



Munich, September 21st and 22nd 2015



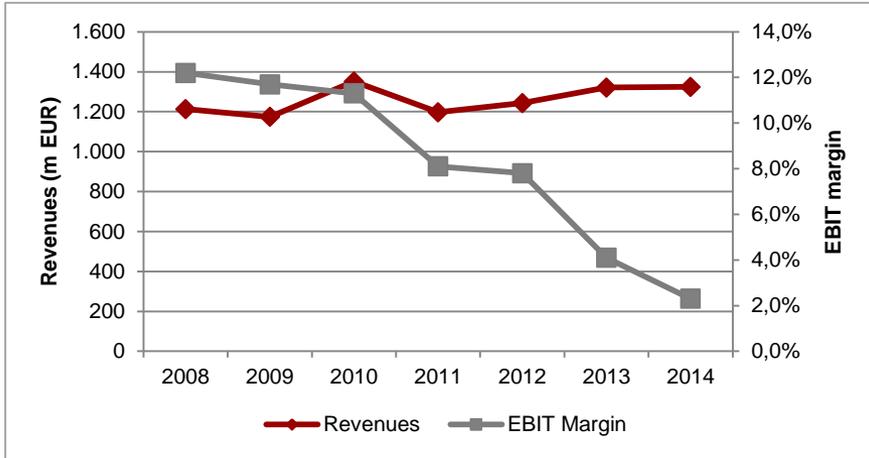
Note:

This presentation contains statements concerning the future business trend of the Vossloh Group which are based on assumptions and estimates of the Company's management. If the assumptions underlying the forecasts fail to materialize, the actual results can significantly deviate from these forecast statements. Uncertainties include, among others, changes in the political, business and economic environment, the actions of competitors, legislative reforms, the effects of future case law and fluctuations in exchange rates and interest rates. Vossloh, its Group companies, advisors and representatives assume no responsibility for any losses in connection with the use of this presentation or its contents. Vossloh does not assume any obligation to revise or update the forecast statements contained in this presentation.

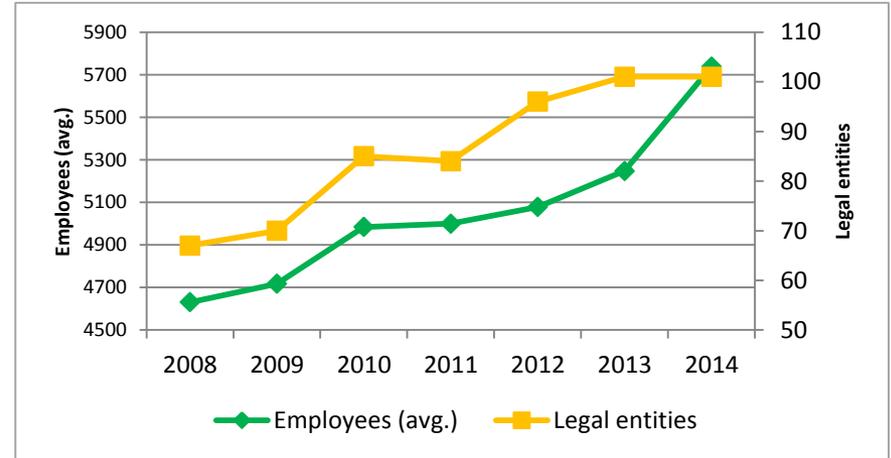
The information contained in this presentation does not represent either an offer or the solicitation to sell or buy shares of Vossloh AG or shares of other companies.

Relevant parameters urgently required action

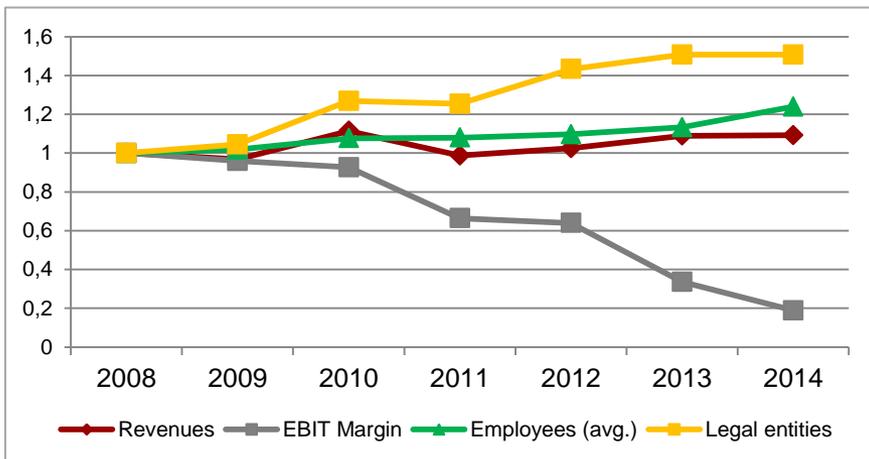
Flat revenues while profitability constantly decreases



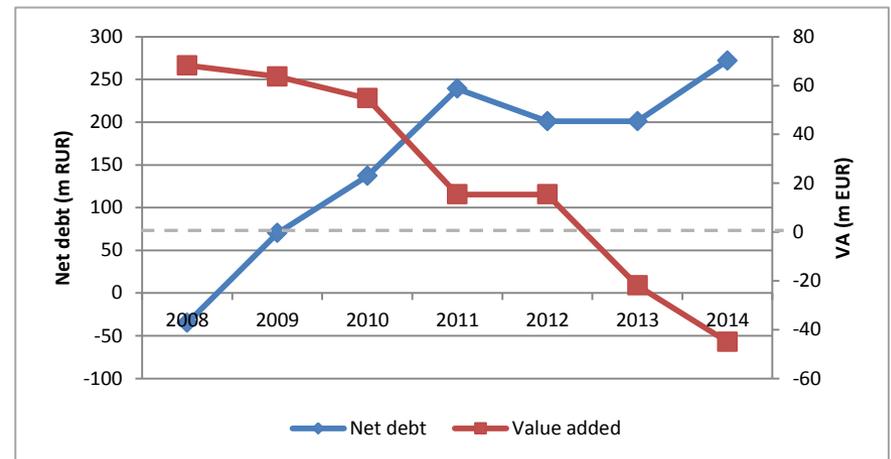
Continuous increase in complexity and headcount



A normalized view makes it even more transparent



The results are sobering...



