



Investors Conference – Berenberg / Pennyhill
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Agenda

1. Vossloh Group
2. Integrated Solutions for Rail Infrastructure
3. Vossloh Group – 9M/2015
4. Core Components division
5. Customized Modules division
6. Lifecycle Solutions division
7. Transportation division
8. Outlook

Vossloh Group

Profile



➤ Vossloh is a technologically leading Group in the field of rail infrastructure. We provide our world-wide customers with integrated railway solutions.

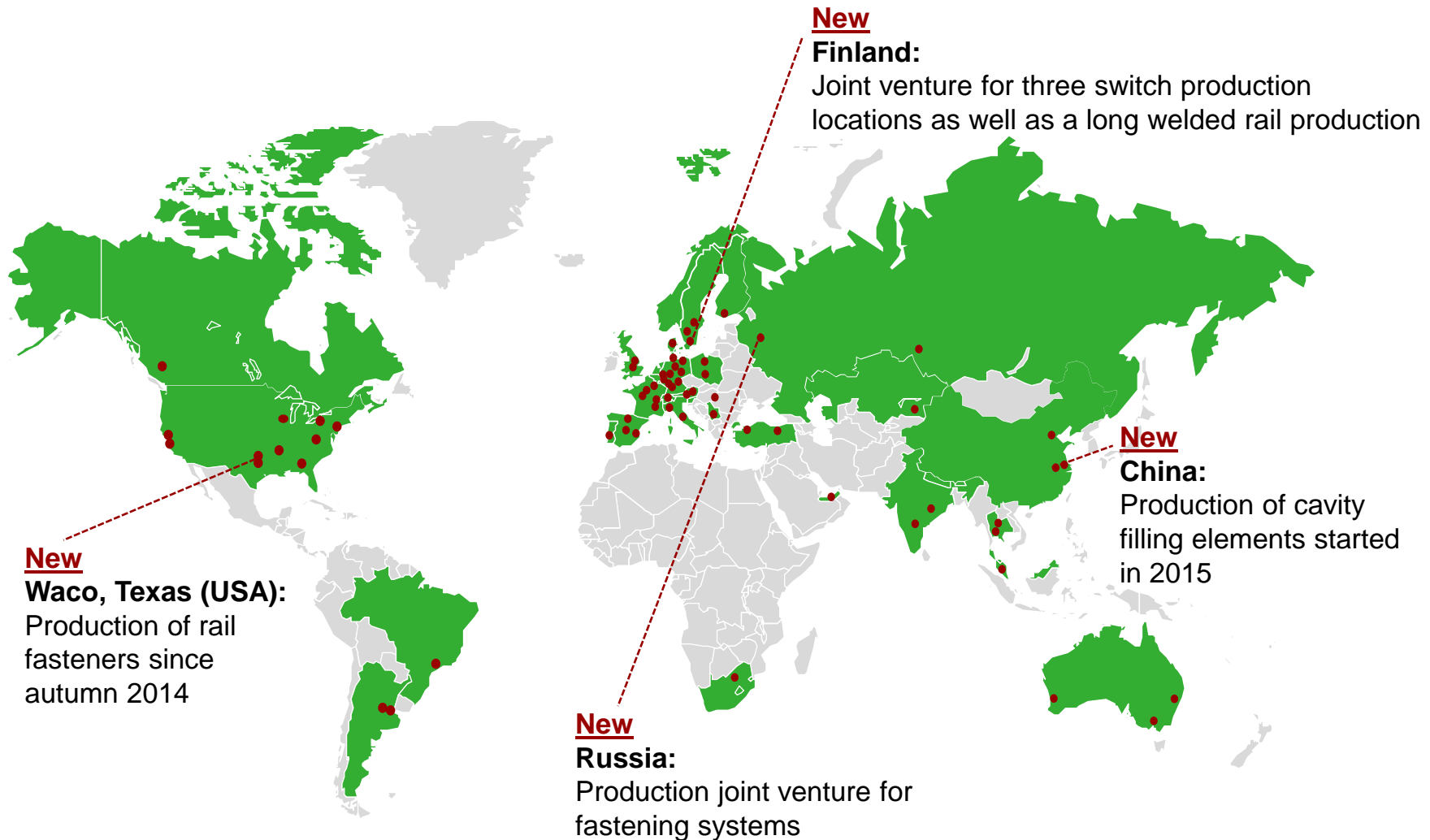
➤ As a rail technology company, we produce tried-and-tested key products. To this end, we are a single-source provider of integrated solutions and services that cover the entire rail lifecycle.



