

Presentation to Investors

December 2012



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Vossloh Group

Rail technology specialist in leading market positions

Rail Infrastructure



Fastening Systems

Switch Systems

Rail Services

Transportation



Transportation Systems

Vossloh Locomotives

Vossloh Rail Vehicles

Electrical Systems

Vossloh Group

Vossloh Fastening Systems



- Sales 2011: **€263 million**, workforce: 573
- **A worldwide market leader** in rail fastening systems
- Products used in over 65 countries
- **Exports 80% of total sales**
- Elastic rail fastening systems, screwed, bolted and maintenance-free, for ballast and ballastless tracks (high-speed), for mainline & conventional lines, heavy-haul tracks and urban rail haulage (LRT)
- More than 120 years of experience.

Vossloh Group

Vossloh Switch Systems



- Sales 2011: **€433 million**, workforce: 2,273
- **A worldwide leader** in switch and crossing systems
- **27 production locations** in 19 countries
- **Exports more than 85%** of total sales
- Standard, high-speed and specialty (heavy-haul) switches to all international standards
- Signaling components, switch actuators, locking devices and monitoring systems
- More than a century of experience

Vossloh Group

Vossloh Rail Services



- Since 2010 part of the Vossloh group
- Sales 2011: **€88 million**, workforce: 360
- Rail grinding, specifically high-speed grinding (HSG—an innovative high-speed grinding technique as preventive maintenance measure), mobile, semi-stationary and stationary rail welding, rail milling, rail testing
- Customers: rail producers and rail operators (e.g. German Rail)
- **A leader in the German market for comprehensive rail servicing and logistics**
- More than 60 years of experience

Vossloh Group

Transportation Systems, Vossloh Locomotives



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

Vossloh Group

Transportation Systems, Vossloh Rail Vehicles



- Sales 2011: **€156 million**, workforce: 619
- **Europe's leading manufacturer of diesel-electric locomotives**
- Metro and LRV systems
- State-of-the-art technology and optimum quality typify the whole range of our products
- Manufacturer of Europe's most powerful diesel-electric locomotive, the EURO 4000
- Provision of maintenance services for locomotive bogies and passenger trains
- **Exports** to the United States, the United Kingdom, France, Switzerland, Portugal, Algeria, Egypt, Brazil, and other countries
- More than a century of experience

