

# VTG AG – Creating values today for tomorrow



April 22nd, 2009 – Conference Call on FY 2008





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## VTG in 2008 successfully on track

- Excellent results above guidance
  - Sales 12.4% up
  - EBITDA 14.2% up
- Executed strategy of sustainable growth continuously
- Solid long-term financing enabled further investments
- Economic crisis still with marginal impact on VTG's business in 2008 at the end of the year only
- Therefore nearly no financial impact on FY 2008 noticeable
- Guidance for 2009 provided





## Highlights in 2008

- Entered North American market by acquisition of Texas Railcar (approx. 1,000 wagons) and enlarged fleet by 80%
- Joint Venture with Cosco Logistics allows access to domestic Chinese transport market with tank containers
- VTG share listed in SDAX index (segment for small caps of Deutsche Börse)
- Acquisition of wagon manufacturer Graaff secured important production capacities and construction know how
- Interest rate hedging agreements prolonged until 2015





## Less cyclical than traditional logistics and service providers and carriers

### Wagon Hire Division

- Wagon Hire has infrastructure character
- Contracts run for an average of 3 years and are often automatically prolonged
- High switching costs (compared to moderate hire rates) and limited availability of specialized wagons ensure high renewal rates
- As rolling pipeline wagons flexibly ship huge freight volumes connecting plants
- Wagons transport mainly products for the basic consumption of the industry

### Logistics Divisions (Rail Logistics & Tank Container Logistics)

- Logistics divisions offer individual solutions and custom-made shipments
- Relatively flexible cost structure if wagons and tank containers are hired for customers in connection with a contract
- Focus on sensitive and liquid materials as well as hazardous goods
  - Being less competitive as traditional logistics and service providers and carriers
  - Closer customer relationships through specialized knowledge
- Lean expert organization with small headcounts



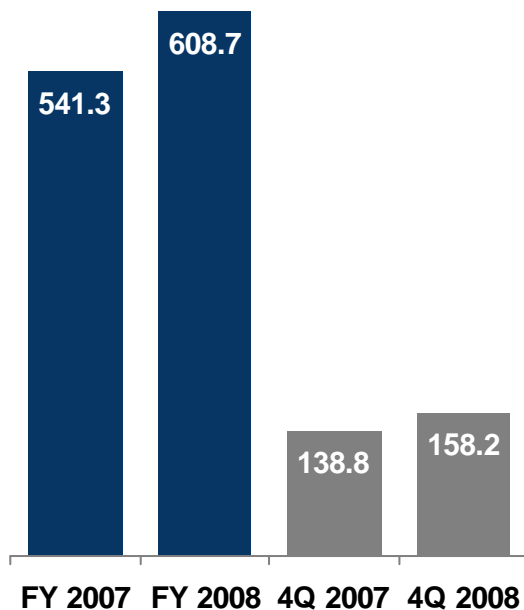
## VTG Group – Key figures

€m	2007	2008	Δ in %
Sales	541.3	<b>608.7</b>	12.4
EBITDA	137.0	<b>156.4</b>	14.2
EBIT	68.4	<b>75.6</b>	10.5
EBT	32.7	<b>43.1</b>	31.9
Net Income adjusted*	19.1	<b>27.9</b>	45.9
EPS on adjusted Net Income* (in €)	0.87**	<b>1.26</b>	44.8



