

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

October 27, 2011



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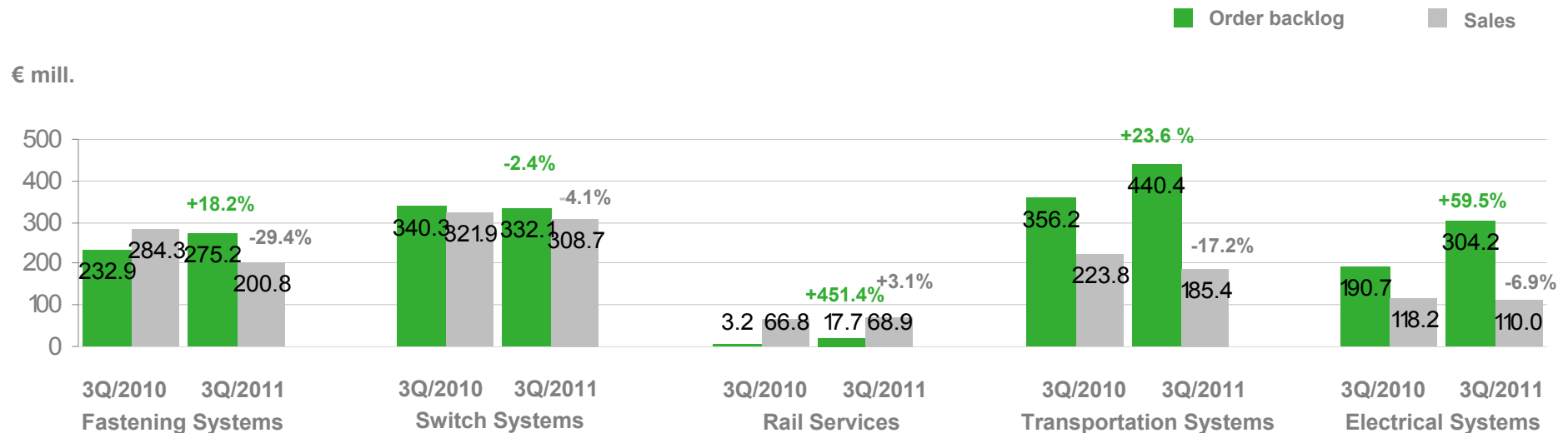
Vossloh Group, 9 months (3Q) 2011

Order intake at around €1.1 billion and order backlog of €1.4 billion offer unchanged sound prospects

Order intake:

- ▶ Fastening Systems: €270.0 mill. (down from €363.1 mill.)
- ▶ Switch Systems: €330.0 mill. (down from €395.1 mill.)
- ▶ Rail Services: €85.6 mill. (up from €70.0 mill.)
- ▶ Transportation Systems: €286.7 mill. (up from €131.9 mill.)
- ▶ Electrical Systems: €182.1 mill. (up from €86.8 mill.)

Order backlog and sales



Vossloh Group, 9 months (3Q) 2011

Project delays presenting heavy burden

- ▶ Nine-month **sales** down 14.6%, shrinking 8.0% in 3rd quarter (Q3) alone
- ▶ Shipments in China well below budget, price pressure weighing on Rail Infrastructure, Transportation division returning to sales growth again
- ▶ Poor workload and added competitive pressure eroding **EBIT** and **EBIT margin** year-on-year
- ▶ **ROCE** short of 15% benchmark despite downscaled capital employed

		3Q/2010	3Q/2011	Δ in %
Sales	€ mill.	1,011.9	863.8	-14.6
EBIT	€ mill.	122.6	67.9	-44.6
EBIT margin	%	12.1	7.9	—
Group earnings	€ mill.	75.9	39.2	-48.4
Earnings per share (EpS)	€	5.70	2.95	-48.3
ROCE	%	18.4	11.3	—
Value added (VA)	€ mill.	49.5	7.8	—
Average headcount		4,951	4,980	+0.6



Vossloh Group, 9 months (3Q) 2011

Financial clout remaining unmarred

- ▶ Average **working capital** upgraded by €100+ million thanks to reduced net balance of trade receivables and payables, as well as to higher prepayments received
- ▶ **Capital employed** clearly downsized despite higher fixed assets
- ▶ **Equity** edging down also after launch of stock buyback program



		9/30/2010	12/31/2010	9/30/2011
Total assets	€ mill.	1,452.9	1,405.8	1,486.3
Total equity	€ mill.	556.1	580.0	545.1
Equity ratio	%	38.3	41.3	36.7
Average working capital	€ mill.	314.0	309.0	208.0
Average working capital intensity	%	23.3	22.9	18.1
Closing working capital	€ mill.	324.7	258.0	234.1
Closing working capital intensity	%	24.1	19.1	20.3
Average capital employed	€ mill.	886.8	884.5	802.3
Closing capital employed	€ mill.	904.7	848.6	846.4
Net financial debt	€ mill.	173.5	136.6	199.1
Net leverage	%	31.2	23.5	36.5

