INTERIM REPORT 2008/2009

THE VOITH GROUP IN FIGURES

€ in millions	2008-10-01 until 2009-03-31	2007-10-01 until 2008-03-31
Orders received	**3 068**	**2 864**
Sales	**2 482**	**2 112**
Total output	**2 538**	**2 218**
Total fixed assets*	**1 789**	**1 717**
Capital expenditures	**130**	**130**
in % of depreciation	179	198
Income before tax	**67**	**78**
in % of sales	2.7	3.7
Net income	**39**	**47**
in % of sales	1.6	2.2
Total cash flow	**75**	**(40)**
in % of sales	3.0	(1.9)
Equity*	**843**	**862**
in % of the balance sheet total	16.4	16.7
Balance sheet total*	**5 157**	**5 148**
Personnel expenses	**897**	**845**
Number of employees (without apprentices)*	**40 768**	**42 955**

* Value on reference date 31 March 2009 compared to 30 September 2008.

CONTENT

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A WORD FROM THE CHIEF FINANCIAL OFFICER

Dr. Hermann Jung
Chief Financial Officer

Dear reader,

The Voith Group ends the first half of fiscal 2008/09 (the year starting October 1, 2008) with a positive interim balance. Due to the healthy portfolio structure, the impact of the worldwide economic crisis has hit the company during the period under review only in places, but the effect is clearly noticeable. As a result of the well-balanced business activities in early and late-cycle industries, this negative effect has been counterbalanced. Additionally, the company has begun at an early stage to systematically adjust the business divisions that are affected by the economic crisis to new capacities.

In comparison to the previous year, orders received during the first half of the fiscal year still rose slightly by 7.1 percent to € 3.1 billion. Sales amount to € 2.5 billion. This corresponds to an increase of 17.5 percent and reflects, apart from consolidation measures, mainly the high order volumes of the previous year, which are now impacting the sales figures of the period under review.

The most serious impact of the worldwide economic crisis can currently be seen in the paper sector and the market for private and commercial vehicles. As anticipated, this has had an effect on Voith, especially regarding the new plant business in the Group Division Voith Paper, as well in certain areas of Voith Industrial Services and Voith Turbo, which supply to these markets. Here, business has noticeably declined, and a short-term recovery cannot be expected.

These negative impacts have been largely compensated by consistently positive developments in the Group Division Voith Hydro. The continued strong demand for renewable energy is boosting the business with hydropower development.

The amount of orders received in the oil and gas markets, as well as from the rail industry, is equally satisfactory. Voith nevertheless anticipates that the economic crisis will eventually have an impact here too. We expect that these late-cycle markets will experience the consequences of the recession over the next few months.

At present there are no reliable indicators pointing toward an immediate recovery of the worldwide economic situation. We have therefore taken Group-wide measures that allow a fast adaptation to the prevailing economic conditions. Based on long-term corporate policy and solid financial planning of the Group we are nevertheless highly confident regarding the future development of this family-owned company.

In the following pages, you will find the Interim Report 2008/09 of the Voith Group for the period October 1, 2008, to March 31, 2009, that has been set up in compliance with the balance-sheet regulations of the International Financial Reporting Standards (IFRS), but has not been audited.

In my capacity as the Board Member of Voith AG in charge of Finance ("CFO") I confirm that this Interim Financial Report is a truthful representation of the Voith Group's business and financial situation, including the liquidity, the development of the capital for the period under review.

Best regards,

Dr. Hermann Jung

VOITH GROUP INTERIM REPORT

for the period from October 2008 through March 2009

I. BUSINESS AND BACKGROUND

Economies in Recession Worldwide

In spring 2009, the world's economy is still mired in one of the worst crises for decades. Triggered by turbulence on the international financial markets and the collapse of the Lehman Brothers investment bank in September 2008, the economic crisis quickly escalated into a dramatic slump that affected almost every country on Earth in the period under review.

As the downturn worsened around the world, global production and world trade dropped sharply. Alongside the USA, those countries that are heavily dependent on exports of durable consumer and capital goods – such as Japan and Germany – were worst affected among the industrialized nations. In the meantime, the crisis has also spread to Asia's emerging economies – precisely the ones that were hitherto driving growth. Although the Chinese and Indian economies are still expanding, the rate of growth is considerably lower than in recent years.

II. EARNINGS, ASSETS AND FINANCIAL POSITION

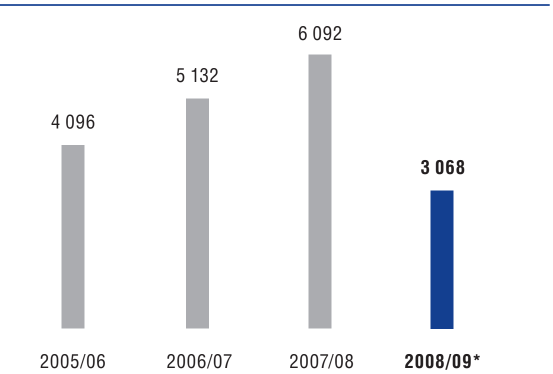
Orders Received

NO CLEAR PATTERN OF DEVELOPMENT THROUGHOUT THE GROUP

Not all of Voith's Group Divisions felt the impact of the economic and financial crisis in the first six months of fiscal 2008/09 (the year starting October 1, 2008).

Compared to the same period a year ago, new orders for the Group as a whole rose 7.1% to € 3.1 billion in the period under review. Part of this increase was attributable to first-time consolidation of the ERMO Group (Mainhausen/Germany), the CeBeNetwork Group (Bremen/Germany), SIS Skandinavisk Industriservice A/S (Ringsted/Denmark) and Newtec Kemiteknik AB (Gothenburg/Sweden), all of which were acquired during fiscal 2007/08, plus a number of smaller acquisitions in fiscal 2008/09. Adjusted for these consolidation effects, the order intake increased by 3.8% in the six months under review.