## VTG Group – Sales and EBITDA increased

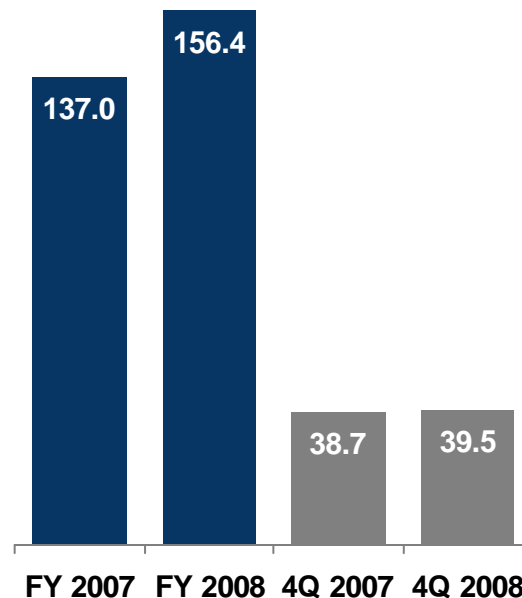
### Sales in € m



+ 12.4 %

+ 14.0 %

### EBITDA in € m



+ 14.2 %

+ 2.1 %

### Business development

- Sales: Exceeding prior guidance range
- EBITDA: Slightly surpassing forecast
- All three divisions contributed to considerable increase of sales and EBITDA on group level
- In Q4 still good performance: despite abrupt economic downturn in some industries, nevertheless : Q4 FY 2008 was better than Q4 FY 2007



