Financial Results H1/2013

VTG AG – Trusted By Industry

Hamburg, August 15th, 2013

Speakers:

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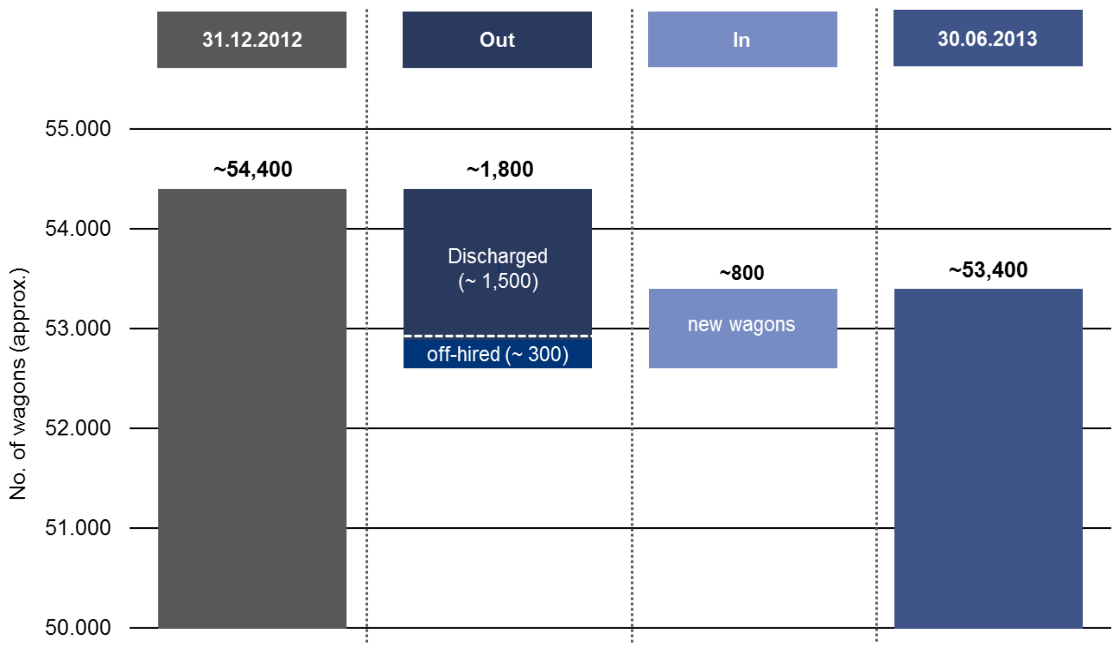
Executive Summary H1/2013 (1)

Economic Situation	▪ **Economy gets only slowly back on track:** ▪ Dynamic of economic development being weaker than originally assumed ▪ European recovery foreseen for 2nd half of 2013 has not materialized yet
Group Figures	▪ Sales increased by 6.5% to € 404.4m ▪ EBITDA of € 89.6m (+9.3%) ▪ EBIT +18.2% to € 37.1m
Business Development (1)	▪ **Railcar Division:** ▪ Financials in H1/2013 mainly driven by delivered new-builds and price increases, but lower utilization ▪ Order book decreased further to 1,200 wagons as at June 30, 2013 ▪ Utilization with 89.7% slighty lower compared to previous quarters due to weaker economy ▪ Active fleet management in H1/2013 ▪ Reduced investment activities into new-builds in H2/2013

Executive Summary H1/2013 (2)

Wagon fleet of about 53,400 units



Comment

- Intensive fleet management with 1,500 discharged and 300 off-hired wagons in H1/2013:
  - Pruning of the European fleet (~500 wagons)
  - Discharged wagons in the US (~250 wagons) some due to damaged cars by a customer
  - Regular discharge (~750 wagons): putting out of active duty
  - Return of 3rd party wagons (~300 wagons) especially in Europe and in Russia
- New-build program brings about 800 wagons into the fleet
- Reduced fleet size to 53,400 wagons at June 30, 2013 also compared to H1/2012

