



Presentation to Investors

April 30, 2015, interim report as of March 31, 2015

Oliver Schuster – CFO



Note:

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Transforming Vossloh: Highlights January – April 2015

- ▶ 2015 is off to a good start after an incisive year in 2014
- ▶ Group sales up, EBIT slightly positive
- ▶ Guidance confirmed
- ▶ New medium-term Group financing secured: better interest rates and a great degree of flexibility
- ▶ New major order in China is backing perspectives for growth in a strategic core market

Group sales and EBIT in line with expectations

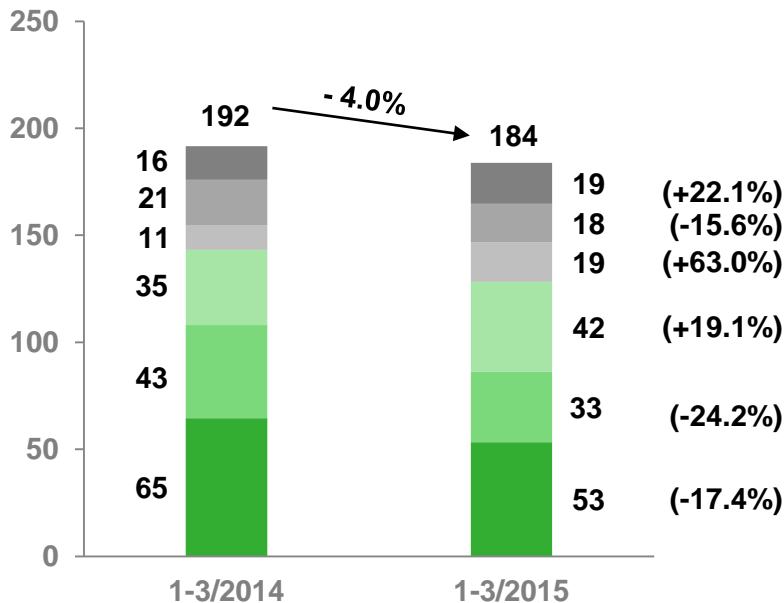
- ▶ Sales growth driven by the Customized Modules business division and the business units of Rail Vehicles as well as Vossloh Electrical Systems from the Transportation business division
- ▶ As expected, declining Group EBIT compared to the first quarter of 2014 due to a decrease in Core Components and Transportation

		1-3/2014	1-3/2015
Net sales	€ mill.	294.2	319.8
EBIT	€ mill.	6.5	1.0
EBIT margin	%	2.2	0.3
Net income	€ mill.	1.6	-1.0
ROCE	%	3.0	0.5
Value added	€ mill.	-14.8	-17.8
Earnings per share	€	-0.04	-0.19

Share of sales from non-European regions increases to 42.5%

- ▶ Stable sales volume in Europe: lower sales in Germany and France; significant revenue increases in the rest of Western Europe (Great Britain), pleasing growth in Northern Europe (Sweden and Denmark)
- ▶ Significant increase in sales in America (North America and Brazil), substantial sales increase in Africa (South Africa); as expected, lower sales in Asia, revenues in China near previous year's level
- ▶ Share of sales from non-European regions increased significantly to 42.5% (previous year: 34.9%)

Sales trend in Europe (in € mill.)



Sales by region	1-3/2014		1-3/2015	
	€ mill.	%	€ mill.	%
Europe	191.6	65.1	183.8	57.5
America	36.7	12.5	54.7	17.1
Asia	56.4	19.2	44.6	13.9
Africa	3.7	1.2	30.7	9.6
Australia	5.8	2.0	6.0	1.9
Total	294.2	100.0	319.8	100.0

Capital Employed declining significantly, net debt higher than previous year

- ▶ Significant decline in equity due to negative Group net income in 2014
- ▶ Working capital almost unchanged
- ▶ Decrease in capital employed due to the goodwill impairment charge in the Switch Systems business unit and the amortization of capitalized development costs of Vossloh Locomotives in 2014
- ▶ New medium-term Group financing of €500 million settled

