# Consolidated Interim Financial Statements And Report as at 30th September 2008

VTG Aktiengesellschaft

# MOBILITY

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VTG

## Key developments in the first nine months of 2008:

- Group revenue rose by 12.0 per cent; EBITDA increased by 18.9 per cent
- High demand for the Wagon Hire Division in Europe continues
- Wagon hire operations successfully developed in the North American market
- Rail logistics benefits from cross-border demand for transport
- Tank container logistics strengthens its position in China through a joint venture with Cosco Logistics
- Production capacities and a platform for innovation for the building of new rail freight cars secured by the takeover of the rail car manufacturer Graaff
- Rail freight traffic in Germany increased by 5.4 % in the first six months of 2008
- VTG share included in the SDAX
- Forecast for 2008 borne out

## VTG Group at a Glance

| | **1.1. – 30.9.2008** | 1.1. – 30.9.2007 | Changes in % |
|---|---|---|---|
| Revenue in € m | 450.7 | 402.6 | 12.0 |
| EBITDA in € m | 116.9 | 98.4 | 18.9 |
| EBIT in € m | 58.0 | 49.8 | 16.5 |
| EBT in € m | 34.0 | 22.2 | 53.3 |
| Group profit in € m | 22.0 | 30.9 | −28.6 |
| Group profit (comparable) in € m * | 22.0 | 12.2 | 80.9 |
| Depreciation in € m | 59.0 | 48.6 | 21.4 |
| Investments in fixed assets in € m | 108.6 | 89.8 | 20.9 |
| Cash flow in € m | 113.8 | 75.6 | 50.5 |
| Earnings per share in € ** | 0.99 | 3.20 | −69.1 |
| Earnings per share (comparable) in € * | 0.99 | 0.57 | 73.7 |
| | **30.9.2008** | 30.9.2007 | Changes in % |
| Number of employees | 850 | 808 | 5.2 |
| in Germany | 522 | 501 | 4.2 |
| in other countries | 328 | 307 | 6.8 |
| | **30.9.2008** | 31.12.2007 | Changes in % |
| Balance sheet total in € m | 1,236.1 | 1,165.9 | 6.0 |
| Non-current assets in € m | 1,051.9 | 990.6 | 6.2 |
| Current assets in € m | 184.2 | 175.3 | 5.1 |
| Shareholders' equity in € m | 299.5 | 278.7 | 7.4 |
| Liabilities in € m | 936.6 | 887.2 | 5.6 |
| Equity ratio in % | 24.2 | 23.9 | 0.3 % points |

* In 2007 adjusted for special tax effects.

** The Group profit attributable to the shareholders relating to the weighted number of shares in issue during the period under review (for greater ease of comparison, the number of shares in issue in 2008 was compared with the result of the previous year).

# Contents

# Foreword of the Executive Board

The Executive Board (from left):

Dr. Kai Kleeberg,
Chief Financial Officer (CFO)

Dr. Heiko Fischer,
Chairman of the Executive Board (CEO)

Jürgen Hüllen,
Chief Technical Officer (CTO)

## Ladies and Gentlemen:

In the first three quarters of 2008, the dynamic growth of VTG continued, and did so in a difficult economic environment, characterized by turbulence in the international financial markets and the consequences for the real economy that are becoming evident. On the stable foundation of sustained strong operations, we once again increased company sales and earnings significantly. We thus increased group revenue from January to September by 12.0 per cent to € 450.7 million. In the same period, operating earnings (EBITDA) were pushed up by 18.9 per cent to € 116.9 million. All three divisions, with strong growth, contributed equally to this gratifying development.

On this basis and taking into consideration the equally positive start we have had in the fourth quarter, we forecast achieving the increased levels of sales and EBITDA as seen in August for the whole of 2008. We are thus still anticipating an increase in group revenue of 8 to 10 per cent and an increase in EBITDA for the group of 11 to 14 per cent.

On 22nd September, our share was included in the SDAX selection index of the Frankfurt Stock Exchange. We are expecting that this will attract more interest in our share and lead in particular to higher volumes of trade.

Both the development of business and the figures for sales and earnings for the past three quarters show that VTG is in a robust position with its long-term business model. In particular, therefore, our largest division, wagon hire, is making an important contribution to a basic supply of the industry via its wagon fleet, numbering more than 49,300. Whether the requirement is for petroleum and chemical products or for bulk or piece goods, wherever large quantities have to be transported safely and reliably over extended periods, the railway is a virtually indispensable part of the transport network. Accordingly, the contracts with our customers from diverse branches of industry are long-term. This ensures stable cash flows for us and security for our customers in planning transport capacities. Because of this, we are on the whole less susceptible to economic fluctuations than other companies.

Another strength of rail-borne transport is the much lower consumption of resources and energy compared with road transport. This not only spares the environment but also affords our customers considerable competitive and price advantages at a time of high energy costs. These advantages are also reflected in the number of orders on hand, with demand for transport capacities remaining very high. This is also evident in the procurement of 1,700 new wagons pending for delivery, of which over 80 per cent are already booked for hire. Another important indicator supporting this is the high capacity utilization of our wagon fleet, at 93.9 per cent as at 30th September 2008.

In addition to the strengthening of our existing operations, VTG has also pushed further forward with its international expansion strategy. Thus, after entering the North American rail freight market in January, we expanded our fleet there by 80 per cent through targeted purchases, from an original figure of 1,000 to some 1,800 wagons at present.

The turbulence in the global capital markets and the more substantial indicators of recession in the current fourth quarter mean 2009 can be expected to be a challenging year. Nonetheless, we are of the firm conviction that VTG is well prepared for the challenges ahead due to the ongoing high demand for rail-borne transport capacities, our long-term customer contracts and our long-term financing strategy. We are therefore looking to the future with confidence.