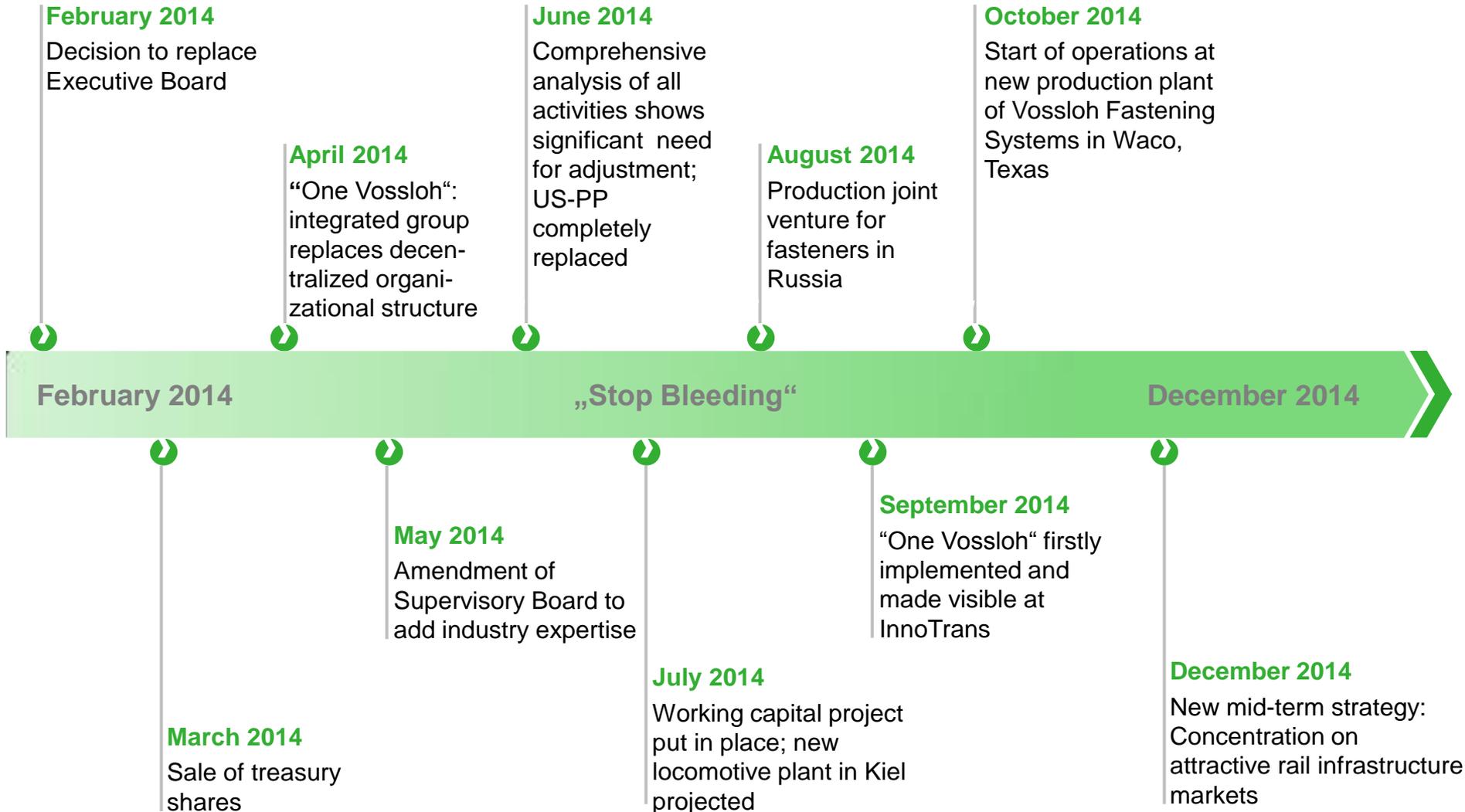
Vossloh stock

Price trend since mid of 2014 reflects transformation process



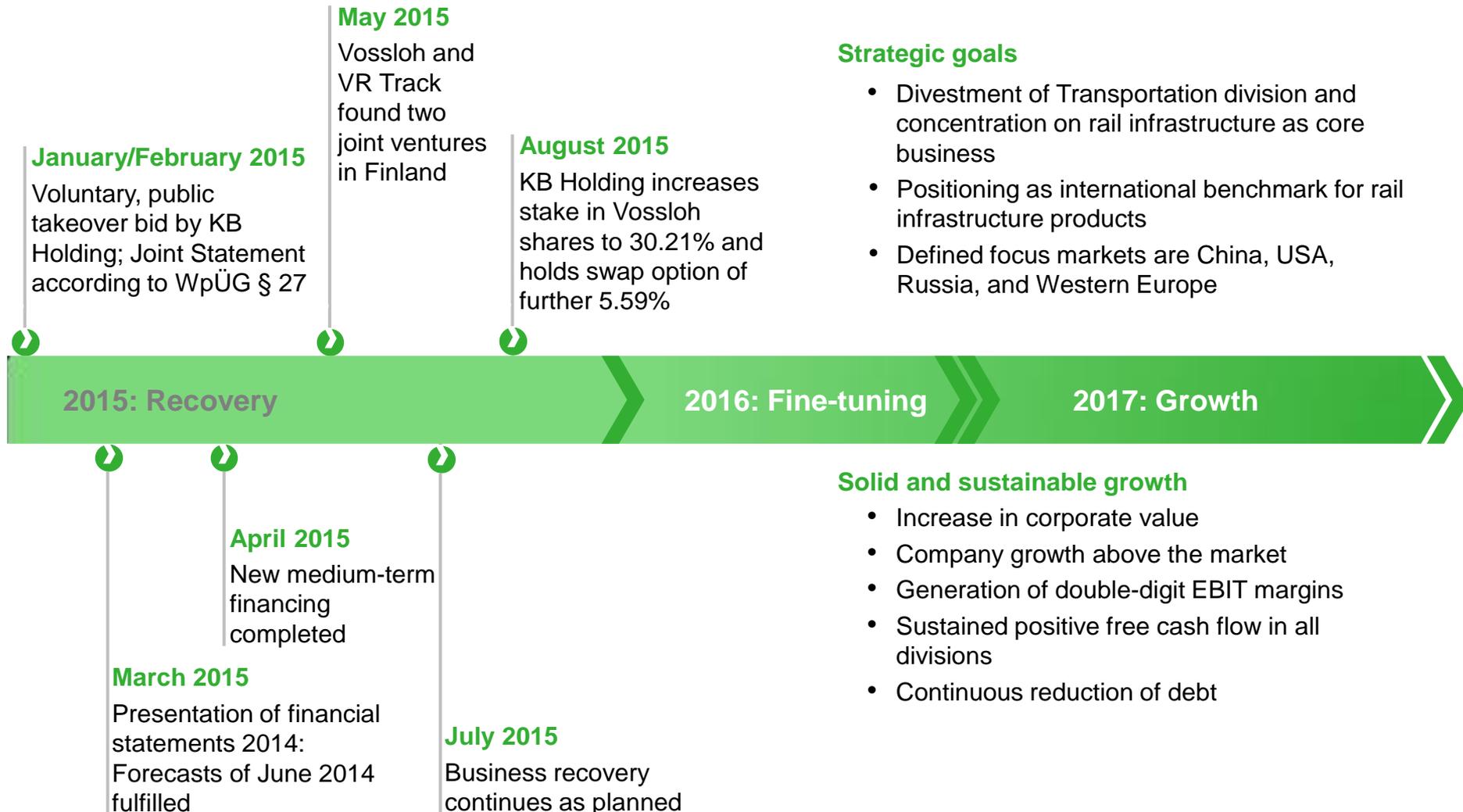
Vossloh in transformation

2014: Fundamental measures implemented promptly



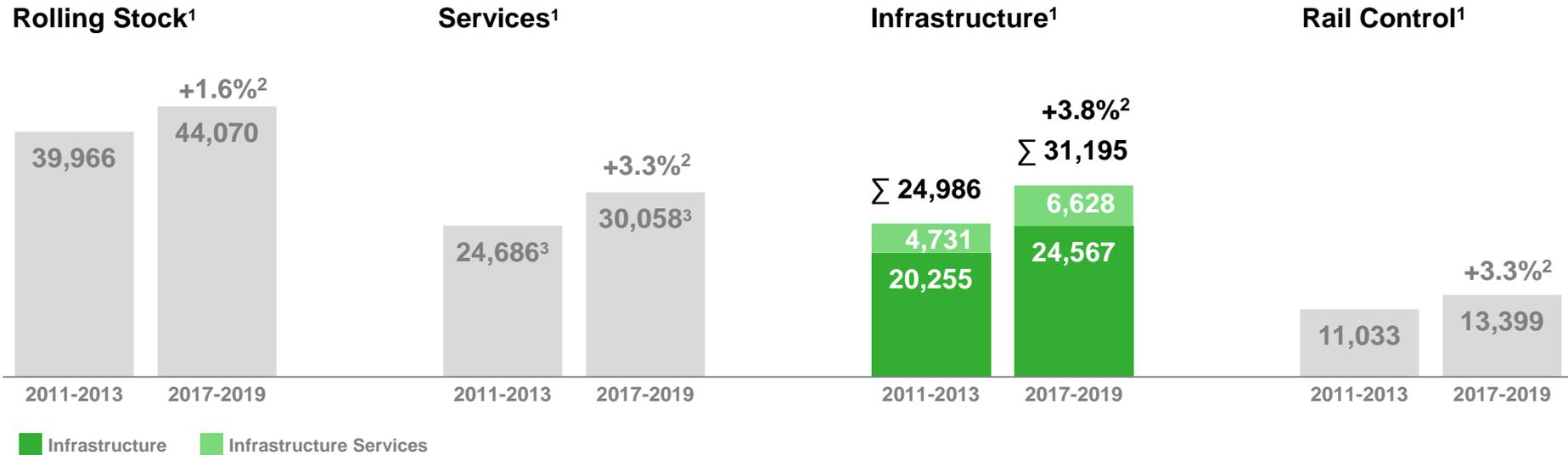
Vossloh in transformation

2015e – 2017e: Recovery, Fine-tuning, Growth



Market for rail technology, 2011/13 – 2017/19

UNIFE forecasts attractive growth rates



- ▶ The megatrends economic growth and thus further increasing international trade flows, population growth, urbanization and climate change as well as deregulation and standardization drive sustainable market growth
- ▶ Total market for rail technology (accessible market) is estimated to grow by 2.8% CAGR from 2017 to 2019
- ▶ Market of Vossloh product groups grows by 3.8%, and thus above average

¹ Market for rail technology – average annual volume of the accessible market in € million and forecast average growth according to segments (in € million)

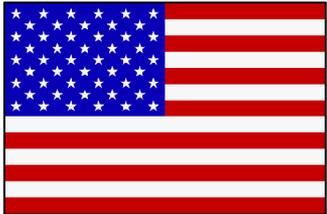
² CAGR 2017-2019 compared to 2011-2013 source: World Rail Market Study forecast 2014 to 2019, UNIFE The European Rail Industry, Roland Berger Strategy Consultants; CAGR Infrastructure incl. Infrastructure Services by + 3,8 %

