of division

Value added in the Rail Infrastructure division rose from €11.0 million in 2012 to €31.4 million in the reporting period. This was provided entirely by Vossloh Fastening Systems. The value contribution of the Switch Systems and Rail Services business units was again negative in 2013, even though it improved markedly in the Rail Services business unit compared to the prior year.

ROCE rises to 12.7 percent

ROCE, return on capital employed, improved in the Rail Infrastructure division compared to the prior year to 12.7 percent (2012: 11.6 percent). In spite of a higher capital employed, the performance indicator increased significantly due to the substantial EBIT improvement of the division. The average capital employed in the twelve months of 2013 amounted to €738.9 million and was €32.2 million higher than the comparable amount in the prior year of €706.7 million. In addition to a slightly increased working capital, the rise is due in particular to the first consolidation of newly acquired companies.

Despite high sales growth, working capital only slightly above 2012

Despite the increased level of sales in the division, the average working capital of €259.5 million in 2013 was only 4.8 percent above the comparable amount in 2012 of €247.5 million. The average working capital intensity amounted to 29.0 percent (2012: 31.2 percent). The increase is explained mainly by the sales-related higher balance of receivables.

Earnings before interest and income taxes (EBIT) in the Rail Infrastructure division increased by 15.2 percent to €94.1 million (2012: €81.7 million) especially due to the very good business development in the Fastening Systems business unit. The EBIT margin increased to 10.5 percent from 10.3 percent in 2012.

Rail Infrastructure

		2013	2012
Sales	€ mill.	896.0	792.4
EBIT	€ mill.	94.1	81.7
EBIT margin	%	10.5	10.3
Average working capital	€ mill.	259.5	247.5
Average working capital intensity	%	29.0	31.2
Noncurrent assets	€ mill.	489.9	469.2
Capital expenditures*	€ mill.	41.9	34.4
Amortization/depreciation*	€ mill.	25.8	24.0
Closing capital employed	€ mill.	686.1	683.3
Average capital employed	€ mill.	738.9	706.7
ROCE	%	12.7	11.6
Value added	€ mill.	31.4	11.0

*Excluding noncurrent financial instruments; scheduled amortization/depreciation plus impairment write-downs and reversals

Vossloh Fastening Systems

For 130 years Vossloh Fasten Systems has been a leading manufacturer of rail fastening systems which are used by railway and local transport operators worldwide. Its product range covers fastening systems for all load profiles, from heavy-haul, extending through local transportation all the way to high-speed rail links.

Vossloh Fastening Systems shows a marked increase in sales and revenues

Sales in the business unit once again increased significantly in fiscal 2013, especially outside of Europe. Revenues rose by 29.1 percent to €376.4 million (2012: €291.4 million), profiting from markedly higher sales in the Asian area. This related partly to the business in China with fastening systems for high-speed fasteners, for which substantially more call-ups took place compared to the prior year. In 2013, Vossloh Fastening Systems was also able to generate noticeable sales increases in Kazakhstan and South Korea.

Orders received by Vossloh Fastening Systems in 2013 reached €258.7 million (2012: €309.5 million). Significant contract awards for the business unit came from China, Germany, Saudi Arabia and Turkey. On December 31, 2013, the order backlog of the business unit amounted to €166.5 million and, due to the higher than planned increase in sales, especially in China, was below the backlog amount of €284.2 million at the end of 2012.

Capital expenditures of Vossloh Fastening Systems in 2013 amounted to €8.1 million. This represents an increase of €3.6 million compared to 2012 (€4.5 million). Expenditures were made primarily for the fitting out of the new production facility in the USA which will go into operation in 2014. In Europe and China, investment was made at the same level as in 2012, above all, in new tools and structural measures.

New production facilities in the USA will start up in 2014

As a result of the repeated significant increase in earnings, value added of Vossloh Fastening Systems in 2013 amounted in 2013 to €47.7 million. This represents an increase of 60.1 percent compared to amount generated in 2012 of €29.8 million.

Vossloh Switch Systems

Vossloh Switch Systems sales rise slightly despite significant competitive pressure

Vossloh Switch Systems is the second largest supplier of switches and monitoring and control systems for rail networks worldwide. The product lineup includes switches for all ranges of applications. In 2013, sales of the business unit increased by 2.1 percent to €460.7 million (2012: €451.3 million). In the Western European market Vossloh Switch Systems was able to significantly increase sales in France. In Great Britain and in the Netherlands, the business also performed better compared to the prior year. The regions Northern and Southern Europe once again trended negatively, while sales gains were registered in the Eastern European markets. Increases in revenues were also realized in South America and in the South-East Asian region. In addition to France, the largest markets of the business unit in 2013 remained in the USA, Sweden and Australia. In total, the share of sales of Vossloh Switch Systems' non-European business amounted to 42 percent (2012: 49 percent).

Orders received by Vossloh Switch Systems of €492.4 million exceeded the level of the prior year by 9.2 percent (2012: €451.0 million). Important orders were already obtained in 2012 in France, the USA and in Sweden. The business unit was also able to achieve further sales in Australia and Asia. At €343.9 million, order backlog at the end of 2013 was significantly higher than in the prior year. At December 31, 2012, the backlog of Vossloh Switch Systems had amounted to €312.3 million.

The business unit's capex of €21.5 million exceeded the prior year's amount by €0.7 million (2012: €20.8 million). The largest investment projects included a forge at the Luxembourg site, the Technology Center in Reichshoffen and technically equipping the site for the production of switches in China.

Value added of Vossloh Switch Systems declined in 2013 to €(13.4) million (2012: €(10.8) million). This was caused primarily by the lower profit margin due to the intensive competition situation in the switch business and non-recurring expenses in connection with the restructuring of the location in Italy.

Vossloh Rail Services

Growth in service segments of Vossloh Rail Services

Vossloh Rail Services is a supplier of all types of rail-related services. The business operates in the areas of the manufacturing and transport of long rails all the way to maintenance and preventive care of rails. In doing so, Vossloh Rail Services contributes to protecting the value and safety of modern rail lines. Driven by positive performance in the service segment within the business unit, the sales level in 2013, after the difficult year of 2012, once again increased by 13.7 percent. Sales increased to €62.1 million, compared to €54.6 million in 2012. With an 85 percent share of sales, Germany remained the most important market of the business unit. In addition, sales were generated in Northern Europe and China.

The first sales contributions of the business unit from China were generated in connection with a joint venture with a local partner. Since the middle of 2013 a high-speed grinding train of Vossloh Rail Services is in operation on the line between Beijing and Shanghai.

Orders received by Vossloh Rail Services of €66.1 million in 2013 were also significantly higher, by 24.8 percent, than in the prior year (2012: €52.9 million). At the end of 2013, the order backlog of the business unit amounted to €8.0 million (2012: €4.1 million).

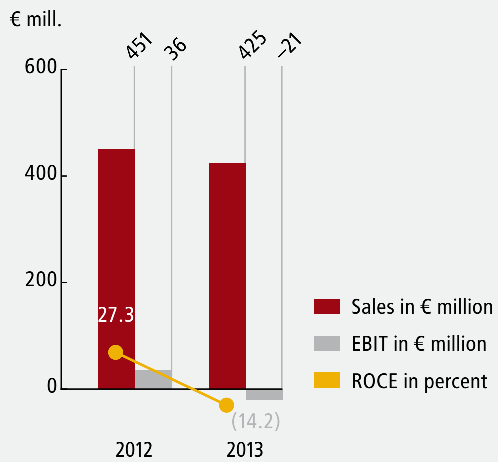
In 2013, capital expenditures were made by Vossloh Rail Services in the total amount of €12.3 million (2012: €9.1 million). The higher level of investment compared to the prior year related mainly to the development of milling capacity, the acquisition of welding trucks and the further development and optimization of grinding trains for high-speed grinding.

In spite of the substantially improved business performance in 2013 compared to the prior year, Vossloh Rail Services' value added of €(2.9) million was again negative in the reporting period (2012: €(8.0) million).

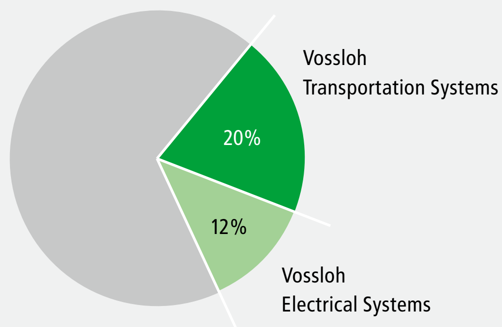
Delayed sales in both business units resulted in revenue loss of 5.7 percent

Overall negative EBIT and value added, burdened by extensive special charges and operational delays

Orders received and order backlog increased significantly and more strongly than expected



Sales, EBIT and ROCE
Transportation division



Shares of business units
in Group sales

Transportation business trend

The Transportation division includes the Group's vehicle and vehicle components business along with the related services. The Transportation Systems business unit with its two production locations in Valencia and Kiel is the leading manufacturer of diesel locomotives and provider of related maintenance services in Europe. In addition, at the Spanish location local transport trains are developed and assembled. Vossloh Electrical Systems, the second business unit of the division, complements the product range with technically sophisticated electrical systems for local transport vehicles.

Lower sales of both Transportation business units

In the Transportation division, sales in 2013 declined in both business units. This was caused by delays in demand and project workflows. In total, the division's sales of €425.2 million were 5.7 percent lower than in 2012 (€451.1 million).

Considered geographically, in 2013 Germany, with a share of 44 percent (2012: 34 percent) was by far the leading region for sales. It was followed by Great Britain and France, each with 10 percent (2012: 7 percent and 17 percent, respectively). Just under 9 percent of the sales were generated in Spain (2012: just under 14 percent). In total, the Transportation division generated 88 percent of the 2013 revenues in Europe (2012: 87 percent); these were primarily in Western and Southern Europe. The largest markets outside of Europe in 2013 were Israel as well as South Africa and Brazil.

In Western Europe the division reported the absolute strongest growth in 2013. On the other hand, there was a downward trend of sales in many Southern European countries, especially in Spain, due to the continuing difficult economic situation. Also in Eastern Europe, the level of sales was below that of the prior year due to a major project of the Electrical Systems business unit in Poland that was already for the most part completed in 2012.

Value added of Vossloh Transportation negative

Vossloh Transportation's return on capital employed (ROCE) was negative and amounted to (14.2) percent (2012: 27.3 percent). This was due to the significantly deteriorated and negative result, with increased capital employed at the same time. Capital employed on average for 2013 increased from a comparable amount in the prior year of €130.0 million to €149.0 in the reporting period. The increase in capital employed is due, among other factors, to the continuing high investment activities. In this connection, average working capital changed only slightly from €(39.4) million in 2012 to €(36.7) million in 2013. Value added in the Transportation division dropped due to the weak earnings position of both business units in 2013 to €(33.8) million (2012: €22.5 million).

EBIT declined from €35.5 million in 2012 to €(21.2) in the reporting period. This resulted in particular from special effects arising in the Transportation Systems business unit, as well as project delays and valuation allowances on receivables of Vossloh Electrical Systems.

Transportation

		2013	2012
Sales	€ mill.	425.2	451.1
EBIT	€ mill.	(21.2)	35.5
EBIT margin	%	(5.0)	7.9
Average working capital	€ mill.	(36.7)	(39.4)
Average working capital intensity	%	(8.6)	(8.7)
Noncurrent assets	€ mill.	213.2	180.6
Capital expenditures*	€ mill.	24.6	24.0
Amortization/depreciation*	€ mill.	15.9	16.5
Closing capital employed	€ mill.	122.6	136.7
Average capital employed	€ mill.	149.0	130.0
ROCE	%	(14.2)	27.3
Value added	€ mill.	(33.8)	22.5

*Excluding noncurrent financial instruments; scheduled amortization/depreciation plus impairment write-downs and reversals

Vossloh Transportation Systems

Sales of Transportation Systems declined in 2013 by 10.8 percent to €261.9 million (2012: €293.7 million). Revenues of Vossloh Locomotives in Kiel were slightly behind those of the prior year. Also in the case of Vossloh Rail Vehicles in Valencia sales remained behind the prior year's level. The most important markets in 2013 for the Transportation Systems business unit were Germany, France, Spain, Great Britain, and Israel.

Order backlog in Transportation Systems 37.8 percent ahead of 2012 year end

Orders received of the business unit improved significantly. In total, Vossloh Transportation Systems was able to obtain orders totaling €453.9 million in 2013, a gain of 37.8 percent; total orders received in 2012 amounted to €329.3 million. The winning of a major contract from South Africa in the third quarter of 2013 for 70 locomotives of Vossloh Rail Vehicles in the amount of €250 million contributed significantly to this development. However, incoming orders of the German company, Vossloh Locomotives, remained below expectations and order intake of the prior year. As of December 31, 2013, Vossloh Transportation Systems had an order backlog in the amount of €731.7 million, compared to €539.7 million at the end of 2012.

Capital expenditures in the Transportation Systems business unit of €13.5 million, compared to €15.8 million in 2012. They were split in a 60 to 40 relationship between production locations in Valencia und Kiel, respectively.

In 2013, value added of Vossloh Transportation Systems amounting to €(21.1) million was negative. In 2012, the value added amount was €9.6 million. The loss of value was especially caused by one-off expenses for the out-of-court settlement of a legal dispute.

Valencia Location

At its Valencia plant Vossloh Rail Vehicles develops and assembles diesel locomotives as well as light rail vehicles. The lineup also includes maintenance work. Sales of Vossloh Rail Vehicles dropped in 2013 by 13.7 percent to €150.7 million (2012: €174.6 million). The lower revenues resulted in particular from decreased sales of locomotives of the high-power class. In 2012, two large contracts in this segment for Israel Railways and Europorte had for the most part been processed. The business medium-performance-class locomotives performed better than in 2012, whereby the decline in sales of the EURO 4000 locomotives was able to be partly offset. The service and spare parts business also reported an increase in sales.

Vossloh Rail Vehicles with very high order backlog

Thanks to the major order from South Africa, the order backlog of Vossloh Rail Vehicles as of December 31, 2013, was at an extraordinarily high level. The orders received, in purely mathematical terms, extend well into the year 2016 and provide the location with a positive sales outlook for the coming years.

Capital expenditures of Vossloh Rail Vehicles amounted in 2013 to €8.2 million (2012: €10.2 million) and were primarily for the further development of the Tramlink and EURO 3000 locomotives.

Kiel location

First vehicles of new DE class delivered in fiscal year

For almost 100 years, at the Vossloh location in Kiel technologically leading and environmentally compatible diesel locomotives have been developed and manufactured, and maintenance and repair and maintenance services have been provided. In 2013, the location achieved sales in the amount of €111.3 million and, with these, generated revenues 6.6 percent lower than in 2012 (€119.2 million). At the end of 2013, the first center-cab locomotives of the type DE 12 and DE 18 were delivered to BASF. In addition, the three-axle shunting locomotive of the Type G 6 contributed to sales of the segment.

However, in 2013, orders received by Vossloh Locomotives remained below expectations. The majority of incoming orders of Vossloh Locomotives relates to locomotives of the Series G 6 and G 1206, both diesel-hydraulic shunting locomotives with three or four axles. In addition, further locomotives of the type DE 18 were ordered.

Vossloh Locomotives invested in 2013 a total of €5.3 million, which was somewhat less than in 2012 (€5.6 million). The focus of investment at the Kiel location remained, unchanged, the further development of the diesel-hydraulic and diesel electric locomotive models. Capital expenditures were also made for the optimization of the technical production.

Vossloh Electrical Systems

Vossloh Electrical Systems develops and produces electrical systems for trams, busses and locomotives. This includes integrated systems solutions in the area of drive units, on-board power supply, vehicle control systems and heating and air-conditioning technology.

Project delays keep sales below expectations

In the Electrical Systems business unit, sales in 2013 of €165.7 million remained slightly below the prior year's amount of €166.8 million. In particular, the segments busses and E-mobility performed positively. On the other hand, the equipment business for rail vehicles as well as the service and components business remained behind the prior year's results. The also significantly lower-than-expected sales volume was due to project delays.

The most important sales markets for Vossloh Electrical Systems in 2013 were the Western European countries, especially Germany, Switzerland and Great Britain. Encouraging sales growth was able to be achieved by the business unit in Turkey. As was already the case in 2012, the largest contribution to sales outside of Europe was in South Africa. Sales levels higher than in 2012 were also able to be generated in the USA.

Further significant increase in orders received and order backlog

Order intake of Vossloh Electrical Systems in fiscal 2013 amounted in total to €238.4 million and substantially exceeded the prior year's amount (2012: €166.7 million). Vossloh Electrical Systems is increasingly working in cooperation with Vossloh Rail Vehicles in Spain. The business unit, however, is also collaborating with vehicle manufacturers – depending upon the desire of customers. Thus, in 2013, the city of Hannover exercised an option on a contract already entered into in 2011 and ordered 50 additional light rail cars. In addition, Vossloh Electrical Systems was able to obtain large-volume service orders for the business unit.
To be mentioned here are the modernization of railcars of the local transport operator South West Trains in Great Britain and the general inspection and strengthening of underground double railcars of the Berliner Verkehrsbetriebe. At the end of 2013, the order backlog of the business unit amounted to €504.2 million (2012: €431.5 million).

Capex of the Electrical Systems business unit increased from €5.7 million in 2012 to €10.1 million in fiscal 2013 and was focused on the test field at the Düsseldorf location.

Value added of Vossloh Electrical Systems was negative. After still amounting in 2012 to €7.1 million, it dropped to €(13.3) million in 2013 and was also below Group expectations. A valuation allowance on receivables in connection with an insolvency as well as project delays and a still disproportionately high personnel expenses ratio due to the accelerated increase in the number of employees in the business unit, led to the erosion of earnings and thereby to the negative value added.

Vossloh AG

As a management and financial holding company, Vossloh AG is the parent of the Vossloh Group and controls and oversees all major operations and activities within the Group. In addition to determining corporate strategy and controlling corporate development, Vossloh AG allocates the financial resources, such as for capital expenditures and acquisitions, is responsible for corporate accounting and controlling, group-wide treasury management, risk and opportunity management, internal auditing, as well as for IT, investor relations, and corporate communications. It oversees sales and marketing communication activities and coordinates the procurement processes of its subsidiaries. In addition to being in charge of human resources policy, it is responsible for personnel development and support of the Group's senior management.

Vossloh AG prepares its annual financial statements in accordance with German GAAP (Commercial Code provisions). The explanations below refer to these separate financial statements. In isolated cases, certain transactions are accounted for differently according to IFRS.

Analysis of the separate financial statements

As non-operating holding company, Vossloh AG's revenue for fiscal 2013 of €1.5 million (2012: €1.5 million) consists of rental income and intercompany allocations. The operating expenses are mainly incurred in connection with the Company's management and financing functions. Therefore, the result of ordinary activities (earnings before taxes = EBT) is substantially influenced by general administrative expenses, other operating income and the net financial result.

In fiscal 2013, the administrative expenses of €23.3 million were at the level of the prior year (2012: €23.3 million). Higher consulting costs were offset by lower trade fair costs and lower personnel expenses. Personnel expenses of €6.8 million were significantly below the prior year's amount of €8.2 million due to the sharply reduced variable salary components. The 2013 headcount of 46 represents the number of employees at the middle of the year (calculated as the average of the quarter-end headcounts) and remained unchanged from the prior year. Other operating income, compared to 2012, decreased by €3.4 million to €5.5 million and includes primarily income from allocations of marketing and IT expenses and allocations for the purchasing of the Transportation division.

As the finance holding of the Group and the holder of significant investments, in addition to the administrative expenses and other income/expenses, the net financial result in particular has a significant effect on Vossloh AG's result of ordinary activities. Compared to the prior year, the net financial result decreased in 2013 from €58.0 million to €14.1 million. The major components of the net financial result in 2013 are income from dividends in the total amount of €50.0 million and profit transfers and tax allocations of Vossloh-Werke GmbH and Vossloh Rail Services GmbH totaling €24.4 million (2012: €19.1 million). The net financial result was negatively affected primarily by the takeover of losses of Vossloh Locomotives GmbH and Vossloh Kiepe GmbH in the total amount of €53.0 million (2012: €5.3 million).

