H1/2014 Results

VTG AG – Growing together

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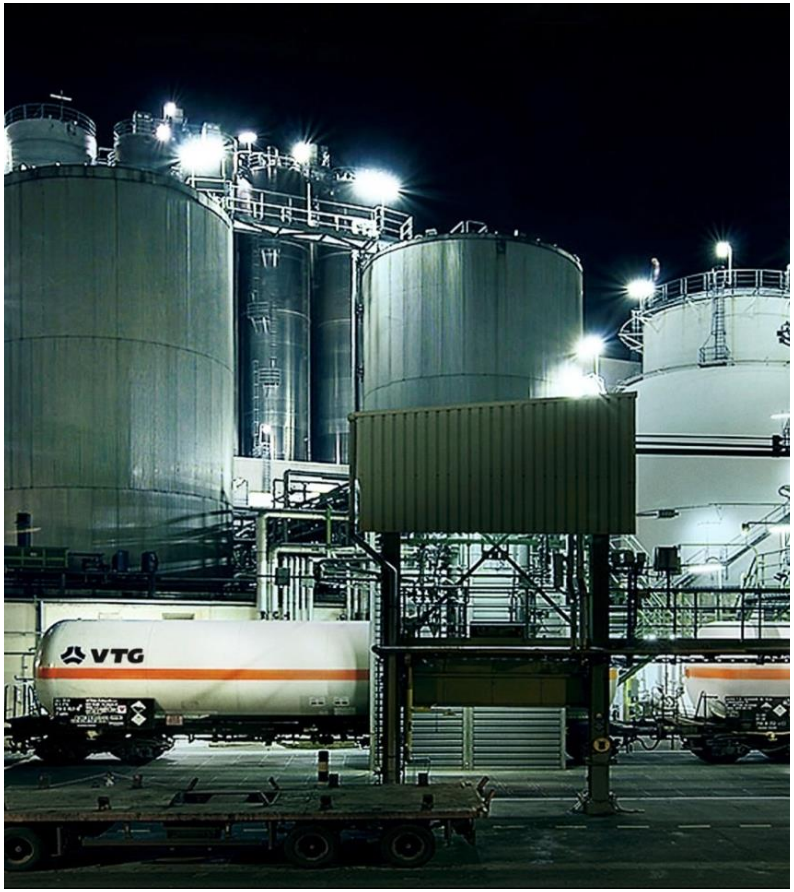
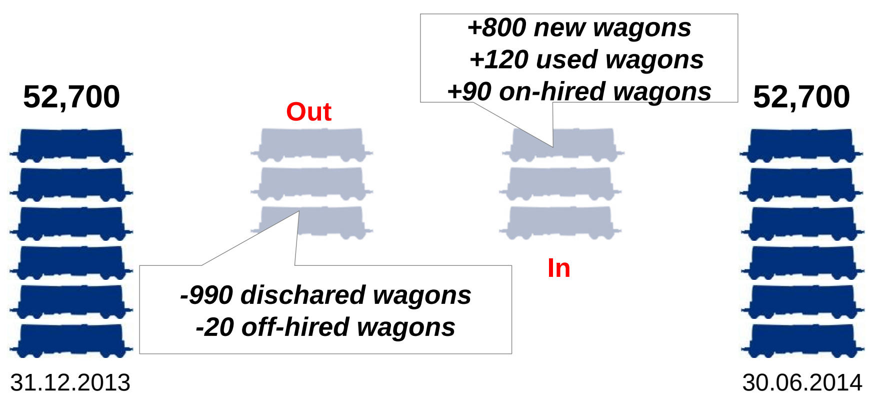


Executive summary I

Railcar

- Sales and EBITDA further growing in H1 2014
- Utilization of wagon fleet moderately increased (90.2%)
- Despite Crimean crisis, successful delivery of new wagons to Russian customers
- Order book slightly increased compared to year end
- Innovative wagon type for the transportation of liquefied natural gas (LNG): Prototypes under construction

Fleet development H1 / 2014



Executive summary II

Rail Logistics

- Half year sales basically on prior year´s level
- Political situation between Ukraine and Russia shows no improvement
- Compared to Q1 2014, slightly better sales level, but still difficult environment
- Liquid goods segment continues to be affected by intensified competition, agricultural goods stabilizing

Tank Container Logistics

- Positive EBITDA trend from Q1 continued in the second quarter
- Volumes in Asia still lower, Europe stable in a weak environment
- With material costs being lower, EBITDA unchanged despite slightly decreasing sales