Vossloh Group

Vossloh Electrical Systems

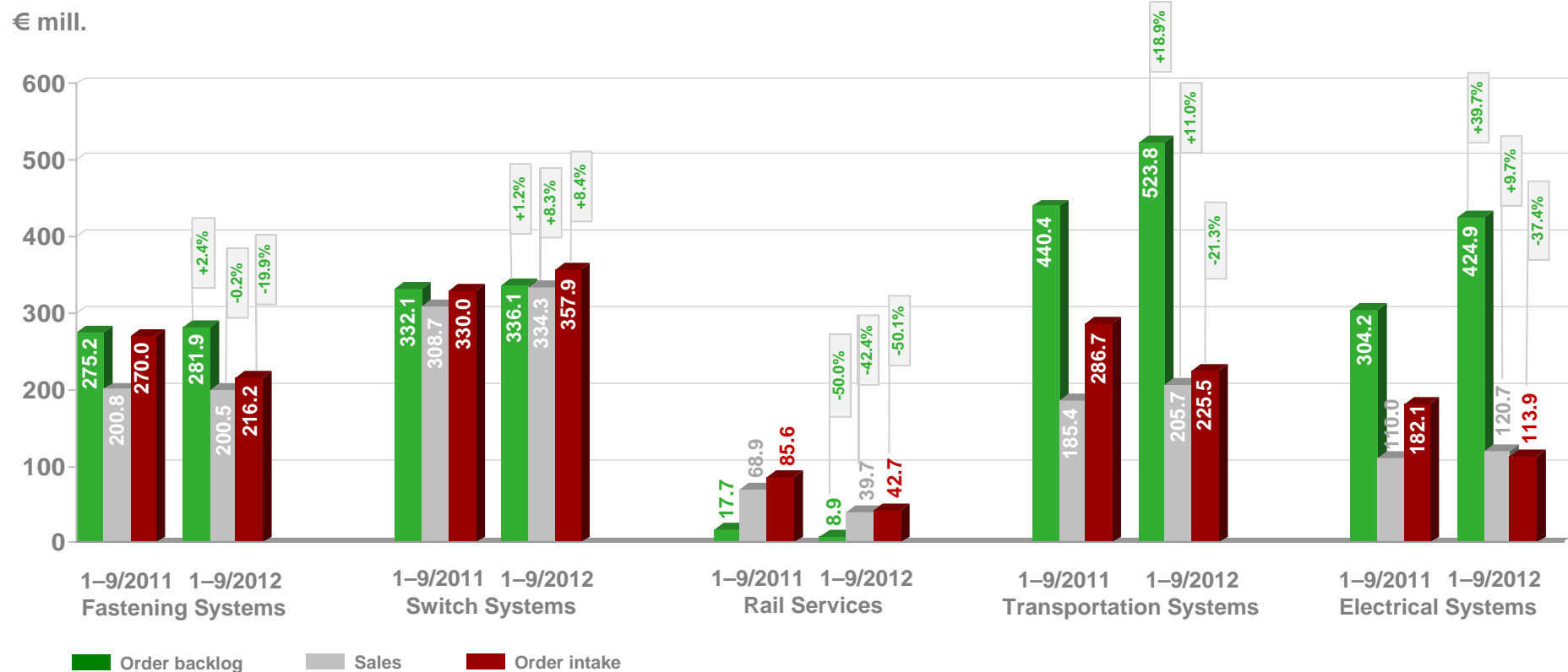


- Sales 2011: **€147 million**, workforce: 661
- Vossloh Kiepe supplies innovative **electrical systems** for mass transit vehicles as well as traction systems for electric road vehicles and locomotives
- The product range includes integrated systems for new vehicles, vehicle overhaul work, turnkey projects,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

Vossloh Group, 9 months 2012

Order intake at €945.5 million continuing healthy, order backlog again at a record €1.550.3 million

Order backlog, sales and order intake, by business unit



Vossloh Group, 9 months 2012

Sales slightly up, EBIT lower than a year ago

- Vossloh Group showing upturn in Q3 and record order backlog; sales climbing 5.9%, EBIT surging 28% to €30.1 million
- Transportation division reporting definite **sales** rise through the year to date, Rail Infrastructure generating 9-month sales at year-earlier level
- 9-month **EBIT margin** down year-on-year but significantly improved to 9.4% in Q3
- 3-quarter **ROCE** notching down, yet upgraded to 14.4% in Q3

	1–9/2011	1–9/2012	Δ in %
Sales (€ million)	863.8	891.5	+3.2
EBIT (€ million)	68.2* [67.9]	61.1	-10.4
EBIT margin (%)	7.9* [7.9]	6.9	–
Group earnings (€ million)	39.4* [39.2]	31.4	-20.3
Earnings per share (€)	2.96* [2.95]	2.62	-11.7
ROCE (%)	11.3* [11.3]	10.0	–
Value added (€ million)	8.0* [7.8]	(0.3)	–
Average headcount	4,980	5,053	+1.5



Vossloh Group, 9 months 2012

Working capital slashed again, capital employed virtually unchanged

- **Total assets** mounting due to higher total of inventories plus tangible and intangible assets
- **Total equity** below year-earlier level after stock buyback in H2/2011
- **Working capital** again pruned year-on-year
- Average **capital employed** barely changing despite higher fixed assets

	9/30/2011	9/30/2012	Δ in %
Total assets (€ million)	1,486.3	1,549.4	+4.2
Total equity (€ million)	542.4* [545.1]	486.4	-10.3
Equity ratio (%)	36.5* [36.7]	31.4	–
Average working capital (€ million)	208.0	182.4	-12.3
Average working capital intensity (%)	18.1	15.3	–
Closing working capital (€ million)	234.1	194.9	-16.7
Closing working capital intensity (%)	20.3	16.4	–
Average capital employed (€ million)	802.3	819.0	+2.1
Closing capital employed (€ million)	846.4	845.5	-0.1
Net financial debt (€ million)	199.1	253.2	+27.2
Net leverage (%)	36.7* [36.5]	52.0	–



