Interim Financial Report as of March 31, 2014

VTG Aktiengesellschaft

Key developments in the first three months of 2014

- Revenue and EBITDA almost at level of previous year
- Positive start to the year for Railcar division
- Upward trend in Tank Container Logistics
- Clouded business climate for Rail Logistics division
- EBITDA forecast for 2014 remains unchanged, slight adjustment to predicted revenue
- Planned dividend payment for 2013 of € 0.42 per share

Key figures

in € m	1/1 – 3/31/2013	**1/1 – 3/31/2014**	Change in %
Revenue	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
Group net profit	4.1	3.3	–19.0
Depreciation	26.4	26.1	–1.2
Total Investments	47.3	47.6	0.6
Operating cash flow	44.2	30.7	–30.5
Earnings per share in €	0.18	0.17	–5.6
in € m	**12/31/2013**	**3/31/2014**	**Change in %**
Balance sheet total	1,550.8	1,598.9	3.1
Non-current assets	1,332.2	1,362.2	2.3
Current assets	218.6	236.7	8.3
Shareholders' equity	321.3	335.0	4.3
Liabilities	1,229.5	1,263.9	2.8
Equity ratio in %	20.7	21.0	
	3/31/2013	**3/31/2014**	**Change in %**
Number of Employees	1,182	1,302	10.2
in Germany	830	878	5.8
in other countries	352	424	20.5

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01 Foreword by the Executive Board

Dear Shareholders, Business Partners and Employees,

In the last quarter, the Railcar division once again held its own as the key driver of revenue and profit. Both capacity utilization of the wagon fleet and the volume of orders increased in the first three months of the year, continuing the successful trend of the preceding quarter. There was also positive development in the Tank Container Logistics division, with a brightening of the business trend. Having lately faced increased cost and margin pressure due to continuing overcapacity, the division saw a turnaround in the trend, with a slight rise in revenue and EBITDA compared with the fourth quarter of 2013. On the other hand, our Rail Logistic division had to endure a very unsatisfying quarter due to the much-too-mild winter, the unexpected emergence of tensions between Russia and Ukraine and the increased competitive pressure.

Investment in the wagon fleet continued to ensure a healthy upward trend in the Railcar division. In the first quarter, revenue rose to EUR 85.4 million, 3 % higher than in the first quarter of 2013. A total of some 360 newbuild wagons were delivered in the first three months, mainly to customers in the steel and agricultural sectors. Moreover, with new cement wagons for the Russian market, we expanded our fleet slightly in this region. The cement wagons, which were built in Ukraine, were able to cross the border without any problems and are already in use. With these wagons, we have further diversified our fleet and expanded our customer base. Additionally, a pick-up in demand for our wagons had a positive impact on capacity utilization, which stood at 90.1 %, slightly above the level for the first quarter of 2013. EBITDA rose once again, reaching EUR 44.4 million at the end of the first quarter.

In Tank Container Logistics, the downward trend of the previous quarters was successfully halted, with the division again seeing improvement compared with these quarters. Despite continuing overcapacity, revenue increased in the first three months compared with the fourth quarter of 2013, climbing 9 % to EUR 37.2 million. The trend was even more marked with EBITDA, with the division achieving an improvement of more than two-thirds, pushing the level up to EUR 2.4 million. We are confident that this positive trend will continue in Tank Container Logistics. When compared with the first quarter of 2013, this trend is naturally not yet evident, with the division still recording a slight drop in revenue and profit.

In the Rail Logistics division, revenue for the first quarter of 2014 stood at EUR 77.0 million, just slightly below the level for the first quarter of 2013. While the product segments of industrial goods and agricultural goods showed a pleasing trend, the product segment of liquid goods was significantly weaker. This was mainly due to the mild winter, leading to a noticeable reduction in transport volumes. At the same time, competition intensified for the division, which led to a marked fall-off in the achievable margins. Furthermore, revenue from the merger of rail logistics operations of VTG and Kühne + Nagel still lagged considerably behind expectations. The political tensions between Russia and Ukraine in particular brought rail transports practically to a standstill in this key region for new transports. Because of this, we have not yet been able to achieve the expected increase in revenue, while the higher organizational costs have already been incurred. In the first quarter, this led to EBITDA falling disproportionately to EUR 0.1 million.

left:
Dr. Heiko Fischer
CEO since 2004, with the company since 1995

right:
Dr. Kai Kleeberg,
CFO since 2004, with the company since 1995

Over the remainder of the year, we expect the positive trend in Railcar and the pleasing trend in Tank Container Logistics to persist. In Rail Logistics, however, due to the Crimea crisis and the changed competitive environment, we do not expect to achieve the full extent of the planned growth in revenue. For this reason, we have made a slight adjustment to our forecast for revenue for the Group for 2014, which is now in the range EUR 800 – 900 million. This still keeps revenue at a higher level than in the previous year, even if the potential from the merger with the rail logistics operations of Kühne + Nagel cannot yet be fully realized. Since, with logistics revenue, the business by its nature has less strong margins, our expectations for EBITDA for the Group for 2014 remain unchanged. However, we expect the level reached to be more probably at the lower end of the range of EUR 188 – 200 million.

At the Annual General Meeting to be held in June, the Executive Board will be proposing the payment of a dividend for the financial year 2013 of EUR 0.42 per share. This represents an increase of some 14 %. With this dividend, we aim to enable our shareholders to share in the success of the business and to continue to pursue our policy of regularly issuing dividends.

Yours sincerely,

The Executive Board

Dr. Heiko Fischer   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.

Basic principles of the Group

VTG is a listed company with its headquarters in Hamburg. It leases wagons for rail freight transport and also provides logistics services, focusing on the railway as a carrier, and worldwide tank container transports. The VTG Group can look back on a company history of more than 60 years. With Europe's largest private wagon fleet, it is one of the region's leading wagon hire and rail logistics companies. VTG has a global fleet of 52,900 wagons. The fleet comprises mainly tank wagons, along with modern high-capacity and flat wagons. VTG hires out these wagons to companies from nearly every branch of industry.

For a comprehensive description of the principles of the Group, please refer to the section "Basic Principles of the Group" in VTG's 2013 Annual Report. Changes in the basis of consolidation and in the number of employees are detailed below.

Structure, organization and operational centers of the Group

The VTG Group comprises three operational divisions: Railcar, Rail Logistics and Tank Container Logistics. VTG is represented via subsidiaries and associated companies primarily in Europe, North America, Russia and Asia. In addition to VTG AG, a total of 64 companies belong to the VTG Group. As of March 31, 2014, the VTG Group had 50 fully consolidated companies in addition to VTG AG. Of these, 20 are in Germany and 30 in other countries. Additionally, two foreign companies were consolidated using the equity method. Thus, compared with December 31, 2013, the number of fully consolidated subsidiaries increased by five, thereof one in Germany and four abroad. The change in the basis of consolidation is due mainly to the merging of rail logistics operations of VTG and Kühne + Nagel, through which the new companies were incorporated into the VTG Group.

Employees

Increase in employee numbers

As of the reporting date, the number of employees of the VTG Group stood at 1,302 (previous year: 1,182 employees). Of these, 878 were employed in Germany (previous year: 830) and 424 in the companies abroad (previous year: 352). The new employees incorporated into the VTG Group through the merger of rail operations of VTG and Kühne + Nagel largely account for this increase in employee numbers.

Pre-emptive rights

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

Report on the economic position

General environment

Upward trend in global economy

Driven by the developed economies, the global economy has gained slight momentum since mid-2013. However, economic sentiment indicators deteriorated again somewhat towards the end of the reporting period. In the developed economies, this was mainly due to the US business climate clouding over as a result of transient factors such as an unusually harsh winter. In the developing and emerging economies, however, the subdued mood was a reflection of structural problems. Financial markets that had come under pressure in the emerging economies at the start of 2014 impacted economic performance in the affected countries. In the eurozone, there was a continuation and strengthening of the economic recovery seen since mid-2013. In Germany, the economy also gained pace again.