Opposite interest expenses of €15.9 million (2012: €15.1 million), mostly from the refinancing of the Group's capital requirements, was interest income of €7.5 million (2012: €8.3 million), primarily from the transfer of these funds in the form of short-term credit or long-term loans to Group companies. Income taxes amounted to €0.3 million (2012: €1.1 million). Vossloh AG's net loss in the reporting period amounted to €(4.8) million. In 2012, a positive net income of €41.2 was generated.

The balance sheet total increased to €840.0 million (2012: €795.8 million). On the asset side of the balance sheet, amounts due from affiliated companies, in particular, rose significantly. The equity and liabilities side of the balance sheet showed a marked increase in amounts due to affiliated companies. Furthermore, there was an increase in amounts due to banks due to a promissory note bond. Affecting the balance sheet total in the opposite direction was reduced equity due to the net loss for the year and the dividend distribution. The equity ratio amounted to 34.2 percent, compared to 39.7 percent in the prior year.

Vossloh AG's financial position depends on the funds needed by subsidiaries and the borrowings undertaken by the Company to refinance such requirements. The debt taken up in 2004 from the US capital market by way of private placement, shown under sundry liabilities, amounted to an unchanged €203.9 million.

Board compensation report

This report summarizes the principles underlying the remuneration of Vossloh AG's Executive Board members and specifies the amount and structure of the compensation of each such Executive Board member. In addition, the report describes principles and amount of the Supervisory Board compensation.

Remuneration of Executive Board members

The compensation of Executive Board members (executive officers) breaks down into a fixed annual basic salary and an annual profit share, the fixed portion being paid out in monthly installments. The profit share is payable when the annual financial statements have been adopted. As confirmed in fiscal 2010 by an outside consultant specializing in compensation issues, the overall compensation of the Executive Board members reflects each member's personal performance, as well as Vossloh's economic situation, success and future prospects, and is also in line with industry peers and in proportion to Vossloh's general pay system.

The variable compensation (profit share) is linked to group earnings.

For fiscal 2013, the compensation of Vossloh AG's executive officers totals €1,164,980 (2012: €2,086,056), including €809,236 of fixed, and €316,569 variable, remuneration. In addition, they received in 2013 noncash fringe benefits as payments in kind (PIK), basically in the form of private company car use in the amount recognized for tax purposes of €39,085. PIK income represents taxable income of each executive officer.

Vossloh AG's Executive Board members received no compensation for services performed on behalf of subsidiaries.

The executive officers have been granted entitlements to defined postretirement benefits in the form of pension payments upon long-term invalidity or disability or as from the retirement age of 63. Depending on the years of service on the Executive Board, annual pension benefits amount after a minimum three-year board membership to 15.0 percent (Dr.-Ing. Norbert Schiedeck) or 35.0 percent (Werner Andree), and are stepped up by 4.0 percentage points annually (as from April 1, 2010, or January 1, 2005, respectively) to a maximum of 60.0 percent of the pensionable annual basic compensation. In fiscal 2013, a total €684,804 was provided for accrued pension obligations to Executive Board members (2012: €700,659). Pension payments to pensioned employees are adjusted annually in line with the collective pay trend of salaried employees.

The table below itemizes the remuneration of each executive officer:

€	Current remuneration				Retirement benefits	
	Fixed salary	PIK	Profit share	Total	Change in present value	Present value determined for accounting purposes
Werner Andree, CEO	481,767	17,289	193,030	692,086	543,677	4,019,699
Dr.-Ing. Norbert Schiedeck, COO	327,559	21,796	123,539	472,894	141,127	681,417
Total	**809,326**	**39,085**	**316,569**	**1,164,980**	**684,804**	**4,701,116**

Upon an active or former executive officer's death, a reduced pension is paid to his surviving dependents, spouses receiving a maximum 60.0 percent of the most recently paid pension and children obtaining an education and up to a certain age receiving a maximum 20.0 percent.

No contractual arrangements with Executive Board members exist for any change of control event.

No loans or advances were granted in 2013 to any Executive Board member.

The compensation in the form of pension payments to former executive officers and their surviving dependents totaled €664,602 (2012: €643,477).

Pension obligations to former executive officers and their surviving dependents amounted to €12,338,786 (2012: €11,899,772); Employer pension liability insurance policies totaling €11,571,995 (2012: €11,522,718) are pledged in each beneficiary's favor, the balance of the pension obligations being covered by provisions.

The option introduced in 2008 by the Supervisory Board to grant Executive Board members a discretionary bonus was not exercised.

Remuneration of the Supervisory Board members

The compensation of members of the Supervisory Board and its committees is fixed by the annual general meeting and is governed by Art. 17 of the Company's bylaws. These fees are based on the Supervisory Board member's tasks and responsibilities, as well as on the Group's business performance.

In addition to being reimbursed for their expenses, Supervisory Board members receive a fixed annual fee of €20,000 each. In addition, they are paid a variable annual fee of €1,000 for each €0.10 in excess of the Group's earnings per share over €2.00 (based on the number of shares issued).

The Supervisory Board Chairman receives 300.0 percent and the vice-chairman 150.0 percent of the above fee. Membership on committees is compensated through a premium of 25.0 percent each of the aforementioned compensation amounts. The Audit Committee Chairman receives three times the premium for Audit Committee membership. However, membership in the Nomination Committee is remunerated by paying an additional 25.0 percent of the fixed annual fee only if the Committee convened in the fiscal year. If the Supervisory Board Chairman is also committee member, no additional fee is paid to him.

In accordance with the bylaws, Supervisory Board members received for fiscal 2013 total remuneration of €236,875 (2012: €451,500), including €236,875 fixed and €0 variable, performance-related fees. The table below itemizes the fees allocable to each Supervisory Board member:

€	Fixed fee	Variable fee	Total
Heinz Hermann Thiele (Chairman)[1]	40,000	0	40,000
Dr. Wolfgang Scholl (Vice-Chairman)[1]	28,333	0	28,333
Dr.-Ing. Kay Mayland[2]	30,000	0	30,000
Dr. Alexander Selent[1]	26,667	0	26,667
Michael Ulrich	26,667	0	26,667
Silvia Maisch[1]	13,333	0	13,333
Dr.-Ing. Wilfried Kaiser (Chairman)[3]	25,000	0	25,000
Peter Langenbach (Vice-Chairman)[3]	17,708	0	17,708
Dr. Christoph Kirsch[3]	16,667	0	16,667
Wolfgang Klein[3]	12,500	0	12,500
Total	**236,875**	**0**	**236,875**

[1]Member of the Supervisory Board since May 29, 2013
[2]Member of the Supervisory Board since January 9, 2013
[3]Member of the Supervisory Board until May 29, 2013

In addition to these fees, in 2013 no Supervisory Board member received any further compensation, benefits or advantages for personally rendered (in particular, consultancy or agency) services.

No loans or advances were granted in 2013 to any Supervisory Board member.

Statutory takeover-related disclosures pursuant to articles 289(4) and 315(4) HGB

The provisions of Articles 289(4) and 315(4) HGB require that the following takeover-related disclosures as of December 31, 2013, be made.

Composition of subscribed capital
The Company's subscribed capital (share capital) of €37,825,168.86 is divided into 13,325,290 no-par bearer shares of common stock, each entitled to one vote.

Restrictions on voting rights or transfer of shares
One share entitles to one vote at the general meeting, with the same rights attaching to all Vossloh AG shares. Share transfer or assignment is not subject to any restrictions.

Direct or indirect shareholdings in excess of 10.0 percent
The Executive Board is aware of one investment in the Company's capital stock that exceeds 10.0 percent of the voting rights: Heinz Hermann Thiele, Germany, informed the Company in October 2012 that he holds 25.14 of the voting rights in Vossloh AG. Thereof, 25.14 percent are to be attributed to him pursuant to Art. 22 (1) sentence 1 no.1 WpHG. The attributed voting rights in this connection are held by the following companies controlled by him, whose share of voting rights amounts to 3.0 percent or more: KB Holding GmbH (direct investment 25.14 percent), TIB Vermögens- und Beteiligungsholding GmbH (attributed investment 25.14 percent) und Stella Vermögensverwaltungs GmbH (attributed investment 25.14 percent); The legal seat of all three companies is Grünwald, Germany.

Shares with special rights / controlling rights
Shares with special rights which confer controlling rights do not exist.

Voting control of employee shareholdings
Employees who are shareholders of the Company exercise their control rights similarly to other shareholders, directly in accordance with applicable statutory requirements and the bylaws.

Appointment/dismissal of Executive Board members; bylaw amendments
Vossloh AG's Executive Board members are appointed or dismissed in accordance with the provisions of Articles 84, 85 AktG in conjunction with Art. 7 of the bylaws. Pursuant to Art. 84(1) AktG, Executive Board members are appointed by the Supervisory Board for a maximum term of five years, whereby their reappointment or the extension of their term of office is permitted. The appointment of an Executive Board member may be revoked in the cases set out in Art. 84(3) AktG.

While, according to Art. 179(1) AktG, the bylaws may be amended by vote of the general meeting, amendments that merely relate to wording may also be delegated to the Supervisory Board. In conformity with Art. 21(2) of the bylaws but subject to overriding statutory provisions to the contrary, the general meeting shall pass its resolutions with the simple majority of votes cast. Where the law prescribes a stock ownership majority in addition to a voting majority, the simple majority of the capital stock represented at the vote shall suffice unless the provisions of the law or Vossloh AG's bylaws prescribe otherwise. Art. 27 of the bylaws authorizes the Supervisory Board to amend the bylaws where only their wording is involved. Art. 4(8) of the bylaws further authorizes the Supervisory Board to update the bylaws accordingly after the capital stock has been increased by utilizing authorized or contingent capital.

Authority of Executive Board to issue and repurchase shares

Art. 4 of the bylaws specifies the Executive Board's powers to issue new stock while the authority to repurchase treasury stock, based on the AGM resolution of May 19, 2010, was used by the Executive Board between July 27 and December 2, 2011 to buy back 1,332,529 treasury shares (10.0 percent of the capital stock).

a) Authorized capital
   The provisions of Art. 4(2) of the bylaws authorize the Executive Board, subject to the Supervisory Board's approval, to increase the capital stock on or before May 19, 2014, by an aggregate maximum of €7,500,000 by issuing once or several times new no-par bearer shares of common stock against cash and/or noncash contributions ("Authorized Capital") while duly granting stockholders their statutory subscription right. However, after first obtaining approval from the Supervisory Board, the Executive Board may exclude this subscription right:
   (i) for fractions resulting from the subscription ratio,
   (ii) in order to grant to holders of conversion rights, options and/or warrants, or of a conversion obligation from convertible and/or warrant bonds previously floated or issuable by the Company or one of its wholly-owned subsidiaries which are outstanding at the time of the utilization of the authorized capital, subscription rights for new shares in the amount they would be entitled to upon exercise of their conversion rights and/or options or upon satisfaction of a conversion obligation.
   (iii) if new shares are issued against cash contributions at a price that is not significantly below the stock market price current for same-class Vossloh stock at the time at which the final issuance price is fixed, and the newly issued stock does not exceed a total of ten percent of the capital stock either at the effective date or at the date of exercise of this authority. The sale of treasury shares is taken into account for this capital limit, if during the term of this authorization this is carried out excluding the subscription right pursuant to Art. 186(3) sentence 4 AktG. Shares issued or issuable to service convertible and/or warrant bonds or satisfy conversion obligations

shall also be counted toward the 10-percent ceiling, provided that the bonds are issued ex rights during the validity period of this authority in application of the provisions of Art. 186(3) Clause 4 AktG;

(iv) for any capital increase against noncash contributions.

The Executive Board is authorized, subject to the Supervisory Board's approval, to stipulate all further details of the capital increase, as well as all stock issuance terms and conditions.

b) Conditional capital

(i) Pursuant to Art. 4(3) of the bylaws, the Company's capital stock has been conditionally increased by €6,979,134.18 by issuing 2,730,000 bearer shares of common stock. This contingent capital increase will be implemented only to the extent that, under the warrant bond issues floated by Vossloh AG and/or its (directly or indirectly) wholly owned non-German subsidiaries on or before June 28, 1999, the warrant holders exercise their right to subscribe for common stock. The new common shares participate in profits from the beginning of the fiscal year in which they arise through option exercise.

(ii) Pursuant to Art. 4(4) of the bylaws, the Company's capital stock has been conditionally increased by €356,986.54 by issuing 139,641 bearer shares of common stock. This contingent capital increase is implemented only to the extent that the holders of stock options, which are granted to employees under an SOP authorized by the annual general meetings of June 25, 1998, and/or June 3, 2004, have exercised or will exercise their options. The new common stock participates in profits from the beginning of fiscal year in which it is created by option exercise, on whose profit appropriation is resolved in the succeeding fiscal year's AGM.

(iii) Pursuant to Art. 4(5) of the bylaws, the Company's capital stock has been conditionally increased by €1,468,225.77 by issuing 574,320 bearer shares of common stock. This contingent capital increase is implemented only to the extent that the holders of stock options, which are granted to officers, executives and other management staff under a long-term incentive plan (LTIP) authorized by the annual general meetings of June 25, 1998, and June 3, 2004, have exercised or will exercise their options. The new common stock ranks as from the fiscal year in which it is created by option exercise for the dividend of the fiscal year on whose profit appropriation the succeeding fiscal year's AGM votes. The new common stock participates in profits from the beginning of fiscal year in which it is created by option exercise, on whose profit appropriation is resolved in the succeeding fiscal year's AGM.

(iv) Pursuant to Art. 4(6) of the bylaws, the Company's capital has been conditionally increased by a total of €3,782,500 by issuing up to 1,479,585 no-par bearer shares of stock in order to grant new no-par bearer shares to the holders or creditors of such convertible bonds, warrant bonds, participating rights and/or income bonds (or any combination of such instruments) as are issued or floated by Vossloh AG or any of its (directly or indirectly) wholly-owned subsidiaries through the authority conferred by the AGM of May 19, 2010, according to Agenda Item 8. The new no-par bearer shares will be issued at a conversion or option price to be determined in accordance with the aforesaid AGM resolution. The conditional capital increase shall be implemented only to the extent that (i) conversion rights or equity warrant options are exercised, (ii) the bondholders, warrant owners or creditors subject to a conversion obligation actually meet their conversion obligations, (iii) no cash compensation is paid in lieu, or (iv) treasury shares or new shares issued by utilizing authorized capital are used. The newly issued no-par bearer shares participate in profits as from the beginning of the fiscal year in which they are created by conversion or option exercise or by satisfaction of conversion obligations. The Executive Board is authorized to specify all further details of the conditional capital increase and its implementation.

c) Repurchase of treasury stock
According to the AGM resolution of May 19, 2010, and pursuant to Art. 71(1) No. 8 AktG, the Company is authorized until May 18, 2015, to acquire treasury stock equivalent to an aggregate maximum of ten percent of Vossloh AG's capital stock. The Executive Board exercised this authority to repurchase 1,332,529 treasury shares (10.0 percent of the capital stock) between July 27 and December 2, 2011. No further authority of Vossloh AG to buy back treasury shares exists.

At December 31, 2013, the Company held 1,320,603 treasury shares. The Executive Board is authorized, subject to prior Supervisory Board approval, to use such treasury stock for any lawful purposes, including by disposing of the treasury shares ex rights in a form other than through a stock exchange or by offering them to all Vossloh stockholders, however, provided that the previously acquired shares of treasury stock are sold at a price that is not significantly below the stock exchange price then current for same-class Vossloh stock. The Executive Board is further authorized, with Supervisory Board approval, to sell treasury stock ex rights to third parties in return for noncash contributions, including in connection with business combinations or the acquisition of other enterprises or equity interests in enterprises. The treasury stock may further be used to settle obligations under convertible and/or warrant bonds issued by the Company and/or any of its wholly-owned subsidiaries. Moreover, the Executive Board is authorized to redeem and effectively withdraw treasury stock with the Supervisory Board's approval, however, without requiring another resolution of the general meeting.

Agreements in the event of a change of control
Seven significant agreements of the Company exist which could come into effect upon a change in control. Change of control in this connection in principle means that a company or person directly or indirectly obtains the majority (>50.0 percent) of the capital shares, or more specifically, the voting shares of the Company.

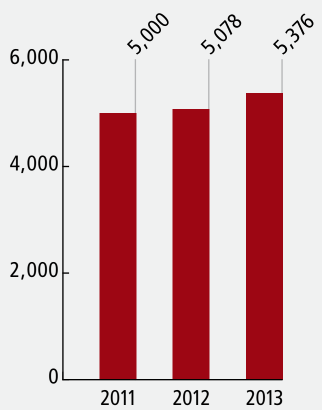
a. US private placement
   The conditions of a US private placement provide that in the event of a change of control, the Company is obligated to offer the investors an early repayment of the outstanding loan amount, including accrued interest.
b. Credit facility agreement with Landesbank Baden-Württemberg
   In the event of a change in control, the existing credit facility agreement with Landesbank Baden-Württemberg contains an extraordinary right of cancellation on the part of the bank.
c. Bonded loans under the leadership of Landesbank Baden Württemberg
   In the event of a change in control, the existing loan agreement with loan issuers contains a right of the loan issuer to demand payment of the outstanding balance, including accrued interest as of the next payment date.
d. Credit facility agreement with Landesbank Hessen-Thüringen
   In the event of a change in control, the existing credit facility agreement with Landesbank Hessen-Thüringen contains an extraordinary right of cancellation on the part of the bank (with a four-week period of notice) of the credit facility agreement and the underlying individual loan agreements. In the event of a cancellation, the outstanding balance, including accrued interest, would be immediately due and payable.
e. Credit facility agreement with UniCredit Bank AG
   In the event of a change in control, the existing credit facility agreement with Landesbank Hessen-Thüringen contains a right on the part of the bank to request, with a reasonable notice period, the provision or increase in security, if the change of control leads to an increase in the risk assessment of the bank regarding its claims under the contract.
f. Credit facility agreement with Deutsche Bank AG
   In the event of a change of control (here, already if another person overtakes at least 30.0 percent of the voting rights in the Company), the parties will reach a mutually satisfactory agreement regarding the continuation of this agreement, if necessary under amended conditions, prior to the occurrence of such a situation. If a timely agreement cannot be achieved, the bank is entitled to an extraordinary right of cancellation. In the event of a cancellation, the outstanding balance, including accrued interest, would be immediately due and payable.
g. Credit facility agreement with SEB AG
   In the event of a change in control, the existing credit facility agreement with SEB AG contains an extraordinary right of cancellation of the credit facility agreement on the part of the bank. In the event of a cancellation, the outstanding balance, including accrued interest, would be immediately due and payable.

Compensation agreements upon change of control
No agreements for compensation have been reached with members of the Executive Board or employees of the Company in the event of a takeover offer.

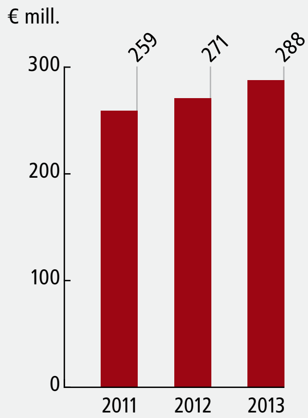
Increased number of employees due mainly to acquisitions

Per capita personnel expense and revenues almost unchanged

Group-wide occupational safety policy an area of focus



Average Group headcount



Personnel expenses in € million

Employees

At December 31, 2013, the Vossloh Group employed a workforce worldwide of 5,613 (up 591 or 11.8 percent compared with the 5,022 at year-end 2012.

Employee-related indicators

		2013	2012
Personnel expense per employee	k€	53.6	53.4
Revenues per employee	k€	245.8	244.8

The average number of employees in fiscal 2013 amounted to 5,376, compared to 5,078 in fiscal 2012.

A total of 82.6 percent of the employees work at the Group's European locations. Of the remaining 17.4 percent, 35.8 percent (2012: 41.2 percent) are employed in the North American area and 43.9 percent (2012: 48.2 percent) at production locations in Asia. In addition, employees are located in Australia and Brazil.

The age structure of the employees in the Group changed only slightly in 2013. The share of employees aged between 35 and 50 declined slightly to 39.0 percent, while the share of employees aged over 50 increased slightly to 31.0 percent. The portion of Group employees working for more than 10 years for the Company increased to 56.0 percent (2012: 54.0 percent).

Personnel expenses

€ million	2013	2012	% change
Wages and salaries	232.6	221.1	+5.2
Social security and benefits	50.0	45.6	+9.6
Expenses	5.8	4.3	+34.9
Total	**288.4**	**271.0**	**+6.4**

Due to the increase in labor costs and the growth in personnel, personnel expenses increased in 2013 by 6.4 percent, from €271.0 million to €288.4 million. Personnel expense per employee showed a slight increase, from k€53.4 to k€53.6.