ORDERS RECEIVED € in millions



*Oct. 2008 – March 2009

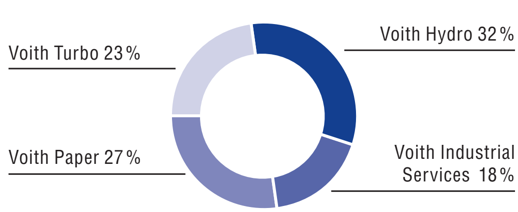
VOITH HYDRO

During the period under review, the license to use "Voith Siemens Hydro Power Generation" as a company name expired. Where it holds a minority interest in a company, Siemens only allows its name to be used for a limited transitional period. In the future, this Group Division will therefore operate under the name Voith Hydro. Both the composition of the Group Division and the ratio of ownership remain unaffected by the change of name. Voith continues to hold a 65 % stake and Siemens a 35 % stake.

Global hydropower markets stood up well to the consequences of the economic and financial crisis in the period under review. Voith Hydro had a very strong first half of fiscal 2008/09. Driven by a high demand for climate-friendly power generation, orders received in the first half of 2008/09 surged by 85.7 % to € 999 million. Large orders were evenly spread across all of the world's major hydropower markets.

Voith Hydro won two major projects in China. One of the country's largest hydropower plants (with a capacity of 12 600 Megawatts) is currently being built on the Jinsha ("Gold Sand") River. Voith Hydro will supply generators and turbines for the project. On the same river, the Liyuan hydropower plant is also under construction and will be equipped with turbine generators with a total rated output of 2 400 Megawatts by 2012. For this project, Voith Hydro won the order to supply four Francis turbines and auxiliary equipment. In the USA, Voith Hydro will equip a plant on the Captain Meldahl Dam on the Ohio River with generators and turbines. Many existing locks and dams in the USA are currently being developed into hydropower plants in order to raise the share of renewable energy sources in the country's power mix. Acting as a member of a consortium, Voith Hydro also secured a large-scale order in the important Brazilian market. In Europe too, hydropower is increasing. An order for the extensive modernization of a pumped storage power plant in Austria and additional orders for smaller power plants in Spain and the USA added the finishing touches to a very upbeat first half-year in fiscal 2008/09.

ORDERS RECEIVED by Divisions



€ 3 068 million

VOITH INDUSTRIAL SERVICES

At Voith Industrial Services, the effects of the economic crisis became increasingly apparent in the course of the period under review. True, the volume of orders rose by 28.7 % to € 544 million in the first six months of the fiscal year. A large part of this increase was attributable to first-time consolidation of the ERMO Group (Mainhausen/Germany), the CeBeNetwork Group (Bremen/Germany), SIS Skandinavisk Industriservice A/S (Ringsted/Denmark) and Newtec Kemiteknik AB (Gothenburg/Sweden), all of which were acquired during fiscal 2007/08, plus a number of smaller acquisitions in fiscal 2008/09.

Adjusted for the effects resulting from these acquisitions, orders received were 8.3% up on the same period a year earlier.

The Facility Service Europe division suffered badly from the economic crisis. Orders received dropped sharply in a very short time during the period under review. All markets and all customer segments were affected by this decline, although the wider automotive industry was hardest hit.

By contrast, Facility Service Americas posted a year-on-year increase in the volume of orders. New orders in the USA that had already been signed and sealed at the end of the preceding fiscal year were largely responsible for this development. Fresh orders from Bosch, Ford and Tetra Pak in Brazil likewise contributed to satisfactory business development.

Voith Industrial Services Asia sustained its growth trajectory. New factory logistics, technical cleaning and maintenance orders came in from the automotive and food industries, as well as from other Voith Group Divisions.

The difficult global market environment impacted business development at Process Service. With few exceptions (such as Wind and Rail Service), losses were conceded across the board. At the Automotive and Mechanical Engineering divisions, the decline in business accelerated toward the end of the first half-year. Nor did the Process Industries division escape the effects of the negative trend. ERMO and SIS, two recent acquisitions, have been brought together in this division. Right now, Process Industries is feeling the initial effects of the recession particularly in the steel, cement and chemical industries.

Projects from our customer Airbus largely shaped the first half of the fiscal year at the newly launched Voith Engineering division. Business is currently developing along satisfactory lines, although new business and the acquisition of major new projects fell short of expectations in the period under review.

VOITH PAPER

In the first half of fiscal 2008/09, the paper industry remained very flat in all markets. Faced with a dramatic slump in the global economy and little prospect of rapid improvement, papermakers rolled back their investment projects. This led to a sharp decline in orders for new machines and major rebuilds at Voith Paper. In the first six months of fiscal 2008/09, this Group Division received new orders worth € 823 million – a year-on-year decline of 27.9%, although it must be said that the same period in the previous year was largely shaped by the investment boom in China in particular. Customers are increasingly demanding system solutions from a single source. At the same time, slower growth is foreseeable on the world's paper market. In response to this situation, Voith Paper has initiated an extensive program of reorganization and restructuring. Effective January 1, 2009, the Group Division's seven divisions were condensed into four: Fiber & Environmental Solutions, Paper Machines, Automation and Fabric & Roll Systems.

German customers placed an order with Fiber & Environmental Solutions for the expansion of an existing deinking line, and for an anaerobic reactor for a paper mill. Further orders for anaerobic reactors were also received, including a contract from a Korean papermaker.

Voith Paper's environmental technology credentials were one of the main reasons why Perlen Papier AG commissioned the Group Division to supply a complete production line for newsprint paper. The environmentally friendly overall concept behind the new production plant clinched the award of this order to Voith. In addition, Paper Machines also received a contract from an Indian customer for a graphic-grade paper machine, plus a major order from South America for a new production plant. In its capacity as a consortium partner, Automation had a share in these large orders but could not escape the downward pull of the market as a whole. Stand-alone business with automation solutions was very downbeat.

The order intake declined year on year at Fabric & Roll Systems too. This was due to current economic developments and the resultant cutback in paper production, as paper mills in all regions were taken off line for extended periods.

VOITH TURBO

The Voith Turbo Group Division also felt the impact of the economic crisis in the period under review. New orders were down 7.9 % year on year to € 700 million. The Road and Marine divisions in particular saw business decline sharply, whereas Industry and Rail had a solid and stable first half-year.

