

Presentation to Investors

March 21, 2013, Report on Fiscal 2012



Disclaimer

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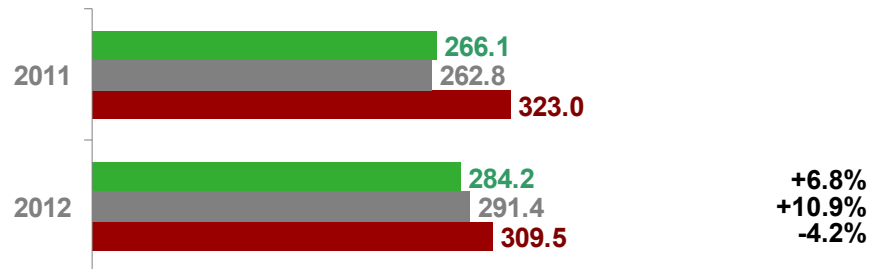
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Vossloh Group, fiscal 2012

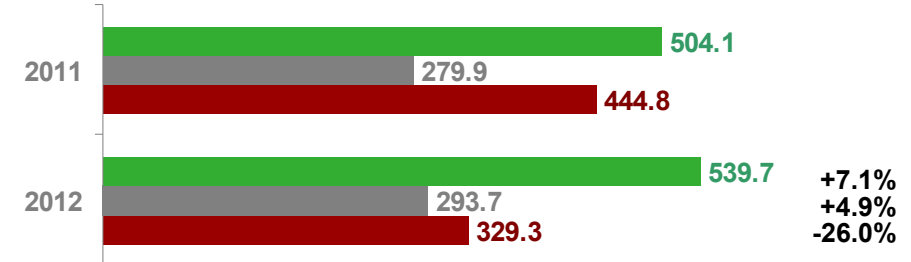
As expected, order intake at €1,294 million down from high 2011 level, order backlog mounting to a record high of €1,548 million

Order backlog, sales and order intake by business unit (in € million)

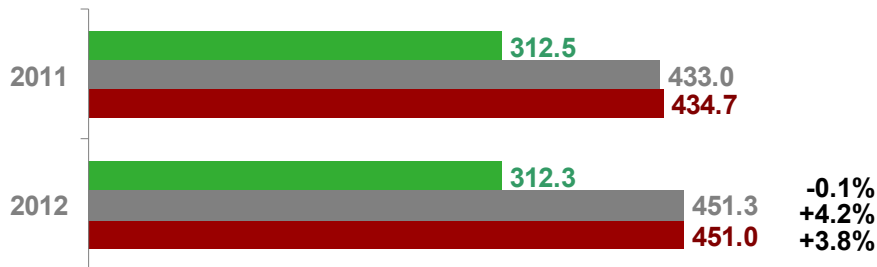
Fastening Systems



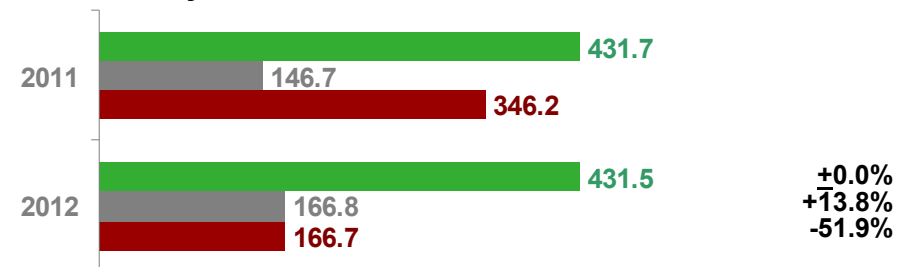
Transportation Systems



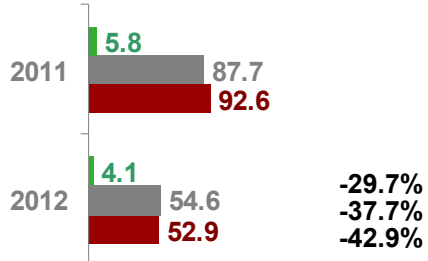
Switch Systems



Electrical Systems



Rail Services



Order backlog Sales Order intake

Vossloh Group, fiscal 2012

Sales up by almost 4%, EBIT year-on-year essentially unchanged

- **Vossloh Group's overall business trend favorable**; sales at lower end of forecast bandwidth, EBIT nudging predicted level
- **Both divisions share in sales growth**: Transportation's growth clearly outpacing Rail Infrastructure's
- **EBIT margin and ROCE** inching down year-on-year
- **Proposed dividend per share: €2.00** (down from €2.50); long-range dividend policy follows group earnings pattern, earmarking around one-third for payout



| | 2011 | 2012 | Δ in% |
|-----------------------------------|--------------|---------|-------|
| Sales (€ million) | 1,197.2 | 1,243.0 | +3.8 |
| EBIT (€ million) | 97.2 [96.5]* | 97.5 | +0.3 |
| EBIT margin (%) | 8.1 | 7.8 | — |
| Group earnings (€ million) | 56.2 [55.7]* | 59.2 | +5.2 |
| ROCE (%) | 12.0 [11.9]* | 11.9 | — |
| Value added (€ million) | 16.1 [15.4]* | 15.4 | -4.2 |
| Earnings per share (€) | 4.32 [4.28]* | 4.94 | +14.4 |
| Dividend per share (€) | 2.50 | 2.00 | -20.0 |
| Annual average headcount | 5,000 | 5,078 | +1.6 |

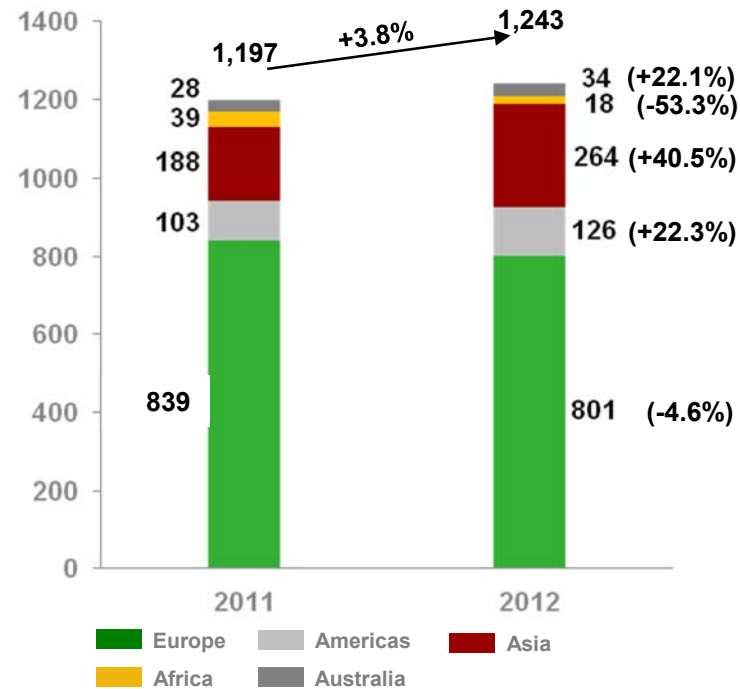
* Prior-year comparatives (bracketed) adjusted due to retroactive application of amended pension accrual accounting policy.

