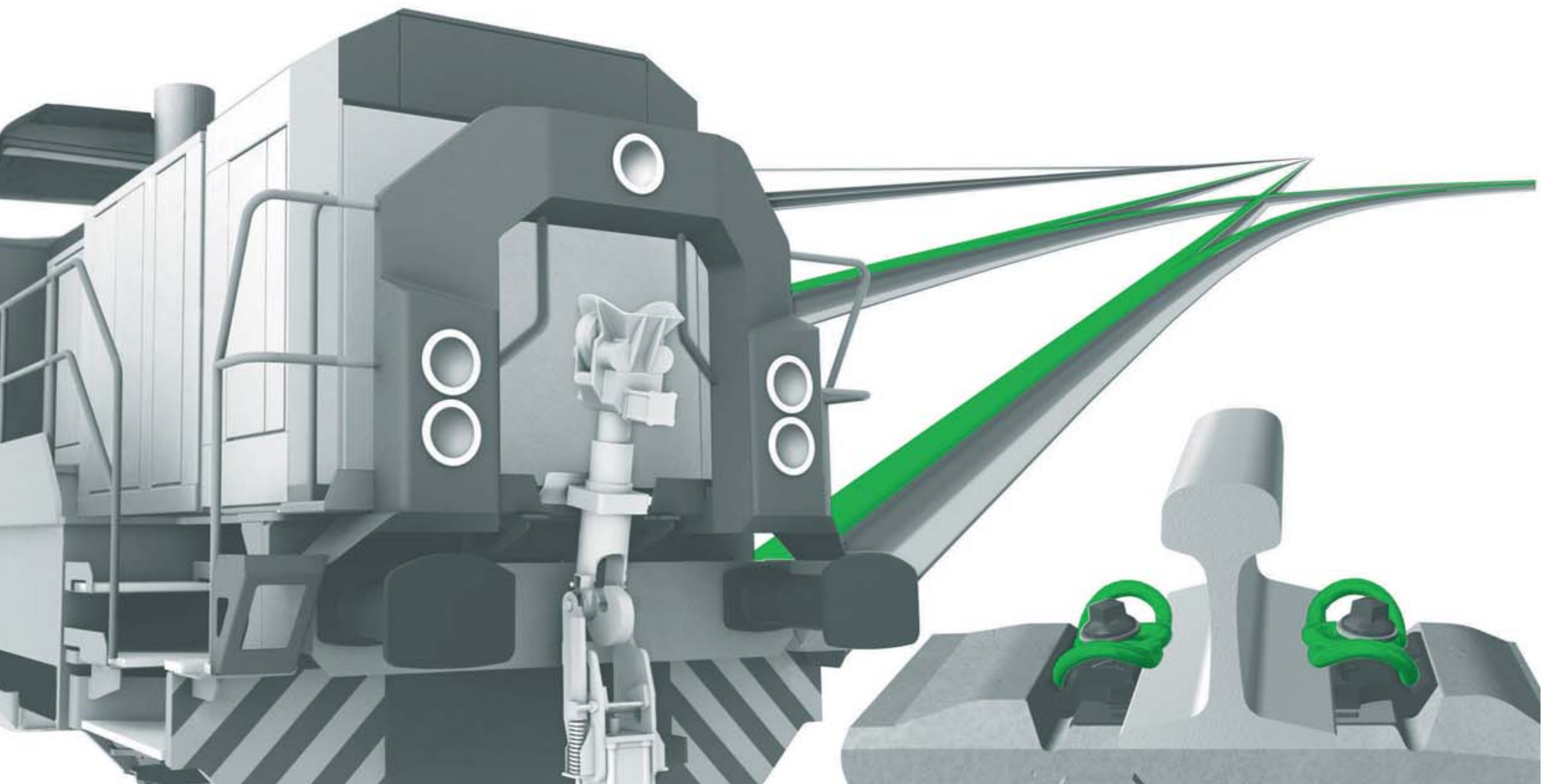
The Future with Mobility.

Semiannual financial report as of June 30, 2009



Group figures and indicators		H1/2009	H1/2008
Income statement data			
Net sales	€ mill.	599.0	591.0
Rail Infrastructure	€ mill.	323.0	323.5
Motive Power&Components	€ mill.	275.8	267.3
EBIT	€ mill.	67.8	66.2
Net interest expense	€ mill.	(3.7)	(6.9)
EBT	€ mill.	64.1	59.3
Group earnings (total)	€ mill.	44.9	46.2
Earnings per share	€	3.34	3.13
EBIT margin	%	11.3	11.2
Pretax return on equity (ROE)	%	28.8	25.8
Return on capital employed (ROCE)[1]	%	20.8	21.4
Value added[1]	€ mill.	32.0	32.1
Balance sheet data			
Fixed assets[2]	€ mill.	436.9	429.4
capital expenditures	€ mill.	14.9	16.9
amortization/depreciation	€ mill.	12.5	11.5
Working capital	€ mill.	251.2	223.1
Working capital intensity	%	21.0	18.9
Capital employed	€ mill.	688.0	652.5
Total equity	€ mill.	444.3	459.0
thereof minority interests	€ mill.	13.8	12.3
Net financial debt	€ mill.	107.8	173.7
Net leverage	%	24.3	37.8
Total assets	€ mill.	1,260.7	1,419.2
Equity ratio	%	35.2	32.3
Cash flow statement data			
Gross cash flow	€ mill.	83.1	84.9
Cash flow from operating activities	€ mill.	(32.6)	0.4
Cash flow from investing activities	€ mill.	(21.5)	(2.7)
Cash flow from financing activities	€ mill.	(89.2)	(13.6)
Change in cash & cash equivalents	€ mill.	(143.3)	(15.9)
Workforce			
Average headcount in the period		4,697	6,173
Rail Infrastructure		2,689	4,221
thereof Infrastructure Services		–	1,574
Motive Power&Components		1,957	1,909
Vossloh AG		51	43
Payroll intensity	%	62.6	62.3
Personnel expenses	€ mill.	116.2	110.8
Share data			
Stock price at June 30	€	85.55	82.80
Market capitalization at June 30	€ mill.	1,139.2	1,225.1

[1]Based on average capital employed

[2]Fixed assets = Intangible and tangible assets + investment properties + associated affiliate + other noncurrent financial instruments

Where required, figures annualized.

Dear Stockholders:

The second quarter (Q2) of 2009, as indeed all of the first six months (H1), was a period of slight growth compared with 2008. Q2/2009 sales reached €310.1 million (up €7.6 million or 2.5 percent). In the period January through June of this year, the Vossloh Group generated sales of €599.0 million, up €8.0 million or 1.4 percent from the year-earlier €591.0 million.

H1 EBIT added up to €67.8 million, an advance of €1.6 million or 2.4 percent. The EBIT margin crept up from 11.2 to 11.3 percent. At €44.9 million, group earnings were €1.3 million or 2.8 percent short of the €46.2 million reported for H1/2008 but since the number of shares outstanding dipped, earnings per share (EpS) nonetheless rose from €3.13 to €3.34. Although not quite on a par with the year-earlier 21.4 percent, this year's H1 ROCE at 20.8 percent is well above our 15-percent benchmark. H1 value added was virtually unchanged at €32.0 million (down from €32.1 million).

This year's global recession has brought about a number of pronounced trends impacting on Vossloh's business. Privately funded demand for our products has receded to a substantial extent as, on the one hand, financing has been more difficult to obtain and, on the other, private freight haulers have seen their business slow down significantly. In North and Central America, the Vossloh Group has suffered a sharp decline in sales, especially its Switch Systems business unit where demand for maintenance work has shrunk. Regarding our products, one segment where demand has also dwindled is diesel locomotives. Other core businesses at Vossloh have, in contrast, raced ahead. The Fastening Systems business unit was awarded a megacontract by the Chinese Ministry of Railways for high-speed rail fastening systems. Likewise unquenched is the thirst on the part of local public transport authorities for our equipment kits and vehicles.

Another reason for our more modest growth is the unexpectedly adverse exchange rate trend for business invoiced in US dollar and dollar-tied currencies.

We still see the Vossloh Group as solidly positioned because despite the stock repurchase and record dividend payout, our net financial debt is very low. Right now we are busy developing a string of highly promising products. Our order backlog has again climbed, this time to €1,232.7 million (June 30), a year-on-year gain of €19.6 million or 1.6 percent. Order intake during the first six months of this year mounted by €25.7 million or 3.8 percent to €705.5 million.

To endorse the credibility of our forecasts for all of 2009 we have decided to ratchet down our sales forecast to around the prior-year magnitude of €1.2 billion. All the other predictions (including our EBIT) remain unchanged. We have budgeted an EBIT of €138 million and group earnings of €86 million. We are expecting ROCE and the EBIT margin to be, as budgeted, well above benchmarks.

Kind regards,

Werner Andree
CEO

Vossloh's corporate structure

Vossloh operates in the world markets of rail technology. Our core business is rail infrastructure as well as rail and other local transport vehicles. As management and financial holding company, Vossloh AG parents the two divisions Rail Infrastructure and Motive Power&Components. Assigned to these divisions are four business units (as of June 30, 2009):

Vossloh AG

Rail Infrastructure	Motive Power&Components
Vossloh Fastening Systems Vossloh Switch Systems	Vossloh Locomotives Vossloh Electrical Systems

Rail Infrastructure division

This division bundles our rail infrastructure products and services.

