Q1/2014 Results

VTG AG – Growing together

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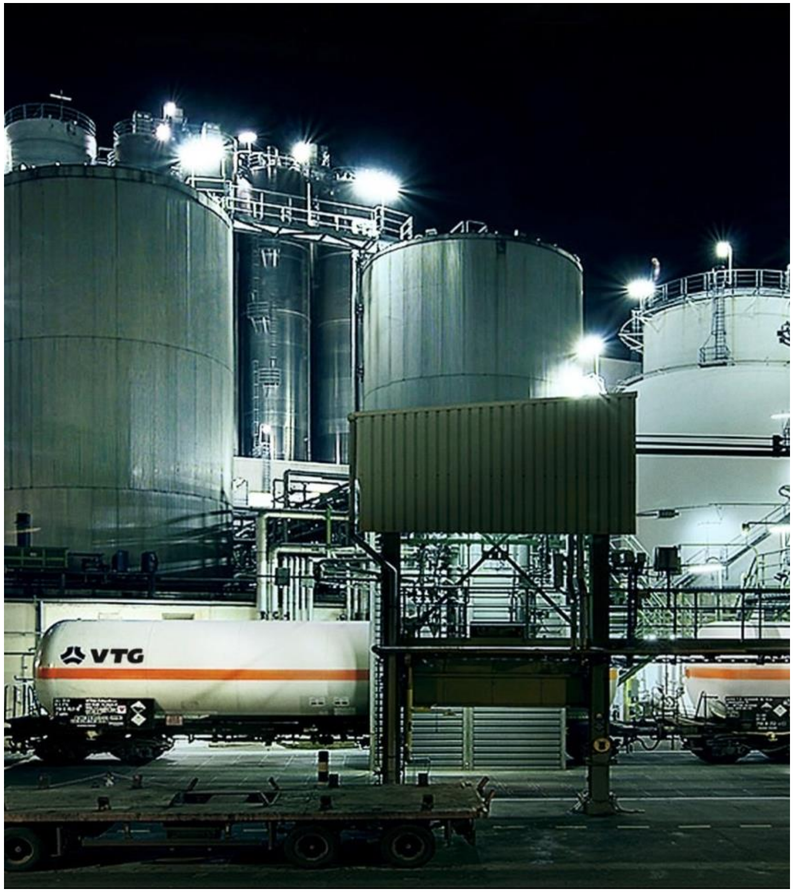


Executive summary I

Railcar

- Positive start into the year
- Utilization slightly up (90.1%)
- Demand from chemical industry still on moderate level
- Successful entry in Polish mineral oil market
- Delivery of about 260 new-builds in Europe
- Added 100 cement wagons to Russian fleet
- Slightly increased order book

Rail Logistics

- Integration of new K+N activities on a good track
- Challenging Q1/2014: Higher competition, mild winter and Ukraine crisis

  ➡ only marginal EBITDA contribution
- Increase of working capital from newly acquired K + N business affected group's operating cash flow

Executive summary II

Tank Container Logistics

- After three quarters of downturns in a row improving business development in Q1/2014 compared to Q4/2013 brings increase in sales and operational result
- Europe performing well, Asia (weak demand) and America (harsh winter) still difficult
- However, Q1/2013 levels not yet reached

Financial Result

- Mark-to-Market valuation for swaps with negative influence
- Without swap effect, EPS would have been on prior year level

		Q1/2013	Q1/2014	Δ	
swap cash effect	until 6/2015	(1.9)	(1.9)	0	cash
swap valuation (m-t-m)		0.2	(0.2)	(0.5)	~~cash~~
		(1.7)	**(2.2)**	**(0.5)**	

Group key figures

Key figures

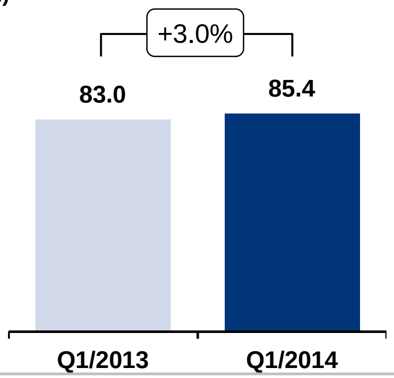
(in € m)	Q1/ 2013	Q1/ 2014	Δ in %
Sales	202.1	199.6	-1.2
EBITDA	45.0	44.0	-2.2
EBIT	18.6	18.0	-3.6
EBT	6.6	5.3	-19.6
Net income	4.1	3.3	-19.0
Net income to VTG shareholders	3.8	3.5	-6.4
Earnings per share (in €)	0.18	0.17	