Executive Summary H1/2013 (3)

Business Development (2)

- **Rail Logistics Division:**
  - Showed mixed picture in its segments:
    - Positive development in petrochemicals and industrial goods segment
    - Agricultural goods segment with ongoing difficult market conditions
  - Recovery of agricultural goods segment in H2/2013 expected:
    - Improving cost structure
    - Reduction of fleet size
- **Tank Container Logistics Division:**
  - Total transport volume on prior years‘ level with weakness in Asia
  - Pressure on achievable margins reflect competitive environment
  - No margin improvement expected in H2/2013 due to slow development of global chemical industry

Capital Markets Communication

- **VTG Annual Report 2012 „Trusted By Industry“:**
  - **LACP* Vision Award**: Gold award, Top 50 German Annual Reports & TOP 50 EMEA Annual Reports
  - **ARC International Award**: Bronze in three categories
- **VTG IR and personal rankings SDAX (German IR Award 2013):**
  - No. 1 for company ranking
  - No. 3 and No. 8 for personal rankings

* League of American Communications Professionals (LACP).

VTG Group – Key figures H1/2013

Key figures H1/2013

(in € m)	H1/ 2012	H1/ 2013	Δ in %
Group Sales	**379.9**	**404.4**	**+6.5**
Railcar	155.5	169.0	+8.7
Rail Logistics	145.4	156.3	+7.6
Tank Container Logistics	79.0	79.0	+0.0
Group EBITDA*	**82.0**	**89.6**	**+9.3**
Railcar	77.7	88.3	+13.6
Rail Logistics	4.6	2.7	-41.5
Tank Container Logistics	5.9	5.5	-5.9
EBIT	31.4	37.1	+18.2
EBT	6.2	12.6	>100
Net income	3.9	7.9	>100
Earnings per share (in €)	0.14	0.33	>100

Comment

- Group sales benefiting especially from sales growth in Railcar Division and Rail Logistics Division
- Strong performance of Railcar Division drives Group EBITDA
- EBIT increased according to EBITDA development
- EBT, net income and EPS increased strongly

* Group figures are calculated as sum of divisions plus Holding and consolidation layers.

(Net) financial result slightly improved

Split of financial result (in € m)

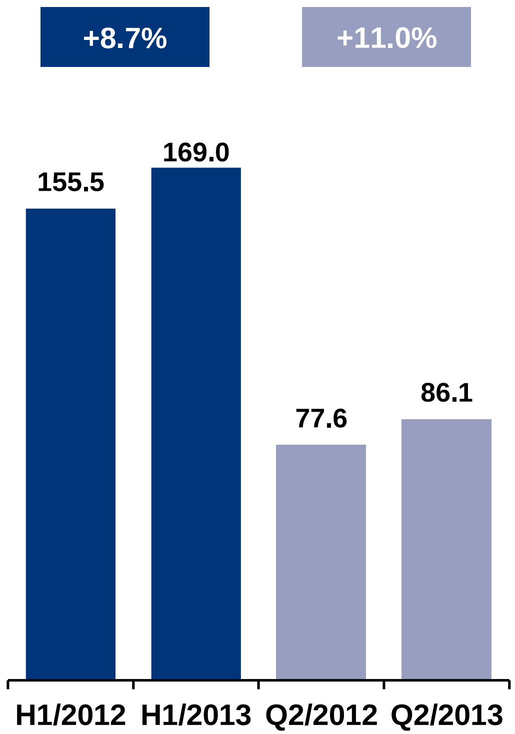
	H1/2012	H1/2013	cash	non-cash
EBIT	31.4	37.1		
EBT	6.2	12.6		
Financial result	**(25.1)**	**(24.5)**		
Thereof:				
interest exp. of financial debt	(18.0)	(18.0)	cash [1]	
interest exp. from credit lines	(1.5)	(1.1)	cash	
	(19.5)	**(19.1)**		
swap cash effect (until 6/2015)	(2.4)	(3.8)	cash [1]	
swap valuation (m-t-m) (until 6/2015)	(1.4)	0.4		~~cash~~ [2]
	(3.8)	**(3.5)**		
transaction costs	(1.0)	(1.1)		~~cash~~ [2]
interest on pensions	(1.1)	(0.8)		~~cash~~ [2]
other financial result	0.3	0	cash	
	(1.8)	**(1.9)**		