The rail fasteners developed by Vossloh Fastening Systems ensure safe rail traffic in over 65 countries.

Vossloh Switch Systems commands a foremost international position in the market for advanced-engineered rail switches.

Motive Power&Components division

This division builds locomotives and (sub)urban trains, and manufactures electrical components for various types of local transport vehicles (LTVs).
It has two business units:

Vossloh Locomotives is Europe's leading supplier of diesel locomotives along with related financing arrangements and all-in services. Also available are state-of-the-art (sub)urban trains for a variety of operations.

Vossloh Electrical Systems develops and produces key electrical components and systems for LTVs.

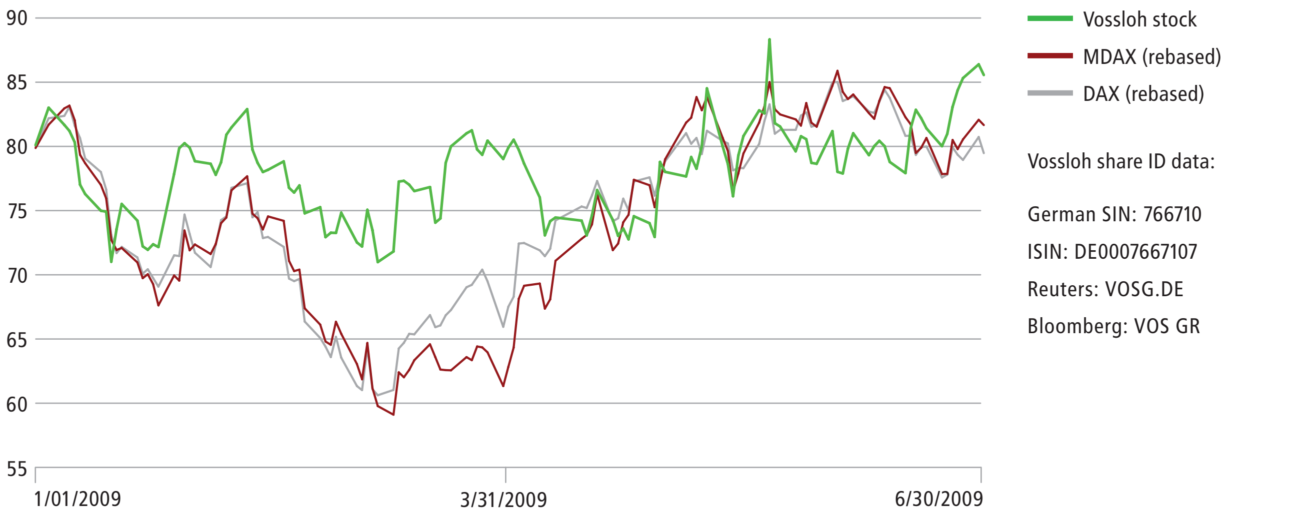
Vossloh stock

April and May 2009 saw a pronounced recovery from the severe losses sustained by the international stock markets during the preceding three months. Propelling this trend were chiefly cyclical stocks and the financials. In June, the momentum then tapered off and by the end of the first half (H1), the international stock markets had returned to slightly above their January 1 level.

Stock markets recovering in Q2/2009

The DAX, which for periods of time in February and March had slumped to below 4,000, replicated during April and May the upswing of the international capital markets to reach 5,178 points on June 2, its annual high to date. Closing June 30 at 4,809, Germany's leading index had advanced around 18 percent in the course of Q2/2009, virtually to its year-end 2008 level. The MDAX, which includes Vossloh stock, more or less patterned its performance on the DAX during the period and on June 2, likewise climbed to its year-to-date high of 6,072. Closing the second quarter at 5,754, it had gained around 30 percent compared with Q1 and, for the full first six months of 2009 had advanced some 3 percent.

Vossloh stock price trend from January 1 to June 30, 2009



Vossloh share ID data:

German SIN: 766710

ISIN: DE0007667107

Reuters: VOSG.DE

Bloomberg: VOS GR

At the end of Q1/2009, Vossloh stock had already resisted the general downturn and closed the period up by 0.5 percent. For the first six months of 2009 it altogether outperformed the comparative indexes. Following some frailty in April, it attained its year-to-date high of €88.55 on May 20, which it then failed to quite uphold, even though the award of the Chinese megacontract for the high-speed rail fasteners did regenerate momentum starting from mid-June. At June 30, 2009, Vossloh's stock price reached €85.55, representing a gain of 7.1 percent for Q2 and a 7.6-percent plus for H1/2009.

Vossloh stock outperforming the relevant indexes in H1

Vossloh stock's aggregate trading volume in Q2/2009 reached around 4.2 million shares (year-on-year down some 28 percent from 5.8 million). The shortfall was consistent with the general turnover downtrend. For the period April to June 2009, an average of around 68,500 shares were traded daily. In the first six months, the trading volume approximated 8.4 million, a daily average of 67,200.

In late June/early July 2009, altogether 22 financial analysts were monitoring Vossloh's stock performance (up from 18). The average price expectation was €85 per share, based on a range between €61 and €107. There were 13 "buy" recommendations, three "sell," and six "hold." The majority of the analysts regard Vossloh's business model and prospects as robust and, compared with other sectors, as reliably predictable, and so their assessments are accordingly favorable.

Record dividend plus superdividend resolved by AGM

At this year's annual general meeting held in Düsseldorf on May 20, 2009, Vossloh AG's stockholders voted in favor of the proposed €2.00 dividend per share of eligible stock (up around 18 percent over the prior-year €1.70). This is in fact the highest dividend ever paid out by the Company. Also resolved was a one-off superdividend of €1.00, thus allowing stockholders to share in the gains from the disposal of the Infrastructure Services business unit. In all, these payouts are equivalent to around 30 percent of group earnings.

For further details on Vossloh stock (including dates, publications, and Creditor Relations information) see the Investor's section at www.vossloh.com

Vossloh stock details	
ISIN	DE0007667107
Traded at	Xetra, Düsseldorf, Frankfurt, Berlin-Bremen, Hannover, Hamburg, Stuttgart, Munich
Index	MDAX
Number of shares outstanding at 6/30/2009	13,316,288
Stock price (6/30/2009)	€85.55
H1/2008 high/low	€88.55/€69.45
Reuters code	VOSG.DE
Bloomberg code	VOS GR

Interim management report

The Group's business trend

Introduction

Comments on discontinued operations

At June 30, 2008, the Vossloh Group had executed the share sale and transfer agreement on the divestment of the Infrastructure Services (VIS) business unit. The deal was closed as scheduled on September 19, 2008, when the competent antitrust authorities approved it. VIS was disposed of retroactively as of January 1, 2008, and derecognized when the deal was closed. Consequently, as required by IFRS 5 for the prior-year comparative period, the net (posttax) balance of all income and expenses of this business unit has been shown in a separate income statement line as posttax profit from discontinued operations.

Disclosing an absolute performance indicator: VA a key yardstick for the Vossloh Group

Ever since submitting the interim report on the first quarter of 2009, Vossloh has met the newly applicable criteria of IFRS 8 by aligning the Group's external and internal segment reporting system and bases, thus again improving on depth and structure of external reports. True to its strategy of value-focused growth, Vossloh primarily works toward earning a premium on top of the return (cost of capital) claimed by investors and lenders. This premium equals the difference between ROCE (return on capital employed) and WACC (weighted average cost of equity and debt) as a relative indicator and, when multiplied by average capital employed (CE), the value added (VA) in a period is an absolute indicator which Vossloh discloses in the analysis of its results of operations.

The value added is basically modeled on the EVA® concept but uses the above three parameters (ROCE, WACC, CE). The WACC which investors and lenders expect Vossloh and its business units to yield as return on the total equity and debt is currently 11 percent.

Results of operations

H1 sales by the Vossloh Group amounted to €599.0 million, up €8.0 million or 1.4 percent from €591.0 million. Q2 sales totaled €310.1 million (up €7.6 million or 2.5 percent).

Group sales up 1.4 percent in H1/2009

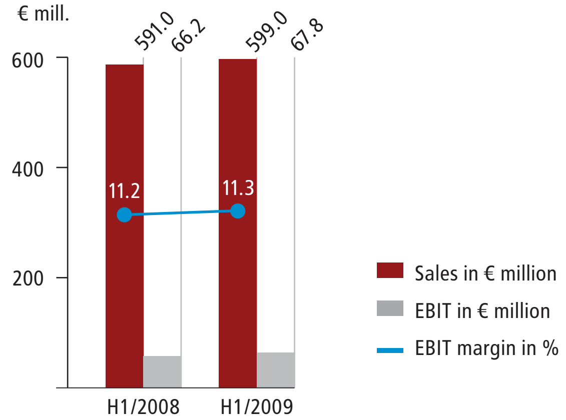
At €323.0 million, the Rail Infrastructure division's sales were virtually unchanged from the year-earlier €323.5 million. Lower sales by Vossloh Switch Systems were balanced by a sharp surge at Vossloh Fastening Systems.