		1-3/2014	1-3/2015
Total assets	€ mill.	1,635.1	1,644.4
Equity	€ mill.	572.7	353.5
Equity ratio	%	35.0	21.5
Average working capital	€ mill.	122.7	124.9
Average working capital intensity	%	10.4	9.8
Closing working capital	€ mill.	139.3	146.0
Average capital employed	€ mill.	851.0	751.3
Net financial debt	€ mill.	219.1*	290.9

* At the end of the 1st quarter of 2014, derivatives in the amount of €28.0 million, associated with the USPP outside of the net financial debt, were recorded as other liability. In the course of refinancing of the USPP in the 2nd quarter of 2014, the amounts became part of the net financial debt: €219.1 million is comparable to the amount disclosed at the end of the 1st quarter of 2015

Improved cash flow development from operating activities

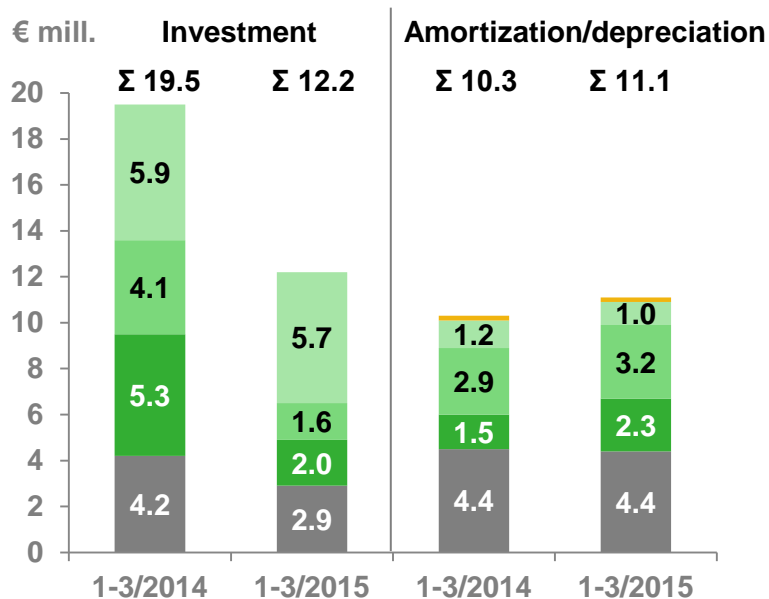
- ▶ Gross cash flow nearly unchanged
- ▶ Working capital structure in 2015 influenced, i.a. by currency fluctuations
- ▶ As expected, negative free cash flow in Q1, however significantly improved as compared to the previous year's quarter; positive free cash flow is expected for the year as a whole

Cash flow analysis (in € mill.)	1-3/2014	1-3/2015
EBIT	6.5	1.0
Amortization/depreciation/write-down of noncurrent assets (net, after write-up)	10.5	11.1
Change in noncurrent provisions	0.6	3.1
Gross cash flow	17.6	15.2
Gain/loss on disposal of tangible and intangible assets	0.0	0.0
Change in working capital	-44.8	-40.4
Change in investments in associated companies, other non-cash expenses and income, change in other assets/liabilities	-20.1	13.7
Income taxes paid	-3.7	-0.9
Cash flow from operating activities	-51.0	-12.4
Investment in tangible and intangible assets	-19.5	-12.2
Free cash flow*	-70.5	-24.6

* Before investments in other noncurrent financial instruments and before acquisition, disposal of consolidated subsidiaries and dividend payout

Comparatively lower investment; main focus core business divisions

- ▶ Largest investments in the Lifecycle Solutions business division, major projects: continued development and increase in capacity for high speed grinding trains as well as development of a milling train
- ▶ Declining investments in Core Components, largest individual project: logistics center near the headquarters in Werdohl
- ▶ No significant single project investments in the Customized Modules business division
- ▶ Declining investments in the Transportation business division, continued focus: development of a new type of locomotive at Vossloh Rail Vehicles and the further development of a new family of locomotives at Vossloh Locomotives