Comment

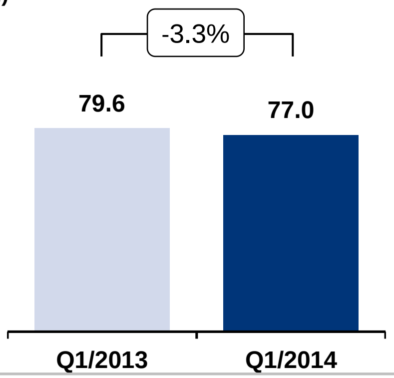
- **Group sales** almost on previous year level
- Moderate decrease of **group EBITDA**
- **EBT, net income** and **EPS** include negative swap valuation effect
- **Net income** to shareholders of VTG AG only marginally lower

Sales development by division

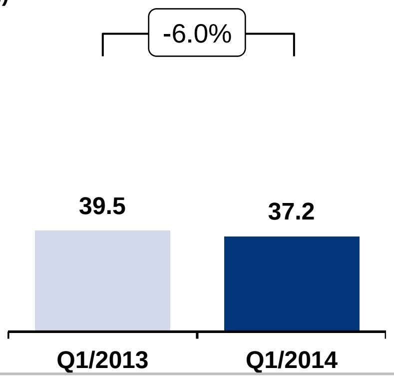
Railcar
(in € m)



Rail Logistics
(in € m)



Tank Container Logistics
(in € m)



Comment (Railcar)

- Significant increase of sales (+7.0% vs. Q4/2013)
- Utilization slightly improved to 90.1% (Q4/2013: 89.8%)
- Q1/2014 business develop-ment supported by delivered new-builds in 2013/14
- Fleet increased to 52,900 wagons

Comment (Rail Logistics)

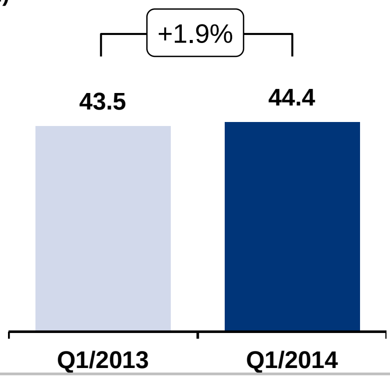
- Sales moderately below previous year
- After reorganization, agricultural segment with lower sales as expected
- Liquid goods and former K+N activities could not meet expectations in Q1/2014

Comment (Tank Container Logistics)

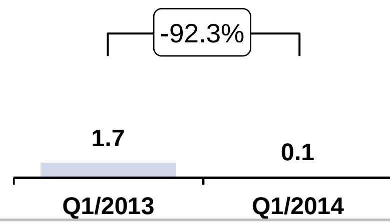
- Sales went up compared to Q4/2013
- Sales development shows first signs of recovery
- Division still affected by worldwide overcapacities

EBITDA development by division

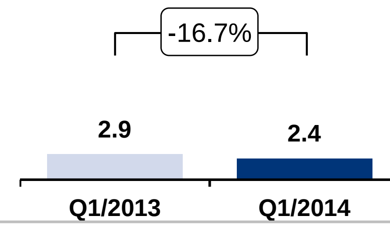
Railcar
(in € m)



Rail Logistics
(in € m)



Tank Container Logistics
(in € m)



Comment

- EBITDA up despite higher repair and maintenance costs
- EBITDA margin at 51.9% slightly lower (Q1/2013: 52.5%)

Comment

- EBITDA highly affected by:
  - Lower sales level
  - Higher cost base due to enlarged organization (K + N business)
- EBITDA margin* in Q1/2014 unsatisfactory:
  - 2.0% (Q1/2013: 28.0%)