Yours sincerely

Dr. Heiko Fischer

Jürgen Hüllen

Dr. Kai Kleeberg

# VTG Group Interim Management Report

for the period from 1st January to 30th September 2008

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

## Special events and business transactions

**Successful development in the North American market**

As a first step, in mid-January 2008, the VTG Group acquired all shares in Texas Railcar Leasing Company, Inc., McAllen, Texas, USA. At the time of acquisition, this company had a fleet of around 1,000 wagons. Texas Railcar then acquired some 800 wagons, thereby almost doubling its fleet.

VTG AG holds Texas Railcar via its 100 % subsidiary, VTG North America, Inc., Hinsdale, Illinois, USA (VTG North America). The North American wagon hire business is the largest rail hire market in the world, with good long-term growth prospects.

**Joint venture with Cosco Logistics in China**

On 21st June 2008, the VTG Group entered into a joint venture in China between the subsidiary VOTG Tanktainer GmbH, Hamburg (VOTG) – operating in tank container logistics – and the logistics company Cosco Logistics Co. This transaction was fully concluded on 5th September 2008. Cosco Logistics is one of the largest logistics companies in China and is part of the Cosco Group, one of the world's largest shipping companies. With this joint venture, which operates under the name of Shanghai COSCO VOTG Tanktainer Co. Ltd. (Shanghai Tanktainer), the Tank Container Logistics Division gains direct access to the dynamically growing Chinese domestic freight traffic market and can expand its market position there effectively. Here, the joint venture has specialized in logistics services for the transport of chemicals for the chemical and petrochemical industry and foodstuffs transport within China.

In addition to its head office in Shanghai, Shanghai Tanktainer has four further branches at the most important traffic hubs along the Chinese coast. In the fiscal year 2007, the company, with its workforce of 30, generated revenue of USD 14 million.

**Disposal of rail4chem shares**

With the coming into effect of the contract of sale on 18th April 2008, the VTG Group and the other three shareholders have each disposed of their 25 % shares in the private railway company rail4chem Eisenbahnverkehrsgesellschaft mbH, Essen. rail4chem was established in the year 2000 with the aim of increasing competition in rail freight traffic and thereby strengthening the liberalization that had begun in the railway markets. After achieving this aim, the VTG Group and the other founding partners again concentrated on their core business while still remaining associated with rail4chem as customers.

**Changes in companies included in consolidation**

As at 1st January 2008, the companies VTG Italia S.r.l. (VTG Italia) and VTG North America were added to the consolidation. On top of this, Texas Railcar was included in the consolidation for the first time in mid-January, 2008. These additions relate to the Wagon Hire Division.

€ 7.7 million of the difference arising from the first-time consolidation of Texas railcar was attributed to the wagon fleet within the purchase price allocation. The remaining amount of € 1.8 million has been entered in the balance sheet as goodwill.

On 24th July 2008, the company Provista Siebenhundertfünfundzwanzigste Verwaltungsgesellschaft mbH (Provista), soon to operate under the name Waggonbau Graaff GmbH, was acquired. The business acquired from Graaff Transportsysteme GmbH, Elze and that from Waggonbau Elze GmbH & Co. Besitz-KG, Elze, is to be incorporated into this company. For more information, please refer to the section "Material events since the closing date".

On 5th September 2008, VTG AG acquired 50 % of the shares in the Shanghai Tanktainer joint venture via its subsidiary VOTG. The Shanghai Tanktainer accounting procedure follows the at-equity method.

On 30th September 2008, the 100 % subsidiary of the VTG Group, Transpetrol Italia S.r.l., Genoa, (TP Italia) was merged with VTG Italia S.r.l., Milan. VTG Italia is thereby also included in the Rail Logistics Division.

**Development of the VTG share**

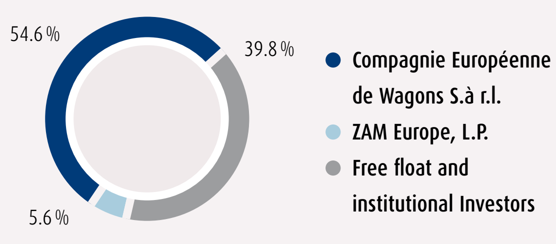
The crisis in the international financial markets has deepened and led to a huge loss of confidence among investors, while the governments of many countries have intervened and attempted to restore confidence with state guarantees and other measures. The crisis has brought about very strong fluctuations in the stock markets and negative trends in the prices of almost all shares and in their indices. The VTG share, which stayed firm until the end of 2007 in volatile market conditions, was also not spared the effects of this general market uncertainty in the first nine months of 2008, suffering considerable price reductions. At the end of its first trading day in 2008, the share stood at € 16.90. After reaching its lowest daily closing price of € 8.60 on 20th March, the share price recovered again and rose to € 17.05 on 26th May 2008. At the end of the third quarter, its value was € 13.70, thus resulting in a market capitalization of € 293.0 million.

On the decision of Deutsche Börse AG, the VTG share has been listed since 22nd September 2008 on the German small-cap index, SDAX, and is thereby attracting greater interest.

**Shareholder structure**

As confirmed by the latest available information on voting rights, the Compagnie Européenne de Wagons S.à r.l., Luxembourg, remains major shareholder, with 54.6 % of the share capital of VTG. Another major shareholder is ZAM Europe, L.P., Greenwich, Connecticut, USA, with a share of 5.6 %. This means that the free float represents 39.8 %.

