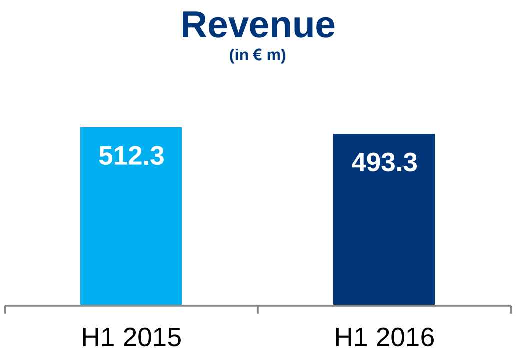
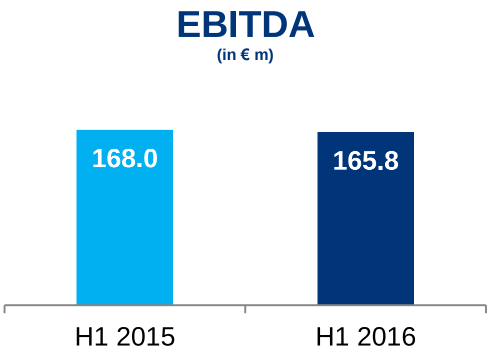
VTG AG H1 2016
INTERIM FINANCIAL REPORT

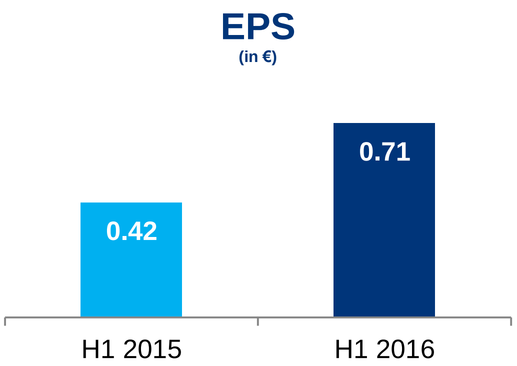
VTG has significantly increased its profitability in the first half of 2016: Although Group revenue and EBITDA were slightly below the level of the previous year, Group net profit improved by approx. 50 %. Earnings per share (EPS) increased even more, soaring from 0.42 euros in the first half 2015 to now 0.71 euros. This positive development is attributable, along with other factors, to significantly lower interest expenses and to synergies arising from the acquisition of AAE. Nevertheless, the global trade which showed only little momentum, led to a slackening demand both in the Railcar and Rail Logistics divisions. In addition, the low oil price in Europe entailed a shift from rail to road transport.

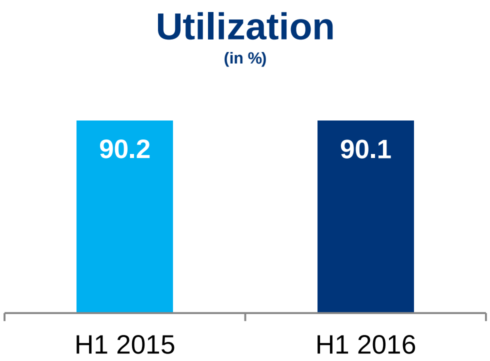
Investments, at € 102.9 million in the first six months, were above the level of the previous year and were exclusively made to expand and modernize the fleet. In total, some 600 newbuild wagons were added to the fleet.

Against the background of an only moderate global economic growth and a slight decline in revenue in the first half of 2016, the Executive Board has adjusted the revenue forecast for the year 2016: It now expects to obtain a revenue that is slightly below the level of the previous year. As a major part of the drop in revenue has no impact on income, the EBITDA forecast remains unchanged, but is expected to be met at the lower end of the range.









INTERIM MANAGEMENT REPORT

Basic principles of the Group

VTG Aktiengesellschaft is one of Europe's leading wagon hire and rail logistics companies. The company has a fleet of more than 80,000 rail freight wagons, consisting mainly of tank wagons, intermodal wagons, standard freight wagons and sliding wall wagons. In addition to leasing wagons for rail freight transport the VTG Group provides a comprehensive range of multi-modal logistics services focusing on rail transport and global tank container transports.

Employees

As of the reporting date, the number of employees in the VTG Group stood at 1,406 (previous year: 1,433 employees). Of these, 927 were employed in Germany (previous year: 908) and 479 in the companies abroad (previous year: 525).

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. Including VTG AG, a total of 69 companies belong to the VTG Group.