Comment

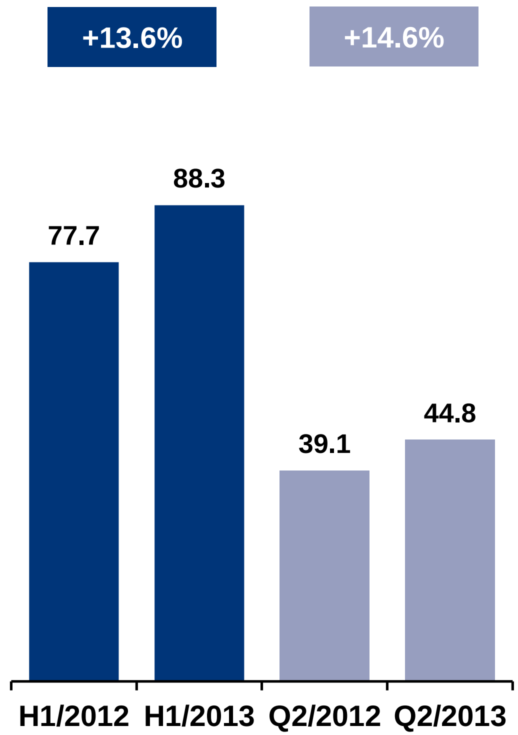
- Financial result in H1/2013 slightly better due to lower interest expenses and a favourable swap valuation (m-t-m)
- [1] Cash related interest expenses from debt financing and swap cash effect are € 21.8m representing an interest rate slightly below 6%
- [2] Non-cash related interest expenses amounted to € 1.5m
- Without swap effect financial result would be improved by € 3.5m in H1/2013
- Swap will expire mid of 2015

Railcar Division – Positive business development but lower demand for wagons than expected

Sales (in € m)



EBITDA (in € m)