³ Rolling Stock Services

Market for rail technology, infrastructure segment, 2011/13 – 2017/19*

Attractive focus markets

USA



- ▶ Largest rail network in the world: 228,200 km**, mainly freight routes
- ▶ High modernization and maintenance activities on all routes, especially by the seven Class 1 railroad companies
- ▶ High political focus on Californian high-speed rail project

China



- ▶ Second largest rail network in the world: 93.000 km**
- ▶ Ongoing investments planned in long-distance systems, including high-speed lines
- ▶ Local transport systems to be distinctly expanded

Russia



- ▶ Third largest rail network in the world: 86,300 km**
- ▶ Russia is also the third largest market for freight traffic worldwide
- ▶ High modernization and maintenance requirements on all routes

Western Europe



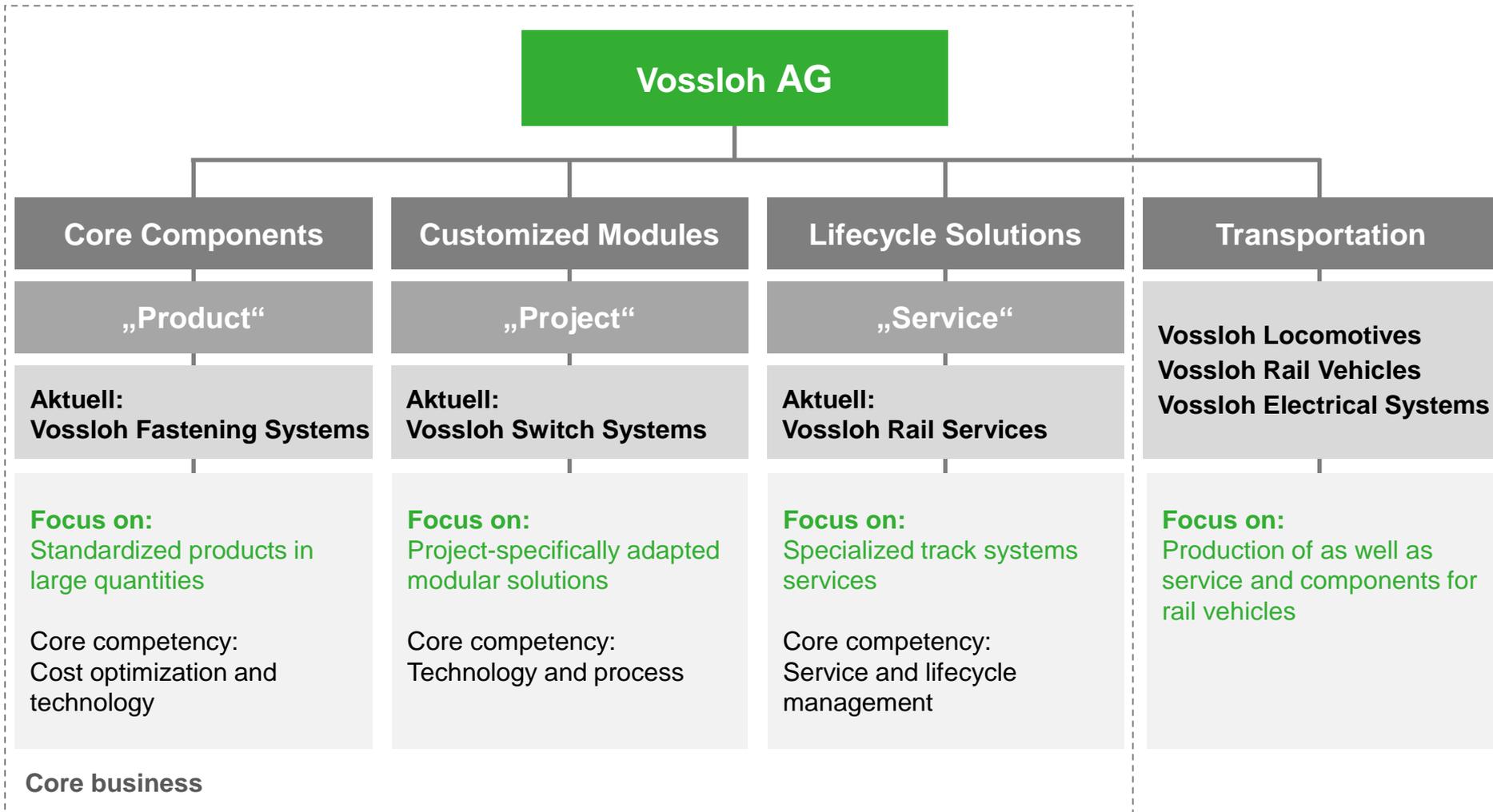
- ▶ The worldwide largest market for rail technology
- ▶ Diverse modernization activities, e.g. in France
- ▶ High investments in local transport and high-speed lines to be expected, renewal and, partially, extension

* Source: World Rail Market Study forecast 2014 to 2019, UNIFE The European Rail Industry, Roland Berger Strategy Consultants