Business development and situation

Significant events and transactions in the first three months of 2014

New Chief Logistics and Safety Officer from June 1, 2014

The Supervisory Board of VTG AG has made a new appointment to the Executive Board, with Günter-Friedrich Maas to take up office on June 1, 2014. He will be in charge of Logistics and Safety, which, prior to his appointment, is being led provisionally by CEO Dr. Heiko Fischer and CFO Dr. Kai Kleeberg. Mr. Maas has comprehensive knowledge of the industry, providing a good foundation for further expansion of VTG's logistics divisions.

Launch of partnership between VTG and Kühne + Nagel on January 1, 2014

On January 1, 2014, the new rail logistics company bringing together VTG and Kühne + Nagel under the name VTG Rail Logistics commenced operations. The merger of the rail logistics operations of the two companies enables the new company to draw on a Europe-wide network of operational centers and combine the expertise of two strong logistics providers. As major shareholder with a shareholding of no less than 70 %, VTG is assuming operational control of the new company. Further details of this collaboration can be found in the section "Business development and situation" under "Results of operations: Rail Logistics".

Consolidated results of operations

Group revenue almost at level of previous year

In the first three months, the trends in the VTG Group differed from division to division. While Railcar continued to push up revenue, the weak economic environment led to a slight drop in revenue in the logistics divisions. As the Railcar division was unable to completely offset this, total revenue for the Group fell slightly, by € 2.5 million, or 1.2 %, to € 199.6 million (previous year: € 202.1 million).

In the first quarter of 2014, of total revenue for the Group, € 86.7 million came from customers based in Germany (previous year: € 86.4 million). This represents a share of 43.5 % (previous year: 42.7 %). Accordingly, business from customers abroad generated revenue of € 112.9 million (previous year: € 115.7 million), giving a share of 56.5 % (previous year: 57.3 %).

Railcar shows much improved trend in EBITDA and EBIT, logistics divisions weaker

In the first three months of 2014, EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to € 44.0 million (previous year: € 45.0 million), falling by € 1.0 million, or 2.2 %. This was due exclusively to the impact of negative factors in the logistics divisions, with the Railcar division showing a continued positive trend. These factors also led to a slight decrease in EBIT (earnings before interest and taxes) in the first quarter of 2014, which fell by € 0.7 million to € 18.0 million (previous year: € 18.6 million). This represents a drop of 3.6 %.

Slight drop in year-on-year EBT and net profit for the Group despite strength of Railcar division

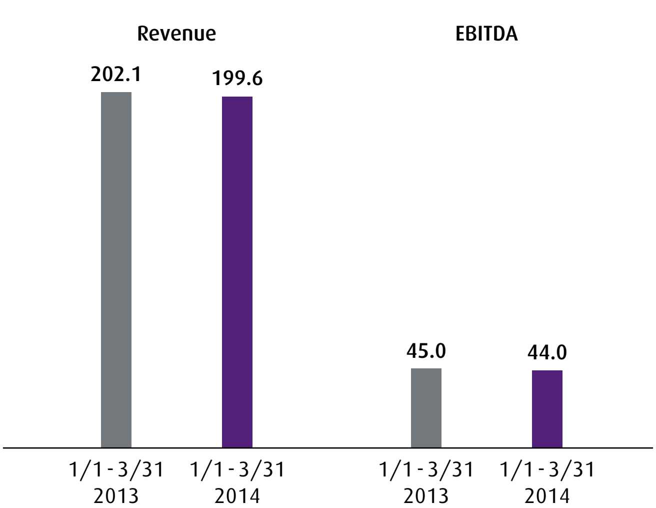
Accordingly, the level of EBT (earnings before taxes) reflects the weaker trend in the two divisions of Rail Logistics and Tank Container Logistics, reaching € 5.3 million in the first quarter of 2014. This represents a drop of € 1.3 million, or 19.6 % (previous year: € 6.6 million). Net profit for the Group amounted to € 3.3 million, showing a slight drop of € 0.8 million, or 19.0 %, on the previous year (4.1 million €). Earnings per share also fell slightly below the level of the previous year, amounting to € 0.17 (previous year: € 0.18).

Results of operations: Railcar division

A good start to 2014, with slight increase in capacity utilization

In the first three months of 2014, revenue in the Railcar division amounted to € 85.4 million, increasing by € 2.5 million, or 3.0 %, on the previous year (€ 83.0 million). The newly built wagons delivered to VTG customers in 2013 were a key factor in this

Revenue and EBITDA development in € m



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positive trend in business. The division also managed to push up EBITDA in the reporting period, from € 43.5 million in the previous year to € 44.4 million, a rise of € 0.8 million, or 1.9 %. Accordingly, at 51.9 %, the EBITDA margin related to revenue was down slightly on the previous year (52.5 %).

Railcar was therefore able to get the year off to a generally positive start. In the reporting period, the focus of operations was on the delivery of ordered newbuild wagons, primarily for the steel and agricultural industries. The division also further strengthened the VTG fleet in Russia with its first delivery of cement wagons. As of March 31, 2014, the VTG fleet comprised 52,900 wagons, a slight increase since the end of 2013 (52,700 wagons). Capacity utilization for the first quarter was 90.1 % (Q1 2013: 89.9 %), showing a slight rise compared with the previous quarter (Q4 2013: 89.8 %).

Results of operations: Rail Logistics

First quarter poses challenges, with continued integration of new operations

The challenges the Rail Logistics division faced at the beginning of 2014 led to a slight decline in revenue of € 2.6 million, or 3.3 %, to € 77.0 million (previous year: € 79.6 million).

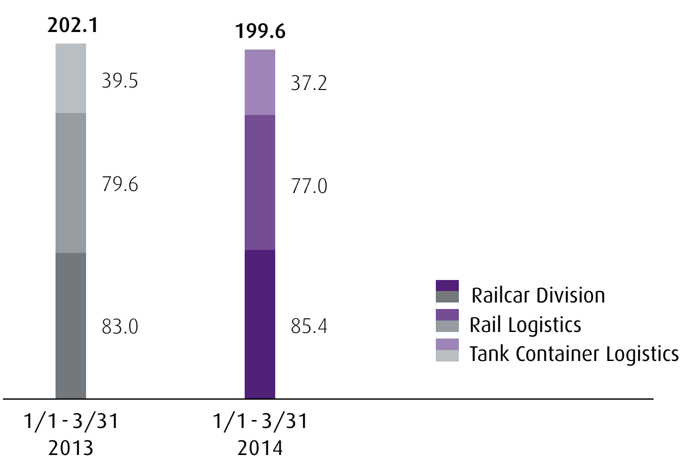
The main reason for this drop in revenue in the first quarter of 2014 was a change in the competitive environment in the market segment of liquid goods (previously referred to as petrochemicals), leading to stronger competition. This in turn led to a significant decrease in the achievable margins. Additionally, the mild winter resulted in lower rail transport volumes compared with the first quarter of 2013.

By contrast, revenue in the industrial goods segment increased significantly on the previous year. However, revenue from the merger of the rail logistics operations of VTG and Kühne + Nagel remained considerably below the expected level. The political tensions between Russia and Ukraine in particular brought rail transports practically to a standstill in this key region for new transports.