Vossloh Group, fiscal 2012

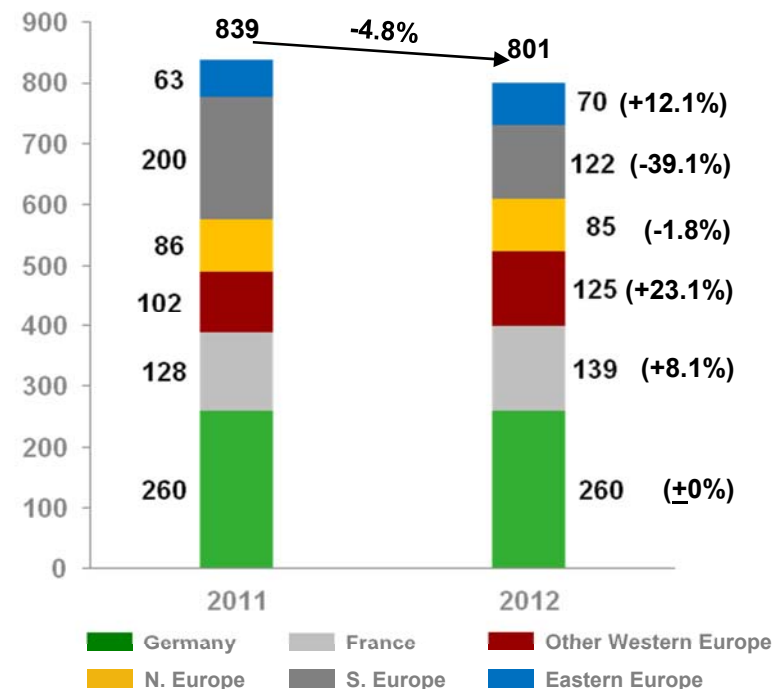
Growth in Britain and France

Steep sales upswing in Asia, favorable trend in the Americas

Sales trend worldwide (in € million)



Sales trend in Europe (in € million)



- European sales share receding to a good 64% due to **strong growth in Asia and the Americas**
- Sales in **Germany** unchanged, **France** and **UK** growing
- Clear sales downturn in **Southern Europe**; further gains in **Eastern Europe**, mainly Poland
- Non-European** sales share climbing to around **36%** (up from 30%)

Vossloh Group, fiscal 2012

Working capital downscaled further, capital employed hardly changed despite higher fixed assets, net financial debt slashed

- **Total assets** inching up year-on-year
- **Equity** up to over €500 million
- **Working capital** year-on-year again whittled down, working capital intensity at record low
- Average **capital employed** showing minor upturn despite higher fixed assets



| | 12/31/2011 | 12/31/2012 | Δ in % |
|--|--------------------|------------|--------|
| Total assets (€ million) | 1,513.4 [1,512.3]* | 1,523.1 | +1.3 |
| Total equity (€ million) | 480.1 [482.8]* | 505.7 | +5.3 |
| Equity ratio (%) | 31.7 [31.9]* | 33.2 | — |
| Average working capital (€ million) | 211.2 | 180.3 | -14.6 |
| Average working capital intensity (%) | 17.6 | 14.5 | — |
| Closing working capital (€ million) | 200.3 | 139.6 | -30.3 |
| Closing working capital intensity (%) | 16.7 | 11.2 | — |
| Average capital employed (€ million) | 811.4 | 821.0 | +1.2 |
| Closing capital employed (€ million) | 825.9 | 802.3 | -2.9 |
| Net financial debt (€ million) | 238.8 | 200.8 | -15.9 |
| Net leverage (%) | 49.7 [49.5]* | 39.7 | — |

* Prior-year comparatives (bracketed) adjusted due to retroactive application of amended pension accrual accounting policy.

Vossloh Group, fiscal 2012

Freely available cash flow in fiscal 2012 surging year-on-year

- **Gross cash flow** improved in spite of substantially unchanged EBIT
- **Net cash provided by operating activities** mounting to €162.6 million
- **Freely available cash flow** surging to €104.1 million

| Cash flow trend (€ million) | 2011 | 2012 |
|--|-----------------------|--------------|
| EBIT | 97.2 [96.5] | 97.5 |
| Amortization/depreciation/write-down (less write-up) of noncurrent assets | 38.8 | 41.4 |
| Change in noncurrent accruals | (16.4) [(15.1)]* | 6.2 |
| Net result of discontinued operations | 0.0 | 9.5 |
| Gross cash flow | 119.6 [120.2]* | 154.6 |
| Net book loss/(gain) from the disposal of tangible and intangibles | (1.6) | 0.0 |
| Change in working capital | 54.6 | 51.4 |
| Noncash change in shares in associated affiliates, other noncash income/expenses (net), change in other assets/liabilities (net) | (3.6) [(4.2)]* | (23.3) |
| Cash outflow for income taxes | (30.5) | (20.1) |
| Net cash provided by operating activities | 138.5 | 162.6 |
| Cash outflow for additions to tangibles/intangibles | (65.6) | (58.5) |
| Freely available cash flow** | 72.9 | 104.1 |

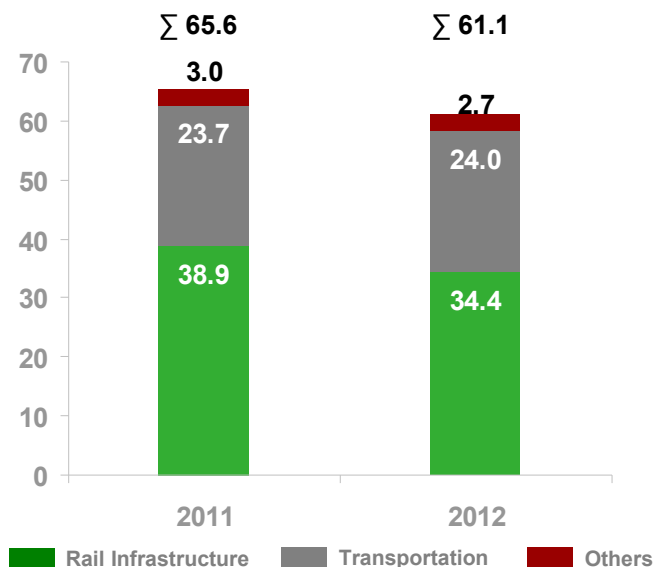
* Prior-year comparatives (bracketed) adjusted due to retroactive application of amended pension accrual accounting policy.