**Current shareholder structure**





## Business trends

**Continued high demand for rail freight transport**

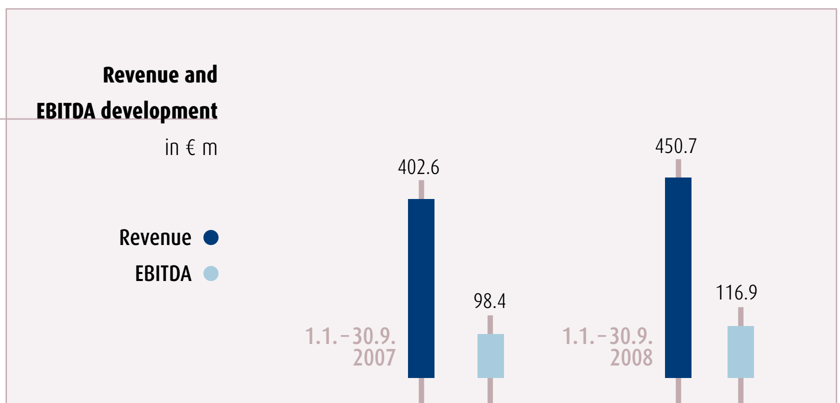
The stable business model of the VTG Group has continued to hold up well in the third quarter within the context of the overall weakening of the global economic situation. Demand for wagon hire and rail logistics services continued to develop positively. Thus, for example, capacity utilization of the VTG wagon fleet is high, at 93.9 %. Overall, according to the Federal Statistical Office, rail freight traffic in Germany rose by 5.4 % in the first six months of 2008 compared with the equivalent period in the previous year.

Due to the real estate crisis in the US, the resulting global financial crisis and the continued high cost of raw materials, there was a clear slowdown in the world economy in the first three quarters. The weakening economy and the strong euro have had a damping effect on economic development in the euro zone. According to the Federal Statistical Office, GDP in the second quarter in Germany had already dropped by 0.5 % compared to the first quarter. For the entire euro zone, GDP has decreased by 0.2 % in the same period, according to Eurostat. Growth in the German chemical industry, which is important for VTG, although slowing down, still remains at a high level. For the year as a whole, the German Chemical Industry Association anticipates a rise in chemical production of 1 %. According to the European Chemical Industry Council, chemical production in Europe dropped by 0.5 % in the first six months of 2008 compared with 2007.

VTG is benefiting from a rising demand for rail freight transport. The company also expects a high transport volume over the medium and long term too, due to the strong interconnection of the individual European economies and the diversification of production and logistics processes beyond national borders. This applies in particular to goods transported by VTG that cover the industry's basic requirements, such as chemical products and petroleum. Moreover, long-term customer contracts and proven partnerships mean that operations can be planned well and predictably. Within this context, then, the VTG Group is confident in looking to economic growth in 2009.

**Group revenue, EBITDA and cash flow**

In the first nine months of 2008, the VTG Group generated revenue of € 450.7 million, 12.0 % above that of the equivalent period of the previous year (€ 402.6 million). Due to the IPO in the second quarter of 2007 and the effects of the first-time consolidations, the figures for the first three quarters of 2008 are not directly comparable to those for the previous year. Of this revenue, € 202.9 million (previous year: € 199.6 million) was generated via customers based in Germany; this equals 45.0 % (previous year: 49.6 %). Business with customers abroad thus amounted to revenue of € 247.8 million (previous year: € 203.0 million).



Earnings before interest, tax and depreciation (EBITDA) in the first nine months rose to € 116.9 million, 18.9 % above EBITDA for the equivalent period of the previous year (€ 98.4 million). The cash flow from operating activities of the VTG Group rose to € 113.8 million (previous year: € 75.6 million).

**Wagon Hire Division**

The VTG Group is the leading hire company in Europe. The wagon fleet of more than 49,300 rail freight cars consists of mostly rail tank cars plus modern high-capacity wagons and flat wagons. In the first nine months of 2008, revenue in the Wagon Hire Division rose to € 216.9 million (previous year: € 190.9 million) and EBITDA increased to € 112.7 million (previous year: € 99.1 million). The EBITDA margin related to revenue improved slightly, rising to 52.0 % (previous year: 51.9 %). For VTG, high demand for rail-borne freight services and space continued. As at 30th September 2008, capacity utilization had risen compared with the same period of the previous year from 92.3 % to 93.9 %.

The VTG group has a widespread operational network and can therefore offer its services right across Europe with uniformly high quality in terms of service and customer care. This network comprises a majority of the Group's own sales offices plus external sales agencies. The Wagon Hire Division also includes three wagon repair workshops, in Germany and France, which provide a broad range of maintenance and repair services for wagons in the Group's fleet as well as for external wagons. Finally, this division also manages and provides technical support for external wagon fleets.

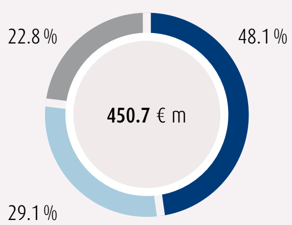
With its acquisition of Texas Railcar in the US and of 800 further wagons, VTG has successfully initiated and rapidly expanded its wagon hire activities in the North American market.

**Rail Logistics Division**

The Rail Logistics Division offers its customers rail forwarding services, organizing and handling rail transports. Mainly chemical and petroleum products, liquid gases and non-liquid bulk goods are forwarded. In the first three quarters of 2008, this division generated revenue of € 131.0 million (previous year: € 117.2 million) and EBITDA of € 6.3 million (previous year: € 3.6 million). This figure includes the proceeds from the sale of rail4chem. Without the effect of the sale, EBITDA would have been € 5.1 million, 42.7 % more than the figure for the previous year. The EBITDA margin on gross profit as adjusted for this special effect increased to 47.8 % (previous year: 40.6 %). In the period under review, the number of international transports – in which this division specializes – increased further.