Rail Infrastructure

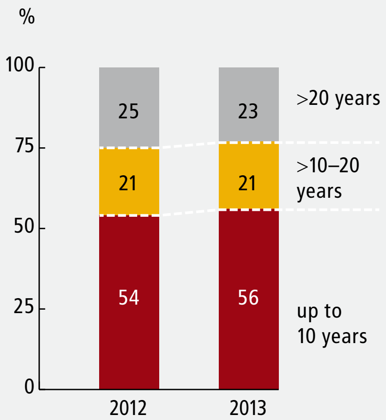
The average workforce in the Rail Infrastructure division increased in 2013 by 221 to 3,414 employees and was 6.9 percent above the prior year's 3,193 average number of employees. Personnel expense per employee increased slightly by 0.7 percent, from k€45.5 to k€45.8. Revenues per employee rose by 5.8 percent and amounted to k€262.5 (2012: k€248.2).

Transportation

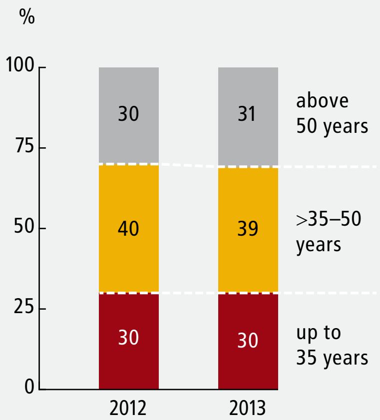
The average workforce in the Transportation division increased in 2013 only slightly – with an average number of employees of 1,916 this represents an increase of 78 employees (+4.2 percent) over the prior year's average of 1,838. In the fiscal year, personnel expense per employee amounted to k€65.3 and was 1.4 percent above the prior years amount of k€64.4. Per capita revenues declined by 9.6 percent, from k€245.4 in 2012 to k€221.9.

Employee retention and development

Committed and qualified employees are the basis our business success. Particularly in light of the demographic development and the challenges presented by the market, measures aimed at technical and personal development of our employees are tasks that are relevant for our future. For this reason, our management knows the meaning and responsibility for the demand and target-oriented qualification of each individual.



Service years in%



Agestructure in %

This is reflected in a broad range of internal and external training and development measures: There are training opportunities with diverse business or technical content, for example, language training, quality management, project management, sales optimization, personality development, communication and personnel management. For the skilled trade area, this program is expanded to include subjects such as welding technology, cargo securing/hazardous material, or the operation of forklift trucks.

The offering of the Vossloh Akademie has become further established throughout the Group. Here, subjects are offered and maintained which assist in the daily work and illustrate the future challenges of the Group. Additionally, employees can network with each other and exchange and share their valuable knowledge.

The variety a workforce is a strategic success factor for Vossloh. For example, special development opportunities can be found for females in the form of gender training and mentoring programs. The Company attaches great importance to the experience of older employees and the staffing of teams with employees of differing nationalities.

Launched in 2009, the program under the title We lead Vossloh is meanwhile a firm fixture of group-wide management and organizational development. The top 100 managers of the Group work here on both the identification of strategic cooperation projects and the implementation of the corporate culture and values.

“Make the move” is the invitation for well trained and qualified individuals to begin or advance their careers at Vossloh. Trade fairs, cooperation with schools and universities, offerings for trainee programs or entry level positions, internships or diploma program as well as attractive offers for professionally experienced individuals are only a few of the recruiting methods. Vossloh supports the Fair Company initiative.

In order for Vossloh to be able obtain adequate new recruits of skilled workers in the future, our own training activities represent an important building block. Vossloh offers training opportunities in commercial and industrial-technical vocations as well as dual courses of study at the locations Düsseldorf, Hamburg, Kiel, Moers, Seevetal, Trier und Werdohl. In 2013, 23 young individuals started a training course at the mentioned German locations. As of the end of the year, a total of 84 trainees were employed – this represents a trainee quota of approximately 6.0 percent at the above-mentioned locations.

Occupational Safety & Health

The Work Safety Committee (WSC) formed in 2012 works at the Group level on establishing a safety culture with the goal of "no accidents". A milestone reached in 2013 was the implementation of a Group-wide occupational safety policy. An addition goal set was the certification of 80.0 percent of the companies in the Vossloh Group according to the norm OHSAS 18001by March 31, 2014; this goal has also been reached. In this connection, not only the certification is a success, but also the focus pursed with this on safer work conditions for our employees in order to ensure a sustainable reduction in work accidents. Safety and health at the workplace is of utmost importance for us and is an important building block for the corporate culture. Against this background, the offering related to workplace health management is being continually expanded through suitable measures, such as sports offerings, healthy food in the canteen, quit-smoking courses, driver safety training or corporate races.

Our thanks to the employees

We extend our thanks to our executives, employees and trainees for their special contribution and for the passion with which they are pursuing the goals of the Company.

We would like to especially thank the employee representatives of the Group for the exceptionally trusting and constructive cooperation in the past fiscal year.

Research and development

The Vossloh Group's companies are among the technology leaders in their respective markets and are constantly investing in product and service improvements. One of their prime aims is to satisfy the specific requirements of customers in the various market regions. In addition, Vossloh constantly works on pioneering new solutions. A large share of research and development is carried out in connection with specific contracts, and the associated costs are accordingly reflected in the income statement under cost of sales and not in R&D expenses.

The development costs of a marketable product are capitalized wherever the IAS 38 capitalization criteria are met; if such criteria are not met, development costs are recognized in the income statement either as cost of sales or R&D expenses, as appropriate.

Vossloh Group – Research and development expenditures

€ million	2013	2012
Total R&D expenditures	25.1	24.8
thereof capitalized	12.4	15.1
R&D expenses (P&L)	**12.7**	**9.7**
Amortization (of capitalized development expenditures)	8.0	8.1

R&D expenditures before own work capitalized amounted in 2013 to €21.5 million (2012: €24.8 million) or 1.9 percent of revenues (2012: 2.0 percent). R&D expenses recognized in the income statement in relation to revenues amounted to 1.0 percent (2012: 0.8 percent). Amortization of capitalized development expenditures amounted in 2013 to €8.0 million (2012: €8.1 million).

R&D activities remained in 2013 at a high level in order to expand the product portfolio and aligning it to the emerging trends in the marketplace. This was and continues to be also reflected in construction work. After the technology centers of Vossloh Fastening Systems in Werdohl (inaugurated in summer 2011) and of Vossloh Switch Systems in Reichshoffen (inaugurated in fall 2013), a modern new systems-testing facility is under construction at Vossloh Electrical Systems in Düsseldorf. Completion of the facility is scheduled for the middle of 2014.

The successful intra-Group cooperation of the Vossloh Group companies in the R&D area was continued. Vossloh Fastening Systems and Vossloh Switch Systems are working intensively together to adapt the rail fastening systems for further tie contours and track installation processes. In connection with these projects, in 2013 the 336 Duo, DFF MC and DFF CT systems were developed and successfully tested. These can be built in both on the rail line and in switches. Beginning in 2014, newly developed systems in connection with urban transport projects in China will come into use. Vossloh Rail Vehicles and Vossloh Electrical Systems are cooperating in connection with the TrainTram and CityLink vehicles; in the case of high-speed grinding trains, Vossloh Locomotives and Vossloh Rail Services are working together.

On certain research projects, the Vossloh companies revert to the specific know-how of outside experts. There are countless partnerships with universities and research institutes. Involved in several pan-European megaprojects such as ERI (Eco Rail Innovation, Vossloh Locomotives, Vossloh Rail Services), CleanER-D (Clean European Rail-Diesel, Vossloh Rail Vehicles), MARATHON (Make Rail The Hope for protecting Nature, Vossloh Rail Vehicles), REFRESCO (Towards a REgulatory FRamework for the usE of Structural new materials in railway passenger and freight CarbOdyshells, Vossloh Rail Vehicles), RAILENIUM (Vossloh Switch Systems), or now the new CAPACITY4RAIL (Vossloh Switch Systems) Vossloh is helping to shape the future of rail transport. In connection with all of the projects mentioned, the aim is a further reduction of pollutants and noise emissions, the efficient use of resources, the use of alternative energy resources and enhanced rail safety and performance.

In 2013, Vossloh Fastening Systems once again assigned high priority to the development of the screw/dowel combination Sdü/Ss NG. Patents for the new generation products have been applied for, and the safety accreditation of the German Railway Authority has progressed considerably. The first test installations into the track are to take place in the first half of 2014 in Germany, Austria and North America, among other locations. In connection with the trade fair InnoTrans in Berlin at the end of September, Vossloh wants to gain recognition with this new development. In addition, in 2013 the new W41 U fastening system was developed for a new tie design tendered in France. Meanwhile, it is in the process of obtaining certification of the French national railway SNCF. The challenge, on the one hand, was that several track types are to be deployed on the tie type; on the other hand, a high level of electrical insulation was required. In 2013, Vossloh Fastening Systems built up its R&D team with a patent coordinator and an employee for the area of acoustics, since the subject of noise reduction plays an ever increasing role. Here, the work was focused on the optimization of already existing elements, for example for rail web damping. Parallel to this, work was performed on strengthening the rail web damping characteristics of other elastic track fastening elements, also through construction and material-related improvements. As in recent years, a major portion of the R&D activities in 2013 related to short-term implementation of customer requirements.

On September 26, 2013, Vossloh Switch Systems had a reason to celebrate: The new technology center in Reichshoffen was inaugurated. The previously separated R&D facilities of the Switches and Signaling Equipment divisions have now been combined under one roof.

The new facility, approximately 1,500 sq. meters in size, also contains a training center and a showroom in which Vossloh Switch Systems can present the entire range on its products, also for visitors. In 2013, the engineers were able conclude the optimization of the environmentally-friendly lubricant-free track switch and begin the approval procedure. After various test installations, approval was obtained for the switch drives, which are to be deployed on the new French high-speed rail link from LeMans in Brittany to Rennes in Loiretal. Several prototypes of track switch drives and system components were tested in the track, including a switch with especially low stiffness, whose development had begun in 2012, and a new solution for slab tracks which is equipped with the newest generation of the 300 W fasteners from Vossloh Fastening Systems. Being currently developed specifically for the Chinese urban transportation market is a new switch model using the noise and vibration-damping system 336. In order to reach a higher level of reliability of the products in the track, at the end of 2013 work commenced on in-house software, with the help of which the dynamic behavior of switches can be simulated. Furthermore, a new concept is being jointly developed with a partner for support services in order to improve the performance of rails and switches. The “Sweden version” of the multi-engine high-speed Easyswitch moved forward to series production in 2013, and at the beginning of 2014 contractual deliveries started. Parallel to this, the first prototype was developed that met the specifications of the Russian and French markets. As in previous years, the largest part of further development of switch monitoring systems addressed concrete customer requirements and was performed with close customer cooperation. This was also true of signaling: here, Vossloh Switch Systems offers several series of products and systems which are exactly tailored to the various markets and customers.

In 2013, a comparatively small project produced the largest success for Vossloh Rail Services: The experts re-engineered the dust collection in the high-speed rail-grinding train developed in-house. The new solution will improve the acceptance of the HSG-Technology, and with this open still more opportunities for growth. Otherwise, the R&D efforts were concentrated, on the one hand, on the adaptation of the HSG-2 for use in China and the development of HSG-city. Regarding the autonomous high-speed grinder for inner-city tracks, with Rheinbahn AG in Düsseldorf, the first customer has already been found. On the other hand, further work was performed together with a partner on the innovative mobile rail milling machine. It enables high performance milling which, by removing more material per cycle at higher speeds, achieves a substantially better quality of the processed rails compared with traditional milling techniques. In 2013, five protective rights applications were filed and one patent application is being processed.

In 2013, Vossloh Transportation Systems continued the systematic expansion of its product portfolio which was begun in recent years. At the German Kiel location, efforts focused on the new four-axle locomotives with the models G 12 and G 18 (diesel-hydraulic) and DE 12 and DE 18 (diesel-electric). The four-axle locomotives G 12 and G 18 have been approved for operation by the Federal Railway Authority since December 2013. In addition to questions of construction, in 2013 this dealt especially with preparation of the necessary extensive documentation for the various country approvals. In addition, with Radarprotection, an additional option package was developed that can be offered to customers. The model EURO 3000 completed final tests at the Spanish location of Valencia at the beginning of 2013, and deliveries of the ordered vehicles to Israel Railways were already started during the year. The locomotive, which is designed for passenger operations, combines European design with a strong drive unit (2,250 kW) along American lines. It fulfills all new emissions standards, operates fuel-efficiently and is extremely reliable. Vossloh's proprietary assistance, analysis, control and regulating systems such as DAS or TWC which optimize the efficiency of Vossloh vehicles, were further refined. Since December 2013, the locomotives from Valencia also have a system which can precisely measures the fuel in the diesel tank and thereby calculate the remaining range. This avoids unnecessary refueling stops. The R&D division of Vossloh Rail Vehicles also undertook the first steps for the development of a new generation of bogies. They are intended, on the one hand, to be lighter – the goal is a weight savings of approximately 30.0 percent – and nevertheless fulfill the high safety requirements. On the other hand, a new active suspension system should ensure significantly higher riding comfort. The focus regarding local transport vehicles in 2013 was on the development of modular equipment components (cab, light elements, wall covering, seating, etc.) in the "Vossloh look", which will be installed in all models beginning in 2014.

At Vossloh Electrical Systems, the most important R&D keywords in 2013 were the competence center for mainline rail technology and systems-testing facility. Via the competence center, the knowhow with respect to mainline rail is more strongly integrated in the research department of Vossloh Electrical Systems. Since processes and requirements are increasingly converging, the developmental competence of the divisions Mainline Rail and Trams, which were previously separate, should be bundled step by step in order to be able to utilizes synergies. The systems-testing facility under construction will have five traction test stations, three auxiliary test stations and a 1,400 kilowatt locomotive test station and will open completely new opportunities for developmental work at Vossloh Electrical Systems. The projects in 2013 were dominated in the Tram area once again by orders from Rostock, Karlsruhe und Chemnitz. The furnishing of the ordered CityLink and Train-Tram vehicles which are built by Vossloh Rail Vehicles in Valencia is required to be tailored to the specific approval and customer requirements. After its approval, the double-layer capacitor storage system with recuperation brakes is to be used in the trains ordered by Braunschweiger Verkehrs-AG. In Karlsruhe and Chemnitz the trams will run on the tracks of DB, which requires a corresponding modification of the control system. The development goal is a solution which can be used everywhere where Vossloh's trains for local transport are to run outside of tram networks. The approval process for this should be completed in 2014 for the first time with a vehicle intended for the Verkehrsbetriebe Karlsruhe. In addition, in 2013 the engineers developed a future-oriented machine control for the traction equipment of Vossloh Electrical Systems on the basis of the indirect stator value control (ISR). This has already been used in a number of trolley busses and has also demonstrated its suitability for practical application in connection with test runs in rail vehicles. In the area of buses, the key issue for Vossloh Electrical Systems is the battery technology: Currently, our own "battery laboratory" is under development. The new traction battery with lithium-ion technology developed with a partner should demonstrate its performance, among other features, in a hybrid bus of the research project SaxHybridPlus.

Environmental protection

Passenger and freight haulage by rail is by nature one of the greenest modes of transportation. Products and services from Vossloh make an important contribution so that the eco-friendly movement of people and goods is both cost effective and safe. The Group is working in all of its divisions on making rail transport even greener and thus emphasizing it as an attractive means of conveyance. Modern buses fitted out with Vossloh hybrid technology and, especially, the (trolley) buses equipped with Vossloh systems command a leading edge in terms of ecological benefits compared with private cars.

The developers of diesel locomotives from Vossloh have for years attached great importance to making sure their vehicles consume as little fuel as possible – thus emitting minimum CO_2 and other pollutants. For years now, Vossloh Locomotives in Kiel and Vossloh Rail Vehicles in Valencia have been involved in research projects with a focus on reducing emissions. This deals with the objective, for example, that power trains achieve high levels of efficiency or through further construction development and use of new materials and material mixtures the weight of locomotives is reduced, without having to accept a decline in performance. In addition, Vossloh locomotives are equipped with a number of assistance systems which support environmentally friendly operation. New models of the EURO family from Valencia and modular-platform locomotives from Kiel already meet the strict exhaust emission standards of the European Non-Road Mobile Machinery Directive (NRMM). Also in the case of rail vehicles for local transport, Vossloh contributes to eco-friendly transportation. For example, the traction systems of Vossloh Electrical Systems are designed in such a way that in trams, city railways and regional trains the braking energy is used and fed back into the grid.

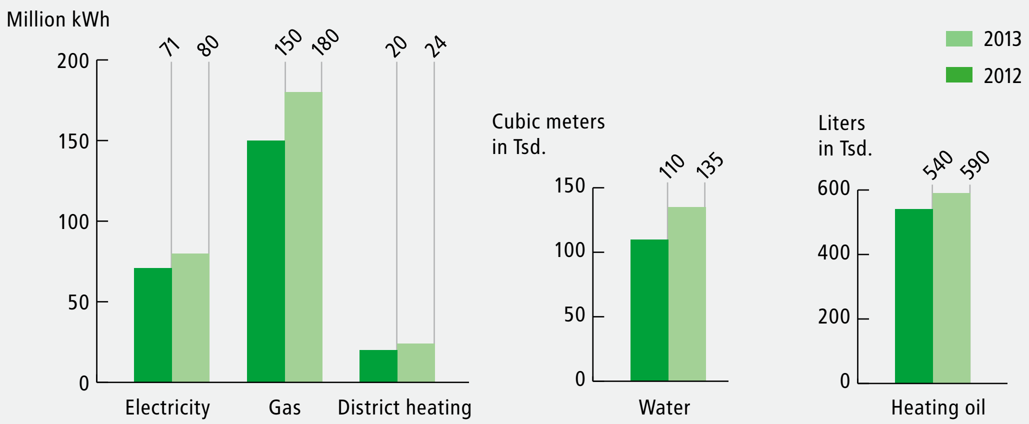
Likewise, an important point in connection with the technical outfitting and the construction of the local transport vehicles by Vossloh Electrical Systems and Vossloh Rail Vehicles, respectively, is the reduction of noise emissions that occur when driving. This concerns on the one hand a highest possible level of riding comfort for the user of the public transport system and on the other, keeping the noise generation along the rail lines as low as possible. The latter point also plays an ever more important role in the mainline rail area. For this reason, the Rail Infrastructure division is continuously intensifying the activities in this area. Vossloh Fastening Systems and Vossloh Switch Systems are focusing here on developments which ensure that less noise and vibration occur upon contact between the rail and wheel.

"Zero emissions" is a benchmark that applies to non-rail electric buses with traction technology from Vossloh Kiepe. Another advantage of these local transport vehicles: they are very quiet in operation – a fact appreciated by passengers and pedestrians alike. Even conventional buses can become more eco-friendly with Vossloh technology, with hybrid drive reducing exhaust and noise emissions significantly. Field tests on buses with an even more environment-friendly fuel-cell hydrogen drive are proving successful. Vossloh is continuously widening its competency in the area of eco-friendly electric mobility: battery technology is a key issue for the development engineers. For example, in several cities electric buses with high-duty lithium-ion batteries are in use.

Vossloh generates a significant share of its sales with products and services contributing toward environment-friendly and sustainable solutions. Vossloh has already been listed in several sustainability rankings since 2008 and belongs to the investment universe of oekom research and Kempen/SNS SRI. Vossloh AG also participates in the Carbon Disclosure Project (CDP) as well as the vigeo rating.

In production, all Vossloh companies attach great importance to a sparing and efficient use of resources. Emissions from production have generally been cut to a minimum. Regular audits by the local environmental authorities prove that all statutory and regulatory requirements are adhered to and emissions are below the permitted limits, in some instances significantly. As far as possible, residues are consistently recycled; solid waste material is systematically separated.

For a few years, energy and water consumption data has been collected in the Vossloh Group. In total, the expenses in 2013 for the purchase of energy and water amounted to €16.5 million (2012: €14.5 million). This represents a 1.2 percent share of revenues (2012: 1.1 percent).