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

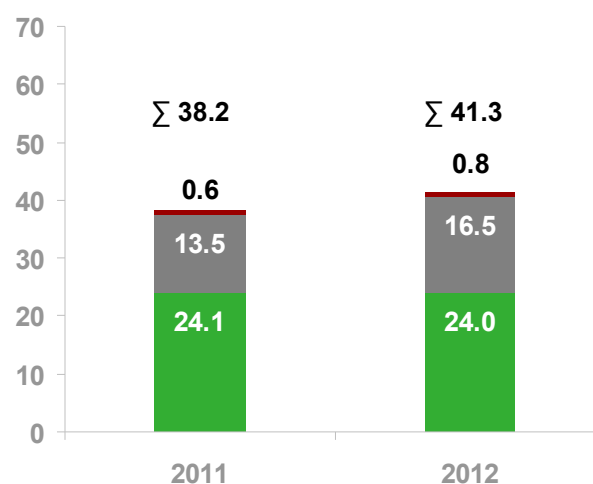
Vossloh Group, fiscal 2012

Reduced overall capex volume:
Rail Infrastructure down, Transportation slightly up

Capital expenditures (€ million)



Amortization/depreciation (€ million)



| € million | 2011 | 2012 | Δ in % |
|----------------------------|------|------|--------|
| Group | | | |
| Capex | 65.6 | 61.1 | -6.8 |
| Amortiz./deprec. | 38.2 | 41.3 | +8.1 |
| Rail Infrastructure | | | |
| Capex | 38.9 | 34.4 | -11.5 |
| Amortiz./deprec. | 24.1 | 24.0 | -0.4 |
| Transportation | | | |
| Capex | 23.7 | 24.0 | +1.3 |
| Amortiz./deprec. | 13.5 | 16.5 | +22.2 |

- Capital outlays by the **Vossloh Group** lower than in 2011, also due to certain postponed projects
- Rail Infrastructure:** Vossloh Fastening Systems downscaling capex to €4.5 million, Vossloh Switch Systems accounting for €20.8 million, the lion's share. Key projects: production line for switch points in the USA, further progress of switch production plant in China. Outlays of €9.1 million by Vossloh Rail Services went into the construction of new high-speed grinding trains.
- Transportation:** Expenditures by Vossloh Transportation Systems of €15.8 million mainly incurred for developing the EURO 3000 and EUROLIGHT locomotives and its Tralink. Vossloh Electrical Systems spent €5.7 million.

Rail Infrastructure division, fiscal 2012

Division sales showing shallow upturn, EBIT margin down

- **Sales** reviving year-on-year, shipments in China resumed in June 2012
- **EBIT and EBIT margin** still below 2011 for all of 2012 but outstripping year earlier in Q4
- **Average working capital** again downsized
- **ROCE** lessening to 11.8%
- **Less value added** due to red contribution by Vossloh Rail Services

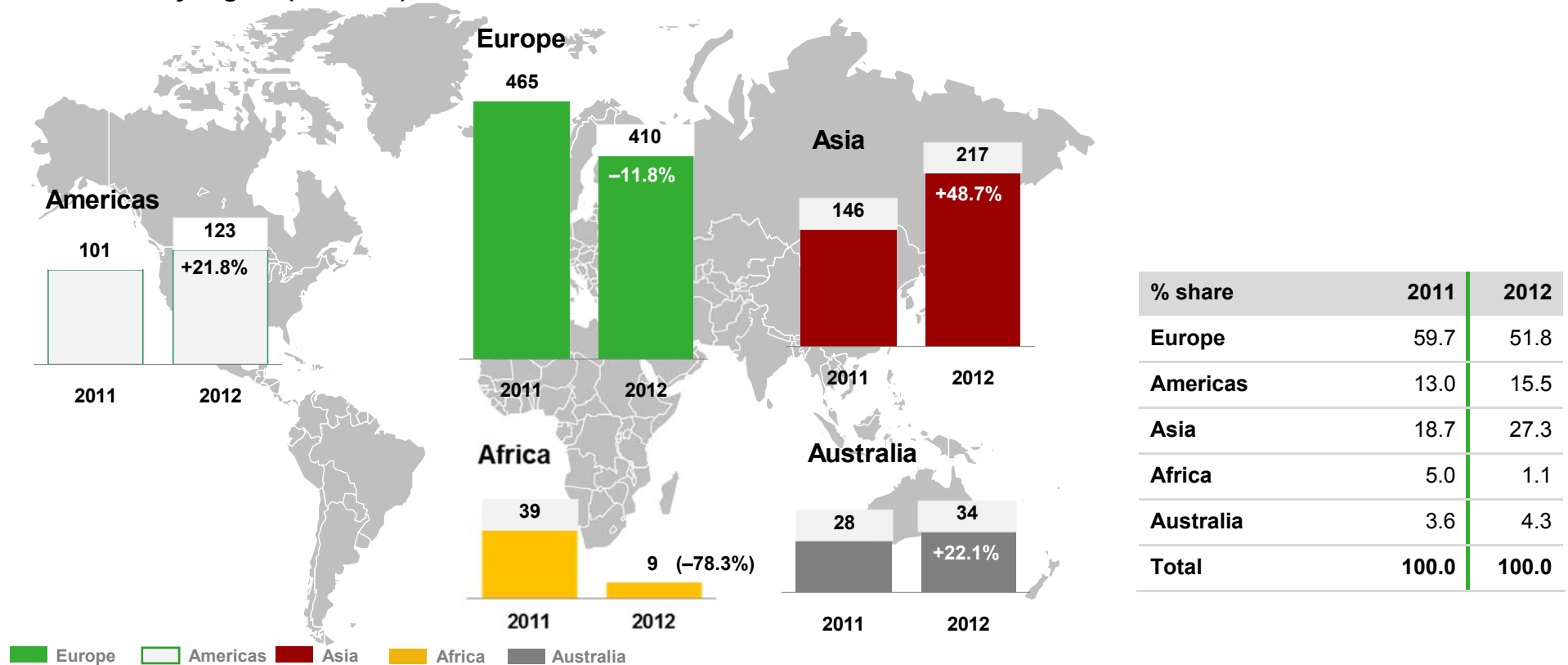


| | 2011 | 2012 | Δ in % |
|--------------------------------------|-------|-------|--------|
| Sales (€ million) | 778.8 | 792.4 | +1.7 |
| EBIT (€ million) | 86.2 | 81.7 | -5.2 |
| EBIT margin (%) | 11.1 | 10.3 | — |
| Average working capital (€ million) | 249.3 | 233.1 | -6.5 |
| Average capital employed (€ million) | 683.1 | 692.3 | +1.3 |
| Closing capital employed (€ million) | 704.2 | 668.1 | -5.1 |
| ROCE (%) | 12.6 | 11.8 | — |
| Value added (€ million) | 17.9 | 12.5 | -30.4 |