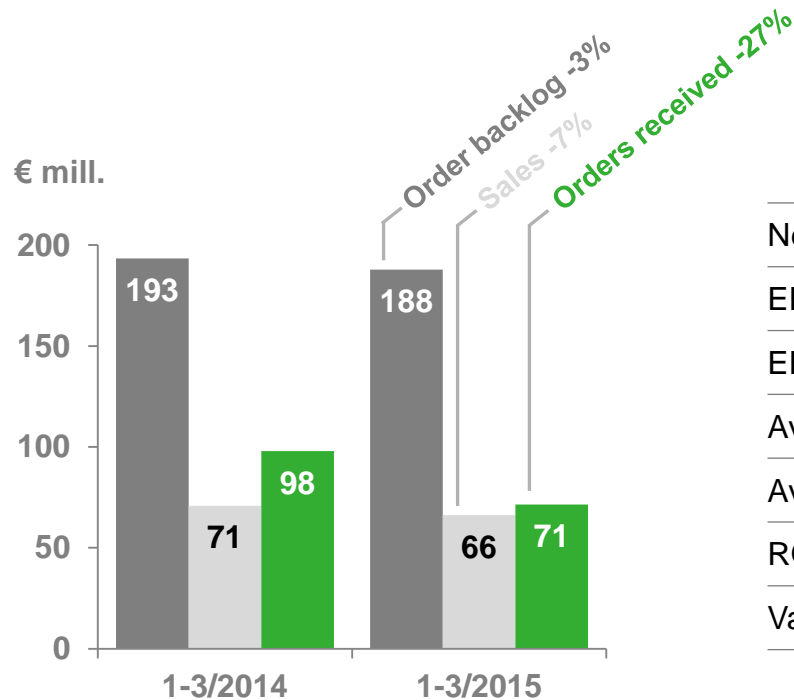
(in € mill.)	Investment			Amortization/depreciation		
	1-3/2014	1-3/2015	Δ in %	1-3/2014	1-3/2015	Δ in %
Konzern	19.5	12.2	-37.4	10.3	11.1	+7.7
Core Components	5.3	2.0	-61.5	1.5	2.3	+53.6
Customized Modules	4.1	1.6	-61.0	2.9	3.2	+7.6
Lifecycle Solutions	5.9	5.7	-3.4	1.2	1.0	-11.5
Transportation	4.2	2.9	-31.0	4.4	4.4	-0.0

■ Core Components
 ■ Customized Modules
 ■ Lifecycle Solutions
 ■ Transportation
 ■ Other

Core Components division, Q1/2015

Sales slightly below the previous year's level, EBIT at € 6.4 million

- ▶ Upturn in sales in Southern Europe, weaker sales development in Russia and in Korea
- ▶ EBIT lower than in the previous year due to the decline in sales and product mix
- ▶ Capital employed almost unchanged: higher amount of fixed assets (investments in the American production facility) offset through decrease in working capital
- ▶ Book to bill > 1



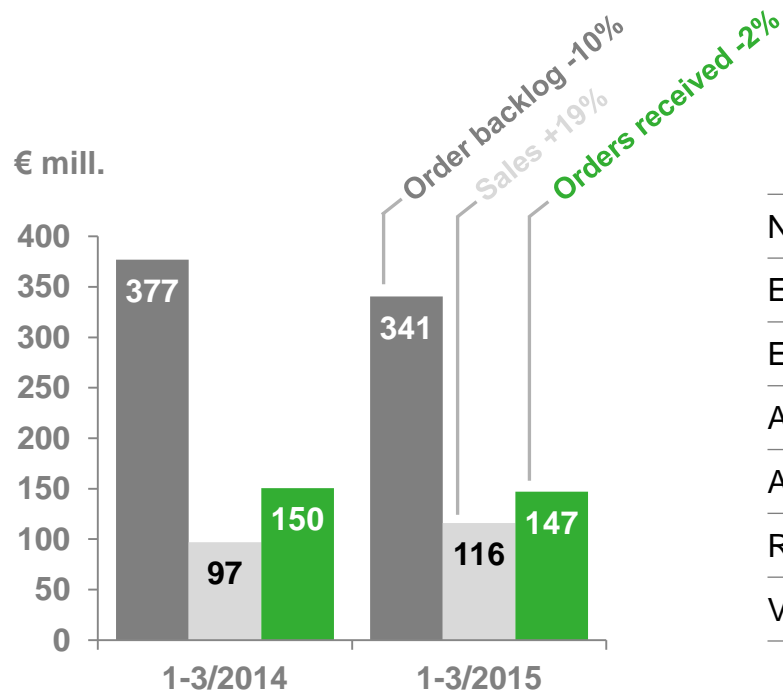
		1-3/2014	1-3/2015
Net sales	€ mill.	70.9	66.2
EBIT	€ mill.	11.0*	6.4
EBIT margin	%	15.5*	9.6
Average working capital	€ mill.	80.1	71.2
Average capital employed	€ mill.	129.7	128.3
ROCE	%	33.9*	19.9
Value added	€ mill.	7.7*	3.2