Energy and water consumption of the Vossloh Group 2012–2013

Electricity usage amounted to approximately 80 million kilowatt hours (2012: 71 million kilowatt hours). The increase results primarily from the inclusion of newly consolidated companies in the financial year. Gas consumption in 2013 amounted to approximately 180 million kilowatt hours (2012: 150 million kilowatt hours). The rise is due substantially to the higher output quantity of the Fastening Systems business unit. Consumption volumes for district heating amounted in 2013 to approximately 24 million kWh (2012: 20 kilowatt hours). A large share of this was obtained by the Kiel location, which is also responsible for the increase in usage. In 2013 some 135,000 cubic meters of water were used in within the Vossloh Group (2012: 110,000 m^3). Especially in the cases of Vossloh Fastening Systems and Vossloh Switch Systems higher usage was reported. Heating oil consumption amounted to 590,000 liters (2012: 540,000 liters) and related almost entirely to Rail Infrastructure. The increase here was also due primarily to newly-acquired companies.

Vossloh Fastening Systems is in the process of installing a comprehensive and target-driven energy management system. In 2013, all significant foundations have been laid to be able to carry out the certification 2014 according to DIN ISO 50,001 in 2014 (designation of an energy management officer and an energy team, declaration of the management introducing the management system, stringent recording of energy consumption). Furthermore, the division will introduce additional key performance indicators in 2014 in order to be able to better gauge the development, especially relating to energy consumption. At the Werdohl plant, parallel to the restructuring of this location, Vossloh Fastening Systems is implementing a multistage concept to systematically improve energy efficiency. In the meantime, process steam is no longer being generated centrally, but instead using small units directly placed at the points of consumption. The Technology Center is heated with the waste heat from the hydraulic testing rigs and machinery, and any surplus energy is transferred to other buildings. The modernized furnace shop has a system for heat recovery. The energy from the heat treatment process is used, among others, to drive the upstream machines. The heat recovery plant installed in 2013 in the Erzincan/Turkey plant has already achieved significant energy savings. Since the legal requirements in the areas of environmental protection and occupational safety increasingly overlap, as of April 1, 2013, Vossloh Fastening Systems established the Environment, Health & Safety (EHS) department. The new department bundles all subjects relating to the environment, health and safety in the business unit.

Vossloh Switch Systems is also increasingly reducing its ecological footprint. To this end, various measures were also implemented again in 2013 in order to lower consumption of raw materials, water, and energy. Several locations revamped their heating systems for greater energy efficiency and reduced emissions. The protection of ground water generally has the highest priority in the business unit. The technology center in Reichshoffen, which was inaugurated in 2013, conforms to all current requirements (RT2012) with respect to thermal insulation and energy savings. In 2013, a photo voltaic system with 800 m^3 of solar cells was installed on the roof area of the production plant of Cogifer Kihn in Luxembourg. It produces approximately 600 MWh of electricity annually and with this covers approximately 20 of the energy consumption of the location.

At the locomotive plants in both Kiel and Valencia, Vossloh employs exclusively low-solvent paints for the finish of its vehicles. Vossloh Fastening Systems has also been using water-based paints for the surface coating of its tension clamps for years now. With the aid of a special register, in eco-friendly production materials are systematically located. At Vossloh Rail Vehicles, in 2013 work was done on a declaration of the recyclability of the EURO locomotive; the recycling quota amounts to 93.0 percent. At Vossloh Kiepe in Düsseldorf, the recording of all environmentally-relevant equipment and processes in an environment register represents an integral part of the environmental management.

The large Vossloh locations have all been certified to the DIN EN ISO 14001 environmental management system or comparable certified systems and undergo regular audits by external, independent bodies. Vossloh Rail Vehicles (Valencia) completed all preparation in 2013 in order to introduce EMAS (Eco-Management and Audit Scheme) in 2014, the joint eco-management and audit scheme of the European Union. Vossloh Kiepe has been additionally certified to the OHSAS 18001 occupational health & safety standard since 2001; in the meantime, most of the Vossloh Group companies or locations have successfully completed this certification. The goal is to have all companies or locations being able to demonstrate this certification in 2014. Vossloh Kiepe is participating in 2013/2014 in a municipal environmental and climate protection project ÖKOPROFIT, which should open further possibilities for the efficient use of resources. Since 2010, Vossloh Kiepe Austria (Vienna), Vossloh Rail Vehicles (Valencia) and Vossloh Kiepe Main Line Technology (Düsseldorf) hold the certification according to IRIS. The Vossloh Kiepe subsidiary APS also obtained the certification of according to the International Railway Industry Standard in 2013. Since the end of 2007, the Fère-en-Tardenois plant of Vossloh Cogifer has fulfilled the even stricter safety and health standard ILO OSH 2001.

Risk and opportunity management

Organization

Risks and opportunities for the net assets, financial position and results of operations are systematically identified, analyzed, assessed, reported, communicated, monitored, controlled and managed at all levels of the Vossloh Group. To this end, Vossloh has set up a group-wide risk and opportunity management system (RMS). This ensures that the impact of possible adverse changes is avoided or contained and that any opportunities arising are identified and exploited.

The risk and opportunity management system forms a part of the business, planning and controlling processes. The system‘s structure and processes are described in group-wide policies and procedures. The organization of the RMS is oriented to the operating processes and procedures of the respective units. Risk owners, risk officers and risk controllers are appointed at all Group levels. The identification of risks and rewards is ensured by a perpetual risk inventory in which relevant risks are identified effectively, systematically, and on a timely basis.

Perceived risks and opportunities are analyzed and assessed by Vossloh as to their possible impact on earnings. For this purpose, the worst-case and best-case scenarios and the most probable impact on earnings are determined. This is supplemented by an assessment of loss probability. For the best/worse-case scenarios, a value-at-risk approach with a minimum probability of 5.0 percent is assumed.

All the (direct or indirect) Vossloh subsidiaries, both in Germany and abroad, are covered by the RMS, irrespective of their inclusion in the consolidated financial statements. Newly acquired companies are integrated into the system on a timely basis.

Risks and opportunities are documented and communicated by Vossloh in standardized reports. These contain detailed information on the type of risk and opportunity and on the measurement parameters, as well as on potential measures for managing risks and exploiting opportunities. Periodic reporting on risks and opportunities is quarterly and serves as a supplement to the rolling annual projection and comprises risks and opportunities potentially arising in future periods. Ad-hoc reports additionally facilitate an updated assessment of the situation at all times.

These reports are addressed to Vossloh AG’s Executive Board as well as to each company’s and business unit’s senior management. These individuals manage and monitor the risks and opportunities. At the level of Vossloh AG, the current risk situation is regularly discussed between business unit management and the Executive Board.

The system is regularly reviewed by Corporate Internal Auditing and the statutory auditor for the adequacy, efficiency and compliance with legal requirements.

The report below presents those risks and opportunities which were of relevance at the time the consolidated financial statements were prepared and which are material to the Vossloh Group's future development. Risks whose impact has already been recognized in the balance sheet in the form of write-downs, allowances, or provisions or which have been shifted by contract, e.g. to insurers, are not covered by the following report unless deemed essential for the overall evaluation of the risk situation; this would be the case, for example, if a material residual risk were retained. Opportunities arise primarily from the operating business (e.g., by generating incremental revenue).

General economic and sector risks and opportunities

General economic risks and opportunities are essentially related to economic cycle swings, sociopolitical events, exchange and interest rate trends, as well as changes to legal and tax-related conditions. Sector risks and opportunities are tied to the competitive situation and the characteristics of the relevant markets.

In addition to the overall economic development, relevant influencing factors include public policy measures, the state of deregulation of rail traffic and the public debt situation. The latter affects the financing ability of public authorities awarding contracts. Thus, the restricted availability of financing has a negative effect on the future development of the business. For Vossloh, the debt situation, in particular of some Southern European nations, continues to be a prime cause for delayed and therefore shrinking order inflow from this region. In some cases, the risk exists that public as well as private customers will delay orders or in exceptional cases will potentially cancel orders. In spite of the tight budget situation of public contractors, savings in the maintenance market, which is important for Vossloh, are only expected to be temporary given the increasing rail traffic.

With its two divisions, Rail Infrastructure and Transportation, Vossloh ranks among the foremost suppliers in selected rail industry markets. The markets of relevance to Vossloh have oligopolistic structures, both on the demand and supply sides. Most of the customers are rail and network operators, which as a rule are still publicly owned. Vossloh counters the dependence on public-spending patterns by expanding its international presence. Exploiting market opportunities as they arise contributes to offsetting sales risks. In recent years the Group has substantially reduced its reliance on individual European markets. In 2013, non-European sales amounted to 37.0 percent (2012: just under 36.0 percent). In comparison, in 2006, the non-European sales amounted to merely just under 10.0 percent.

Rail markets in Western Europe and North America are distinguished by their considerably stable political and economic factors and hence as far as these core markets of Vossloh are concerned, there are no major risks expected. Accessing new markets elsewhere, especially in Asia, South America, Eastern Europe and Africa, exposes Vossloh not only to opportunities but also risks possibly arising from political and social instability, exchange rate fluctuations and legal uncertainties. As the share of group sales in these markets grows, both opportunities and risk exposure rise.

The oligopolistic nature of the supply side of the market also harbors risks for Vossloh. The high level of market transparency may further lead to fiercer price competition with adverse effects on margins. There is also the risk of products being replaced by new technical developments and that new competitors enter the market. Vossloh contains such risks by repeatedly refining its products and services and focusing on customer needs. Overall, increasing competitive pressure has been experienced in recent years.

Operating risks and opportunities

Operating risks and opportunities arise in operations-related activities, especially relating to sourcing, production, and contract performance. In connection with the procurement process, Vossloh attempts to counteract purchase price (input market) risks especially through long-term procurement contracts or price escalator clauses through agreements with customers. Exchange rate risks from purchasing are normally managed by forward exchange contracts. With raw materials becoming scanter, this will lead in the medium to long term to higher production costs, especially for Rail Infrastructure. The medium-term planning assumptions of increases in the cost of materials and components are based on such factors as supplier information and market analyses.

No significant variances from the 2013 materials input prices are presently expected in general. Any price rises appreciably above these forecasts may negatively influence profitability as forecast by the business units. Opportunities arise from material and component prices which are lower than planned.

Procurement chain risks may also result from loss of suppliers, poor quality or delivery delays. Vossloh attempts to minimize these risks by working with longstanding local vendors. Despite a careful selection of suppliers, ongoing monitoring and setting-up alternative sources, future procurement process risks may be contained but can never be fully ruled out.

Within the value creation process, Vossloh subsidiaries are exposed to work interruption, quality problems, as well as occupational safety and environmental risks. These risks are either avoided or reduced through a comprehensive set of guidelines and standard procedures or policies that govern project and quality management, product and occupational safety, as well as environmental protection. The principal Vossloh locations have been certified according to the DIN ISO 9001 quality management system, and the large locations fulfill the criteria of the ISO 14001 environmental management standard.

Project complexity is another source of risks and includes unexpected technical or engineering difficulties, unforeseeable developments at the project locations, problems with business associates or subcontractors, logistic challenges, and acceptance and invoicing delays. Especially in the start-up phase of new projects with correspondingly high development expenses or in the case of first-time cooperation on a project with new partners or subcontractors, risks can arise repeatedly and lead to additional expenses or contract penalties. Currently, the Transportation division does not see itself increasingly exposed to these types of risks. Contract provisions and all-embracing project and quality management mitigate such risks but never totally exclude them. Problems in the contact processing in 2013, especially in the Electrical Systems business unit, were noticeable. Opportunities, on the other hand, may occasionally arise when risk provisions are not fully utilized.

Furthermore, risks can result from goodwill on acquisitions carried out, if the operational development turns out to be weaker than expected. In accordance with IFRS 3, goodwill from business combinations is not amortized on a scheduled basis. Instead, the recoverability of the goodwill is tested annually (impairment test). In this connection, the carrying amount of a cash generating unit (CGU) to which the goodwill has been assigned is compared to its recoverable amount. The fair values determined for the CGU's of the Vossloh Group exceed the carrying amount of the respective units (including the assigned goodwill); as a result, no impairment losses on goodwill were recognized in fiscal 2013.

Risks arising in 2013 and still existing operational risks have been provided for as required by IFRS.

Financial risks and opportunities

Financial risks are monitored and managed, and the Group's financing is optimized, by Corporate Treasury. The goals, principles, responsibilities and accountabilities are defined in policy statements. The overriding objective is to contain financial risks that might affect the sustainability and profitability of the Vossloh Group. Moreover, intragroup synergies and economies of scale must be realized wherever considered expedient. In the management of its capital structure, Vossloh targets the benchmarks of a company with an investment-grade rating.

Vossloh uses financial derivatives solely to hedge against specific risks from current or forecast underlying transactions. These economic hedging relationships are also treated as hedges for financial accounting purposes. In this connection, only marketable financial instruments approved beforehand are deployed. The trading, settlement and controlling functions have been strictly segregated from one another. For further details on financial derivatives, please refer to the notes to the consolidated financial statements starting on pages 160 et seq. of the Group's annual report. In particular, the following financial risks are managed: liquidity risks, cash flow risks, price risks, as well as default risks.

Liquidity risks

Liquidity risks may arise if the Group is unable to provide the funds required to meet its obligations on a timely and unrestricted basis. The Vossloh Group safeguards its liquidity (including cash reserves for contingencies and the necessary flexibility for translating corporate strategies into practice) through a continuous cash management system. An intragroup financial netting concept through cash pooling and intercompany loans ensures the best possible application of any surplus cash of individual subsidiaries to meet the liquidity requirements of individual group companies.

As of December 31, 2013, the Vossloh Group had cash and cash equivalents (including short-term securities) in a total amount of €64.2 million. In addition, bilaterally committed, unutilized credit facilities of another €393.8 million were at Vossloh's disposal, including €313.1 million with terms of up to one year, and another €61.5 million with terms over one year. An additional €19.2 million was committed with no maturity. With the goal of securing the low interest level on a long-term basis, the Group financing was newly structured in 2004. Through a US private placement, long-term debt in the amount of US-$240 million (representing approximately €204 million) was taken up with a term of ten, respectively twelve years. In connection with the US private placement, financial covenants exist.
If certain key figures are below or in excess of thresholds established as the quarterly reporting dates, the interest rate is increased, or, if applicable, the loans can be declared due for payment. These covenants relate to the interest-cover ratio, the leverage ratio and the absolute amount of the equity. In 2013, an agreement was reached with the creditors such that the thresholds to be maintained are increased for a transitional period, and the

extraordinary charges resulting from the legal dispute settled in October are not to be taken into consideration. The financial covenants of the US private placement in the respectively valid agreement were met in the reporting period and also in 2012. For the partial refinancing of the financial liabilities maturing in 2014, a promissory note loan was already taken up in fiscal 2013. There are no existing financing or liquidity shortfalls.

Cash flow risks
Changes in future interest rates may cause cash flow fluctuations where variable-rate assets and liabilities are involved. Vossloh contains this risk by means of interest rate swaps, and it regularly analyzes the impact of changes in interest rate levels on cash flows. Presently, the Vossloh Group is not exposed to any significant interest rate risks.

Price risks
Price risks arise from the possibility that the value of a financial instrument is changed by higher or lower market interest or exchange rates. As part of its active risk management, Vossloh has fully hedged future principal and interest payments on the US private placement through interest rate and cross-currency swaps on a euro basis. For details, see the notes to the consolidated financial statements, starting from page 166 of the Group's annual report.

Current or expected currency and liabilities and receivables denominated in foreign currencies are generally hedged at the time of initiation through forward exchange contracts. Risks from translating currency positions in the financial statements are subject to ongoing monitoring.

Default risks
Default risks result if counterparties default on their obligations in a business transaction by late or non-performance, causing a financial loss to Vossloh. The Group minimizes the default risk by doing business with counterparties of good to excellent standing only, mainly based on the assessment of international rating agencies. As of December 31, 2013, cash investments and financial derivatives with a positive fair value were allocable at 10.0 percent to counterparties rated (according to Standard & Poor's) between AA+ and AA–, at 58.0 percent to those rated from A+ to A–, at 27.0 percent to counterparties rated BBB+ to BBB–, and at 5.0 percent to BB-rated or non-rated counterparties. Furthermore, risks are spread by distributing the Group's cash and other financial assets among a large number of banks. No dependence on specific banks has existed or currently exists.

Many of Vossloh's customers are government agencies, and the risk of their default is regarded as very low. Nonetheless, balances outstanding are monitored on an ongoing basis and partly covered by credit insurance. In exceptional cases, in spite of the precautionary measures taken, bad debt losses cannot be ruled out.

In the export business, the risk of customer default is usually counteracted by using documentary credits.

The Group result was negatively affected in 2013 by financial risks. In particular, a valuation allowance resulting from a case of customer insolvency in the Electrical Systems business unit burdened earnings.

Legal risks and opportunities

Legal risks for Vossloh comprise basically those arising from complaints, warranty claims, claim for damages or indemnification, and litigation. Identifiable risks are either covered by insurance or, if the applicable criteria are met, adequately provided for in the balance sheet. Nevertheless, losses may occur that are uninsured or underinsured, or substantially exceed recognized provisions.

The German Federal Cartel Office is continuing to investigate a Vossloh Group company which produces switches regarding alleged anti-competitive agreements. Furthermore, group companies of the Deutsche Bahn have filed claims for damages against the Vossloh subsidiary Stahlberg Roensch GmbH, Seeveta. The Company has an indemnification claim for by far the largest portion of the prosecuted claim, which is secured with bank guarantees in adequate amount. Various customers have filed claims for damages in connection with ongoing or concluded anti-trust proceedings. Wherever the enforcement of specific customer claims appears reasonably likely and the resulting loss can be reliably estimated, such potential damages are duly provided for. The Group result was significantly negatively affected in 2013 by legal risks. This resulted primarily from expenses in connection with the out-of-court settlement of a legal dispute in the Transportation Systems business unit in a double-digit million amount.

Other risks and opportunities

Other risks include primarily personnel and IT risks. The Group‘s economic situation could be negatively affected as a result of inadequate staffing such as a shortage of management and/or technical staff. The same applies to a high turnover rate among key personnel, an inadequate level of training, and mistakes or theft committed by employees. Vossloh has a whole menu of measures to meet such risks: in particular, the Company is well positioned as an attractive company for which to work, a reputation that strengthens its position in the competition for highly qualified employees. In-house courses allow employees to regularly upgrade their skills while attractive pay structures increase the likelihood of retaining employees in the Company in the long term. The control of operational and strategic business processes largely relies on complex and high-performance IT systems. Technical and organizational mechanisms minimize exposure to risks associated with information system data reliability, availability, confidentiality and security. At the same time, such precautionary measures ensure efficient information processing.

None of these “other risks” had a significant impact the Group’s earnings in 2013.

Overall assessment of the risk and opportunity situation

The potential impact of any or all risks described above and to which Vossloh is exposed regarding its net assets, financial position and results of operations, is continually monitored and controlled. Provisions have been recognized in accordance with IFRS for all risks identified to date. In addition, the updated annual forecasts consider any additional potential risks and opportunities, where adequately specified. From today’s vantage point, neither any specific risks nor all currently known risks in the aggregate threaten continued existence of the Group or of any individual subsidiaries in terms of either assets or liquidity. The Group’s equity declined in the reporting period. A significant effect was the dividend distribution for 2012, which was higher than the consolidated net profit in fiscal 2013. The existing Group equity is substantially in excess of the equity share which is required to be maintained to cover potential risks. This risk and opportunity report refers to the situation of the Group at the time the group management report was prepared.

Summary of key features of the accounting-related internal control and risk management systems (ICS/RMS) pursuant to Articles 289(5) and 315(2) No. 5 HGB

As explained above in the report on risks and opportunities, Vossloh has installed a comprehensive monitoring system for the group-wide systematic early identification of going-concern risks as required by Art. 91(2) AktG, with a view to identifying early on, managing and monitoring not only risks jeopardizing Vossloh's sustainability but also other risks, including those beyond the statutory scope. According to Art. 317(4) HGB, the statutory group auditor assesses the existence and effectiveness of the early risk identification system (ERIS). The Vossloh Group's ICS described below encompasses all principles, processes and measures designed to ensure not only the accounting system's effectiveness, efficiency and propriety but also compliance with applicable legal and statutory regulations.

Responsible at the Group level for the ICS are primarily Vossloh AG's corporate departments of Internal Auditing, Controlling, Accounting, Treasury, and Legal Affairs.