Rail Infrastructure division, fiscal 2012

Almost half of sales generated outside Europe

Sales trend by region (€ million)

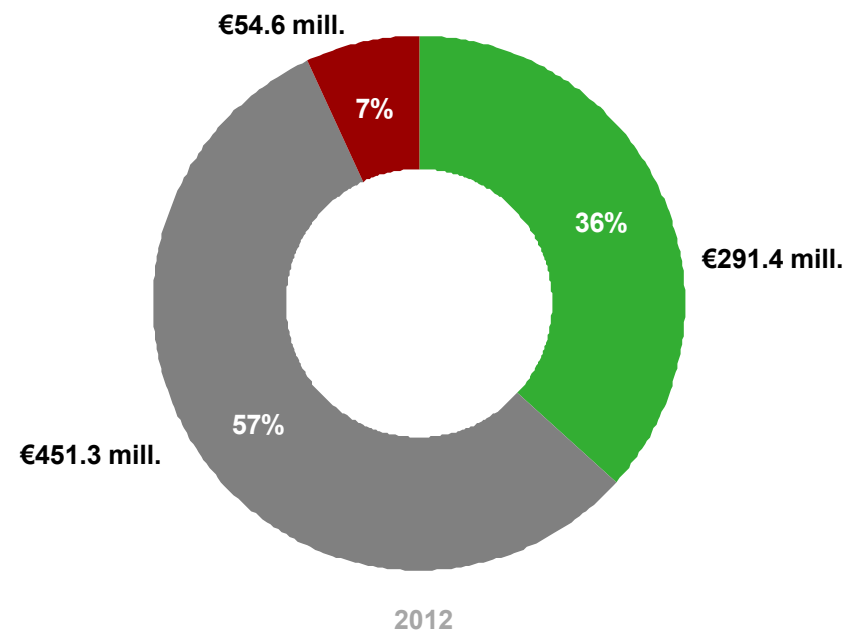
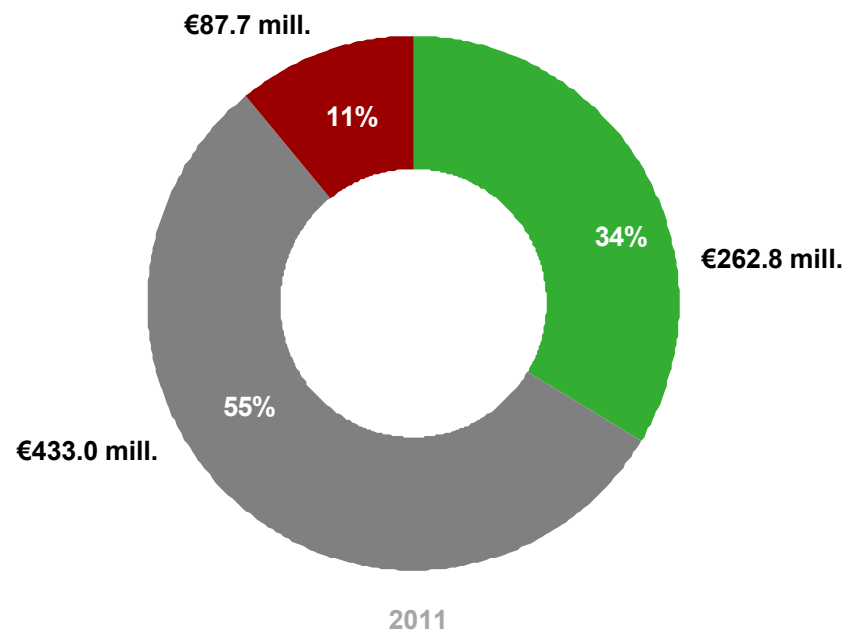


- Sales downturn in **Europe**, upturn in **Asia**, **Americas** and **Australia**
- Resumed fastening system shipments in **China** in June boost Asian sales
- **Europe** with around 52% of sales remains top-ranking region, non-European sales share at 48%
- **Asia's** sales share surging to about 27%, hence second-strongest region after Europe, followed by the **Americas** at some 16%

Rail Infrastructure division, fiscal 2012

Vossloh Fastening Systems and Vossloh Switch Systems stepping up sales, Vossloh Rail Services business plunging

Sales trend by business unit



Fastening Systems Switch Systems Rail Services

- **Vossloh Fastening Systems** raising sales by 10.9%, driven by resumed China shipments; further momentum coming from Kazakhstan, Germany, and the United States
- **Vossloh Switch Systems** ratcheting up sales by 4.2%, mainly in the USA; business in Southern Europe wilting
- **Vossloh Rail Services** reporting 37.7% sales shrinkage due to persistently poor demand for rail welding work and rail logistics

Transportation division, fiscal 2012

High order inflow in 2011 boosting sales and offering growth prospects beyond 2013

- **Sales increase** supported by both business units
- **EBIT and EBIT margin** considerably upgraded year-on-year
- **Average working capital** chopped again
- **ROCE** jumping thanks to improved EBIT
- **Value added** year-on-year elevated by 50+%