* Calculated on a comparable basis; In the first quarter of 2014, an intra-group sale of the US subsidiary, Vossloh Fastening Systems America Corporation, was carried out. The related income in the amount of €14.9 million had been eliminated at the Group level.

Customized Modules division, Q1/2015

Significant sales growth, EBIT improved due to higher business volume

- ▶ Revenue increase of 19.4% compared to previous year, driven primarily by positive development in Sweden and the USA
- ▶ Increase in EBIT due to a higher level of sales
- ▶ Working capital unchanged compared to previous year's quarter, capital employed below that of the previous year due to impairments in goodwill from 2nd quarter of 2014
- ▶ Larger orders received from France, USA and Sweden; Book-to-Bill > 1

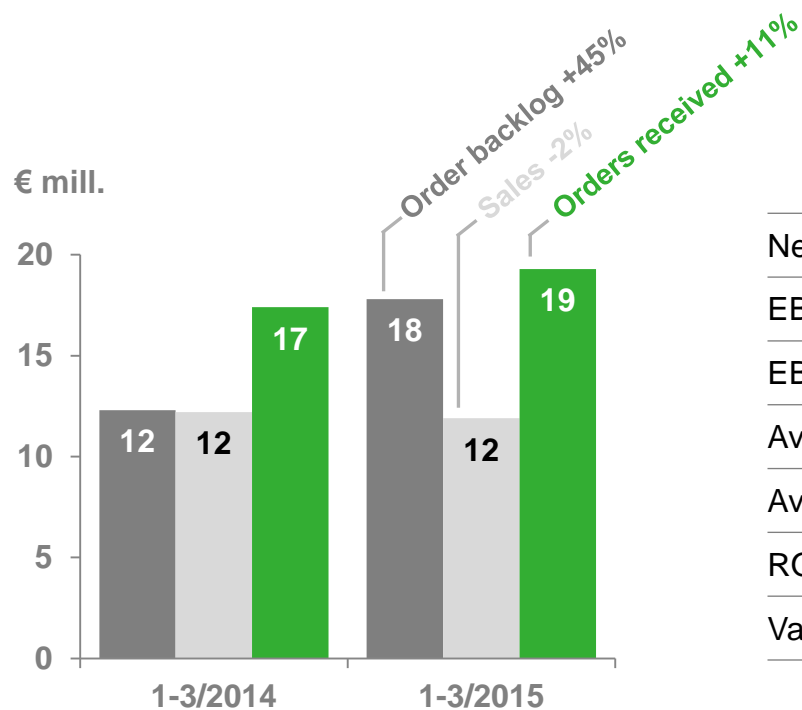


		1-3/2014	1-3/2015
Net sales	€ mill.	97.0	115.9
EBIT	€ mill.	5.1	5.5
EBIT margin	%	5.2	4.8
Average working capital	€ mill.	131.2	132.0
Average capital employed	€ mill.	472.4	417.9
ROCE	%	4.3	5.3
Value added	€ mill.	-6.9	-4.9

Lifecycle Solutions division, Q1/2015

Revenues almost unchanged

- ▶ As expected, sales decreased slightly by 2.1%, primarily because of lower revenue from transport/logistics activities
- ▶ Negative EBIT, ROCE and value added with business volume still low in the first quarter
- ▶ Working capital increased in comparison to previous year, due particularly to higher trade receivables
- ▶ Capital employed increased due to a higher working capital and higher amount of fixed assets resulting from investments exceeding amortization/depreciation
- ▶ Substantial new order from Croatia; Book-to-Bill > 1