Vossloh Group, 9 months 2012

Freely available cash flow above year-earlier period

Cash flow analysis (€ million)	1–9/2011	1–9/2012
EBIT	68.2* [67.9]	61.1
Amortization/depreciation/write-down of noncurrent assets (net after write-up)	28.7	29.8
Change in noncurrent accruals	(6.7)* [(5.7)]	6.3
Gross cash flow	90.2* [90.9]	97.2
Net book gain/loss from the disposal of tangibles/intangibles	(1.7)	0.1
Change in working capital	15.0	3.3
Noncash change in shares in associated affiliates, other noncash income/expenses (net), change in other assets/liabilities	(0.8)* [(1.5)]	(9.3)
Income taxes paid	(18.5)	(10.5)
Cash flow from operating activities	84.2	80.8
Cash outflow for additions to tangibles/intangibles	(50.3)	(39.7)
Freely available cash flow**	33.9	41.1



- **Gross cash flow** up despite lower EBIT
- **Net cash provided by operating activities** at €80.8 million inching down
- **Freely available cash flow** rising to €41.1 million

Rail Infrastructure, 9 months 2012

Vossloh Switch Systems' sales up, Vossloh Fastening Systems benefiting from call-offs in China, Vossloh Rail Services weak

- **Sales** almost back to year-earlier level, shipments in China resumed in June
- **EBIT and EBIT margin** in Q3 returning to year-on-year growth, but 9-month performance still below year-earlier magnitude due to weak H1
- **Vossloh Fastening Systems:** sales of €200.5 million at 1–9/2011 level of €200.8 million. Resumed China shipments halt sales downturn. New orders e.g. from Germany, France, Kazakhstan
- **Vossloh Switch Systems** steps up sales by 8.3% to €334.3 million (up from €308.7 million). Major contract from Iraq and general uptrend in the USA, Poland, etc. Euro crisis hurts business in Spain
- **Vossloh Rail Services:** 42.4% sales slump to €39.7 million (down from €68.9 million), caused by still poor demand for rail welding and rail logistics services

	1–9/2011	1–9/2012	Δ in %
Sales (€ million)	573.9	571.5	-0.4
EBIT (€ million)	68.3	58.6	-14.1
EBIT margin (%)	11.9	10.3	–
Average working capital (€ million)	243.3	235.9	-3.1
Average capital employed (€ million)	672.8	693.8	+3.1
Closing capital employed (€ million)	719.5	699.6	-2.8
ROCE (%)	13.5	11.3	–
Value added (€ million)	17.8	6.6	–



Transportation, 9 months 2012

High order intake in 2011 boost sales, offering growth prospects beyond fiscal 2013

- Sales rise borne by both business units, order backlog continuing tall
- EBIT and EBIT margin, ROCE and value added all above year-earlier level
- Vossloh Transportation Systems: sales climbing 11.0% to €205.7 million (up from €185.4million)
 - Vossloh Locomotives reporting 4.2% sales growth to €80.0 million (up from €76.8 million)
 - Vossloh Rail Vehicles showing 15.7% sales leap to €125.7 million (up from €108.6 million)
- Vossloh Electrical Systems with 9.7% sales gain to €120.7 million (up from €1100 million)

