

Presentation to Investors

May 2012



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Rail technology specialist in leading market positions

Vossloh AG

Rail Infrastructure



Vossloh Fastening Systems



Vossloh Switch Systems



Vossloh Rail Services

Transportation



Transportation Systems

Vossloh Locomotives



Vossloh Rail Vehicles

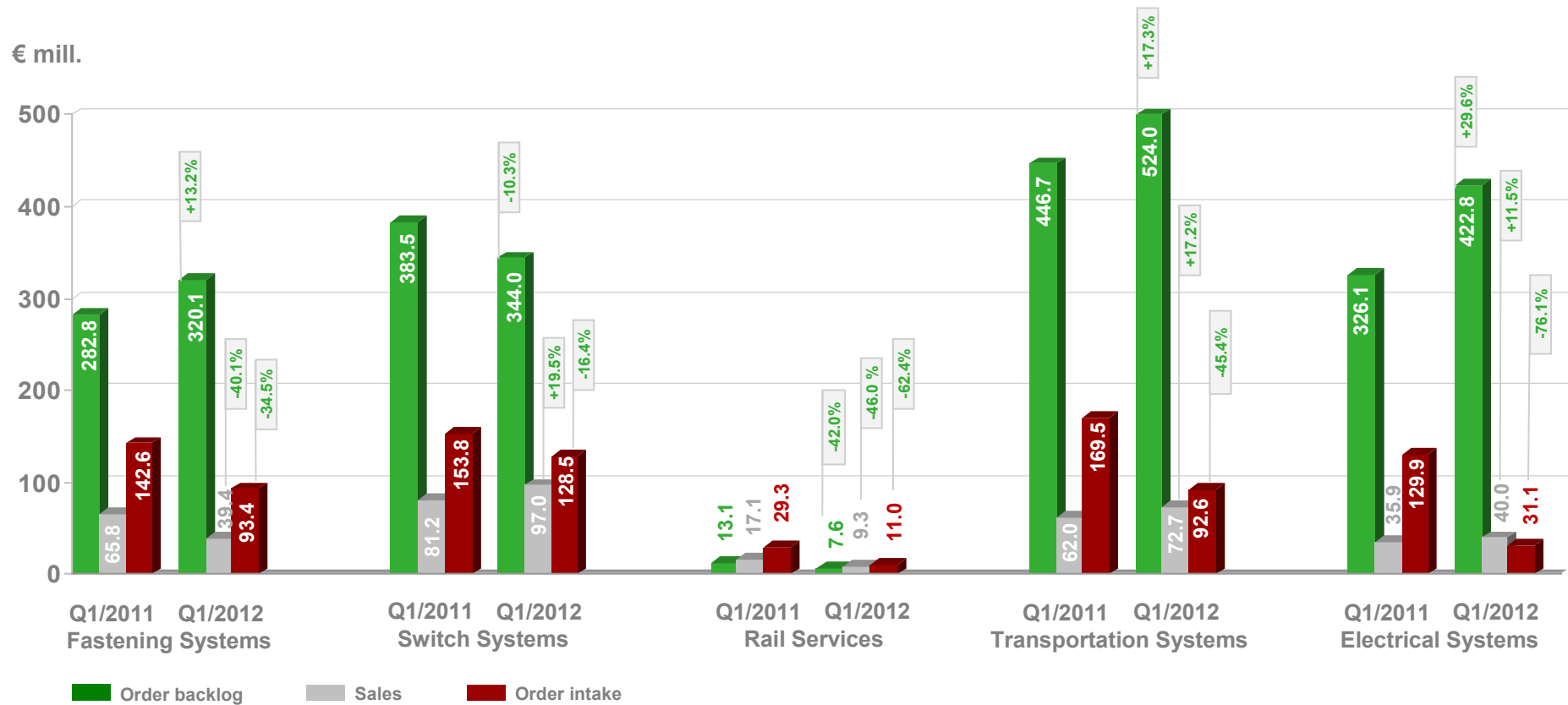


Vossloh Electrical Systems

Vossloh Group, Q1/2012

Order intake at €353.6 million continuing solid,
order backlog at an all-time high of €1,594.2 million

