

Declaration of conformity pursuant to Art. 161 AktG

Pursuant to Art. 161 German Stock Corporation Act ("AktG"), the executive and supervisory boards of an exchange-listed stock corporation are required to issue an annual declaration on the extent to which the recommendations of the German Corporate Governance Code Government Commission (as published by the Federal Ministry of Justice in the official section of the digital Federal Gazette) have been complied with.

In this context, the Executive and Supervisory Boards made the following statement:

"Statement made by the Executive and Supervisory Boards of Vossloh AG on the recommendations of the German Corporate Governance Code Government Commission pursuant to Art. 161 AktG

The recommendations of the German Corporate Governance Code Government Commission are fully implemented, except for the recommendations indicated here-inbelow, which have not been and will not be applied (whether in full or in part):

According to Clause 4.2.3, 2nd paragraph, 4th sentence, the Supervisory Board should agree on a possibility of capping stock options, etc. in the case of unforeseen, extraordinary developments; this recommendation was newly inserted into the Code on May 21, 2003, and could therefore not be reflected in Vossloh AG's previous stock option plans. As these SOPs extend over several years, Vossloh AG will not implement the recommendation for these expiring programs in future either. Therefore, the Executive and Supervisory Boards have decided not to follow the recommendation of Clause 4.2.3, 2nd paragraph, 4th sentence, of the Code. However, in view of new SOPs issuable on the basis of the authorization by the annual stockholders' meeting of June 3, 2004, the recommended capping option will be included to comply with recommendation of Clause 4.2.3, 2nd paragraph, 4th sentence.

Pursuant to Clause 4.2.4, the compensation of Executive Board members should be disclosed as individualized figures in the notes to the consolidated financial statements. However, since Vossloh AG's Executive Board comprises only three members, the Executive and Supervisory Boards believe that the disclosure of individual compensation data will not add any significant transparency to the report. Consequently, the Executive and Supervisory Boards have decided not to carry out the recommendation of Clause 4.2.4 either.

According to the recommendation of Clause 5.4.5, 3rd paragraph, 1st sentence, the compensation of the Supervisory Board members should be broken down into its components and disclosed on an individualized basis in the notes to the consolidated financial statements. In this case, too, the Executive and Supervisory Boards feel that these disclosures would add no significant transparency to the report and have therefore decided not to follow this recommendation.

Under the terms of Clause 6.6, 2nd paragraph, 3rd sentence, the total stock ownership shall be broken down into the stakes held each by the Executive Board and the Supervisory Board if the total stake held by all Executive and Supervisory Board members exceeds 1% of the stock issued by the company. Part of Vossloh stock is tied up in a family pool. With a view to safeguarding the family pool members' rights of personality, stock ownership data that would indicate details of stakes held by the family pool may not be published. With due regard thereto, Vossloh AG's Executive and Supervisory Boards have decided not to implement the aforesaid recommendation of Clause 6.6, 2nd paragraph, 3rd sentence, of the Code.

Werdohl, December 2004

The Executive and Supervisory Boards"