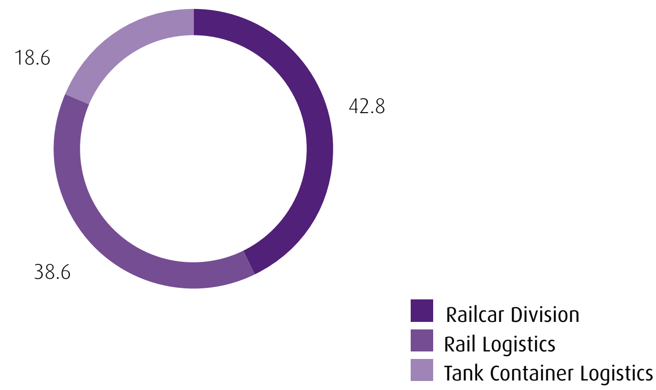
The agricultural goods market segment developed satisfactorily: after a difficult year in 2013, the measures introduced began to take effect, bringing stabilization in this segment.

The lower level of revenue in the liquid goods segment and the unmet revenue expectations because of the higher costs from the expansion of the industrial goods segment significantly affected net profit in the first quarter of 2014. This led to EBITDA declining to € 0.1 million (Q1 2013: € 1.7 million). Accordingly, the EBITDA margin on gross profit stood at only 2.0 % (Q1 2013: 28.0 %).

Breakdown of revenue by business division in € m



Breakdown of revenue by business division in %



Results of operations: Tank Container Logistics

Improved performance compared with preceding quarters, but year-on-year comparison still shows decline

In the first quarter of 2014, revenue in the Tank Container Logistics amounted to € 37.2 million, falling by € 2.4 million, or 6.0 %, on the previous year (€ 39.5 million). At the same time, the ongoing pressure of competition continued to lead to weaker margins, resulting in a drop in EBITDA of € 0.5 million, or 16.7 %, to € 2.4 million (previous year: € 2.9 million). The EBITDA margin shrank accordingly to 41.8 %, compared with 44.4 % for the first quarter of 2013.

This drop in revenue compared with the first quarter of 2013 can be attributed mainly to transports in North America and Asia. While, in North America, bad weather brought transport infrastructures to a standstill in some instances, in Asia, transports declined compared with the previous year because of the weaker economic environment. In European transports, however, the division managed to hold its own in a weak environment, reaching the level of the previous year.

In the first quarter of 2014, the trend in business brightened generally after three consecutive quarters with declining revenue and net profit. In the reporting period, the division succeeded again in pushing up revenue and EBITDA against the previous quarter. Thus, compared with the previous quarter, revenue increased by some 9 % and EBITDA in fact by more than two thirds.

As of March 31, 2014, the division had some 10,600 tank containers (previous year: approx. 10,100 units).

Financial position

Capital structure

The core source of long-term finance for the VTG Group is a US private placement bond (USPP) issued in May 2011. This comprises amounts of € 450 million and US$ 40 million with terms of 7, 10, 12 and 15 years, with the term of the last tranche running until 2026. VTG also has access to a syndicated loan that runs until 2016. This comprises an amortized loan (originally € 100 million) and a revolving credit line (€ 350 million) with a guarantee of € 60 million. As of March 31, 2014, VTG had drawn down € 165 million cash from the revolving credit line.

Cash flow statement

In the reporting period, cash flows from operating activities amounted to € 30.7 million. This represents a drop of € 13.5 million, or 30.5 %, compared with the previous year (€ 44.2 million). This drop is largely due to a considerable increase in working capital. This extraordinary increase comes mainly from the takeover on January 1, 2014 of rail logistics operations of Kühne + Nagel, which brought a one-time increase in receivables during the first quarter.

In the first three months of 2014, cash flows used in investing activities amounted to € 40.9 million (previous year: € 50.3 million), with these funds used largely for the construction of new wagons.

In the reporting period, cash flows from financing activities amounted to € 14.3 million (previous year: € 25.9 million). This item comprises the use of lines of credit and also takes account of interest payments and repayments of bank loans.

Capital expenditure

In the first quarter of 2014, the VTG Group invested a total of € 47.6 million (previous year: € 47.3 million), all of which was invested in fixed assets. The main focus of investment was the Railcar division, which received € 43.0 million thereof (previous year: € 47.0 million). These funds were used mainly for the construction of new wagons.

As of the end of the first quarter of 2014, some 1,700 wagons were on order and awaiting delivery. This represents another slight increase compared with the end of 2013 (some 1,600 wagons). The great majority of the new wagons on order are to be delivered to VTG customers in the course of this year and the remainder in 2015.

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Net assets

Balance sheet structure

As of March 31, 2014, total assets for the VTG Group amounted to € 1,598.9 million. Compared with December 31, 2013 (€ 1,550.8 million) this equals an increase of € 48.1 million, or 3.1 %. The balance sheet structure remained almost unchanged.

As of March 31, 2014, equity stood at € 335.0 million. Compared with December 31, 2013 (€ 321.3 million), it therefore increased by € 13.7 million, or 4.3 %. As of the reporting date, the equity ratio was 21.0 %, an increase compared with December 31, 2013 (20.7 %).

Capital markets, shares, and dividend policy

After a pleasing trend on the stock exchanges around the world in 2013, the start of 2014 was also positive, particularly on the European stock exchanges. On January 17, 2014, the DAX reached 9,743 points, an all-time high in its 25-year history. However, this was followed by a brief correction due to uncertainty about the fundamental trend in the emerging economies. The subsequent upward trend was disrupted, particularly on the European stock exchanges, due to concerns about an escalation of the situation in Ukraine. Towards the end of the first quarter of 2014, prices recovered again somewhat. In the first three months of 2014, the DAX remained at the level of the end of 2013 and closed, barely changed, at 9,556 points.

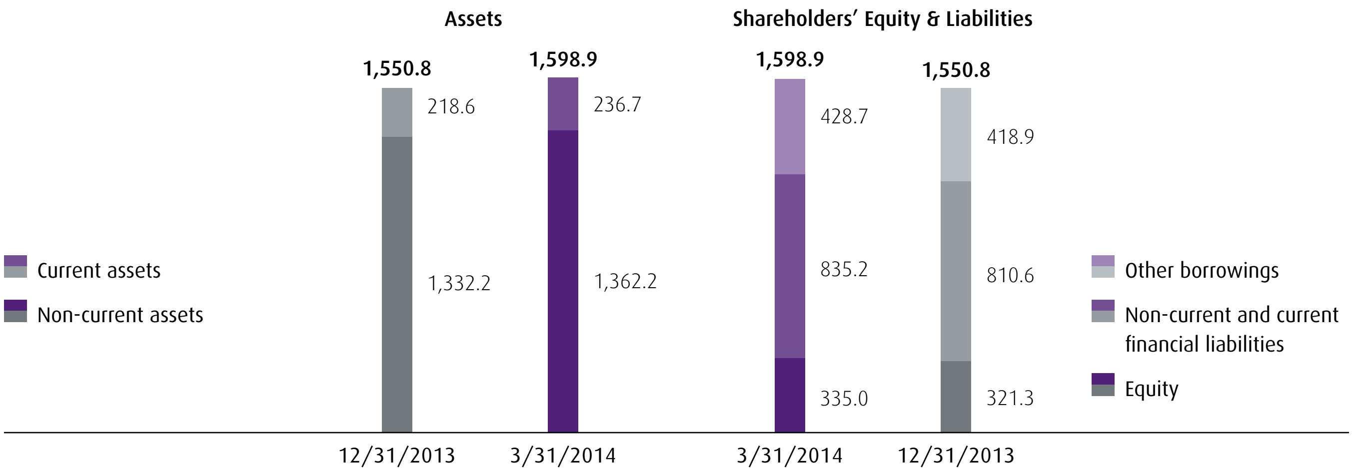
VTG share price slightly downward in first quarter

The VTG share was also unable to escape the general trend on the stock markets. Initially, it stayed at around € 15.00 and moved sideways until mid-January. In the wake of falling share prices worldwide, the VTG share then also fell from mid-January. After reaching its lowest point in the reporting period of € 13.70, it went on to recover again. Concerns about escalation of the situation in Ukraine subsequently affected not only the European stock markets but also the VTG share. Against this background, the VTG share fell to its lowest daily closing price of € 13.60 on March 3, 2014. It then rose again to reach its highest daily closing price of € 15.00 on March 6, 2014. At the end of the first quarter, the share closed at a price of € 14.52. Compared with the closing price at the end of 2013, this represents a sight drop of around 3 %. The SDAX benchmark index increased in this period by around 6 %. At the end of 2013, VTG's market capitalization was € 310.6 million.