H1 sales by Motive Power&Components reached €275.8 million (up 3.2 percent from €267.3 million). The incremental revenue was chiefly due to growing sales at Vossloh Electrical Systems.

Fastening Systems and Electrical Systems reporting year-on-year sales boosts

The Vossloh Group's EBIT for H1 added up to €67.8 million (up €1.6 million or 2.4 percent). At 11.3 percent, the EBIT margin was slightly up from the year-earlier 11.2 percent. Whereas EBIT and EBIT margin of Motive Power&Components shrank somewhat, the Rail Infrastructure division's improved for the period.

Group earnings in H1/2009 totaled €44.9 million (down €1.3 million or 2.8 percent from €46.2 million, including the €4.6 million posttax profit from discontinued operations). With the number of shares outstanding clearly down, earnings per share (EpS) climbed from €3.13 to €3.34.



Vossloh Group: sales and EBIT

Group ROCE and VA virtually at prior-year level

At 20.8 percent, ROCE was just short of the year-earlier 21.4 percent. The value added was virtually unchanged at €32.0 million (down from €32.1 million).

Vossloh Group

		H1/2009	H1/2008	Q2/2009	Q2/2008
Sales	€ mill.	599.0	591.0	310.1	302.5
EBITDA	€ mill.	80.3	77.7	43.7	41.9
EBIT	%	67.8	66.2	37.3	35.9
EBIT margin	€ mill.	11.3	11.2	12.0	11.9
EBT	%	64.1	59.3	34.9	32.1
Group earnings	€ mill.	44.9	46.2	24.6	26.9
ROCE[1,2]	€ mill.	20.8	21.4	22.1	22.2
Value added[2]	€ mill.	32.0	32.1	18.7	18.1

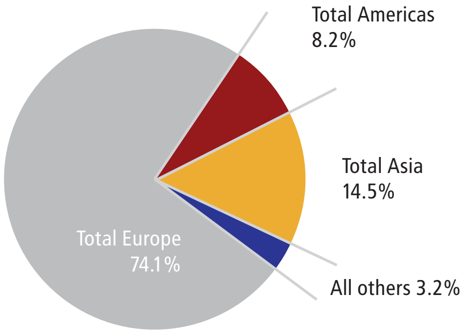
[1] Annualized
[2] Based on average capital employed

As of June 30, 2009, orders on hand had mounted from €1,213.1 million (June 30, 2008) by €19.6 million or 1.6 percent to €1,232.7 million. H1 order intake rose from €679.8 million to €705.5 million (up €25.7 million or 3.8 percent).

At €1.2 billion, midyear order backlog slightly up

The second quarter 2009 saw a continuation of the business trend already observable in various regions during Q1. In all, the Vossloh Group raised its European sales by 2.1 percent, with this continent's share of total revenue inching up from 73.6 to 74.1 percent. Sales outside of Europe, in contrast, slipped slightly (by 0.7 percent), as did their share of total sales (from 26.4 to 25.9 percent).

The mainstay of non-European sales was again Asia. The steep growth generated by this region was basically creditable to the expansion of sales in China, specifically the orders placed for rail fasteners for this country's high-speed lines. Sales in South America and Australia were also up, albeit from a much lower base. North and Central American sales were well down, especially at Vossloh Switch Systems on account of soft demand for maintenance work in North America mainly in Q1/2009.



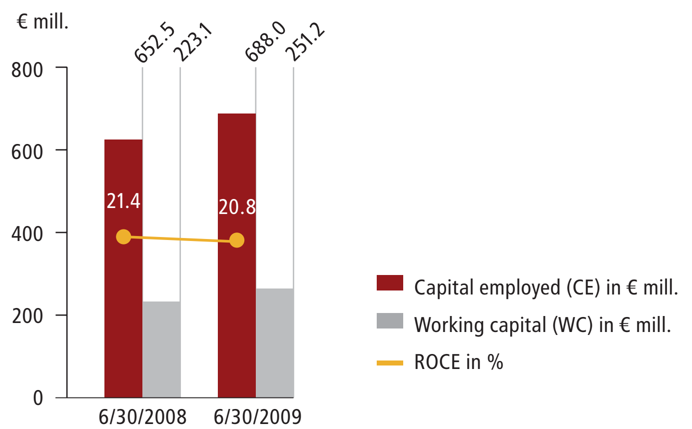
Geographical breakdown of H1/2009 sales

H1 sales inching up in Europe; steep sales growth in Asia

Inside Europe, the western region was again the most important sales market in H1/2009, but with Southern Europe meantime ranking a close second; the sharp growth in business there was primarily generated in Spain and Portugal. France likewise shared largely in European revenue and, in fact, reported the highest relative increase for the region. Eastern Europe, Germany and other Western European sales were down from H1/2008. In Eastern Europe, the sharp decline was mostly due to poor sales in Poland. Elsewhere in Western Europe, drooping sales in Belgium and the UK impacted in particular.

Sales by region

	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%
	H1/2009		H1/2008		Q2/2009		Q2/2008	
Germany	63.0	10.5	67.9	11.5	31.6	10.1	40.1	13.3
France	90.3	15.1	70.1	11.8	48.7	15.7	37.0	12.2
Other Western Europe	87.1	14.5	118.2	20.0	40.9	13.2	58.6	19.4
Northern Europe	46.6	7.8	41.0	6.9	30.3	9.8	25.2	8.3
Southern Europe	142.6	23.8	112.7	19.1	68.5	22.1	53.5	17.7
Eastern Europe	14.7	2.4	25.3	4.3	7.9	2.5	13.7	4.5
Total Europe	**444.3**	**74.1**	**435.2**	**73.6**	**227.9**	**73.4**	**228.1**	**75.4**
North & Central America	44.2	7.3	80.9	13.7	21.6	7.0	30.7	10.1
South America	5.3	0.9	1.7	0.3	1.5	0.5	0.1	0.0
Total Americas	**49.5**	**8.2**	**82.6**	**14.0**	**23.1**	**7.5**	**30.8**	**10.1**
Near & Middle East	6.9	1.2	15.2	2.6	4.0	1.3	5.7	1.9
Other Asia	79.3	13.3	35.0	5.9	46.1	14.9	25.7	8.5
Total Asia	**86.2**	**14.5**	**50.2**	**8.5**	**50.1**	**16.2**	**31.4**	**10.4**
Africa	9.5	1.6	15.9	2.7	3.1	1.0	8.7	2.9
Australia	9.5	1.6	7.1	1.2	5.9	1.9	3.5	1.2
Total	**599.0**	**100.0**	**591.0**	**100.0**	**310.1**	**100.0**	**302.5**	**100.0**



Vossloh Group: CE, WC and ROCE trends

Asset and capital structure, financial position

Midyear equity ratio now 35 percent

As of June 30, 2009, the Vossloh Group's total assets amounted to €1,260.7 million and therefore shrank from midyear 2008 by €158.5 million or 11.2 percent, primarily due to the meantime sold and derecognized Infrastructure Services business unit in September 2008. At June 30, 2009, the Vossloh Group's equity totaled €444.3 million, the decrease from year-end 2008 being largely attributable to the €45.8 million dividend payout in 2009 and the treasury stock repurchase for €43.7 million. In contrast, the comprehensive income of €41.1 million increased total equity. At June 30, 2009, the equity ratio was 35.2 percent.

At the close of H1/2009, the Group's working capital came to €251.2 million, hence upsized by €28.1 million or 12.6 percent from June 30, 2008, primarily by higher inventories. The (annualized) working capital intensity rose, too, from 18.9 to 21.0 percent.

Inventory buildup raises working capital and capital employed

Both average and closing capital employed climbed on a year-on-year comparison. Capital employed at the close of H1/2009 mounted €35.5 million or 5.4 percent to €688.0 million, the H1 average being €650.3 million in 2009 (up 5.0 percent or €30.7 million). The prime driver was the higher working capital in the wake of the inventory buildup.

Vossloh Group

		6/30/2009	12/31/2008	6/30/2008
Total assets	€ mill.	1,260.7	1,339.4	1,419.2
Total equity	€ mill.	444.3	492.7	459.0
Equity ratio	%	35.2	36.8	32.3
Working capital	€ mill.	251.2	150.6	223.1
Working capital intensity[1]	%	21.0	12.4	18.9
Fixed assets	€ mill.	436.9	431.4	429.4
Closing capital employed	€ mill.	688.0	582.1	652.5
Average capital employed[2]	€ mill.	650.3	631.3	619.6
ROE[1]	%	28.8	26.1	25.8
Net financial debt/(assets)	€ mill.	107.8	(35.0)	173.7
Net leverage	%	24.3	(7.1)	37.8

[1] Annualized
[2] 2008 comparatives excluding Vossloh Infrastructure Services

Net financial debt low despite dividend payout and stock repurchase

Despite the cash outflows for the treasure stock repurchase and the dividend payout, the Vossloh Group continued to report a low-level net financial debt of €107.8 million as of June 30, 2009, compared with net financial assets of €35.0 million as of December 31, 2008. At H1-end 2009, cash and cash equivalents (including short-term securities) of €108.5 million contrasted with financial debts of €216.3 million.