**Percentage breakdown of revenue by business divisions for the period from 1st January to 30th September 2008**

in %




- Wagon Hire
- Rail Logistics
- Tank Container Logistics



Here, the Rail Logistics Division has been able to play out its strengths to the full in handling complex cross-border transports. Furthermore, the proportion of transports has risen where demand is for a comprehensive, All-in service, including all auxiliary requirements.

Overall, this division has the advantage of its experience, professionalism, expertise and flexibility in responding to changes in the market. The division is thus able to offer a comprehensive range of rail forwarding services, from organizing regular or short-notice block train transports with various haulage providers to All-in transactions and inter-modal transports.

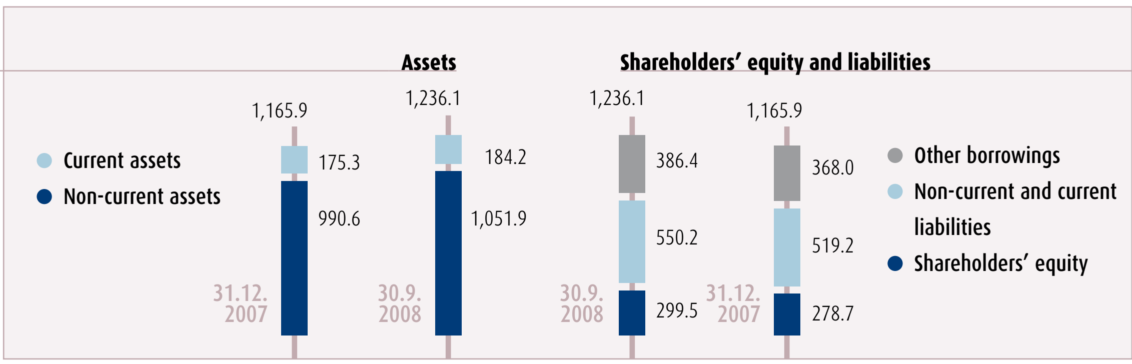
**Tank Container Logistics Division**

The Tank Container Logistics Division offers flexible, multi-modal transports in tank containers by rail, road and ship. In the first nine months, revenue increased by 8.9 % to € 102.8 million (previous year: € 94.4 million) and EBITDA rose from € 6.1 million to € 7.2 million in the period under review. Compared to the same period in the previous year, the EBITDA margin on gross profit rose from 42.6 % to 46.0 %. A key factor in this was the continued positive development of the foreign markets, also driven by strong American exports. While business in western Europe was in line with market growth, transports to Russia, the CIS and Turkey rose as a result of the general growth in the volume of transports.

This division organizes and handles transports worldwide of temperature-controlled and liquid products, particularly those from the petroleum, chemical and compressed gas industries. Customers benefit from the fact that we can arrange, carry out and oversee tank container shipments using the most suitable means of transport, for example for just-in-time supply chains. The range of services offered also includes the hiring of tank containers. The Tank Container Logistics Division can rely on a fleet of tank containers numbering more than 8,300 to perform its operations.

**Capital expenditure**

In the first nine months of 2008, the VTG Group's capital expenditure on tangible and intangible fixed assets was € 108.6 million (previous year: € 89.8 million). The largest share of this went to the Wagon Hire Division, with expenditure of € 102.3 million (previous year: € 88.8 million). These funds were used to replace wagons taken out of service and to modernize and expand the fleet. On top of this, VTG acquired some 800 wagons on the North American market, thereby expanding its fleet considerably. In addition to the more than 800 new wagons already delivered in 2008, as at 30th September, a further 1,700 new wagons had been ordered. Of these, 80 % are already booked for hire. Delivery of some of these wagons is expected this year, and the remainder in 2009 and 2010.



€ 5.5 million was invested in the Tank Container Logistics Division. This investment was principally in the building of new tank containers.

**Balance sheet and capital structure**

The changes in the balance sheet as at 30th September 2008 compared to 31st December 2007 are principally attributable to investments in the wagon fleet and the scheduled taking up of loans with simultaneous scheduled redemption of other bank loans.

Total assets rose by € 70.2 million, or 6.0 %, to € 1,236.1 million. The Group's equity rose by € 20.7 million, or 7.4 %, to € 299.5 million. The equity ratio rose by 0.3 percentage points to 24.2 %. This rise is principally due to the positive Group result.

**Personnel**

As at 30th September 2008, with a total number of staff worldwide of 850, the VTG Group employed 5.2 % more staff than on 30th September 2007 (808 employees). Of these, 522 worked in Germany (30th September 2007: 501) and 328 (30th September 2007: 307) in the companies abroad. This rise is principally attributable to growth in North America and in the two logistics divisions and to the change in the companies in the consolidation.

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

## Risk management

The VTG Group has systematically refined its risk management system in accordance with the requirements of the German Law on Corporate Governance and Transparency. This means that potential risks involved in the Group's business activities can be identified early on, efficiently and comprehensively so that appropriate countermeasures can be implemented. During the period under review, there were no discernible risks that endangered the Group as a going concern or that could be expected to have any significant negative impact on its assets, earnings or financial situation.

The VTG Group's international business activities expose it to exchange rate fluctuations on the currency markets. The excess of trade receivables over trade payables in US dollars is at present causing a net loss to the VTG Group in this currency. This risk was, however, largely covered at the beginning of the year by hedging contracts for the net amount of dollar cash flow. Other anticipated surpluses of foreign currencies arising during the course of the year are hedged with forward currency contracts.