Group key figures

Key figures

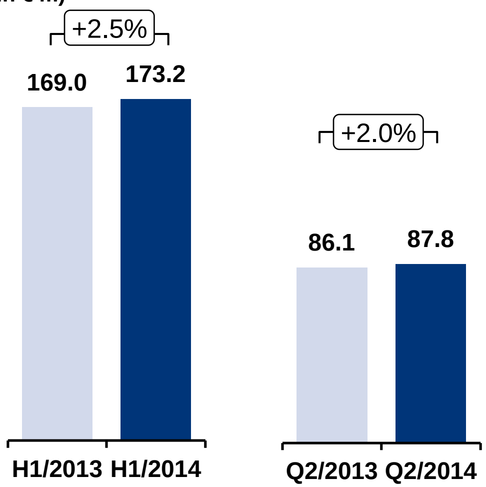
(in € m)	H1/ 2013	H1/ 2014	Δ in %
Sales	404.4	404.7	0.1
EBITDA	89.6	90.2	0.6
EBIT	37.1	38.0	2.4
EBT	12.6	12.4	-1.4
Net income	7.9	7.8	-0.6
Net income to VTG shareholders	7.1	8.6	21.2
Earnings per share (in €)	0.33	0.40	21.2

Comment

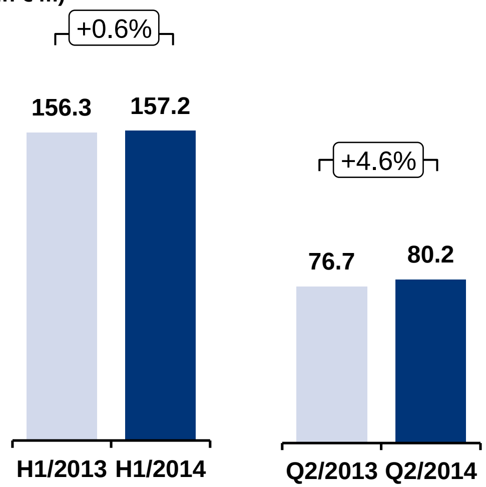
- **Group sales** on previous year´s level
- **EBITDA and EBIT** slightly increased
- Moderate decrease of **group EBT and net income** due to higher negative affect from swap valuation
- **Net income** to shareholders of VTG AG and **EPS** significantly above H1 2013

Sales development by division

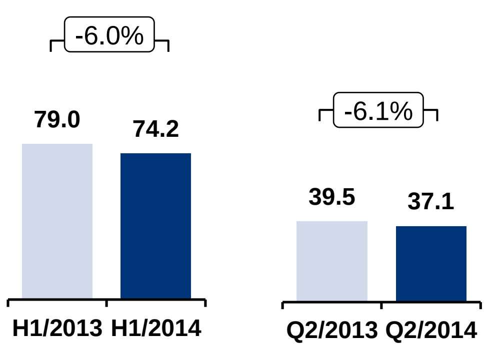
Railcar
(in € m)



Rail Logistics
(in € m)



Tank Container Logistics
(in € m)



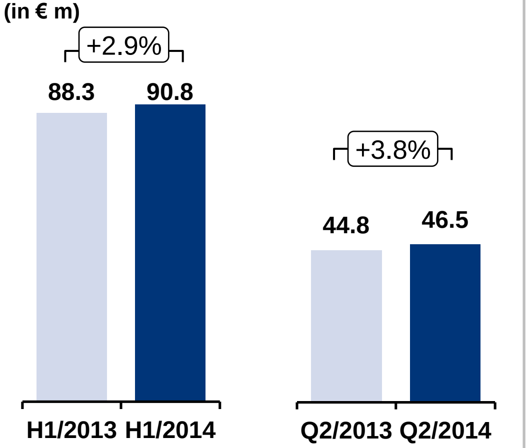
Comment
- Sales development driven by new-build wagons
- Increasing footprint in the steel and agricultural industry
- Utilization moderately improved to 90.2%

Comment
- After downward trend in Q1 sales improved in Q2
- But: Segment still affected by Crimean crises and higher competition