Rail Infrastructure business

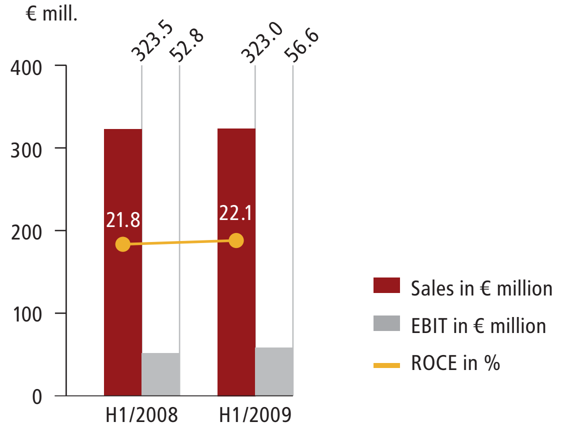
Since the sale of Vossloh Infrastructure Services, the Rail Infrastructure division has comprised the Fastening Systems and Switch Systems business units.

Results of operations

Rail Infrastructure's semiannual sales just short of high 2008 magnitude

For H1/2009, the Rail Infrastructure division showed sales of €323.0 million, which was a mere €0.5 million or 0.2 percent down from the very high figure for H1/2008. Q2/2009 sales amounted to €170.9 million versus €176.0 million in Q2/2008. The Fastening Systems business unit reported a revenue surge that, on balance, offset slipping sales at Vossloh Switch Systems.

Vossloh Fastening Systems repeated its strong Q1 sales performance in the second quarter, with H1 sales rising to €127.4 million (up €41.6 million or 48.5 percent from €85.8 million in H1/2008).



Rail Infrastructure: sales, EBIT and ROCE

H1 order intake by Vossloh Fastening Systems tripled from €86.2 million to €257.8 million, most of the increase being attributable to the megacontract awarded by the Chinese Ministry of Railways for rail fasteners for the Beijing–Shanghai high-speed line. This business unit's midyear order backlog was also well up—from €132.0 million to €202.6 million.

Fastening Systems' order backlog boosted to around €203 million

At €196.4 million, H1 sales at Vossloh Switch Systems were short of the year-earlier €238.3 million (down by €41.9 million or 17.6 percent). The very high amount the year before had reflected the shipment of high-speed switch systems to Southern Europe and a metro train megacontract. This year's downtrend mirrored shortfalls in North American and Australian switch business.

Order intake at Vossloh Switch Systems was also down, from €262.6 million to €193.1 million. Order backlog, in contrast, climbed to €283.1 million at June 30, 2009 (up from €264.0 million).

Switch Systems' order backlog again up, to €283 million

Rail Infrastructure

		H1/2009	H1/2008	Q2/2009	Q2/2008
Sales	€ mill.	323.0	323.5	170.9	176.0
EBITDA	€ mill.	62.3	58.3	34.3	31.6
EBIT	€ mill.	56.6	52.8	31.4	28.7
EBIT margin	%	17.5	16.3	18.4	16.3
ROCE[1,2]	%	22.1	21.8	24.1	22.7
Value added[2]	€ mill.	28.4	26.1	17.0	14.8

[1] Annualized
[2] Based on average capital employed

H1/2009 EBIT at Rail Infrastructure came to €56.6 million (up €3.8 million or 7.2 percent from €52.8 million). The H1 EBIT margin also advanced, from 16.3 to 17.5 percent.

Rail Infrastructure's H1 ROCE inched up from 21.8 to 22.1 percent. In a year-on-year comparison, the division's value added (VA) in H1 improved, rising 8.8 percent by €2.3 million to €28.4 million (up from €26.1 million). Vossloh Fastening Systems' six-month VA enhanced considerably, mainly thanks to a very good EBIT, and surged year-on-year by €13.5 million or 104.7 percent to €26.4 million. Vossloh Switch Systems' VA for the period was down by €11.2 million or 84.2 percent to €2.1 million.

Fastening Systems' VA improved; Switch Systems' shrinking

Asset and capital structure

Rail Infrastructure

		6/30/2009	12/31/2008	6/30/2008
Working capital	€ mill.	222.1	175.5	210.0
Working capital intensity[1]	%	34.4	24.8	32.5
Fixed assets	€ mill.	298.7	298.4	295.1
Closing capital employed	€ mill.	520.8	473.9	505.1
Average capital employed[2]	€ mill.	511.7	504.0	484.6

[1] Annualized
[2] 2008 comparatives excluding Vossloh Infrastructure Services

The Rail Infrastructure division's working capital closed H1/2009 at €222.1 million, up €12.1 million or 5.8 percent substantially due to higher inventories. The (annualized) working capital intensity was downgraded from 32.5 to 34.4 percent as of June 30, 2009. H1 closing capital employed came to €520.8 million, average H1 CE to €511.7 million in 2009; both values were up over the year-earlier LFL levels of €505.1 million and €484.6 million, respectively.

Motive Power&Components business

Results of operations

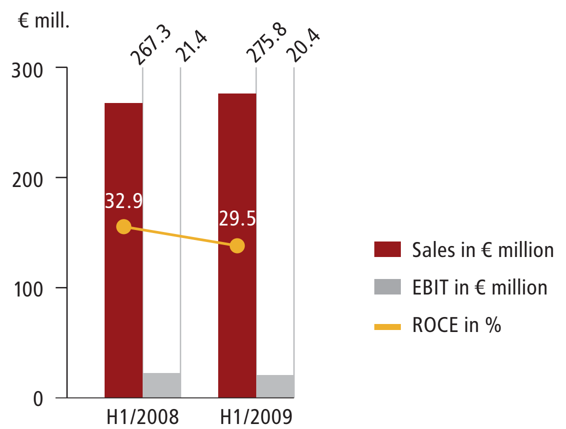
For H1/2009, the Motive Power&Components division reported slightly rising sales, from €267.3 million to €275.8 million (up €8.5 million or 3.2 percent), most of the growth being contributed by Vossloh Electrical Systems.

Motive Power&Components sales edging up some 3 percent to around €276 million

Vossloh Locomotives generated sales of €202.4 million in H1, an increase of 0.4 percent or €0.8 million. Whereas business at Vossloh España boomed, the Kiel location showed a decline.

Vossloh España including its maintenance business (Erion Mantenimiento Ferroviario S.A., Madrid) reported H1 sales of €138.0 million (up from €114.5 million). Excluding Erion (i.e., locomotive and component business alone), Vossloh España's sales totaled €134.4 million (up from €112.8 million).

Six-month sales at the Kiel location slumped from €87.5 million to €65.2 million. In order to allow for the ongoing spending reluctance on the part of private-sector customers—due to the prevailing economic risks—this location will work short-time.



Motive Power&Components: sales, EBIT and ROCE

Order backlog at Locomotives around €528 million

Order intake at Vossloh Locomotives amounted to €198.8 million, well short of the €256.0 million in H1/2008. Order backlog at June 30 likewise shrank, from €597.0 million to €527.7 million.

H1 sales at the Electrical Systems business unit climbed €7.6 million or 11.6 percent to €73.3 million (up from €65.7 million). Particularly sharp gains were reported for the second quarter of 2009, with sales up 31.8 percent to €37.7 million.

Electrical Systems' order backlog at €219 million

Order intake at Vossloh Electrical Systems for H1/2009 reached €56.5 million, short of the €83.8 million a year ago. Order backlog shrank from €230.4 million to €219.4 million.

Motive Power&Components

		H1/2009	H1/2008	Q2/2009	Q2/2008
Sales	€ mill.	275.8	267.3	139.2	126.3
EBITDA	€ mill.	26.8	26.9	14.4	13.5
EBIT	€ mill.	20.4	21.4	11.0	10.7
EBIT margin	%	7.4	8.0	7.9	8.5
ROCE[1,2]	%	29.5	32.9	28.7	31.4
Value added[2]	€ mill.	12.8	14.2	6.8	6.9

[1] Annualized
[2] Based on average capital employed

Six-month EBIT at Motive Power&Components slipped from €21.4 million to €20.4 million (down €1.0 million or 4.7 percent). The H1 EBIT margin edged down from 8.0 to 7.4 percent.

Value added by Locomotives down to €3.4 million, by Electrical Systems up to €9.4 million

H1/2009 ROCE at Motive Power&Components contracted to 29.5 percent, hence down from the year-earlier 32.9 percent. The value added by the division fell by €1.4 million to €12.8 million. The Vossloh Locomotives VA in H1/2009 plunged by €4.8 million to €3.4 million. Vossloh Electrical Systems, in contrast, added incremental value of €3.4 million, reporting a 6-month VA of 9.4 million.