** Railways on an international comparison, data for 2014, source: Kommersant, FAZ

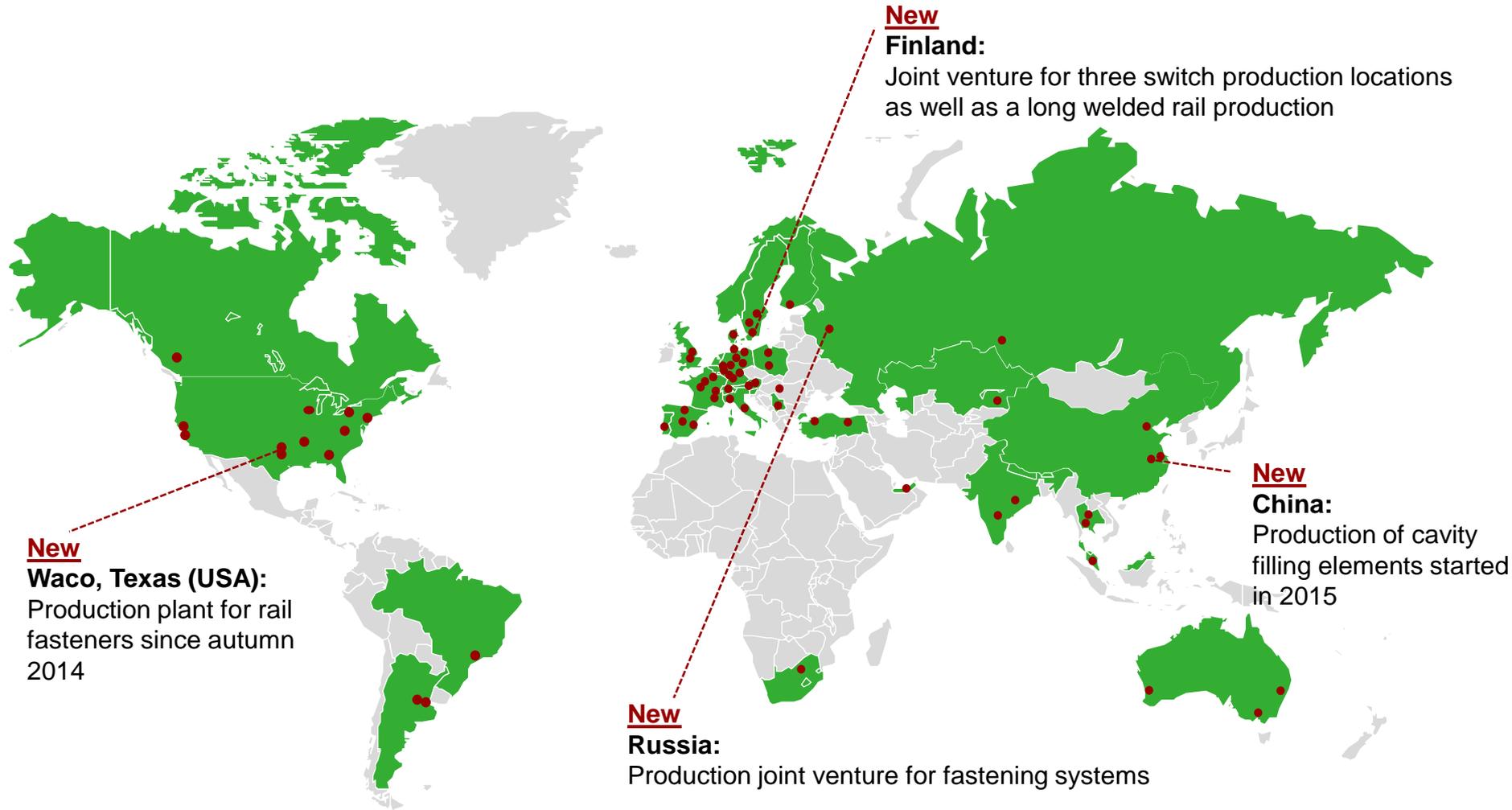
Transforming Vossloh

New Group structure: organization by business model



Vossloh Group, global presence

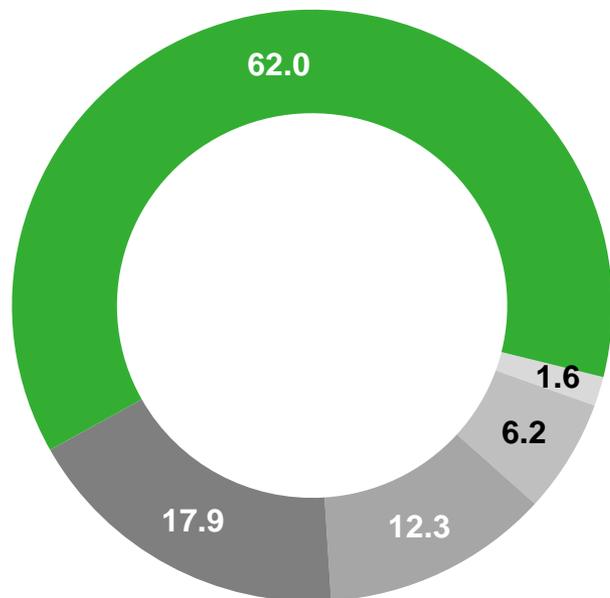
Vossloh subsidiaries – Projects in more than 100 countries worldwide



- Countries with Vossloh production sites
- Location of Vossloh subsidiaries

Key data for the Group

Sales breakdown by region (in %)



Group figures		1-6/2014	1-6/2015
Sales	€ mill.	626.0	694.7
EBIT	€ mill.	11.7*	19.0
EBIT margin	%	1.9*	2.7
Net income	€ mill.	-151.0	4.8
ROCE	%	-34.3**	4.9
Working capital (Ø)	€ mill.	141.3**	139.6
Investment	€ mill.	33.2	20.4
Total assets	€ mill.	1,576.4	1,664.2
Equity	€ mill.	413.2	362.0
Net financial debt	€ mill.	267.2	319.0
Equity ratio	%	26.2	21.7
Free cash flow	€ mill.	-104.0	-38.4
Orders received	€ mill.	682.9	602.9
Order backlog	€ mill.	1,763.9	1,659.0

* Calculated on a comparable basis; the six-month financial statements for 2014 included the vast majority of necessary restructuring expenses. The reported figures represent EBIT and EBIT margin adjusted for one-time items.