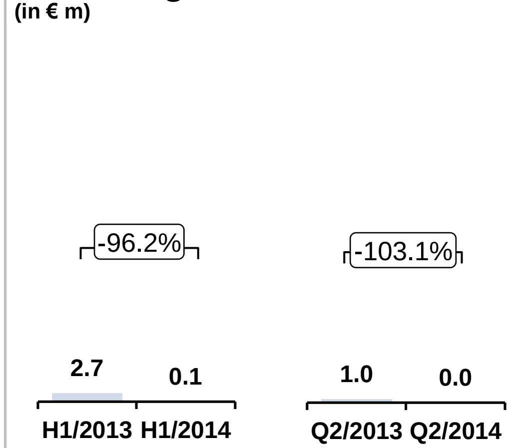
Comment
- Good sales development from Q1/14 continued in Q2
- Y-o-y sales development still affected by overcapacities, leading to ongoing price pressure

EBITDA development by division

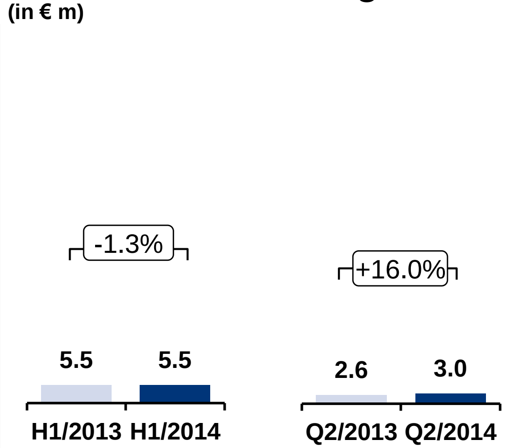
Railcar



Rail Logistics



Tank Container Logistics



Comment

- Positive EBITDA and margin development supported by new-build program
- EBITDA margins slightly higher:
  - 52.4% (H1/2013: 52.3%)
  - 53.0% (Q2/2013: 52.0%)

Comment

- EBITDA affected by pricing pressure in liquid goods and low volumes from K+N
- EBITDA margin* in H1/2014 reflects difficult environment:
  - 0.7% (H1/2013: 23.7%)
  - -0.4% (Q2/2013: 18.7%)

Comment

- EBITDA on half-year level stabilized, upward trend q-o-q
- EBITDA margin* improvement encouraging:
  - Q4 2013: 26.2%
  - Q1 2014: 41.8%
  - Q2 2014: 47.7%

* EBITDA margins calculated on gross profit.

Better (net) financial result

Split of financial result (in € m)

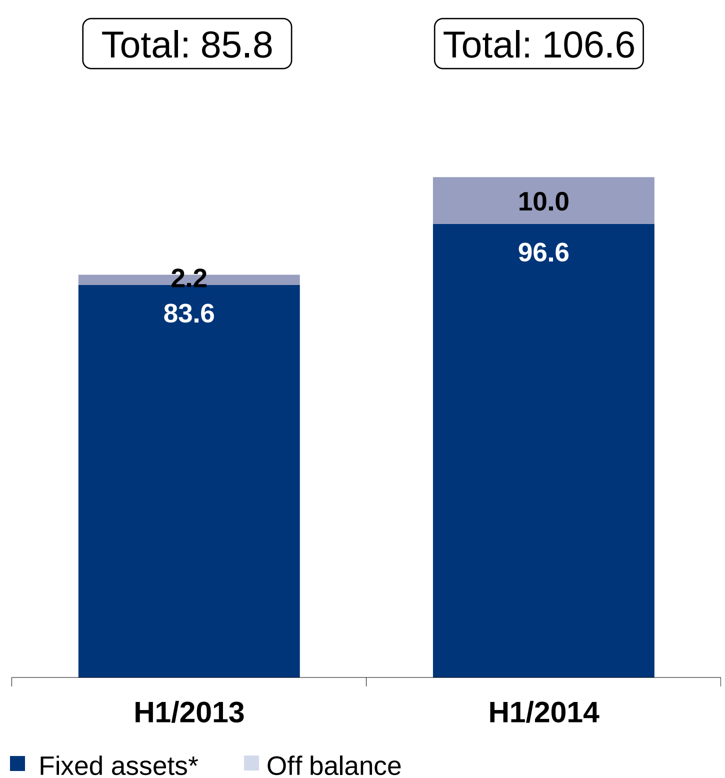
		H1/2013	H1/2014	cash	non-cash
EBIT		37.1	38.0		
EBT		12.6	12.4		
Financial result		**(24.5)**	**(25.5)**		
Thereof:					
interest exp. of financial debt		(18.0)	(18.5)	cash [1]	
interest exp. from credit lines		(1.1)	(0.8)	cash	
		(19.1)	**(19.3)**		
swap cash effect	until 6/2015	(3.8)	(4.0)	cash [1]	
swap valuation (m-t-m)		0.4	(0.4)		~~cash~~ [2]
		(3.5)	**(4.3)**		
transaction costs		(1.0)	(1.0)		~~cash~~ [2]
interest on pensions		(0.8)	(0.9)		~~cash~~ [2]
other financial result		(0.1)	0.0	cash	
		(1.9)	**(1.9)**		

