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Interim Financial Report as at 31st March 2011

VTG AKTIENGESELLSCHAFT

VTG

Key developments in the first quarter 2011:

- 2011 gets off to a good start for VTG
- Revenue up 20.4 %, EBITDA up 10.5 %
- Restructuring of Group's financing secures foundation for future growth
- Capacity utilization in Wagon Hire climbs to 90.1 %
- Positive trend continues in Rail Logistics and Tank Container Logistics
- Forecast for financial year 2011 re-affirmed
- Planned dividend increase of 10 %

in € million	**1.1.–31.3.2011**	1.1.–31.3.2010	Change in %
Revenue	186.4	154.8	20.4
EBITDA	41.2	37.3	10.5
EBIT	17.8	15.0	18.8
EBT, adjusted*	10.6	7.6	40.3
Group net profit, adjusted*	6.7	4.8	39.6
Depreciation	23.4	22.3	5.0
Investments	39.0	19.7	97.9
Operating cash flow	28.3	31.6	−10.7
Earnings per share in €, adjusted*	0.30	0.22	36.6

in € million	**31.3.2011**	31.12.2010	Change in %
Total assets	1,375.1	1,355.2	1.5
Non-current assets	1,181.8	1,174.8	0.6
Current assets	193.2	180.4	7.1
Equity	320.5	313.0	2.4
Liabilities	1,054.6	1,042.2	1.2
Equity ratio in %	23.3	23.1	0.2 pts

	31.3.2011	31.3.2010	Change in %
Number of employees	1,035	954	8.5
in Germany	720	679	6.0
abroad	315	275	14.5

* These items are adjusted with regard to the one-time extraordinary expenses from the refinancing of the Group in the first quarter of 2011.

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01 FOREWORD BY THE EXECUTIVE BOARD

Dr. Kai Kleeberg, Dr. Heiko Fischer, Jürgen Hüllen

Dear Shareholders, Business Partners and Members of Staff,

The year 2011 got off to an extremely good start for VTG. Our customers also benefited from the upturn in the global economy in the first three months of the year, as reflected in stronger demand for our wagons and services. We were able to power ahead, generating Group revenue of EUR 186.4 million, an increase of 20.4 percent compared with the previous year. EBITDA, at EUR 41.2 million, was 10.5 percent up on the previous year.

Our three business divisions each contributed to varying degrees to these strong Group figures: Wagon Hire had a very successful first quarter despite revenue, at EUR 70.7 million, falling by 4.4 percent on the previous year. This comparison must be viewed, however, in the light of the fact that a third-party contract awarded to the Waggonbau Graaff wagon construction plant had a very positive impact on the external revenue of the VTG Group in the first quarter of 2010. The 2010 figure therefore reflects a one-off special effect. In the first three months of this year, Wagon Hire continued to enjoy a rise in broad-based demand. Thus capacity utilization improved for the fourth consecutive quarter, to reach 90.1 percent as of March 31, 2011. EBITDA climbed 5.5 percent, to EUR 37.9 million. We achieved an even sharper percentage rise in the logistics divisions, with the Rail Logistics Division recording revenue of EUR 77.0 million, an increase of 54.0 percent. EBITDA stood at EUR 3.3 million, up an impressive 61.4 percent on the previous year. A key factor in this very positive trend was the increase in cross-border transports to and from eastern and southeastern Europe. Another positive factor was the acquisition in 2010 of the rail logistics company TMF. In the Tank Container Logistics Division, the high demand for transport services in Europe and Asia had a significant impact. Overall, we succeeded in pushing up revenue in Tank Container Logistics by 25.5 percent, to EUR 38.7 million. EBITDA grew by 55.6 percent, reaching a figure of EUR 3.3 million.

For some years now, we have been pursuing a strategy of growth. We successfully continued on this path with a new acquisition in the first quarter of 2011. With this takeover of a rival Italian company, we strengthened our fleet with the addition of 300 wagons. The fleet acquired consists primarily of tank wagons for petroleum, chemical products and compressed gases in addition to a number of freight wagons. These wagons are hired out in Italy, Switzerland and eastern Europe. We are also continuing to scrutinize options that could prove attractive as acquisitions and enhance our fleet. To take better advantage of such opportunities, we have restructured the financing of the Group. After exceeding our own expectations in recent years, it became clear that the remaining scope of our existing financing agreement, with a term running to 2015, had begun to prove too limited for sustained growth. To create new scope for investment in our wagon fleet, for judicious acquisitions in other markets and for expanding our logistics divisions, we took time to examine various financing options, finally selecting a financing structure ideally suited to our business model. A new US private placement and a new syndicated loan enable us to clear the existing credit and create space for projects for further growth. The expenses arising from the refinancing of the Group as a result of early repayment of the existing credit agreement will have a negative one-time effect on earnings before taxes, Group profit and earnings per share in the current financial year. The refinancing measures have no impact on VTG's ability to reliably continue to issue dividends.

Without the one-time expenses from the refinancing of the Group, our figures have risen significantly: earnings before taxes rose by 40.3 percent, to EUR 10.6 million and Group profit also improved, rising by 39.6 percent to EUR 6.7 million. Earnings per share increased by 36.6 percent, to EUR 0.30.

01 FOREWORD BY THE EXECUTIVE BOARD

Based on positive economic forecasts, we expect VTG's business to share in the positive trend over the current year. This is despite uncertainties due to the debt situation of some countries and the political tensions in the Arab world. Experts view the effects of the natural disaster in Japan and the accompanying nuclear concerns as only a short-term trend. Based on the above, we re-affirm our forecast and continue to expect revenue of between EUR 720 and 760 million and EBITDA of between EUR 165 and 170 million.

After a successful financial year 2010, the Executive Board of VTG intends to propose to the Annual General Meeting on June 17, 2011, the payment of a dividend of EUR 0.33 per share for the financial year 2010. This represents an increase of 10 percent on the previous year.

Yours sincerely

Dr. Heiko Fischer

Jürgen Hüllen

Dr. Kai Kleeberg

Interim Management Report

Note: This interim report of the VTG Group was prepared in accordance with the provisions of the German Securities Trading Act.

VTG in brief

Specialists in flexible rail freight transport and logistics for industry needs

Through its three divisions of Wagon Hire, Rail Logistics and Tank Container Logistics, VTG offers its customers a large range of rail freight transport services. The focus is on sensitive, particularly dangerous goods, the handling of which demands great expertise. The core operational division is Wagon Hire. Through this division, VTG provides its customers with rail freight space as well as comprehensive technical support services and advice. The wagons are tailored to individual requirements and customers generally hire them out over the medium to long term. This in turn assures their flows of materials between the various plants and secures their production processes. Customers integrate the wagons fully into their infrastructure as a “mobile pipeline” and, because of this mobility, can use them flexibly across Europe. VTG’s customer base comprises a large number of well-known companies from nearly every branch of industry, including the petroleum, chemical, automotive, paper and agricultural industries, as well as railway companies.

Furthermore, VTG’s two other divisions, Rail Logistics and Tank Container Logistics, offer very specialized logistics services. The Rail Logistics Division organizes rail freight transports across Europe as a forwarder. The Tank Container Logistics Division offers multimodal transport and logistics services with tank containers – by rail, road, and ship. The Group thus offers its customers a wide-ranging, high-quality service covering all aspects of rail freight transport and is one of Europe’s leading providers. VTG’s good customer relations are strengthened in part by the long-term nature of its contracts. Indeed, VTG has worked in partnership with some customers for decades.

In its core area of operations, wagon hire, VTG is Europe’s market leader and has been operating in this market for almost 60 years now. The Group has some 50,700 wagons worldwide.