Pre-emptive rights

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

Capital Market

VTG's share performance

in €	H1 2016	2015	Δ
Closing price	26.00	28.44	- 8.6 %
High	29.52	29.75	
Low	22.70	18.30	
Market capitalization	748 m	817.8 m	- 8.6 %

- A disappointing global economy and a low oil price led to a weak start into the year on the German stock market. In mid-February, a recovery phase set in. Towards the end of the first half-year, however, the UK's vote to withdraw from the EU induced again severe losses on the global stock markets.
- DAX and SDAX recorded a loss of 9.9 % and 3.5 % respectively in the first half of the year.
- The VTG share could not withstand the volatile stock market environment and suffered a loss of 8.6 %.
- In the first half of the year VTG was able to win two new major shareholders. Kühne Holding and Joachim Herz Stiftung now each hold 20 % and 10 % respectively of the voting rights. The selling shareholders were the funds managed by Wilbur Ross. After more than ten years, Wilbur Ross thus sold all components of his shareholdings.
- Andreas Goer, with 29 %, continues to be VTG's biggest single stockholder.

Report on the economic position

General environment

GDP growth*	2015	2016e	2017e
Germany	1.5 %	1.6 %	1.2 %
Eurozone	1.7 %	1.6 %	1.4 %
USA	2.4 %	2.2 %	2.5 %
China	6.9 %	6.6 %	6.2 %
Russia	-3.7 %	-1.2 %	1.0 %
World	3.1 %	3.1 %	3.4 %

* IMF – World Economic Outlook Update (July 2016)

- The latest forecast of the International Monetary Fund (IMF) indicates that the German and the European economies will continue their moderate speed of growth, whereas the growth trend in China is slowing down and Russia is still stuck in recession.
- There is, however, no stimulus for growth coming from world trade. Indeed the RWI/ISL Container Throughput Index, which serves as an indicator of world trade, after a decline at the beginning of the year recently was able to show a slight upturn. But it only reached the level obtained at the turn of the year 2014/2015.
- For 2017, the IMF has reduced its growth forecast for the Eurozone. It states the growing uncertainty resulting from the UK leaving the EU as one of the reasons.

Results of the VTG Group

in € million	H1 2016	H1 2015	Δ
Revenue	493.3	512.3	- 3.7 %
EBITDA	165.8	168.0	- 1.3 %
EBIT	72.7	71.4	+ 1.8 %
EBT	41.1	28.2	+ 45.4 %
EPS (in €)	0.71	0.42	+ 69.0 %

- Company revenue and EBITDA slightly below last year's level, EBT und EPS clearly improved.
- Revenue: Less external sales in the wagon construction plants, no extraordinary income in the Railcar division as last year, a weaker start to the year in the Rail Logistics Division and an all in all slightly declining rental business placed a strain on revenue development.
- EBITDA: Synergies from the takeover of AAE largely compensated for weaker revenue. The logistics divisions achieved a positive development of operating results.
- EBIT: Due to lower depreciation and amortization EBIT is above last year's level.
- EBT: Considerably lower interest expenses resulting from the refinancing realized in December 2015 as well as a reduction of negative effects from currency exchange rates and interest rate swaps led to a substantial increase in EBT.
- Earnings per share (EPS) in the first half of the year were significantly higher than in the previous year. Compared to Q1 2016 EPS further increased in Q2.

Results of divisions

Railcar

in € million	H1 2016	H1 2015	Δ
Revenue	254.7	272.4	- 6.5 %
EBITDA	165.5	167.6	- 1.3 %
EBITDA margin	65.0 %	61.5 %	+ 3.5 PP
Utilization	90.1 %	90.2 %	- 0.1 PP
Wagons (amount)	82,200	81,600	+ 600

- More than 60 % of the revenue decline in Railcar is related to a different presentation: First, the shift from external to internal sales in the workshops caused a major part of revenue to be eliminated (€ -7.3 m). Second, revenue was reduced by a modified accounting of some third-party wagons (investor pools) which did not affect profit and loss (€ 3.4 m).
- In addition, there was a weaker demand in the rental business in Europe, in particular concerning the intermodal fleet. A low diesel price, a reduced truck toll in Germany and the lack of momentum in global trade placed a strain on the business. As a consequence, utilization, at 90.1 %, was slightly below last year's level.
- Synergies from the takeover of AAE were partly able to compensate for the decline in revenue resulting in an EBITDA only slightly below that of the previous year. The EBITDA margin could consequently be increased by 3.5 percentage points to 65.0 %.
- The rise in the number of wagons is due to an increase in third-party wagons managed by VTG. The number of wagons owned by VTG remains unchanged compared with the previous year.