At the Industry division, business with variable-speed drives once again made a major contribution to positive business development. One highlight in the period under review was a large order received from Sulzer Pumps for 18 Vorecons for the Kusile power plant project in South Africa. Demand for cardan shafts nevertheless began to flatten toward the end of the first half-year. Hydrodynamic products too experienced a marked decline.

The veritable implosion of the truck market made its mark on new orders at the Road division. Year on year, orders received for retarders collapsed by more than half. Nor is there any sign of a quick recovery. Postponed projects in the world's bus markets further contributed to a lower order intake. Dampers was the only product group for which business development was satisfactory.

The trend in new orders at the Rail division remained upbeat in the first six months of fiscal 2008/09. Since prospects remain good, Voith plans to invest € 40 million to completely modernize existing production capacity and build a new production facility at its Heidenheim site. Mechanical drive system solutions for rail vehicles are to be developed and manufactured here in future.

The Marine division was not immune to the very weak development of the global shipbuilding markets. The order intake was very low. Although brisk project activity is in progress, there is no sign that the current tense situation will ease.

Sales

Consolidated sales rose by 17.5 % to € 2.5 billion in the first half of fiscal 2008/09. Part of this increase was attributable to first-time consolidation of the ERMO Group (Mainhausen/Germany), the CeBe-Network Group (Bremen/Germany), SIS Skandinavisk Industriservice A/S (Ringsted/Denmark) and Newtec Kemiteknik AB (Gothenburg/Sweden), all of which were acquired during fiscal 2007/08, plus a number of smaller acquisitions in fiscal 2008/09. Adjusted for these consolidation effects, sales grew by 13.2 % in the period under review.

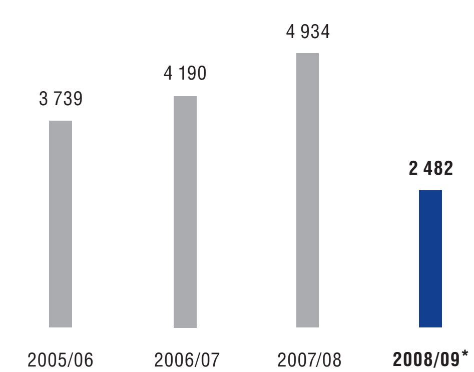
Voith Hydro saw sales jump 46.3 % to € 450 million. This very positive development was driven by the high level of orders carried over from recent years, which only affect sales after a time-lag due to the long-term nature of orders and construction work in this line of business.

A gain of 28.7 % pushed the sales volume at Voith Industrial Services up to € 544 million. This growth was fueled primarily by the above named acquisitions. Adjusted for the effects of these acquisitions, sales were up 8.3 % year on year.

At Voith Paper, sales were up to € 906 million, an 8.3 % increase compared to the same period in the previous year. This can be explained by the sizeable order intake realized in previous years and by the all-time high order volume on the Group Division's books at the start of the fiscal year.

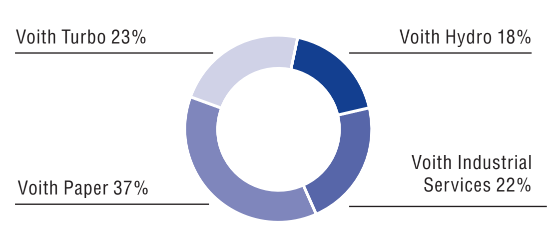
In an increasingly adverse market climate, sales at Voith Turbo rose by a modest 6.6 % to € 580 million. The Industry and Rail divisions were the mainstay of this increase, although Marine also made a contribution thanks to its high level of orders on hand.

SALES € in millions



*Oct. 2008 – March 2009

SALES by Divisions

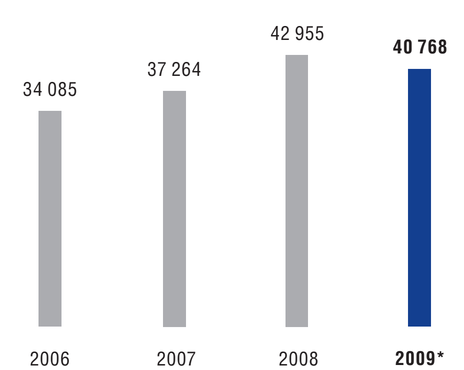


€ 2 482 million

No Clear Pattern in Employee Figures

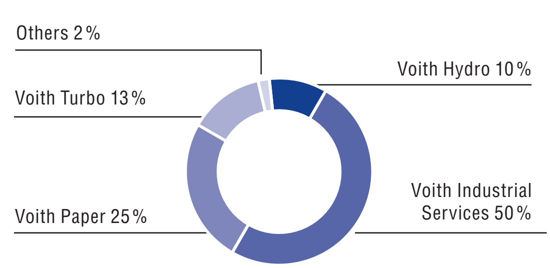
Since fiscal year-end (September 30, 2008), the number of employees at the Voith Group has fallen by 2 187 to 40 768, a decline of 5.1 %. Like the varied pattern of business, staffing levels too differed across the four Group Divisions. At Voith Hydro, the personnel build-up initiated in the preceding years continued in the period under review (+ 514). All in all, a total of 600 new jobs are to be created around the globe this fiscal year. This build-up is taking place in response to stronger volume growth and worldwide expansion of the Group Division's business. The decline at Voith Industrial Services (minus 2 407) was due above all to capacity adjustments in response to dwindling business in the automotive industry in particular. The decline at Voith Paper (minus 445) reflects generally flat market development and signs of a protracted lull in demand in the international paper industry. Employee numbers at Voith Turbo increased slightly (+ 142).

EMPLOYEES as at September 30



*as at March 31, 2009

EMPLOYEES by Divisions



40 768 Employees in total

Healthy Net Income

In spite of the difficult economic conditions, the Group recorded net income of € 39 million in the first half of fiscal 2008/09 (previous year: € 47 million).

Operating business concerned itself essentially with working off the large stack of orders in hand. Industrial systems activities in particular benefited from a number of major projects with substantial order volumes. Total operating performance climbed from € 2 218 million in the same period a year earlier to € 2 538 million.

Largely because of lower currency gains, other operating income declined to € 163 million (previous year: € 185 million).