Vossloh Group, 9 months (3Q) 2011

Cash flow improved by slashing working capital

Cash flow analysis (€ mill.)	3Q/2010	3Q/2011
EBIT	122.6	67.9
Amortization/depreciation/write-down (less write-up) of noncurrent assets	26.0	28.7
Change in noncurrent accruals	16.3	(5.7)
Gross cash flow	164.9	90.9
Net book loss/(gain) from the disposal of tangible and intangible assets	0.2	(1.7)
Change in working capital	(75.2)	15.0
Noncash change in shares in associated affiliates, other noncash income/expenses (net), change in other assets/liabilities (net)	(0.3)	(1.5)
Cash outflow for income taxes	(19.9)	(18.5)
Net cash provided by operating activities	69.7	84.2
Cash outflow for additions to tangibles/intangibles	(41.1)	(50.3)
Freely available cash flow¹	28.6	33.9

- ▶ **Cash flow from operating activities** improved to around €84 million
- ▶ **Freely available cash flow** stepped up to about €34 million



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

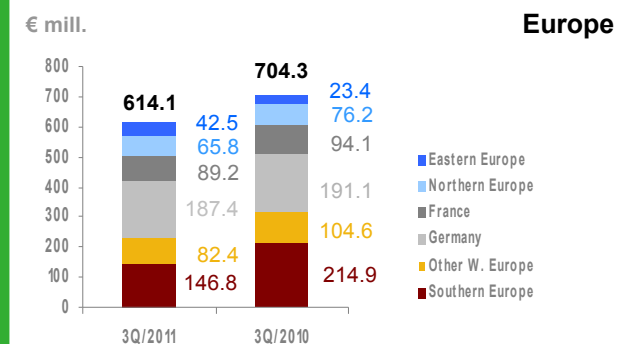
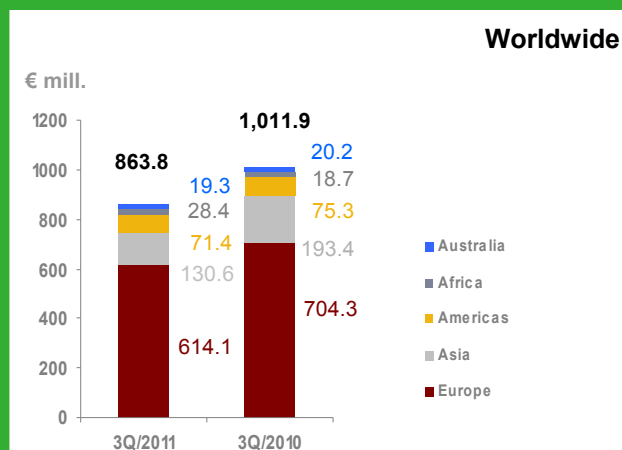
Vossloh Group, 9 months (3Q) 2011

Sales growth in Eastern Europe contrasting with sluggish business in China and Southern Europe

- ▶ **9-month sales in Europe** down 13.0%, in 3rd quarter (Q3) rising year-on-year thanks to stable uptrend in Eastern Europe and brisk business in France
- ▶ **Non-European sales** at €249.7 million (down 18.8%); share of group sales at 28.9% (down from 30.5%)
- ▶ **Sales** in MENA countries boosted from €34.4 million to €61.5 million despite suspended shipments in Libya

	3Q/2010 in € mill.	Share in %	3Q/2011 in € mill.	Share in %	Δ in %
Europe	704.3	69.5	614.1	71.1	-12.9
Americas	75.3	7.5	71.4	8.3	-5.2
Asia	193.4	19.2	130.6	15.1	-32.5
Africa	18.7	1.8	28.4	3.3	+51.9
Australia	20.2	2.0	19.3	2.2	-4.5
Total	1.011.9	100.0	863.8	100.0	-14.6

Sales trend (in € million)



Rail Infrastructure, 9 months (3Q) 2011

Burdens on Fastening Systems continuing, Switch Systems below expectations

- ▶ 3-quarter **sales** shrinking 14.6%, in 3rd quarter (Q3) down 14.1%
- ▶ **EBIT** and **EBIT margin** eroded by reduced workload and price squeeze
- ▶ **Fastening Systems sales** dropping 29.4% to €200.8 million, in third quarter down 41.8%
- ▶ **Switch Systems sales** inching down 4.1% to €308.7 million, in Q3 mounting 11.6%
- ▶ **Rail Services sales** edging up 3.1% to €68.9 million, in Q3 by 2.1%