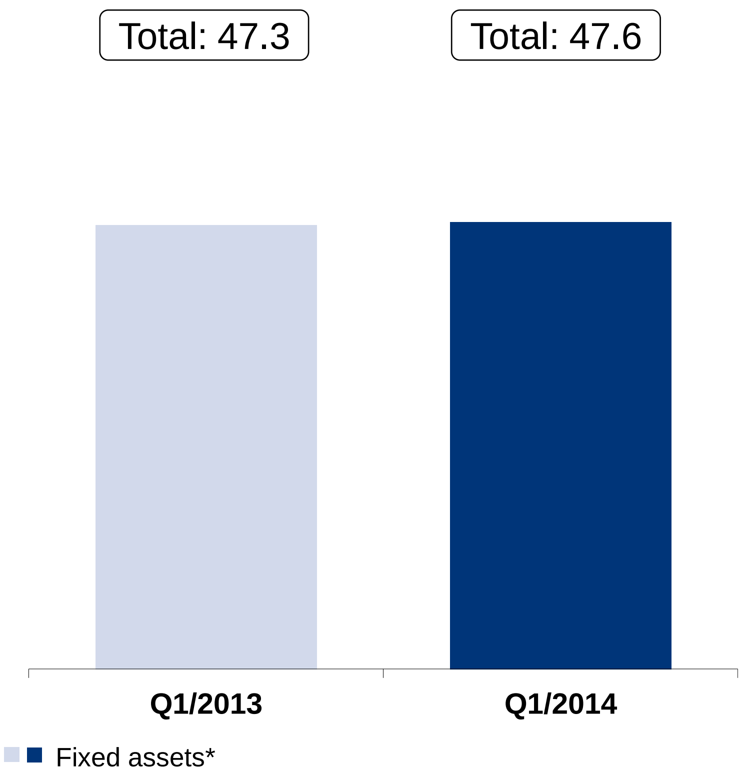
Comment

- Compared to Q4/2013 EBITDA shows encouraging upward development
- YoY EBITDA down slightly
- EBITDA margin*:
  - 41.8% (Q1/2013: 44.4%) (Q4/2013: 26.2%)

* EBITDA margins calculated on gross profit.

Capex – On prior year level

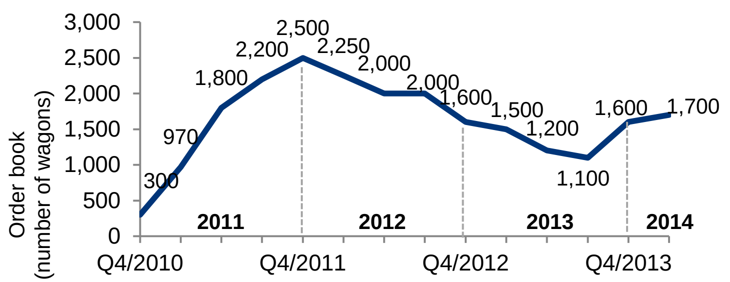
Capital expenditures (in € m)



Comment

- Q1/2014 capex on prior year level
- Capex mainly used for new-builds for customers in steel and agro industry
- Order book increased slightly to 1,700 wagons as at March 31, 2014:

Order book development



- New-build deliveries mostly in 2014

* Capex for fixed assets, including intangible assets and capitalization of revision costs.

VTG Group – Operating cash flow especially influenced by one-time effect

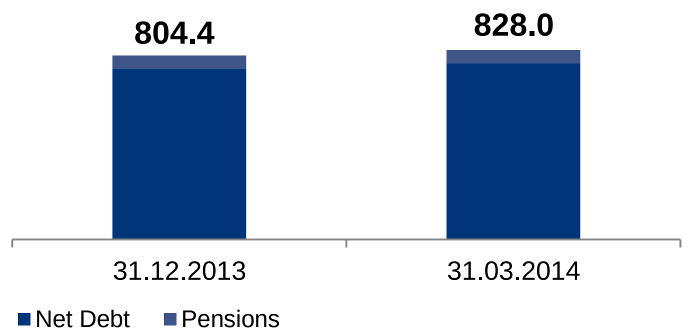
(in € m)	Q1/2013	Q1/2014	Δ
Operating cash flow after change in working capital	**44.2**	**30.7**	**-13.5**
Change in Inventory	*-2.9*	*-0.6*	
Change in Receivables	*-0.7*	*-11.8*	
Change in Payables	*5.7*	*6.2*	
Total change of working capital	**2.1**	**-6.2**	
Operating cash flow before change in working capital	**42.1**	**36.9**	**-5.2**

Comment

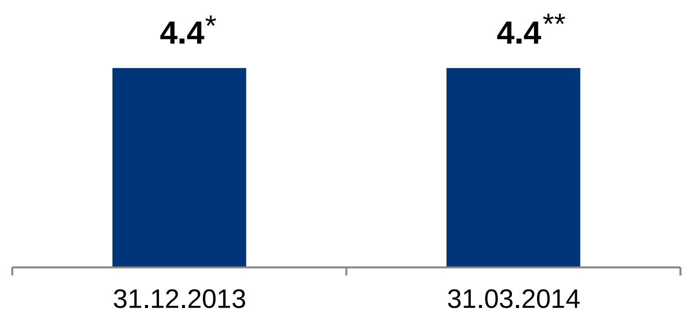
- Operating cash flow stays significantly below previous year
- Main reason:
  - One-time build-up of trade receivables due to start of new Rail Logistics activities from former K + N business
- Lower operating cash flow before change in working capital in Q1/2014 mainly due to:
  - Lower EBITDA
  - Higher cash taxes

VTG Group – Net debt still on a conservative level

Net debt (adj.)