02 INTERIM MANAGEMENT REPORT

VTG Group Interim Management Report for the period January 1 to March 31, 2011

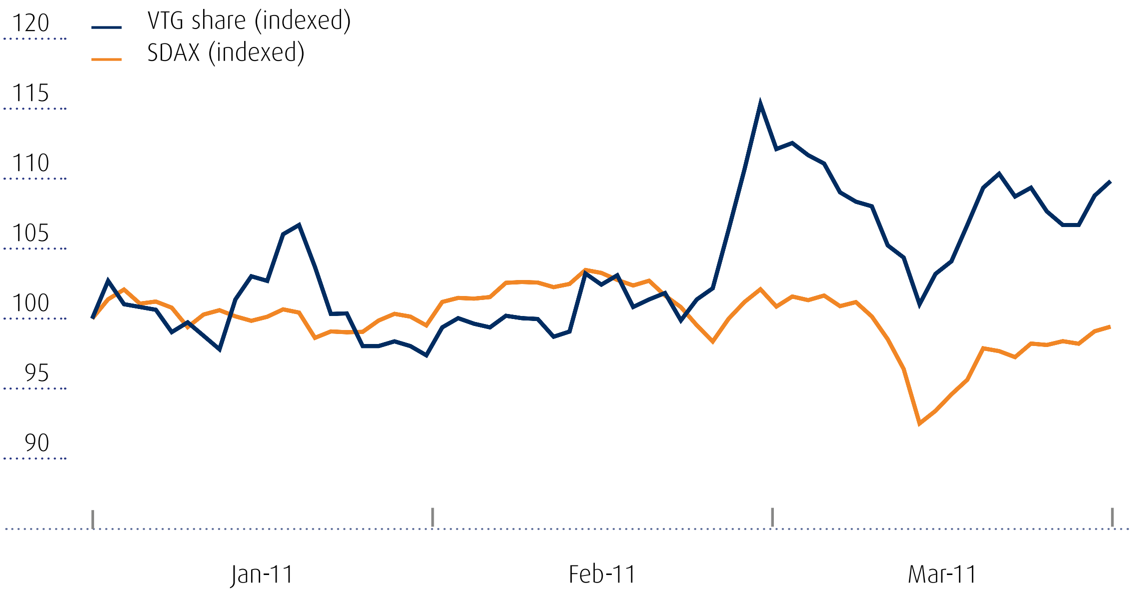
Share, shareholder structure and dividend

Positive trend in VTG share continues

The year 2011 began for the equity markets with rising prices. The start of the first quarter was characterized by confidence in the global economic outlook and positive company announcements. Overall, market conditions were friendlier, helping prices to rise, including the VTG share price. In early March, the natural disaster in Japan with the accompanying nuclear reactor concerns caused uncertainty in the equity markets. This led to temporary drops in prices, including the VTG share price. By the end of the quarter, the trend in the markets was again friendly, although still largely uncertain.

The VTG share ended the financial year 2010 with a daily closing price of € 15.00 [1]. Over the first three months of 2011, the trend in the share price was largely positive. On January 31, 2011, it fell to its lowest level during the period under review, of € 14.60. It then went on to rise, reaching € 17.30, its highest point, on March 1, 2011. On March 31, 2011 the VTG share's closing price for the day was € 16.47, representing a rise of 9.8 % since the end of the financial year 2010. The market capitalization as of March 31, 2011 was € 352.3 million.

Share price VTG share (1st January to 31st March 2011)



[1] All share price information/changes to share prices based on Xetra daily closing prices.

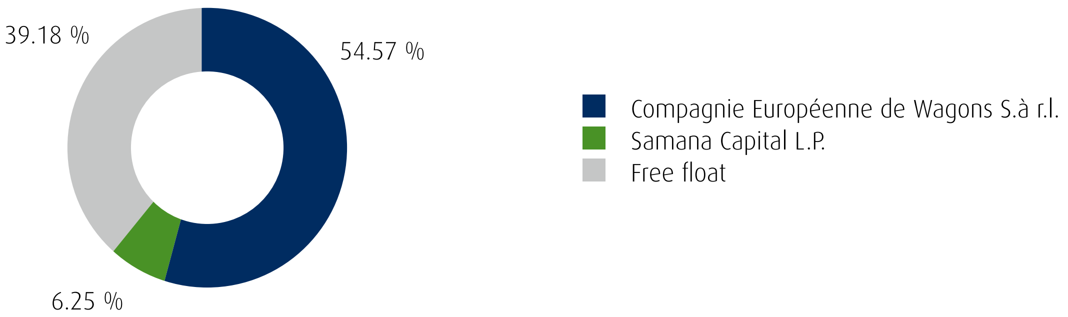
Shareholder structure further strengthened

With a 54.57 % of the share capital of VTG, Compagnie Européenne de Wagons S.à r.l., Luxembourg is major shareholder. Samana Capital L.P., Greenwich, Connecticut, USA has a 6.25 % shareholding. Based on the latest information on voting rights, this gives a free float of 39.18 %.

Planned dividend increase of 10 %

The Executive Board of VTG intends to propose a dividend payment for the financial year 2010 of € 0.33 per share at the Annual General Meeting, to be held on June 17, 2011. This represents a 10 % increase in the dividend on the previous year. VTG is thereby continuing to pursue its policy of issuing solid dividends reliably over the long term.

Shareholder structure



Market trends

Global economic upturn continues

The upturn seen in the global economy in 2010 continued into the early part of 2011. Increased global industrial output and the revival of international trade were primarily down to the emerging markets of Asia. However, in the advanced industrialized countries, production and trade increased markedly, although overall economic movement in these countries remains limited. The continued economic upturn brought greater customer demand for VTG services. Experts predict that overall economic activity will continue to increase in 2011 but that there could be a moderate decline in the rate of expansion over the year. Uncertainties persist that could negatively impact continued economic growth. Experts think that the effects of Japan's natural disaster and nuclear catastrophe on the global economy will be only short-term as long as it does not lead to serious levels of contamination. Additional factors adding to the uncertainty are the political tensions in the Arab world, the debt situation and the extremely expansionary monetary policies of some countries.

02 INTERIM MANAGEMENT REPORT

VTG Group Interim Management Report for the period January 1 to March 31, 2011

Rail freight transport: a future growth market

Freight transport is growing continually. Thus the broad trends in the market remain the same despite the brief disruption caused by the financial and economic crisis. Factors favoring the good long-term prospects of rail freight traffic include the increase in freight volume due to rising international trade, harmonization of technical standards and the increased appeal of rail freight traffic through the expansion of the European Union. This appeal is also enhanced by the development of the railway as an environmentally friendly, energy-saving mode of transport for freight and the expected rise in energy prices over the long term. Additionally, the intermodal Tank Container Logistics Division, with its intra-Asian, intra-European, and intercontinental transports, has a good outlook for growth. VTG was quick to recognize this potential for growth and has positioned its three operational divisions of Wagon Hire, Rail Logistics and Tank Container Logistics as leading providers in each of these three markets. Due to the continually improving regulatory framework for the railway as a mode of transport, the long-term prospects for rail freight traffic are also good.

Business development

Significant events and transactions

Restructuring of Group financing in May 2011 (“Refinancing“) secures foundation for strategic growth
In early May 2011, VTG restructured the financing of the Group through both a US private placement, generating € 450 million and US$ 40 million, and a syndicated loan amounting to € 450 million. The financing sum will be used for repayment of the existing syndicated loan as well as for projects for future growth. Further information on the restructuring of the Group’s financing arrangements can be found in the section “Financial position – Assets and capital structure”.

Expansion of market position in Italy
In the first quarter of 2011, VTG acquired an Italian competitor including a fleet of around 300 wagons, so further strengthening the market position of the Wagon Hire Division.

Expansion of group of consolidated companies
Since the end of 2010, two companies have been added to the Group. Thus, as of March 31, 2011, in addition to VTG AG, the Group comprised 34 fully consolidated companies, of which 13 were in Germany and 21 abroad.