		3Q/2010	3Q/2011	Δ in %
Sales	€ mill.	672.2	573.9	-14.6
EBIT	€ mill.	114.9	68.3	-40.6
EBIT margin	%	17.1	11.9	—
Average working capital	€ mill.	273.3	243.3	-11.0
Closing working capital	€ mill.	270.6	278.1	+2.8
Average capital employed	€ mill.	690.8	672.8	-2.6
Closing capital employed	€ mill.	692.3	719.5	+3.9
ROCE	%	22.2	13.5	—
Value added	€ mill.	57.9	17.8	—



Transportation, 9 months (3Q) 2011

Transportation Systems and Electrical Systems both up in 3rd quarter

- ▶ As expected, 9-month **sales** still short of year-earlier level, 3rd quarter (Q3) seeing 7.9% revival
- ▶ **EBIT** and **EBIT margin** recovering in Q3; **ROCE** improved to 15.1% in spite of lower EBIT
- ▶ **Transportation Systems sales** for 3 quarters down 17.2% to €185.4 million, in 3rd quarter up 9.6%
- ▶ **Vossloh Locomotives** sales climbing 10.8% to €76.8 million; **Vossloh Rail Vehicles** sales shrinking 29.8% to €108.6 million, third-quarter sales hiking up 31.5% to €33.3 million
- ▶ **Electrical Systems sales** declining 6.9% to €110.0 million, picking up 6.9% in 3rd quarter

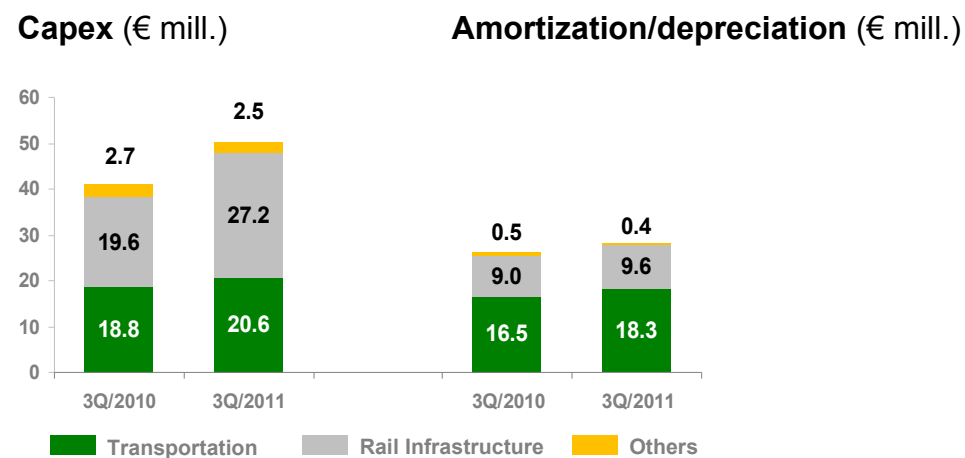


		3Q/2010	3Q/2011	Δ in %
Sales	€ mill.	339.6	291.2	-14.3
EBIT	€ mill.	20.3	14.3	-29.9
EBIT margin	%	6.0	4.9	—
Average working capital	€ mill.	46.9	(29.1)	-162.0
Closing working capital	€ mill.	58.9	(34.3)	-158.2
Average capital employed	€ mill.	189.0	125.7	-33.5
Closing capital employed	€ mill.	205.7	125.9	-38.8
ROCE	%	14.3	15.1	—
Value added	€ mill.	4.7	4.8	—

Vossloh Group, 9 months (3Q) 2011

Capex and amortization/depreciation rising as budgeted

- ▶ **Rail Infrastructure:** Capital outlays of €12.3 million for the Switch Systems business unit, including for the new production plant in China. Capex of €8.6 million for Vossloh Fastening Systems. The Rail Services business unit spends altogether €6.2 million, with emphasis on building new high-speed grinding trains
- ▶ **Transportation:** The Transportation Systems business unit incurs capex of €14.2 million, Vossloh Electrical Systems €6.5 million