Order intake, order backlog and sales



Vossloh Group, Q1/2012

Vossloh starting at a moderate pace as expected

- Delayed projects in China and muted demand in Southern Europe depress business
- Sales in Q1: Transportation's up, Rail Infrastructure's down
- Q1 EBIT margin of the Group slumping year-on-year after the Rail Infrastructure division's plunged
- Group ROCE below 15% benchmark due to Rail Infrastructure's current poor ROCE
- Group earnings burdened by higher interest expense and tax load ratio

	Q1/2011	Q1/2012	Δ in%
Sales (€ million)	259.5	255.7	-1.5
EBIT (€ million)	18.0	10.2	-43.4
EBIT margin (%)	6.9	4.0	—
Group earnings (€ million)	10.5	4.2	-60.0
Earnings per share (€)	0.78	0.35	-55.5
ROCE (%)	8.9	5.0	—
Value added (€ million)	(2.2)	(10.1)	—
Average headcount	4,937	5,013	+1.5



Vossloh Group, Q1/2012

Working capital again upgraded

- Higher customer prepayments again improve **working capital**; **capital employed** at year-earlier level despite higher fixed assets
- Equity ratio** at a solid 32%; stock buyback slashes equity year-on-year
- Net financial debt** well up from level at March 31, 2011, but down from December 31, 2011

	3/31/2011	3/31/2012	Δ in %
Total assets (€ million)	1,444.3	1,510.4	+4.6
Total equity (€ million)	590.8	486.5	-17.6
Equity ratio (%)	40.9	32.2	—
Average working capital (€ million)	219.8	183.7	-16.4
Average working capital intensity (%)	21.2	18.0	—
Closing working capital (€ million)	190.7	159.2	-16.5
Closing working capital intensity (%)	18.4	15.6	—
Average capital employed (€ million)	808.8	809.0	+0.0
Closing capital employed (€ million)	776.3	783.9	+1.0
Net financial debt (€ million)	70.0	191.5	—
Net leverage (%)	11.8	39.4	—



Vossloh Group, Q1/2012

Freely available cash flow at €46 million

Cash flow trend (€ million)	Q1/2011	Q1/2012
EBIT	18.0	10.2
Amortization/depreciation/write-down (less write-up) of noncurrent assets	9.7	9.8
Net result of discontinued operations	—	—
Change in noncurrent accruals	(4.4)	0.6
Gross cash flow	23.3	20.6
Net book loss/(gain) on disposal of tangible and intangibles	(1.6)	0.0
Change in working capital	60.0	40.7
Noncash change in shares in associated affiliates, other noncash income/expenses (net), change in other assets/liabilities (net)	(3.1)	(1.9)
Cash outflow for income taxes	(6.9)	(2.8)
Net cash provided by operating activities	71.7	56.6
Cash outflow for additions to tangibles/intangibles	(14.8)	(10.7)
Freely available cash flow¹	56.9	45.9



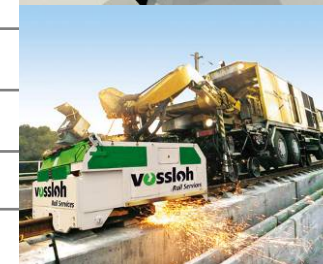
- **Gross cash flow** depressed by weaker EBIT vs. Q1/2011
- **Cash flow from operating activities** down despite repeated working capital upgrade
- **Freely available cash flow** at €45.9 million

Rail Infrastructure, Q1/2012

Project postponements continue to weigh on business

- **Sales down year-on-year mainly due to postponed call-offs in China**
- **Sales dip erodes EBIT and EBIT margin**
- **Fastening Systems:** 40.1% sales plunge to €39.4 million (down from €65.8 million). New orders from Kazakhstan, Germany, Saudi Arabia and France.
- **Switch Systems:** 19.5 sales surge from year-earlier €81.2 million to €97.0 million thanks to brisk business in Iraq and Europe. New contracts from the USA, Europe, and Australia
- **Rail Services:** steeper-than-expected sales downturn by 46.0% from €17.1 million to €9.3 million as rail-welding order volume shrank