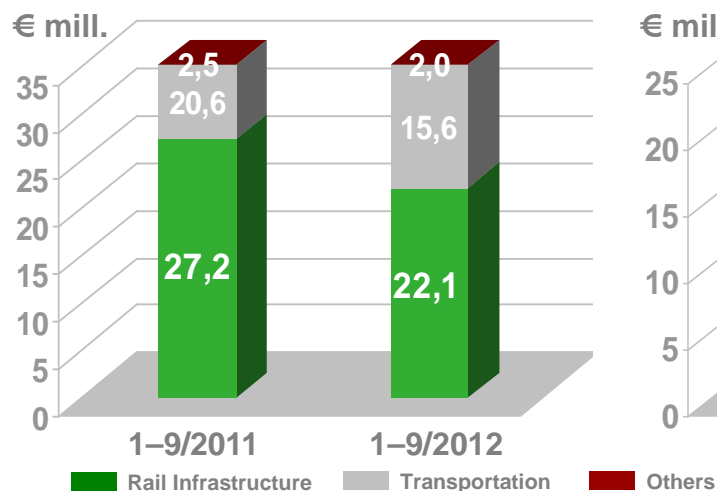
	1–9/2011	1–9/2012	Δ in %
Sales (€ million)	291.2	320.4	+10.1
EBIT (€ million)	14.3	16.1	+13.1
EBIT margin (%)	4.9	5.0	–
Average working capital (€ million)	(29.1)	(48.8)	–
Average capital employed (€ million)	125.7	118.1	-6.0
Closing capital employed (€ million)	125.9	137.7	+9.4
ROCE (%)	15.1	18.2	–
Value added (€ million)	4.8	7.3	–



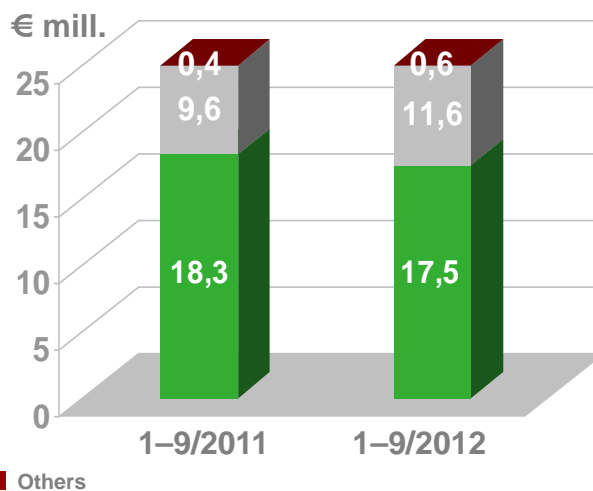
Vossloh Group, 9 months 2012

Both divisions incur year-on-year lower capex

Capital expenditures



Amortization/depreciation



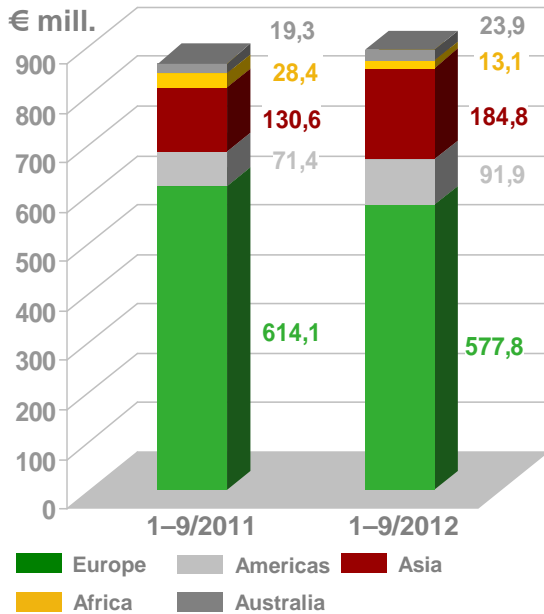
€ million	1-9/2011	1-9/2012	Δ in %
Group			
Capex	50.3	39.7	-21.1
Amort./depreciation	28.3	29.7	+5.0
Rail Infrastructure			
Capex	27.2	22.1	-18.6
Amort./depreciation	18.3	17.5	-4.4
Transportation			
Capex	20.6	15.6	-24.5
Amort./depreciation	9.6	11.6	+21.5