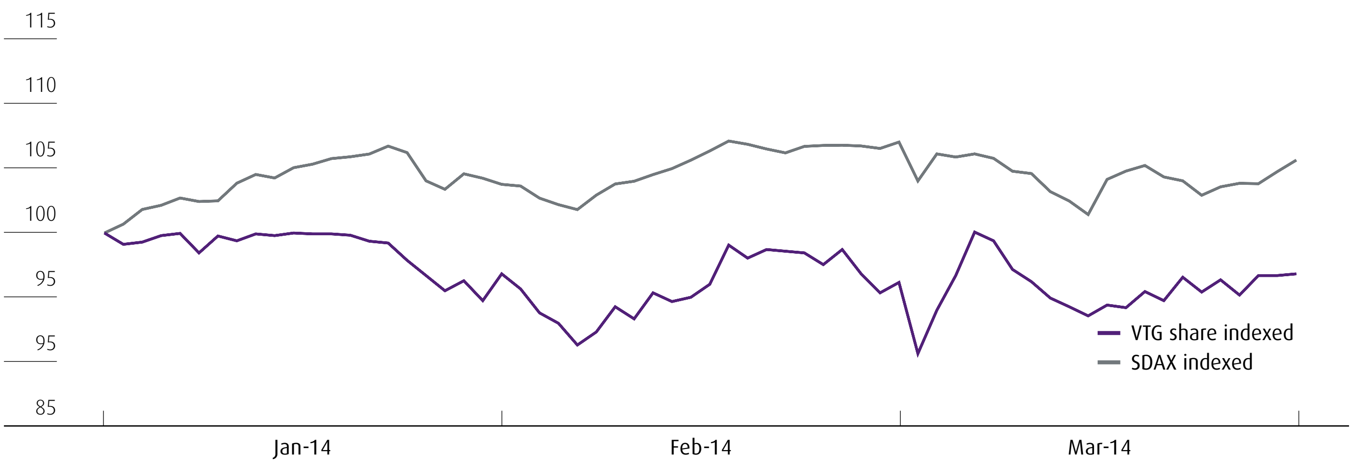
Deutsche Börse removes VTG share from SDAX

As part of its scheduled review of index composition, Deutsche Börse decided on March 5, 2014 to remove the VTG share from the SDAX with effect from March 24, 2014.

Balance sheet structure in € m



Share price VTG share (from January 1 to March 31, 2014)



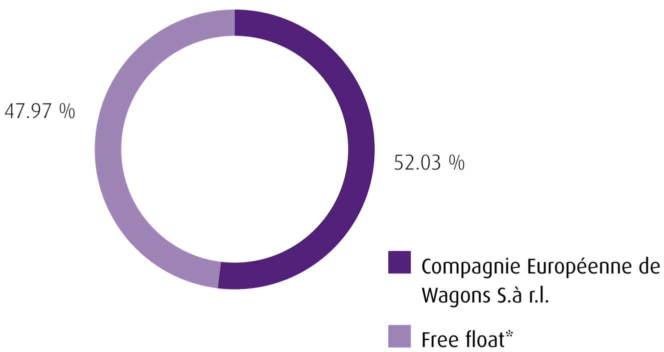
VTG with same strong major shareholder – increase in free float

As of March 31, 2014, VTG was aware of the following shareholdings with a share of more than 10 % of the voting rights: Compagnie Européenne de Wagons S.à r.l., Luxembourg, holds 52.03 % of the shares. It thus remains major shareholder of VTG AG. According to the information on voting rights received by VTG AG on May 24, 2013, CEW Germany GmbH, a 100 % subsidiary of Compagnie Européenne de Wagons S.à r.l., Luxembourg, has a direct shareholding of 24.999 %.

According to the latest information on voting rights received by VTG AG on March 10, 2014, Samana Capital L.P., Greenwich, Connecticut, US, has reduced its shareholding slightly, holding 4.99 % of VTG shares on this date.

Overall, based on the latest information on voting rights, at the end of the reporting period 47.97 % of shares were in free float.

Shareholder structure in %



* including Samana Capital L.P. (4.99 %)

Plans to increase dividend by around 14 % to € 0.42

VTG has established itself as a reliable issuer of dividends and will continue to pursue its long-term policy of regularly issuing dividends. Thus the Executive Board of VTG AG will propose to the 2014 Annual General Meeting the payment of a dividend of € 0.42 per share. This would represent an increase in the dividend of some 14 % compared with the previous year.

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Report on opportunities and risks

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 accuracy, reliability and cost-effectiveness of business processes. In the VTG Group, the internal control system comprises both process-integrated and process-independent monitoring measures.

The process-integrated monitoring measures include manual process controls (e.g. the two-man rule) and IT-based process controls. In addition, special committees (such as the Risk Committee) and bodies of staff are charged with the specific task of process-integrated monitoring within the Group. Moreover, Group guidelines, directives, and accounting rules provide the basis for a uniform approach in the VTG Group.

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 limit their impact as much as possible. 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 assessment includes classification of the known risks by the various managers, with the risks grouped by degree and probability. The probability is categorized as "low" (<33 %), "medium" (33–66 %) or "high" (>66 %). Once any counter-measures have been taken, the risks are quantified (net risk) and placed in the categories "less than € 1 million", "less than € 5 million" and "more than € 5 million". If individual risks exceed the specified thresholds, the Group's risk management center is notified. The risk managers of both the operational and central divisions and the companies in the Group are responsible for risk-limiting measures. Both the risk manager of VTG AG and the Risk Committee then examine the individual risks and the agreed measures to limit risk for completeness and effectiveness. The operational and central divisions and the individual companies are also responsible for managing and monitoring the measures introduced.

In the VTG Group, the following risk definition applies: A major risk is a risk with an estimated impact on net profit amounting to more than € 5 million and that has a high probability rating.

Overview of opportunities and risks

VTG's long-term business model is continuing to pay off and, despite a weak economic climate, it is proving both stable and robust. The effects of brief periods of economic clouding are proving either minimal or transient. Only deeper, longer-term economic crises have a more marked impact on the financial result. VTG is prepared for such an event with targeted measures for stabilizing the earnings situation if required. Independently of the economic trend, VTG is continually and actively managing its fleet and continually optimizing costs and processes to ensure increased efficiency.

VTG is also in a very good position with regard to liquidity. This is due to its consistently strong operating cash flow, its long-term financing agreements including its lines of credit, and the quality and creditworthiness of its diverse customer base.

In the first three months of 2014, there were no known major, quantifiable risks within the meaning of VTG's risk definition, that endangered the Group as a going concern or that could be expected to have any significant negative impact on its net assets, financial position, or results of operations.

For a comprehensive picture of the internal control and risk management system and specific opportunities and risks, please refer to the section "Report on Opportunities and Risks" in the 2013 Annual Report.

Report on expected developments

Global economy expected to pick up only slowly

The global economy has seen an upward trend of recovery since mid-2013. Economic experts anticipate continued revitalization and strengthening of the economic trend in the advanced economies in 2014. However, according to experts, the growth momentum in the developing and emerging economies will weaken, as key emerging economies are facing structural problems that diminish their growth prospects. On the whole, the global economy should therefore pick up speed only slowly in 2014. For 2014, the Kiel Institute for the World Economy expects an increase of 3.6 % in global GDP compared with the previous year. Economic recovery in the eurozone should continue, with the rate of recovery expected to remain moderate. The Kiel Institute thus expects a slight rise of 0.9 % in GDP for the eurozone (excluding Germany). GDP in Germany should improve on the previous year, increasing by 1.9 %.