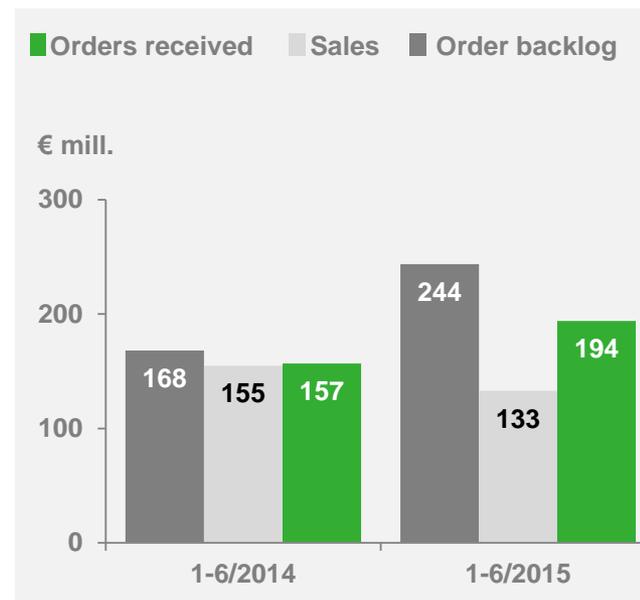
** As reported, n. c.

Vossloh Group, H1/2015

Core Components division

Product business

- ▶ Starting point: Vossloh Fastening Systems
- ▶ A worldwide market leader in rail fastening systems
- ▶ Products used in over 65 countries
- ▶ More than 90% of sales outside Germany
- ▶ Elastic rail fastening systems, screwed 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
- ▶ Production of more than 65 million rail fasteners per year at 5 main production sites worldwide: Germany, China, USA, Poland, and Turkey; JV with leading Russian manufacturer of railway sleepers, BetelTrans, grants access to Russian market



	1-6/2014	1-6/2015
Net sales (€ mill.)	155.0	133.0
EBIT (€ mill.)	26.7*	14.2
EBIT margin (%)	17.2*	10.7
Working Capital (Ø, € mill.)	83.0**	74.8
ROCE (%)	57.0**	21.4
Value added (€ mill.)	31.5**	7.6

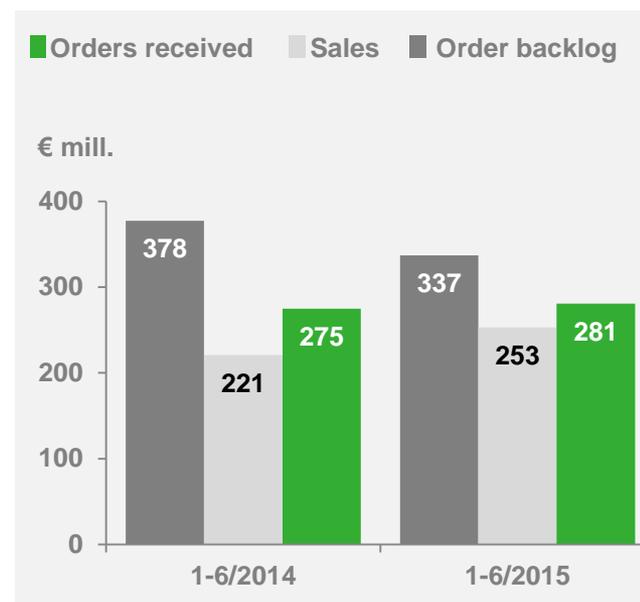


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** As reported, n. c.

Project business

- ▶ Starting point: Vossloh Switch Systems
- ▶ A worldwide market leader in switch and crossing systems
- ▶ 80% of sales outside the French home market
- ▶ Standard, high-speed and specialty (heavy-haul) switches in accordance with all international standards
- ▶ Signaling components, switch actuators and locking devices as well as rail monitoring systems, manganese frogs and switch blades
- ▶ More than a century of experience
- ▶ 39 production sites in 22 countries
- ▶ Production joint venture for switch systems with VR Track starting from mid 2015 facilitates access to the demanding Finnish market



	1-6/2014	1-6/2015
Net sales (€ mill.)	220.9	253.1
EBIT (€ mill.)	9.7*	15.5
EBIT margin (%)	4.4*	6.1
Working Capital (Ø, € mill.)	133.0**	137.7
ROCE (%)	-27.8**	7.3
Value added (€ mill.)	-87.9**	-5.7

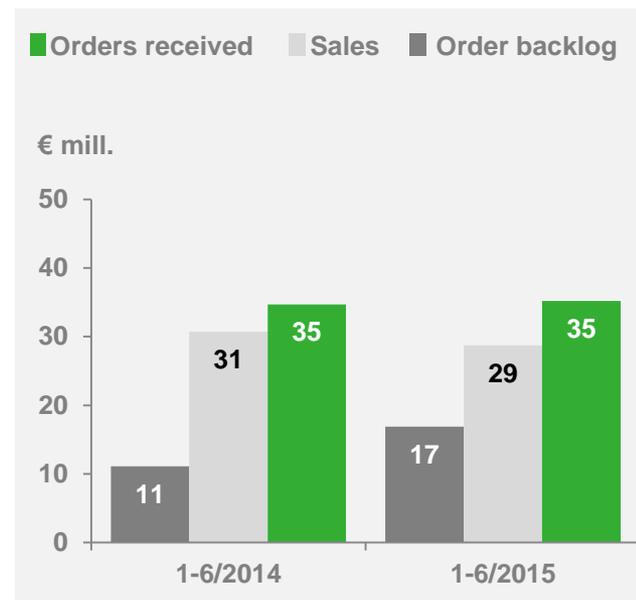


* Calculated on a comparable basis; the six-month financial statements for 2014 included the vast majority of necessary restructuring expenses. The reported figures represent EBIT and EBIT margin adjusted for one-time items.