Development of revenue and EBITDA

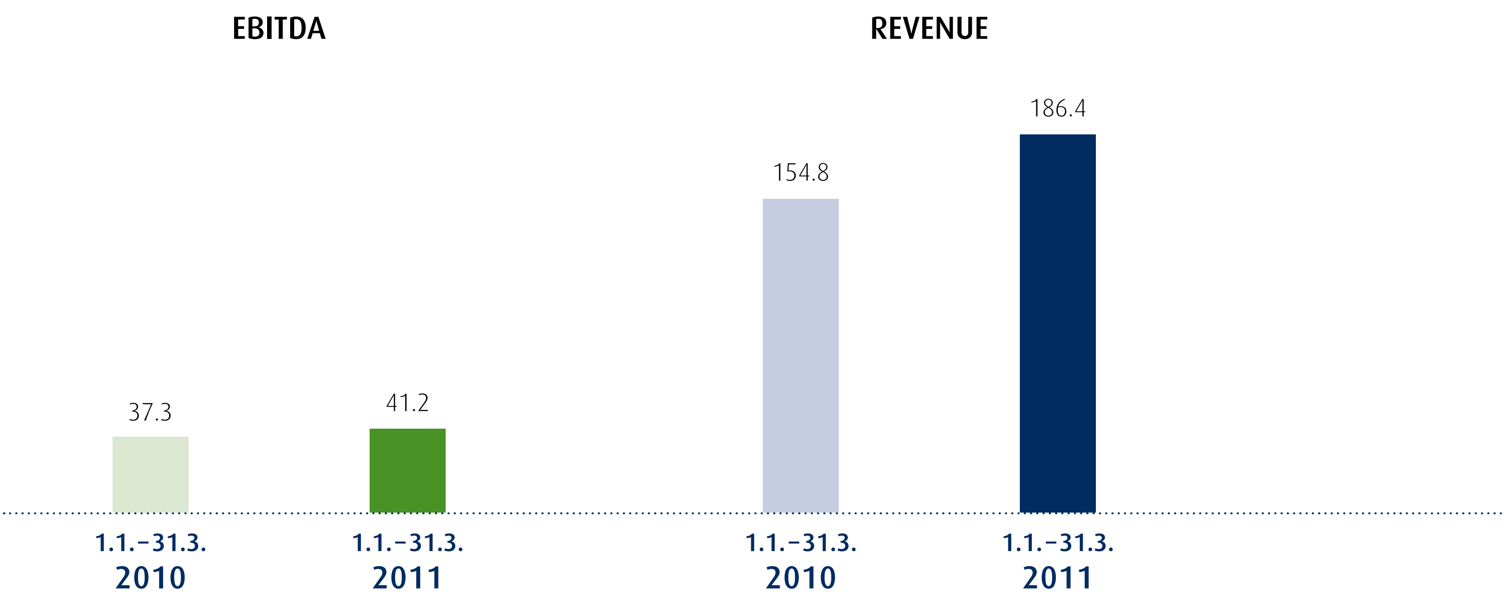
Group revenue rises sharply, by 20.4 %
In the first three months of 2011, revenue for the VTG Group amounted to € 186.4 million, a 20.4 % increase on the previous year (€ 154.8 million). Of this, € 84.3 million was generated by customers based in Germany (previous year: € 73.8 million). This represents a share of 45.2 % (previous year: 47.7 %). Business from customers abroad thus generated 54.8 % of revenue or € 102.1 million (previous year: 52.3 %, € 81.0 million).

EBITDA up 10.5 % on previous year, EBIT up 18.8 %
As of March 31, 2011, EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to € 41.2 million, an increase of € 3.9 million or 10.5 % on the level of the previous year (€ 37.3 million). EBIT (earnings before interest and taxes) amounted to € 17.8 Mio on March 31, 2011, representing a rise of € 2.8 million or 18.8 % compared with the previous year (€ 15.0 million).

Refinancing costs impact profit
The Refinancing incurred one-off, extraordinary expenses of € 15 million in the first quarter of 2011 due to the early repayment of the existing loan agreement and resulted in a higher financial loss.

Marked increases in adjusted EBT, adjusted Group net profit and adjusted earnings per share
EBT (earnings before taxes), adjusted to take account of refinancing expenses rose by 40.3 %, from € 7.6 million to € 10.6 million. Group net profit, also adjusted accordingly, rose by 39.6 %, from € 4.8 million to € 6.7 million. The adjusted earnings per share figure, at € 0.30, also exceeded the previous year's figure of € 0.22, thus showing an increase of 36.6 %.

Revenue and EBITDA development
in € m



02 INTERIM MANAGEMENT REPORT

VTG Group Interim Management Report for the period January 1 to March 31, 2011

Wagon Hire Division

The Wagon Hire Division is a leader in the hire of rail freight cars in Europe. The division also serves the North American market. The fleet, which numbers some 50,700 wagons, encompasses a broad range of rail freight cars, from tank cars to flat wagons to modern high-capacity wagons.

Capacity utilization in Wagon Hire rises to 90.1 %

In the first three months of 2011, revenue in the Wagon Hire Division shrank by 4.4 % to € 70.7 million (previous year: € 74.0 million). This slight drop in revenue is due to the fact that a major contract awarded by an external customer to the Waggonbau Graaff construction plant in 2009 was still having a positive impact on the external revenue of the VTG Group in the first quarter of 2010. EBITDA rose by 5.5 % to € 37.9 million (previous year: € 35.9 million). The EBITDA margin related to revenue, at 53.6 %, was higher than in the previous year (48.6 %). In the first quarter of 2011, Wagon Hire saw a continued and broad-based demand on a high level. Thus the upward trend in capacity utilization continued for the fourth consecutive quarter, reaching 90.1 % as of March 31, 2011 (previous year: 87.0 %).

In the last few quarters, the positive trend in Wagon Hire has continued, underlining the stability of the division's business model. Customers hire wagons tailored to their individual requirements via medium- to long-term contracts. This in turn secures their transports between plants and their production processes. Because of the general market scarcity of many specialized wagons, they hold on to these wagons even in times of recession in order to be ready when demand picks up again. In the vent of an upturn, customers first deploy their unused wagons before hiring new ones. This means that the impact of an increase in demand is slightly delayed for VTG and first takes the form of increased capacity utilization. Furthermore, VTG benefits from its extremely diverse customer base, covering companies from nearly every branch of industry. This makes the Group less dependent on the economic fortunes of individual sectors than companies specializing in a specific sector only. Moreover, through its pan-European operational network, VTG is able to hire out returned wagons again in different countries and so respond flexibly to shifts in demand and also take part in any economic upturn.

The repair workshops and wagon construction plant provide VTG's base of technical expertise. The repair workshops assure maintenance of the VTG fleet, covering not only tank and freight cars but also their components, for instance wheel sets. The range of services includes repairs, overhauls, tank inspections, and wagon cleaning to environmental protection standards. Furthermore, through its wagon construction plant, VTG has its own production capacity for special wagons and also a platform for innovation and design, ensuring continual enhancement of the VTG fleet. The services of the workshops and plant are offered to both the VTG fleet and third-party customers.

Continued path of growth in first quarter of 2011

In the first quarter of 2011, VTG took over a rival Italian company, including a fleet of around 300 wagons. With this move, VTG is pushing ahead on its path of growth and consolidating its market position in Italy, Switzerland and southeastern Europe. In addition to a number of freight cars, the wagons VTG has acquired through this takeover primarily comprise tank cars for petroleum and chemical products and compressed gases. These are on hire in Italy, Switzerland and eastern Europe.

Rail Logistics Division

As a leading provider of rail logistics services across Europe, the Rail Logistics Division specializes in organizing and managing transports by rail. Goods are transported across Europe in single wagons and block trains in collaboration with private and state-owned haulage companies. In addition to liquid goods such as petroleum, chemical products and liquefied gases, Rail Logistics is also increasingly offering transport services for a wide variety of industrial goods and merchandise.

Further increase in transports

As of March 31, 2011, revenue in Rail Logistics had risen by 54.0 % to € 77.0 million (previous year: € 50.0 million). EBITDA stood at € 3.3 million, 61.4 % above the figure of the previous year of € 2.0 million. The EBITDA margin on gross profit increased to 50.2 % (previous year: 50.0 %). Factors that contributed to this very high level of performance included not only the recent acquisition of the rail logistics company TMF in 2010 and the expansion of the group of consolidated companies in 2011 but also the increase in cross-border transports to and from eastern and southeastern Europe. The international positioning of the Rail Logistics Division supported this.

In the first quarter, demand for transport services remained very high. Due to its Europe-wide network of haulage partners and its access to the fleet of the Wagon Hire Division, Rail Logistics can offer its customers the right carrier service matched with the right wagons and do so rapidly. Because of the extremely high level of demand, in some cases capacity limits were already reached in the first quarter, meaning that not all customer requirements could be met.

Tank Container Logistics Division

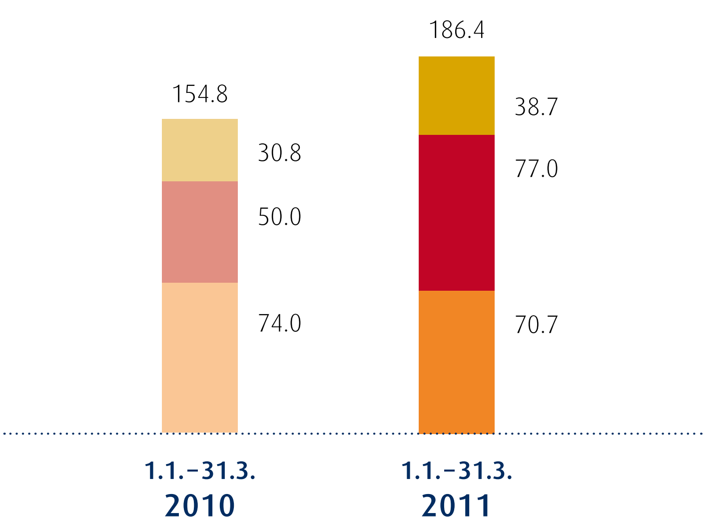
The Tank Container Logistics Division organizes worldwide transports of liquid and temperature-controlled products for the petroleum, chemical and compressed gas industries. Through multimodal transport by container by rail, road, inland waterway and sea, VTG is able to provide a complete, door-to-door service. All of this means a controlled, sustainable, uninterrupted chain of supply between the places of production, processing and consumption. As of March 31, 2011, VTG operated some 9,700 tank containers and is one the world's largest providers of logistics services for liquid chemical products.