Generally positive trend in business expected in 2014 – Logistics divisions will remain in difficult waters

In the first three months of 2014, capacity utilization increased slightly compared with the end of 2013. As of March 31, 2014, it stood at 90.1 %. For the reminder of the year, the division expects capacity utilization to remain at the level seen at the end of 2013, with slight fluctuation. Any improvement in the economic trend should generally have a positive impact on capacity utilization. However, this positive impact is typically felt after a period of delay.

The newbuild wagons delivered to VTG customers in the preceding quarters should continue to have a positive impact on the performance of the Railcar division. Overall, for the financial year 2014, the division continues to expect revenue and EBITDA to increase slightly compared with the previous year.

The Rail Logistics division continues to find itself in difficult waters. In particular, the changed competitive environment with the emergence of new competitors will lead to sustained price and margin pressure in the market and be the hallmark of the financial year 2014. Furthermore, 2014 will be shaped by the integration of the rail logistics operations taken over from Kühne + Nagel and the associated costs. Additionally, ongoing political tensions between Russia and Ukraine may continue to affect performance. In the light of these new factors, for 2014, the Rail Logistics division anticipates that revenue will increase compared with 2013, albeit moderately, and that EBITDA will be lower than in the previous year.

The performance of the Tank Container Logistics division continues to be affected by the highly competitive environment with overcapacities in the market. The accompanying pressure on the achievable margins will also not change significantly over the remainder of the year. Nevertheless, the division continues to expect a positive trend in business that should lead to slight improvement in the development of revenue and EBITDA in 2014.

Overall assessment by the Executive Board

Adjusted forecast for the Group for 2014

The trends in revenue and net profit in the first quarter of 2014 generally fell below expectations. Due to the Ukraine crisis and the market trend in the liquid goods product segment, the Rail Logistics division in particular was unable to achieve the planned growth in revenue. The Executive Board of VTG AG anticipates that these adverse factors will persist in the coming months and, for this reason, has made a moderate adjustment to its revenue forecast for the Group. For 2014, it is expected that revenue for the Group will be in the range € 800 – 900 million (previously: € 850 – 950 million). As the Rail Logistics division tends to involve low-margin operations, the forecast for the Group remains unchanged for EBITDA. However, the Executive Board expects EBITDA to be at the lower end of the forecast range of € 188 – 200 million.

Planned dividend increase of around 14 %

VTG will continue in future to pursue its policy of regularly issuing dividends. The Executive Board of VTG AG intends to propose to the Annual General Meeting, to be held in June 2014, the payment of a dividend of € 0.42 per share for the financial year 2013. This would represent a dividend increase of some 14 % compared with the previous year.

Material events after the balance sheet date

There were no events of special significance after the end of the first three months of 2014.

Consolidated Interim Financial Statements

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of VTG Aktiengesellschaft as of March 31, 2014

CONSOLIDATED INCOME STATEMENT

for the period January 1 to March 31, 2014

€ '000	Notes	**1/1 to 3/31/2014**	1/1 to 3/31/2013
Revenue	(1)	199,586	202,058
Changes in inventories	(2)	684	2,078
Other operating income		7,877	6,886
Total revenue and income		**208,147**	**211,022**
Cost of materials	(3)	110,837	116,632
Personnel expenses		21,260	19,227
Impairment, amortization and depreciation		26,052	26,375
Other operating expenses		32,346	30,464
Total expenses		**190,495**	**192,698**
Income from associates		**306**	**304**
Financing income		232	541
Financing expenses		−12,888	−12,572
Financial loss (net)	(4)	**−12,656**	**−12,031**
Profit before taxes on income		**5,302**	**6,597**
Taxes on income and earnings	(5)	−1,962	−2,474
Group net profit		**3,340**	**4,123**
Thereof relating to			
Shareholders of VTG Aktiengesellschaft		3,543	3,786
Non-controlling interests		−203	337
		3,340	**4,123**
Earnings per share (in €) (undiluted and diluted)	(6)	0.17	0.18

The explanatory notes on pages 20 to 30 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ '000	Notes	1/1 to 3/31/2014	1/1 to 3/31/2013
Group net profit		**3,340**	**4,123**
Changes in items that will not be reclassified to profit or loss in future periods:			
Revaluation of pension provisions	(13)	–1,407	670
Thereof deferred taxes		693	–330
Changes in items that will possibly be reclassified to profit or loss in future periods:			
Currency translation		–276	–713
Changes in cash flow hedge reserve	(12)	1,075	1,390
Thereof deferred taxes		–530	–29
Other comprehensive income		**–608**	**1,347**
Comprehensive income		**2,732**	**5,470**
Thereof relating to			
Shareholders of VTG Aktiengesellschaft		2,987	5,145
Non-controlling interests		–255	325
		2,732	**5,470**

Explanations of equity are given under Notes (10) to (12).

The explanatory notes on pages 20 to 30 form an integral part of these consolidated financial statements.

03 Consolidated Interim Financial Statements

of VTG Aktiengesellschaft as of March 31, 2014

CONSOLIDATED BALANCE SHEET

ASSETS

€ '000	Notes	**3/31/2014**	12/31/2013
Goodwill	(7)	165,382	156,211
Other intangible assets		54,202	52,728
Tangible fixed assets	(8)	1,091,875	1,069,830
Investments in associates		17,389	17,083
Other investments		6,575	6,752
Fixed assets		**1,335,423**	**1,302,604**
Derivative financial instruments		62	803
Other financial assets		3,459	4,802
Other assets		817	1,168
Deferred income tax assets		22,475	22,843
Non-current receivables		**26,813**	**29,616**
Non-current assets		**1,362,236**	**1,332,220**
Inventories		**18,862**	**18,259**
Trade receivables		105,301	93,333
Derivative financial instruments		1,355	230
Other financial assets		16,769	12,177
Other assets		24,187	27,588
Current income tax assets		4,473	5,487
Current receivables		**152,085**	**138,815**
Cash and cash equivalents	(9)	**65,754**	**61,548**
Current assets		**236,701**	**218,622**
		1,598,937	**1,550,842**

The explanatory notes on pages 20 to 30 form an integral part of these consolidated financial statements.

SHAREHOLDERS' EQUITY AND LIABILITIES

€ '000	Notes	3/31/2014	12/31/2013
Subscribed capital	(10)	21,389	21,389
Additional paid-in capital		193,743	193,743
Retained earnings	(11)	116,910	110,669
Revaluation reserve	(12)	−5,681	−6,756
Equity attributable to shareholders of VTG Aktiengesellschaft		**326,361**	**319,045**
Non-controlling interests		**8,679**	**2,297**
Equity		**335,040**	**321,342**
Provisions for pensions and similar obligations	(13)	55,192	51,903
Deferred income tax liabilities		128,259	129,639
Other provisions		12,863	13,615
Non-current provisions		**196,314**	**195,157**
Financial liabilities	(14)	807,631	792,248
Derivative financial instruments		3,340	3,054
Non-current liabilities		**810,971**	**795,302**
Non-current debt		**1,007,285**	**990,459**
Provisions for pensions and similar obligations	(13)	3,337	3,453
Current income tax liabilities		31,939	30,467
Other provisions		39,667	41,690
Current provisions		**74,943**	**75,610**
Financial liabilities	(14)	27,569	18,381
Trade payables		119,539	110,901
Derivative financial instruments		15,099	15,146
Other financial liabilities		13,223	13,268
Other liabilities		6,239	5,735
Current liabilities		**181,669**	**163,431**
Current debt		**256,612**	**239,041**
		1,598,937	**1,550,842**