Rail Logistics

in € million	H1 2016	H1 2015	Δ
Revenue	155.6	157.7	- 1.3 %
EBITDA	2.6	1.2	> + 100 %
EBITDA margin	18.7 %	8.9 %	+ 9.8 PP

- Discontinuation of low margin business, production downtimes at customers, sluggish demand for transport in the agricultural sector as well as a train drivers' strike in France led to a drop in revenue.
- In the second quarter, however, additional business was won, resulting in a growth of revenue in Q2 over last year's figure (+1.6 %) and a substantial increase over the previous quarter (+9.7 %).
- The division continued its positive earnings development of the previous quarters with a substantial improvement of the margin.

Tankcontainer Logistics

in € million	H1 2016	H1 2015	Δ
Revenue	83.0	82.2	+ 0.9 %
EBITDA	5.8	6.6	- 12.8 %
EBITDA margin	38.1 %	49.2 %	- 11.1 PP

- Freight volumes in Europe continued to increase; overseas transports remained stable.
- After a weak start to the year revenue in the first six months is slightly up on the previous year.
- The decline in EBITDA is due to extraordinary income in the previous year amounting to € 1.5 m resulting from the sale of an associated company. Adjusted for this effect, earnings rose by more than 13 %.

Financial position and net assets

Cash flow

in € million	H1 2016	H1 2015	Δ
Operating cash flow	147.8	139.6	+ 8.2
Investing cash flow	- 70.8	- 23.3	- 47.5
Financing cash flow	- 99.3	- 107.2	+ 7.9

- The increase in the operating cash flow is predominantly due to the sale of wagons to leasing companies.
- In the previous year, the sale of a wagon fleet and the takeover of AAE (effect: € 59.0 m) had a positive impact on the cash flow from investing activities.
- The cash flow from financing activities of the previous year is influenced by various financing effects from the takeover of AAE.
- Lower interest payments due to the refinancing in December 2015 led to an improved cash flow from financing activities in the current year.

Investments

in € million	H1 2016	H1 2015	Δ
Investments	102.9	93.3	+ 9.6
thereof:			
fixed assets	71.0	88.1	- 17.1
operate lease	31.9	5.2	+ 26.7
Order book (quantity)	2,100	2,500	- 400

- Investments were above last year's level with the increase exclusively due to higher operate lease investments.
- Investments almost exclusively were spent to expand and modernize the fleet.
- The number of wagons on order and awaiting delivery slightly declined compared with the end of 2015 (2,300).
- 1,000 of the 2,100 wagons on order are destined for the North American market and expected to be delivered starting mid-2017.

Net assets

in € million	06/30/2016	12/31/2015
Assets	2,993.3	3,047.1
non-current	2,678.3	2,708.1
current	315.0	339.0
Equity	734.4	748.2
Equity ratio (in %)	24.5	24.6
Liabilities	2,258.9	2,298.9
non-current	1,946.5	1,934.7
current	312.4	364.2

- Total assets of the VTG Group remained almost the same as on the reference day 12/31/2015.
- Non-current debt is covered by non-current assets.
- The equity ratio of 24.4 % continues to be at a good level.

Opportunities and risks

The VTG Group's 2015 annual report sets out significant opportunities and risks that could have an impact on the business situation, net assets, financial position or results of operations of the VTG Group. It also sets out the structure of the Group's risk management system. In the first six months of 2016, no further significant risks or opportunities emerged beyond those already set out in the VTG Group's 2015 annual report. There are therefore currently no known risks whose occurrence, alone or in combination with other risks, could endanger the company as a going concern. In relation to this, please also refer to the section "Cautionary note regarding forward-looking statements".

Report on expected developments

The level of revenue of the VTG Group in the first half of 2016 was lower than in the same period of the previous year. In the process, the Railcar division and Rail Logistics division experienced weaker demand. This, on the one hand, was due to global trade reporting little growth momentum. On the other hand, the low oil price in Europe led to a shift from rail to road transportation. Due to an improved efficiency in all divisions the downtrend in revenue having an effect on profit and loss could be largely compensated, resulting in an EBITDA at the end of the first half-year that is only slightly below the level of the previous year. Against the background of an only moderate development of the global economy the VTG AG Executive Board does no longer expect to make up for the missing revenue in the second half of the year. This is why the forecast for Group revenue for the year 2016 (€ 1.03 -1.07 billion) is revised. The Executive Board now expects to obtain a revenue slightly below the level of the previous year (€ 1.03 billion). As the decline in revenue has only a small impact on income, the EBITDA forecast for the year 2016 issued in February, ranging between € 345 million and € 355 million, remains unchanged. However, the Executive Board expects EBITDA to be at the lower end of this range.