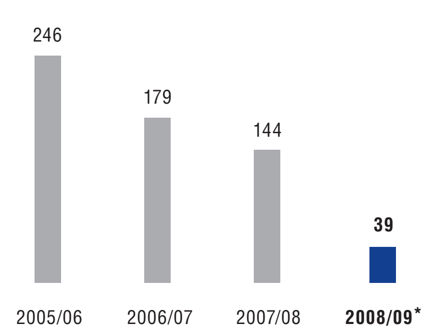
Thanks to the more efficient utilization of production capacity than in the first half of fiscal 2007/08, the ratio of personnel expenses to total operating performance improved. Personnel expenses increased at a rate lower than the increase in total operating performance, and came to € 897 million (previous year: € 845 million).

A non-recurring result of minus € 33 million (previous year: € 0) placed a burden on net income. This effect was due to the capacity adjustment measures begun in the first half of the fiscal year. These measures affected Voith Paper (minus € 27 million) and Voith Industrial Services (minus € 6 million). Both of these Group Divisions adjusted capacity in response to changing market conditions and in order to bolster profitability. In this way, they have put in place the conditions needed to sustainably sharpen their competitive edge.

Interest income fell by € 3 million to minus € 33 million (previous year: minus € 30 million). This was attributable predominantly to the fact that interest rates were in decline around the world. The Group's sizeable reserves of liquid funds were affected by this development, which shaved € 2.5 million off interest income. On the other hand, interest expenses rose by only € 0.5 million despite the increase in short-term liabilities due to banks.

The other items in the consolidated statement of income changed largely in line with the pattern of business development.

NET INCOME



* until March 2009 € in millions

Structure of Assets and Capital Remains Solid

The balance sheet for the Voith Group continues to reflect a healthy asset and capital structure. Total assets increased only marginally to € 5 157 million (previous year: € 5 148 million).

The non-current assets increased to an amount of € 2137 million (previous year: € 1 962 million). This is due to a reclassification from current to non-current investments in securities. The former (non-current investments in securities) increased by € 112 million to € 125 million. Due to the fact, that the Group has adequate cash, there is no intention to sell this portion of the investments in securities in the forth coming twelve months.

Current assets declined to € 3 020 million (previous year: € 3 186 million). Within this item, significant effects concerned inventories, trade accounts receivable, marketable securities and cash and cash equivalents.

Well-filled order books drove inventories – especially those for volume business – up by € 85 million to € 1 009 million. Trade accounts receivable fell to € 985 million (previous year: € 1 142 million). Most of this decline can be explained by the sequential rise in customer advances, which could be netted against receivables.

A significant portion of the decrease in marketable securities relates to the abovementioned reclassification to non-current assets.

Since the situation on the financial markets remains uncertain, it is all the more important to be in a stable liquidity position. Cash and cash equivalents were therefore increased by € 68 million to € 608 million (previous year: € 540 million).

Non-current liabilities were slightly reduced to € 1 636 million (previous year: € 1 647 million).

Current liabilities were up € 38 million to € 2 678 million (previous year: € 2 640 million).

Within this item, significant changes affected financial liabilities, trade accounts payable and other liabilities. Financial liabilities amounted to € 440 million (previous year: € 183 million). The need for liquidity remained persistently high as the large volume of orders from the previous year was worked off. This fact, coupled with substantial investing activities (including the acquisition of residual shares in subsidiaries), required us to draw on some of our confirmed credit lines. This in turn led to an increase in liabilities due to banks. Trade accounts payable declined clearly from € 539 million in fiscal 2007/08 to € 475 million in the period under review. Other liabilities were reduced to € 1 375 million (previous year: € 1 514 million). This was due primarily to the increase in the set-off of customer advances (as in the case of trade accounts receivable; see above) and to settlement of current liabilities, such as personnel liabilities.

At March 31, 2009, Group equity totaled € 843 million (previous year: € 862 million). The equity ratio was 16.4 % (previous year: 16.7 %). In addition to positive net income, dividends and valuation effects on marketable security positions also had a negative impact on the amount of equity. We do not believe that these losses are of a permanent nature, however. The equity figure still includes the profit participation rights totaling € 76.8 million that were issued in fiscal 2006/07. Additional profit participation rights totaling € 6.6 million were issued in the period under review. In accordance with the criteria specified in IAS 32, these rights also constitute equity. More details of equity are shown in the statement of changes in equity.

Positive Cash Flow Overall

Despite positive net income, cash flow from operating activities was negative at minus € 4 million in the period under review (previous year: € 23 million). The change in net working capital – especially the build-up of inventories described above – and the decline in operating liabilities both contributed to this development.

The figure for net cash used in investing activities changed from minus € 44 million in the previous year to minus € 208 million in the period under review. This change can be explained by the sale of marketable securities in the same period a year ago. A large proportion of the cash used to invest in subsidiaries' shares was attributable to the acquisition of the remaining 45.2 % of shares in DIW Deutsche Industriewartung AG, Stuttgart.

Net cash of € 287 million provided by financing activities (previous year: minus € 19 million) was due essentially to the increase in liabilities due to banks described above.

Total cash flow amounted to € 75 million (previous year: minus € 40 million). More details of cash flow are provided in the section on the consolidated statement of cash flows.

Capital Expenditure and Research and Development Spending

The capital spending volume of € 130 million at mid-year 2008/09 was exactly the same as the figure recorded for the same period a year earlier. Focused investment to modernize equipment and production facilities in all Group Divisions is improving Voith's productivity and making the Group more competitive. The Voith Group's traditionally strong commitment to research and development was sustained. All necessary funding was made available to maintain the company's sharp innovative edge and build on our position as technology leader in many areas.

Acquisitions

Effective October 1, 2008, Voith Paper acquired PremiAir Technology, Inc., Montréal/Canada. This company employs around 20 people, posts annual sales of some € 3 million and makes air and drying systems for the manufacture of pulp, paper and tissue. PremiAir will be integrated in the Voith Paper Air Systems Group. This acquisition rounds off Voith Paper's portfolio by adding products and services in all areas of air systems for the pulp, paper and tissue industry.

III. EVENTS AFTER THE BALANCE SHEET DATE

Apart from the transactions outlined above, no significant events have occurred since the end of the first half of fiscal 2008/09 (the year beginning October 1, 2008).