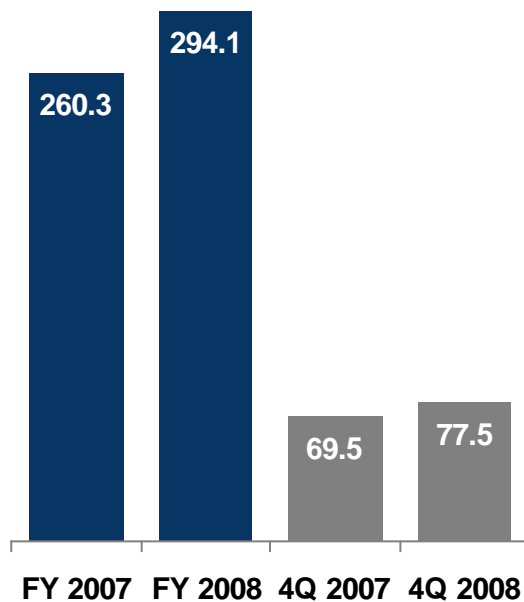


# Wagon Hire – Strong demand for rail freight capacities

## Sales in € m

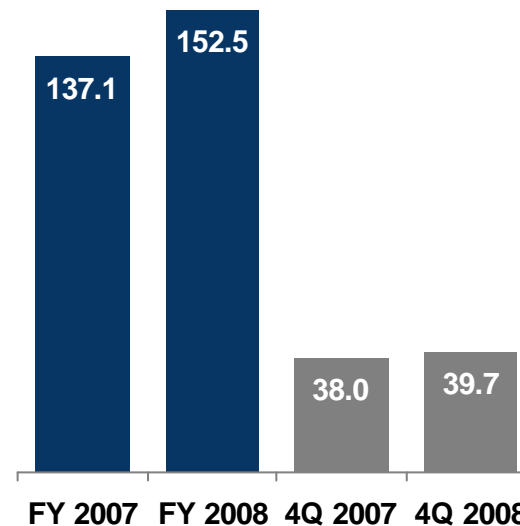
## EBITDA in € m

## Business development



+ 13.0 %

+ 11.7 %



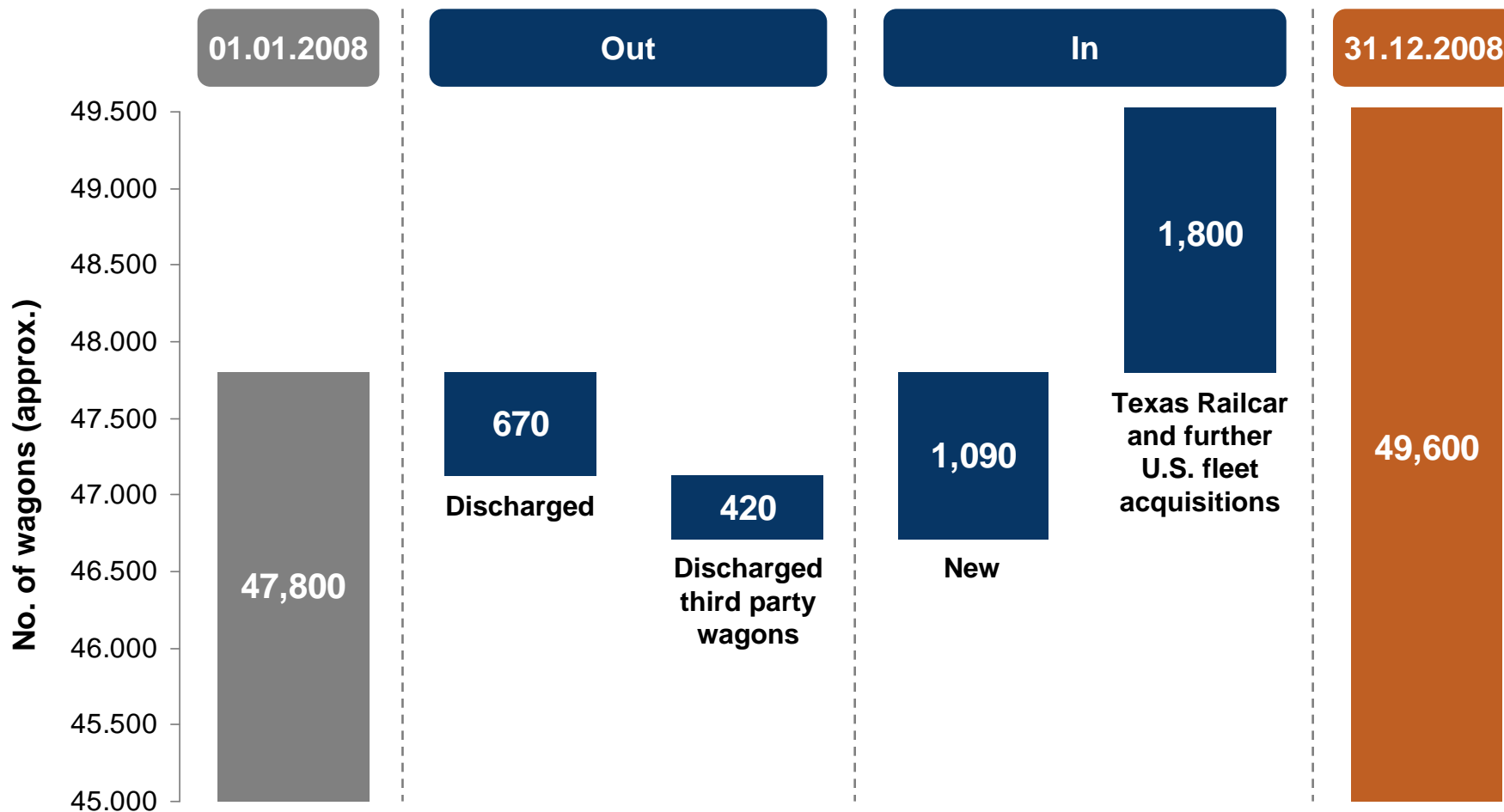
+ 11.2 %

+ 4.7 %

- North American market successfully entered
- Acquisition of wagon manufacturer Graaff:
  - Important production capacities
  - Basis for new innovation platform
- Utilization rate of 91.1% (2007: 93.9%) slightly down due to lower demand for covered wagons in Q4 (e.g. automotive industry)
- EBITDA-Margins 2008
  - FY: 51.8% (2007: 52.6%)
  - Q4: 51.2% (2007: 54.7%)



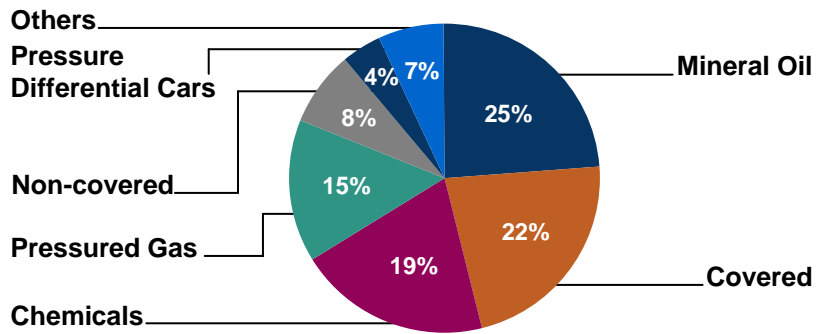
## Wagon Hire – Development of the wagon fleet