The explanatory notes on pages 20 to 30 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity from January 1 to March 31, 2014

€ '000	Subscribed capital	Additional paid-in capital	Retained earnings	(thereof differences from currency translation)	Revaluation reserve*	Equity attributable to shareholders of VTG Aktien-gesellschaft	Non-controlling interests	**Total**
Notes	(10)		(11)		(12)			
As of 1/1/2014	**21,389**	**193,743**	**110,669**	**(1,706)**	**−6,756**	**319,045**	**2,297**	**321,342**
Group net profit			3,543			3,543	−203	3,340
Revaluation of pension provisions			−1,407			−1,407		−1,407
Currency translation			−224	(−224)		−224	−52	−276
Changes in cash flow hedge reserve					1,075	1,075		1,075
Comprehensive income	**0**	**0**	**1,912**	**(−224)**	**1,075**	**2,987**	**−255**	**2,732**
Transactions with equity holders recognized directly in equity			−2,023			−2,023	2,023	0
Business acquisition			6,352			6,352	4,600	10,952
Miscellaneous changes						0	14	14
Total changes	**0**	**0**	**6,241**	**(−224)**	**1,075**	**7,316**	**6,382**	**13,698**
As of 3/31/2014	21,389	193,743	116,910	(1,482)	−5,681	326,361	8,679	335,040

Consolidated Statement of Changes in Equity from January 1 to March 31, 2013

€ '000	Subscribed capital	Additional paid-in capital	Retained earnings	(thereof differences from currency translation)	Revaluation reserve*	Equity attributable to shareholders of VTG Aktien-gesellschaft	Non-controlling interests	**Total**
Notes	(10)		(11)		(12)			
As of 1/1/2013	**21,389**	**193,743**	**104,519**	**(4,589)**	**−11,751**	**307,900**	**3,817**	**311,717**
Group net profit			3,786			3,786	337	4,123
Revaluation of pension provisions			670			670		670
Currency translation			−701	(−701)		−701	−12	−713
Changes in cash flow hedge reserve					1,390	1,390		1,390
Comprehensive income	**0**	**0**	**3,755**	**(−701)**	**1,390**	**5,145**	**325**	**5,470**
Miscellaneous changes						0	2	2
Total changes	**0**	**0**	**3,755**	**(−701)**	**1,390**	**5,145**	**327**	**5,472**
As of 3/31/2013	21,389	193,743	108,274	(3,888)	−10,361	313,045	4,144	317,189

* The revaluation reserve includes the reserve for cash flow hedges.

Explanations of equity are given under Notes (10) to (12).

The explanatory notes on pages 20 to 30 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

€ '000	**1/1 to 3/31/2014**	1/1 to 3/31/2013
Operating activities		
Group net profit	3,340	4,123
Impairment, amortization and depreciation	26,052	26,375
Financing income	−232	−541
Financing expenses	12,888	12,572
Taxes on income and earnings	1,962	2,474
SUBTOTAL	**44,010**	**45,003**
Other non-cash expenses and income	−901	−550
Income taxes paid	−3,620	−1,612
Income taxes reimbursed	824	41
Profit/loss on disposals of fixed asset items	−2,131	−1,232
Changes in:		
Inventories	−603	−2,924
Trade receivables	−11,759	−739
Trade payables	6,166	5,666
Other assets and liabilities	−1,257	542
Cash flows from operating activities	**30,729**	**44,195**
Investing activities		
Payments for investments in intangible and tangible fixed assets	−44,395	−54,765
Proceeds from disposal of intangible and tangible fixed assets	3,117	4,048
Payments for investments in financial assets	−10	0
Proceeds from disposal of financial assets	6	11
Financial receivables (incoming payments)	240	10
Financial receivables (outgoing payments)	−18	−39
Receipts from interest	123	462
Cash flows used in investing activities	**−40,937**	**−50,273**
Financing activities		
Receipts from the taking up of (financial) loans	20,000	30,000
Repayments of bank loans and other financial liabilities	−4,165	−2,441
Interest payments	−1,544	−1,706
Cash flows from financing activities	**14,291**	**25,853**
Change in cash and cash equivalents	**4,083**	**19,775**
Effect of changes in exchange rates	−48	304
Changes due to scope of consolidation	171	201
Balance at beginning of period	61,548	57,004
Balance of cash and cash equivalents at end of period	**65,754**	**77,284**
of which freely available funds	**62,991**	**74,534**

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

The explanatory notes on pages 20 to 30 form an integral part of these consolidated financial statements.

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

Explanation of 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 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, 2013, with the exception of the application of new standards, set out in section 4. The explanations in the notes to the consolidated financial statements 2013, 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, 2014 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 20 domestic and 30 foreign subsidiaries are included in the consolidated interim financial statements as of March 31, 2014.

On January 1, 2014, VTG AG acquired some of the rail logistics operations of Kühne + Nagel Management AG (Kühne + Nagel) in addition to shareholdings in Transpetrol GmbH Internationale Eisenbahnspedition, Hamburg (Transpetrol GmbH) held by Kühne + Nagel Beteiligungs-AG as a non-controlling interest. These newly acquired operations were assigned to the Rail Logistics segment in their entirety. As consideration for the acquired rail logistics operations and the shareholdings in Transpetrol GmbH, Kühne + Nagel received shareholdings in the holding company of the Rail Logistics segment, VTG Rail Logistics GmbH, Hamburg (VTG Rail Logistics). After completion of the transaction, VTG AG holds 70 % of the shares in VTG Rail Logistics, while Kühne + Nagel has a 30 % shareholding therein. This merger creates a rail logistics company boasting a Europe-wide network of centers and combining the expertise of two strong logistics providers.

The net assets acquired and goodwill are provisionally determined as follows:

	€ '000
Granting of shares of VTG Rail Logistics	8,295
Compensatory payment present value pension provision	−1,191
	7,104
Valuation, non-controlling interests in VTG Rail Logistics	2,657
	9,761
Fair value of acquired assets	590
Goodwill	**9,171**

The transaction included a cash settlement of € 1.2 million for the assumption of pension obligations.

The share of non-controlling interests is evaluated in proportion to the share of net assets.

The resulting goodwill is based on a significant future rise in business volume and possibility of developing new customer and product segments with the newly combined sales structure.

In relation to the merger of rail logistics operations, in financial year 2013, expenses of € 1.4 million were recorded under other operating expenses. The provisionally calculated amount for acquired assets comprises the following items:

€ '000	Fair value
Tangible fixed assets	10
Customer relationships	2,555
Provisions for pensions	-1,191
Deferred taxes	-784
Fair value of acquired assets	**590**

This acquisition contributed € 9.7 million to revenue and a loss of € 0.8 million to profit for the Group in the first three months from January 1 to March 31, 2014.

From January 1, 2014, the company Waggonservice Brühl GmbH, Wesseling, was included in the consolidated financial statements for the first time, as the Executive Board expects this company to grow in importance in the future. There was no assumption of significant assets or liabilities.

4. New financial reporting standards

For the financial year beginning January 1, 2014 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 new version of **IAS 27, "Separate Financial Statements"**, now contains exclusively the unamended guidelines for IFRS separate financial statements.

The new version of **IAS 28, "Investments in Associates and Joint Ventures"**, sets out for the first time that, in the case of the planned partial disposal of an associate or joint venture, the portion of the investment held for sale is to be accounted for in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", provided it meets the criteria to be classified as held for sale. The remaining portion continues to be accounted for using the equity method until the time of disposal of the portion held for sale.

The changes to **IAS 32 "Financial Instruments: Presentation"** prescribe additional rules for the offsetting of financial assets and financial liabilities. It specifies that there must be an unconditional, legally enforceable right to set-off even in the case of insolvency of one party.