➤ More than 100 companies in 30 countries form the Vossloh Group. With over 4,900 employees Vossloh generated sales of €1.1 billion in the financial year 2014, of which almost 36 percent came from outside Europe.

Vossloh Group, global presence

Vossloh subsidiaries: Projects in more than 100 countries worldwide



■ Countries with Vossloh production sites

● Location of Vossloh subsidiaries

Vossloh Group, Corporate Structure

Focus on Rail Infrastructure



Infrastructure

Core Components



Focus: standardized products in large numbers

Sales: € 331.0 million¹

Employees: 636^{1,2}

Customized Modules



Focus: modular solutions customized to suit specific projects

Sales: € 473.1 million¹

Employees: 2,555^{1,2}

Lifecycle Solutions



Focus: specialized services over the entire rail lifecycle.

Sales: € 69.6 million¹

Employees: 346^{1,2}

Transportation



Vossloh Locomotives
Vossloh Kiepe

Sales: € 231.9 million^{1,3}

Employees: 1,295^{1,2,3}

¹ Reported figures for financial year 2014

² Average number of employees in 2014

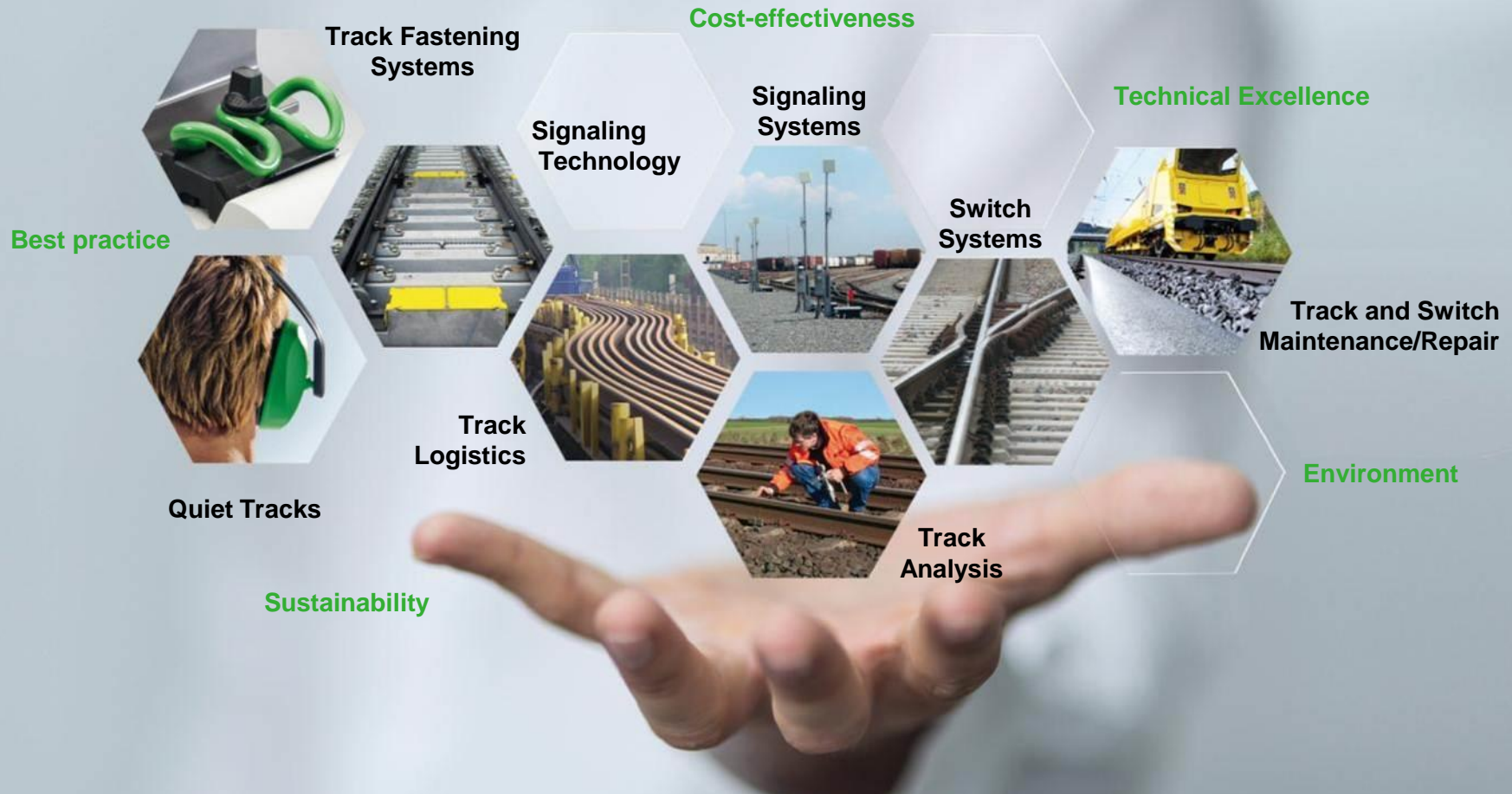
³ Figure excludes discontinued operations of Rail Vehicles business unit