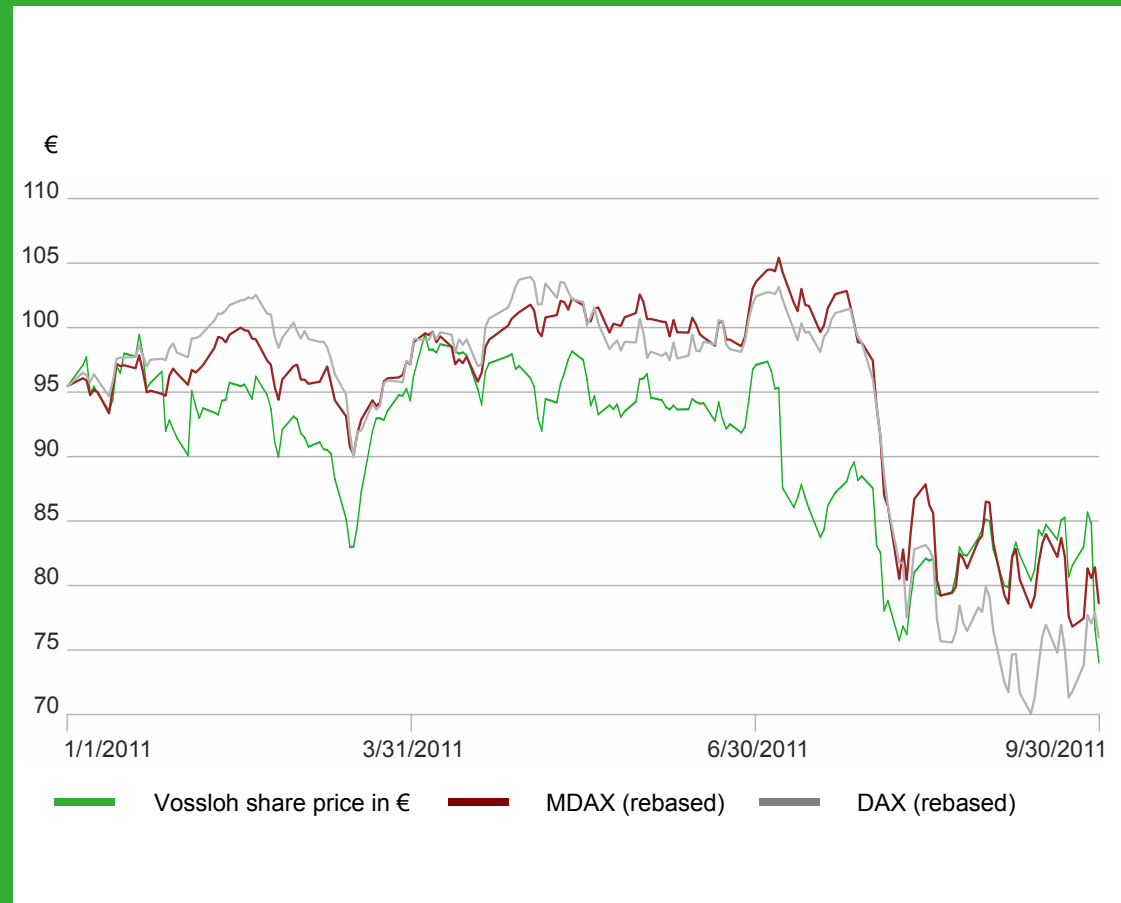
	3Q/2010	3Q/2011	Δ in %
Group (€ million)			
Capital expenditures	41.1	50.3	+22.6
Amortization/depreciation	26.0	28.3	+8.5
Rail Infrastructure (€ million)			
Capital expenditures	19.6	27.2	+39.0
Amortization/depreciation	16.5	18.3	+10.6
Transportation (€ million)			
Capital expenditures	18.8	20.6	+10.1
Amortization/depreciation	9.0	9.6	+6.4

Vossloh stock

Profit warnings trigger price downturns

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

- ▶ **9-month performance 2011:**
 - DAX: -20.4%
 - MDAX: -17.6%
 - Vossloh: -22.5%
- ▶ **9-month high/low:** €102.75/€71.50
- ▶ **Aver. trading day volume (1,000 shares):**
 - 9 months 2011: 88.7
 - 9 months 2010: 69.9
- ▶ **Number of shares outstanding at Sep. 30, 2011:** 12.9 mill.
- ▶ **Share price at Sep. 30, 2011:** €74.05
- ▶ **Market capitalization at Sep. 30, 2011:** €955.5 mill.



Vossloh Group, 2010–2012p

Sales and EBIT revival expected for 2012 following weak 2011

- ▶ **Order backlog** endorses 2012 budget and medium-term plan
- ▶ **Prospects for 2012**, particularly at the Transportation division, already taking shape; the Group's detailed expectations for 2012 to be announced after completing annual budgeting in December 2011
- ▶ Price squeeze amid fiercer competition weighs on margins at the **Rail Infrastructure division**
- ▶ **Capex program continued** in order to seize market opportunities
- ▶ **Ample financial latitude** for judicious M&A in selected areas



	2010	2011p	2012p
Sales	€1,351.3 mill.	approx. €1.2 bill.	↗
EBIT	€152.1 mill.	€90–100 mill.	↗

Financial diary and contacts

Financial diary

- ▶ December 2, 2011 Investors and analysts conference¹
- ▶ May 23, 2012 Annual general meeting

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¹ Conference call with financial analysts planned