Process-integrated and process-independent monitoring procedures and routines are ICS components. In addition to manual process controls (such as principal of dual review), IT processes are also a key element of process-integrated measures. Furthermore, Corporate Legal Affairs ensures that in-process monitoring routines are ensured.

Process-independent audit procedures are the responsibility of Vossloh AG's Supervisory Board (specifically its Audit Committee) and Internal Auditing, as well as of staff locally assigned at the level of the business unit lead companies. The statutory (group) auditor is also involved by performing process-independent tests and audit procedures. Particularly the annual audit of the consolidated financial statements, as well as the focus areas in connection with the preliminary audit procedures of the annual audit of the separate financial statements are essential process-unrelated monitoring procedures that center on the corporate accounting system.

Information technology

For their separate financial statements, subsidiaries of Vossloh AG record accounting transactions, currently using different local accounting systems. However, for the purposes of Vossloh AG's consolidated financial statements, all Vossloh companies complement their separate financial statements with additional information and disclosures which thus constitute standardized reporting packages. The subsidiaries included in the consolidation group then enter these into the Cognos Controller system for processing into the required consolidated format and providing additional management information. A multiyear SAP project is currently being implemented within the Vossloh Group in order to roll out a standardized

SAP system at all entities involved in accounting and reporting processes. The new standardized software will enable centralized access to data and centrally initiated controls. The SAP rollout has so far been completed for Vossloh AG and principle companies of the Fastening Systems, Switch Systems, Electrical Systems and Rail Services business units.

Accounting-related risks

Preparing financial statements requires management to make a number of assumptions and estimates. These estimates affect the reported values of recognized assets and liabilities and of current balances of contingent liabilities, as well as the recognition of income and expenses in the period. The use or misuse of the necessary discretion may entail accounting-related risks for the Group.

Key activities designed to ensure the propriety and reliability of the financial reporting

Based on the rules of those International Financial Reporting Standards (IFRS) which have been endorsed by the EU, the Vossloh Group's Corporate Reporting Manual governs the group-wide uniform accounting policies and principles to be applied by all German and foreign Vossloh companies included in the consolidated financial statements, essentially by describing, in addition to general accounting principles and methods, the methods to be used for preparing balance sheet, income statement, and the notes to be in compliance with current EU law. Furthermore, the Manual provides specific guidance for the official format of consolidated financial statements, and details the determination of the consolidation group and the reporting package elements to be submitted by the subsidiaries. The formal requirements also specify all details of the mandatory, standardized and complete set of reporting package forms. The Manual is regularly revised and updated and made available on a timely basis to all those involved in the Group's accounting process. The most recent revision was made in December 2013.

After transactions have been recorded in the local accounting system of each subsidiary, the monthly accounts are reviewed at the level of the business unit lead company. Indications for items to be reviewed, in addition to random selections, are especially high-amount or unusual transactions. Corporate guidelines exist, for instance, for capital expenditures, bidding, and risk management. Vossloh companies and business units are, moreover, obligated to issue local guidelines for material areas.

The separate financial statements reported by the subsidiaries are then consolidated in several steps at the level of Vossloh AG after they have been adjusted to conform to group-wide accounting policies. The correct offset of intercompany receivables/payables, income/expenses and shareholdings as well as the proper elimination of profits from intragroup transfers are generally ensured by carrying out dual reviews and running appropriate validation routines in corresponding control files.

In addition, further data is compiled and aggregated at group level in order to prepare certain external information for the notes and the management report (including significant subsequent events).

Through the organizational, controlling and monitoring structures established within the Group, Vossloh's ICS and RMS substantially ensure (i) the complete accounting for, as well as the processing and assessment of, Vossloh-related transactions and events, and (ii) the faithful representation thereof in the consolidated financial statements.

Particularly individual discretionary or arbitrary decisions, faulty controls, fraud, or other factors can naturally not be fully ruled out and, therefore, even the group-wide application of installed systems cannot provide absolute protection.

Limitations
The statements herein refer only to Vossloh AG and subsidiaries which have been consolidated by Vossloh AG and whose financial and business policies can directly or indirectly be controlled by Vossloh AG.

Reference to the corporate governance report according to Article 289a HGB

For the corporate governance report (which is an integral part of the combined management report) see page 43 of the Group's annual report. The annual report is also permanently available on Vossloh AG's website at www.vossloh.com.

Subsequent events

On February 17, 2014, the Supervisory Board as well as the Chairman of the Executive Board, Werner Andree, and the Executive Board member Dr.-Ing. Norbert Schiedeck agreed to the amicable retirement of the Executive Board members from the Executive Board as of the close of March 31, 2014. Mr. Andree will be available to the Company as a consultant until December 31, 2014, and will assist in the familiarization of the new Board and in an orderly transition.

As the successor, the Supervisory Board of Vossloh AG appointed Dipl.-Ing. (FH) Dr. h. c. Hans M. Schabert as Chairman of the Executive Board and also appointed Dipl.-Ing. Volker Schenk and Diplom-Betriebswirt (FH) Oliver Schuster as additional members of the Executive Board.

Dr. Schabert will take office on April 1, 2014, and will be especially responsible for the Transportation division with the locations of Kiel and Valencia.

The Electrical Systems business unit of the Transportation division as well as the Rail Infrastructure division with the business units Fastening Systems, Switch Systems and Rail Services will be the responsibility of Mr. Schenk, who will take up his duties as successor to Dr.-Ing. Schiedeck on May 1, 2014.

Effective March 1, 2014, Mr. Schuster will join the Executive Board and will take responsibility beginning April 1, 2014 for the departments of Finance, Controlling, Investor Relations and Public Relations.

With a date of February 18, 2014, Vossloh Cogifer S.A., Rueil-Malmaison/France, acquired 65.0 percent of the shares in the company Heyez İnşaat. Heyez İnşaat will operate in the area of design and production of switches and switch components and will be assigned to the Switch Systems business unit. The company will be included in Group in fiscal 2014.

Further increase in worldwide economic growth predicted

Studies point to further positive trend in the rail technology market

Sales growth in excess of 10 percent expected in Vossloh Group in 2014

Significant increase in EBIT forecast

Outlook

This management report contains forward looking statements based on predictions made by management of future trends of the Vossloh Group. The Outlook section is predicated on statements and forecasts representing management's assessment based on all the information presently available. Particularly taken into account have been assumptions on future trends of the global economy and the international rail technology market, as well as the specific business expectations of Vossloh's business units. These statements are subject to risks (and offer opportunities) not entirely within Vossloh's control. For additional information in this regard, reference is made to the Risks and Opportunities section herein. If the assumptions underlying the statements and forecasts in the Outlook fail to materialize, or the risks and/or opportunities depicted do materialize, actual results may differ from this outlook. Vossloh does not assume any obligation to update its statements in this group management report beyond statutory publication dates.

IMF's economic outlook for 2014

According to the International Monetary Fund (IMF), the growth in the global economy will increase to 3.7 percent in 2014, from 3.0 percent in 2013. In line with the worldwide economic development, increased growth rates are also expected in the markets relevant for Vossloh, namely the euro area and the USA. In contrast to the negative growth rates in 2013 ((0.4) percent), for the countries in the euro area a reversal of the trend is expected. According to the IMF's estimate, the growth rate will be in excess of 1.0 percent. A further increase in the growth rate is also assumed for Germany. After growth of +0.5 percent in 2013, an increased growth rate of 1.6 percent is anticipated for 2014. The IMF expects growth in the USA 2.8 percent, compared to 1.9 percent in 2013. According to the IMF, growth in China, which as a market for Vossloh is also of special relevance, will remain almost unchanged. After growth of 7.7 percent in 2013, a marginally decreased growth in the amount of 7.5 percent is anticipated for 2014.

Worldwide trade is expected to increase even more strongly than the global economy. Driving this development is the improved overall economic outlook. After growth of 2.7 percent in 2013, the IMF expects growth of 4.5 percent in 2014. Trading volume and the related demand for transport services are among the drivers of the rail technology market. In addition, demand will continue to be able to profit from the continuing urbanization and the growing importance of ecological approaches in solving traffic problems.

Furthermore, the public debt situation has a significant effect on the demand situation in the rail technology market. According to the Statistical Office of the European Union (Eurostat), the debt situation in the euro area has continually deteriorated since the end of 2009. The debt level in the euro area, measured in terms of gross national product, increased from 80.0 percent in 2009 to 90.6 percent in 2012. According to Eurostat, in the third quarter of 2013, a slight reduction in the debt ratio compared to the previous quarter (second quarter of 2013) was able to be realized for the first time since the fourth quarter of 2007. Whether this development can be seen as trend reversal is not yet foreseeable from a current perspective. However, it can be stated that the debt dynamics in the eurozone appear to be weakening.

Rail Industry Association forecast for the rail technology market

According to a study of the Association of the European Railway Industries (UNIFE), the market for rail technology will continue to grow in the coming years, as well. The study was published in September 2012, and an update will follow in September 2014. The study predicts an average yearly growth of 2.6 percent. The total volume of the rail technology market is expected to increase in period from 2015 to 2017 to an average of €170 billion per year. In this connection, based on estimates of UNIFE, the accessible market will amount to €124 billion. “Accessible” markets are those open to foreign suppliers and whose demand is not exclusively covered by domestic capacities. For the period 2009 to 2011, the total annual market volume had averaged €146 billion, of which €106 billion was considered accessible. A study by the SCI Verkehr consultants, also published in the second half of 2012, confirms the assessments made by the railway industry association. This study indicates that the total market volume in 2016 will approximate €168 billion, based on a 2011 market volume of €143 billion. This represents an annual growth rate of 3.3 percent.

There are partly large regional differences in expected growth rates. According to UNIFE estimates, Asia/Pacific and Western Europe as well as the CIS nations will show a growth of around 2.0 percent in the period 2015 to 2017. Demand in the NAFTA countries and Eastern Europe is expected to be in line with the overall market for rail technology. Exceptionally high growth rates are predicted by UNIFE for the regions of South America, the Middle East, and Africa.

The European rail industry association divides the rail technology market into four segments: infrastructure, rolling stock, rail control, and services. Rolling stock has the largest share of the accessible market (40 percent) followed by services (28 percent), infrastructure (21 percent), and finally rail control. With its Rail Infrastructure and Transportation divisions, Vossloh is primarily engaged in the infrastructure and rolling stock segments.

The accessible market for rolling stock in the period 2009 to 2011 averaged €42 billion. The growth forecast is an annual 2.3 percent, which for the period 2015 to 2017, will lead to an average accessible market volume of €48 billion. According to the UNIFE study, the global accessible rail infrastructure market for the period 2009 to 2011 averaged €23 billion. The compound annual growth rate is expected to reach 2.3 percent, which results in an average market volume of €26 billion for 2015 to 2017. Regionally, growth rates vary widely in both segments.

In Western Europe, the rolling stock segment is forecast to have an average growth rate of 3.0 percent. The increase will be especially pronounced in France and Great Britain. In Germany, due to the high contract awards in recent years, the experts are predicting a market decline. In the infrastructure segment, an annual decrease of 0.5 percent is expected. Also in infrastructure, a declining trend is anticipated in Germany, while additional growth is anticipated in France and Great Britain.

According to the UNIFE study, the Asia/Pacific region will show a declining market for rolling stock. The market is expected to subside by an average 2.5 percent annually. China, especially, due to the already heavy expenditures on high-speed trains, is likely to cut back its outlays. For the Infrastructure market, however, the experts are predicting a significant annual growth of 3.0 percent. Even though for China a downward trend is anticipated in the infrastructure sector, this will be more than offset by strongly increasing market volumes in India, South Korea, Taiwan, and Indonesia.

In the NAFTA countries, the rolling stock segment is forecast to show a steep rise in market volume of annually 4.5 percent, chiefly driven by surging demand in the United States. The reasons for this are the increasing environmental awareness and high gasoline prices. In this region, the Infrastructure market is also expected to grow annually, by 1.0 percent.

The market volume for rolling stock among the CIS members, according to the UNIFE study, will grow by an annual average of 4.0 percent. This trend is being primarily driven by Russia. In the Infrastructure market, the experts expect, similar to Western Europe, a slight downturn in market volume. The upswing in Russia will be outweighed by a collapse in the Ukraine market.

As to the Africa and Middle East region, over the years ahead South Africa will particularly contribute to an expansion in market volumes of rail vehicles. In Eastern Europe, the driver for the expected strong growth is Turkey; in South America, it is Brazil. In the Infrastructure segment, growth in the Africa and Middle East region will primarily be triggered by steep demand in the United Arab Emirates (UAE) and in Qatar. In Eastern Europe, Poland and Turkey are likely to report a sharp upturn in demand. In the South American infrastructure market, Brazil is the decisive player.

Vossloh's outlook for 2014

In addition to general economic and industry-related conditions, Vossloh's sales planning takes into consideration, in particular, assumptions specific to the business units. These concern such aspects as product perspectives, expected behavior of competitors, project award probabilities, and market risks and rewards in the individual regions. Vossloh customers are public and private local and long-distance transport operators who carry out capital expenditures after lengthy decision-making processes and within the framework of relatively long-range financing. As their partner, Vossloh accompanies its customers over many years. Together with them, the Group develops and designs solutions for individual product requirements. As a rule, this results in lengthy delivery and project lead times. Accordingly, order backlogs cover several months' production, with more and more contract completions even extending over years.

The following table shows a forecast of Vossloh's sales for 2014 from today's vantage point. An expected trend in the range of +/– 5 percent is considered virtually unchanged. Changes above 5 percent are classified as light growth, above 10 percent as strong and above 25 percent as very strong growth.

Sales revenues by region

€ million	2012	Forecast in Annual Report 2012	2013	Growth in %	Forecast 2014 (based on 2013)
Germany	260.1	strong growth	282.3	8.5	very strong growth
France	138.6	light growth	154.5	11.5	virtually unchanged
Other Western Europe	125.4	strong growth	152.5	21.6	light growth
Northern Europe	84.8	virtually unchanged	71.7	–15.4	strong growth
Southern Europe	121.9	strong growth	98.9	–18.9	strong decline
Eastern Europe	70.2	virtually unchanged	67.4	–4.0	virtually unchanged
Total Europe	801.0	strong growth	827.3	3.3	strong growth
Americas	125.5	strong growth	124.1	–1.1	very strong growth
Asia	264.2	slight decline	314.3	19.0	very strong decline
Africa	18.3	very strong growth	22.4	22.4	very strong growth
Australia	34.0	light growth	33.1	–2.6	strong decline
Total	1,243.0	light growth	1,321.2	6.3	strong growth

From today's viewpoint, Vossloh is expecting for 2014 to be able to achieve a sales growth rate in excess of 10 percent, thus once again clearly outpacing the overall rail technology market. The growth will be driven by the Transportation division. Both business units of the division are profiting from the high order intake of 2012 and 2013. From today's perspective, the Rail Infrastructure division will maintain the sales level of fiscal 2013. Fastening Systems will be able to only partly compensate for expected sales decline in China and Kazakhstan through additional sales in other regions. The Switch Systems business unit expects growth through the implementation of the high-speed projects in France and higher sales of the production facilities in Sweden. Growth in sales is also anticipated in the Rail Services business unit.

The sales expectations are substantiated by the high order backlog of the Vossloh Group in the amount of €1,728 million at the end of 2013. The high level of appeal being radiated by the rail technology market has led to a sustained intensity of competition for years. Continuing price pressure is anticipated in all of the Group's business units. Nevertheless, a noticeable improvement in EBIT is expected for fiscal 2014, which will be driven especially by the elimination of special charges of approximately €25 million in 2013. Depending on the scheduled processing of large projects in the Transportation division, the operating EBIT margin of the Vossloh Group will range between 5 percent and 7 percent. Again, we anticipate a reserved start into the year 2014, typical for our business. From today's point of view, the profitability in Rail Infrastructure for fiscal 2014 should be similarly high as in 2013. In the Transportation division, a positive EBIT margin is currently anticipated of up to 3.5 percent. Compared to 2013, a significant improvement of the EBIT margin is forecast in this division, however, in 2014, projects with relatively low margins will still negatively affect the quality of results. Nevertheless, even adjusted for the special effects in fiscal 2013, an increase in the profitability in the Transportation division is projected.

From the present perspective, capital employed is likely to remain almost unchanged. Once again, capital expenditures outnumbering amortization and depreciation will have an increasing effect which will be balanced by a projected decrease in the average working capital. The higher expected operation result combined with an almost unchanged capital employed, will lead to a significant increase in the return on capital employed (ROCE). This performance indicator, from the current perspective, will be in a range of 7.5 percent to 10.5 percent. Assuming pretax cost of capital (WACC) of 10.0 percent, value added for 2014 is believed to be ranging from negative to slightly positive.

Risks may emerge for Vossloh, in some cases, from the cyclic spending patterns of public and private customers in the individual markets. The necessity to consolidate public-sector budgets in certain regions might negatively impact rail technology markets more strongly than planned. In past years, the business units were mostly able to offset fluctuations in individual regions by their global presence. In recent times, the Rail Infrastructure division has acquired significant businesses and set up locations to internationalize its presence.

However, entering new markets not only offers opportunities but is also tied to incremental risks which may emerge, in particular, from political and social instability or legal uncertainties. Regarding other risks possibly affecting the planning presented, we refer to the report on risks and opportunities (starting on page 58).

The bottom line of Vossloh AG as a pure management and financial holding company is primarily affected by administrative expenses and the net financial result. The general administrative expenses of Vossloh AG in 2014 are expected to be at the level of the prior year. In addition to incurred interest expenses, the net financial result is strongly dependent on income from dividends and from profit transfers, or as the case may be, from the assumption of losses. Overall, with respect to the net financial result and thereby the result of ordinary activities, a significant improvement is assumed.

Organic growth will continue to be the focus of Vossloh's objectives in the years ahead, as will the search for targeted acquisitions which strategically complement the existing portfolio.
On the one hand, acquisitions of Vossloh should generally optimize the value creation structure of the Group, and on the other hand, develop additional growth opportunities for the Group. Generally, acquirees should meet group requirements from the outside while adding value.
The planning as presented refers the envisaged organic growth alone.