Net debt (adj.) / EBITDA



Comment

- With ongoing investing activities VTG continues to grow its railcar business
- Wagon fleet with 360 new railcars in Q1/2014
- Net debt therefore slightly up
- Leverage unchanged

* Calculated on 2013 EBITDA of € 183.8m. ** Calculated on lower end of EBITDA guidance for 2014.

Outlook FY 2014

Railcar

- Continued investments in 2014
- Stable utilization expected with minimal fluctuations
- Upswing of economy would be reflected in utilization typically after a period of delay

2014: Sales and EBITDA are expected to increase slightly compared to 2013

unchanged

Rail Logistics

- New competitive landscape: Higher competition in Liquid Goods
- Integration K+N Rail: Political conflict Ukraine/Russia hinders business development
- Unable to make up for missing sales in Q1 during the course of the year

2014: Only moderately higher sales and considerably lower EBITDA expected compared to 2013

adjusted

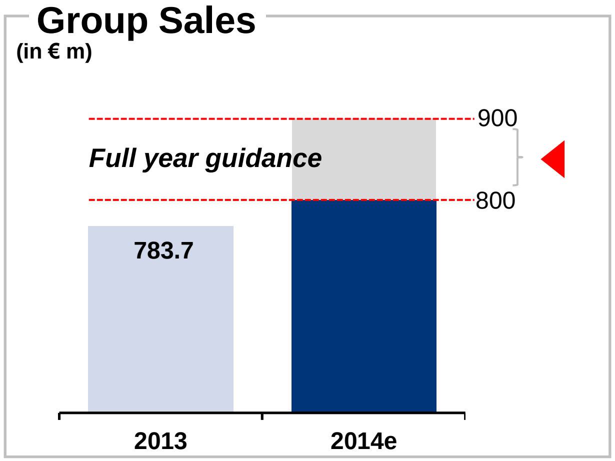
Tank Container Logistics

- Ongoing competitive market environment with overcapacities
- Unchanged pressure on margins in 2014

2014: Slightly higher sales and EBITDA compared to 2013

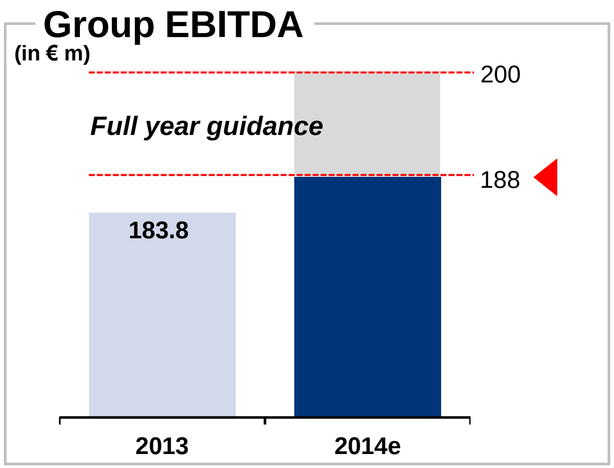
unchanged

Group guidance FY 2014



- Rail Logistics Division could not fulfill planned sales expectations due to crisis in the Ukraine and higher competition in Liquid Goods segments
- Thus, group sales for 2014 is now expected in the range of € 800 – 900m (previously: € 850 – 950m)

adjusted



- As Rail Logistics Division is operating in low-margin business, the guidance for group EBITDA remains unchanged
- But, group EBITDA for 2014 is now expected on lower end of € 188 – 200m range

unchanged but specified

Questions & Answers

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Save the date 2014

Financial Calendar 2014:

▪ February 19th	Preliminary Results FY 2013
▪ March 25th	Annual Report FY 2013
▪ March 25th	Analyst Conference, Hamburg
▪ May 15th	Interim Report for the 1st Quarter 2014
▪ June 5th	Annual General Meeting, Hamburg
▪ August 21st	Half-Yearly Financial Results 2014
▪ November 13th	Interim Report for the 3rd Quarter 2014

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