The Group uses appropriate credit risk insurance to protect itself against bad debt risk. Furthermore, recognizable default risks of individual receivables are covered by specific reserves and general credit and collection risks by global value deductions at levels based on experience.

Liquidity planning is used to calculate the Group's cash requirements, which are then covered by the agreed lines of credit. This ensures that the Group can honour its payment obligations at all times.

A substantial proportion of the Group's liabilities to banks is covered by hedging contracts running until 2012, protecting against interest rate increases.



## Outlook, business opportunities and risks

Overall, the economic forecasts point to an essentially weaker market environment for the activities of the VTG Group in the Wagon Hire, Rail Logistics and Tank Container Logistics Divisions. Despite this, due to the continued high demand for VTG Group services, the high capacity utilization of wagons at 93.9 %, the increasing volume of rail freight traffic and also due to long-term customer contracts, the trends for the future business development of the Group as forecast in the Group Management Report for the fiscal year 2007 and in the Interim Reports as at 31st March 2008 and 30th June 2008 still apply. The same applies in respect of the opportunities and risks set out in the 2007 Group Management Reports and in the Interim Reports for the first quarter and the first six months of 2008.

As a result of the still ongoing crisis in the financial markets, the world economy will lose significant growth momentum in 2009. In the euro zone too, the rate of expansion will slow down as a result of the weakening economy and the continued strong euro along with the cost of raw materials, which is regarded as tending to be high. On the other hand, however, the in general high cost of raw materials is increasing the appeal of the railway as an energy-efficient, eco-friendly means of transport.

In wagon hire, there are opportunities for growth, on the one hand, through entering new markets such as North America and, on the other, through VTG entering new wagon segments in Europe. On top of this, there are regional opportunities for growth, with the greatest potentials in eastern and south-eastern Europe. One risk could be a situation where steel prices remain high but these costs can no longer be passed on as has so far been the case. Other risks could arise through the implementation of new legal and technical framework conditions relating to railways, with these leading to higher conversion and maintenance costs. VTG participates in numerous committees and associations in order to contribute actively to developing the framework conditions for rail freight transport and to do so with economic considerations in mind.

In rail logistics, there are good opportunities for growth in block train transports to and from eastern and south-eastern Europe, in cross-border transports of liquid gas and in transports with new products outside the current core market. This makes the Rail Logistics Division less dependent on the large-scale annual invitations to tender issued by the petroleum industry.

In the area of tank container logistics the development of the overseas markets can be described as generally satisfactory. The demand for transport services remains high, although drops in demand are expected. There are growth potentials in intra-European door-to-door transports due to the changed expectations of customers in terms of safety and reliability. The risks that can be discerned are the uncertainties concerning the development of the flows of goods and the resulting imbalance in transport flows in addition to the potential impact of exchange rate fluctuations. The Tank Container Logistics Division is countering this risk with focused and balanced control of transport flows as well as with appropriate forward currency contracts.

The profitability of the VTG Group continues to be very good, such that the Executive Board can restate with confidence its forecast for the current fiscal year of 2008. Given the stated framework conditions, the Executive Board of VTG expects to generate revenue of € 585 – 595 million, 8 – 10 % above the value of 2007. Furthermore, the Executive Board expects the operating profit (EBITDA) to increase compared with 2007 by 11 – 14 % to € 152 – 156 million.

It is VTG's intention to propose to the general meeting of shareholders payment of a VTG AG dividend for the fiscal year 2008.

## Material events since the closing date

**VTG takes over rail car manufacturer Graaff**

With the approval of the Federal Cartel Office, the rail car manufacturing division of the Graaff Group has belonged to the VTG Group since 17th October 2008. In accordance with the contract of 28th July 2008, the VTG Group took over the assets in question at Elze, thereby securing important production capacity for building special freight cars in Europe. This acquisition has expanded the value chain with the addition of a preliminary stage to the current wagon hire business model. On top of this, the VTG Group is acquiring outstanding expertise for the building of chemical tank wagons and many registration approvals and thus a building and innovation platform for long-term business development.

At the new Elze site, with the expertise and production capacity of some 150 employees, VTG can now achieve an annual output of around 300 wagons of different types.

# Consolidated interim financial statements

of VTG Aktiengesellschaft



## Income statement of VTG Aktiengesellschaft in accordance with IFRS

for the period from 1st January to 30th September 2008

| € '000 | | **1.1. to 30.9.2008** | 1.1. to 30.9.2007 |
|---|---|---|---|
| Revenue | (1) | 450,743 | 402,563 |
| Other operating income | | 11,069 | 10,670 |
| **Total revenue and income** | | **461,812** | **413,233** |
| Cost of materials | (2) | 229,635 | 208,728 |
| Personnel expenses | | 39,671 | 37,187 |
| Impairment, amortization and depreciation | (3) | 58,974 | 48,587 |
| Other operating expenses | (4) | 79,318 | 69,711 |
| **Total expenses** | | **407,598** | **364,213** |
| **Income from associates** | | **796** | **750** |
| Financing income | | 5,469 | 1,822 |
| Financing expenses | | -26,468 | -29,399 |
| **Financial loss (net)** | (5) | **-20,999** | **-27,577** |
| **Profit before taxes on income** | | **34,011** | **22,193** |
| Taxes on income | (6) | 11,987 | -8,667 |
| **Group profit** | | **22,024** | **30,860** |
| Thereof relating to: | | | |
| Shareholders of VTG Aktiengesellschaft | | 21,268 | 29,991 |
| Other shareholders (minorities) | | 756 | 869 |
| | | **22,024** | **30,860** |
| Earnings per share (in €) (undiluted and diluted) | (7) | 0.99 | 3.20 |

The explanatory notes on pages 18 to 31 form an integral part of these consolidated interim financial statements.