Separate financial statements of Vossloh AG as of December 31, 2013

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Income statement for the year ended December 31, 2013

€ million	2013	2012
Net sales revenues	1.5	1.5
Cost of sales	(1.3)	(1.8)
Gross margin	**0.2**	**(0.3)**
General administrative expenses	(23.3)	(23.3)
Other operating income	5.5	8.9
Other operating expenses	(1.0)	(1.0)
Operating result	**(18.6)**	**(15.7)**
Income from investments	50.0	50.0
thereof from subsidiaries: €50.0 million (2012: €50.0 million)		
Income from profit transfer agreements	24.4	19.1
thereof from subsidiaries: €24.4 million (2012: €19.1 million), thereof €5.1 million tax allocations		
Income from other long-term securities and loans	1.2	1.1
thereof from subsidiaries: €0.9 million (2012: €0.8 million)		
Other interest and similar income	7.5	8.3
thereof from subsidiaries: €7.4 million (2012: €7.6 million)		
Write-downs of financial assets and short-term securities	(0.1)	(0.1)
Expenses from losses absorbed	(53.0)	(5.3)
thereof from subsidiaries: €53.0 million (2012: €5.3 million), thereof €16.4 million tax allocations		
Interest and similar expenses	(15.9)	(15.1)
thereof from subsidiaries: €0.4 million (2012: €1.1 million)		
Net financial result	**14.1**	**58.0**
Result of ordinary activities	**(4.5)**	**42.3**
Income taxes	(0.3)	(1.1)
Net (loss)/income	**(4.8)**	**41.2**

Balance sheet

Assets in € million	12/31/2013	12/31/2012
Purchased concessions, industrial-property and similar rights and assets, as well as licenses for such rights and assets	0.2	0.4
Total intangible assets	**0.2**	**0.4**
Land, land rights and buildings including buildings on third-party land	9.8	10.1
Other plant, operating and office equipment	0.5	0.5
Advance payments and assets under construction	0.0	0.0
Total tangible assets	**10.3**	**10.6**
Shares in subsidiaries	497.0	497.0
Loans to subsidiaries	25.0	33.1
Investments	0.1	0.1
Other long-term securities	0.1	0.1
Other long-term loans	0.0	0.0
Total financial assets	**522.2**	**530.3**
Total fixed assets	**532.7**	**541.3**
Trade receivables	0.0	0.6
Due from subsidiaries	305.5	247.8
Due from investees	0.4	1.0
Other assets	1.0	5.0
Total receivables and other assets	**306.9**	**254.4**
Cash on hand, cash in banks and checks	0.0	0.0
Total current assets	**306.9**	**254.4**
Prepaid assets and deferred charges	**0.4**	**0.1**
	840.0	**795.8**

Stockholders equity & liabilities in € million	12/31/2013	12/31/2012
Capital stock issued	37.8	37.8
less treasury shares at notional par	(3.7)	(3.8)
Outstanding capital stock	34.1	34.0
Additional paid-in capital	37.6	37.6
Reserve retained from earnings		
Other revenue reserves	183.3	182.9
Unappropriated profit	32.3	61.1
Total stockholders' equity	**287.3**	**315.6**
Provisions for pensions and similar obligations	7.6	6.7
Other provisions	2.8	10.4
Total provisions	**10.4**	**17.1**
Due to banks	63.2	40.6
Trade payables	0.6	0.8
Due to subsidiaries	264.3	217.2
Other liabilities	214.2	204.5
thereof taxes: €10.0 million (2012: €0.4 million)		
Total liabilities	**542.3**	**463.1**
	840.0	**795.8**

Schedule of changes in fixed assets

€ million	Cost				Accumulated amortization/depreciation/write-downs				Net carrying amount	
	Balance at 1/1/2013	Additions	Disposals	Balance at 12/31/2013	Balance at 12/31/2013	Additions	Disposals	Write-ups	Balance 12/31/2013	Balance 12/31/2012
Intangible assets										
Purchased concessions, industrial-property and similar rights and assets, as well as licenses for such rights and assets	8.6	0.0	0.0	8.6	8.4	0.2	0.0	–	0.2	0.4
	8.6	**0.0**	**0.0**	**8.6**	**8.4**	**0.2**	**0.0**	**–**	**0.2**	**0.4**
Tangible assets										
Land, land rights and buildings including buildings on third-party land	17.3	0.2	0.0	17.5	7.7	0.5	–	–	9.8	10.1
Other plant, operating and office equipment	1.4	0.0	(0.1)	1.3	0.8	0.1	(0.1)	–	0.5	0.5
Advance payments and assets under construction	0.0	0.0	–	0.0	–	–	–	–	0.0	0.0
	18.7	**0.2**	**(0.1)**	**18.8**	**8.5**	**0.6**	**(0.1)**	**–**	**10.3**	**10.6**
Financial assets										
Shares in subsidiaries	515.5	–	–	515.5	18.5	–	–	–	497.0	497.0
Loans to subsidiaries	33.1	4.7	(12.8)	25.0	–	–	–	–	25.0	33.1
Investments	0.1	–	–	0.1	–	–	–	–	0.1	0.1
Other long-terms securities	0.1	–	–	0.1	0.0	–	–	–	0.1	0.1
Other long-term loans	6.4	0.1	0.0	6.5	6.5	0.1	–	0.0	0.0	0.0
	555.2	**4.8**	**(12.8)**	**547.2**	**25.0**	**0.1**	**–**	**–**	**522.2**	**530.3**
Total	**582.5**	**5.0**	**(12.9)**	**574.6**	**41.9**	**0.9**	**(0.1)**	**0.0**	**532.7**	**541.3**

Notes to the financial statements

General information

Vossloh AG is a large capital company within the meaning of Sec. 267 (3) Sent. 2 HGB in conjunction with Sec. 264d HGB.

The separate annual financial statements of Vossloh AG for the fiscal year ended December 31, 2013, were prepared in accordance with German GAAP, i.e., the provisions of the German Commercial Code („HGB") and the German Stock Corporation Act ("AktG").

The income statement has been prepared using the cost-of-sales method according to Sec. 275 (3) HGB.

Accounting policies

The accounting policies were continued unchanged from the prior year, with the following exception: The presentation of expenses and income from tax allocations from consolidated tax group companies was made in fiscal 2013 for the first time for the purpose of an improved allocation under the item "expenses from losses absorbed" and "income from profit transfer agreements" with a "thereof" notation in the income statement. In the prior year, the tax allocations in the amount of k€4,130 were shown under "other operating income".

The recognition and measurement are based on the following principles: Purchased intangible assets and fixed assets are measured at cost. Depreciable assets are amortized/depreciated on a scheduled basis by applying accelerated or straight-line depreciation. Since 2001, new additions to depreciable fixed assets are recognized reduced solely by scheduled straight-line depreciation. Non-scheduled impairment losses are recognized if the fair value is permanently less than the amortized cost. Intangible assets are amortized using useful lives of one to five years. In the case of buildings, the useful live is five to fifty years, and factory and office equipment is twenty years. Financial assets are carried at cost or the lower fair value.

For all independently useable movable assets whose cost is over €150.00 but not more than €1,000.00, an annual compound item is recognized and depreciated over five years. All independently useable movable assets having a cost up to €150.00 are charged to expense in the year of addition.

Receivables and other assets, as well as liquid funds are recognized at nominal value, or if applicable, at cost or the lower fair value. The corporate income tax credit that is to paid out in the years 2012 to 2017 is recognized at net present value (interest rate: 4% p.a.).

Receivables and liabilities denominated in a foreign currency are translated and recognized at the mean spot rate at the date of initial entry or at the less favorable exchange rate at the balance sheet date. In the case of a remaining term of one year or less, the translation is principally made at the mean spot rate as of the balance sheet date, if no hedging exists. If the receivables or liabilities are hedged, the hedged rate is applied.

Deferred taxes are recognized for the differing carrying amounts for commercial an tax purposes of asset, liabilities and deferrals, which will result in future taxable charges or credits, as well as for tax loss carryforwards and interest carryforwards which are expected to be utilized in the next five years. Deferred tax assets and liabilities are netted for the balance sheet presentation. Based on differences between the commercial and tax values in the positions "pension provisions" and "other provisions" as well as deferred taxes on loss and interest carryforwards and applying a tax rate of 30%, a net deferred tax asset results. Vossloh does not exercise the accounting option under Sec. 274 (1) Sent. 2 HGB to recognize deferred tax assets.

The nominal value of purchased treasury shares is deducted from "capital stock issued". The difference between the nominal value of the treasury shares and their acquisition cost is offset against the unappropriated reserves.

Performance obligations on pension plans and similar obligations are measured using the projected-unit-credit method. In this connection, the mortality tables 2005 G of Dr. Klaus Heubeck are used as a basis. According to the German Regulation on the Discounting of Provisions, the discount rate published by the Deutsche Bundesbank for obligations with a 15-year average remaining term in the amount of 4.90% is applied. As additional calculation parameters, a wage and salary increase of 3.00%, an expected increase in pension payments of 2.00% and an average fluctuation rate of 6.00% are applied.

Assets that are protected from creditors and serve solely to fulfill the pension liabilities (so-called plan assets) are measured at fair value and are netted against these obligations. Thereby, the provisions for pensions were reduced by €11.6 million (2012: €11.5 million).

Income and expenses from these assets are offset against the interest expense from the discounting of the respective obligation and shown in the financial result.

For further risk or obligations in the personnel area, for example, vacation claims, provisions are recognized according to principles of commercial law. Tax provisions and other provisions are recognized in the settlement amount that is required under the principles of prudent commercial judgment. Provisions with a remaining term of more than one year are principally discounted with the average market interest rate over the last seven years corresponding to their term as determined and published by the Deutsche Bundesbank. In the case of pension and anniversary provisions, a flat remaining term of fifteen years is assumed in exercising the option und Sec. 253 (2) Sent. 2 HGB. Expected price and cost increases are considered.

Liabilities are recognized at the settlement amount.

Derivative financial transactions (especially cross-currency swaps) are utilized solely for hedging purposes; if the conditions are met, they are combined with the underlying transaction to form a valuation unit. To the extent that the hedging relationship of the respective valuation unit is effective, the compensating changes in value of the underlying and hedging transaction are not recognized. The result from exchange contracts entered into to hedge currencies is first recognized upon maturity. To the extent that a hedge is ineffective, the total remaining loss is immediately recognized in profit or loss. A total remaining gain, however, is not considered.

Notes to the balance sheet

Fixed assets

Classification and movements of fixed assets are detailed in the above schedule of changes in fixed assets.

The loans to subsidiaries increased due to a loan granted to Vossloh Kiepe Limited of €4.7 million. The loan to Cleveland Track Material, Inc. in the amount of €12.7 million was repaid.

Within financial assets, impairment write-downs were recognized on other loans in the amount of k€86, and write-ups were recorded in the amount of k€ 12.

Prepaid assets and deferred charges in the amount of k€356 (2012: k€122) includes a loan discount in the amount of k€242 (2012: k€0).

List of shareholdings

		Footnote	Shareholding in %	in	Consoli-dation[1]	Equity[2]	Result after taxes[2]
(1)	**Vossloh Aktiengesellschaft, Werdohl**				(k)		
(2)	Vossloh International GmbH, Werdohl		100.00	(1)	(k)	23.2	0.0
(3)	Vossloh US Holding Inc., Wilmington, USA		100.00	(2)	(k)	20.3	(0.6)
(4)	Vossloh Australia Pty. Ltd., Sydney, Australia		100.00	(1)	(k)	8.3	0.1
(5)	Vossloh Verwaltungsgesellschaft mbH, Werdohl		100.00	(1)	(k)	(7.4)	(0.1)
	Rail Infrastructure division						
(6)	Vossloh France SAS, Paris, France		100.00	(1)	(k)	184.9	15.1
	Fastening Systems business unit						
(7)	Vossloh-Werke GmbH, Werdohl	3	100.00	(1)	(k)	4.1	0.0
(8)	Vossloh Fastening Systems GmbH, Werdohl	3	100.00	(7)	(k)	5.5	0.1
(9)	Vossloh Werdohl GmbH, Werdohl	3	100.00	(7)	(k)	6.0	0.1
(10)	Vossloh Tehnica Feroviara SRL, Bucharest, Rumania	4	100.00	(7)	(n)	0.1	0.0
(11)	Vossloh Drázni Technika s.r.o., Prague, Czech Republic	4	100.00	(7)	(n)	1.4	0.0
(12)	Vossloh Sistemi S.r.l., Sarsina, Italy		100.00	(7)	(k)	5.9	0.0
(13)	Patil-Vossloh Rail Systems Pvt. Ltd., Hyderabad, India	4.6	51.00	(7)	(n)	0.1	0.1
(14)	BV Oberflächentechnik GmbH & Co. KG, Werdohl		50.00	(7)	(e)	0.6	1.4
(15)	BV Oberflächentechnik Verwaltungs GmbH, Werdohl		50.00	(7)	(n)	0.0	0.0
(16)	Vossloh Maschinenfabrik Deutschland GmbH, Werdohl	4	100.00	(7)	(n)	1.5	0.1
(17)	Vossloh Skamo Sp.z o.o., Nowe Skalmierzyce, Poland		100.00	(7)	(k)	7.7	4.2
(18)	Vossloh Rail Technologies Ltd Sti.,Erzincan, Turkey		99.5/0.50	(7/8)	(k)	6.6	1.7
(19)	FÉDER-7 Rugógyártó Kft., Sárkeresztes, Hungary	4	96.67/3.33	(7/8)	(n)	0.4	0.0
(20)	Vossloh Fastening Systems America Corp., Chicago, USA		100.00	(7)	(k)	2.7	0.7
(21)	Vossloh Fastening Systems China Co. Ltd., Kunshan, China		68.00	(7)	(k)	39.6	24.2
(22)	Vossloh-Werke International GmbH, Werdohl		100.00	(7)	(k)	11.0	0.2
(23)	Beijing China Railway Vossloh Technology Co., Ltd., Beijing, China		49.00	(7)	(n)	1.6	0.5
(24)	Vossloh Fastening Systems Southern Africa Proprietary Limited, Cape Town, South Africa	4	100.00	(105)	(n)	0.0	0.0
(25)	ZAO Vossloh Fastening Systems Rus, Moscow, Russia	4	50.10	(7)	(n)	0.0	0.0
(26)	Vossloh Fastening Systems Kazakhstan Proiswodstwennaja kompanija, Qapschaghai, Kazakhstan		50.00	(22)	(e)	0.3	(0.1)
	Switch Systems business unit						
(27)	Vossloh Cogifer SA, Rueil-Malmaison, France		100.00	(6)	(k)	120.1	11.5
(28)	Jacquemard AVR SA, St. Jean Bonnefonds, France		100.00	(27)	(k)	2.8	0.4
(29)	Vossloh Cogifer Finland OY, Teijo, Finland		100.00	(30)	(k)	1.5	0.7
(30)	Vossloh Nordic Switch Systems AB, Ystad, Sweden		100.00	(27)	(k)	14.9	5.1
(31)	Vossloh Cogifer Kihn SA (formerly: KIHN SA), Rumelange, Luxembourg		89.21	(27)	(k)	12.4	1.4
(32)	DDL SA, Rodange, Luxembourg		100.00	(31)	(k)	0.0	0.0
(33)	Vossloh Laeis GmbH, Trier		100.00	(31)	(k)	1.5	(2.3)
(34)	Futrifer-Indústrias Ferroviárias SA, Lisbon, Portugal		61.00	(27)	(k)	2.2	0.2
(35)	Amurrio Ferrocarril y Equipos SA, Amurrio, Spain		50.00	(27)	(q)	29.5	(0.1)
(36)	Montajes Ferroviarios SL, Amurrio, Spain	4	100.00	(35)	(n)	0.4	0.0
(37)	Burbiola SA, Amurrio, Spain		50.00	(35)	(n)	1.2	(0.1)
(38)	Vossloh Cogifer UK Limited (formerly: VTS Track Technology Ltd.), Scunthorpe, Great Britain		100.00	(27)	(k)	4.8	0.9
(39)	Vossloh Cogifer Italia S.r.l., Pomezia, Italy		100.00	(27)	(k)	0.1	(0.1)
(40)	Vossloh Cogifer Polska Sp.z o.o., Bydgoszcz, Poland		92.90	(27)	(k)	12.9	1.6
(41)	ATO-Asia Turnouts Limited, Bangkok, Thailand		51.00	(27)	(k)	2.1	1.1
(42)	Cogifer Services (Malaysia) Sdn Bhd, Kuala Lumpur, Malaysia		100.00	(27)	(k)	0.9	0.4
(43)	Cogifer Americas, Inc., Cincinnati, USA	4	100.00	(27)	(n)	0.0	0.0
(44)	Siema Applications SAS, Villeurbanne, France		100.00	(27)	(k)	3.4	0.9
(45)	VOSSLOH MIN SKRETNICE DOO ZA Proizvodnjui Montazu Skretnica i Opreme Niš (Grad), Niš, Serbia		100.00	(27)	(k)	3.4	0.6
(46)	Vossloh Cogifer Turnouts India Private Limited (formerly: J.S. Industries Pvt.Ltd.), Secunderabad, India	4.6	100.00	(27)	(n)	0.7	(0.1)
(47)	Vossloh Beekay Castings Ltd. Bhilai, India	6	60.00	(27)	(k)	6.3	0.7
(48)	Vossloh Cogifer Signalling India Private Limited (formerly: Dakshin Transtek Pvt. Ltd.), Bangalore, India	4.6	100.00	(27)	(n)	(0.2)	(0.1)
(49)	Vossloh Track Material, Inc., Wilmington, USA		100.00	(3)	(k)	14.2	1.0
(50)	Cleveland Track Material, Inc., Cleveland, USA		100.00	(3)	(k)	14.6	1.5
(51)	Vossloh Cogifer Australia Pty. Ltd., Sydney, Australia		100.00	(4)	(k)	12.2	3.0
(52)	Vossloh Sportek A/S, Arhus, Denmark		100.00	(30)	(k)	0.4	0.0
(53)	Vossloh Cogifer Kloos BV, Nieuw-Lekkerland, Netherlands		100.00	(27)	(k)	5.5	1.9
(54)	Global Rail Systems, Inc., Marlin, USA		100.00	(58)	(k)	5.2	1.2
(55)	Vossloh France International SAS, Rueil-Malmaison, France	4	100.00	(6)	(n)	0.0	0.0
(56)	Wuhu China Railway Cogifer Track Co., Wuhu, China		50.00	(27)	(q)	15.7	(2.9)
(57)	'J' Rail Components & Manufacturing, Inc., Grass Valley, USA		100.00	(58)	(k)	0.6	(0.6)
(58)	Vossloh Signaling USA Inc., Cleveland, USA		100.00	(3)	(k)	(0.5)	0.0
(59)	Vossloh Cogifer Argentina, Buenos Aires, Argentina	4	90.00/10.00	(27/28)	(n)	0.1	(0.1)
(60)	ADIF SE - Vossloh Cogifer Argentina SA Consortio de Cooperation, Buenos Aires, Argentina	4	51,00	(59)	(n)	0.0	0.0

		Footnote	Shareholding in %	in	Consoli-dation[1]	Equity[2]	Result after taxes[2]
(61)	Vossloh Cogifer - SP Technologies BV, Amsterdam, Netherlands	4	10.00	(27)	(n)	10.3	(0.1)
(62)	Vossloh Cogifer Southern Africa Proprietary Limited, Cape Town, South Africa	4	100.00	(105)	(n)	0.0	0.0
(63)	Vossloh Cogifer do Brazil Administracao de Bens e Participacoes Ltda. (formerly: Suarandri e Souza Administradora Bens e Participacao Ltda.), Sorocaba, Brazil	5	100.00	(27)	(k)	3.5	0.0
(64)	Vossloh Cogifer do Brasil Metalúrgica MBM SA, Sorocaba, Brazil	5	100.00	(63)	(k)	1.4	(2.3)
(65)	Outreau Technologies SAS, Outreau, France	5	100.00	(27)	(k)	5.2	0.0
	Rail Services business unit						
(66)	Vossloh Rail Services GmbH, Seevetal	3	100.00	(1)	(k)	22.8	0.0
(67)	Stahlberg Roensch GmbH, Seevetal	3	100.00	(66)	(k)	23.7	1.9
(68)	Vossloh Rail Center Nürnberg GmbH, Nürnberg	3	100.00	(67)	(k)	0.3	(0.4)
(69)	Vossloh Rail Center Bützow GmbH, Bützow	3	100.00	(67)	(k)	1.3	1.0
(70)	Vossloh Rail Center Leipzig GmbH, Seevetal	3	100.00	(67)	(k)	1.2	0.0
(71)	GTS Gesellschaft für Gleistechnik Süd mbH, Seevetal	3	100.00	(67)	(k)	0.1	0.0
(72)	Vossloh Rail Center Hamburg GmbH, Hamburg	3	100.00	(67)	(k)	0.9	0.0
(73)	Alpha Rail Team GmbH & Co. KG, Berlin		50.00	(67)	(q)	8.1	2.7
(74)	Alpha Rail Team Verwaltungs GmbH, Berlin		50.00	(67)	(n)	0.0	0.0
(75)	LOG Logistikgesellschaft Gleisbau mbH, Hannover	3	100.00	(66)	(k)	5.5	0.2
(76)	Vossloh Ray Hizmetleri Limited Sirketi, Istanbul, Turkey		100.00	(79)	(k)	(0.1)	(0.9)
(77)	Vossloh High Speed Grinding GmbH, Seevetal	3	100.00	(66)	(k)	(1.2)	(0.5)
(78)	Vossloh Mobile Rail Services GmbH, Seevetal	3	100.00	(67)	(k)	0.9	0.1
(79)	Vossloh Rail Services International GmbH, Seevetal	3	100.00	(66)	(k)	0.1	0.0
(80)	Vossloh MFL Rail Milling GmbH, Liezen, Austria		50.00	(79)	(e)	0.3	0.1
(81)	Vossloh Rail Services Scandinavia AB, Helsingborg, Sweden		100.00	(79)	(k)	0.0	(0.1)
(82)	Vossloh Rail Services North America Corporation, Dover, USA	4	100.00	(3)	(n)	0.1	(0.1)
(83)	Beijing CRM-Vossloh Track Maintenance Technology Co.,Ltd., Beijing, China		49.00	(79)	(e)	1.1	(0.1)
	Transportation division						
	Rail Vehicles business unit						
(84)	Vossloh Locomotives GmbH, Kiel	3	100.00	(1)	(k)	51.9	1.4
(85)	Locomotion Service GmbH, Kiel	3	100.00	(84)	(k)	0.2	0.0
(86)	Vossloh Espana SA, Valencia, Spain		100.00	(1)	(k)	93.6	6.4
(87)	Erion Mantenimiento Ferroviario S.A., Madrid, Spain		51.00	(86)	(k)	1.8	0.9
(88)	Vossloh Locomotives France SAS, Antony, France		100.00	(84)	(k)	0.3	0.2
(89)	Erion France SA, Arc-lès-Gray, France		100.00	(87)	(k)	0.3	0.1
	Electrical Systems business unit						
(90)	Vossloh Kiepe GmbH, Düsseldorf	3	100.00	(1)	(k)	61.7	5.3
(91)	Vossloh Kiepe Beteiligungs GmbH, Düsseldorf	3	100.00	(90)	(k)	1.0	0.0
(92)	Vossloh Kiepe Ges.m.b.H., Vienna, Austria		100.00	(91)	(k)	22.7	4.0
(93)	Vossloh Kiepe Corporation, Vancouver, Canada	4	100.00	(91)	(n)	0.5	0.3
(94)	Vossloh Kiepe S.r.l., Cernusco sul Naviglio, Italy	4	100.00	(91)	(n)	0.2	0.0
(95)	Vossloh Kiepe Sp.z o.o., Krakow, Poland	4	99.00/1.00	(91/90)	(n)	0.0	0.0
(96)	Vossloh Kiepe Main Line Technology GmbH, Düsseldorf	3	100.00	(91)	(k)	3.7	(0.5)
(97)	APS electronic AG, Niederbuchsiten, Switzerland		100.00	(91)	(k)	1.5	0.1
(98)	Vossloh Kiepe Inc., Alpharetta, USA	4	100.00	(3)	(n)	(1.0)	(0.2)
(99)	Vossloh Kiepe Limited, Birmingham, Great Britain		100.00	(91)	(k)	0.8	(0.1)
(100)	Vossloh Kiepe UK Limited, Birmingham, Great Britain		100.00	(99)	(k)	3.3	(0.1)
(101)	Vossloh Kiepe Southern Africa Proprietary Limited, Cape Town, South Africa	4	100.00	(105)	(n)	0.0	0.0
(102)	Heiterblick Projektgesellschaft mbH, Leipzig		49.00	(91)	(n)	0.0	0.0
	Other companies						
(103)	Vossloh-Schwabe Australia Pty. Ltd., Sydney, Australia	4	100.00	(4)	(n)	0.9	0.0
(104)	Vossloh Track Systems GmbH, Werdohl	4	100.00	(1)	(n)	0.0	0.0
(105)	Vossloh Southern Africa Holdings Proprietary Ltd., Johannesburg, South Africa	4	100.00	(104)	(n)	0.1	0.0
(106)	OOO Vossloh Bahn- und Verkehrstechnik, Moscow, Russia	4	99.00/1.00	(104/5)	(n)	0.0	0.0
(107)	Vossloh Middle East Business Rail - L.L.C., Abu Dhabi, United Arab Emirates		49.00	(104)	(n)	0.0	0.0
(108)	Vossloh Zweite Beteiligungsgesellschaft mbH, Werdohl	4	100.00	(1)	(n)	0.0	0.0
(109)	Vossloh Dritte Beteiligungs-Aktiengesellschaft, Werdohl	4	100.00	(108)	(n)	0.0	0.0