A reliable Partner



Integrated Rail Infrastructure Solutions

Products and solutions from a single source



Vossloh is active in the track system and all its components over the entire lifecycle

Vossloh Group



Transforming Vossloh – Recovery

- Vossloh is recovering and stabilizing itself
- Group sales above comparable prior-year level – project-related sales decrease at Core Components division, significantly higher sales at Customized Modules and Transportation
- Group EBIT driven by earnings increase in the Customized Modules division and reduction of loss in Transportation division
- Rail Vehicles business unit reported as “discontinued operations”; Vossloh Locomotives and Vossloh Electrical Systems remain in the Transportation division for the time being
- Contract for the sale of the Spanish locomotives business to Stadler Rail AG signed; cash payment of €48 million, additional takeover of debt liabilities of €124 million – completion of transaction targeted for first quarter 2016



Vossloh Group, 9M/2015

Group sales above prior-year level, EBIT margin nearly doubled

- Despite the expected sales decrease in the Core Components division, group sales grew above comparable level of the previous year, Customized Modules with double-digit growth, Lifecycle Solutions picking up speed; sales in the Transportation division considerably up from previous year
- Group EBIT driven by earnings increase in Customized Modules division and reduction of loss in Transportation division
- With refinancing, substantially improved interest result (-€10.9 million after -€20.2 million***) supports positive net income

		1-9/2014*	1-9/2015
Net sales	€ mill.	819.0	867.9
EBIT	€ mill.	-158.4 (15.3**)	29.3
EBIT margin	%	-19.3 (1.9**)	3.4
Net income	€ mill.	-167.7	6.6
ROCE	%	-24.6	4.8
Value added	€ mill.	-222.7	-31.8
Earnings per share	€	-13.52	0.20

* Previous year adjusted to current Group structure (Rail Vehicles reported as discontinued operations)

** Calculated on a comparable basis; the six-month financial statements 2014 included the largest share of the necessary restructuring expenses. The reported figures stand for the EBIT or EBIT margin adjusted for one-time items.

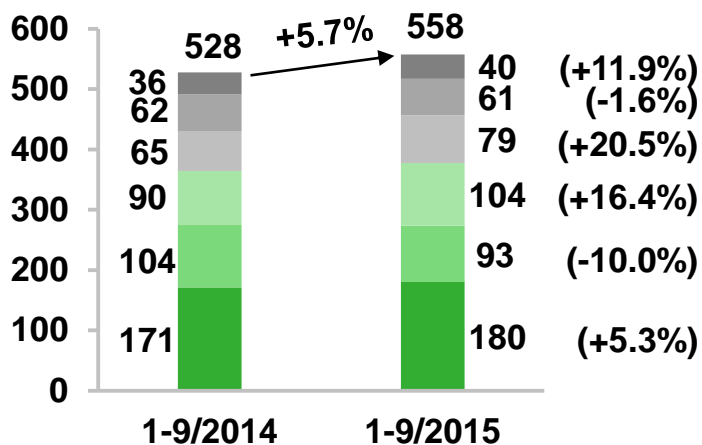
*** Thereof €7.3 million prepayment penalty for early repayment of second tranche US-PP