# Wagon Hire – Fleet with highly diversified structure

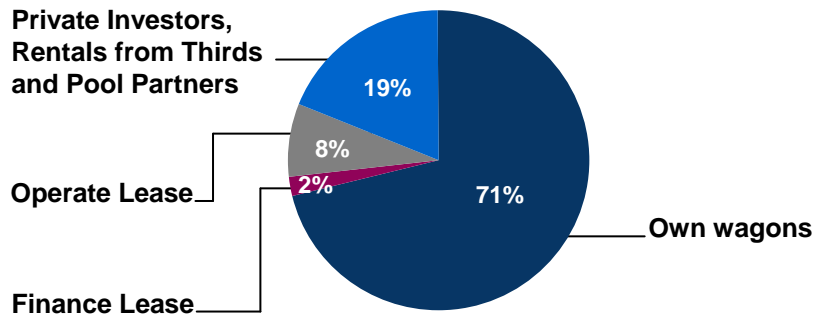
## By Type



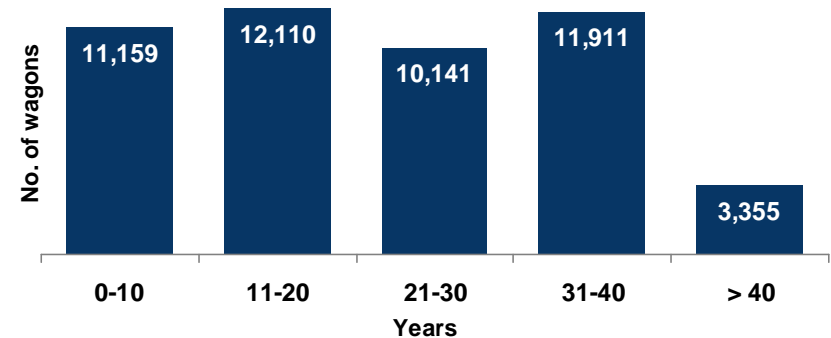
## Facts & Figures

Number of wagons:	approx. 49,600
Thereof in North America:	approx. 1,800
Number of different types:	approx. 1,000
Average age:	22 years

## By Ownership



## Age Structure



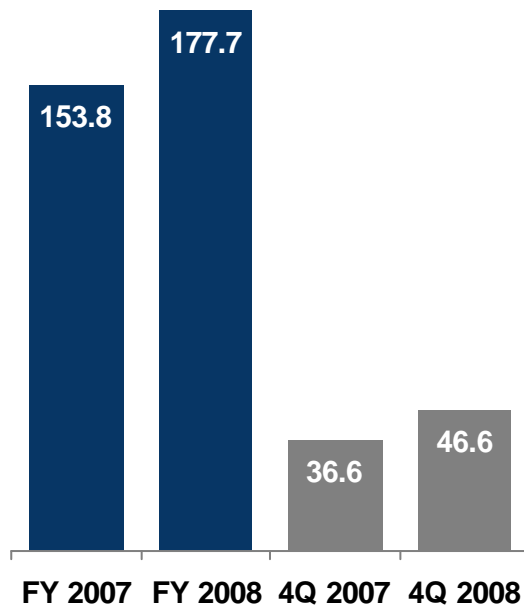


# Rail Logistics – Profitability raised

## Sales in € m

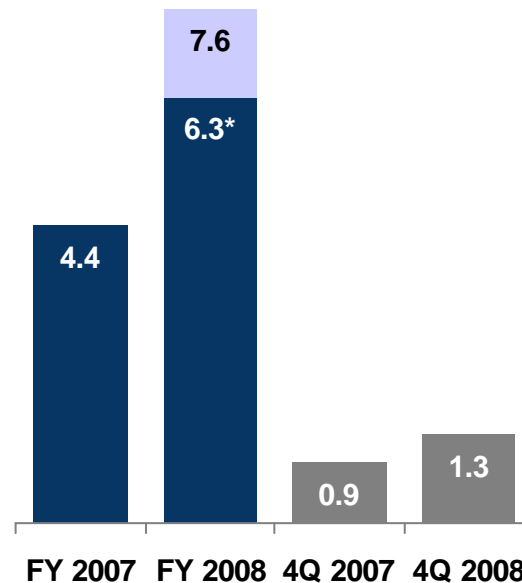
## EBITDA in € m

## Business development



+ 15.5 %

+ 27.5 %



+ 43.3 %\*

+ 45.8 %

- Focus on international transport services and hazardous goods
- Transports beyond core business of mineral oil and chemicals increased
- No impact of economic crisis in 2008
- Adjustment of € 1.3 m due to one-off effect
- EBITDA-Margins\* 2008
  - FY: 44.7% (2007: 38.8%)
  - Q4: 35.3% (2007: 32.9%)