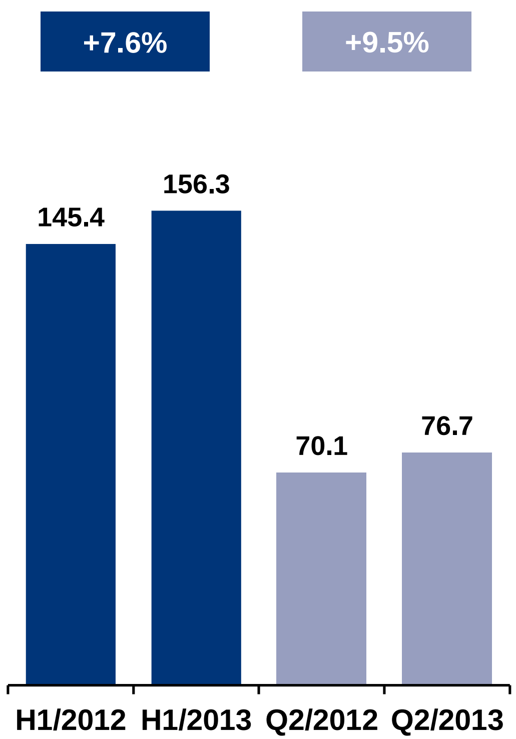


Comment

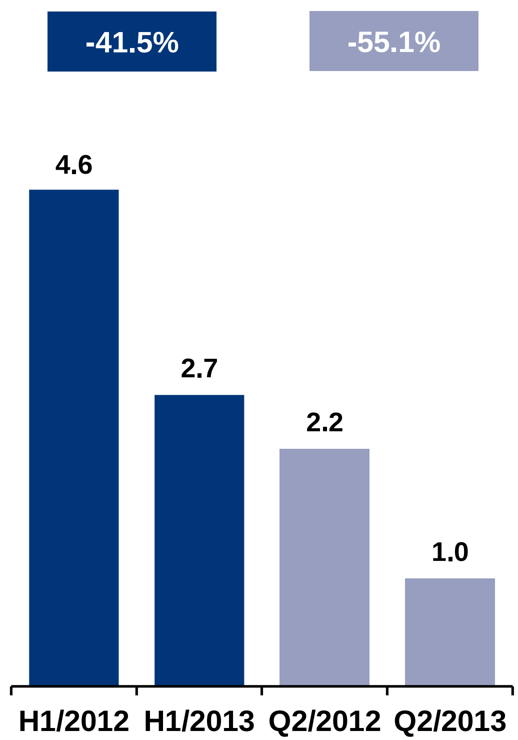
- New-builds delivered in 2012 supporting positive business development in 2013
- Utilization (June 30, 2013: 89.7%) decreased as expected:
  - Lower demand for wagons due to weak economy
  - Temporarily parked wagons in baltic states due to regula-tory matters (-0.4%-points)
  - But, intensive fleet manage-ment supported utilization in Q2/2013 (+0.9%-points)
- Fleet size decreased to 53,400 wagons as at June 30, 2013
- EBITDA margins increased:
  - 52.3% (H1/2012: 50.0%)
  - 52.0% (Q2/2012: 50.4%)

Rail Logistics – Business development in H1/2013 showed mixed picture

Sales (in € m)



EBITDA (in € m)



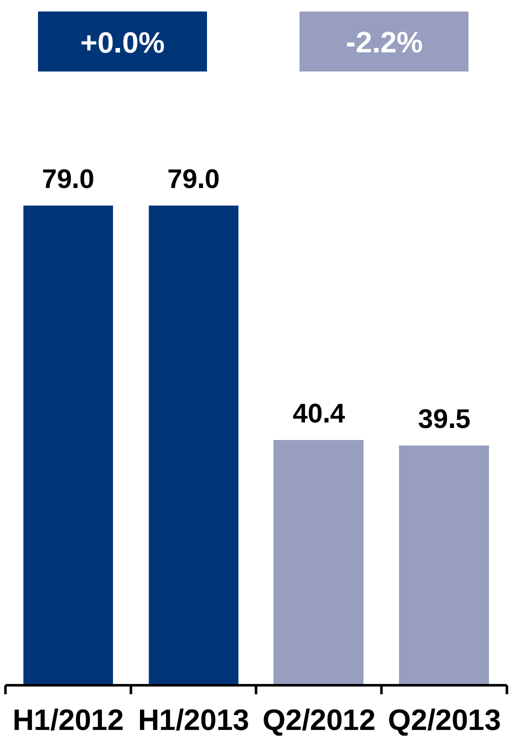
Comment

- Petrochemicals segment with satisfying development
- New industrial goods segment on a good track
- Difficult market conditions for agricultural goods segment
- Several one-time effects of € -0.5m in total
- Expecting EBITDA recovery in H2/2013 due to e.g.
  - Improving cost structure
  - Reduction of fleet size
- As a result EBITDA margins* significantly below last year:
  - 23.7% (H1/2012: 34.6%)
  - 18.7% (Q2/2012: 33.0%)