Vossloh Group, 9M/2015

Share of sales from non-European regions at 35.7 percent

- Group sales in Europe increased: higher sales in Germany and the UK, revenues in Northern Europe (Sweden) well above previous year, sales in Southern Europe again rising with good business in Italy, decreasing sales in Eastern Europe (including Poland and Russia)
- Substantial sales increase in America (USA, Brazil, Chile and Argentina), partially due to positive currency translation; as expected lower sales in Asia due to weaker business development in China and declining sales volumes in Thailand and Singapore
- Share of sales from non-European regions at 35.7 percent (previous year: 35.6 percent)

Sales split in Europe (in € mill.)*



Sales by region

Sales by region	1-9/2014*		1-9/2015*	
	€ mill.	%	€ mill.	%
Europe	527.6	64.4	557.7	64.3
America	95.7	11.7	157.5	18.1
Asia	159.1	19.4	116.2	13.4
Africa	18.1	2.2	19.7	2.3
Australia	18.5	2.3	16.8	1.9
Total	819.0	100	867.9	100

Germany France Other Western Europe Northern Europe Eastern Europe Southern Europe

Capital employed decreasing, net debt slightly higher

- Decline in equity primarily due to earnings burdens in Q4/2014
- Average working capital despite sales increase slightly below prior-year level; closing working capital substantially lower in 2015
- Capital employed lower as compared to the previous year as a result of the fully effective write down in 2015 of goodwill in the Customized Modules division
- Net financial debt higher due to the still negative free cash flow

		1-9/2014*	1-9/2015*
Total assets	€ mill.	1,611.6	1,659.8
Equity	€ mill.	392.8	352.0
Equity ratio	%	24.4	21.2
Average working capital	€ mill.	259.2	257.2
Average working capital intensity	%	23.7	22.2
Closing working capital	€ mill.	283.9	260.1
Average capital employed	€ mill.	857.6	815.4
Net financial debt	€ mill.	300.3	322.8

* Reported figure excluding Rail Vehicles business unit which has been reported as discontinued operations

Vossloh Group, 9M/2015

Cash flow from operating activities positive, free cash flow improved

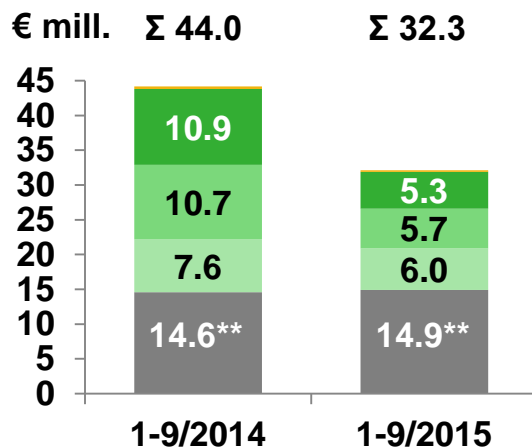
- Gross cash flow after nine months of 2015 clearly positive
- Cash flow from operating activities again positive as well
- Free cash flow improved substantially as compared to prior-year period; positive free cash flow expected for full year

Cash flow analysis (in € million)	1-9/2014	1-9/2015
EBIT from continued operations	-158.4	29.3
EBIT from discontinued operations	8.0	5.8
Amortization/depreciation/write-down of noncurrent assets (net, after write-up)	119.9	35.1
Change in noncurrent provisions	29.9	-15.8
Gross cash flow	-0.6	54.4
Income taxes paid	-16.9	-15.0
Change in working capital	-71.9	-44.1
Other changes	10.1	21.2
Cash flow from operating activities	-79.3	16.5
Investments in intangible assets and property, plant and equipment, investments in associated companies	-44.0	-32.3
Free cash flow	-123.3	-15.8

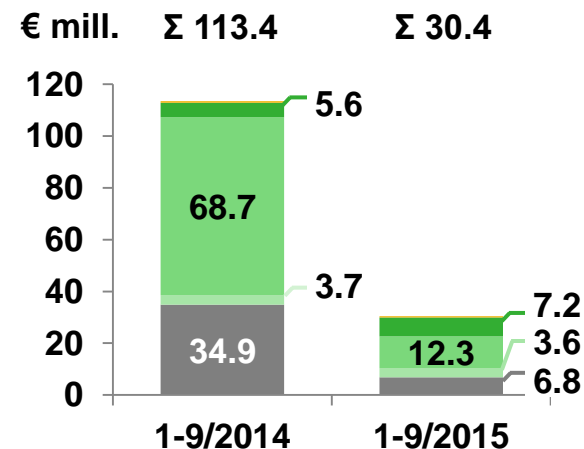
Lower investment volumes in all divisions