	Q1/2011	Q1/2012	Δ in %
Sales (€ million)	163.1	145.2	-11.0
EBIT (€ million)	15.6	7.9	-49.1
EBIT margin (%)	9.6	5.5	—
Average working capital (€ million)	224.5	226.4	+0.8
Average capital employed (€ million)	651.1	680.5	+4.5
Closing capital employed (€ million)	640.9	674.8	+5.3
ROCE (%)	9.6	4.7	—
Value added (€ million)	(0.7)	(9.1)	—



Transportation, Q1/2012

Locomotive business revival boosts sales

- First-quarter **sales** boosted by both business units, as budgeted
- **EBIT** well above year earlier; **EBIT margin** and **ROCE** improved
- **Transportation Systems:** sales reved up y.o.y. by 17.2%, from €62.0 million to €72.7 million
 - **Vossloh Rail Vehicles:** up 15.1% from €36.5 million to €42.0 million
 - **Vossloh Locomotives:** up 20.3% from €25.5 million to €30.7 million
- **Electrical Systems:** sales advancing y.o.y. 11.5%, from €35.9 million to €40.0 million

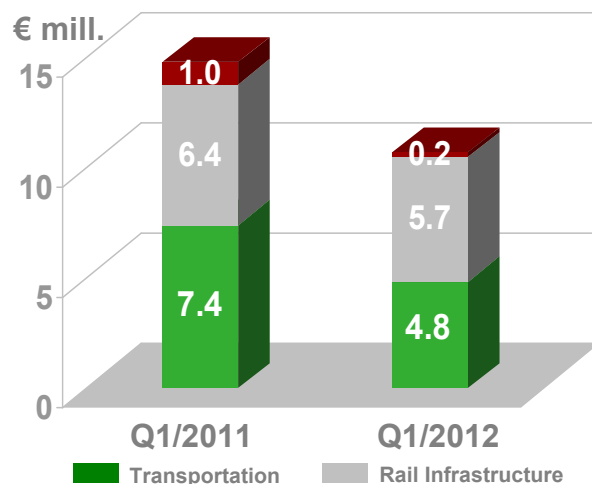
	Q1/2011	Q1/2012	Δ in%
Sales (€ million)	96.4	110.5	+14.6
EBIT (€ million)	6.1	7.5	+23.7
EBIT margin (%)	6.3	6.8	—
Average working capital (€ million)	(1.8)	(35.1)	—
Average capital employed (€ million)	151.2	124.6	-17.6
Closing capital employed (€ million)	138.9	107.2	-22.8
ROCE (%)	16.0	24.0	—
Value added (€ million)	2.3	4.4	+92.1