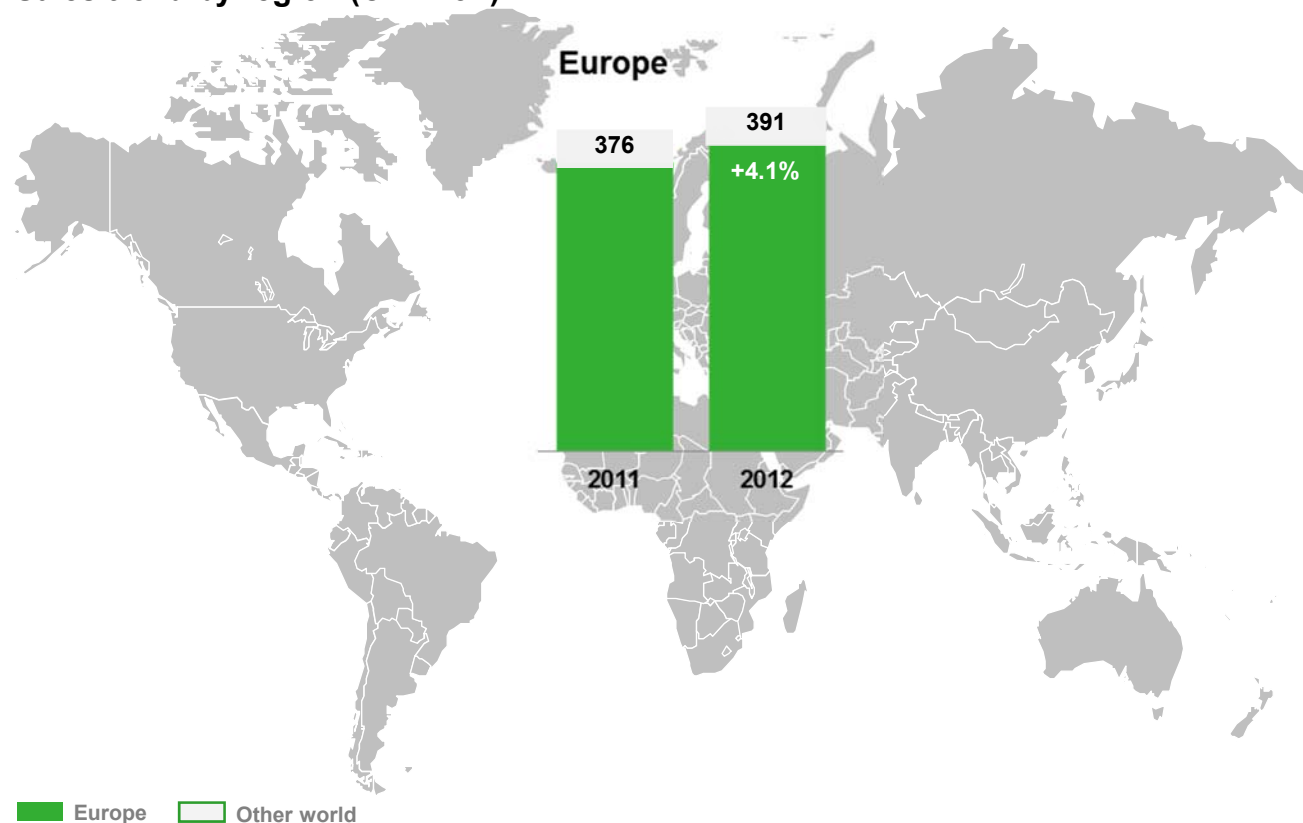


| | 2011 | 2012 | Δ in % |
|--------------------------------------|--------|--------|--------|
| Sales (€ million) | 420.0 | 451.1 | +7.4 |
| EBIT (€ million) | 27.8 | 35.5 | +27.7 |
| EBIT margin (%) | 6.6 | 7.9 | — |
| Average working capital (€ million) | (31.3) | (47.9) | — |
| Average capital employed (€ million) | 124.6 | 121.6 | -2.4 |
| Closing capital employed (€ million) | 117.8 | 127.7 | +8.4 |
| ROCE (%) | 22.3 | 29.2 | — |
| Value added (€ million) | 15.3 | 23.3 | +52.3 |

Transportation division, fiscal 2012

Western Europe with steep sales uptrend in 2012, business in Southern Europe slumping in the wake of ailing national economies

Sales trend by region (€ million)



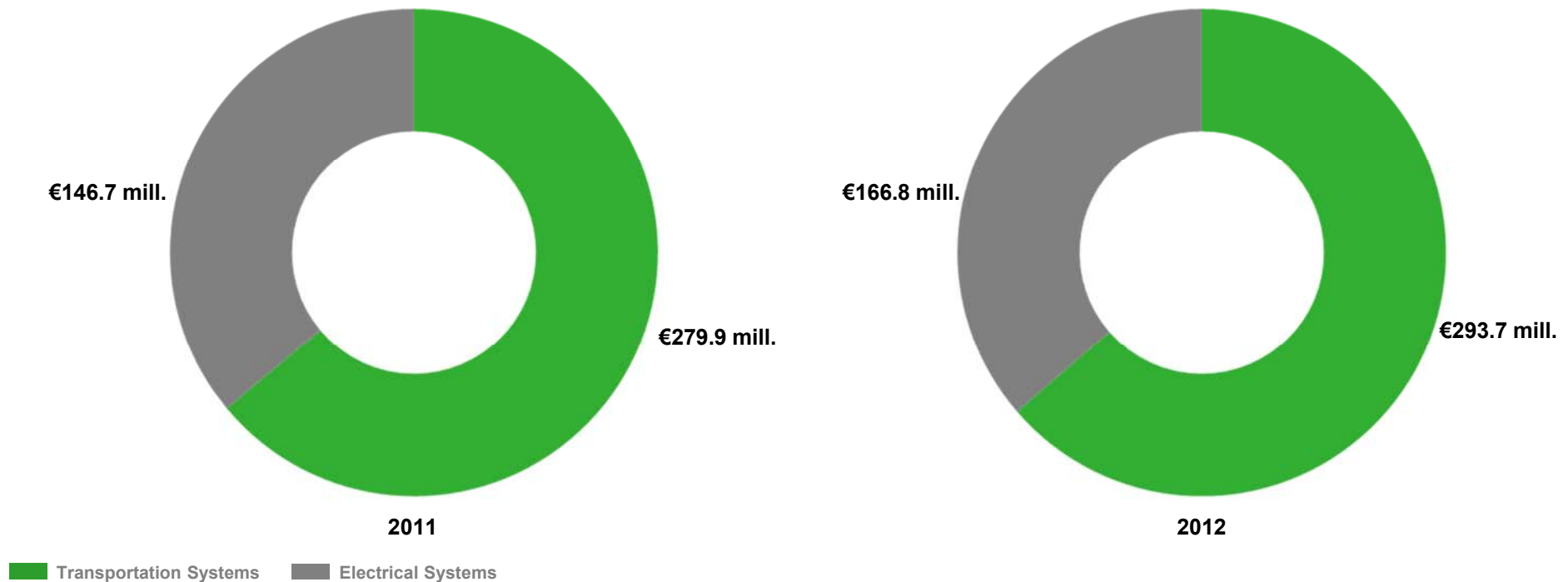
| % share | 2011 | 2012 |
|-------------|-------|-------|
| Europe | 89.5 | 86.7 |
| Other world | 10.5 | 13.3 |
| Total | 100.0 | 100.0 |

- **Europe with its around 87% sales share** continuing as topmost sales market by far
- **Sales climbing in Western and Eastern Europe**, dwindling business in Southern Europe; **large order from Israel** fuels non-European sales
- Division's **biggest single markets** remain **Germany, France, and Spain**