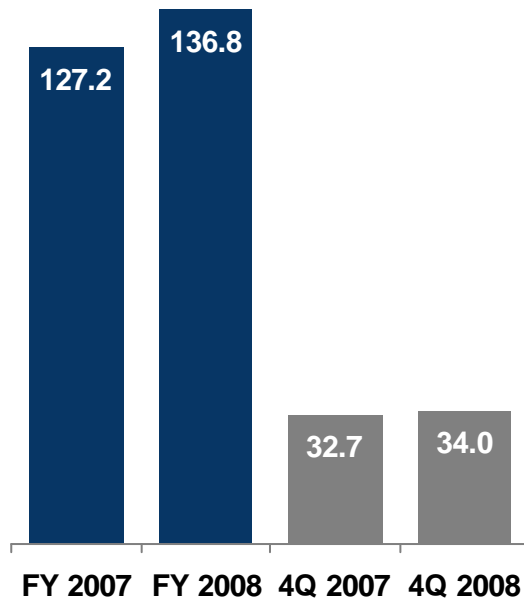


# Tank Container Logistics – Continued growth

## Sales in € m

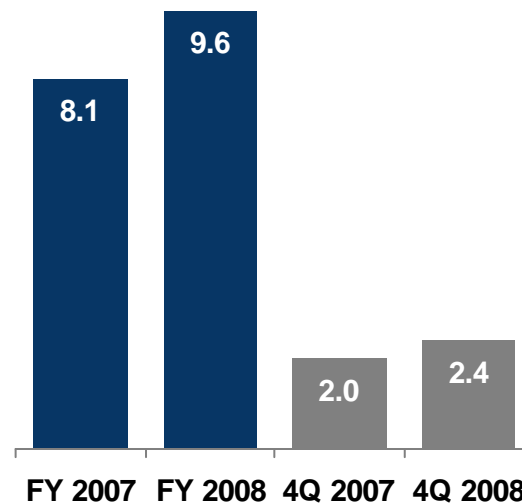
## EBITDA in € m

## Business development



+ 7.6 %

+ 4.0 %



+ 19.3 %

+ 23.0 %

- Division affected by economic downturn, especially in overseas markets
- In December severe decrease of demand with little impact on results in 2008
- Strongly increased EBITDA despite weak US-Dollar
- EBITDA-Margins 2008
  - FY: 44.3% (2007: 40.9%)
  - Q4: 40.0% (2007: 36.4%)



## Cash flow

€m	2007*	2008
Cash and cash equivalents at the beginning of the period	43.5	<b>48.0</b>
Cash flows from operating activities	116.9	<b>149.6</b>
Cash flows used in investing activities	(105.9)	<b>(158.5)</b>
Cash flows from financing activities	0.7	<b>(10.3)</b>
Other changes in cash and cash equivalents	(7.2)	<b>(0.5)</b>
Cash and cash equivalents at the end of the period	48.0	<b>28.3</b>



## Balance sheet (as of December 31<sup>st</sup>)

Assets in € m			Shareholders' Equity and Liabilities in € m		
	2007	2008		2007	2008
Goodwill	156.2	<b>158.1</b>	Shareholders' Equity	278.7	<b>288.4</b>
Tangible Assets	729.7	<b>810.2</b>			
Others	104.7	<b>112.9</b>			
Total Fixed Assets	990.6	<b>1,081.2</b>			
Current Assets	175.3	<b>159.3</b>	Provisions for Pensions	46.3	<b>44.1</b>
			Financial Liabilities		
			long-term	483.1	<b>499.0</b>
			short-term	36.1	<b>28.9</b>
			Others	321.7	<b>380.1</b>
			Total Liabilities	887.2	<b>952.1</b>
Total	1,165.9	<b>1,240.5</b>	Total	1,165.9	<b>1,240.5</b>