## INCOME STATEMENT of VTG Aktiengesellschaft in accordance with IFRS

for the period from 1st July to 30th September 2008 (3rd quarter 2008)

| € '000 | | 1.7. to 30.9.2008 | 1.7. to 30.9.2007 |
|---|---|---|---|
| Revenue | (1) | 152,171 | 138,602 |
| Other operating income | | 3,431 | 2,546 |
| **Total revenue and income** | | **155,602** | **141,148** |
| Cost of materials | (2) | 77,135 | 69,785 |
| Personnel expenses | | 13,253 | 12,428 |
| Impairment, amortization and depreciation | (3) | 19,334 | 16,950 |
| Other operating expenses | (4) | 26,370 | 22,270 |
| **Total expenses** | | **136,092** | **121,433** |
| **Income from associates** | | **271** | **250** |
| Financing income | | 837 | 838 |
| Financing expenses | | -8,916 | -8,800 |
| **Financial loss (net)** | (5) | **-8,079** | **-7,962** |
| **Profit before taxes on income** | | **11,702** | **12,003** |
| Taxes on income | (6) | 4,648 | -12,008 |
| **Group profit** | | **7,054** | **24,011** |
| Thereof relating to: | | | |
| Shareholders of VTG Aktiengesellschaft | | 6,773 | 23,650 |
| Other shareholders (minorities) | | 281 | 361 |
| | | **7,054** | **24,011** |
| Earnings per share (in €) (undiluted and diluted) | (7) | 0.32 | 1.11 |

The explanatory notes on pages 18 to 31 form an integral part of these consolidated interim financial statements.

# BALANCE SHEET of VTG Aktiengesellschaft in accordance with IFRS

## ASSETS

| € '000 | | 30.9.2008 | 31.12.2007 |
|---|---|---|---|
| Goodwill | (8) | 158,097 | 156,211 |
| Other intangible assets | | 63,993 | 66,734 |
| Tangible assets | (9) | 797,855 | 729,691 |
| Investments in associates | | 17,357 | 15,811 |
| Other financial assets | | 7,737 | 8,921 |
| **Fixed assets** | | **1,045,039** | **977,368** |
| Other receivables and assets | | 1,212 | 1,280 |
| Deferred income tax assets | (10) | 5,640 | 11,954 |
| **Non-current receivables** | | **6,852** | **13,234** |
| **Non-current assets** | | **1,051,891** | **990,602** |
| **Inventories** | | 16,489 | 13,115 |
| Trade receivables | (11) | 81,195 | 68,598 |
| Other receivables and assets | | 27,635 | 42,686 |
| Current income tax assets | | 3,165 | 2,882 |
| **Current receivables** | | **111,995** | **114,166** |
| **Cash and cash equivalents** | | **55,764** | **48,031** |
| **Current assets** | | **184,248** | **175,312** |
| | | **1,236,139** | **1,165,914** |

The explanatory notes on pages 18 to 31 form an integral part of these consolidated interim financial statements.

## Shareholders' equity and liabilities

| € '000 | | 30.9.2008 | 31.12.2007 |
|---|---|---|---|
| Subscribed capital | (12) | 21,389 | 21,389 |
| Additional paid-in capital | | 193,991 | 193,991 |
| Statutory reserves | (13) | 81,674 | 57,853 |
| Revaluation reserve | (14) | −127 | 3,184 |
| **Shareholders' equity in VTG Aktiengesellschaft** | | **296,927** | **276,417** |
| **Minority interests** | | **2,535** | **2,310** |
| **Equity** | | **299,462** | **278,727** |
| Provisions for pensions and similar obligations | | 39,875 | 42,602 |
| Deferred income tax liabilities | (10) | 135,051 | 131,968 |
| Other provisions | | 16,111 | 17,314 |
| **Non-current provisions** | | **191,037** | **191,884** |
| Financial liabilities | (15) | 515,153 | 483,083 |
| Other liabilities | | 2,755 | 3,079 |
| **Non-current liabilities** | | **517,908** | **486,162** |
| **Non-current debts** | | **708,945** | **678,046** |
| Provisions for pensions and similar obligations | | 2,995 | 3,696 |
| Current income tax liabilities | | 18,769 | 15,909 |
| Other provisions | | 43,515 | 43,606 |
| **Current provisions** | | **65,279** | **63,211** |
| Financial liabilities | (15) | 35,020 | 36,100 |
| Trade payables | (16) | 112,636 | 99,243 |
| Other liabilities | | 14,797 | 10,587 |
| **Current liabilities** | | **162,453** | **145,930** |
| **Current debts** | | **227,732** | **209,141** |
| | | **1,236,139** | **1,165,914** |

The explanatory notes on pages 18 to 31 form an integral part of these consolidated interim financial statements.