Tank Container Logistics enjoys high level of demand

The Tank Container Logistics Division saw revenue increase by 25.5 % in the first three months, reaching € 38.7 million (previous year: € 30.8 million). There was a 55.6 % rise in EBITDA, which climbed to € 3.3 million (previous year: € 2.1 million). The EBITDA margin on gross profit improved, standing at 49.9 % (previous year: 41.9 %).

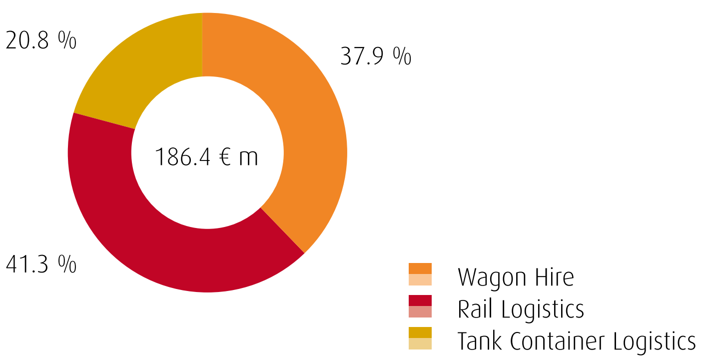
Breakdown of revenue by business division

in € m



Breakdown of revenue by business division

in %



02 INTERIM MANAGEMENT REPORT

VTG Group Interim Management Report for the period January 1 to March 31, 2011

The positive trend in business in the first quarter of 2011 was driven by high demand for transport services, particularly in Europe and Asia. There are still sufficient transport capacities, so that no bottlenecks are expected.

As of March 31, 2011, the deployed fleet comprised approx. 9,700 tank containers, some 1,300 units more than on March 31, 2010 (approx. 8,400 tank containers). This increase is primarily due to the higher level of demand.

Financial position

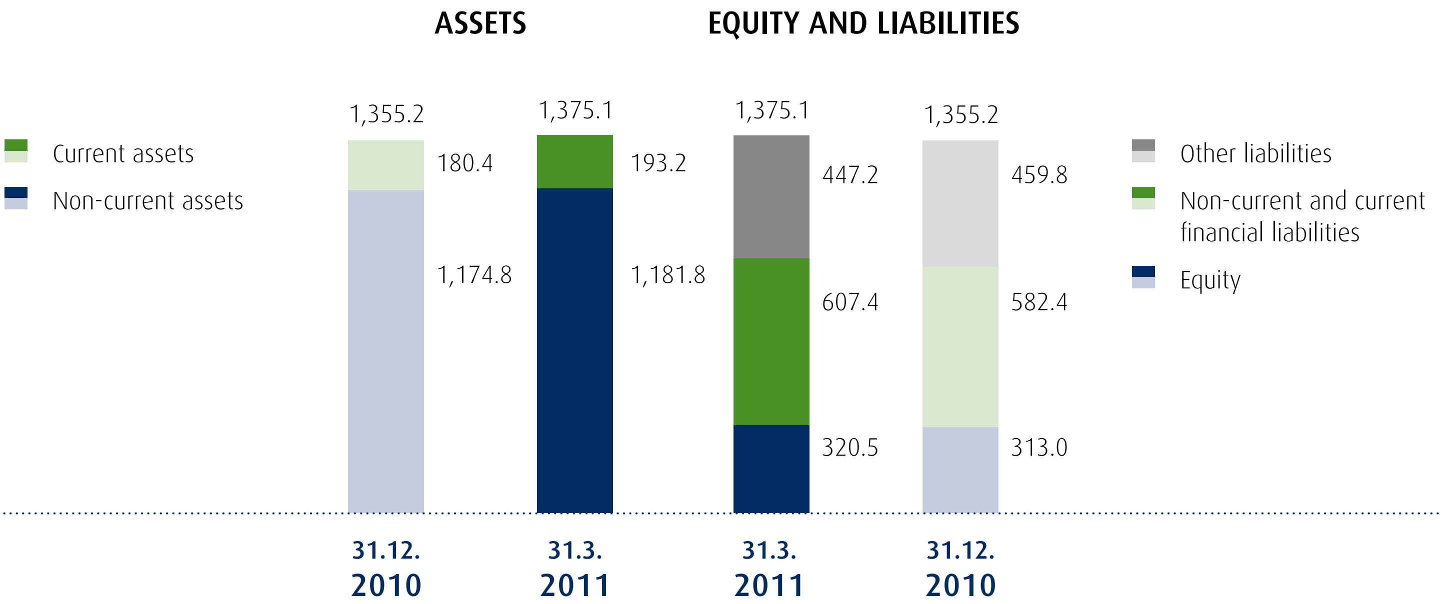
Assets and capital structure

Total assets
As of March 31, 2011, total assets amounted to € 1,375.1 million. This represents an increase of 1.5 %, or € 19.9 million, compared with the figure as of December 31, 2010 (€ 1,355.2 million).

Equity
As of March 31, 2011, the Group's equity had risen to € 320.5 million (December 31, 2010: € 313.0 million). Here, the impact of forward exchange transactions and interest hedging transactions with no effect on profit and the transfer of the ineffective portion of the interest hedges as part of the Refinancing compensated for the negative effects of currency translation and the loss for the Group. This loss is due to one-time expenses arising from the Refinancing.

The equity ratio increased slightly, by 0.2 percentage points, to 23.3 % (December 31, 2010: 23.1 %).

Balance sheet structure
in € m



Restructuring of Group financing in May 2011 ("Refinancing") secures foundation for strategic growth
In early May 2011, VTG restructured its Group financing arrangements through a US bond issue and a new syndicated loan. The US private placement comprises € 450 million and $ 40 million with terms of 7, 10, 12 and 15 years. The syndicated loan of € 450 million comprises a loan (€ 100 million) and a revolving credit line (€ 350 million). The funds from both of these are for the repayment of the existing syndicated loan, which is still active, as well as for financing projects for future growth. The different maturities – some of which are very long – significantly reduce the future refinancing risk. This US private placement secures the financing of the Group over the long term in line with the long-term orientation of the VTG business model. The additional lines of credit available to the Group can be used flexibly for investments in the wagon fleet, judicious acquisitions and the expansion of the logistics divisions as lucrative opportunities arise, so enabling VTG to continue on its path of growth.

Capital expenditure

In the first three months of the current year, the VTG Group invested € 39.0 million (previous year: € 19.7 million) in fixed assets. As in the previous year, the majority of investment was in Wagon Hire, at € 38.0 million (previous year: € 18.1 million). These funds were used mainly to replace wagons to be taken out of service and modernize and expand the fleet. This included the takeover of a rival Italian company, through which VTG acquired some 300 wagons. As of March 31, 2011, the number of wagons on order and still awaiting delivery had increased to approx. 970 (December 31, 2010: 300). This reflects the increased customer demand for new VTG wagons. These wagons are to be delivered in the course of 2011 and in 2012.

Cash flow statement

Cash flows from operating activities shrank in the first three months of 2011 by € 3.4 million, to € 28.3 million (previous year: € 31.6 million). One reason for this was an increase in inventories, particularly in the Graaff wagon construction plant, and a partial downturn in net working capital in the Rail Logistics Division, partly as a result of the TMF acquisition.

In the first three months of 2011, cash flows used in investing activities amounted to € 42.3 million (previous year: € 14.8 million). This was largely due to increased investment in the construction of new wagons.

Cash flows from financing activities amounted to € 13.9 million in the first quarter (previous year: cash outflow of € 3.8 million). This inflow of funds was mainly from the taking up of lines of credit and exceeded the outflow of funds, mainly from scheduled repayments of bank loans and interest payments.

Employees

Significant rise in number of employees

As of March 31, 2011, the VTG Group had a total of 1,035 employees (previous year: 954). Of these, 720 were employed in Germany (previous year: 679) and 315 in the companies abroad (previous year: 275). The number of employees has increased in all three divisions and particularly in Rail Logistics, as a result of the recent acquisitions and the expansion of the Group of consolidated companies.