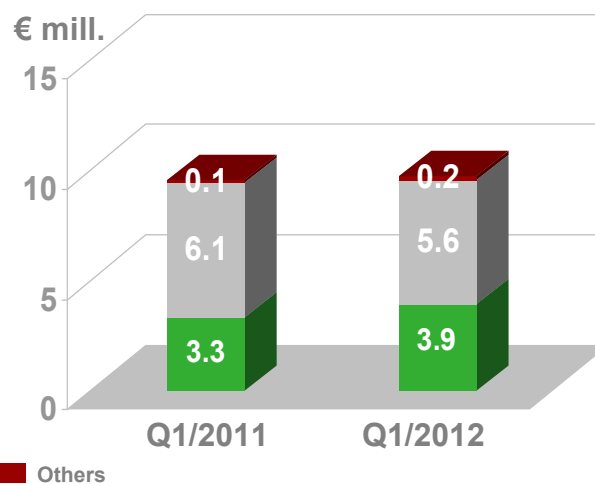
Vossloh Group, Q1/2012

Lower capital outlays at both divisions; full-2012 capex budget again upsized

Capital expenditures



Amortization/depreciation



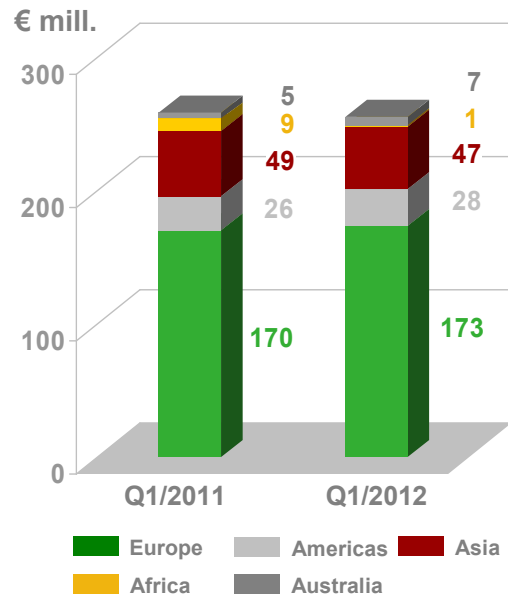
€ million	Q1/2011	Q1/2012	Δ in %
Group			
Capex	14.8	10.7	-27.3
Amort./depreciation	9.5	9.7	+2.1
Rail Infrastructure			
Capex	6.4	5.7	-11.0
Amort./depreciation	6.1	5.6	-6.7
Transportation			
Capex	7.4	4.8	-35.3
Amort./depreciation	3.3	3.9	+16.8

- Rail Infrastructure:** outlays of €3.4 million by Vossloh Switch Systems and €0.5 million by Vossloh Fastening Systems for capacity expansion and restructuring, Vossloh Switch Systems additionally for its switch production plant in China. At Vossloh Rail Services €1.8 million went into the construction of new high-speed grinding trains and into a new mobile rail welder.
- Transportation:** capex at Vossloh Transportation Systems totaled €3.9 million in Q1 and targets the development of new locomotive models and local transport trains. Vossloh Electrical Systems invested €0.9 million to complete the capacity expansion project at its principal location

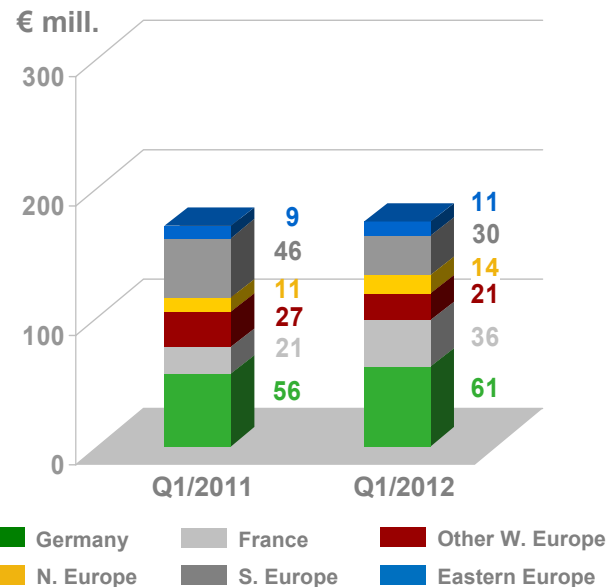
Vossloh Group, Q1/2012

Business downturn in China and Southern Europe continuing, Asia remaining biggest non-European market

■ Sales trend worldwide



■ Sales trend in Europe



	% share Q1/2011	% share Q1/2012	Sales Δ in %
Europe	65.6	67.6	+1.5
Americas	10.1	11.0	+7.0
Asia	18.8	18.3	-4.1
Africa	3.6	0.5	-86.6
Australia	1.9	2.6	+36.9
Total	100.0	100.0	-1.5