Comment

- Financial result in H1/2014 decreased slightly mainly due to an unfavourable swap valuation development (m-t-m)
- [1] Cash related interest expenses from debt financing and swap cash effect are € 22.5m representing an interest rate slightly below 6%
- [2] Non-cash related interest expenses amount to € 2.3m
- Without swap effect financial result would improve by € 4.3m in H1/2014
- Swap will expire mid of 2015

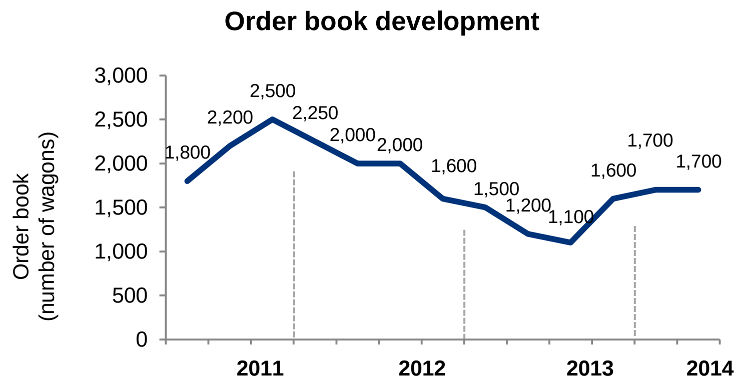
Capex – Above prior year level

Capital expenditures (in € m)



Comment

- H1/2014 capex increased compared to prior year´s level
- Investments mainly for new-build program in Europe to modernize wagon fleet
- Order book remained unchanged at 1,700 wagons as at June 30, 2014:

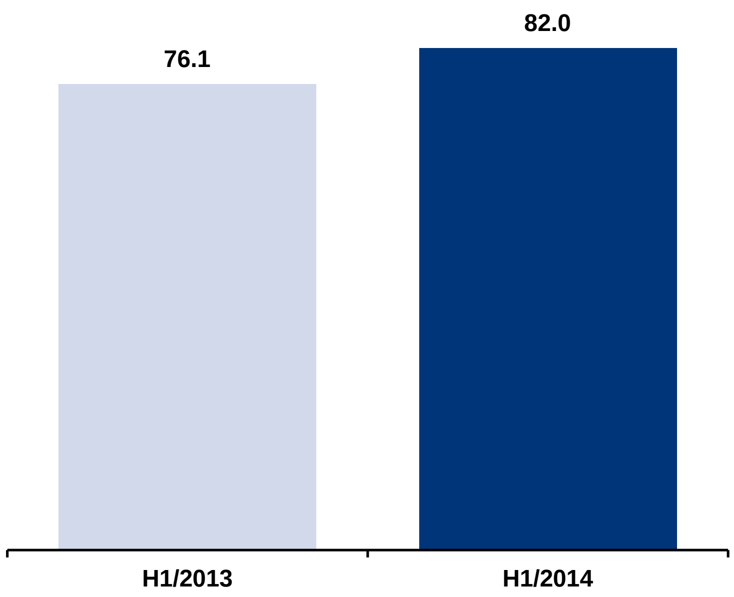


* Capex for fixed assets, including intangible assets and capitalization of revision costs.

VTG Group – Operating cash flow especially influenced by one-time effect in Q1 2014

Operating cash flow

(in € m)