IV. RISK REPORT

The distributed risk management system operated by the Voith Group serves to contain and manage risks, assign them to specific areas and keep them within reasonable limits. There was no evidence of risks that might pose a threat to the survival of the Group in the first half of the current fiscal year. The statements made in the risk report subsumed under the Annual Report 2007/08 remain valid.

V. FORECAST REPORT

In spring 2009, there is still no sign of a swift end to the worldwide recession. While there are indications that the downward trend may be slowing, we expect that it will not bottom out until the end of 2009/the beginning of 2010 at best.

All the world's major economies have now launched large-scale investment programs and programs to boost the economy. The extent to which such government intervention provides lasting stimulus remains to be seen. One problem is that the situation on the financial markets remains extremely unstable. At the present time, it is not possible to make reliable and valid forecasts about when a sustainable recovery might begin and when the economy might regain its stride.

At Voith, the varied trend in business development at the different Group Divisions will continue through the end of fiscal 2008/09.

At Voith Hydro, demand for hydropower plants – the best proven technology for climate-friendly power generation – remains as strong as ever in all regions of the world. Announcements of government spending on infrastructure, especially in the USA, give grounds for optimism in the long term.

In light of the significant impact of the global economic crisis on key markets such as the automotive industry, Voith Industrial Services is preparing itself for slower growth in future.

At Voith Paper, a large stock of orders from previous years will still shape sales and capacity utilization in the second half of the fiscal year. Right now, there is no sign of a lasting recovery in this Group Division's business in the remainder of 2009.

Voith Turbo's broad portfolio and strong regional position in all key sales markets should keep business stable at around the level achieved in the first half of the fiscal year.

On the whole, the statements about future developments and forecasts made in the management report contained in the Annual Report 2007/08 remain valid today.

VOITH AG
INTERIM FINANCIAL REPORT

Consolidated Statement of Income

for the period from October 1, 2008, through to March 31, 2009

	2008-10-01 until 2009-03-31	2007-10-01 until 2008-03-31
€ in thousands		
Sales	2 481 686	2 112 067
Increase in inventories and capitalized costs	56 464	105 641
Total output	**2 538 150**	**2 217 708**
Other operating income	162 986	184 919
Cost of material	(1 072 654)	(924 032)
Personnel expenses	(897 023)	(844 715)
Depreciation	(72 479)	(65 716)
Other operating expenses	(528 399)	(461 577)
	130 581	**106 587**
Non-recurring result	(32 469)	–
Share of profits from associates	925	901
Interest result	(33 323)	(30 139)
Other financial result	1 505	1 126
Income before taxes	**67 219**	**78 475**
Income taxes	(27 835)	(31 623)
Net income	**39 384**	**46 852**
Result attributable to providers of non-current capital	34 586	46 333
Net income attributable to minority interests	4 798	519

Consolidated Balance Sheet

as at March 31, 2009

ASSETS	2009-03-31	2008-09-30
€ in thousands		
A. Non-Current Assets		
I. Intangible assets	698 774	676 165
II. Property, plant and equipment	1 027 761	977 118
III. Investments in associates	16 462	14 643
IV. Investments in securities	125 099	13 552
V. Other financial assets	32 465	35 085
VI. Other receivables and assets	116 391	125 495
VII. Deferred tax assets	120 265	120 051
Total Non-Current Assets	**2 137 217**	**1 962 109**
B. Current Assets		
I. Inventories	1 009 172	924 079
II. Trade receivables	985 174	1 141 742
III. Marketable securities	87 643	215 959
IV. Income tax assets	50 855	51 457
V. Other receivables and assets	271 813	306 443
VI. Cash and cash equivalents	608 031	539 641
	3 012 688	**3 179 321**
VII. Held for Sale Assets	7 132	6 700
Total Current Assets	**3 019 820**	**3 186 021**
Total Assets	**5 157 037**	**5 148 130**

Equity and Liability	2009-03-31	2008-09-30
€ in thousands		
A. Equity		
I. Issued capital	120 000	120 000
II. Revenue reserves	709 429	698 567
III. Other reserves	(96 980)	(57 087)
IV. Profit participation rights	83 400	76 800
V. Minority interests	27 436	23 407
Total Equity	**843 285**	**861 687**
B. Non-Current Liabilities		
I. Provisions for pensions and similar obligations	407 071	404 255
II. Other provisions	123 392	136 871
III. Income tax liabilities	2 231	3 495
IV. Financial liabilities	876 555	834 245
V. Other liabilities	97 698	145 358
VI. Deferred tax liabilities	129 013	122 630
Total Non-Current Liabilities	**1 635 960**	**1 646 854**
C. Current Liabilities		
I. Provisions for pensions and similar obligations	16 085	11 532
II. Other provisions	298 873	290 109
III. Income tax liabilities	71 814	101 755
IV. Financial liabilities	440 300	182 887
V. Trade liabilities	475 235	539 299
VI. Other liabilities	1 375 485	1 514 007
Total Current Liabilities	**2 677 792**	**2 639 589**
Total Equity and Liabilities	**5 157 037**	**5 148 130**

Statement of Changes in Equity

	Equity attributable to shareholders in the parent company				Profit participation rights	Minority interests	Total equity
	Issued capital	Revenue reserves	Other reserves	Total			
€ in thousands							
Balance as at 2008-10-01	**120 000**	**698 567**	**(57 087)**	**761 480**	**76 800**	**23 407**	**861 687**
Losses on available-for-sale financial assets			(35 580)	(35 580)		(6)	(35 586)
Losses on cash flow hedges			(2 935)	(2 935)		(1 482)	(4 417)
Currency translation differences			2 376	2 376		2 441	4 817
Losses on net investments in foreign operations			(5 761)	(5 761)		(694)	(6 455)
Tax on items recognized directly in equity			2 007	2 007		413	2 420
Total income for the year recognized directly in equity			(39 893)	(39 893)		672	(39 221)
Net income		34 586		34 586		4 798	39 384
Total income for the year		34 586	(39 893)	(5 307)	0	5 470	163
Allocation of reserves to profit participation rights		(4 225)		(4 225)	4 225		0
Change in group structure		(1 410)		(1 410)		(86)	(1 496)
Issue of profit participation rights					6 600		6 600
Dividends - profit participation rights					(4 225)		(4 225)
Dividends		(18 089)		(18 089)		(6 075)	(24 164)
Minority interests' put options						4 720	4 720
Balance as at 2009-03-31	**120 000**	**709 429**	**(96 980)**	**732 449**	**83 400**	**27 436**	**843 285**