## CASH FLOW STATEMENT of VTG Aktiengesellschaft in accordance with IFRS

| € '000 | 1.1. to 30.9.2008 | 1.1. to 30.9.2007* |
|---|---|---|
| **Operating activities** | | |
| Group profit | 22,024 | 30,860 |
| Impairment, amortization and depreciation of fixed assets | 58,974 | 48,587 |
| Interest income | -2,512 | -1,822 |
| Interest expenses | 26,468 | 29,399 |
| Income tax expenses | 11,987 | -8,667 |
| **SUBTOTAL** | **116,941** | **98,357** |
| Other non-cash expenses and income | -796 | -750 |
| Equity and external capital procurement costs impacting income | 0 | 1,357 |
| Income taxes paid | -6,623 | -7,713 |
| Income taxes received | 1,618 | 2,784 |
| Profit / loss on disposals of fixed asset items | -6,032 | -2,944 |
| Changes in inventories and receivables | 6,543 | -13,131 |
| Changes in external capital (excluding financial liabilities) | 2,158 | -2,332 |
| **Cash flows from operating activities** | **113,809** | **75,628** |
| **Investing activities** | | |
| Payments for investments in intangible and tangible fixed assets | -119,267 | -77,206 |
| Proceeds from disposal of intangible and tangible fixed assets | 3,879 | 3,907 |
| Payments for investments in financial assets (less cash and cash equivalents acquired) | -12,566 | -5,976 |
| Proceeds from disposals of financial assets (less cash and cash equivalents rendered) | 3,383 | 14 |
| Changes in financial receivables | 5,054 | -1,683 |
| Receipts from interest | 1,763 | 1,491 |
| **Cash flows used in investing activities** | **-117,754** | **-79,453** |
| **Financing activities** | | |
| Payments to other shareholders | -542 | -505 |
| Proceeds from the issue of new shares | 0 | 160,000 |
| Payments for equity procurement costs | 0 | -9,735 |
| Receipts from the taking up of (financial) loans | 51,111 | 450,291 |
| Payments for external capital procurement costs | 0 | -5,232 |
| Payments for repayment of capital and interest on the shareholder's loan | 0 | -106,773 |
| Repayments of bank loans and other financial liabilities | -20,842 | -438,616 |
| Interest payments | -18,119 | -23,408 |
| **Cash flow from financing activities** | **11,608** | **26,022** |
| **Change in cash and cash equivalents** | **7,663** | **22,197** |
| Effect of changes in exchange rates | -8 | -263 |
| Effect of changes in consolidation group | 78 | -5,638 |
| Balance at beginning of period | 48,031 | 43,523 |
| **Balance of cash and cash equivalents at end of period** | **55,764** | **59,819** |

* The figures for the same period of the previous year have been adjusted due to reclassifications in accordance with IAS 7.

The explanatory notes on pages 18 to 31 form an integral part of these consolidated interim financial statements.

# Statement of recognized income and expenses

of VTG Aktiengesellschaft in accordance with IFRS

| € '000 | | 1.1. to 30.9.2008 | 1.1. to 30.9.2007 |
|---|---|---|---|
| Difference arising on valuation of derivative financial instruments | | 36 | 844 |
| Change in revaluation reserve | (14) | -3,311 | 66 |
| Currency translation | | 884 | -1,704 |
| Actuarial gains and losses from pension provision | | 1,778 | 1,993 |
| Other measurement changes not recognized in income | | -73 | 738 |
| **Income and expenses recognized directly in equity** | | **-686** | **1,937** |
| **Group net profit** | | **22,024** | **30,860** |
| **Total income and expenses recognized in the financial statements** | | **21,338** | **32,797** |
| Thereof relating to: | | | |
| Shareholders of VTG Aktiengesellschaft | | 20,575 | 31,918 |
| Other shareholders (minorities) | | 763 | 879 |
| | | **21,338** | **32,797** |

The explanatory notes on pages 18 to 31 form an integral part of these consolidated interim financial statements.

# Selected explanatory information in the condensed notes to the consolidated interim financial statements

## Explanations of the accounting principles and methods used in the consolidated financial statements

### 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).

### Principles of bookkeeping, accounting and measurement

The consolidated interim financial statements of VTG AG were prepared in accordance with Section 37 (x) (3) of the regulations of the German Securities Trading Act 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.

Accounting standards effective from 1st January 2008 do not have any material effect on the consolidated financial statements of the VTG Group.

The other accounting and measurement methods applied in these interim financial statements do not deviate from those principles used in the consolidated financial statements as at 31st December 2007. The explanations in the notes to the consolidated financial statements 2007, particularly in respect of the accounting and measurement methods, are thus also applicable. Consequently, these interim financial statements fulfil the IAS 34 criteria.

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

### Companies consolidated within the period under review

In addition to VTG AG, a total of 11 domestic and 16 foreign subsidiaries are included in the consolidated interim financial statements as at 30th September 2008.

**VTG North America, Inc. and Texas Railcar Leasing Company, Inc.**
In January 2008, the companies Texas Railcar Leasing Company, Inc. (Texas Railcar) and VTG North America, Inc. (VTG North America) were added to the consolidation. The VTG Group holds 100 % of the shares in each of these companies. These additions relate to the wagon hire segment.

A purchase price allocation was conducted for the acquisition of Texas Railcar[1)], which took place on 16th January 2008.

As part of a purchase price allocation, the difference between the acquisition costs and the shareholders' equity of the company purchased was allocated to the assets and liabilities acquired. At this point, the fair values of the assets and liabilities acquired are to be determined.

[1)] Acquisition of 100 % of shares by VTG AG via the newly-established VTG North America

The acquisition costs were allocated to the assets and liabilities in the Texas Railcar accounts as at 16th January 2008 as follows:

| | Book values as at 16.1.2008 | | Fair values as at 16.1.2008 | |
|---|---|---|---|---|
| | in USD '000 | in € '000 | in USD '000 | in € '000 |
| Tangible assets | 9,539 | 6,408 | 21,039 | 14,133 |
| Current receivables | 271 | 182 | 271 | 182 |
| Cash and cash equivalents | 282 | 189 | 282 | 189 |
| Deferred income tax liabilities | 2,338 | 1,571 | 6,248 | 4,197 |
| Current liabilities | 448 | 301 | 448 | 301 |
| **Net assets acquired** | **7,306** | **4,907** | **14,896** | **10,006** |

The difference of € 1,817 k from the purchase price is shown as goodwill.

Including the purchase price allocation, since the time of acquisition, the result after tax for Texas Railcar is € –257 k.