Pre-emptive rights

There are no pre-emptive rights or stock options for either directors or members of staff.

Risk management

To secure its commercial success, the VTG Group has put in place an internal control and risk management system.

Internal control system

The VTG Group's internal control system encompasses all of the principles, processes and measures for ensuring the profitability, reliability and accuracy of the accounting system and ensuring compliance with the relevant legal requirements in order to convey a true and accurate picture of the VTG Group's position. In the VTG Group, the internal control system consists of an internal coordination system and an internal monitoring system. The Group's monitoring system consists of both process-integrated and process-independent monitoring measures.

Risk management system

The nature of the VTG Group's operations exposes it to numerous risks that could negatively impact the company's performance. The aim is to detect these risks as early as possible and then successfully control them. The VTG Group's risk management policy is also aimed at achieving sustainable growth and increasing VTG's enterprise value. This policy underpins the Group-wide risk management system and is determined by the Executive Board. The risk management system is being continually and systematically improved. This means that risks can be properly ascertained and monitored and counter-measures introduced in good time. The objective of the system is to minimize, avoid, transfer or accept risks as appropriate. Any quantifiable risk remaining (residual risk) is reflected in the accounting system. In this manner, VTG ensures that it can present a true and accurate picture at all times of the situation of the VTG Group. The risk management system's functional reliability and adequacy are regularly investigated and assessed by internal and external auditors who have no involvement in the risk management process.

Future business opportunities and risks

The VTG Group has come through the financial and economic crisis well and is ready for the new tasks ahead. If the currently favorable economic outlook clouds over again, this could have a negative impact on customers of the VTG Group, leading to a drop in demand for VTG wagons and services. VTG is prepared for such an event with targeted measures for stabilizing the earnings situation if required. Moreover, the VTG Group pursues a policy of active cost management, as well as efficient fleet management and continuous process optimization.

The VTG Group is in a good position with regard to liquidity, due to its consistently strong operating cash flow, its long-term financing agreements and its lines of credit. These ensure that the VTG Group has adequate funds at its disposal. Moreover, the restructuring of the Group's financing in May 2011 has significantly reduced the refinancing risk as well as the interest rate risk.

In the first three months of 2011, there were no significant changes in the opportunities or risk situation of the VTG Group that would merit a re-appraisal compared with the 2010 Annual Report.

For a comprehensive picture of the internal control and risk management system, the major specific risks and the opportunities and risks involved in the future growth of the VTG Group, please refer to the section "Report on Opportunities and Risks" in the 2010 Annual Report.

Outlook

Economic upswing continues, with moderate slowdown over the year

The trend of global economic recovery seen in 2010 continued into early 2011. The economic upturn has been driven primarily by the dynamic economies of the developing and newly industrialized countries. The general view of experts is that there will be an upward trend in overall economic activity. There are increasing signs that there could be a loss of momentum in the global economy over the course of the year. Particularly in the newly industrialized countries of Asia, the threat to stability posed by continued rapid expansion of the economy could mean governments introducing counter-measures. In the advanced industrialized countries dampening effects from fiscal consolidations can be expected. The Kiel Institute for the World Economy anticipates an overall rise in global economic activity over the next two years. The Kiel Institute predicts that, compared with the previous year, GDP will increase in 2011, by 1.7 % in Europe and by 2.8 % in Germany. Based on this economic outlook, key industries for VTG's business are also expecting a positive trend in 2011.

Although uncertainties persist, the outlook for economic growth remains positive. Experts expect the natural disaster in Japan with the accompanying nuclear concerns to have only a short-term impact on the global economy, as long as it does not lead to serious levels of contamination. There are also uncertainties arising from the political tensions in the Arab world as well as the debt situation and extremely expansionary monetary policies of some countries.

02 INTERIM MANAGEMENT REPORT

VTG Group Interim Management Report for the period January 1 to March 31, 2011

VTG Group expects to perform well in 2011

Overall, the current forecasts of economic experts indicate a positive trend in the global economic situation.

In the first three months of 2011, capacity utilization in Wagon Hire rose for the fourth consecutive quarter to reach 90.1 %. VTG is currently expecting a fundamentally positive trend in capacity utilization in this financial year. Further growth is also expected in the Rail Logistics and the Tank Container Logistics divisions, although at a more moderate rate than in 2010. Based on these trends, the Executive Board of VTG AG expects to achieve revenue for the financial year 2011 of € 720 to 760 million and EBITDA of € 165 to 170 million. These forecasts are based on the assumption that there will be no lasting setbacks in key VTG industries.

The Executive Board and Supervisory Board of VTG AG will propose to the Annual General Meeting, to be held on June 17, 2011, the payment of a dividend for the financial year 2010 of € 0.33 per share.

Refinancing has one-time effect on 2011 Group profit and earnings per share, VTG reliable in paying dividends

The extraordinary expenses of approx. € 18 million incurred by the restructuring of the Group's financing (with effects in the first and second quarter of 2011) arise mainly from adjustments due to the early repayment of the existing credit agreement. This has a one-time impact on earnings before taxes, Group profit and earnings per share in the current financial year. The refinancing measures have no impact on VTG's ability to reliably continue to issue dividends.

Material events after the balance sheet date

In early May 2011, the VTG restructured the financing of the Group. The one-time expenses arising from these refinancing arrangements impacting the first quarter of 2011 have been properly accounted for in these interim financial statements.

There were no further events of special significance after the end of the first three months of 2011.

03 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

of VTG Aktiengesellschaft as at 31st March 2011

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Consolidated Interim Financial Statements

CONSOLIDATED INCOME STATEMENT

for the period January 1 to March 31, 2011

€ '000	Notes	**1.1. to 31.3.2011**	1.1. to 31.3.2010
Revenue	(1)	186,358	154,789
Changes in inventories	(2)	603	−2,660
Other operating income		4,406	3,557
Total revenue and income		**191,367**	**155,686**
Cost of materials	(3)	108,599	79,962
Personnel expenses	(4)	15,538	14,332
Impairment, amortization and depreciation		23,392	22,226
Other operating expenses		26,262	24,268
Total expenses		**173,791**	**140,788**
Income from associates		**242**	**165**
Financing income		302	269
Financing expenses		−22,517	−7,746
Financial loss (net)	(5)	**−22,215**	**−7,477**
Profit/loss before taxes on income		**−4,397**	**7,586**
Taxes on income	(6)	−1,627	2,782
Group net profit/loss		**−2,770**	**4,804**
thereof relating to:			
Shareholders of VTG Aktiengesellschaft		−3,158	4,623
Non-controlling interests		388	181
		−2,770	**4,804**
Earnings per share (in €) (undiluted and diluted)	(7)	−0.15	0.22

The explanatory notes on pages 24 to 34 form an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ '000	Notes	1.1. to 31.3.2011	1.1. to 31.3.2010
Group net profit/loss		**−2,770**	**4,804**
Currency translation		−2,887	2,233
Hedge accounting and revaluation of financial instruments	(13)	4,568	−6,101
Transfer of ineffective portion of hedges to income statement	(13)	6,767	0
Actuarial gains and losses from pension provisions	(14)	1,768	0
Comprehensive income		**7,446**	**936**
thereof relating to:			
Shareholders of VTG Aktiengesellschaft		7,061	755
Non-controlling interests		385	181
		7,446	**936**
thereof deferred taxes:			
Hedge accounting and revaluation of financial instruments		−2,250	3,005
Transfer of ineffective portion of hedges to income statement		−3,333	0
Actuarial gains and losses from pension provisions		−871	0
		−6,454	**3,005**

Explanations of equity are given under Notes (11) to (13).

The explanatory notes on pages 24 to 34 form an integral part of these consolidated interim financial statements.

03 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

of VTG Aktiengesellschaft as at 31st March 2011

CONSOLIDATED BALANCE SHEET

ASSETS

€ '000	Notes	**31.3.2011**	31.12.2010
Goodwill	(8)	158,117	158,248
Other intangible assets		59,431	59,956
Tangible fixed assets	(9)	919,664	908,748
Investments in associates		17,009	16,767
Other financial assets		7,420	7,400
Fixed assets		**1,161,641**	**1,151,119**
Other receivables and assets		1,746	1,738
Deferred income tax assets		18,450	21,897
Non-current receivables		**20,196**	**23,635**
Non-current assets		**1,181,837**	**1,174,754**
Inventories		**17,276**	**15,146**
Trade receivables		97,543	84,374
Derivative financial instruments		853	0
Other receivables and assets		26,422	30,027
Current income tax assets		2,094	2,150
Current receivables		**126,912**	**116,551**
Cash and cash equivalents	(10)	**49,028**	**48,710**
Current assets		**193,216**	**180,407**
		1,375,053	**1,355,161**

The explanatory notes on pages 24 to 34 form an integral part of these consolidated interim financial statements.