The changes to **IAS 36 "Impairment of Assets"** contain further specifications regarding the disclosure of information when an asset is impaired and the recoverable amount has been determined on the basis of its fair value less costs of disposal.

The changes to **IAS 39 "Financial Instruments: Recognition and Measurement"** provides relief from the requirement to discontinue hedge accounting when the novation of a hedging instrument to a central counterparty meets specified criteria.

IFRS 10 "Consolidated Financial Statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The new standard replaces the formerly applicable consolidation requirements in IAS 27 (2008) "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities".

IFRS 11 "Joint Arrangements" establishes principles for financial reporting where a company exercises joint control regarding a joint venture or joint operation. The new standard supersedes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers", which were previously applicable for financial reporting with regard to joint ventures.

IFRS 12 "Disclosure of Interests in other Entities" brings together the disclosure requirements of IFRS 10 (which supersedes IAS 27) IFRS 11 (which supersedes IAS 31) and IAS 28 in one revised, comprehensive standard.

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

The adjustments to **IAS 19 "Employee Benefits"** have resulted in changes to how employee contributions are taken into account with regard to defined benefit pension commitments. The new provisions permit a practical expedient if the amount of the employee contributions is independent of the number of years of service. In this case, regardless of the plan's formula, the service cost for the period in which the corresponding service is rendered can be reduced. Application of these new regulations is mandatory for financial years beginning on and after July 1, 2014 (still subject to EU endorsement). The possible impact of these new regulations on reporting in the consolidated financial statements is currently being investigated.

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. Application of these new regulations is mandatory for financial years beginning on and after January 1, 2018 (still subject to EU endorsement). The possible impact of these new regulations on reporting in the consolidated financial statements is currently being investigated.

The new **IFRS 14 "Regulatory Deferral Accounts"** permits an entity to continue to account for 'regulatory deferral account balances' in accordance with its national accounting rules during the transition to IFRS. Application of these new regulations is mandatory for financial years beginning on and after January 1, 2016, and will have no effect on the consolidated financial statements of VTG (still subject to EU endorsement).

IFRIC 21 "Levies" clarifies how to recognize a liability for a levy that is imposed by a government and which does nor fall within the scope of another IFRS. In particular, it also clarifies when such liabilities are to be accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Application of these new regulations is mandatory for financial years beginning on and after January 1, 2014 (still subject to EU endorsement). The possible impact of these new regulations on reporting in the consolidated financial statements is currently being investigated.

"Improvements to IFRS 2010 – 2012" and **"Improvements to IFRS 2011 – 2013"** are collective standards 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. Application of these new regulations is mandatory for financial years beginning on and after July 1, 2014 (still subject to EU endorsement). The possible impact of these new regulations on reporting in the consolidated financial statements is currently being investigated.

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, 2014 are as follows:

€ '000	Railcar division	Rail Logistics	Tank Container Logistics	Reconciliation	**Group**
External revenue	85,440	76,994	37,152	0	199,586
Internal revenue	6,285	62	44	−6,391	0
Changes in inventories	684	0	0	0	684
Segment revenue	**92,409**	**77,056**	**37,196**	**−6,391**	**200,270**
Segment cost of materials*	−14,163	−70,374	−31,370	6,079	−109,828
Segment gross profit	**78,246**	**6,682**	**5,826**	**−312**	**90,442**
Other segment income and expenditure	−33,891	−6,550	−3,392	−2,599	−46,432
Segment earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**44,355**	**132**	**2,434**	**−2,911**	**44,010**
Impairment, amortization of intangible and depreciation of tangible fixed assets	−23,714	−496	−1,694	−148	−26,052
Segment earnings before interest and taxes (EBIT)	**20,641**	**−364**	**740**	**−3,059**	**17,958**
thereof earnings from associates	275	0	31	0	306
Financial result	−11,848	−102	−276	−430	−12,656
Earnings before taxes (EBT)	**8,793**	**−466**	**464**	**−3,489**	**5,302**
Taxes on income and earnings					−1,962
Group net profit					**3,340**

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

In accordance with management reporting, in addition to eliminations not affecting income of expenses and income between the segments, the reconciliation column contains expenses of € 3.5 million not allocated to the segments. The subsequent measurement of interest rate derivatives that were formerly in a hedging relationship result in expenses of € 0.2 million that affected the financial result.

The figures for the segments for the equivalent period from January 1 to March 31, 2013 are as follows:

€ ’000	Railcar division	Rail Logistics	Tank Container Logistics	Reconciliation	**Group**
External revenue	82,955	79,599	39,504	0	202,058
Internal revenue	5,558	174	138	−5,870	0
Changes in inventories	2,078	0	0	0	2,078
Segment revenue	**90,591**	**79,773**	**39,642**	**−5,870**	**204,136**
Segment cost of materials*	−14,562	−73,624	−33,055	5,989	−115,252
Segment gross profit	**76,029**	**6,149**	**6,587**	**119**	**88,884**
Other segment income and expenditure	−32,505	−4,429	−3,665	−3,282	−43,881
Segment earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**43,524**	**1,720**	**2,922**	**−3,163**	**45,003**
Impairment, amortization of intangible and depreciation of tangible fixed assets	−24,941	−318	−966	−150	−26,375
Segment earnings before interest and taxes (EBIT)	**18,583**	**1,402**	**1,956**	**−3,313**	**18,628**
thereof earnings from associates	250	0	54	0	304
Financial result	−11,717	−66	−251	3	−12,031
Earnings before taxes (EBT)	**6,866**	**1,336**	**1,705**	**−3,310**	**6,597**
Taxes on income and earnings					−2,474
Group net profit					**4,123**

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

In accordance with management reporting, in addition to eliminations not affecting income of expenses and income between the segments, the reconciliation column contains expenses of € 3.3 million not allocated to the segments. The subsequent measurement of interest rate derivatives that were formerly in a hedging relationship contributed income of € 0.2 million to the financial result.

Capital expenditure for each segment as of the 2014 and 2013 reporting dates is shown in the following table:

€ '000		Railcar division	Rail Logistics	Tank Container Logistics	Reconciliation	**Group**
Investments in intangible assets						
	3/31/2014	411	68	40	32	551
	3/31/2013	350	94	31	29	504
Investments in tangible fixed assets						
	3/31/2014	42,583	264	4,152	32	47,031
	3/31/2013	46,647	13	103	29	46,792
Additions to intangible and tangible fixed assets from business combinations/changes to scope of consolidation						
	3/31/2014	0	11,736	0	0	11,736
	3/31/2013	115	1	0	0	116

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				
	3/31/2014	550	1	551
	3/31/2013	470	34	504
Investments in tangible fixed assets				
	3/31/2014	44,490	2,541	47,031
	3/31/2013	29,921	16,871	46,792
Additions to intangible and tangible fixed assets from business combinations/changes to scope of consolidation				
	3/31/2014	11,311	425	11,736
	3/31/2013	1	115	116
External revenue by location of companies				
	3/31/2014	127,463	72,123	199,586
	3/31/2013	129,005	73,053	202,058

03 Consolidated Interim Financial Statements

of VTG Aktiengesellschaft as of March 31, 2014

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 slight drop in revenue is mainly due to the performance of the two logistics divisions, with the Railcar division unable to completely offset this.

(2) Changes in inventories
The changes in inventories are attributable to the wagon repair workshops and wagon construction plant.

(3) Cost of materials
The cost of materials fell in all divisions.

(4) Financial loss (net)
The financial loss increased in the first three months of the financial year compared with the first quarter of 2013, mainly due to the increased volume of financing. Additionally, in the previous year, interest derivatives that were formerly in a hedging relationship were included as an income. This year, after subsequent measurement, the resulting figure made a minor contribution to expenses.

(5) Taxes on income and earnings
IAS 34.30 (c) requires that the income tax expense in the accounts 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 financial year as a whole.