Cautionary note regarding forward-looking statements

This 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.

CONSOLIDATED INTERIM FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT

in € million	Notes	H1 2016	H1 2015	Q2 2016	Q2 2015
Revenue		493.3	512.3	249.5	260.6
Changes in inventories		1.7	-0.1	1.2	-2.1
Other operating income		10.3	16.3	4.8	7.3
Cost of materials		-221.5	-234.3	-113.4	-117.9
Personnel expenses		-47.1	-49.2	-22.8	-26.0
Other operating expenses		-73.0	-78.0	-36.6	-38.0
Earnings from companies accounted for using the equity method		2.1	1.0	1.5	0.5
Earnings before interest, taxes, depreciation and amortization		**165.8**	**168.0**	**84.2**	**84.4**
Impairment, amortization and depreciation		-93.1	-96.6	-46.4	-47.8
Earnings before interest and taxes (EBIT)		**72.7**	**71.4**	**37.8**	**36.6**
Financing income		0.6	2.9	0.3	2.4
Financing expenses		-32.2	-46.1	-15.1	-19.7
Financial result (net)	(1)	**-31.6**	**-43.2**	**-14.8**	**-17.3**
Earnings before taxes (EBT)		**41.1**	**28.2**	**23.0**	**19.3**
Taxes on income and earnings	(2)	-14.4	-10.1	-8.1	-6.5
Group net profit		**26.7**	**18.1**	**14.9**	**12.8**
Thereof relating to					
Shareholders of VTG Aktiengesellschaft		20.5	12.1	11.8	9.2
Vendor Loan Note		-	0.8	-	-
Hybrid capital investors		6.2	5.3	3.1	3.1
Non-controlling interests		-	-0.1	-	0.5
		26.7	18.1	14.9	12.8
Earnings per share (in €, undiluted and diluted)		**0.71**	**0.42**	**0.41**	**0.32**

The explanatory notes on pages 12 to 18 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € million	H1 2016	H1 2015	Q2 2016	Q2 2015
Group net profit	**26.7**	**18.1**	**14.9**	**12.8**
Changes in items that will not be reclassified to profit or loss in future periods:				
Revaluation of pension provisions	-5.7	0.4	-3.9	3.2
thereof deferred taxes	2.0	-0.2	1.6	-1.0
Changes in items that will possibly be reclassified to profit or loss in future periods:				
Currency translation	-7.6	15.1	-1.4	-0.6
Changes in cash flow hedge reserve	-0.3	2.2	-0.3	1.2
thereof deferred taxes	-0.3	-1.1	-0.3	-0.6
Other comprehensive income	**-13.6**	**17.7**	**5.6**	**3.9**
Comprehensive income	**13.1**	**35.8**	**9.3**	**16.6**
Thereof relating to				
Shareholders of VTG Aktiengesellschaft	6.9	29.5	6.2	13.5
Vendor Loan Note	-	0.8	-	-
Hybrid capital investors	6.2	5.3	3.1	3.1
Non-controlling interests	-	0.2	-	-
	13.1	**35.8**	**9.3**	**16.6**

CONSOLIDATED BALANCE SHEET

ASSETS in € million	Notes	06/30/2016	12/31/2015
Goodwill		340.5	340.5
Other intangible assets		95.9	99.2
Tangible fixed assets		2,163.4	2,197.4
Companies accounted for using the equity method		30.6	29.9
Other investments		2.9	2.9
Derivative financial instruments		0.9	0.5
Other financial assets		15.0	10.9
Other assets		0.2	0.2
Deferred income tax assets		28.9	26.6
Non-current assets		**2,678.3**	**2,708.1**
Inventories		31.6	24.1
Trade receivables		154.7	148.2
Derivative financial instruments		2.1	0.2
Other financial assets		16.8	18.8
Other assets		32.9	47.6
Current income tax assets		2.7	2.3
Cash and cash equivalents		74.2	97.8
Current assets		**315.0**	**339.0**
		2,993.3	**3,047.1**