LIABILITIES

€ '000	Notes	**31.3.2011**	31.12.2010
Subscribed capital	(11)	21,389	21,389
Additional paid-in capital		193,743	193,743
Retained earnings	(12)	109,238	113,512
Revaluation reserve	(13)	−7,058	−18,393
Equity attributable to shareholders of VTG Aktiengesellschaft		**317,312**	**310,251**
Non-controlling interests		**3,140**	**2,748**
Equity		**320,452**	**312,999**
Provisions for pensions and similar obligations	(14)	42,275	44,800
Deferred income tax liabilities		135,768	137,722
Other provisions		23,744	20,884
Non-current provisions		**201,787**	**203,406**
Financial liabilities	(15)	548,009	530,511
Derivative financial instruments		11,972	17,900
Other liabilities		1,308	1,514
Non-current liabilities		**561,289**	**549,925**
Non-current debts		**763,076**	**753,331**
Provisions for pensions and similar obligations	(14)	3,479	3,766
Current income tax accruals		31,206	29,542
Other provisions		42,511	44,219
Current provisions		**77,196**	**77,527**
Financial liabilities	(15)	59,347	51,917
Trade payables		128,572	131,247
Derivative financial instruments		9,051	9,570
Other liabilities		17,359	18,570
Current liabilities		**214,329**	**211,304**
Current debts		**291,525**	**288,831**
		1,375,053	**1,355,161**

The explanatory notes on pages 24 to 34 form an integral part of these consolidated interim financial statements.

03

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

of VTG Aktiengesellschaft as at 31st March 2011

CONSOLIDATED CASH FLOW STATEMENT

€ '000	**1.1. to 31.3.2011**	1.1. to 31.3.2010
Operating activities		
Group net profit	–2,770	4,804
Impairment, amortization and depreciation	23,392	22,286
Financing income	–302	–269
Financing expenses	22,517	7,686
Income tax expenses	–1,627	2,782
SUBTOTAL	**41,210**	**37,289**
Other non-cash expenses and income	–462	–480
Income taxes paid	–1,160	–943
Income taxes received	3	28
Profit/loss on disposals of fixed asset items	–428	–500
Changes in:		
inventories	–2,922	2,985
trade receivables	–10,579	–6,085
trade payables	1,817	4,387
other assets and liabilities	783	–5,035
Cash flows from operating activities	**28,262**	**31,646**
Investing activities		
Payments for investments in intangible and tangible fixed assets	–38,130	–22,581
Proceeds from disposals of intangible and tangible fixed assets	1,935	7,765
Payments for investments in financial assets and business acquisitions (less cash and cash equivalents received)	–6,258	–53
Proceeds from disposals of financial assets	1	0
Changes in financial receivables	45	–16
Receipts from interest	151	117
Cash flows used in investing activities	**–42,256**	**–14,768**
Financing activities		
Receipts from the taking up of (financial) loans	18,470	0
Borrowing costs	–300	0
Repayments of bank loans and other financial liabilities	–2,878	–2,397
Interest payments	–1,416	–1,417
Cash flows used in/cash flows from financing activities	**13,876**	**–3,814**
Change in cash and cash equivalents	**–118**	**13,064**
Effect of changes in exchange rates	–1,055	219
Changes due to scope of consolidation	1,491	0
Balance at beginning of period	48,710	42,595
Cash and cash equivalents at end of period	**49,028**	**55,878**
of which freely available funds:	**47,278**	**54,128**

For an explanation of the consolidated cash flow statement, please refer to the Notes section.

The explanatory notes on pages 24 to 34 form an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity from January 1 to March 31, 2011

€ '000	Subscribed capital	Additional paid-in capital	Retained earnings	(thereof differences from currency translation)	Revaluation reserve	Equity attributable to shareholders of VTG Aktiengesellschaft	Non-controlling interest	**Total**
As of 1.1.2011	**21,389**	**193,743**	**113,512**	**(1,849)**	**−18,393**	**310,251**	**2,748**	**312,999**
Group net profit/loss			−3,158			−3,158	388	−2,770
Hedge accounting and revaluation of financial instruments					4,568	4,568		4,568
Ineffective portion of hedges					6,767	6,767		6,767
Actuarial gains and losses			1,768			1,768		1,768
Currency translation			−2,884	(−2,884)		−2,884	−3	−2,887
Other changes						0	7	7
Total changes	**0**	**0**	**−4,274**	**(−2,884)**	**11,335**	**7,061**	**392**	**7,453**
As of 31.3.2011	**21,389**	**193,743**	**109,238**	**(−1,035)**	**−7,058**	**317,312**	**3,140**	**320,452**

Consolidated Statement of Changes in Equity from January 1 to March 31, 2010

€ '000	Subscribed capital	Additional paid-in capital	Retained earnings	(thereof differences from currency translation)	Revaluation reserve	Equity attributable to shareholders of VTG Aktiengesellschaft	Non-controlling interest	**Total**
As of 1.1.2010	**21,389**	**193,993**	**94,744**	**(−5,000)**	**−16,043**	**294,083**	**2,666**	**296,749**
Group net profit			4,623			4,623	181	4,804
Hedge accounting and revaluation of financial instruments					−6,101	−6,101		−6,101
Currency translation			2,233	(2,233)		2,233		2,233
Other changes							12	12
Total changes	**0**	**0**	**6,856**	**(2,233)**	**−6,101**	**755**	**193**	**948**
As of 31.3.2010	**21,389**	**193,993**	**101,600**	**(−2,767)**	**−22,144**	**294,838**	**2,859**	**297,697**

Explanations of equity are given under Notes (11) to (13).

The explanatory notes on pages 24 to 34 form an integral part of these consolidated interim financial statements.

03 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

of VTG Aktiengesellschaft as at 31st March 2011

SELECTED EXPLANATORY INFORMATION IN THE CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Accounting principles and methods used in the consolidated financial statements

1. General information

VTG Aktiengesellschaft (VTG AG), registered in Hamburg, Nagelsweg 34, is the parent company of the VTG Group. The company is registered in the commercial register of the Local Court of Hamburg (HRB 98591).

2. Principles of bookkeeping, accounting and measurement

These consolidated interim financial statements of VTG AG were prepared in accordance with Section 37x Subsection 3 of the German Securities Trading Act (Wertpapierhandelsgesetz) and in accordance with both the International Financial Reporting Standards (IFRS) effective at the balance sheet date and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the EU.

The accounting and measurement methods applied in these interim financial statements do not deviate from those principles used in the consolidated financial statements as of December 31, 2010, with the exception of the application of new standards, set out in section 4. The explanations in the notes to the consolidated financial statements 2010, particularly in respect of the accounting and measurement methods, thus apply accordingly. Consequently, these interim financial statements fulfill the IAS 34 criteria.

The impact of accounting standards effective from January 1, 2011 is detailed in section 4.

The pages that follow contain key information on the interim financial statements and on the segment reporting.

3. Companies in the consolidated group in the reporting period

In addition to VTG AG, a total of 13 domestic and 21 foreign subsidiaries are included in the consolidated interim financial statements as of March 31, 2011.

On January 1, 2011, Transpetrol Sp.z o.o., Chorzów was included in the consolidated financial statements for the first time, as the Executive Board expects the company to grow in importance in the future. The VTG Group acquired assets amounting to € 5.3 million, which were mainly apportioned to the items trade receivables (€ 2.6 million) and cash and cash equivalents (€ 1,5 million). The liabilities assumed mainly comprise provisions (€ 2.6 million) and trade payables (€ 1.9 million). The first-time consolidation of this company contributes income of € 0.4 million in the current financial year. This is predominantly from the company's retained earnings.

On March 22, 2011, the VTG Group acquired a 100 % shareholding in S.r.l., Genoa (Sogerent). 236 wagons were also acquired through this shareholding. Sogerent was added for the first time to the group of consolidated companies.

By acquiring this company, the VTG Group is expanding its market position in the Wagon Hire Division.

The purchase price determined as of the reporting date was € 6.4 million. This sum is payable in cash and € 6.1 million thereof had been paid by March 31, 2011.

Due to the fact that the acquisition of this company was so close to the end of the reporting period, there was a provisional purchase price allocation to identifiable assets and liabilities. In accordance with IFRS, adjustments to the fair value of the assets acquired and liabilities assumed can be made within a period of up to 12 months from the acquisition date.