- Europe's share in total sales at 67.6% slightly above year earlier
- Germany and France showing significant sales growth
- Muted demand in Southern Europe; again steep growth in Eastern Europe (mainly Poland and Azerbaijan)
- Share of regions outside Europe in group sales at 32.4% (down from 34.4%)
- Project delays in China burden business in Asia; business in the Americas continues buoyant

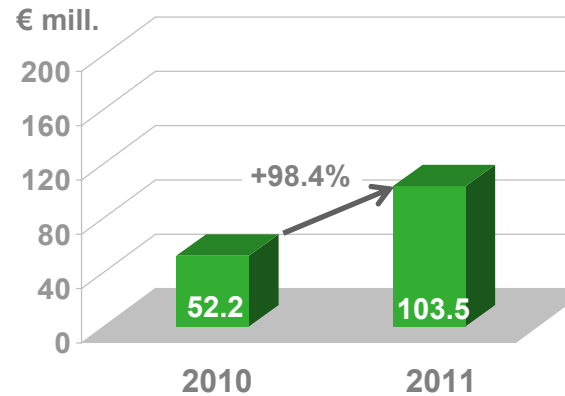
Vossloh Group, Africa and Middle East

Clear growth despite contract suspension in Libya

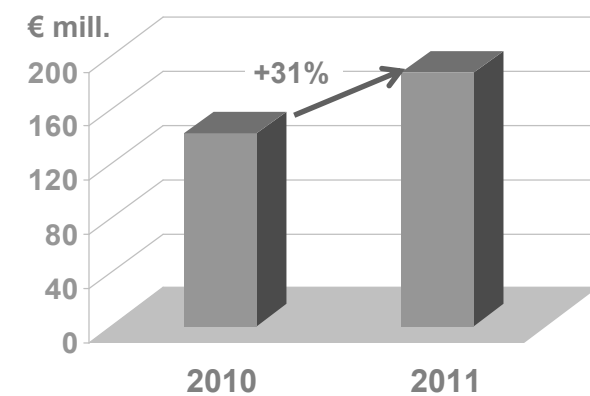
Selected countries of relevance to Vossloh:

- Algeria
- Egypt
- Mauretania
- Morocco
- Tunisia
- South Africa
- Libya
- Israel
- Iran
- Iraq
- Saudi Arabia

Regional sales



Order intake



- Business units engaging in the region: Fastening Systems, Switch Systems, Transportation Systems: Rail Vehicles
- Sustainable growth in Africa, chiefly commodity haulage by rail but also local public transport and long-distance traffic
- Rail infrastructure projects in the Middle East offering prospects for the next 5 to 10 years
- Fastening systems contract for Moroccan high-speed line (200 km, Tangier–Rabat–Casablanca) representing new reference for ballast tracks



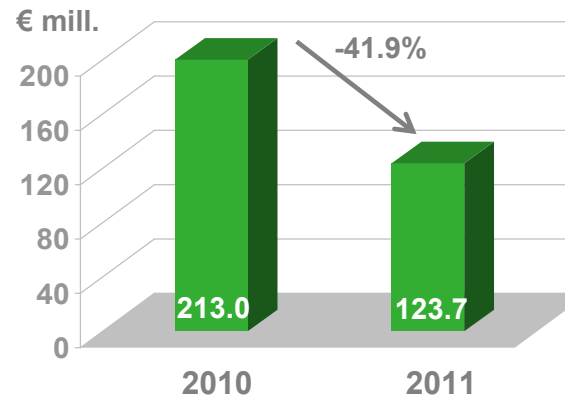
Vossloh Group, Asia

China slumps from 2010 record level; new customers acquired for rail infrastructure projects in several countries

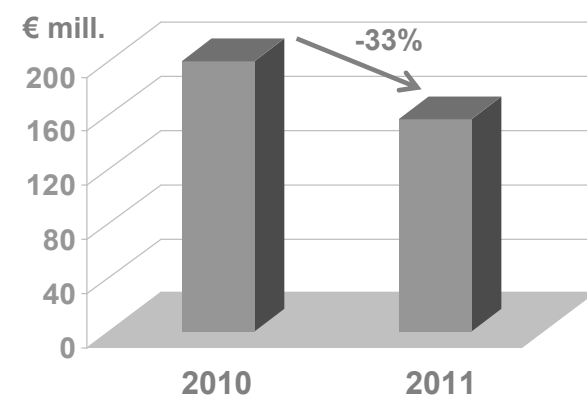
Selected countries of relevance to Vossloh:

- China
- Malaysia
- Taiwan
- India
- Kazakhstan
- Thailand
- Singapore
- Korea

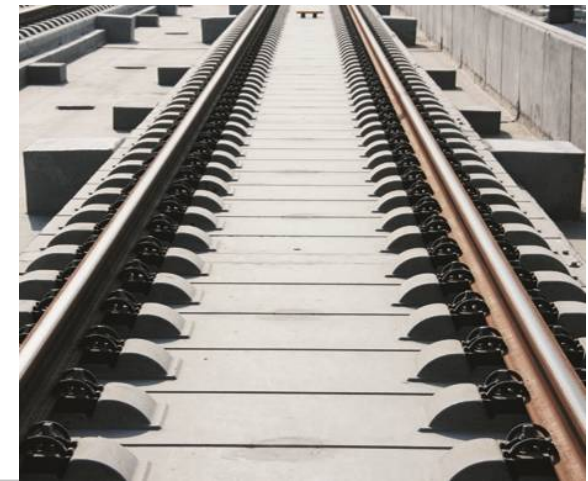
Regional sales



Order intake



- Business units with local activity: Fastening Systems, Switch Systems
- Switch Systems to start in 2012 switch production in China with new joint venturer for local transit; high-speed project progress in China hard to time
- Regional sales outside China booming
- Local public transport expansion and improvement a prime driver for sustainable growth in all countries of the region; selected heavy-haul projects (e.g. in Indonesia) offering bright prospects for the years ahead



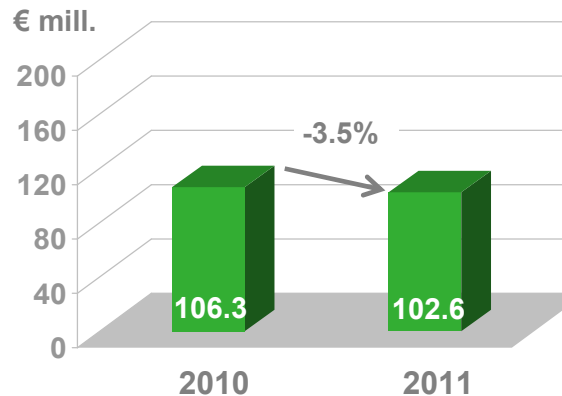
Vossloh Group, Americas

Cargo haulage recovery a buttress of US business;
South America shows added momentum

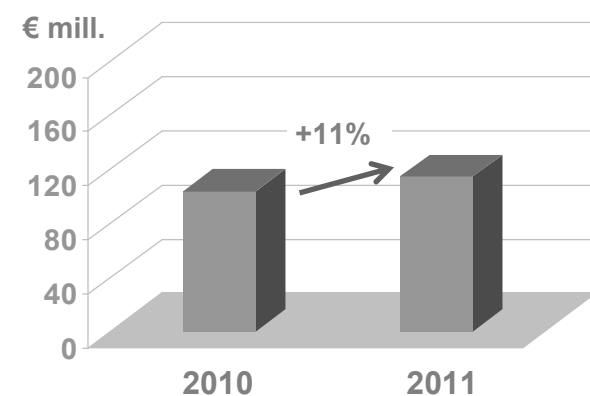
Countries of relevance to Vossloh:

- Canada
- USA
- Mexico
- Argentina
- Brazil
- Chile

Regional sales



Order intake



- Business units: Switch Systems, Fastening Systems, Transportation Systems: Rail Vehicles, Electrical Systems
- Demand for heavy cargo haulage modernization boosting Rail Infrastructure business in the United States; key accounts are Class I transport operators, however, whose order activity will generally remain cyclic
- Public transport/rapid transit offer potential for Electrical Systems and Rail Vehicles
- Metropolitan projects and construction of freight railway lines prime drivers for business in South America, in addition to the upcoming FIFA World Cup and the Olympics