SHAREHOLDERS' EQUITY AND LIABILITIES in € million	Notes	06/30/2016	12/31/2015
Subscribed capital		28.8	28.8
Additional paid-in capital		323.7	323.7
Retained earnings		129.3	136.5
Revaluation reserve		-0.5	-0.2
Equity attributable to shareholders of VTG AG		**481.3**	**488.8**
Equity attributable to hybrid capital investors of VTG AG		**253.1**	**259.4**
Equity		**734.4**	**748.2**
Provisions for pensions and similar obligations		78.0	71.1
Deferred income tax liabilities		153.7	148.6
Other provisions		11.1	10.6
Financial liabilities	(3)	1,670.5	1,663.9
Derivative financial instruments	(4)	33.2	40.5
Non-current liabilities		**1,946.5**	**1,934.7**
Provisions for pensions and similar obligations		3.8	3.4
Current income tax liabilities		20.9	21.5
Other provisions		50.7	59.0
Financial liabilities	(3)	68.7	101.7
Trade payables		125.3	131.6
Derivative financial instruments	(4)	20.7	20.6
Other financial liabilities		7.5	16.5
Other liabilities		14.8	9.9
Current liabilities		**312.4**	**364.2**
		2,993.3	**3,047.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € million Notes	Sub-scribed capital	Additional paid-in capital	Retained earnings	(thereof differences from currency transla-tion)	Revalua-tion reserve*	Equity attributa-ble to share-holders of VTG AG	Equity attributa-ble to vendor loan	Equity attributa-ble to hybrid capital investors	Non-controlling interests	Total
As of 01/01/2016	**28.8**	**323.7**	**136.5**	**(13.4)**	**-0.2**	**488.8**	**0.0**	**259.4**	**0.0**	**748.2**
Group net profit			20.5			20.5		6.2		**26.7**
Revaluation of pension provisions			-5.7			-5.7				**-5.7**
Currency translation			-7.6	(-7.6)		-7.6				**-7.6**
Changes in cash flow hedge reserve					-0.3	-0.3				**-0.3**
Comprehensive income	**0.0**	**0.0**	**7.2**	**(-7.6)**	**-0.3**	**6.9**	**0.0**	**6.2**	**0.0**	**13.1**
Dividend payments			-14.4			-14.4		-12.5		**-26.9**
Total changes	**0.0**	**0.0**	**-7.2**	**(-7.6)**	**-0.3**	**-7.5**	**0.0**	**-6.3**	**0.0**	**-13.8**
As of 06/30/2016	**28.8**	**323.7**	**129.3**	**(5.8)**	**-0.5**	**481.3**	**0.0**	**253.1**	**0.0**	**734.4**
As of 01/01/2015	**21.4**	**193.7**	**120.6**	**(4.1)**	**-2.2**	**333.5**	**-**	**-**	**7.0**	**340.5**
Group net profit			12.1			12.1	0.8	5.3	-0.1	**18.1**
Revaluation of pension provisions			0.4			0.4				**0.4**
Currency translation			14.8	(14.8)		14.8			0.3	**15.1**
Changes in cash flow hedge reserve					2.2	2.2				**2.2**
Comprehensive income	**0.0**	**0.0**	**27.3**	**(14.8)**	**2.2**	**29.5**	**0.8**	**5.3**	**0.2**	**35.8**
Acquisition of AAE										
Issue of ordinary shares	7.4	130.8				138.2				**138.2**
Settlement of transaction costs		-0.4				-0.4				**-0.4**
Issue of vendor loan note						0.0	229.4			**229.4**
Acquisition of minorities						0.0			4.9	**4.9**
Issue of hybrid bond										
Issue of bond						0.0		250.0		**250.0**
Settlement of transaction costs						0.0		-2.1		**-2.1**
Repayment of vendor loan						0.0	-229.4			**-229.4**
Dividend payments			-12.9			-12.9	-0.8			**-13.7**
Total changes	**7.4**	**130.4**	**14.4**	**(14.8)**	**2.2**	**154.4**	**0.0**	**253.2**	**5.1**	**412.7**
As of 06/30/2015	**28.8**	**324.1**	**135.0**	**(18.9)**	**0.0**	**487.9**	**0.0**	**253.2**	**12.1**	**753.2**