** As reported, n. c.

Service business

- ▶ Starting point: Vossloh Rail Services
- ▶ Provider of comprehensive service packages, complementing the products of the Core Components and Customized Modules divisions
- ▶ Rail grinding, especially high-speed grinding, turnout maintenance services, rail milling, rail reconditioning, rail testing, rail welding (long welded rail production), rail logistics
- ▶ Customers: rail producers and rail operators, e.g. Deutsche Bahn, China Railways, Danish State Railways, Finnish State Railways
- ▶ A leader in the German market for comprehensive rail servicing and logistics
- ▶ More than 60 years of experience
- ▶ Further internationalization of operations through JV with VR Track in Finland



	1-6/2014	1-6/2015
Net sales (€ mill.)	30.7	28.7
EBIT (€ mill.)	0.5*	0.0
EBIT margin (%)	1.6*	0.1
Working Capital (Ø, € mill.)	6.6**	8.8
ROCE (%)	-2.7**	0.1
Value added (€ mill.)	-7.1**	-5.9



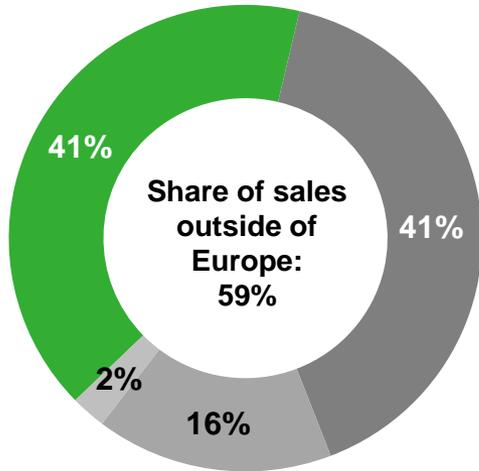
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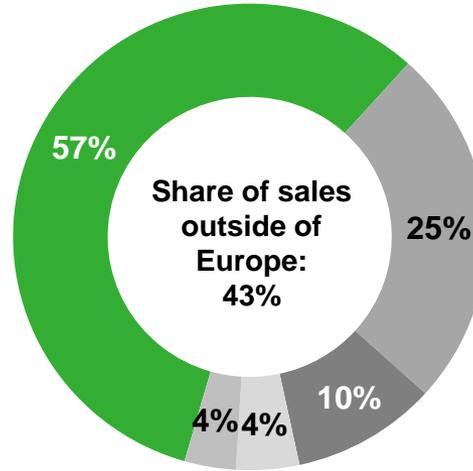
Vossloh Group, core business divisions, H1/2015

High share of sales outside of Europe

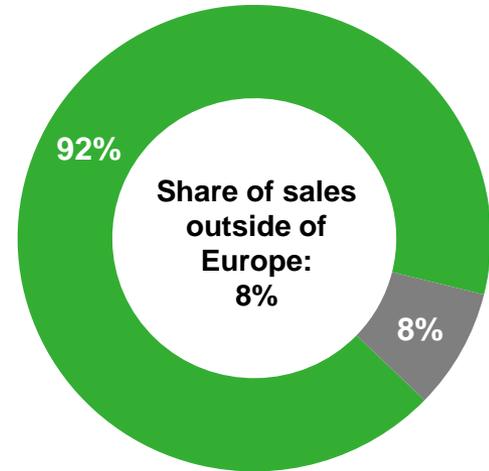
Core Components (sales in %)



Customized Modules (sales in %)



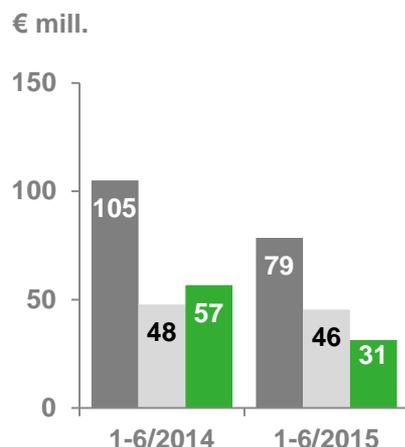
Lifecycle Solutions (sales in %)



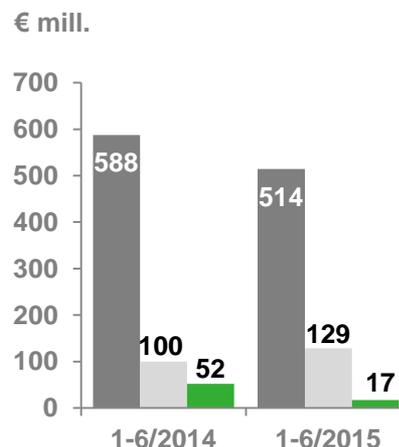
Europe Asia America Africa Australia

		1-6/2014	1-6/2015
Net sales (€ mill.)	€ mill.	221.6	284.4
EBIT (€ mill.)	€ mill.	-18.1*	-3.4
EBIT margin (%)	%	-8.2*	-1.2
Working Capital (Ø, € mill.)	€ mill.	-77.7**	-79.3
ROCE (%)	%	-148.7**	-8.2
Value added (€ mill.)	€ mill.	-101.1**	-7.6

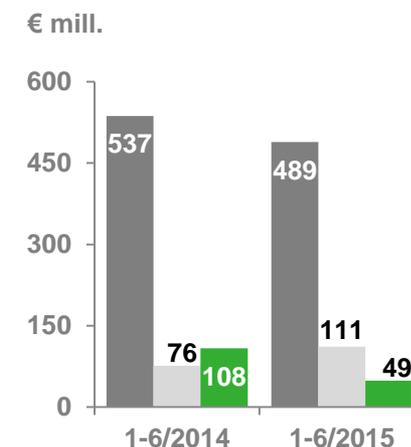
Vossloh Locomotives



Vossloh Rail Vehicles



Vossloh Electrical Systems



■ Orders received
■ Sales
■ Order backlog

* Calculated on a comparable basis; the six-month financial statements for 2014 included the vast majority of necessary restructuring expenses. The reported figures represent EBIT and EBIT margin adjusted for one-time items.

** As reported, n. c.

Vossloh Group, outlook

Forecast for 2015 confirmed – steady improvement expected

„Stop Bleeding“	<ul style="list-style-type: none"> Comprehensive analysis and revaluation of market position, economic perspective and risks
2014	

VSS	(Goodwill impairment, write down on investment JV China)	€ 68.9 mill.
VL	(Restructuring, repositioning)	€ 67.3 mill.
VES	(Restructuring, repositioning, revised project calculations)	€ 49.4 mill.
Other		€ 16.6 mill.
Special expense in total		€ 202.2 mill.