Asset and capital structure

Motive Power&Components

		6/30/2009	12/31/2008	6/30/2008
Working capital	€ mill.	35.5	(15.6)	16.4
Working capital intensity[1]	%	6.4	(3.1)	3.1
Fixed assets	€ mill.	132.1	126.8	125.8
Closing capital employed	€ mill.	167.6	111.2	142.2
Average capital employed	€ mill.	138.6	125.8	129.8

[1] Annualized

Motive Power&Components' working capital and capital employed surging

As of the close of H1/2009, the Motive Power&Components division's working capital volume more than doubled, soaring from €16.4 million to €35.5 million, basically due to higher inventories. The division's H1 closing capital employed climbed from €142.2 million a year ago to €167.6 million in 2009, its 6-month average CE equally picking up from €129.8 million to €138.6 million in a year-on-year comparison.

Capital expenditures

Capital outlays in H1 nudging €15 million

Capital expenditures in H1/2009 added up to €14.9 million, down €2.0 million or 11.8 percent. Adjusted for the H1/2008 capital outlays of €3.2 million by divestee Vossloh Infrastructure Services, the Group's like-for-like capex grew €1.2 million or 8.8 percent.

Expenditures at Motive Power&Components were at an unchanged level and again accounted for the lion's share. Spending at Rail Infrastructure slipped from €8.2 million to €6.2 million but, on a LFL basis, rose by 24 percent or €1.2 million.

Additions to tangible/intangible assets

€ million	H1/2009	H1/2008	Q2/2009	Q2/2008
Rail Infrastructure[1]	6.2	8.2	3.9	5.4
Motive Power&Components	8.4	8.4	3.8	4.3
Vossloh AG	0.3	0.3	0.2	0.1
Total	**14.9**	**16.9**	**7.9**	**9.8**

[1] 2008 data including Vossloh Infrastructure Services' additions

Most of the spending of €8.4 million at Motive Power&Components was incurred at Vossloh Locomotives. At Rail Infrastructure, the biggest spender was Vossloh Switch Systems.

Research and development

H1/2009 R&D expenses amounted to €5.0 million (up from €4.6 million).

Six-month R&D expenses around €5 million

The Motive Power&Components division accounted for the major share at €3.3 million (up from €2.9 million). Vossloh Electrical Systems and Vossloh Locomotives spent €1.8 million and €1.5 million, respectively. R&D expenditures at Rail Infrastructure were unchanged at €1.7 million; Vossloh Switch Systems accounted for €1.0 million and Vossloh Fastening Systems for €0.7 million.

In addition to the directly expensed items, the Group (solely its Locomotives business unit) capitalized development costs of €3.4 million (down from €3.9 million) in accordance with IAS 38.

Workforce

Recruitments by both divisions raise headcount

At the end of June 2009, the Vossloh Group employed a workforce of 4,716, which is 0.7 percent or 32 more than at December 31, 2008. Compared with one year ago, the number rose by 86 or 1.9 percent. Added staff was hired by both divisions.

At June 30, 2009, Rail Infrastructure employed a workforce of 2,683, up by 22 or 0.8 percent compared with June 30, 2008. Over year-end 2008, the workforce was up by ten.

Headcount at

	6/30/2009	12/31/2008	6/30/2008
Rail Infrastructure	2,683	2,673	2,661
Motive Power&Components	1,983	1,961	1,925
Vossloh AG	50	50	44
Total	**4,716**	**4,684**	**4,630**
Pro forma			
Infrastructure Services	–	–	1,542
Total	**4,716**	**4,684**	**6,172**

At the close of H1/2009, Motive Power&Components employed 1,983 persons, an increase of 58 or 3.0 percent compared with a year ago, and of 22 or 1.1 percent over December 31, 2008. Both additions are due to extra personnel at Vossloh Electrical Systems.

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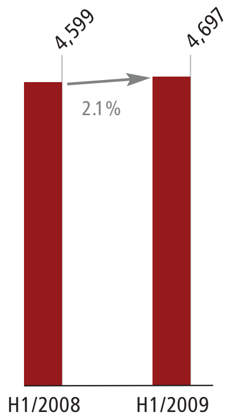
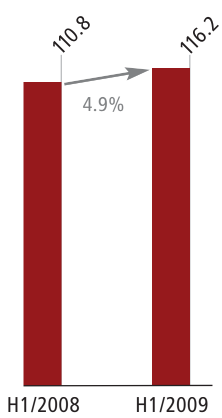
The average number of employees in Germany during the period accounted for 27.6 percent, a rise of one percentage point compared with H1/2008.

H1 personnel expenses per capita (based on the average of 4,697) climbed 2.5 percent to k€24.7 (up from k€24.1). In contrast, sales per capita slipped by 0.8 percent to k€127.5 (down from k€128.5).

The ratio of payroll to value created (a.k.a. payroll intensity) in H1 moved up by 0.3 percentage points to 62.6 percent.



Average headcount (Group)



Personnel expenses in € million

Prior-year comparatives adjusted for the Infrastructure Services business unit's contributions.

Prospects, risks and rewards

The main risks and rewards impacting on the Vossloh Group's further development are depicted in the group management report 2008. Within the framework of ongoing risk monitoring and control through our risk management system no risks are identifiable which either individually, combined or in their aggregate might threaten the Group's very survival as a going concern (unchanged).

From today's vantage point we are expecting fiscal 2009 sales to remain unchanged from the prior-year level (around €1.2 billion); our original forecast had been €1,291 million. The reason for the downward revision is the below-budget decline this year in demand on the part of privately financed customers as well as currency translation effects which are more hostile than budgeted. However, thanks to more favorable prices for input materials, we can reaffirm our earnings forecast. Accordingly, for 2009 we are still predicting an EBIT of €138 million.

Sales forecast downscaled; EBIT prediction upheld

Likewise unchanged is our group earnings forecast of €86 million and an ROCE of 22 percent. Given the revised sales expectations, we now predict an EBIT margin of 11.5 percent for 2009; previously this had been set at a good 10 percent. As to earnings per share, we are still forecasting an EpS of €6.37 for 2009.

For the next fiscal year 2010, we are looking to further growth in sales and earnings based on our bulging order books (partly extending beyond 2010) and the megacontract booked in June 2009 for the delivery of rail fastening systems to be installed in China's high-speed lines. Our expectations for 2010 are also based on the assumptions that in the latter half of 2009, the North American market will show a resurgence in demand for our products and that commodity prices and forex parities next year will exhibit little volatility.

Condensed interim financial statements of the Vossloh Group as of June 30, 2009

Income statement for the 6 (H1) and 3 months (Q2) ended June 30, 2009

€ million	H1/2009	H1/2008	Q2/2009	Q2/2008
Net sales	599.0	591.0	310.1	302.5
Cost of sales	(471.4)	(463.4)	(244.1)	(235.6)
General administrative and selling expenses	(62.0)	(60.7)	(31.7)	(31.8)
R&D expenses	(5.0)	(4.6)	(2.6)	(2.4)
Other operating income/expenses. net	7.5	3.3	5.7	2.9
Operating result	**68.1**	**65.6**	**37.4**	**35.6**
Net P/L from associated affiliate	(0.3)	0.5	(0.1)	0.3
Other financial income	0.0	0.1	0.0	0.0
Other financial expenses	(0.0)	(0.0)	(0.0)	(0.0)
EBIT	**67.8**	**66.2**	**37.3**	**35.9**
Interest income	6.7	2.2	2.9	0.7
Interest expense	(10.4)	(9.1)	(5.3)	(4.5)
EBT	**64.1**	**59.3**	**34.9**	**32.1**
Income taxes	(15.7)	(16.2)	(8.3)	(7.2)
Net income from continuing operations	**48.4**	**43.1**	**26.6**	**24.9**
Minority interests	(3.5)	(1.5)	(2.0)	(1.2)
Posttax profit from discontinued operations	–	4.6	–	3.2
Group earnings	**44.9**	**46.2**	**24.6**	**26.9**
Earnings per share				
Undiluted earnings per share (€)	3.34	3.13	1.83	1.82
thereof from continuing operations	3.34	2.82	1.83	1.60
thereof from discontinued operations	–	0.31	–	0.22
Fully diluted earnings per share (€)	3.34	3.13	1.83	1.82
thereof from continuing operations	3.34	2.82	1.83	1.60
thereof from discontinued operations	–	0.31	–	0.22

Statement of comprehensive income for H1 and Q2/2009

€ million	H1/2009	H1/2008	Q2/2009	Q2/2008
Group earnings	44.9	46.2	24.6	26.9
Minority interests	3.5	1.5	2.0	1.2
Statement at fair value of derivatives in CFHs				
Change in OCI	(8.2)	5.3	(5.2)	1.6
Gains/losses recycled from OCI to income statement	–	–	–	–
Statement at fair value of securities available for sale				
Change in OCI	–	–	–	–
Currency translation differences				
Change in OCI	(1.6)	(0.2)	(2.7)	0.9
Deferred taxes				
on OCI changes	2.5	(1.5)	1.5	(0.5)
Gains/losses directly recognized in equity, net	**(7.3)**	**3.6**	**(6.4)**	**2.0**
Comprehensive income	**41.1**	**51.3**	**20.2**	**30.1**
thereof Vossloh AG stockholders	38.4	49.8	18.8	28.8
thereof minority interests	2.7	1.5	1.4	1.3