- Capital outlays by the **Vossloh Group** downsized, also due to rescheduling of certain projects
- Rail Infrastructure:** Vossloh Fastening Systems' capex of €2.2 million well below year earlier. Vossloh Switch Systems accounts for the lion's share of €13.7 million, the key projects being: Production line for switch blade in the USA, further expansion of rail switch production facility in China. Vossloh Rail Services' capex of €6.2 million went into newly built trains for high-speed grinding and a mobile welding machine
- Transportation:** Vossloh Transportation Systems spent €13.0 million, again with focus on the development of the EURO 3000 locomotive and the Tramlink. Vossloh Electrical Systems reported capital outlays of €2.6 million

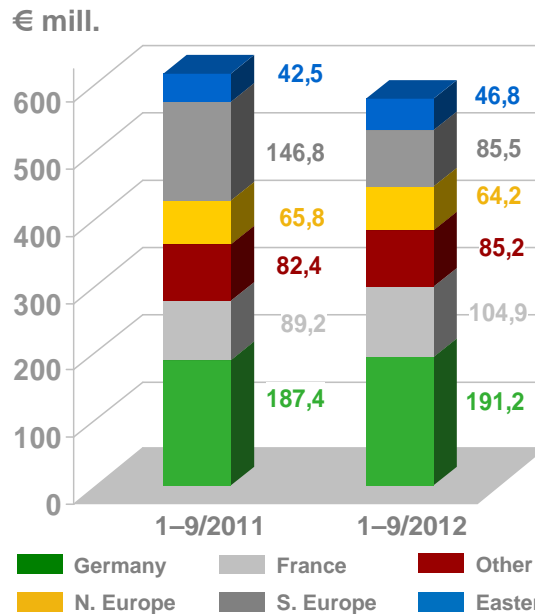
Vossloh Group, 9 months 2012

Business stimulus in Europe from Germany, France, and Poland
 Growth drivers outside Europe: Asia and Americas

Sales trend worldwide



Sales trend in Europe



	% 1-9/2011	% 1-9/2012	Δ sales in %
Europe	71.1	64.8	-5.9
Americas	8.3	10.3	+28.8
Asia	15.1	20.7	+41.5
Africa	3.3	1.5	-53.9
Australia	2.2	2.7	+23.6
Total	100.0	100.0	+3.2

- Sales share of Europe sliding to 64.8% in the wake of steep uptrend in Asia and the Americas
- Germany as biggest individual market and France as Europe's number two both continue to thrive
- Sales in Southern Europe continuing downhill, contrasting with ongoing growth in Eastern Europe, mainly Poland, Hungary, and Lithuania
- Sales share of non-European regions swelling to 35.2% (up from 28.9%)

Vossloh Group, forecast 2012

Targets for 2012 reaffirmed, more sales growth budgeted for 2013

- Forecast supported by the again tall order backlog of over €1.5 billion
- Rail Infrastructure division:** Added growth momentum thanks to ongoing internationalization and improved cost structures to strengthen market position
- Transportation division:** Thick order cushion from 2011 boosts sales and ensures growth prospects
- Vossloh Group** aims for **2013** at further sales growth and virtually unchanged operating result as compared to 2012; budget 2013 is presently being updated and will be published when the annual report 2012 is presented

	2011	2012e
Sales (€ billion)	1.2	approx. 1.25
EBIT (€ million)	96.9* [96.5]	approx. 100
EBIT margin (%)	8.1	8.0–8.5
Earnings per share (€)	4.30* [4.28]	4.50–5.00
Average working capital (€ million)	211.2	>175
Capital expenditures (€ million)	65.6	approx. 79
Average capital employed (€ million)	811.4	approx. 800
ROCE (%)	11.9	12.5–14.0
Value added (€ million)	15.8* [15.4]	>20
Net financial debt (€ million)	238.8	>170



Financial diary and contacts

Financial diary

- March 21, 2013 Publication of annual report 2012; investors and analysts conference¹
- April 25, 2013 Publication of interim report as of March 31, 2013¹
- May 29, 2013 Annual general meeting
- July 25, 2013 Publication of interim report as of June 30, 2013¹
- October 30, 2013 Publication of interim report as of September 30, 2013¹

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