Recovery	<ul style="list-style-type: none"> Implementation of new strategy Vossloh in Transformation
2015e*	<ul style="list-style-type: none"> Step-by-step operational improvement

<ul style="list-style-type: none"> Sales growth between 3% and 4% EBIT margin improves to between 3% and 4% Positive free cash flow
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Fine-tuning	<ul style="list-style-type: none"> Continuous process optimization Focus on individual business models
2016e*	<ul style="list-style-type: none"> Enforcement of innovation + R&D

<ul style="list-style-type: none"> Still below EBIT target margin; development impacted by multi-year projects with low margins as well as higher expenditures to force accelerated innovation

Growth	<ul style="list-style-type: none"> Profitable organic and inorganic growth
2017e*	<ul style="list-style-type: none"> Acquisition of complementary activities

<ul style="list-style-type: none"> EBIT target margin of 5% to 6% on the basis of the existing portfolio structure

* Planning based on current portfolio structure

Back-up

Ownership structure

List of shareholders which were subject to notification of their voting rights in Vossloh AG according to § 21 para. 1 of the German Securities Trading Act ("WpHG")¹

Shareholder	Pursuant to WpHG	Shareholding
Heinz Hermann Thiele (indirect holding via KB Holding GmbH)	§§ 21, 22	30.21 %
Deutsche Bank Aktiengesellschaft	§§ 21, 22	5.77 %
Franklin Mutual Advisers	§§ 21, 22	5.68 %
Iskander Makhmudov	§§ 21	3.08 %
Franklin Templeton Investment Funds	§§ 21	3.05 %
Lazard Frères Gestion	§§ 21, 22	3.01 %

Notifications published pursuant to § 26 para. 1 of WpHG:¹

Shareholder	Pursuant to WpHG	Shareholding
Heinz Hermann Thiele (indirect holding via KB Holding GmbH)	§ 25a	5.59 %
Deutsche Bank Aktiengesellschaft	§ 25a § 25	1.33 % 0.86 %

¹ Last update: August 21, 2015

Vossloh focuses on sustainability

Certifications



Standard / Norm	Entities / locations already certified
DIN ISO 9001	All key locations of Vossloh Group
DIN EN ISO 14001	All large locations of Vossloh Group
OHSAS 18001	Nearly all entities / locations of Vossloh Group
ILO OHS 2001	Vossloh Cogifer's facility in Fère-en-Tardenois
DIN EN ISO 50001	Vossloh Fastening Systems
DIN EN 15085-2	Vossloh Kiepe Dusseldorf, Vossloh Kiepe Main Line, APS, Vossloh Locomotives
IRIS	Vossloh Kiepe Austria, Vossloh Rail Services, Kiepe Main Line
EMAS	Vossloh Electrical Systems (2015)

Rating/ Ranking



- ▶ Since 2008, Vossloh has been listed in several sustainability rankings and belongs to the investment universes of oekom research and Kempen/SNS SRI
- ▶ Vossloh participated seven times in the Carbon Disclosure Project (CDP)
- ▶ In 2015 Vossloh repeatedly took part in the vigeo rating

Vossloh focuses on sustainability

Environment



- ▶ Introduction of an energy management system in the Core Component division in 2014, integrations into the existing management systems planned for 2015
- ▶ New technology center in Reichshoffen meets all current heat insulation and energy saving requirements
- ▶ 800 m² photovoltaic system at Customized Modules in Luxemburg generates around 600 MWh electric energy per year which covers about 1/5 of the location's power consumption
- ▶ Establishment of an environmental management system at Lifecycle Solutions in 2016
- ▶ Continuous participation in the climate protection project "ÖKOPROFIT"
- ▶ Supplier of eco-friendly products for public rail and bus transport, e.g. reduction of noise and CO₂-emissions through „Zero-Emission“ electric buses

Work safety & health protection



- ▶ A culture of occupational health and safety has top priority for the Vossloh Group:
 - Establishment of a Work Safety Committee (WSC) at group level in 2012 and set-up of occupational safety committees at the affiliates; adoption of group-wide and binding occupational health & safety policies in 2013, uppermost target: zero-accident strategy
 - Realization of various tools for day-to-day business, e.g. operating instructions, safety-related inspections, risk assessments
 - Short-term target of the Vossloh Group in 2015: 30 % less accidents
- ▶ Establishment of a central EHS (Environment, Health & Safety) department in the Core Components division in 2013; establishment of EHS-policies at all locations
- ▶ Various offerings in the framework of occupational health management

Vossloh focuses on sustainability

Employees and social affairs



- ▶ Broad range of inhouse and external training and development measures for Vossloh-employees, e.g. Vossloh-Academy, „We lead Vossloh“, Leaders Lounge
- ▶ Close cooperation of Vossloh AG and its subsidiaries with schools and universities
- ▶ One focus point of Vossloh’s HR strategy is the systematic identification and development of potential; an international HR-community enables group-wide planning of succession and the further expansion of health and safety management
- ▶ Promotion of university research through the Karl-Vossloh-Foundation since 1995; bi-annual award for outstanding achievements in rail-bound mobility research

Compliance



- ▶ Zero tolerance principle for violations of right and law
- ▶ Rule-consistent acting and behavior is ensured through a group-wide Code of Conduct established in 2007; principles of conduct available in 14 languages
- ▶ Additional country-specific guidelines based on the Group’s code of conduct ensure conformity with regional specifics of legal and ethical requirements
- ▶ A compliance organization ensures that the principles of conduct and the guidelines are firmly in place throughout the Group, e.g. by numerous presence courses throughout the world and the rollout of e-learning programs for all Vossloh employees
- ▶ Compliance organization based on local compliance officers complemented by a globally responsible ombudsperson

Financial calendar and contact

Financial calendar

- ▶ October 29, 2015 Interim Report as of September 30, 2015
- ▶ March 2016 Publication of Group financial statements 2015

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