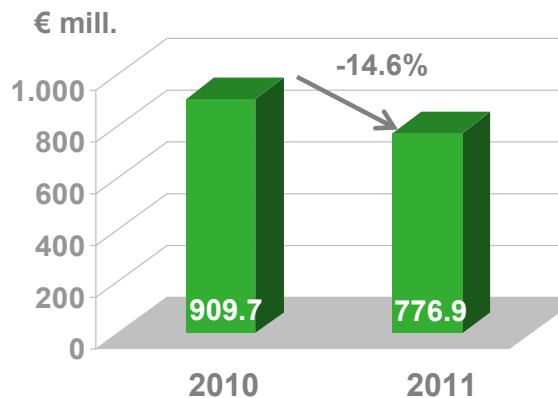
Vossloh Group, Western/Northern/Southern Europe

Frail demand in Southern Europe,
stable business in Western and Northern Europe

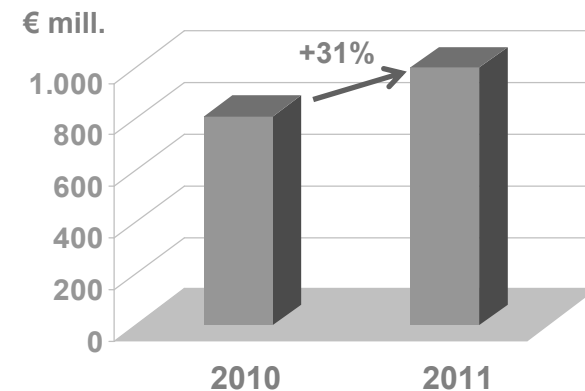
Countries of relevance to Vossloh:

- Germany
- France
- Belgium
- UK
- Luxembourg
- Netherlands
- Austria
- Switzerland
- Finland
- Denmark
- Norway
- Sweden
- Italy
- Portugal
- Spain
- Turkey

Regional sales



Order intake



Business units: Fastening Systems, Switch Systems, Rail Services, Transportation Systems, Electrical Systems

Replacement purchases and selected projects (e.g. Gotthard AlpTransit initiative, PPP urban projects in France, high-speed line Vienna–St. Pölten) to leave overall business in Western Europe at a high stable level

Persistent budgetary constraints to tie demand in Southern Europe down to low level of 2011, except only for Turkey where urban projects will continue to boost business over the years to come

Demand for conventional rail infrastructure products to govern business in Northern Europe



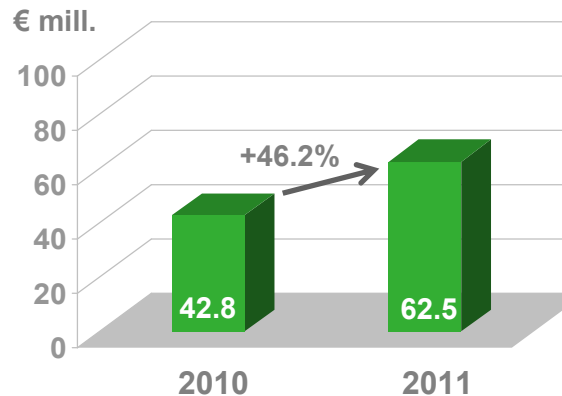
Vossloh Group, Eastern Europe and Russia

Rail network modernization and urban projects ensure bright prospects for the years ahead