- 93.7 % of fixed assets covered by equity and non-current liabilities
- Equity ratio in 2008: 23.3 %



## Net debt/EBITDA ratio further decreased

€m	31.12.2007	31.12.2008
Cash and cash equivalents	48.0	28.3
Liabilities to credit institutions	(478.3)	(503.6)
Liabilities from finance lease	(53.3)	(36.0)
Other financial liabilities, assets and securities	5.5	0.7
<b>Net debt</b>	<b>(478.1)</b>	<b>(510.6)</b>
Net debt adjusted (incl. pensions)	(524.4)	(554.7)
<b>Net debt adj./EBITDA</b>	<b>3.8</b>	<b>3.5</b>

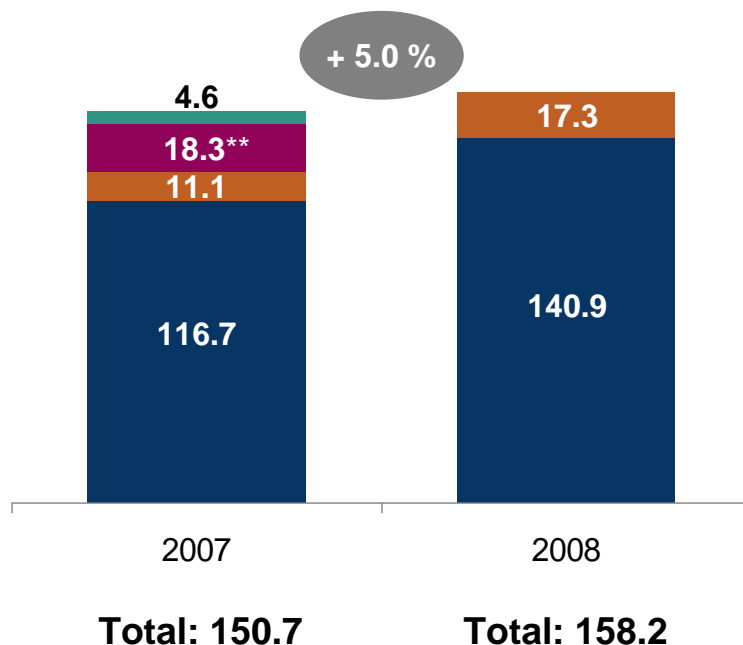




# Capex – Investments for expansion of wagon fleet

## Capital expenditures in € m

- Fixed assets\*
- Financial assets
- SPVs
- Off balance



## Focus of investments

- Capex is mainly used to
  - preserve and modernize wagon fleet
  - purchase new and used wagons
  - modernize existing tank container fleet
- Expansion of new wagon segments beyond tank car focus
- Purchase of about 800 used wagons in the North American market
- Capex in financial assets are mainly from the acquisition of Texas Railcar and Graaff
- Capitalized revision costs as part of fixed assets €20.3 m (2007: €16.4 m)