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

CONSOLIDATED CASH FLOW STATEMENT

in € million	H1 2016	H1 2015
Operating activities		
Group net profit	26.7	18.1
Impairment, amortization and depreciation	93.1	96.6
Financing income	-0.6	-2.9
Financing expenses	32.2	46.1
Taxes on income and earnings	14.4	10.1
EBITDA	**165.8**	**168.0**
Other non-cash expenses and income	-1.7	0.4
Income taxes paid	-8.6	-11.6
Income taxes reimbursed	0.1	4.7
Profit/loss on disposals of fixed asset items	-2.2	-6.1
Changes in		
Inventories	-3.9	2.6
Trade receivables	-4.4	-10.6
Trade payables	-3.5	-1.9
Other assets and liabilities	6.2	-5.9
Cash flows from operating activities	**147.8**	**139.6**
Investing activities		
Payments for investments in intangible and tangible fixed assets	-75.8	-80.0
Proceeds from disposal of intangible and tangible fixed assets	4.4	47.2
Proceeds from disposal of non-current assets held for sale	-	1.3
Proceeds from / payments for investments in financial assets and company acquisitions (less cash and cash equivalents received)	0.9	10.4
Proceeds from disposal of financial assets	0.1	0.1
Financial receivables (incoming payments)	2.9	1.2
Financial receivables (outgoing payments)	-3.7	-4.3
Receipts from interest	0.4	0.8
Cash flows used in investing activities	**-70.8**	**-23.3**
Financing activities		
Dividend payment to VTG AG shareholders	-14.4	-12.9
Payment for the acquisition of non-controlling interests	-5.5	-
Payment to non-controlling interests	-0.7	-
Transaction costs relating to equity transactions	-	-0.6
Raising of hybrid capital	-	173.2
Dividend payment to hybrid capital investors	-12.5	-
Repayment of vendor loan note	-	-86.2
Receipts from the taking up of (financial) loans	18.3	28.5
Repayments of bank loans and other financial liabilities	-44.1	-156.7
Interest payments	-40.4	-52.5
Cash flows used in financing activities	**-99.3**	**-107.2**
Change in cash and cash equivalents	**-22.3**	**9.1**
Effect of changes in exchange rates	-1.3	2.5
Balance at beginning of period	97.8	80.4
Balance of cash and cash equivalents at end of period	**74.2**	**92.0**
of which freely available funds	71.4	84.6

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. Principles of bookkeeping, accounting and measurement

These consolidated interim financial statements of VTG AG were prepared in accordance with Section 37w 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 are essentially the same as the principles applied in the consolidated financial statements as of December 31, 2015. For further explanations please refer to the consolidated financial statement of the VTG AG for 2015. Consequently, these interim financial statements fulfill the IAS 34 criteria.

For better presentation, all amounts are stated in million euros (€ million). Due to rounding, numbers presented in this document may not add up precisely to the totals stated and percentages may not precisely reflect the absolute figures to which they relate.

2. Companies in the consolidated group in the reporting period

In addition to VTG AG, a total of 20 domestic and 49 foreign subsidiaries are included in the consolidated interim financial statements as of June 30, 2016.

SEGMENT REPORTING

The figures for the segments for the period from January 1 to June 30, 2016 (H1 2016) are as follows:

	Railcar		Rail Logistics		Tank Container Logistics		Reconciliation		Group	
in € million	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015
External revenue	254.7	272.4	155.6	157.7	83.0	82.2	-	-	493.3	512.3
Internal revenue	14.6	12.8	1.7	0.5	0.1	0.1	-16.4	-13.4	0.0	0.0
Changes in inventories	1.7	-0.1	-	-	-	-	-	-	1.7	-0.1
Segment revenue	**271.0**	**285.1**	**157.3**	**158.2**	**83.1**	**82.3**	**-16.4**	**-13.4**	**495.0**	**512.2**
Segment cost of materials*	-18.1	-25.3	-143.5	-144.8	-67.9	-68.8	15.9	12.9	-213.6	-226.0
Segment gross profit	**252.9**	**259.8**	**13.8**	**13.4**	**15.2**	**13.5**	**-0.5**	**-0.5**	**281.4**	**286.2**
Other segment income and expenditure	-87.4	-92.2	-11.2	-12.2	-9.4	-6.9	-7.6	-6.9	-115.6	-118.2
Segment earnings before interest, taxes, depreciation and amortization (EBITDA)	**165.5**	**167.6**	**2.6**	**1.2**	**5.8**	**6.6**	**-8.1**	**-7.4**	**165.8**	**168.0**
Impairment, amortization of intangible and depreciation of tangible fixed assets	-89.6	-91.6	-0.7	-0.9	-2.6	-3.7	-0.2	-0.4	-93.1	-96.6
thereof impairments**	-	-	-	-	-	-1.3	-	-	0.0	-1.3
Segment earnings before interest and taxes (EBIT)	**75.9**	**76.0**	**1.9**	**0.3**	**3.2**	**2.9**	**-8.3**	**-7.8**	**72.7**	**71.4**
thereof earnings from companies accounted for using the equity method	2.0	0.9	-	-	0.1	0.1	-	-	2.1	1.0
Financial result	-29.8	-42.1	-0.3	-0.4	-0.3	-0.4	-1.2	-0.3	-31.6	-43.2
Earnings before taxes (EBT)	**46.1**	**33.9**	**1.6**	**-0.1**	**2.9**	**2.5**	**-9.5**	**-8.1**	**41.1**	**28.2**
Taxes on income and earnings									-14.4	-10.1
Group net profit									**26.7**	18.1

* To a minor extent, income has been offset against the cost of materials of the segments.
** The impairments relate to financial assets.