- Investment volume in the Core Components division considerably reduced due to completion and commissioning of the new production facility in the USA in spring 2015
- Investments at Customized Modules decreasing in the course of the upcoming ramp-up of the new forge in Luxembourg
- Focus in the Lifecycle Solutions division continues to be on the further development in high-speed grinding trains and the ongoing development of a milling train
- Declining investment volumes in Transportation division at Vossloh Locomotives and Vossloh Electrical Systems: from € 9.9 million to € 6.2 million

Investment



Amortization/depreciation*



Core Components Customized Modules Lifecycle Solutions Transportation Other

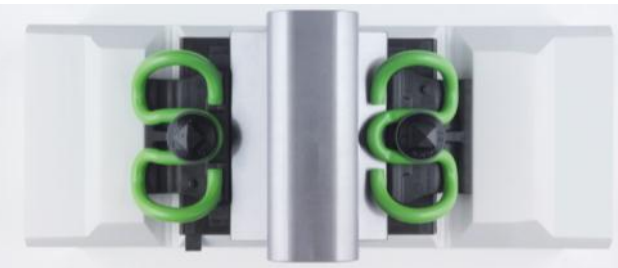
Core Components division



Core Components division

Product business

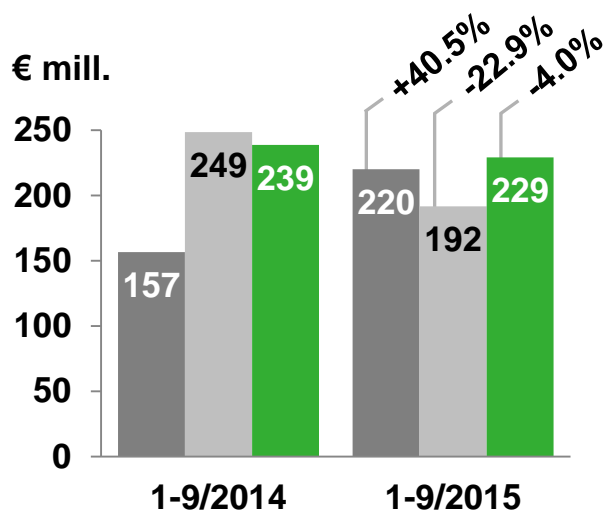
- Vossloh is a globally leading provider of track fastening systems
- Production of more than 65 million tension clamps per year in six main production sites around the world: Germany, Poland, Turkey, the USA, China and Russia
- Products used in more than 65 countries
- More than 90% of sales outside of Germany
- Elastic track fastening systems, screw-mounted and maintenance-free, for ballast tracks and slab tracks, for main and regular lines, high-speed and heavy-haul lines and for rail-based urban public transport as well as cavity-filling elements
- More than 120 years of experience



Core Components division, 9M/2015

Sales well below previous year as expected, orders received declined slightly

- Due to substantially lower sales volume in China and declining volumes in Thailand, Poland and Turkey, sales by 22.9 percent below prior-year level; Extraordinary high volume in 2014 in China
- EBIT below previous year as expected; decrease in EBIT margin held to 11.8 percent through cost reduction measures
- Working capital declined slightly; capital employed nearly unchanged as compared to the previous year
- Important new orders from China and Italy; book-to-bill at 1.20



		1-9/2014	1-9/2015
Net sales	€ mill.	248.6	191.7
EBIT	€ mill.	37.4*	22.5
EBIT margin	%	15.0*	11.8
Average working capital	€ mill.	78.3	72.5
Average capital employed	€ mill.	130.1	129.7
ROCE	%	49.9	23.2
Value added	€ mill.	39.0	12.8

Order backlog Sales Orders received

A photograph of railway tracks. In the foreground, there is a close-up of the tracks showing the rails, sleepers, and gravel. In the background, the tracks curve to the right, and a yellow signal is visible on the right side. The sky is overcast.