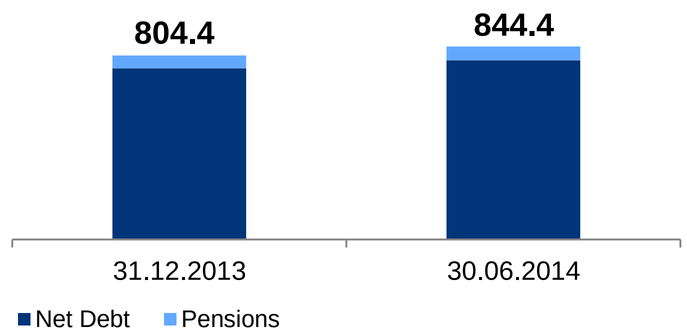


Comment

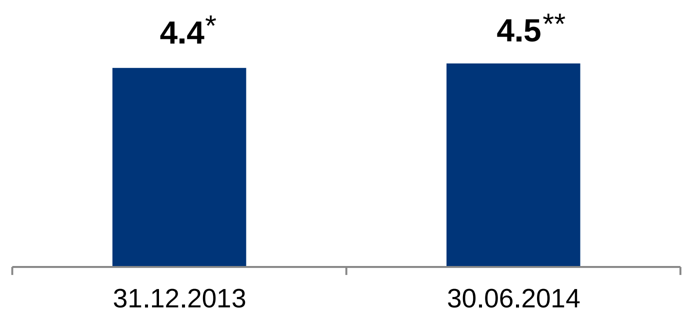
- Operating cash flow in H1 increased compared to last year
- Cash outflow in the first quarter through build up of receivables at K+N partially reversed in Q2
- As a result, working capital development normalized

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
- 800 new-build railcars in H1/2014
- Compared to international peers, net debt on a moderate level
- With the expected increase in EBITDA for 2014 leverage stays basically 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

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 during the course of the year

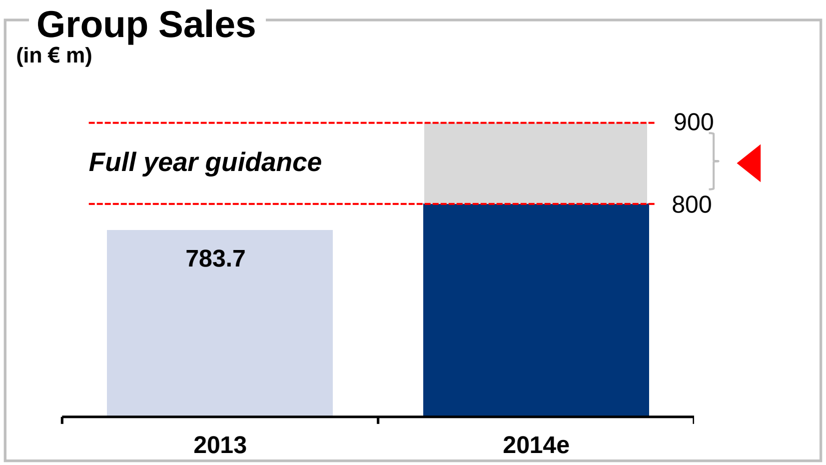
2014: Only moderately higher sales and considerably lower EBITDA expected compared to 2013

Tank Container Logistics

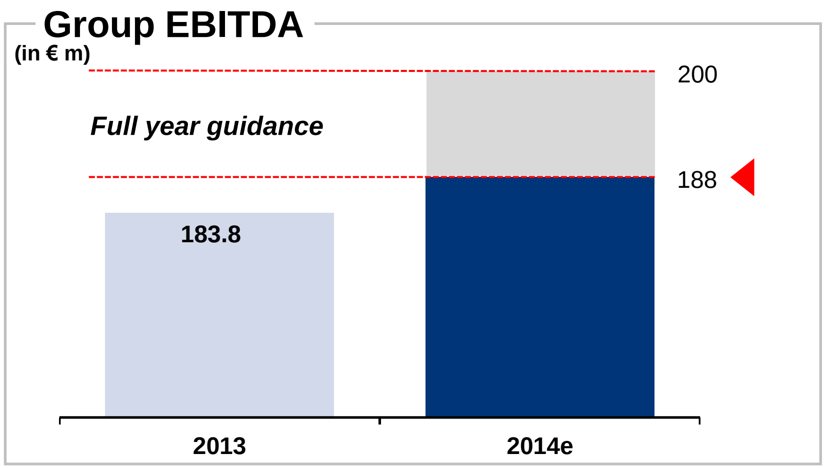
- Ongoing competitive market environment with overcapacities
- Unchanged pressure on margins in 2014
- Efficiency gains to support EBITDA development

2014: Sales will not quite reach last year´s level. Slightly higher EBITDA expected compared to 2013

Group guidance FY 2014 unchanged



- Group sales for 2014 are expected to range between € 800 – 900m



- Group EBITDA for 2014 is expected on lower end of € 188 – 200m range

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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