The following assets and liabilities were recognized in relation to the Sogerent acquisition:

€ '000	**Fair Value**
Tangible fixed assets	8,061
Current receivables	12
Non-current liabilities	606
Current liabilities	1,088
Net assets	**6,379**

The fair value of the receivables shown corresponds with the carrying amount.

In respect of the Sogerent acquisition, expenses amounting to € 0.1 million are recognized in profit or loss.

Because of the proximity of the business acquisition to the end of the reporting period, no information is provided as of the reporting date on the financial impact of the acquisition on revenue and the annual results under a notional acquisition date of January 1, 2011.

4. New financial reporting standards

For the financial year beginning January 1, 2011 and those thereafter, the application of some new standards and amendments to existing standards and interpretations has become mandatory. Overall, the reforms have had no or only a minimal effect on the financial accounting of the VTG Group.

The revised **IAS 24 "Related Party Disclosures"** clarifies the definition of related companies and persons and frees companies which are deemed related to public bodies from making certain disclosures about business transactions with related companies and persons.

IAS 32 "Financial Instruments: Presentation" contains changes concerning the classification of subscription rights.

IFRIC 14 "Prepayments of a Minimum Funding Requirement" explains the IFRS requirements in cases where a company is subject to minimum funding requirements and makes prepayments to meet these minimum funding requirements.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" sets out the IFRS requirements in cases in which a company re-negotiates the conditions of a financial liability with the creditor and the creditor accepts shares or other equity instruments of the company to settle the financial liability in part or in full.

"Improvements to IFRS 2010" is a collective standard for amending different IFRS. It includes amendments to various IFRS affecting the recognition, measurement and disclosure of business transactions in addition to terminological and editorial corrections.

The following standards to be applied in future and interpretations of and amendments to existing standards do affect operations of the Group to some extent. The Group is currently examining the possible effects of implementation of the standards/amendments on its accounting.

The new **IFRS 9 "Financial Instruments"** contains simplified accounting rules for financial instruments. Its objective is to have only two categories for measuring financial instruments – amortized cost and fair value. The more differentiated classification and measurement system of IAS 39 is to be discarded.

The amendments in **"IFRS 7 Financial Instruments: Disclosures"** concern additional disclosure requirements regarding derecognition of financial assets.

IAS 12 "Deferred taxes" contains rules for measuring deferred tax assets in relation to investment property measured at fair value.

Segment reporting

Key figures by segment

Based on internal reporting, the figures for the segments in the consolidated interim financial statements as of March 31, 2011 are as follows:

€ '000	Wagon Hire	Rail Logistics	Tank Container Logistics	Reconciliation	**Group**
External revenue	70,701	76,959	38,698	0	186,358
Internal revenue	4,240	55	11	−4,306	0
Changes in inventories	603	0	0	0	603
Segment revenue	**75,544**	**77,014**	**38,709**	**−4,306**	**186,961**
Segment cost of materials*	−8,674	−70,515	−32,116	4,811	−106,494
Segment gross profit	**66,870**	**6,499**	**6,593**	**505**	**80,467**
Other segment income and expenditure	−28,962	−3,238	−3,306	−3,751	−39,257
Segment earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**37,908**	**3,261**	**3,287**	**−3,246**	**41,210**
Impairment, amortization of intangible and depreciation of tangible fixed assets	−21,825	−488	−941	−138	−23,392
Segment earnings before interest and taxes (EBIT)	**16,083**	**2,773**	**2,346**	**−3,384**	**17,818**
thereof earnings from associates	200	0	42	0	242
Financial result	−6,320	−44	−102	−15,749	−22,215
Earnings before taxes (EBT)	**9,763**	**2,729**	**2,244**	**−19,133**	**−4,397**
Taxes on income and earnings					1,627
Group net loss					**−2,770**

* To a minor extent, income has been offset against the cost of materials of the segments.

The reconciliation column contains both entries for the Group and expenses not classified under the segments. These include one-time expenses of € 15.0 million in connection with the refinancing of the Group, of which € 14.6 million is recognized in the financial result and € 0.4 million in other segment income and expenditure.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

of VTG Aktiengesellschaft as at 31st March 2011

The figures for the segments for the equivalent period from January 1 to March 31, 2010 are as follows:

€ ’000	Wagon Hire	Rail Logistics	Tank Container Logistics	Reconciliation	**Group**
External revenue	73,977	49,980	30,832	0	154,789
Internal revenue	3,337	66	20	−3,423	0
Changes in inventories	−2,660	0	0	0	−2,660
Segment revenue	**74,654**	**50,046**	**30,852**	**−3,423**	**152,129**
Segment cost of materials*	−9,171	−46,003	−25,811	3,286	−77,699
Segment gross profit	**65,483**	**4,043**	**5,041**	**−137**	**74,430**
Other segment income and expenditure	−29,552	−2,023	−2,928	−2,638	−37,141
Segment earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**35,931**	**2,020**	**2,113**	**−2,775**	**37,289**
Impairment, amortization of intangible and depreciation of tangible fixed assets	−20,629	−487	−995	−115	−22,226
Impairment of financial assets	−54	0	−6	0	−60
Segment earnings before interest and taxes (EBIT)	**15,248**	**1,533**	**1,112**	**−2,890**	**15,003**
thereof earnings from associates	165	0	0	0	165
Financial result	−7,127	91	−123	−258	−7,417
Earnings before taxes (EBT)	**8,121**	**1,624**	**989**	**−3,148**	**7,586**
Taxes on income and earnings					−2,782
Group net profit					**4,804**

* To a minor extent, income has been offset against the cost of materials of the segments.

Capital expenditure for each segment as of the 2011 and 2010 reporting dates is shown in the following table:

€ '000	Wagon Hire	Rail Logistics	Tank Container Logistics	Reconciliation	**Group**
Investments in intangible assets					
31.3.2011	788	95	0	0	883
31.3.2010	266	1,311	0	0	1,577
Investments in tangible fixed assets					
31.3.2011	29,033	59	774	42	29,908
31.3.2010	17,827	9	175	48	18,059
Additions to tangible fixed assets from business combinations					
31.3.2011	8,061	0	0	0	8,061
31.3.2010	0	0	0	0	0

Key figures across all segments

The following table contains key segment reporting figures by the location of the companies in the Group:

€ '000	Germany	Other countries	**Group**
Investments in intangible assets			
31.3.2011	882	1	883
31.3.2010	1,577	0	1,577
Investments in tangible fixed assets			
31.3.2011	28,071	1,837	29,908
31.3.2010	15,864	2,195	18,059
Additions to tangible fixed assets from business combinations			
31.3.2011	0	8,061	8,061
31.3.2010	0	0	0
External revenue by location of companies			
31.3.2011	122,232	64,126	186,358
31.3.2010	112,477	42,312	154,789

Selected notes to the consolidated income statement

(1) Revenue
The business of the VTG Group is affected to only a minor degree by seasonal fluctuations.

The increase in revenue in the first three months of the financial year compared with the equivalent period of the previous year is mainly due to the companies newly added to the group of consolidated companies and to the rising level of business in both logistics divisions. A drop in the external revenue of Waggonbau Graaff GmbH (Waggonbau Graaff), mainly as result of increased production for companies in the VTG Group, had the opposite effect.

(2) Changes in inventories
The changes in inventories are attributable primarily to Waggonbau Graaff.

(3) Cost of materials
The cost of materials has risen in line with revenue.

(4) Personnel expenses
The slight increase in personnel expenses is mainly due to the new additions to the group of consolidated companies since the previous year.

(5) Financial result
The financial result worsened in the first three months of the financial year compared with the equivalent period of the previous year due to the restructuring of the Group's financing. The main items recognized as additional financing expenses in relation to the refinancing arrangements are the ineffective portion of hedging relationships within the existing financing structure (€ 10.1 million) and the amortization of transaction costs within the existing financing structure (€ 4.2 million).

(6) Taxes on income
IAS 34.30 (c) requires that the income tax expense in the reporting for the period under review be calculated on the basis of the best estimate of the weighted average annual income tax rate expected for the entire financial year.

For the financial year 2011, the tax rate expected for the Group in the IFRS accounts remains almost unchanged at 37.0 % (2010: 36.7 %).

(7) Earnings per share
The undiluted earnings per share are calculated in accordance with IAS 33, based on the Group profit attributable to the shareholders of VTG AG divided by the weighted average number of shares in issue during the period under review. As of March 31, 2011, the number of shares in issue remains unchanged against the same date of the previous year, at 21,388,889.