[1] Fully consolidated companies are indicated (k), consolidated at equity (e), proportionately consolidated (q) and non-consolidated (n).

[2] Foreign currency amounts in the case of equity are translated at the average exchange rate as of the balance sheet date and results after tax are translated at the annual average rate

[3] Exercise of the exemption according to Sec. 264 (3) HGB or Sec. 264b HGB

[4] Excluded from scope of consolidation due to immateriality with respect to net assets, financial position and results of operations

[5] Included in the consolidation for the first time

[6] Differing fiscal year 4/1 to 3/31

Receivables and other assets As in the prior year, receivables and other assets, except for k€202 (2012: k€267) of other assets, all have remaining terms of less than one year. With respect to amounts due from subsidiaries and due from investees, these relate solely to other receivables.

Stockholders' equity

Capital stock Vossloh AG's capital stock in an unchanged amount of €37,825,168.86 is divided into 13,325,290 (2012: 13,325,290) no-par bearer shares of common stock only. One no-par share represents a notional interest of €2.84 in the capital stock.

Treasury stock The treasury stock was repurchased in prior years by virtue of previous AGM authorizations according to Art. 71(1) No. 8 AktG.

At December 31, 2013, altogether 1,320,603 treasury shares were held by Vossloh AG (2012: 1,326,721), equivalent to a stake of 9.91 percent (2012: 9.96%) in the capital stock. In the fiscal year 6,118 no-par shares were utilized for the employee bonus program.

The treasury stock represents a notional stake of €3,748,663.71 in the capital stock (2012: €3,766,030.27); the remaining acquisition cost is offset against the reserves retained from earnings.

The treasury stock does not entitle Vossloh AG to any rights (to dividends or otherwise) or interests.

Stock repurchase

	Number of purchased shares	Purchase price of the shares (€)[1]	Capital stock (€)	Capital stock (shares)	% of capital stock
July 2011	11,690	1,025,563.96	37,825,168.86	13,325,290	0.09
August 2011	222,725	17,861,660.50	37,825,168.86	13,325,290	1.67
September 2011	187,431	15,225,554.33	37,825,168.86	13,325,290	1.41
October 2011	536,786	39,368,948.29	37,825,168.86	13,325,290	4.03
November 2011	350,473	25,672,731.54	37,825,168.86	13,325,290	2.63
December 2011	23,424	1,793,815.01	37,825,168.86	13,325,290	0.18
Balance as of 12/31/2011	1,332,529	100,948,273.63	**37,825,168.86**	**13,325,290**	10.00
November 2012	(5,808)	(440,014.08)	37,825,168.86	13,325,290	(0.04)
Balance as of 12/31/2012	1,326,721	100,508,259.55	**37,825,168.86**	**13,325,290**	9.96
December 2013	(6,118)	(463,480.67)	37,825,168.86	13,325,290	(0.05)
Balance as of 12/31/2013	1,320,603	100,044,778.88	**37,825,168.86**	**13,325,290**	9.91

[1]Excluding bank commissions

Authorized capital In the Annual General Meeting on May 20, 2009, a new authorized capital was resolved in the amount of €7,500,000. This authorization is limited until May 19, 2014.

Conditional capital

The contingent capital totaling €12,586,846.49 as of December 31, 2013 breaks down as follows:

The Company's capital stock has been conditionally raised by €6,979,134.18 by issuing 2,730,000 bearer shares of common stock. This contingent capital increase will be implemented only to the extent that, under the warrant bond issues floated on or before June 28, 1999, the warrant holders exercise their right to subscribe for common stock. The new common stock is entitled to dividends from the beginning of the fiscal year in which it is created by option exercise.

The Company's capital stock has been conditionally increased by €356,986.54 by issuing 139,641 bearer shares of common stock. This contingent capital increase is implemented only to the extent that the holders of stock options, which were granted to employees under an SOP authorized by the annual general meetings of June 25, 1998, and/or June 3, 2004, have exercised or will exercise their options. The new common stock is entitled to dividends from the beginning of the fiscal year in which it is created by option exercise.

The Company's capital stock has been conditionally raised by €1,468,225.77 by issuing 574,320 bearer shares of common stock. This contingent capital increase is implemented only to the extent that the holders of stock options, which were granted to officers, executives and other management staff under a long-term incentive plan (LTIP) authorized by the annual general meetings of June 25, 1998, and June 3, 2004, have exercised or will exercise their options. The new common stock is entitled to dividends from the beginning of the fiscal year in which it is created by option exercise.

The Company's capital has been conditionally raised by an aggregate €3,782,500 by issuing up to 1,479,585 no-par bearer shares of stock in order to grant new no-par bearer shares to the holders or creditors of such convertible bonds, warrant bonds, participating rights and/or income bonds (or any combination of such instruments) as are issued or floated by dint of the authority conferred by the AGM of May 19, 2010, according to Agenda Item 8. The new no-par bearer shares will be issued at a conversion or option price to be determined in accordance with the aforesaid AGM resolution. The conditional capital increase shall be implemented only to the extent that (i) conversion rights or equity warrant options are exercised, (ii) the bondholders, warrant owners or creditors subject to a conversion obligation actually meet their conversion obligations, (iii) no cash compensation is paid in lieu, or (iv) treasury shares or new shares issued by utilizing authorized capital are used. The newly issued no-par bearer shares are entitled to dividends from the beginning of the fiscal year in which they are created by conversion or option exercise or by fulfillment of conversion obligations. The authorization will expire May 18, 2015.

Additional paid-in capital

This equity reserve includes the premiums from issuing Vossloh AG stock.

Reserves retained from earnings The reserves retained from earnings totaled €183,298,754.17 as of December 31, 2013 (2012: €182,852,640.06), net after offset of the €96,296,116.00 premium (2012: €96,742,230.11), i.e., the net cost (excluding incidentals) of the treasury stock above notional par.

Provisions As of December 31, 2013, the amount required to settle pension obligations came to k€19,143 (2012: k€18,218); the fair value of plan assets offset against this settlement amounted to k€11,572 (2012: k€11,523).

The fair value of plan assets corresponds to the budgeted unearned premium reserve from the employer's pension liability insurance contract, plus the credit balance from premiums refundable (so-called irrevocably creditable capital bonus). This value, moreover, equals the asset value for tax purposes. The amortized cost amounts to k€9,155.

In the income statement, expenses of k€925 (2012: k€987) were netted against income of k€49 (2023: k€76).

The other provisions of k€2,801 (2012: k€10,384) include k€1,925 for personnel (2012: k€2,466) and k€1,506 for sundry administrative purposes (2012: k€7,918).

Liabilities and contingent liabilities k€407,443 of the liabilities recognized in the balance sheet falls due within one year (2012: k€259,246), another k€134,962 after one but within five years (2012: 203,908). As in the prior year, the liabilities with a remaining term of more than one year are all other liabilities. The amounts due to subsidiaries and due to investees comprise solely other liabilities.

The contingent liabilities under guarantees of k€775,666 (2012: k€682,179) were incurred in the amount of k€774,017 for obligations of subsidiaries (2012: k€680,339).

The limited-amount guarantees in total k€888,864 (2012: 910,255). In 38 cases, the guaranties do not have a stipulated ceiling.

Since the subsidiaries are believed to be able to settle the liabilities covered by such guaranties, no liabilities were recognized.

The other financial obligations (exclusively to third parties) total k€352 (2012: k€431) and break down into k€190 falling due within one (2012: k€232) and another k€162 between one and five years (2012: k€199).

No evidence exists that would suggest that a guarantee might be enforced, a conclusion we have arrived at primarily given the many years in which not a single guaranty has been called upon. The circumstances prevailing at the balance sheet and the situation up to financial statement preparation do not indicate any such enforcement, either.

Notes to the income statement

Net sales revenues in 2013 of k€1,472 million (2012: k€1,540), thereof to subsidiaries k€1,175 (2012: k€1,198), were mainly for charged-out rent and were all in Germany.

The functional expenses break down into cost of sales and general administrative expenses. Cost of sales mainly includes amortization, depreciation, and maintenance & repair expenses. Vossloh AG's personnel expenses are shown within general administrative expenses.

In the fiscal year, personnel expenses totaled k€6,833 (2012: k€8,174), of which k€6,002 million (2012: k€7,109) is allocable to wages and salaries, another k€831 (2012: k€1,065) to social security, pension expense and related employee benefits, pension expense alone accounting for k€293 (2012: k€610). The k€1,254 interest portion (2012: k€965) in the addition to pension accruals was recognized as interest and similar expenses.

In addition, general administrative expenses cover expenses for legal and management consultancy, as well as for trade fairs and exhibitions.

The other operating income came to k€5,503 (2012: k€8,854) and mainly resulted from allocated marketing fees of k€ 1,679 (2012: €2,629), allocation of central purchasing Transportation of k€1,497 (2012 k€0), IT cost allocations of k€1,356 (2012: k€1,269) and insurance reimbursements of k€686 (2012: k€3). In addition, financial assets were written up in the amount of k€12 (2012: k€12). With respect to the change in presentation of tax allocations, we refer to section "accounting policies".

Other operating expenses in the amount of k€966 include primarily exchange losses of k€806 (2012: k€827).

The net financial result includes write-downs of k€86 of other long-term loans (up from k€85).

Net interest expense includes income from the discounting of other provisions of k€114 (2012: k€589) and expenses for the addition of interest to discounted other provisions of k€ 323 (2012: k€ 181).

Income taxes relate to the result of ordinary activities of the current and prior fiscal years:

Other disclosures

In fiscal 2013, Vossloh AG employed an average number of salaried employees of 46 (2012: 46).

The employee bonus program 2013 (on terms unchanged versus 2012) offered employees of German Vossloh companies the option of acquiring either two Vossloh shares free or eight shares at a discount of 50 percent of the issue price of €68.00 per share (2012: €74.19), determined at market as of the share transfer date. Under this program, Vossloh employees were granted in 2013 altogether 3,530 free shares (2012: 3,392) at an expense to the Company of k€267 (2012: k€257).

Remuneration of Executive Board members for 2013 totaled k€1.165, including k€809 of fixed and k€317 of variable compensation plus k€39 payments in kind. Former Executive Board members received a total k€665 in 2012. k€12,339 was recognized for the pension obligations to former Executive and Management Board members and their surviving dependents. This amount is partially covered by employer pension liability insurance policies totaling k€11,572 pledged in each beneficiary's favor, and the balance is covered by provisions. Total Supervisory Board fees for 2013 came to k€237, including fixed and variable components of k€237 and k€0, respectively.

For details of board member remuneration required under the terms of Art. 285 Clause 1 No. 9 HGB, see the Board Compensation Report (an integral part of the combined management report).

The dividend restriction pursuant to Sec. 268 (8) HGB amounts to k€2,417 and results entirely from the difference between the fair value and amortized cost of the plan assets.

Derivative financial instruments and hedge accounting

Vossloh AG's business operations are exposed to exchange and interest rate risks which are contained or eliminated by contracting financial derivatives. The Company's Treasury Management controls and manages group-wide all exchange and interest rate risks.

In order to fully hedge the risks originating from the financial debts of $240.0 million raised by US private placement (USPP), as well as from the related future US dollar interest payments, cross-currency swaps of matching maturities and amounts were entered into.

Vossloh AG enters into currency forwards with banks to cover currency risks from the operations of subsidiaries and hedge currency loans extended to subsidiaries.

All hedged underlying transactions are accounted for at the hedged rate. Since the so-called net method is used, neither any expected loss or gain, nor any decrease/increase in the hedging instrument's value, are recognized.

The notional volumes and fair market values of these hedges are listed below:

Derivative financial instruments

€ million	2013		2012	
	Fair value	Notional volume	Fair value	Notional volume
Currency hedging transactions				
Cross-currency swaps	(30.5)	203.9	(23.8)	203.9
Forward exchange contracts	0.5	139.3	0.2	93.9
	(30.0)	**343.2**	**(23.6)**	**297.8**

The method of determining fair values to measure (mark to market) derivatives depends on the type of instrument.

The market value of cross-currency swaps is calculated by using a DCF method with the market discount rate appropriate for the remaining term of the derivative and a foreign exchange rate applicable to the currency of the expected future cash flows. Interest rate hedges are marked to market on the basis of bank valuations.

The fair market values of currency forwards are calculated internally by determining the current value at the hedged rate, i.e., on the basis of the forex spot rate quoted at the closing date, with due regard to the forward markup or markdown for the remaining contract term in relation to the contracted forward rate.

Currency risk hedge accounting

Where the criteria are met, hedge accounting is used for financial derivatives by combining the derivative with the underlying into one valuation unit. If the criteria are not met, negative market values are recognized as liabilities, while positive market values are not recognized. In 2013, all financial derivatives were combined as hedging instruments with the related underlying transactions to form microhedges whose future effectiveness is assessed in terms of matching maturities and volumes, i.e., on the basis of a critical term match.

The cross-currency swaps contracted by Vossloh AG at matching maturities and amounts to hedge its forex obligations from the USPP of $240.0 million represent a valuation unit together with the related debts and, therefore, they are recognized according to hedge accounting rules. At December 31, 2013, the hedged sum of €203.9 million exceeded the current value of €174.3 million at the closing rate by €29.6 million. The hedged future interest expense of €14.6 million was €0.8 million above the current value at the closing rate.

Due to matching maturities and volumes in each currency, Vossloh AG's forex hedging is 100 percent effective.

Underlying transactions include firmly contracted purchase orders or shipments at fixed dates, as well as currency loans. The contracted cash flow is hedged by buying or selling forex forwards, thus also closing the currency positions of subsidiaries for their account. As of December 31, 2013, positions in UAE dirhem (AED), Australian dollar (AUD), Swiss franc (CHF), Chinese renminbi yuan (CNY), Czech koruna (CZK), British pound (GBP),Swedish krona (SEK), US dollar (USD) and South African rand (ZAR) were hedged.

Declaration of conformity pursuant to Art. 161 AktG (German Stock Corporation Act)

In December 2013, the Executive and Supervisory Boards issued, and made permanently available to the stockholders the declaration of conformity as required by Art. 161 AktG on the Company's internet site under the URL http://www.vossloh.com/en/investors/corporate_governance/declarations_of_conformity/declarations_of_conformity.html.

Notifications pursuant to the German Securities Trading Act (WpHG)

The German Securities Trading Act ("WpHG") obligates investors whose voting interests in listed corporations cross certain thresholds to notify the issuer accordingly. Vossloh AG received the following voting-interest notifications in 2013 under the terms of Sec. 21 WpHG:

Notifying party	Date of notification	Date of change	Threshold	New voting interest		thereof attributable	
				in %	of shares	in %	of shares
Herr Heinz Hermann Thiele, Germany	7/17/2013	10/25/2012	crossed above 25%	25.14	3,349,888	19.53	2,602,731
Stella Vermögensverwaltungs GmbH, Grünwald, Germany	7/17/2013	11/19/2012	crossed above 25%	25.14	3,349,888	25.14	3,349,888
TIB Vermögens- und Beteiligungsholding GmbH, Grünwald, Germany	7/17/2013	11/19/2012	crossed above 25%	25.14	3,349,888	25.14	3,349,888

Pursuant to Sec. 22(1) Clause 1 No. 1 WpHG, voting rights held by KB Holding GmbH are attributable to TIB Vermögens- und Beteiligungsholding GmbH.

Pursuant to Sec. 22(1) Clause 1 No. 1 WpHG, voting rights held by KB Holding GmbH and TIB Vermögens- und Beteiligungsholding GmbH are attributable to Stella Vermögensverwaltungs GmbH.

Pursuant to Sec. 22(1) Clause 1 No. 1 WpHG, voting rights held by TIB Vermögens- und Beteiligungsholding and Stella Vermögensverwaltungs GmbH as companies controlled by Mr. Heinz Hermann Thiele are attributable to Mr. Thiele.

In the context of the voting-interest notifications of July 11 and 12, 2012, pursuant to Sec. 27a(1) WpHG, Mr. Heinz Hermann Thiele and KB Holding GmbH informed us as follows:

“(I) Acquisition purposes:
- (1) With their stakes, the notifying parties aim at a long-term strategic investment in Vossloh AG.
- (2) Within the 12 months ahead, the notifying parties intend to purchase or otherwise acquire further voting interests in Vossloh AG.
- (3) For the time being, the notifying parties do not seek to exert any influence on the staffing of the Company’s executive, management or supervisory boards.
- (4) The notifying parties do not aspire to any significant change in the Company’s capital structure, particularly regarding the Company’s leverage (debt-equity ratio) and dividend policy.

(II) The acquisition of the voting interests was exclusively funded through internal resources.”

On August 13, 2012, the aforesaid notifying parties informed us as follows:
“The notifying parties have reconsidered their then indicated purposes under the terms of Sec. 27a(1) Clause 1 in conjunction with Clause 3 WpHG and now aim to influence the issuer’s executive, management and/or supervisory board membership, the remaining purposes then stated remaining unchanged.”
By letter dated October 29, 2012, Mr. Heinz Hermann Thiele informed Vossloh AG in connection with the voting-interest change of October 25, 2012, pursuant to Sec. 27a(1) WpHG as follows:
“(I) Acquisition purposes:
- (1) With his stake, the notifying party aims at a long-term strategic investment in Vossloh AG.
- (2) Within the 12 months ahead, the notifying party intends to purchase or otherwise acquire further voting interests in Vossloh AG.
- (3) The notifying party seeks to exert influence on the staffing of the issuer’s executive, management and/or supervisory boards.
- (4) At present, the notifying party does not aspire to any significant change in the issuer’s capital structure, particularly regarding leverage (debt-equity ratio) and dividend policy.