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 € 9.5 million not allocated to the segments (H1 2015: € 8.1 million).

The figures for the segments for the period from April 1 to June 30, 2016 (Q2 2016) are as follows:

in € million	Railcar Q2 2016	Railcar Q2 2015	Rail Logistics Q2 2016	Rail Logistics Q2 2015	Tank Container Logistics Q2 2016	Tank Container Logistics Q2 2015	Reconciliation Q2 2016	Reconciliation Q2 2015	Group Q2 2016	Group Q2 2015
External revenue	125.7	139.9	81.4	80.1	42.4	40.6	-	-	249.5	260.6
Internal revenue	7.4	6.6	1.0	0.3	0.1	0.1	-8.5	-7.0	0.0	0.0
Changes in inventories	1.2	-2.1	-	-	-	-	-	-	1.2	-2.1
Segment revenue	**134.3**	**144.4**	**82.4**	**80.5**	**42.5**	**40.6**	**-8.5**	**-7.0**	**250.7**	**258.5**
Segment earnings before interest, taxes, depreciation and amortization (EBITDA)	**83.5**	**84.7**	**1.5**	**0.9**	**3.5**	**2.6**	**-4.3**	**-3.8**	**84.2**	**84.4**
Segment earnings before interest and taxes (EBIT)	**38.8**	**38.8**	**1.2**	**0.5**	**2.1**	**1.4**	**-4.3**	**-4.1**	**37.8**	**36.6**
Earnings before taxes (EBT)	**24.4**	**21.7**	**1.0**	**0.4**	**2.0**	**1.2**	**-4.4**	**-4.0**	**23.0**	**19.3**

Capital expenditure for each segment as of the 2016 and 2015 reporting dates is shown in the following table.

in € million	Railcar H1 2016	Railcar H1 2015	Rail Logistics H1 2016	Rail Logistics H1 2015	Tank Container Logistics H1 2016	Tank Container Logistics H1 2015	Reconciliation H1 2016	Reconciliation H1 2015	Group H1 2016	Group H1 2015
Investments in intangible assets	1.1	1.0	0.1	0.1	0.1	0.1	-	-	1.3	1.2
Investments in tangible fixed assets	66.6	77.6	0.1	0.1	2.6	0.2	0.1	0.1	69.4	78.0
Total	**67.7**	**78.6**	**0.2**	**0.2**	**2.7**	**0.3**	**0.1**	**0.1**	**70.7**	**79.2**

Selected notes

(1) Financial result (net)

In the first six months of the business year, the financial result increased by € 11.6 million compared with the result obtained in the first six months of the previous year. This was in particular due to lower interest expenses resulting from the refinancing realized in December 2015 as well as to a positive development of the foreign exchange result.

(2) Taxes on income and earnings

It is expected that the consolidated financial statements for the financial year 2016 will show a tax rate for the Group of 35.0 % (financial year 2015: 35.9 %).

(3) Financial liabilities

The carrying amounts and fair values for financial liabilities are broken down as follows as of the balance sheet date:

	Carrying amount		Fair value	
in € million	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Private placements	668.5	669.1	791.0	778.1
Syndicated loans	872.9	872.9	872.9	872.9
Project financing	90.6	100.5	91.2	101.0
Bank loans	31.1	46.6	31.1	46.6
Shareholder loans	70.0	70.0	82.8	83.8
Liabilities from finance leases	3.7	4.4	3.7	4.4
Other financial liabilities	2.4	2.1	2.4	2.1
Total	**1,739.2**	**1,765.6**	**1,875.1**	**1,888.9**

In the context of financing agreements, member-companies guarantee for payments under these agreements amounting to € 1,712.5 million (previous year: € 1,707.4 million). Additionally, the Group has rail freight wagons with a carrying amount of € 1,992.3 million (previous year: € 2,034.6 million) and tank containers with a carrying amount of € 25.9 million (previous year: € 25.8 million), along with receivables linked to rail freight wagons, with restricted property rights (for instance being pledged as collateral). There are furthermore financial assets of € 2.8 million (previous year: € 2.8 million) which are not freely available.

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.