For the financial year 2014, the tax rate for the Group in the IFRS accounts is expected to drop slightly to 37.0 % compared with 37.3 % for the financial year 2013.

(6) Earnings per share
The undiluted earnings per share are calculated in accordance with IAS 33, based on the Group net 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, 2014, the number of shares in issue remained 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

(7) Goodwill
The increase in goodwill is the result of the takeover of the rail logistics operations of Kühne + Nagel.

(8) Tangible fixed assets
In the first three months of the financial year, additions to tangible fixed assets exceeded the sum resulting from depreciation and disposals. These additions were mainly from investment in the construction of new rail freight cars.

(9) Cash and cash equivalents
For an explanation of the increase in cash and cash equivalents, please refer to the cash flow statement.

Equity

(10) 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 subscribed capital attributable to each share equals € 1.0. As of March 31, 2014, the subscribed capital amounted to € 21.4 million.

(11) Retained earnings
There was an increase in retained earnings, mainly due to the positive result for Group net profit and the first-time consolidation of the rail logistics operations of Kühne + Nagel acquired by the Group.

(12) 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.

(13) 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 0.35 percentage points to 2.9 %, 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.

(14) Financial liabilities

As of March 31, 2014, the VTG Group was financed by a US private placement, a syndicated loan and project financing.

US private placement	Original amount in currency of issue		As of 3/31/2014 in € '000
Tranche 1	170,000	€ '000	170,000
Tranche 2	150,000	€ '000	150,000
Tranche 3	130,000	€ '000	130,000
Tranche 4	40,000	US$ '000	29,023
Total			**479,023**

The tranches of the US private placement are fixed-interest.

Syndicated loan	Original amount in currency of issue		As of 3/31/2014 in € '000
Tranche A1	20,000	GBP '000	20,566
Tranche A2	77,570	€ '000	65,935
Tranche B	350,000	€ '000	225,000*
Total			**311,501**

* thereof € 60.0 million as guarantee.

Tranche A1 was taken up by a company whose functional currency is GBP.

The syndicated loan tranches comprise variable-interest loans, confirmed credit and guarantees.

Project financing € '000	Original amount	As of 3/31/2014
Deichtor	39,153	28,036
Ferdinandstor	44,965	39,538
Klostertor	46,000	21,610
Total		**89,184**

With regard to the securities pledged for liabilities to banks and loans, please refer to the "Collaterals" section under "Other disclosures".

In order to counteract risks from interest changes, a significant portion of the loan amounts has been secured with interest rate hedges.

Reporting of financial instruments

Measurement of fair value

The following table shows financial instruments measured at fair value, analyzed according to the measurement method:

€ '000	3/31/2014 Quoted prices (Level 1)	3/31/2014 Other relevant observable inputs (Level 2)	3/31/2014 Other relevant inputs (Level 3)	12/31/2013 Quoted prices (Level 1)	12/31/2013 Other relevant observable inputs (Level 2)	12/31/2013 Other relevant inputs (Level 3)
Recurring measurement						
Receivables from derivative financial Instruments						
Interest rate derivatives	0	0	0	0	0	0
Currency derivatives	0	1,417	0	0	1,033	0
Liabilities from derivative financial instruments						
Interest rate derivatives	0	18,019	0	0	17,472	0
Currency derivatives	0	420	0	0	728	0

There were no transfers between level 1 and level 2 in the year under review.

Interest rate derivatives include interest rate swaps that are valued on the basis of observable yield curves. Forward exchange contracts and currency swaps are used within currency derivatives. Forward exchange contracts are valued using forward rates that are traded in active markets. Currency swaps are valued on the basis of observable yield curves.

Comparison of carrying amounts and fair values

The following table shows both the carrying amounts and fair values for financial assets and liabilities. These are categorized as in the balance sheet.

Categories containing only current financial assets and liabilities are not included. The carrying amounts shown for these categories are appropriately close to the fair values. Assets in the category other investments are also not included. A fair value cannot be reliably determined for the shareholdings included in this category.

€ '000	Carrying amount 3/31/2014	Carrying amount 12/31/2013	Fair value 3/31/2014	Fair value 12/31/2013
Assets				
Other financial assets	20,228	16,979	20,397	17,141
Derivative financial instruments	1,417	1,033	1,417	1,033
Liabilities				
Financial liabilities, thereof				
US private placement	486,992	480,073	538,770	519,207
Syndicated loan	251,398	229,676	253,115	231,437
Project financing	88,985	92,896	90,674	94,430
Liabilities from financial leases	6,976	7,298	7,340	7,799
Derivative financial instruments	18,439	18,200	18,439	18,200

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 repayments of bank loans and other financial liabilities, amounting to € 4.2 million, mainly comprise the repayments of project financing.

Other disclosures

Collaterals

As of the reporting date, eleven companies in the VTG Group had provided guarantees of payments amounting to € 302.2 million in relation to the syndicated loan (previous year: € 280.3 million).

As of the reporting date, nine companies in the VTG Group had provided guarantees of payments amounting to € 479.0 million in relation to the US private placement (previous year: € 479.1 million).

As part of the Group's financing arrangements, 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 € 750.2 million (previous year: € 727.2 million). Eight companies have assigned as collateral their rights relating to rail freight cars.

In addition to the above guarantees, in order to secure their project financing, three companies in the Group have pledged bank accounts and rail freight cars with carrying amounts of € 2.8 million (previous year: € 2.8 million) and € 117.1 million (previous year: € 120.3 million) respectively.

Should the VTG Group fail to meet its obligations under the financing agreements, the creditors are, under certain circumstances, entitled to realize the pledged securities.

Other financial commitments

The nominal values of the other financial commitments are as follows as of March 31, 2014 and for the previous year:

€ '000	Due within 1 year	Between 1 and 5 years	More than 5 years	3/31/2014 Total
Obligations from rental, leasehold and leasing agreements	36,474	73,913	43,995	154,382
Purchase commitments	94,529	1,501	0	96,030
Total	**131,003**	**75,414**	**43,995**	**250,412**

€ '000	Due within 1 year	Between 1 and 5 years	More than 5 years	12/31/2013 Total
Obligations from rental, leasehold and leasing agreements	35,742	73,272	46,459	155,473
Purchase commitments	94,196	14,579	0	108,775
Total	**129,938**	**87,851**	**46,459**	**264,248**

Average number of employees

€ '000	1/1 to 3/31/2014	1/1 to 12/31/2013
Salaried employees	910	799
Wage-earning staff	351	343
Trainees	41	45
Total	**1,302**	**1,187**
thereof abroad	424	349

Material events after the balance sheet date

There were no events of special significance after the end of the first three months of the financial year.

Hamburg, April 25, 2014

The Executive Board

Dr. Heiko Fischer Dr. Kai Kleeberg

04 Financial calendar 2014 and share data

Financial calendar 2014

February 19	Preliminary results for 2013
March 25	Publication of the results 2013
March 25	Financial Statements Press Conference, Hamburg
March 25	Analyst Conference
May 15	Interim Report for the 1st Quarter 2014
June 5	Annual General Meeting, Hamburg
August 21	Half-yearly Financial Report 2014
November 13	Interim Report for the 3rd Quarter 2014

Share data

WKN	VTG999
ISIN	DE000VTG9999
Stock exchange abbreviation	VT9
Index	CDAX, HASPAX
Share type	No-par-value bearer share
No. of shares (3/31)	21,388,889
Market capitalization (3/31)	€ 310.6 million
Stock exchanges	XETRA, Frankfurt, Berlin, Dusseldorf, Hamburg, Hanover, Munich, Stuttgart
Market segment	Prime Standard
Share price (3/31)	€ 14.52

05 Contact and imprint

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VTG
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Günther Schwering, Hamburg
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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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