(II) The acquisition of the voting interests was exclusively funded through internal resources.”

By letter dated November 21, 2012, KB Holding GmbH and Stella Vermögensverwaltungs GmbH informed us in connection with the voting-interest change of November 19, 2012, pursuant to Sec. 27a(1) WpHG as follows:

"(I) Acquisition purposes:

(1) With their stake, the notifying parties aim at a long-term strategic investment in Vossloh AG.
(2) Within the 12 months ahead, the notifying parties intend to purchase or otherwise acquire further voting interests in Vossloh AG.
(3) The notifying parties seek to exert influence on the staffing of the issuer's executive, management and/or supervisory boards.
(4) At present, the notifying parties do not aspire to any significant change in the issuer's capital structure, particularly regarding leverage (debt-equity ratio) and dividend policy.

(II) The acquisition of the voting interests was exclusively funded through internal resources."

By letter dated July 17, 2013, TIP Vermögens- und Beteiligungsholding GmbH informed us in connection with the voting-interest change of November 19, 2013, pursuant to Sec. 27a(1) WpHG as follows:

"(I) Acquisition purposes: with reference to the acquisition purposes to be disclosed under Sec. 27a(1) WpHG, reference is made to the notification pursuant to Sec. 27a WpHG of KB Holding GmbH and Stella Vermögensverwaltungs GmbH. The notifying parties have no other or additional purposes.

(II) The acquisition of the voting interests was exclusively funded through internal resources. The notifying parties themselves, however, have not directly acquired any voting rights, so that no funds have been expended by them to acquire voting rights."

On December 23, 201 ETHENEA Independent Investors S.A., Munsbach, Luxembourg, informed us that the notifying party exceeded the 5% threshold on December 20, 2013 and holds 5.11 percent of the voting rights (681,191 shares).

Vossloh Family Pool members sent us in 2013 the following notifications:

Notifying party	Date of notification	Date of change	Threshold	New voting interest in % of	shares
Karl-Vossloh-Stiftung, Essen, Germany	4/23/2013	4/22/2013	fell below 3%	1.20000	160,000
Frau Dorothee Kogut, Germany	4/23/2013	4/19/2013	fell below 3%	0.25000	33,752
Herr Johannes Kogut, Germany	4/23/2013	4/19/2013	fell below 3%	0.03000	4,115
Herr Winfried Kogut, Germany	4/23/2013	4/19/2013	fell below 3%	0.04000	5,420
Frau Sandra Luhrenberg, Germany	4/23/2013	4/19/2013	fell below 3%	0.03000	4,115
Frau Sibylle Schümann, Germany	4/23/2013	4/19/2013	fell below 3%	0.03000	4,115
Herr Thiemo Blume, Germany	5/2/2013	4/19/2013	fell below 3%	0.06000	7,500
Herr Dr. Wolfgang Traub, Germany	5/2/2013	4/26/2013	fell below 3%	0.00000	0
Frau Maren Volpert, Germany	5/2/2013	4/26/2013	fell below 3%	0.08000	10,000
Frau Juliane Felder, Switzerland	5/8/2013	5/2/2013	fell below 3%	0.23000	30,000
Herr Philipp Langenbach, Germany	5/8/2013	5/2/2013	fell below 3%	0.00000	0
Frau Corinna Blume-Ulmer, Germany	5/31/2013	5/29/2013	fell below 3%	0.06000	7,500
Herr Gernot Seibel, Germany	9/23/2013	20/9/2013	fell below 3%	0.00000	0
Frau Anna Langenbach, Germany	9/25/2013	9/9/2013	fell below 3%	0.00000	0
Frau Verena Langenbach, Germany	9/25/2013	9/9/2013	fell below 3%	0.00000	0
Herr Nicolaus Seibel, Germany	10/1/2013	9/26/2013	fell below 3%	0.00000	0
Herr Stephan Seibel, Germany	10/1/2013	9/26/2013	fell below 3%	0.00000	0
Herr Jörg Seibel, Germany	10/11/2013	10/10/2013	fell below 3%	0.00000	0
Frau Birgit Blume, Germany	12/5/2013	11/29/2013	fell below 3%	1.23000	164,350
Herr Hendrik Blume, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Herr Jonas Blume, Germany	12/5/2013	11/29/2013	fell below 3%	0.00100	100
Frau Heidrun Bohn, Germany	12/5/2013	11/29/2013	fell below 3%	0.03000	4,300
Frau Doris Bomnüter-Vossloh, Germany	12/5/2013	11/29/2013	fell below 3%	0.06000	8,500
Herr Lino Fingerhut-Berning, Germany	12/5/2013	11/29/2013	fell below 3%	0.01000	900
Herr Diedrich-Wilhelm Klute, Germany	12/5/2013	11/29/2013	fell below 3%	0.050838	6,773
Frau Heidrun Klute, Germany	12/5/2013	11/29/2013	fell below 3%	0.000038	5
Herr Helmut Klute, Germany	12/5/2013	11/29/2013	fell below 3%	0.000038	5
Frau Lea Frederike Klute, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Frau Merle Fenja Klute, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Herr Till Fabian Klute, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Herr Dr. Martin Krauss, Germany	12/5/2013	11/29/2013	fell below 3%	0.02000	2,743
Frau Myra Krauss, Germany	12/5/2013	11/29/2013	fell below 3%	0.02000	2,743
Frau Cordula Kürschner, Germany	12/5/2013	11/29/2013	fell below 3%	1.23000	164,350
Frau Ida Kürschner, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Herr Jan Niklas Kürschner, Germany	12/5/2013	11/29/2013	fell below 3%	0.00010	10
Frau Liv Kristin Kürschner, Germany	12/5/2013	11/29/2013	fell below 3%	0.00010	10
Frau Nele Kürschner, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Herr Ole Jesper Kürschner, Germany	12/5/2013	11/29/2013	fell below 3%	0.00010	10
Frau Pia Lara Kürschner, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Herr Dr. Veit-Christian Kürschner, Germany	12/5/2013	11/29/2013	fell below 3%	0.00050	70
Frau Gertrud Langenbach, Germany	12/5/2013	11/29/2013	fell below 3%	1.23000	164,350
Frau Ingeborg Langenbach, Germany	12/5/2013	11/29/2013	fell below 3%	1.23000	164,350
Herr Peter Langenbach, Germany	12/5/2013	11/29/2013	fell below 3%	2.48000	330,781
Frau Dr. Edith-Ulrike Langenbach-Kailas, Germany	12/5/2013	11/29/2013	fell below 3%	1.23000	164,350
Frau Brigitta Lorenzen, Great Britain	12/5/2013	11/29/2013	fell below 3%	0.13000	17,650
Frau Hannah Lorenzen, Great Britain	12/5/2013	11/29/2013	fell below 3%	0.02000	2,500
Herr Jochen Lorenzen, Great Britain	12/5/2013	11/29/2013	fell below 3%	0.07540	10,050
Frau Merle Lorenzen, Great Britain	12/5/2013	11/29/2013	fell below 3%	0.02000	2,500
Frau Beatric Metzger, Germany	12/5/2013	11/29/2013	fell below 3%	0.04000	5,900
Herr André Niemann, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1

Notifying party	Date of notification	Date of change	Threshold	New voting interest in % of	shares
Herr Dominik Niemann, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Frau Irmtraud Niemann, Germany	12/5/2013	11/29/2013	fell below 3%	0.03940	5,250
Frau Annegret Paulekun, Germany	12/5/2013	11/29/2013	fell below 3%	0.01000	1,500
Herr Hans Martin Paulekun, Germany	12/5/2013	11/29/2013	fell below 3%	0.00100	100
Frau Ingeborg Paulekun, Germany	12/5/2013	11/29/2013	fell below 3%	0.00100	100
Frau Dr. Annika Peter, USA	12/5/2013	11/29/2013	fell below 3%	0.03000	4,020
Frau Dr. Beate Peter, USA	12/5/2013	11/29/2013	fell below 3%	2.89000	384,889
Frau Cara Peter, USA	12/5/2013	11/29/2013	fell below 3%	0.03000	4,020
Herr Elias Peter, USA	12/5/2013	11/29/2013	fell below 3%	0.03000	4,020
Herr Lukas Peter, USA	12/5/2013	11/29/2013	fell below 3%	0.03000	4,020
Herr Dr. Lyle Peter, USA	12/5/2013	11/29/2013	fell below 3%	0.00600	800
Herr Friedhelm Pithan, Germany	12/5/2013	11/29/2013	fell below 3%	0.07000	8,985
Frau Waltrud Pithan, Germany	12/5/2013	11/29/2013	fell below 3%	1.37000	181,965
Frau Reinhild Preukschat, Germany	12/5/2013	11/29/2013	fell below 3%	0.06000	8.000
Frau Dr. Jutta Rauen-Vossloh, Germany	12/5/2013	11/29/2013	fell below 3%	0.00200	200
Frau Britta Scholl, Germany	12/5/2013	11/29/2013	fell below 3%	0.00100	147
Herr Andreas Seibel, Germany	12/5/2013	11/29/2013	fell below 3%	0.02000	3,000
Frau Hannelore Seibel, Germany	12/5/2013	11/29/2013	fell below 3%	0.09000	12,000
Frau Anne Traub, Germany	12/5/2013	11/29/2013	fell below 3%	2.46700	328,797
Herr Janis Traub, Germany	12/5/2013	11/29/2013	fell below 3%	0.00010	10
Herr Carl Leonard Ulmer, Germany	12/5/2013	11/29/2013	fell below 3%	0.00000	0
Frau Charlotte Marie Ulmer, Germany	12/5/2013	11/29/2013	fell below 3%	0.00001	1
Frau Jutta Valvassori, Italy	12/5/2013	11/29/2013	fell below 3%	0.22000	29,100
Frau Tabea Volpert, Germany	12/5/2013	11/29/2013	fell below 3%	0.00002	2
Herr Timo Volpert, Germany	12/5/2013	11/29/2013	fell below 3%	0.00002	2
Frau Dr. Christiane Vossloh, Germany	12/5/2013	11/29/2013	fell below 3%	2.99000	398,793
Herr Dierk Voßloh, Germany	12/5/2013	11/29/2013	fell below 3%	2.89000	385,106
Herr Karl-Johannes Voßloh, Germany	12/5/2013	11/29/2013	fell below 3%	1.95000	259,550
Frau Lisette Dorothea Voßloh, Germany	12/5/2013	11/29/2013	fell below 3%	1.79000	238,910
Herr Dr. Martin Vossloh, Germany	12/5/2013	11/29/2013	fell below 3%	2.20000	293,050
Frau Susanne E. Voßloh, Germany	12/5/2013	11/29/2013	fell below 3%	1.23000	164,350
Herr Wilhelm Bernd Vossloh, Germany	12/5/2013	11/29/2013	fell below 3%	0.08000	11,100
VOSSLOH FAMILIENGEMEINSCHAFT GmbH & Co. KG, Monheim, Germany	12/5/2013	11/29/2013	fell below 3%	0.00000	0
Frau Hannelies Weber, Germany	12/5/2013	11/29/2013	fell below 3%	0.00100	100
Frau Ellen Mathea Schwägler, Germany	12/10/2013	11/29/2013	fell below 3%	0.00000	0
Herr Cornelius Oesterlee, Germany	12/10/2013	11/29/2013	fell below 3%	0.11600	15,450
Herr Philipp Oesterlee, Germany	12/10/2013	11/29/2013	fell below 3%	0.12000	15,500
Herr Finn Nepomuk Schwägler, Germany	12/10/2013	11/29/2013	fell below 3%	0.00000	0
Herr Piet Lorenz Schwägler, Germany	12/10/2013	11/29/2013	fell below 3%	0.00000	0
Frau Annette Oesterlee, Germany	12/11/2013	11/29/2013	fell below 3%	0.66000	87,791
Frau Noemi Piekenbrock, Germany	12/12/2013	11/29/2013	fell below 3%	0.00100	100
Frau Rebekka Christine Piekenbrock, Germany	12/12/2013	11/29/2013	fell below 3%	0.00200	220
Herr Thaddäus Curt Piekenbrock, Germany	12/12/2013	11/29/2013	fell below 3%	0.00100	100
Frau Christine Piekenbrock-Oesterlee, Germany	12/13/2013	11/29/2013	fell below 3%	0.13000	17,142
Herr Stefan Kürschner, Germany	2/7/2014	10/31/2013	fell below 3%	0.07000	8,775

Statutory auditor's fees

The following fees for services rendered by the statutory auditor, BDO AG Wirtschaftsprüfungsgesellschaft ("BDO"), were recognized as expense:

Statutory auditor's fees

€ million	2013	2012
Statutory year-end audits	0.1	0.1
Other attestation services	0.8	0.9
Tax advisory services	0.4	0.3
Other services	0.1	0.0
	1.4	**1.3**

The fees for statutory audits mainly include those paid for the statutory annual audits by BDO of Vossloh AG's separate and consolidated financial statements where such fees are borne directly by Vossloh AG. The fees include €0.1 million (2012: €0.0 million) for other attestation services and €0.0 million (2012: €0.0 million) for tax consultancy provided by non-German BDO firms but invoiced through BDO AG. The fees for other attestation services relate primarily to consultancy and auditing work in connection with the implementation of group-wide accounting policies, for due diligence work, as well as for quarterly report reviews.

The tax advisory fees substantially cover advisory services rendered for the preparation of tax returns, the review of tax assessment notices, as well as for other national and international tax matters.

The other services relate mainly to support services regarding the introduction of a human resources reporting.

Vossloh AG's Executive Board

Werner Andree, born 1951, Neuenrade
Chairman of the Executive Board
(since August 9, 2007, Executive Board member since Sep. 1, 2001)
Responsible for the departments Finance, Corporate Development, Investor Relations/Public Relations, Internal Audit, Legal, Compliance and IT

- Vossloh Cogifer SA: member of Administrative Board
- Vossloh France SAS: President
- Vossloh Australia Pty. Ltd.: member of Administrative Board
- Vossloh Schwabe Australia Pty. Ltd.: member of Administrative Board
- Vossloh España S.A.: member of Administrative Board
- Vossloh Dritte Beteiligungs-Aktiengesellschaft, Werdohl: Chairman of the Supervisory Board

Dr.-Ing. Norbert Schiedeck, born 1965, Arnsberg
(Executive Board member since Apr. 1, 2007)
Responsible for the departments Technology, Operations and Personnel

- Vossloh Cogifer SA: member of Administrative Board
- Amurrio Ferrocarril y Equipos S.A.: member of Administrative Board
- Vossloh España S.A.: member of Administrative Board
- Wohnungsgesellschaft Werdohl GmbH: member of Supervisory Board
- Vossloh Dritte Beteiligungs-Aktiengesellschaft, Werdohl: Member of the Supervisory Board

Heinz Hermann Thiele [2,4], Chairman (since May 29, 2013), Munich, Businessman, former Chairman of the Executive Board of Knorr-Bremse AG
– Knorr-Bremse AG: Chairman of the Supervisory Board
– Knorr-Bremse GmbH Austria: Chairman of the Supervisory Board

Dr.-Ing. Wilfried Kaiser, Chairman (until Mai 29, 2013), Munich, degreed engineer, former member of the Executive Board of Asea Brown Boveri AG
– EvoBus GmbH: Supervisory Board member
– schenck.de AG: Chairman of the Supervisory Board
– Hugo Kern und Liebers GmbH & Co. KG: member of Administration Board[5]

Dr. Wolfgang Scholl[2,4], Vice-Chairman (since May 29, 2013), Frankfurt am Main, Attorney, Partner of the law firm Arnecke Siebold

Peter Langenbach, Vice-Chairman (until May 29, 2013), Wuppertal, attorney

Dr. Christoph Kirsch (until May 29, 2013), Weinheim, former CFO of Südzucker AG
– GELITA AG: member of Supervisory Board

Wolfgang Klein (until May 29, 2013), Werdohl, galvanizer, Chairman of the European and Group Works Council

Dr.-Ing. Kay Mayland[3,4], Ettlingen, degreed engineer (since January 9, 2013)
Former Chairman of the Executive Board of SMS Siemag AG
– SMS Siemag AG: member of Supervisory Board
– Elexis AG: member of Supervisory Board
– Demag Cranes & Components GmbH: member of Supervisory Board (through April 30, 2013)

Silvia Maisch[1] (since May 29, 2013), Monheim, electrical mechanic

Dr. Alexander Selent[3,4] (since May 29, 2013), Limburgerhof, Vice-Chairman of the Executive Board and Chief Financial Officer of Fuchs Petrolub SE

Michael Ulrich[1,2,3], Kiel, machinist

[1]Employee representative
[2]Member of the Personnel Committee
[3]Member of the Audit Committee
[4]Member of the Nomination Committee
[5]Optional body

Proposed profit appropriation

The separate financial statements 2013 are reporting a net loss of €(4,814,523.91). After including the profit carryforward of €37,119,641.49, there is an unappropriated profit of €32,305,117.58.

The Executive Board will propose to the annual general meeting to distribute a cash dividend of €0.50 for each no-par share of the eligible common stock of €34,076,505.15 and to carry forward the balance of €26,302,774.08. In determining the capital stock eligible for dividends, a total of 1,320,603 treasury shares was deducted.

Proposed profit appropriation

€	
Net loss 2013	(4,814,523.91)
Undistributed profit as of January 1 2013	37,119,641.49
Unappropriated profit as of December 31, 2013	**32,305,117.58**
Proposed profit appropriation	
Payment of dividend	6,002,343.50
Carry forward to new account	**26,302,774.08**

Werdohl, February 28, 2014

Vossloh AG
The Executive Board

Werner Andree, Dr.-Ing. Norbert Schiedeck

Management representation

"We represent that, to the best of our knowledge and in accordance with applicable accounting principles, the separate financial statements present a true and fair view of Vossloh AG's net assets, financial position, and results of operations, as well as that the management report describes fairly, in all material respects, the Company's business trend and performance, its position, and the significant risks and rewards of the Company's future development."

Werdohl, February 28, 2014

Vossloh AG
The Executive Board

Werner Andree, Dr.-Ing. Norbert Schiedeck

Independent auditor's report and opinion on the separate financial statements

We have audited the annual financial statements (consisting of balance sheet, income statement, and notes) including the records and books of account and the combined management report (on the Company and the Group) of Vossloh AG, Werdohl, for the fiscal year ended December 31, 2013. The accounting and the preparation of the annual financial statements and combined management report in accordance with the German Commercial Code and the supplementary provisions of the Company's articles of incorporation are the responsibility and assertions of the Company's legal representatives. Our responsibility is, based on our audit, to express an opinion on the annual financial statements (including the accounting) and combined management report.

We have conducted our annual audit in accordance with the provisions of Art. 317 HGB and with due regard to generally accepted standards on the audit of financial statements as established by IDW, the Institute of Public Auditors in Germany. Those standards require that we plan and perform the audit to obtain reasonable assurance that any misstatement or fraud which has a material impact on the view of the net assets, financial position and results of operations as presented by the annual financial statements in accordance with accounting principles generally accepted in Germany and by the combined management report is identified. When planning the audit procedures, knowledge and understanding of the Company's business, its economic and legal environment as well as sources of potential errors are given due consideration. An audit includes examining, largely on a test basis, the accounting-related internal control system's effectiveness and the evidence supporting the amounts and disclosures in the accounting, the annual financial statements, and the combined management report. An audit also includes assessing the accounting principles used, and significant estimates made, by the Company's legal representatives, as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any objections or exceptions.

It is our opinion that, based on our audit conclusions, the annual financial statements, with due regard to account¬ing principles generally accepted in Germany, comply with the law and the supplementary provisions of the Company's articles of incorporation, and present a true and fair view of the Company's asset and capital structure, financial po¬sition and results of operations. The combined man¬agement report is consistent with the annual financial statements and presents fairly, in all material respects, the Company's overall position and the risks and rewards inherent in its future development.

Essen, February 28, 2014

BDO AG
Wirtschaftsprüfungsgesellschaft

Fritz	ppa. Barhold
Wirtschaftsprüfer	Wirtschaftsprüfer

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