€ in thousands	Equity attributable to shareholders in the parent company				Profit participation rights	Minority interests	Total equity
	Issued capital	Revenue reserves	Other reserves	Total			
Balance as at 2007-10-01	**120 000**	**581 955**	**6 412**	**708 367**	**76 800**	**20 046**	**805 213**
Losses on available-for-sale financial assets			(102)	(102)		(80)	(182)
Losses on cash flow hedges			(283)	(283)		(128)	(411)
Currency translation differences			(29 764)	(29 764)		(1 056)	(30 820)
Losses on net investments in foreign operations			(17 567)	(17 567)		(892)	(18 459)
Tax on items recognized directly in equity			5 021	5 021		55	5 076
Total income for the year recognized directly in equity			(42 695)	(42 695)		(2 101)	(44 796)
Net income		46 333		46 333	0	519	46 852
Total income for the year		46 333	(42 695)	3 638	0	(1 582)	2 056
Allocation of reserves to profit participation rights		(11)		(11)	11		0
Change in group structure		(3 477)		(3 477)		(2 434)	(5 911)
Dividends - profit participation rights				0	(11)	0	(11)
Dividends		0		0		(7 978)	(7 978)
Minority interests' put options						12 613	12 613
Balance as at 2008-03-31	**120 000**	**624 800**	**(36 283)**	**708 517**	**76 800**	**20 665**	**805 982**

Consolidated Cash Flow Statement

€ in thousands	2008-10-01 until 2009-03-31	2007-10-01 until 2008-03-31
Net income	39 384	46 852
Depreciation	72 487	65 716
Changes in provisions and accruals	(24 875)	(33 147)
Other non-cash items*	30 754	(16 607)
Changes in other operating assets and liabilities	(121 567)	(43 189)
(Gains)/Losses on the sale of non-current assets and securities	(132)	2 896
Cash flow from operating activities	**(3 949)**	**22 521**
Investments in property, plant and equipment and intangible assets	(130 057)	(130 103)
Proceeds from the disposal of property, plant and equipment and intangible assets	9 830	7 462
Investments in financial assets	(2 425)	(9 911)
Investments in subsidiaries	(69 109)	(78 078)
Proceeds from the disposal of financial assets	120	8 277
Change in investments in securities	(16 710)	158 756
Cash flow from investing activities	**(208 351)**	**(43 597)**
Dividend payments	(28 389)	(7 989)
Other changes in equity	6 600	0
Changes in loans *	293 304	29 570
Changes in financial receivables and financial liabilities *	15 302	(40 961)
Cash flow from financing activities	**286 817**	**(19 380)**
Total cash flow	**74 517**	**(40 456)**
Exchange rate movements and changes in Group structure	(6 127)	(16 950)
Cash and cash equivalents at the beginning of the period	539 641	465 108
Cash and cash equivalents at the end of the period	**608 031**	**407 702**

* Prior year figures adjusted.

Notes to the Interim Consolidated Financial Statements 2008/09

GENERAL

Voith AG (Voith) is a German public limited company with international presence. Voith is situated in Heidenheim/Brenz at St. Pöltener Straße 43. The company is registered at the Court of Registry in Ulm (HRB 661319). The interim consolidated financial statements are prepared by Voith and are filed with the electronic version of the Federal German Gazette.

On May 19, 2009, the Board of Management authorised the release of the abridged interim consolidated financial statements for the first six months of fiscal year 2008/09.

As a domestic issuer of debt in accordance with Section 2 paragraph 1 line 1 WpHG, Voith has to prepare interim financial statements according to section 37 w WpHG.

BASIC PRINCIPLES OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PRINCIPLES OF PREPARATION

The abridged interim consolidated financial statements for the first six months of fiscal year 2008/09 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and meet the requirements of IAS 34 (Interim Financial Reporting).

The interim consolidated financial statements are not audited. The report does not include all the information and disclosures required for annual consolidated financial statements and is therefore to be read in combination with the annual report for the fiscal year 2007/08. The reporting currency for the interim financial statements is Euro.

CONSOLIDATED GROUP

The following companies are included in the interim consolidated financial statements:

	2009-03-31	2008-09-30
Voith AG and its fully consolidated subsidiaries:		
Germany	79	78
Abroad	172	168
Total fully consolidated companies	**251**	**246**
Associates accounted for using the equity method:		
Germany	2	1
Abroad	8	8
Total of associated companies accounted for using the equity method	**10**	**9**

The companies fully consolidated for the first time include PremiAir Technology Inc., Montréal/Canada which was purchased in the current period; In addition Voith Turbo S.A. de C.V. Mexico (D.F.)/Mexico as well as some companies in the Voith Industrial Services division were consolidated for the first time in the fiscal half year under review.

ACCOUNTING AND VALUATION POLICIES

The abridged interim consolidated financial statements have been prepared following the same accounting and valuation policies as in the year end report as at September 30, 2008.

INCOME TAX AT HALF YEAR END

Income tax in the interim consolidated financial statements is calculated with the estimated tax rate for the entire fiscal year.

CHANGE IN THE STRUCTURE OF THE CASH FLOW STATEMENT

In the first six months of fiscal 2008/09, non-cash valuation effects for bonds and liabilities to banks as well as for other financial receivables and liabilities were taken into account in the item “other non-cash items” for the first time in preparation of the consolidated statement of cash flows. This change in accounting practice reduced this item – and hence cash flow from operating activities – by €19 994 thousand in the same period a year earlier. Conversely, cash flow from financing activities increased by the same amount.

In order to prepare the interim financial statements in line with IFRS, the Group’s management has had to apply estimates and assumptions to recognize certain assets and liabilities. The same applies to certain income and expenses reported in the period under review as well as to the disclosure of contingent liabilities. The future actual figures could vary from the estimates and assumptions.