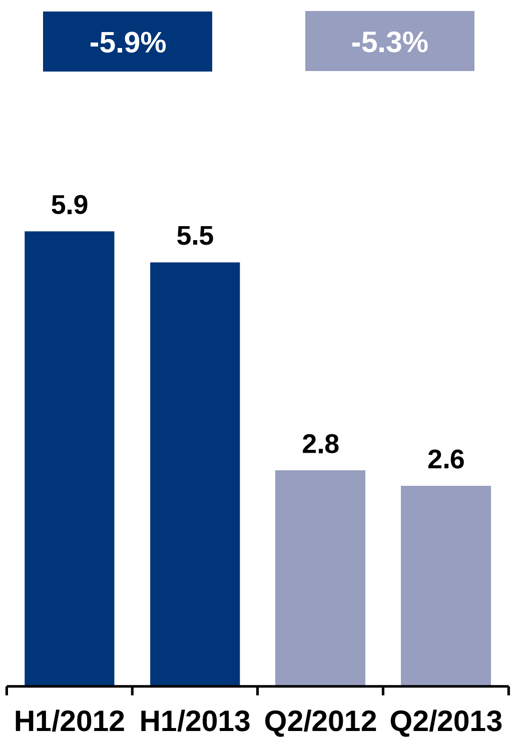
* EBITDA margins calculated on gross profit.

Tank Container Logistics – Competitive market environment influences margin development

Sales (in € m)



EBITDA (in € m)



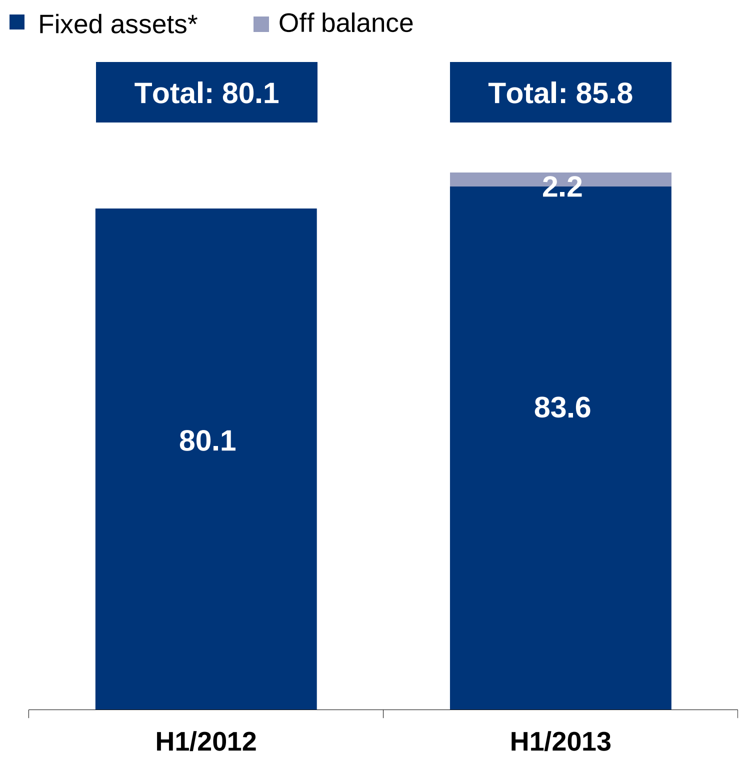
Comment

- Unchanged market conditions in Q2/2013
- Transportation volume on prior years‘ level:
  - Positive development of European transports
  - Asian transports lower as economy is cooling down
- Taking selective orders to reduce imbalances of transport flows
- 10,400 tank containers as at June 30, 2013 (June 30, 2012: 9,900)
- Lower EBITDA margins* reflect competitive environment:
  - 43.8% (H1/2012: 46.5%)
  - 43.1% (Q2/2012: 44.5%)

* EBITDA margins calculated on gross profit.