(4) Derivative financial instruments

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

	06/30/2016			12/31/2015		
in € million	Quoted prices (Level 1)	Other relevant observable inputs (Level 2)	Other relevant inputs (Level 3)	Quoted prices (Level 1)	Other relevant observable inputs (Level 2)	Other relevant inputs (Level 3)
Recurring measurement						
Receivables from derivative financial Instruments						
Interest rate derivatives	-	0.1	-	-	-	-
Currency derivatives	-	2.9	-	-	0.7	-
Receivables from derivative financial Instruments						
Interest rate derivatives	-	39.0	14.7	-	44.2	16.8
Currency derivatives	-	0.2	-	-	0.1	-

There were no transfers between each level in the period under review.
The interest rate derivatives grouped under level 3 developed as follows during the reporting period:

in € million	Liabilities from derivative financial instruments without hedging relationships
Opening balance 01/01/2016	**16.8**
Net change in fair value (unrealized)	0.3
Equalization	-2.4
Ending balance 06/30/2016	**14.7**

Changes in fair value (net) are included in the financial result.

Management of capital structure

The (adjusted) financial debt is determined as follows:

in € million	06/30/2016	12/31/2015
Financial liabilities	1,739.2	1,765.7
Correction, deduction of transaction costs	12.0	13.0
Cash and cash equivalents	-74.2	-97.8
Investment securities	-0.3	-0.3
Financial receivables	-14.1	-13.1
Net financial debt	**1,662.6**	**1,667.5**
Provisions for pensions	81.8	74.5
Adjusted net financial debt	**1,744.4**	**1,742.0**
EBITDA	345.0*	336.5
Ratio of adjusted net financial debt / EBITDA	**5.1***	**5.2**

* Lower end of 2016 EBITDA forecast.

Other financial commitments

The nominal values of the other financial commitments are as follows as of June 30, 2016 and for the previous year:

	due within 1 year		between 1 and 5 years		more than 5 years		Total	
in € million	06/30/ 2016	12/31/ 2015	06/30/ 2016	12/31/ 2015	06/30/ 2016	12/31/ 2015	06/30/ 2016	12/31/ 2015
Obligations from rental, leasehold and leasing agreements	45.9	43.1	109.5	96.8	46.8	44.0	202.2	183.9
Purchase commitments	56.5	58.9	118.7	129.9	-	-	175.2	188.8
Total	**102.4**	**102.0**	**228.2**	**226.7**	**46.8**	**44.0**	**377.4**	**372.7**

Material events after the balance sheet date

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

Hamburg, July 27, 2016

The Executive Board

Dr. Heiko Fischer

Dr. Kai Kleeberg | Günter-Friedrich Maas | Mark Stevenson

Responsibility statement

According to the best of our knowledge we declare that, in accordance with the accounting principles to be applied as well as in accordance with the principles of proper accounting, the consolidated financial statements present a true and fair view of the net assets, financial position and results of operations of the Group and that the Group Management Report presents the business development including the business results and position of the Group such that a true and fair view of the Group is reflected and that the significant opportunities and

Hamburg, July 27, 2016

The Executive Board

Dr. Heiko Fischer

Dr. Kai Kleeberg | Günter-Friedrich Maas | Mark Stevenson

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, 2016 to June 30, 2016 which are part of the half-year financial report pursuant to § (Article) 37w 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, July 27, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Claus Brandt
Wirtschaftsprüfer
(German Public Auditor)

ppa. Martin Kleinfeldt
Wirtschaftsprüfer
(German Public Auditor)

FINANCIAL CALENDAR AND CONTACT INFORMATION

Financial calendar 2016

February 23	Preliminary Results FY 2015
April 5	Annual Report FY 2015
April 5	Financial Statements Press Conference, Hamburg
April 5	Analyst Conference, Hamburg
May 12	Interim Disclosure for the 1st Quarter 2016
May 31	Annual General Meeting, Hamburg
August 30	Half-Yearly Financial Report 2016
November 17	Interim Disclosure for the 3rd Quarter 2016

Investor Relations

Christoph Marx
Head of Investor Relations
Telephone: +49 (0) 40 23 54-1351
Telefax: +49 (0) 40 23 54-1350
E-mail: christoph.marx@vtg.com

Alexander Drews
Investor Relations Manager
Telephone: +49 (0) 40 23 54-1352
Telefax: +49 (0) 40 23 54-1350
E-mail: alexander.drews@vtg.com

Corporate Communications

Gunilla Pendt
Head of Corporate Communications
Telephone: +49 (0) 40 23 54-1341
Telefax: +49 (0) 40 23 54-1340
E-mail: gunilla.pendt@vtg.com

VTG Aktiengesellschaft

Nagelsweg 34
D-20097 Hamburg
Telephone: +49 (0) 40 2354-0
Telefax: +49 (0) 40 23 54-1199

For further information go to www.vtg.com