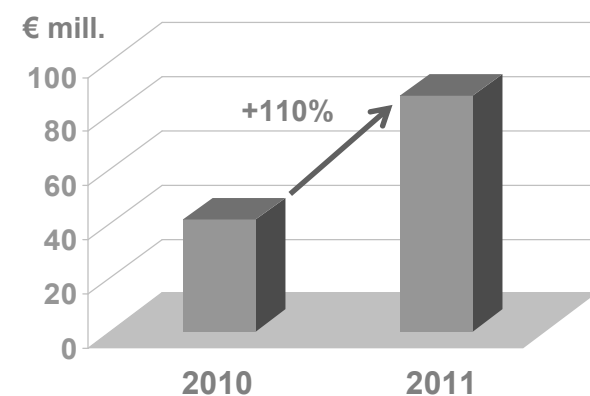
Selected countries of relevance to Vossloh:

- Poland
- Hungary
- Czech Republic
- Serbia
- Bulgaria
- Lithuania
- Russia
- Azerbaijan

Regional sales



Order intake



Business units: Fastening Systems, Switch Systems, Transportation Systems: Vossloh Locomotives, Electrical Systems

Opportunities for each business unit in local markets hinging on different factors:

- Fastening Systems supplies products for existing lines and planned high-speed line in Russia
- Switch Systems and Vossloh Locomotives provide products for West-East freight transport corridors
- Electrical Systems benefits from demand for urban projects



Vossloh Group, 2010–2013p

Major contracts for Transportation division corroborating prospects up to 2015

- **50 light rail vehicles** for Üstra Hannoversche Verkehrsbetriebe AG
Contract volume for Vossloh Electrical Systems: **€102 million**
Shipments: 2013 and 2014; option for another 96 LRVs
- **25 low-floor LRVs** for Verkehrsbetriebe Karlsruhe and Albtal-Verkehrs-Gesellschaft
Contract volume for Vossloh Rail Vehicles and Vossloh Electrical Systems: **€75 million**
Shipments: starting October 2013; option for another 50 LRVs
- **13 trams** for Rostocker Strassenbahn AG
Contract volume for Vossloh Rail Vehicles and Vossloh Electrical Systems: **€38 million**
Shipments: starting in late 2013 and ending in spring 2014
- **31 suspension railcars** for Wuppertaler Stadtwerke
Contract volume for Vossloh Electrical Systems and Vossloh Rail Vehicles: **€122 million**
Shipments: starting mid-2014 up to late 2015
- **>40 G 6 and 7 DE locomotives** for several industrial clients
Contract volume for Vossloh Locomotives: **€80 million**
Shipments: from 2013 onwards
- Further orders for Electrical Systems:
 - **9 hybrid trolleybuses** for Northern Italy's transport operator T.E.P.
 - **15 hybrid trolleybuses** for Milan's transport operator ATM
 - **12 battery trolleybuses** for Zurich's transport operator Züricher Verkehrsbetriebe
 - Electrics and air conditioners for **100 German Rail double-deck railcars**, option for another 100 vehicles



Vossloh Group, outlook 2012–2013p

Vossloh returning to growth track

- **Outlook** for 2012 and 2013 endorsed by tall order backlog
- **Value-oriented growth:** organic and through M&A
- **Rail Infrastructure division** to be revitalized through ongoing internationalization and to cement market position also by improving cost structures
- **Transportation division** to benefit increasingly from excellent order inflow in 2011

	2011	2012p	2013p
Sales (€ billion)	1.2	1.25–1.3	1.3–1.35
EBIT (€ million)	96.9	approx. 100–110	approx. 120–130
EBIT margin (%)	8.1	8.0–8.5	9.0–10.0
Earnings per share (€)	4.30	4.50–5.00	5.80–6.20
Average working capital (€ million)	211.2	>175	>155
Capital expenditures (€ million)	65.6	approx. 79	approx. 65
Average capital employed (€ million)	811.4	approx. 800	approx. 820
ROCE (%)	11.9	12.5–14.0	14.5–16.0
Value added (€ million)	15.8	>20	>40
Net financial debt (€ million)	238.8	>170	>180



Financial diary and contacts

Financial diary

- May 23, 2012 Annual general meeting
- July 26, 2012 Interim report as of June 30, 2012¹
- October 31, 2012 Interim report as of September 30, 2012¹
- December 6, 2012 Investors and analysts conference¹

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