Transportation division, fiscal 2012

Both business units reporting sales hike

Sales trend by business unit

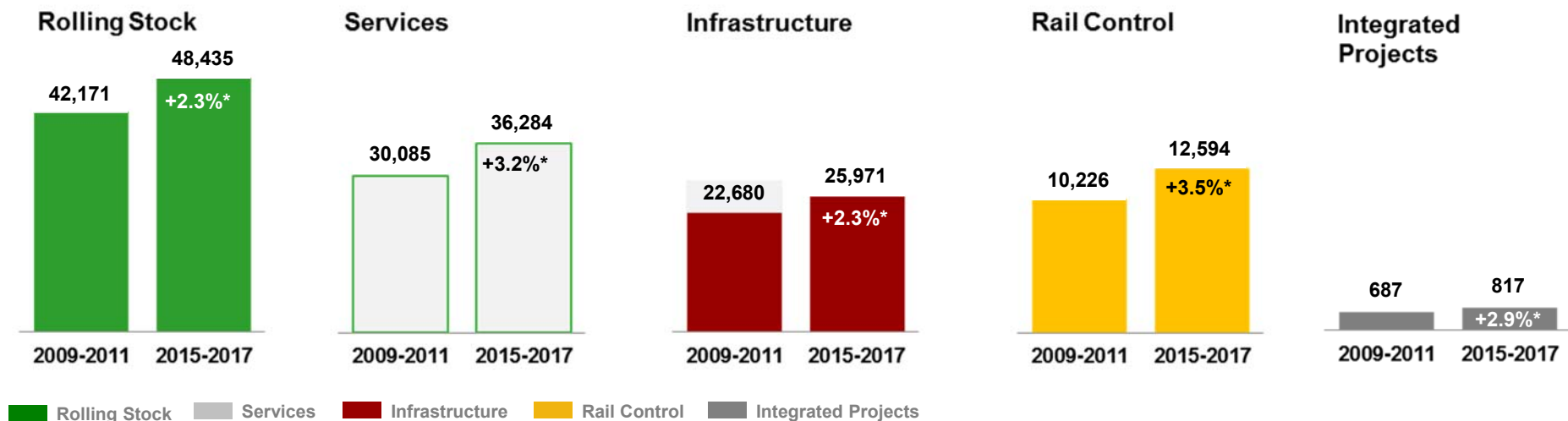


- **Vossloh Transportation Systems** notches up sales by 4.9%, thanks to orders for EURO 4000 and EURO 3000 locomotives
 - **Vossloh Locomotives:** sales inching down year-on-year from €123.5 million to €119.2 million
 - **Vossloh Rail Vehicles:** sales driven up by 11.6%, from €156.4 million to €174.6 million
- **Electrical Systems** revs up sales by 13.8%; stronger market positioning after takeover of TPL in Britain

Rail technology market, prospects 2015–2017

Increasing need for mobility leads to long-term growth expectations

Rail technology market: average annual volume of accessible market in € million and forecast average growth by segment



- **Rail transportation of freight and people** becomes increasingly important
- **Trend toward urbanization** and need for modern means of mass transit boost demand
- Political and economic initiatives favoring **resource-saving modes of transport** gain significance
- **Overall rail technology market set to grow by 2.6% annually up to 2015/2017**

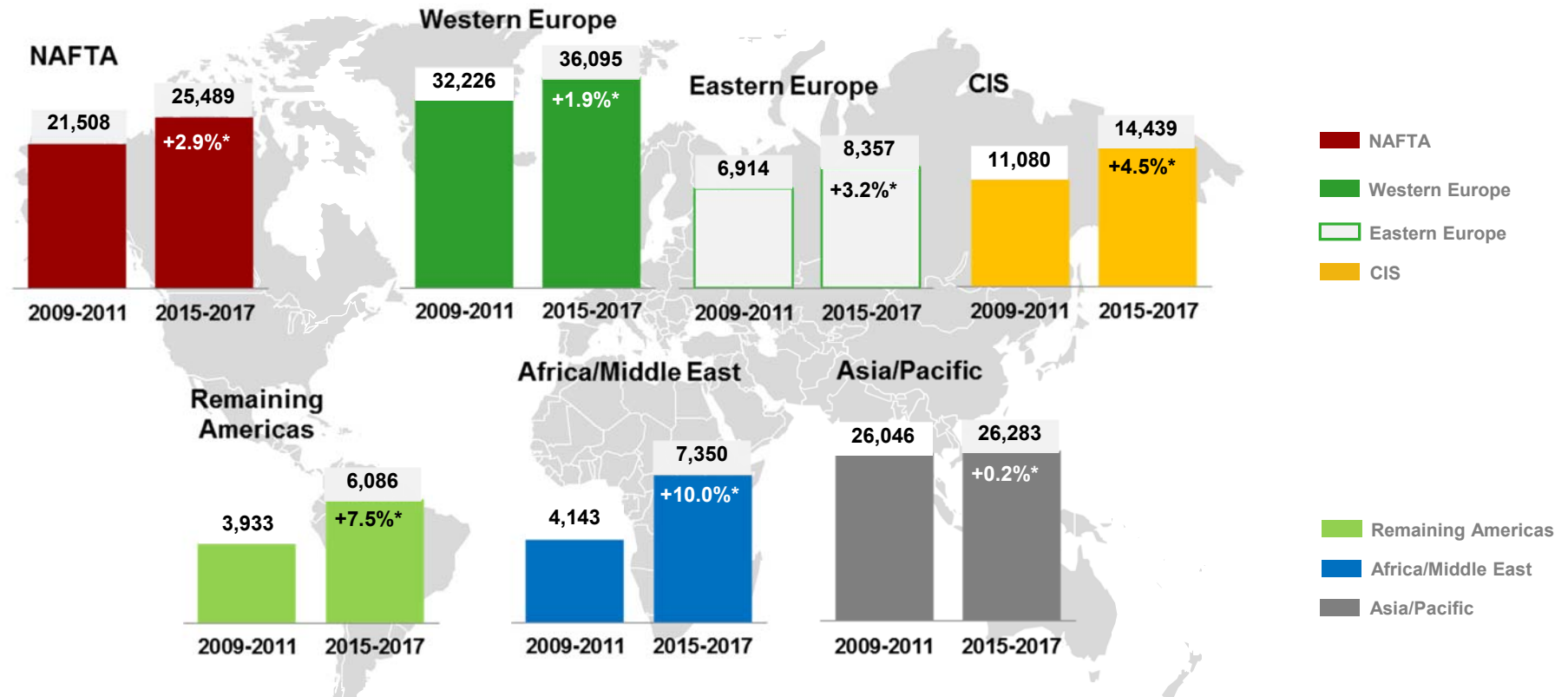
* CAGR 2015-2017 vs. 2009-2011

Source: World Rail Market Study forecast 2012 to 2017, UNIFE The European Rail Industry, Roland Berger Strategy Consultants

Rail technology market, prospects 2015–2017

Ongoing growth in all regions, particularly in the Americas, the Middle East, and in Western Europe

Rail technology market: average annual volume of accessible market in € million and forecast average growth by region



- Rail market expected to grow by around €18 billion to €124 billion by 2017
- Ongoing growth in Western Europe and North America
- Continued growth in Asia/Pacific, with focus on local transport
- High growth rates in Latin America (Brazil), the Middle East, and parts of Africa

* CAGR 2015-2017 vs. 2009-2011

Source: World Rail Market Study forecast 2012 to 2017, UNIFE The European Rail Industry, Roland Berger Strategy Consultants