Cash flow statement for the 6 months (H1) ended June 30, 2009

€ million	H1/2009	H1/2008
Cash flow from operating activities		
EBIT	67.8	66.2
Posttax result from discontinued operations	–	4.6
Amortization/depreciation/write-down (less write-up) of noncurrent assets	12.5	15.9
Change in noncurrent accruals	2.8	(1.8)
Gross cash flow	**83.1**	**84.9**
Change in investment in associated affiliate (if noncash)	0.3	0.0
Other noncash income/expenses, net	(3.9)	3.5
Net book gain/loss from the disposal of intangible/tangible assets	(0.1)	(1.5)
Cash outflow for income taxes	(8.0)	(30.2)
Change in working capital	(100.8)	(62.0)
Changes in other assets/liabilities, net	(3.2)	5.7
Net cash (used in)/provided by operating activities	**(32.6)**	**0.4**
Cash flow from investing activities		
Cash outflow for additions to intangibles/tangibles	(14.9)	(16.9)
Cash inflow from the disposal of intangibles/tangibles	0.0	1.4
Cash (outflow for)/inflow from short-term securities (purchased)/sold	(3.8)	26.1
Cash inflow from the disposal of noncurrent financial instruments	0.0	3.1
Cash outflow for the acquisition of consolidated subsidiaries	(2.8)	(16.4)
Net cash used in investing activities	**(21.5)**	**(2.7)**
Cash flow from financing activities		
Change in treasury stock	(43.7)	–
Cash inflow from transfers to equity	0.0	0.0
Cash outflow to stockholders and minority interest holders	(45.8)	(26.4)
Net finance from short-term loans	6.6	29.8
Net finance from medium-/long-term loans	(1.6)	(9.9)
Cash inflow from interest	5.7	2.3
Cash outflow for interest	(10.4)	(9.4)
Net cash used in financing activities	**(89.2)**	**(13.6)**
Net outflow of cash and cash equivalents	(143.3)	(15.9)
Change in cash and cash equivalents from initial consolidation	–	2.5
Opening cash and cash equivalents	**247.8**	**71.3**
Closing cash and cash equivalents	**104.5**	**57.9**
thereof included in the balance sheet as *cash and cash equivalents*	104.5	52.4
thereof included in *assets of discontinued operations*	–	5.5

The cash flows of the discontinued Vossloh Infrastructure Services operations are included in the H1/2008 cash flows reported above.
For their breakdown as required by IFRS 5:33/34, see the notes.

Balance sheet

Assets in € million	6/30/2009	12/31/2008	6/30/2008
Total noncurrent assets	**462.6**	**463.7**	**460.6**
Intangible assets	317.1	313.6	313.8
Tangible assets	110.8	108.4	103.6
Investment properties	4.7	4.8	4.6
Shares in associated affiliate	0.3	0.6	0.8
Other noncurrent financial instruments	4.1	11.1	15.0
Other noncurrent assets	0.3	0.5	0.4
Deferred tax assets	25.3	24.7	22.4
Total current assets	**798.1**	**875.7**	**731.4**
Inventories	332.9	321.1	282.4
Trade receivables	311.4	262.3	320.5
Income tax assets	4.6	9.5	12.8
Sundry current assets	40.7	34.9	59.3
Short-term securities	4.0	0.1	4.0
Cash and cash equivalents	104.5	247.8	52.4
Assets of discontinued operations	–	–	227.2
	1,260.7	**1,339.4**	**1,419.2**

Equity & liabilities in € million	6/30/2009	12/31/2008	6/30/2008
Total equity	**444.3**	**492.7**	**459.0**
Capital stock	37.8	37.8	37.8
Additional paid-in capital	42.7	42.7	42.7
Treasury stock	(106.4)	(62.7)	–
Reserves retained from earnings	410.4	315.4	315.0
Undistributed group profit	4.5	0.1	0.1
Group earnings	44.9	139.4	46.2
Accumulated other comprehensive income	(3.4)	3.1	4.9
Stockholders' equity	**430.5**	**475.8**	**446.7**
Minority interests	13.8	16.9	12.3
Total noncurrent liabilities and accruals	**309.5**	**305.5**	**273.7**
Pension accruals	8.9	8.9	8.4
Noncurrent tax accruals	4.0	4.0	–
Other noncurrent accruals	65.9	63.2	36.0
Noncurrent financial debts	169.6	173.2	158.7
Other noncurrent liabilities	38.3	34.9	53.3
Deferred tax liabilities	22.8	21.3	17.3
Total current liabilities and accruals	**506.9**	**541.2**	**541.6**
Current tax accruals	4.9	6.6	12.9
Other current accruals	141.8	150.1	139.0
Current financial debts	46.7	39.6	71.3
Trade payables	217.8	228.9	191.5
Current income tax liabilities	8.4	7.1	7.2
Other current liabilities	87.3	108.9	119.7
Liabilities of discontinued operations	–	–	144.9
	1,260.7	**1,339.4**	**1,419.2**

Statement of changes in equity

€ million	Capital stock	Additional paid-in capital	Treasury stock	Reserves re-tained from earnings	Undistrib-uted group profit	Group earnings	Accumulated OCI	Stock-holders' equity	Minority interests	Total
Balance at 12/31/2007	**37.8**	**42.7**	**–**	**268.7**	**0.0**	**71.4**	**1.3**	**421.9**	**12.1**	**434.0**
Carryforward to new account					71.4	(71.4)		0.0		0.0
Transfer to reserves retained from earnings				46.1	(46.1)			0.0		0.0
Change due to initial consolidation				0.2				0.2		0.2
Comprehensive income						46.2	3.6	49.8	1.5	51.3
Capital increases from SOPs		0.0						0.0		0.0
Dividend payout					(25.2)			(25.2)	(1.3)	(26.5)
Balance at 6/30/2008	**37.8**	**42.7**	**–**	**315.0**	**0.1**	**46.2**	**4.9**	**446.7**	**12.3**	**459.0**
Change due to initial consolidation				0.4				0.4		0.4
Comprehensive income						93.2	(1.8)	91.4	4.4	95.8
Capital increases from SOPs	0.0	0.0						0.0		0.0
Dividend payout								0.0	0.2	0.2
Repurchase of treasury stock			(62.7)					(62.7)		(62.7)
Balance at 12/31/2008	**37.8**	**42.7**	**(62.7)**	**315.4**	**0.1**	**139.4**	**3.1**	**475.8**	**16.9**	**492.7**
Carryforward to new account					139.4	(139.4)		0.0		0.0
Transfer to reserves retained from earnings				95.0	(95.0)			0.0		0.0
Comprehensive income						44.9	(6.5)	38.4	2.7	41.1
Capital increases from SOPs	0.0	0.0						0.0		0.0
Dividend payout					(40.0)			(40.0)	(5.8)	(45.8)
Repurchase of treasury stock			(43.7)					(43.7)		(43.7)
Balance at 6/30/2009	**37.8**	**42.7**	**(106.4)**	**410.4**	**4.5**	**44.9**	**(3.4)**	**430.5**	**13.8**	**444.3**

Explanatory notes

Corporate background

Vossloh AG is a listed resident company based in Werdohl, Germany, and registered under number HRB 5292 at the Commercial Register of the Local Court of Iserlohn. The Vossloh Group's key activities include the manufacture and marketing of rail infrastructure and locomotives, as well as of electrical systems for local transport vehicles.

Accounting principles

The interim financial report as of June 30, 2009, has been prepared in accordance with the International Financial Reporting Standards (IFRS) which are applicable in the European Union (EU).

The accounting and valuation principles applied in interim reporting conform with those used for the consolidated financial statements as of December 31, 2008, however, with the exception of IFRS 8 (newly applied in the Q1 report as of March 31, 2009) and a changed cash flow statement classification, as well as with due regard to International Accounting Standard (IAS) 34 Interim Reporting and German Accounting Standard (GAS) No. 16 issued by the German Accounting Standards Committee (GASC). Preparing interim financial statements requires management to make certain assumptions and estimates. Actual values may differ from those estimates and hence from the amounts disclosed in the interim report.

For German companies, income taxes have largely been calculated by applying a rate of 30 percent while for foreign subsidiaries, the applicable local tax rates are used.

Consolidation group

The consolidation group has been extended since March 31, 2009, by adding two companies. As of April 1, 2009, Vossloh Kiepe Beteiligungs GmbH acquired all of the shares in APS electronic AG, Niederbuchsiten, Switzerland. The new subsidiary's operations include the development, production, marketing and M&R of onboard power converters. The stock purchase price of €3.6 million contrasted with the following assets and liabilities:

€ million	Pre-combination book value	Adjustments	Fair values at initial consolidation date
Inventories	0.6	0.0	0.6
Current receivables, inventories, cash and cash equivalents	2.4	0.0	2.4
Other noncurrent and current assets	0.1	0.0	0.1
Current liabilities	(2.4)	0.0	(2.4)
Accruals and deferred income	(0.4)	0.0	(0.4)
Net assets acquired	**0.3**	**0.0**	**0.3**
Purchase price			3.6
Purchase incidentals			0.0
Total cost			**3.6**
Residual goodwill			**3.3**

Assuming that the subsidiary had been acquired at January 1, 2009, sales would have risen by €0.8 million and the parent's distributable net by €0.0 million. Since its acquisition, APS electronic AG has contributed sales of €0.8 million and net income of €0.0 million to the Group's. The acquisition price allocation to the assets and liabilities is provisional according to IFRS 3:62.