Customized Modules division

Customized Modules division

Project business

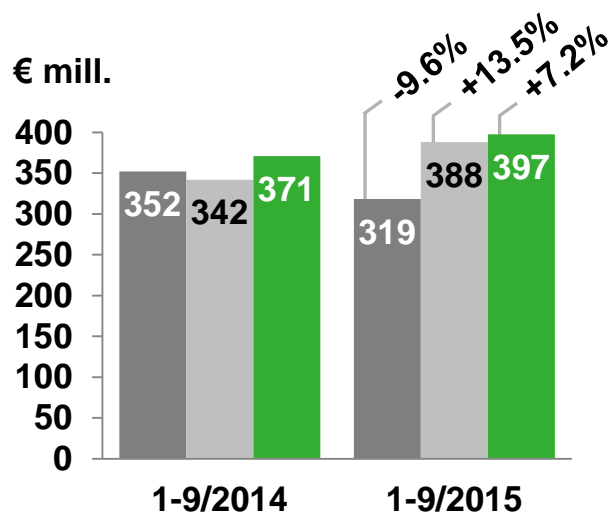
- Vossloh is one of the world's leading manufacturers of switch systems
- Standard, high-speed and special (heavy-haul) switches in accordance with all international standards as well as urban solutions
- Signaling technology, switch activation and closure mechanisms, manganese frogs and switch blades
- More than 100 years of experience
- 39 production sites in 22 countries, including France, Germany, USA, Brazil, China and Russia
- More than 80 percent of turnover generated outside of the French domestic market



Customized Modules division, 9M/2015

Good sales and earnings development compared to previous year

- Positive revenue development in several countries, especially in Sweden, Brazil, Morocco and – primarily due to exchange rates – in the USA meant that sales for the division expanded by 13.5 percent over the prior-year period
- Comparable EBIT improved by 28.1 percent over previous year
- Working capital increased slightly due to increased sales volumes, capital employed below previous year due to significantly lower fixed assets
- Important new orders from France, USA and Sweden; book-to-bill > 1



		1-9/2014	1-9/2015
Net sales	€ mill.	342.1	388.1
EBIT	€ mill.	18.5*	23.7
EBIT margin	%	5.4*	6.1
Average working capital	€ mill.	128.7	141.2
Average capital employed	€ mill.	439.5	427.2
ROCE	%	-17.1	7.4
Value added	€ mill.	-89.4	-8.3

Order backlog Sales Orders received

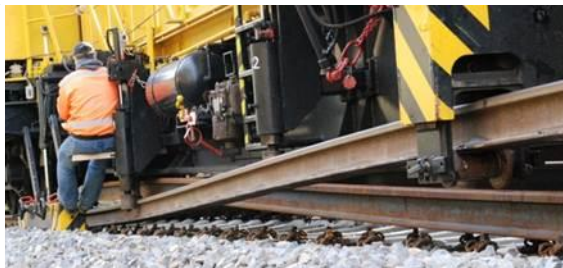
Lifecycle Solutions division



Lifecycle Solutions division

Service business

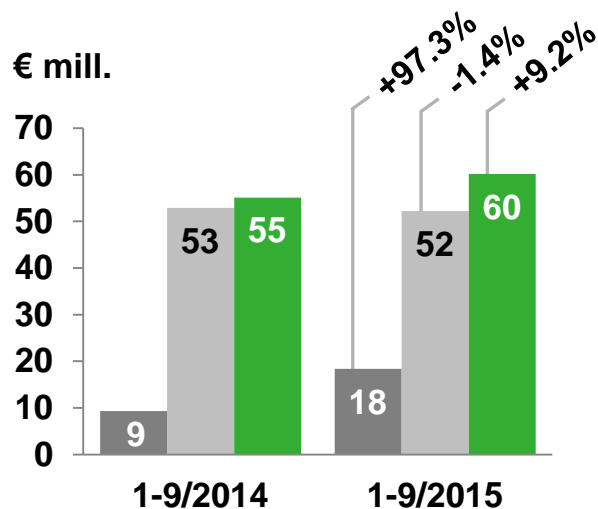
- Vossloh is a provider of comprehensive service packages as well as services that complement products made by other Vossloh divisions
- Track grinding, especially High-Speed Grinding, switch processing, track milling, track reconditioning, track testing, track welding, track logistics
- Customers: rail manufacturers and rail network operators, including Deutsche Bahn and the Chinese State Railway
- The leading provider of comprehensive track maintenance and logistics solutions in Germany. The activities of Lifecycle Solutions are planned to be further internationalized.
- More than 60 years of experience