Vossloh in the rail technology market, Rail Infrastructure division

International expansion from existing solid market positions

— Foremost positions in international rail infrastructure market

- Number 1 in rail fasteners, number 2 in switches/turnouts
- Competitive cost structures through economies of scale

— Extending presence in growth markets

- Vossloh Fastening Systems building production plants in the Americas and Russia
- Setting up switch production in joint ventures with local players or by acquiring market leaders
 - Argentina: setting up a switch plant in La Plata
 - Brazil: takeover of the third biggest switch maker, Metalúrgica Barros Monteiro, in January 2013
 - China: since mid-2012 switch plant on stream

— Stepping up efforts in the local transport markets of Asia, Middle East, and Africa

— Expansion and internationalization of service business, especially high-speed grinding (HSG) and rail milling

- Vossloh is China's first external infrastructure services provider with HSG work on the Beijing–Shanghai line probably as from Q2/2013
- Probably as from 2015, a new rail miller generation from Vossloh MFL Rail Milling



Vossloh in the rail technology market, Transportation division

With highly marketable diesel locomotives and local transport rail vehicles strong in attractive market niches

- **Market leader in Europe for diesel locomotives, internationally leading in electric traction, successful supplier of local transport rail vehicles**
 - Diesel shunters for industry (center-cab G and DE locomotives) and high-duty mainline models (EURO family)
Trams, metro trains, other light rail vehicles, and customized special types; on request with traction equipment and HVAC systems from Vossloh Electrical Systems
- **Advances in energy efficiency and emission reduction**
 - New G 6 ME shunter complies with Euro 5 emissions norm for trucks and allows up to 30% fuel savings
 - EURODual facilitates switching between electric and diesel traction for much lower operating costs
- **Parts commonality strategy on locomotives reduces R&D input and raises production efficiency: customer benefits include improved quality assurance and shorter lead times for parts supplies**
- **Closer cooperation between Vossloh Transportation Systems and Vossloh Electrical Systems allows added market potentials to be addressed**
- **Ongoing and successful internationalization efforts** as reflected in orders for trams in Brazil (São Paulo Metropolitan Urban Transport Company), LRV components in Houston (METRO Rail), air-conditioning units for intercity trains in South Africa (PRASA)



Vossloh Group, prospects 2013

Regional sales trends in 2013 again mixed

- Steep sales uptrend expected in Germany thanks to the Transportation division's tall order backlog, rising sales in other Western Europe likely due to new orders, another boost coming from UK acquisition
- Southern Europe (mainly Spain) with ongoing sales shrinkage, Eastern Europe business anticipated to remain subdued
- Sales increase in the Americas, key momentum expected from switch and turnout business
- Climbing sales in China, overall Asia possibly presenting downturn after project phaseouts (Iraq, Malaysia)



| | 2012 | 2013p | |
|----------------------|----------------|---------------------|---|
| Germany | 260.1 | +10% to +25% | ↗ |
| France | 138.6 | +5% to +10% | ↗ |
| Other Western Europe | 125.4 | +10% to +25% | ↗ |
| Northern Europe | 84.8 | -5% to +5% | → |
| Southern Europe | 121.9 | -10% to -25% | ↘ |
| Eastern Europe | 70.2 | -5% to +5% | → |
| Total Europe | 801.0 | +10% to +25% | ↗ |
| Americas | 125.5 | +10% to +25% | ↗ |
| Asia | 264.2 | -5% to -10% | ↘ |
| Africa | 18.3 | >+25% | ↑ |
| Australia | 34.0 | +5% to +10% | ↗ |
| Total | 1,243.0 | +5% to +10% | ↗ |

Vossloh Group, prospects 2013

Further growth budgeted for 2013, EBIT margin still trailing behind

- **Prospects** endorsed by unchanged tall order backlog of over €1.5 billion
- **Rail Infrastructure division:** added growth momentum through ongoing globalization, further potential in France; improved cost structures cement market position
- **Transportation division:** solid order inflow in 2011 continuing to impact favorably on business and offering further growth opportunities, steep sales upturn especially in Germany
- **Vossloh Group** aiming at continued growth for **2013** despite fiercer competition



| | 2012 | 2013p |
|--------------------------------------|---------|------------|
| Sales (€ million) | 1.243.0 | +5% to 10% |
| EBIT margin (%) | 7.8 | 6% to 8% |
| Average working capital (€ million) | 180.3 | +>10% |
| Capital expenditures (€ million) | 61.1 | >2012 |
| Average capital employed (€ million) | 821.0 | +10% |
| ROCE (%) | 11.9 | 9% to 12% |
| Value added (€ million) | 15.4 | positive |

Financial diary and contacts

— Financial diary

- April 25, 2013 Interim report as of March 31, 2013¹
- May 29, 2013 Annual general meeting
- July 25, 2013 Interim report as of June 30, 2013¹
- October 30, 2013 Interim report as of September 30, 2013¹

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¹ Conference call with financial analysts planned