May 2009 saw the formation of Vossloh Kiepe Main Line Technology GmbH, Düsseldorf. This subsidiary develops traction systems for rail vehicles.

Consequently, including Vossloh AG, 14 German and 32 foreign companies were consolidated fully as of June 30, 2009. Moreover, two non-German companies were consolidated pro rata, one affiliate being included at equity.

Discontinued operations

The posttax profit from discontinued operations refers to Infrastructure Services, a business unit sold in 2008 whose prior-year income and expenses broke down as follows:

€ million	H1/2008	Q2/2008
Net sales	120.2	63.8
Cost of sales	(104.4)	(54.5)
Selling and general administrative expenses	(13.1)	(6.8)
Other income/expenses, net	5.3	2.9
Operating result	**8.0**	**5.4**
EBIT	**8.0**	**5.4**
Interest income	0.2	0.2
Interest expense	(0.9)	(0.5)
EBT	**7.3**	**5.1**
Income taxes	(2.7)	(1.9)
Posttax profit of discontinued operations	**4.6**	**3.2**

The Infrastructure Services business unit generated the following cash flows:

Cash flows of discontinued operations

€ million	H1/2008
Cash flow from operating activities	**5.3**
Cash flow from investing activities	**(4.2)**
Cash flow from financing activities	**(2.0)**
Net cash outflow	(0.9)
Opening cash and cash equivalents	**6.4**
Closing cash and cash equivalents	**5.5**

The assets and liabilities of the discontinued Infrastructure Services business unit's operations broke down as follows as of June 30, 2008:

Assets of discontinued operations

€ million	6/30/2008
Noncurrent assets	**93.8**
Intangible assets	55.8
Tangible assets	35.7
Sundry noncurrent financial instruments	0.1
Other noncurrent assets	0.0
Deferred tax assets	2.2
Current assets	**133.4**
Inventories	11.4
Trade receivables	100.7
Income tax assets	0.2
Other current assets	14.5
Short-term securities	1.1
Cash and cash equivalents	5.5
Total assets of discontinued operations	**227.2**

Liabilities of discontinued operations

€ million	6/30/2008
Noncurrent liabilities and accruals	**6.4**
Sundry noncurrent accruals	2.4
Noncurrent financial debts	3.1
Deferred tax liabilities	0.9
Current liabilities and accruals	**138.5**
Current tax accruals	1.7
Other current accruals	10.3
Current financial debts	3.1
Trade payables	49.2
Income tax liabilities	2.0
Other current liabilities	72.2
Total liabilities of discontinued operations	**144.9**

Equity

By resolution of the AGM of May 21, 2008, Vossloh AG was authorized to buy treasury stock equivalent to a maximum of 10 percent of the capital stock. On October 15, 2008, Vossloh AG's Executive Board resolved to reacquire up to 1,479,582 treasury shares via stock exchange (equivalent to 10 percent of the capital stock). The stock repurchase (duly approved by the Supervisory Board) began October 16, 2008. By March 20, 2009, altogether 1,479,582 treasury shares (10 percent of the capital stock) were repurchased, thus concluding the stock repurchase program.

At their annual meeting on May 20, 2009, Vossloh AG's stockholders reauthorized the Company to repurchase treasury stock by November 19, 2010. The previous authority to repurchase treasury shares, granted May 21, 2008, was revoked.

Another AGM 2009 resolution authorized the Executive Board, subject to the Supervisory Board's approval, to increase the capital stock by an aggregate €7.5 million by issuing, once or several times, new no-par bearer shares of common stock in return for contributions in cash and/or in kind (authorized capital). While stockholders will generally be granted their statutory subscription right, the Supervisory Board may exclude it under certain circumstances.

Stock option programs raised the total stock issued and outstanding by 24 shares.

As of June 30, 2009, Vossloh AG's capital stock amounted to €37,825,041.04, divided into 14,795,870 shares, of which 13,316,288 were then outstanding.

Earnings per share

		H1/2009	H1/2008
Weighted average number of common shares		14,795,855	14,795,809
Repurchased shares (weighted)		(1,350,349)	–
Weighted average number of shares outstanding		13,445,506	14,795,809
Dilutive shares from stock options under the ESOP/LTIP		37	56
Fully diluted weighted average number of shares outstanding		13,445,543	14,795,865
Group earnings	€ mill.	44.9	46.2
Undiluted (basic) EpS	**€**	**3.34**	**3.13**
thereof from continuing operations	€	3.34	2.82
thereof from discontinued operations	€	–	0.31
Fully diluted EpS	**€**	**3.34**	**3.13**
thereof from continuing operations	€	3.34	2.82
thereof from discontinued operations	€	–	0.31

Cash flow statement

This statement shows the changes in the Vossloh Group's cash and cash equivalents; cash includes checks, other cash on hand, as well as cash in bank, while cash equivalents comprise any financial instruments maturing within three months and readily convertible into cash.

Prepared in accordance with IAS 7, the cash flow statement breaks down the change in cash and cash equivalents into the cash flows from operating, investing and financing activities. The cash flow from operating activities is determined according to the indirect method.

Contrary to the Q1/2009 report, the cash inflows from/(cash outflows for) short-term securities sold/(purchased) are now treated as part of investing activities, which is considered more appropriate as it highlights the very nature of the short-range investment of such cash. The prior-year data has been restated accordingly.

Segment information

The Vossloh Group's primary reporting segments are defined by its internal organizational and reporting structure which is based on the products and services offered by Vossloh's business units. Due to the first-time application of IFRS 8 in Q1, segment reporting encompasses not only the identifiable two operating divisions (Rail Infrastructure and Motive Power&Components) but also separately presents their business units.

The Rail Infrastructure division covers the Group's related products and services and comprises the Fastening Systems and Switch Systems business units. The Infrastructure Services business unit, disposed of in September 2008, is shown as discontinued operation.

The Fastening Systems business unit is one of the foremost suppliers of rail fastening systems. The range embraces fasteners for every application: from light rail via heavy haul to high speed.

Vossloh Switch Systems is the world's second biggest rail switch manufacturer. The business unit equips rail networks with switches (turnouts, crossings, etc.), as well as with the related control and monitoring systems which it installs and maintains. Here, too, the lineup extends from light rail to high speed.

Motive Power&Components includes the rail vehicle and vehicle system/component operations plus the related services. The division is subdivided into the Locomotives and Electrical Systems business units.

Vossloh Locomotives with its two production locations in Valencia, Spain, and Kiel, Germany, is Europe's leading manufacturer of diesel locomotives for which it also provides maintenance services. In addition, the Valencia location builds vehicles for local transport rail services. The business unit's customers comprise state and private rail operators as well as leasing companies.

Vossloh Electrical Systems equips light rail vehicles and buses with advanced electrical systems. The product range comprises traction systems, onboard power supply units, vehicle controls, heating and air-conditioning systems. The kits are integrated into a complete customer-specific package and supplied from a single source. The business unit is the world's leading supplier of electrical equipment for trolleybuses and other electric buses which since 2008 have optionally been available with hybrid drive systems. Besides complete vehicle kits, the unit's businesses also cover retrofitted air-conditioning systems for rail vehicles, parts, components and subassemblies, revamping, servicing and M&R work.

Consolidation eliminates all intersegment transactions, such as primarily by mutually offsetting intragroup income/expenses and receivables/payables, as well as by eliminating intragroup income from profit distribution. The HQ/consolidation column includes not only the Group's top-tier consolidation items but also the holding companies which cannot be assigned to any segment, plus Vossloh AG as the Group's managerial grandparent and financial holding company.

The accounting methods of all segments are identical. Intersegment business is transacted on terms as if at arm's length.

The analysis below shows how the Group's total value added (according to the segment report) is reconciled with its recognized EBIT:

Reconciliation of value added with EBIT

€ million	H1/2009	H1/2008	Q2/2009	Q2/2008
Value added	32.0	32.1	18.7	18.1
Cost of capital employed	35.8	34.1	18.6	17.8
EBIT	**67.8**	**66.2**	**37.3**	**35.9**

Related-party transactions

The consolidated companies of the Vossloh Group regularly transact normal business with unconsolidated subsidiaries, joint ventures, and the associated affiliate. All transactions with these companies conform to the arm's length principle. The table below presents the income/expenses and receivables/payables which originate from related-party transactions with, and only with, unconsolidated subsidiaries. Transactions in H1/2009 with related individuals were altogether insignificant.

€ million	H1/2009	H1/2008
Sale/purchase of goods		
Net sales	1.7	6.6
Expenses	0.7	0.6
Trade receivables	4.1	8.2
Trade payables	1.4	0.3
Sale/purchase of other assets		
Receivables from the sale of other assets	0.7	0.8
Finance		
Interest income from loans granted	0.0	0.8
Interest expense for loans raised	0.0	0.1
Receivables under loans	0.9	29.8
Guaranties/collateral furnished		
Bonds/guaranties furnished	6.0	5.1
Other collateral furnished	1.3	1.3

Contingent liabilities

In comparison to December 31, 2008, the Group's contingent liabilities rose €0.2 million to €9.6 million; this total includes guaranties for €6.0 million, as well as contingent liabilities from the collateralization of third-party debts of €3.6 million.