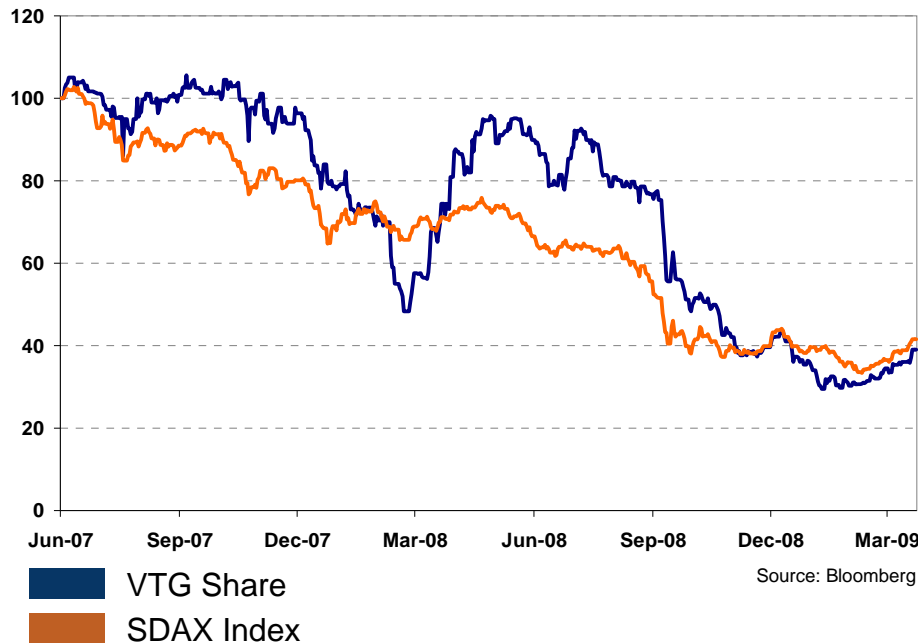
## VTG's long term financing

- Bank syndicate consists of 18 banks; major lenders are specialized in asset financing
- Financing contracts are fixed in the long term and run until 2015
- Hedging agreements for interest rates fix at least 70% of the expected loans until 2015
- Existing financing capacities enable further growth activities
- Sufficient covenant headroom for expected business development in 2009
- No short-term refinancing necessary



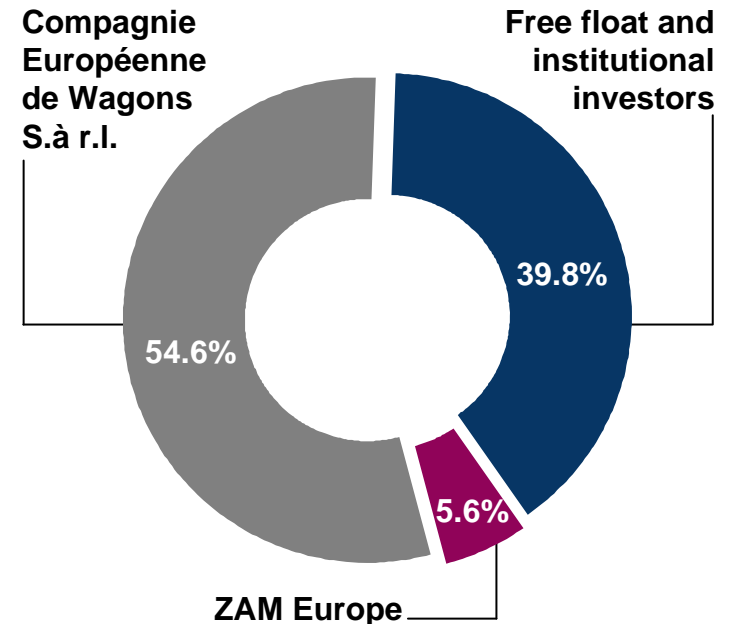
# First dividend proposed

**Development of share price**  
June 1<sup>st</sup>, 2007 – April 17<sup>th</sup>, 2009



**Ownership structure**

according to latest announcements



- Share price development in weak capital markets unrelated to business performance
- First dividend since IPO of €0.30 per share proposed for FY 2008



## Business development Q1 2009

- Wagon Hire: slightly decreasing business development
  - Net hiring volumes slightly negative
  - Prices stable / still slightly increasing
  - Strict cost management
- Rail Logistics: business development slightly decreasing
  - Good start into 2009
  - Expected decline in chemical transports
- Tank Container Logistics: strongly declining business development
  - Since Dec. 2008 sharp fall in volumes
  - Mostly offset by reduced freight costs
  - No material recovery expected for FY 2009



### Financial guidance for FY 2009:

Sales and EBITDA could be up to 5% under the figures of FY 2008 if divisions' development of Q1 will continue in 2009





## Save the date 2009

- April 23<sup>rd</sup> Analyst Conference, Frankfurt
- May 27<sup>th</sup> Interim Report for the 1<sup>st</sup> quarter 2009
- June 4<sup>th</sup> Annual General Meeting, Hamburg
- August 27<sup>th</sup> Half-yearly Financial Report 2009
- November 16<sup>th</sup> Interim Report for the 3<sup>rd</sup> Quarter 2009

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