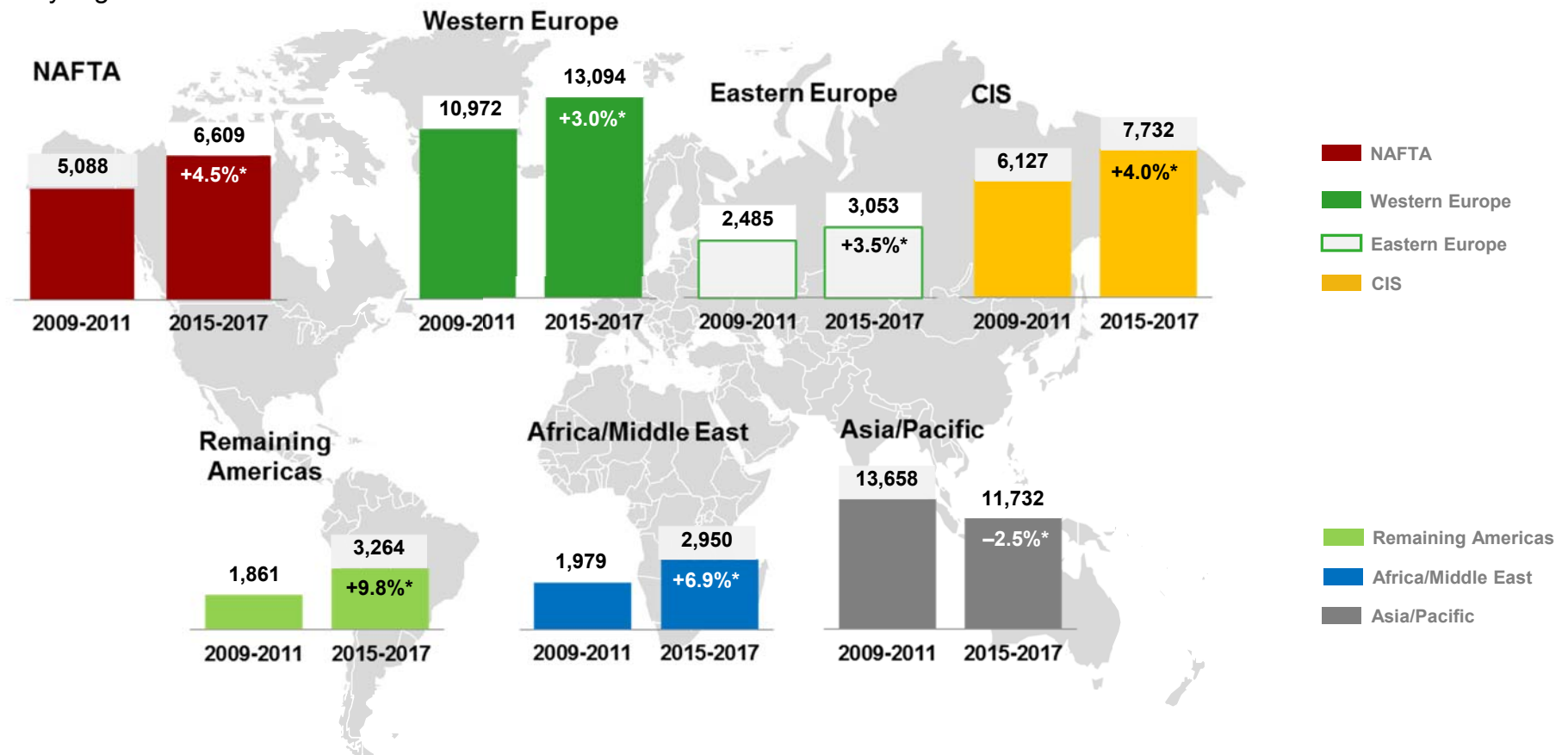
Appendix



Rail technology market, prospects 2015–2017

Transportation division looking to uptrends in all regions other than Asia

Rail technology market, Rolling Stock segment: average annual volume of accessible market in € million and forecast average growth by region



- **Rolling Stock:** accessible market volume forecast to grow by **€6.3 billion** by 2017, i.e., at an average annual rate of **2.3%**
- Biggest accessible markets are Western Europe and Asia/Pacific, **steepest rate** expected in **local transport subsegment**

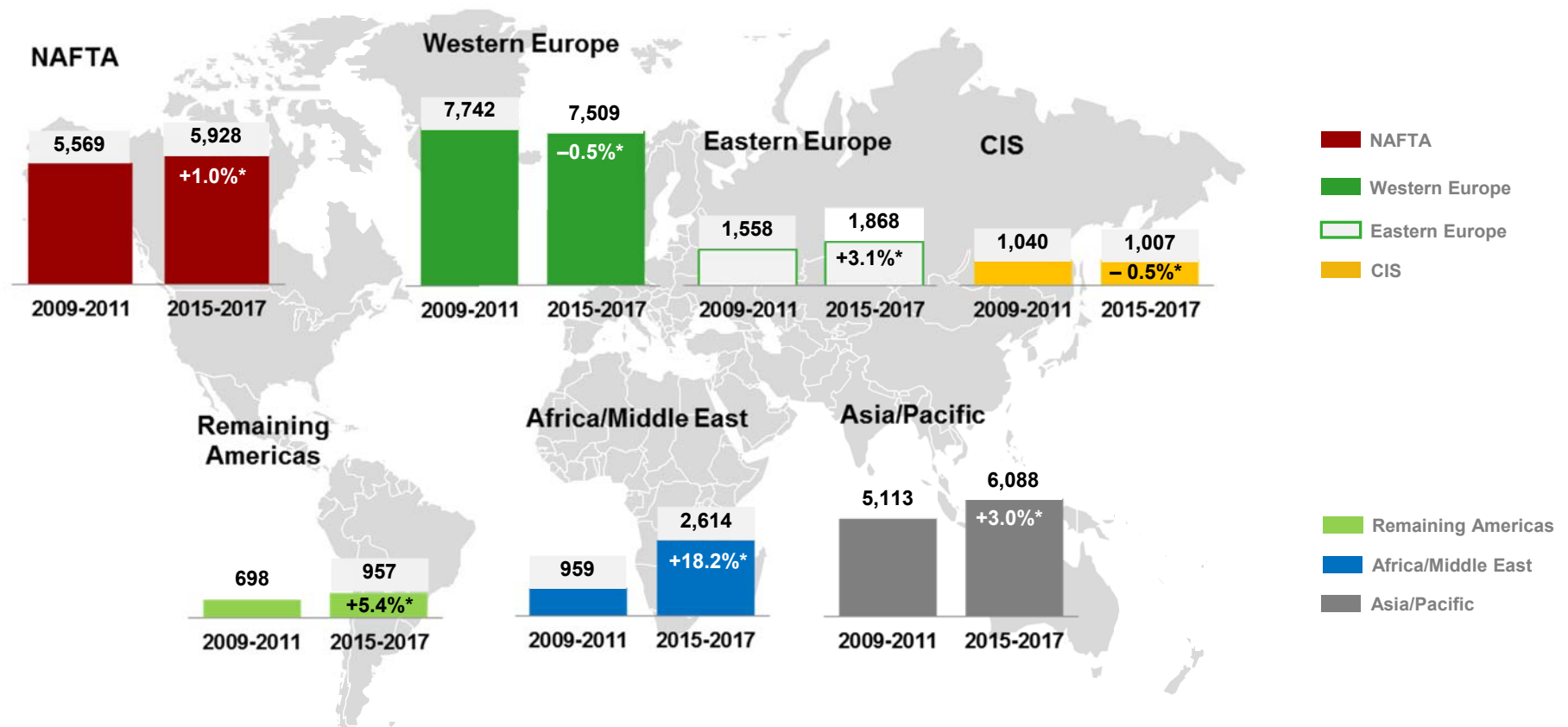
* CAGR 2015-2017 vs. 2009-2011

Source: World Rail Market Study forecast 2012 to 2017, UNIFE The European Rail Industry, Roland Berger Strategy Consultants

Rail technology market, prospects 2015–2017

Rail infrastructure with very bright growth prospects in South America and the Middle East

Rail technology market, Infrastructure segment: average annual volume of accessible market in € million and forecast average growth by region



- **Infrastructure:** accessible market volume forecast to grow at a **CAGR of 2.3%**, by a total **€3.3 billion** until 2015-2017
- **Long-distance routes** again accounting for **the lion's share**, **local transport systems in megacities** offering the **greatest growth potential**

* CAGR 2015-2017 vs. 2009-2011

Source: World Rail Market Study forecast 2012 to 2017, UNIFE The European Rail Industry, Roland Berger Strategy Consultants