ACQUISITIONS AND DISPOSALS

The following major acquisitions were made in the period under review:

PremiAir Technology Inc., Montréal/Canada
Voith Paper purchased the entire shares of the company on October 1, 2008.

The company operates in the air and drying systems branch for pulp, paper, and tissue production. PremiAir Technology Inc. is intergrated in the Voith Paper Air Systems group. The purchase price amounted to € 1.3 million. Based on preliminary figures the goodwill on acquisition amounts to € 1.0 million. At this point in time the purchase price allocation is not finalised and therefore the difference between purchase price and equity is treated as goodwill for the half-year reporting. The company contributed € 1.1 million to sales and a loss of € 0.1 million to the Group's profit-and-loss statement for the reporting period.

SEGMENT INFORMATION

In "Voith Siemens Hydro Power Generation" the contractual entitlement to the name that had been in use expired in the reporting period under review. By minority interests, Siemens only allows the use of its name for a specified period. The Group Division therefore operates under the new title "Voith Hydro". Both the composition and shareholding – Voith 65 %, Siemens 35 % – are unaffected by the change in name.

The presentation of the segments has been changed so that they are shown in alphabetical order.

This change has no influence on the segmentation of the Voith Group. The structure as reported in September 2008 remains unchanged.

Voith Group
Segment Information by Division (October-March)

Segment sales and segment results by division:

	Voith Hydro		Voith Industrial Services		Voith Paper	
	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
€ in millions						
External sales	450	307	544	423	906	836
Sales with other segments	1	2	31	25	23	19
Total segment sales	451	309	575	448	929	855
Profit from operations	14	2	14	15	79	33
Operating interest income [2]	(7)	(5)	0	0	(5)	(5)
Non-recurring result [3]	0	0	(6)	(1)	(27)	0
Segment result [4]	7	(3)	8	14	47	28

[1] Subtotal for Voith Hydro, Voith Industrial Services, Voith Paper and Voith Turbo.

[2] Operating interest income (expenses) from ordinary activities is defined as interest received by the company on the long-term financing of receivables from customers or on that portion of customer advances that is not used to finance inventories and PoC receivables.

[3] The non-recurring result shown in the prior period was not shown in the Statement of Income as the amount of minus €1 million was considered immaterial.

[4] Segment result according to IAS 14.

Voith Turbo		Core Business [1]		Reconciliation		Total	
2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
580	544	2 480	2 110	2	2	2 482	2 112
3	2	58	48	(58)	(48)	0	0
583	546	2 538	2 158	(56)	(46)	2 482	2 112
61	60	168	110	(25)	8	143	118
0	0	(12)	(10)	0	0	(12)	(10)
0	0	(33)	(1)	0	0	(33)	(1)
61	60	123	99	(25)	8	98	107

Notes to the Consolidated Statement of Income and Balance Sheet

Additional information has been included in the following notes for a limited number of issues, which are made more understandable for the reader of the Statement of Income and the Balance Sheet.

NON-RECURRING RESULT

Non-recurring results primarily include expenses arising from major restructuring activities as well as measure addressing personnel capacity.

A significant portion is attributed to the personnel capacity measures initiated in the first half-year.

The divisions Voith Paper and Voith Industrial Services are affected here, as they react to the changing market conditions in order to maintain profitability and thereby establish the prerequisite for a sustained increase in competitiveness.

The following expenses have been incurred:

€ in thousands	2008/09	2007/08
Personnel expenses	(29 252)	–
Depreciation	(8)	–
Other expenses	(3 345)	–
Income from the reversal of provisions	136	–
	(32 469)	–

EQUITY

In March 2009 Voith AG increased the Profit Participation Rights by an issue of € 6 600 thousand, which according to the conditions in IAS 32 is to be treated as equity.

Impairments on available for sale assets are realized in the profit and loss statement when objective evidence is available, that indicates that the devaluation is not temporary. Objective evidence particularly includes significant changes in technological, economical and legal conditions as well as the market conditions of a company. Generally, Voith considers a devaluation as a significant impairment, when the fair value sinks more than 30%. The devaluation is considered permanent if it remains unchanged for more than twelve months.

Based on these qualitative and quantitative criteria, impairments to available-for-sale assets in the group were not realized in the profit and loss statement, but recorded directly in equity.

FINANCIAL LIABILITIES

The non-current and current financial liabilities increased over the period to an amount of € 1 317 million (previous year: € 1 017 million). A significant amount of this increase (€ 250 million) is attributed to the draw down of a portion of a syndicated loan.

Other Information

CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

The contingent liabilities listed below are stated at face value. No provisions were made to cover these contingencies as the risk of their realization is regarded as low.

€ in thousands	2009-03-31	2008-09-30
Guarantee obligations	23 478	23 050
Warranties	2 107	665
Assets pledged as security for third-party obligations	2 793	2 940
	28 378	**26 655**

In addition to liabilities, provisions and contingent liabilities, the Voith Group also has other financial obligations, in particular those arising from rental and leasing agreements for buildings, land, equipment, plant, machinery, and other non-production-related tools and equipment.

€ in thousands	2009-03-31	2008-09-30
Purchasing commitments for capital expenditure	39 598	54 954
Obligations arising from non-cancellable operating rental and leasing agreements	98 865	118 945
Other obligations	852	1 083
	139 315	**174 982**

RELATED PARTIES DISCLOSURES

All business transactions with related enterprises and individuals are conducted under regular market terms and conditions. The majority of intercompany deliveries and services to related enterprises and individuals are shown in the tables below:

€ in thousands	2009-03-31	2008-09-30
Receivables with subsidiaries	10 747	15 293
Write-downs on receivables with subsidiaries	(1 001)	(1 623)
Liabilities with subsidiaries	25 975	28 966
Liabilities to family members who are shareholders	42 343	34 637
Receivables with associates	1 921	726
Liabilities with associates	705	1 342
Receivables with the parent company	661	538
Liabilities with the parent company	1 769	1 181
Liabilities with other related parties	40 911	93 464

€ in thousands	2008/09	2007/08
Services purchased from subsidiaries	507	101
Services rendered to subsidiaries	5 513	7 171
Services purchased from associates	837	312
Services rendered to associates	5 731	2 406
Services purchased from the parent company	4 401	3 745
Services rendered to the parent company	133	126

EVENTS AFTER BALANCE SHEET DATE

There were no significant events after the balance sheet date.