Earnings per share are diluted if the average number of shares is increased by the issue of potential shares from option or conversion rights. There have been no dilution effects during the period under review.

Selected notes to the consolidated balance sheet

(8) Goodwill
The minor change to goodwill is attributable to currency translation as of the reporting date.

(9) Tangible fixed assets
Investments in tangible fixed assets in the first three months of the financial year exceeded the level of depreciation. The main areas of investment were the purchase and building of new rail freight cars by the companies VTG Deutschland GmbH (VTG Deutschland) and VTG Italia S.r.l.

(10) Cash and cash equivalents
For the increase in cash and cash equivalents, please refer to the cash flow statement.

Equity

(11) Subscribed capital
The subscribed capital of VTG AG consists of no-par bearer shares, each with an equal participation in the share capital. The amount of the subscribed capital attributable to each share equals € 1.0. As of March 31, 2011, the subscribed capital amounted to € 21.4 million.

(12) Retained earnings
Retained earnings decreased as a result of the negative consolidated results of operations which in turn was caused by effects on the financial result and the differences from currency translation recognized directly in equity. The recognition of actuarial gains and losses directly in equity from the measurement of pension obligations had the opposite effect.

(13) Revaluation reserve
The revaluation reserve includes measurement differences from forward exchange transactions and interest hedging transactions, net of deferred taxes, as of the balance sheet date. These are cash flow hedges.

In addition to measurement differences relating to forward exchange transactions and interest hedging transactions that are in an effective hedging relationship, the transfer of the ineffective portion of hedging relationships from the financing structure to be replaced has led to an increase in the revaluation reserve.

(14) Provisions for pensions and similar obligations
The drop in provisions for pensions and similar obligations is mainly attributable to an increase in the assumed discount rate, by 0,54 % to 5.29 %, which takes into account the development of the market-specific, effective interest rate for high-value corporate bonds over the same term as the period under review.

(15) Financial liabilities
As of the reporting date, the VTG Group was financed predominantly through a financing agreement, with Bayerische Hypo-Vereinsbank, London (Hypo-Vereinsbank) as syndicate leader. The financing agreement provides for confirmed credit and bank guarantees totaling € 640.0 million. Of these facilities, € 479.8 million had been utilized as of the reporting date (excluding accrued interest).

The borrowers are VTG Vereinigte Tanklager und Transportmittel GmbH (VTG GmbH), VTG Deutschland, VTG Rail UK Ltd. (VTG UK) and Texas Railcar Leasing Company, Inc. (Texas Railcar). In addition to VTG AG, guarantors are VTG GmbH, VTG Deutschland, EVA Holdings Deutschland GmbH, EVA Eisenbahn-Verkehrsmittel GmbH, Eisenbahn-Verkehrsmittel GmbH & Co. KG für Transport und Lagerung, VTG UK, Texas Railcar, VTG North America, Inc. and Waggonbau Graaff.

The companies Klostertor Rail GmbH (Klostertor) and Deichtor Rail GmbH (Deichtor) have agreed lines of credit with DVB Bank, Frankfurt (DVB) and KfW IPEX-Bank GmbH, Frankfurt, (KfW IPEX). As of the reporting date, the bank liabilities of Klostertor and Deichtor amounted to € 68.0 million as of the reporting date (excluding accrued interest).

The company Ferdinandstor Rail GmbH (Ferdinandstor) has agreed a line of credit with DVB. As of the reporting date, the bank liabilities of Ferdinandstor amounted to € 34.1 million (excluding accrued interest).

With regard to the collateral provided for liabilities to banks, please refer to the notes on contingent liabilities.

In order to counteract risks from interest changes, a large part of the loan amount with Hypo-Vereinsbank has been secured with interest rate hedges until 2015. The hedges also include future cash taken up as part of the loan agreement with Hypo-Vereinsbank. Klostertor and Deichtor have secured the great majority of their loans against interest rate changes until 2015 with fixed interest rate agreements.

Selected notes to the consolidated cash flow statement

The investments in intangible assets and tangible fixed assets mainly relate to payments for the acquisition and modernization of rail freight cars.

The payments for business acquisitions mainly comprise the payments relating to the acquisition of Sogerent and the accompanying wagons.

The repayments of € 2.9 million mainly comprise the scheduled repayments of existing loans with DVB and KfW IPEX (€ 1.2 million) and repayments of finance leases (€ 1.2 million).

Other disclosures

Contingent liabilities

A total of ten companies in the VTG Group have guaranteed the repayment to Hypo-Vereinsbank of loans and guarantees of € 529.0 million, taken up at standard market rates, by the companies within the VTG Group.

Four companies within the VTG Group have assigned as collateral their rail freight cars registered in Germany and the UK at their carrying amount of € 564.7 million.

In addition to the above guarantees, in order to secure their bank liabilities to DVB and KfW IPEX, two companies in the Group have pledged bank accounts and rail freight cars with carrying amounts of € 1.8 million and € 89.4 million respectively.

In order to secure its bank liabilities with DVB, one company has pledged rail freight cars with a carrying amount of € 37.5 million.

Should the VTG Group fail to meet its obligations under the loan agreements, the lenders are, under certain circumstances, entitled to sell the pledged collateral.

Other financial commitments

The nominal values of the other financial commitments are as follows as of March 31, 2011 and for the previous year:

€ '000	due within 1 year	between 1 and 5 years	over 5 years	**31.3.2011 Total**
Obligations from rental, leasehold and leasing agreements	45,074	78,908	36,398	160,380
Purchase commitments	28,911	2,983	0	31,894
Total	**73,985**	**81,891**	**36,398**	**192,274**

€ '000	due within 1 year	between 1 and 5 years	over 5 years	31.12.2010 Total
Obligations from rental, leasehold and leasing agreements	50,228	72,251	36,883	159,362
Purchase commitments	9,654	0	0	9,654
Total	**59,882**	**72,251**	**36,883**	**169,016**

03 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

of VTG Aktiengesellschaft as at 31st March 2011

Average number of employees

	1.1.–31.3.2011	1.1.–31.12.2010
Salaried employees	690	639
Wage-earning staff	316	297
Trainees	29	36
Total	**1,035**	**972**
thereof abroad	315	284

Material events after the balance sheet date

In early May 2011, the VTG Group restructured its financing. The one-time expenses from this refinancing arrangement to be allocated to the first quarter of 2011 have been accounted for in these interim financial statements.

There were no further events of special significance after the end of the first three months of 2011.

Hamburg, May 9, 2011

The Executive Board

Dr. Heiko Fischer

Jürgen Hüllen

Dr. Kai Kleeberg

04 FURTHER INFORMATION

REVIEW REPORT

To VTG Aktiengesellschaft, Hamburg

We have reviewed the condensed consolidated interim financial statements – comprising the condensed statement of financial position, condensed income statement and statement of comprehensive income, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes – and the interim group management report of VTG Aktiengesellschaft, Hamburg for the period from January 1, 2011 to March 31, 2011 which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG („Wertpapierhandelsgesetz“: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hamburg, May 10, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Andreas Focke
Wirtschaftsprüfer
(German Public Auditor)

ppa. Christoph Fehling
Wirtschaftsprüfer
(German Public Auditor)

04 FURTHER INFORMATION

FINANCIAL CALENDAR 2011 AND SHARE DATA

Financial Calendar 2011

May 19	Interim Report for 1st Quarter 2011
June 17	Annual General Meeting, Hamburg
August 23	Half-yearly Financial Report 2011
November 16	Interim Report for 3rd Quarter 2011

Share information

WKN	VTG999
ISIN	DE000VTG999
Stock exchange abbreviation	VT9
Index	SDAX, CDAX, HASPAX
Share type	No-par-value bearer share
No. of shares (31.3.)	21,388,889
Market capitalization (31.3.)	€ 352.3 million
Stock exchanges	Xetra, Frankfurt, Berlin, Dusseldorf, Hamburg, Hanover, Munich, Stuttgart
Market segment	Prime Standard
Share price (31.3.)	€ 16.47

CONTACT AND IMPRINT

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Concept and Design
Berichtsmanufaktur GmbH, Hamburg

Photos
Title: GettyImages
Executive board: Christiane Koch

Reservation regarding statements relating to the future:
This interim report contains a number of statements relating to the future development of VTG. These statements are based on assumptions and estimates. Although we are confident that these anticipatory statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. VTG neither intends to nor assumes any separate obligation to update any statement concerning the future to reflect events or circumstances after the date of this report.

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