Lifecycle Solutions division, 9M/2015

Sales at prior-year level, EBIT making up ground

- Sales in the first nine months at prior-year level; Mobile Services with higher sales revenues in the course of the year to date, Stationary Services with stable development, sales in Transport/Logistics decreasing
- First-time consolidation of the subsidiary in Finland leads to sales contribution in the amount of €2.3 million
- EBIT makes up ground as compared to the comparable figure from the same period in the previous year
- Working capital and capital employed slightly above previous year; increase in capital employed due primarily to higher fixed assets
- Important order for Mobile Services from Croatia; book-to-bill > 1



		1-9/2014	1-9/2015
Net sales	€ mill.	52.9	52.2
EBIT	€ mill.	3.9*	2.8
EBIT margin	%	7.5*	5.3
Average working capital	€ mill.	9.1	9.7
Average capital employed	€ mill.	114.2	120.3
ROCE	%	2.3	3.1
Value added	€ mill.	-6.6	-6.3

■ Order backlog ■ Sales ■ Orders received

Transportation division



Transportation division

Vossloh Locomotives

- Leading provider within Europe of cutting-edge diesel-hydraulic and diesel-electric shunting locomotives
- Development, design, production and supporting services from a single source
- Locomotives with approval for use in numerous European countries, ensuring flexible, cross-border operation



Transportation division

Vossloh Kiepe

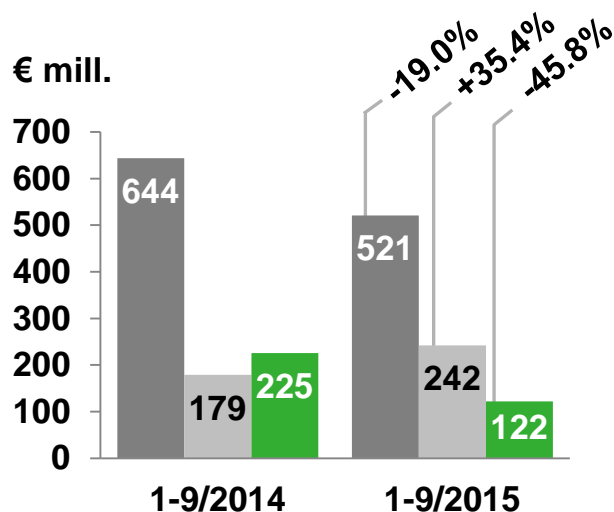
- Innovative fit outs, traction systems as well as electrical components for road and rail-based vehicles used in urban public transport as well as refurbishments of entire vehicle fleets
- Core markets in Europe and North America
- Emission-free electrical traction, hybrid systems and fuel-cell applications



Transportation division, 9M/2015

Substantial sales increase, orders received below prior-year figure

- Sales in the Transportation division - excluding the Rail Vehicles business unit classified as “discontinued operations” - increased by 35.4 percent as compared to the prior-year figure
- EBIT significantly improved as compared to the comparable figure from the previous year
- Capital employed falls below prior-year figure due to the decrease in working capital and the impairments on fixed assets carried out in 2014; primarily amortization on capitalized development costs for the new locomotive family
- Hesitant ordering behavior due to project postponements leads to decrease in orders received; book-to-bill < 1



		1-9/2014*	1-9/2015*
Net sales	€ mill.	179.0	242.3
EBIT	€ mill.	-126.6 (-34.1**)	-11.0
EBIT margin	%	-70.7 (-19.0**)	-4.5
Average working capital	€ mill.	45.8	36.7
Average capital employed	€ mill.	163.1	129.3
ROCE	%	-103.5	-11.4
Value added	€ mill.	-138.8	-20.7

■ Order backlog ■ Sales ■ Orders received

27 * Reported figure excluding Rail Vehicles business unit which has been reported as discontinued operations

** Calculated on a comparable basis; the six-month financial statements 2014 included the largest share of the necessary restructuring expenses. The reported figures stand for the EBIT or EBIT margin adjusted for one-time items.

Outlook confirmed – Ongoing improvement expected

2015e



- Expected sales of approximately €1.13 billion to €1.16 billion
- EBIT margin at approximately 3 to 4 percent
- Positive free cash flow

2016e



- Sales growth of between 5 and 10 percent expected
- EBIT margin between 4.0 and 4.5 percent

2017e



- EBIT margin of between 5.5 and 6.0 percent on the basis of the current Group structure

Financial calendar and contact

Financial calendar

- March 17, 2016 Publication of Group financial statements 2015
- May 25, 2016 General Annual Meeting
- September 2016 Investor and Analyst Meeting at InnoTrans

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