RESPONSIBILITY STATEMENT BY THE MANAGEMENT BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Heidenheim, May 19, 2009

Voith AG
The Board of Management

Dr. Hubert Lienhard
Dr. Hermann Jung
Dr. Hans-Peter Sollinger
Peter Edelmann
Martin Hennerici
Bertram Staudenmaier
Dr. Roland Münch

Significant Events

MARCH 2009

On the occasion of his 70th birthday celebrations, Dr. Michael Rogowski, Chairman of the Shareholders' Committee and the Supervisory Board of Voith AG, announces that he intends to hand over his aforementioned offices to Dr. Manfred Bischoff, Chairman of the Supervisory Board of Daimler AG, in April 2010. He is taking this step in agreement with the shareholders. At the same time, Dr. Michael Rogowski will assume the chairmanship of the Hanns Voith Foundation.

Hörmann Poland (Voith Industrial Services) and Sanden Manufacturing Poland Sp. z o.o. receive an order extension for the complete on- and offline maintenance of the foundry and the mechanical production department for another two years until March 31, 2011.

Voith Hydro equips the Captain Meldahl Dam on the Ohio River in USA with generators and turbines. This is the fourth major order for Voith Hydro from American Municipal Power-Ohio for the modernization of a power plant on the Ohio River within twelve months.

Voith Industrial Services China receives an order extension for the technical cleaning of paint shops and, alongside BeijingBenz-DaimlerChrysler Automotive Co. Ltd., will in future also look after the facilities of Fujian DaimlerChrysler Automotive Co. Ltd.

Voith Hydro announces an important order from China. The Liyuan hydropower project in the province Yunnan will have an installed total capacity of 2 400 MW. The power plant is expected to feed electricity to the grid as early as 2012.

Voith invests approximately € 40 million at its Heidenheim headquarters. The Business Division Rail of Voith Turbo will build a completely new production site in Heidenheim (district Mergelstetten) and also comprehensively modernize the existing production capacities.

FEBRUARY 2009

Effective April 1, 2009, Voith Siemens Hydro Power Generation becomes Voith Hydro. As per its original agreement, the use of the name Siemens in the joint venture was for a limited time. The individual business stakes of the two companies are unchanged: Voith still holds 65 % and Siemens 35 %.

Perlen Papier AG/Switzerland, places an order with Voith Paper for a complete production line for newsprint. The order volume for the entire plant amounts to approximately € 300 million. The decisive criterion for the customer's decision in favor of Voith was the eco-friendly overall concept of the plant.

Voith Turbo and the French rail vehicle manufacturer Socofer receive a joint order for the modernization of 200 shunting locomotives of SNCF French State Railways. Voith Turbo will supply key components for the refurbishment of the up to 50-year-old locomotives.

The team of Hörmann Györ Kft. Hungary (Voith Industrial Services) has received another contract for the plant maintenance of Audi Hungaria Motor Kft. The contract runs for three years.

Voith Hydro and RWE Innogy announce the foundation of their joint venture, Voith Hydro Ocean Current Technologies. The new company was established to strengthen the development, production and marketing of ocean current technology.

JANUARY 2009

CBN (Voith Industrial Services) has been looking after A400 M-IFA-/MAP, the new military transporter of Airbus, since January. Set up for a period of four years, the order covers electrical services, including approvals, design query notes and DMU checks, as well as the virtual pre-assembly of a plane component.

Volkswagen Saxony has placed orders with Hörmann Engineering (Voith Industrial Services) for follow-on projects in the areas engine production planning and production process control for vehicle assemblies. For the first time, Volkswagen AG also placed orders with Hörmann Engineering for support services in the planning sector in India and Russia.

DECEMBER 2008

Premier (Voith Industrial Services) assumes building maintenance, the technical cleaning of the paint shops and the cleaning of the production and administration building in the Ford plant in Oakville (ON)/Canada.

Voith Hydro signs another important contract in China. The company will supply three Francis turbine generator sets, each rated at 784 MW, for the Xi Luo Du hydropower project on the Jinsha River (Gold Sand River).

On 23 December, the Maxima 40 CC diesel locomotive is given official approval by the German Railway Authorities. This approval completes the development of the first Voith locomotive.

NOVEMBER 2008

Voith Railservices (Voith Industrial Services) receives another major order from the Netherlands company Veolia Transport in Venlo. Upon commissioning of the electric trains, Voith Railservices will assume all service and maintenance work, as well as carry out general overhauls after one million kilometers.

The overseas expansion of the business of Voith Industrial Services Wind proves to be successful with first orders in France and Poland. The company will carry out the 500-h maintenance of an 80 MW wind park in Poland for the German plant engineer Fuhrländer and also perform maintenance work in a wind park in Alsace for the Franco-Spanish project developer Eneria.

Voith Hydro celebrates the 100th anniversary of the Brunnenmühle, the company's central research laboratory for the global organization, with 200 customers and partners from all over the world. Over the last 18 months, in excess of €20 million was invested in modernizing and upgrading the design tools and facilities for model testing in the research center.

Following a new bid, Hörmann Industrietechnik (Voith Industrial Services) once again wins the order for the facility management of the Opel plant in Eisenach, as well as for operating and maintaining selected parts of the production and managing all mobile equipment.

OCTOBER 2008

Voith Industrial Services Wind signs a framework agreement with the wind energy plant manufacturer ENO in Rostock for the assembly and the maintenance of 21 new 2 MW plants. With this order, Voith Industrial Services Wind has also gained a foothold as a service provider for wind power parks.

Voith Paper receives an order from Tamil Nadu Newsprint and Paper Limited in India for a complete paper machine for the production of copy, printing and writing papers.

Voith Hydro will supply equipment for a hydropower plant in Brazil. Due to be commissioned in 2015, the total delivery scope includes ten generators and 13 Kaplan bulb turbines including complete control systems.

For the first time in its history, Voith Turbo Marine receives an order from Japan for a Voith Water Tractor to be used for escort services.

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