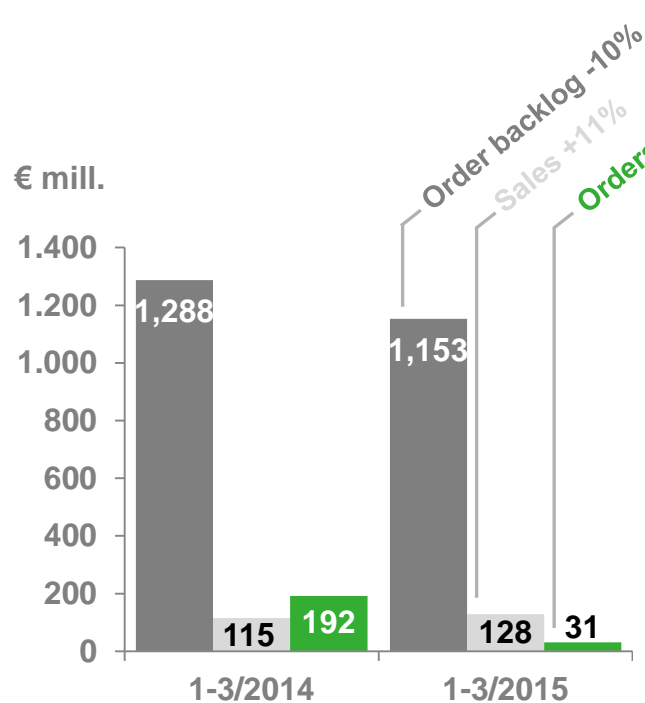


		1-3/2014	1-3/2015
Net sales	€ mill.	12.2	11.9
EBIT	€ mill.	-1.0	-1.6
EBIT margin	%	-7.9	-13.6
Average working capital	€ mill.	4.4	8.1
Average capital employed	€ mill.	109.0	116.8
ROCE	%	-3.5	-5.6
Value added	€ mill.	-3.7	-4.5

Transportation division, Q1/2015

Significant sales growth, orders received considerably lower than previous year

- ▶ Revenue increase of 11% following positive sales development in the business units of Vossloh Rail Vehicles (sales grew by 49.3% to €60 million) and Vossloh Electrical Systems (sales increased by 8.8% to €47.1 million)
- ▶ EBIT negative due to weak operating development at Vossloh Locomotives and Electrical Systems
- ▶ Working capital near level of the previous year, capital employed noticeably lower due to amortization of capitalized development costs at Vossloh Locomotives in 2014
- ▶ Decline in development for orders received partly due to strongly fluctuating project business; book to bill < 1 in all business units



		1-3/2014	1-3/2015
Net sales	€ mill.	115.3	127.9
EBIT	€ mill.	-4.7	-5.6
EBIT margin	%	-4.1	-4.4
Average working capital	€ mill.	-88.5	-84.2
Average capital employed	€ mill.	124.0	78.9
ROCE	%	-15.1	-28.2
Value added	€ mill.	-7.8	-7.5

Outlook 2015 confirmed – Ongoing improvement expected

2015e*



- Sales growth between 3% and 4%
- EBIT margin improves to between 3% and 4%
- Positive free cash flow

2016e*



- Still below EBIT target margin; development impacted by low-margin multi-year projects and increased expenditures focusing on accelerated innovation

2017e*



- EBIT target margin of 5% to 6% on the basis of existing portfolio structure

Financial calendar and contact

Financial calendar

- ▶ May 20, 2015 Annual General Meeting, Düsseldorf
- ▶ July 30, 2015 Interim Report as of June 30, 2015
- ▶ October 29, 2015 Interim Report as of September 30, 2015

Contact information for investors:

- ▶ Lucia Mathée, MATHEE GmbH
- ▶ E-Mail: investor.relations@ag.vossloh.com
Phone: +49 (0) 23 92 / 52-609
Fax: +49 (0) 23 92 / 52-219

Contact information for the media:

- ▶ Lucia Mathée, MATHEE GmbH
- ▶ E-Mail: presse@ag.vossloh.com
Phone: +49 (0) 23 92 / 52-608

www.vossloh.com