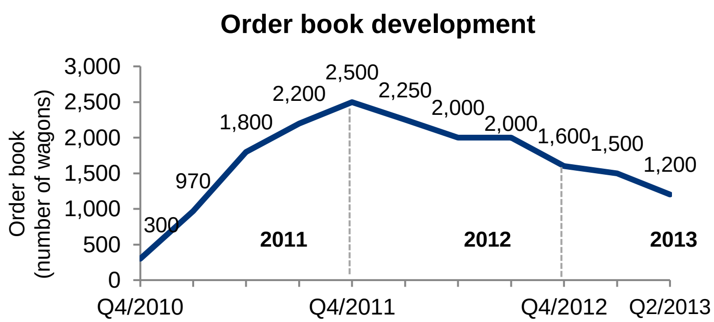
Capex mainly used for new-build wagons

Capital expenditures (in € m)



Comment

- Continued European new-build program in H1/2013 to modernize wagon fleet
- € 14.9m investments of prior year now financed by operate lease (not included in € 85.8m)
- Order book decreased further to 1,200 wagons as at June 30, 2013 with further deliveries in 2013 and 2014



- Reduced investment activities into new-builds in H2/2013

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

H1/2013 operating cash flow supported by increased earnings and better development of working capital

(in € m)	H1/2012	H1/2013
Cash and cash equivalents at the beginning of the period	**98.4**	**57.0**
Cash flows from operating activities	64.9	76.1
Cash flows used in investing activities	(76.7)	(69.2)
Cash flows from financing activities	0.0	40.0
Cash flows used in financing activities	(41.8)	(42.7)
Other changes in cash and cash equivalents	1.1	0.0
Cash and cash equivalents at the end of the period	**45.9**	**61.2**

Net debt adj./EBITDA ratio in line with market standard

(in € m)	30.06.2012	31.12.2012	31.03.2013	30.06.2013
Cash and Cash Equivalents	45.9	57.0	77.3	61.2
Liabilities to Credit Institutions	(203.5)	(265.3)	(294.0)	(297.9)
US Private Placement (US PP)	(485.7)	(484.5)	(492.2)	(485.0)
Liabilities from Finance Lease	(15.2)	(11.8)	(8.6)	(8.2)
Other Financial Assets and Liabilities	9.0	6.0	5.6	5.4
Net debt	(649.5)	(698.6)	(711.9)	(724.5)
Net debt adjusted (incl. pensions)	(701.5)	(757.1)	(769.1)	(780.8)
Net debt adj./EBITDA	4.0*	4.4*	4.3**	4.3**

* Calculated on 2012 EBITDA of € 173.8m. ** Calculated on lower end of EBITDA guidance for 2013.

Guidance for FY 2013 confirmed and specified

Expectations 2013		
	Economy	▪ Experts' expectations about economic development have deteriorated since the beginning of 2013 ▪ Our expectation: economy is moving sideways

	Railcar Division	▪ Upward trend in business development, supported by:
		  ▪ 2012 and 2013 investments
		  ▪ Demand for wagons expected to stay on current level
		  ▪ Improvement of hire rates

	Rail Logistics Division	▪ Stable development of petrochemicals segment ▪ Continuing growth path of industrial goods segment ▪ Expecting first fruits of turnaround activities of agricultural goods segment
	Tank Container Logistics Division	▪ No substantial change of competitive market situation ▪ Lower demand from chemical industry and weak economic development, especially in Asia

Guidance for FY 2013	▪ Range confirmed and specified:	▪ Sales: € 780 – 830m ▪ EBITDA: € 180 – 190m with EBITDA presumably at lower end of stated range


Thank you very much
for your attention.
VTG

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Save the date 2013

Financial calendar 2013:

▪ February 20th	Preliminary Results FY 2012
▪ March 25th	Annual Report FY 2012
▪ May 16th	Interim Report for the 1st Quarter 2013
▪ May 16th	Analyst Conference, Frankfurt
▪ May 23rd	Annual General Meeting, Hamburg
▪ August 15th	Half-Yearly Financial Results 2013
▪ November 14th	Interim Report for the 3rd Quarter 2013

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