Subsequent events

In an asset deal effective July 22, 2009, Vossloh acquired from, certain assets and liabilities of, Nuova Sima Sud S.p.A., Pomezia, Italy, at a price of €5.1 million. The acquiree’s line of business encompasses the production and marketing of certain rail switch components, as well as overhead line construction and related areas. The acquiree’s assets and liabilities will be allocated to Vossloh Switch Systems.

Segment information

		Fastening Systems	Switch Systems	Discontinued Infrastructure Services operations	Consolidation/ intermediate holding company	Rail Infrastructure
Value added[1]						
H1/2009	€ mill.	26.4	2.1	–	(0.1)	28.4
H1/2008	€ mill.	12.9	13.3	–	(0.1)	26.1
Q2/2009	€ mill.	14.1	3.0	–	(0.1)	17.0
Q2/2008	€ mill.	9.2	5.6	–	0.0	14.8
Total assets						
6/30/2009	€ mill.	155.4	363.2	–	199.8	718.4
6/30/2008	€ mill.	148.7	377.3	189.8	216.6	932.4
Liabilities						
6/30/2009	€ mill.	60.1	143.9	–	13.8	217.8
6/30/2008	€ mill.	90.4	146.7	132.2	40.6	409.9
Net external sales[2]						
H1/2009	€ mill.	125.3	196.3	–	0.1	321.7
H1/2008	€ mill.	81.8	235.7	–	0.1	317.6
Q2/2009	€ mill.	70.1	99.8	–	0.1	170.0
Q2/2008	€ mill.	51.8	119.7	–	0.0	171.5
Net internal sales[2]						
H1/2009	€ mill.	2.1	0.0	–	(0.8)	1.3
H1/2008	€ mill.	4.0	2.6	–	(0.7)	5.9
Q2/2009	€ mill.	1.3	0.0	–	(0.4)	0.9
Q2/2008	€ mill.	2.2	1.7	–	0.6	4.5
Interest income[2]						
H1/2009	€ mill.	0.1	0.3	–	(0.2)	0.2
H1/2008	€ mill.	0.1	1.2	–	(0.9)	0.4
Q2/2009	€ mill.	0.1	0.1	–	(0.2)	0.0
Q2/2008	€ mill.	0.0	0.5	–	(0.3)	0.2
Interest expense[2]						
H1/2009	€ mill.	(0.6)	(1.3)	–	0.0	(1.9)
H1/2008	€ mill.	(1.3)	(1.6)	–	(4.3)	(7.2)
Q2/2009	€ mill.	(0.4)	(0.7)	–	0.1	(1.0)
Q2/2008	€ mill.	(0.9)	(0.9)	–	(2.2)	(4.0)
Amortization/depreciation[2]						
H1/2009	€ mill.	1.6	4.1	–	0.0	5.7
H1/2008	€ mill.	1.6	4.0	–	(0.1)	5.5
Q2/2009	€ mill.	0.8	2.1	–	0.0	2.9
Q2/2008	€ mill.	0.9	2.1	–	(0.1)	2.9
Write-down of tangibles/intangibles						
H1/2009	€ mill.	–	–	–	–	–
H1/2008	€ mill.	–	–	–	–	–
Q2/2009	€ mill.	–	–	–	–	–
Q2/2008	€ mill.	–	–	–	–	–
Additions to noncurrent assets						
H1/2009	€ mill.	1.2	5.0	–	0.0	6.2
H1/2008	€ mill.	0.5	4.5	3.2	0.0	8.2
Q2/2009	€ mill.	0.4	3.5	–	0.0	3.9
Q2/2008	€ mill.	0.3	2.6	2.5	0.0	5.4
Average headcount						
H1/2009		443	2,246	–	–	2,689
H1/2008		444	2,203	1,574	–	4,221

[1] Presented on a like-for-like (LFL) pro forma basis: excluding the Infrastructure Services BU's capital employed.
[2] Prior-year income statement comparatives adjusted for the discontinued Infrastructure Services operations' contributions

Locomotives	Electrical Systems	Consolidation/ intermediate holding company	Motive Power& Components	Corporate HQ/ first-tier consolidation	Group
3.4	9.4	0.0	12.8	(9.2)	32.0
8.2	6.0	0.0	14.2	(8.2)	32.1
1.8	5.0	0.0	6.8	(5.1)	18.7
5.0	1.9	0.0	6.9	(3.6)	18.1
381.2	158.8	0.0	540.0	2.3	1,260.7
344.3	141.2	0.0	485.5	1.3	1,419.2
166.1	54.4	(0.0)	220.5	129.8	568.1
166.3	33.7	0.0	200.0	(8.2)	601.7
202.4	73.0	0.0	275.4	0.2	597.3
201.6	65.0	0.0	266.6	0.3	584.5
101.4	37.5	0.0	138.9	0.0	308.9
97.7	28.2	0.0	125.9	0.2	297.6
0.0	0.4	0.0	0.4	0.0	1.7
0.0	0.7	0.0	0.7	(0.1)	6.5
0.0	0.3	0.0	0.3	0.0	1.2
0.0	0.4	0.0	0.4	0.0	4.9
5.4	0.6	0.0	6.0	0.5	6.7
0.9	0.7	0.0	1.6	0.2	2.2
2.6	0.2	(0.1)	2.7	0.2	2.9
(0.2)	0.4	0.0	0.2	0.3	0.7
(3.6)	(0.5)	0.0	(4.1)	(4.4)	(10.4)
(2.0)	(0.3)	0.0	(2.3)	0.4	(9.1)
(2.0)	(0.3)	0.0	(2.3)	(2.0)	(5.3)
(0.6)	(0.1)	0.0	(0.7)	0.2	(4.5)
5.3	1.1	0.0	6.4	0.4	12.5
4.5	1.0	0.0	5.5	0.5	11.5
2.8	0.6	0.0	3.4	0.1	6.4
2.3	0.5	0.0	2.8	0.3	6.0
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
6.3	2.1	0.0	8.4	0.3	14.9
7.0	1.4	0.0	8.4	0.3	16.9
2.7	1.0	0.1	3.8	0.2	7.9
3.2	1.1	0.0	4.3	0.1	9.8
1,380	577	–	1,957	51	4,697
1,375	534	–	1,909	43	6,173

Management representation

"To the best of our knowledge and in accordance with the applicable interim financial reporting principles, we state that (i) these interim consolidated financial statements present a true and fair view of the Group's asset and capital structure, financial position and results of operations, (ii) the interim group management report presents a fair review of the Group's business trend, performance and position, and (iii) the principal risks and rewards associated with the Group's expected development for the remaining months of the fiscal year have been duly described."

Werdohl, July 28, 2009

Vossloh AG
The Executive Board

Werner Andree, Dr.-Ing. Norbert Schiedeck

Review report

to Vossloh AG

We have reviewed the condensed consolidated interim financial statements (comprising income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity, and selected explanatory notes) together with the group management report of Vossloh AG, Werdohl, for the six months (H1) ended June 30, 2009, which are components of the semiannual financial report pursuant to Sec. 37w German Securities Trading Act ("WpHG"). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the applicable WpHG provisions is the responsibility of the Company's management as legal representatives. Our responsibility is, based on our review, to issue a review report on the condensed consolidated interim financial statements and the interim group management report.

We have conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements (issued by IDW, the Institute of Sworn Public Auditors & Accountants in Germany). Those standards require that we plan and perform the review so that we can exclude through critical evaluation, with a moderate level of assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been formulated, in every material respect, in conformity with the WpHG provisions applicable to interim group management reports. A review is limited primarily to interviewing the Company's staff and to analytical procedures and thus provides less assurance than an audit. Since we have not been engaged to perform a statutory audit, we cannot issue an auditor's opinion.

Based on our review, nothing has come to our attention that would cause us to assume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been formulated, in every material respect, in conformity with the WpHG provisions applicable to interim group management reports.

Essen, July 28, 2009

BDO Deutsche Warentreuhand
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Fritz	pp. Rüttershoff
Wirtschaftsprüfer	Wirtschaftsprüfer

Financial diary 2009

Publication of interim report	
as of September 30	October 28, 2009
DVFA analysts conference	December 3, 2009

Financial diary 2010

Publication of 2009 financial data	March 2010
Press conference	March 2010
DVFA analysts conference	March 2010
Annual general meeting	May 2010

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Vossloh AG's boards

Executive Board	Werner Andree
	Dr.-Ing. Norbert Schiedeck
Supervisory Board	Dr.-Ing. Wilfried Kaiser, former executive board member of Asea Brown Boveri AG, Munich, Chairman
	Peter Langenbach, lawyer, Wuppertal, Vice-Chairman
	Dr. Jürgen Blume, sworn public auditor and tax accountant, Bad Bentheim
	Dr. Christoph Kirsch, former CFO of Südzucker AG, Weinheim
	Wolfgang Klein, galvanizer, Werdohl
	Michael Ulrich, mechanic, Kiel

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