The results and effects on the individual balance sheet and result items are shown under sections (8) Goodwill and (9) Tangible fixed assets.

**VTG Italia S.r.l. and Transpetrol Italia S.r.l.**
As at 1st January 2008, the company VTG Italia S.r.l. (VTG Italia) was added to the consolidation. The VTG Group holds 100 % of the shares in this company. The VTG Group assumed non-current assets of € 2,625 k, current assets of € 4,244 k and current liabilities of € 5,677 k (of these, € 4.772 k relates to liabilities to associated consolidated companies). The addition relates to the wagon hire segment.

As at 30th September 2008, the 100 % subsidiary of the VTG Group, Transpetrol Italia S. r. l. (TP Italia) was merged with VTG Italia. VTG Italia is thereby also included in the rail logistics segment.

**Provista Siebenhundertfünfundzwanzigste Verwaltungsgesellschaft mbH**
On 24th July 2008, the company Provista Siebenhundertfünfundzwanzigste Verwaltungsgesellschaft mbH (Provista) was acquired. It is soon to operate under the name Waggonbau Graaff GmbH. This company was added to the consolidation for the first time on 30th September 2008. The VTG Group holds 100% of the shares in this company. The business acquired from Graaff Transportsysteme GmbH, Elze, and that from Waggonbau Elze GmbH & Co. Besitz-KG, Elze, is to be incorporated into this company. For more information, please refer to the section "Events since the closing date".

**Shanghai COSCO VOTG Tanktainer Co., Ltd**
On 5th September 2008, VTG Aktiengesellschaft took over 50 % of the shares in the joint venture Shanghai COSCO VOTG Tanktainer Co., Ltd. (Shanghai Tanktainer) via its subsidiary VOTG Tanktainer GmbH .

Shanghai Tanktainer specializes in providing logistics services for the transport of chemicals for the chemical and petrochemical industry and in transporting foodstuffs within Asia. It belongs to the tank container logistics segment.

For the figures for Shanghai Tanktainer, the at-equity method had been used.

The accounts used for the first-time consolidation of Shanghai Tanktainer show the following amounts:

- Assets: € 2,300 k.
- Liabilities: € 1,377 k
- Shareholders' equity: € 923 k

## Segment reporting

**Key figures by segment**

The figures for the segments in the Group interim financial statements as at 30th September 2008 based on internal reporting are as follows:

| € '000 | Wagon Hire | Rail Logistics | Tank Container Logistics | Adjustment | **Group** |
|---|---|---|---|---|---|
| External revenue | 216,923 | 131,036 | 102,784 | 0 | 450,743 |
| Internal revenue | 8,253 | 845 | 172 | –9,270 | 0 |
| **Segment revenue** | **225,176** | **131,881** | **102,956** | **–9,270** | **450,743** |
| Segment cost of materials * | –26,830 | –121,256 | –87,252 | 10,005 | –225,333 |
| **Segment gross profit** | **198,346** | **10,625** | **15,704** | **735** | **225,410** |
| Other segment income and expenditure | –85,609 | –4,286 | –8,478 | –10,096 | –108,469 |
| **Segment earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)** | **112,737** | **6,339** | **7,226** | **–9,361** | **116,941** |
| Impairment, amortization of intangible and depreciation of tangible fixed assets | –55,586 | –637 | –2,515 | –236 | –58,974 |
| **Segment earnings before interest and taxes (EBIT)** | **57,151** | **5,702** | **4,711** | **–9,597** | **57,967** |
| Thereof earnings from associates | 796 | 0 | 0 | 0 | 796 |
| Net interest expense ** | –22,926 | 140 | 364 | –1,534 | –23,956 |
| Interest income | 1,502 | 164 | 526 | 320 | 2,512 |
| Interest expense | –24,428 | –24 | –162 | –1,854 | –26,468 |
| **Earnings before taxes (EBT)** | **34,225** | **5,842** | **5,075** | **–11,131** | **34,011** |
| Taxes on income | | | | | –11,987 |
| **Group net profit** | | | | | **22,024** |

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

** The net interest expense differs from the financial result of the income statement by the amount received from the sale of rail4chem Eisenbahnverkehrsgesellschaft mbH, Essen (rail4chem).

Segment reporting for the equivalent period from 1st January to 30th September 2007 is as follows:

| € '000 | Wagon Hire | Rail Logistics | Tank Container Logistics | Adjustment | Group |
|---|---|---|---|---|---|
| External revenue | 190,919 | 117,234 | 94,410 | 0 | 402,563 |
| Internal revenue | 6,707 | 712 | 96 | –7,515 | 0 |
| **Segment revenue** | **197,626** | **117,946** | **94,506** | **–7,515** | **402,563** |
| Segment cost of materials * | –25,937 | –109,164 | –80,128 | 8,520 | –206,709 |
| **Segment gross profit** | **171,689** | **8,782** | **14,378** | **1,005** | **195,854** |
| Other segment income and expenditure | –72,588 | –5,220 | –8,260 | –11,429 | –97,497 |
| **Segment earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)** | **99,101** | **3,562** | **6,118** | **–10,424** | **98,357** |
| Impairment, amortization of intangible and depreciation of tangible fixed assets | –45,300 | –479 | –2,584 | –224 | –48,587 |
| **Segment earnings before interest and taxes (EBIT)** | **53,801** | **3,083** | **3,534** | **–10,648** | **49,770** |
| Thereof earnings from associates | 750 | 0 | 0 | 0 | 750 |
| Net interest expense | –21,042 | –63 | 107 | –6,579 | –27,577 |
| Interest income | 731 | 156 | 297 | 638 | 1,822 |
| Interest expense | –21,773 | –219 | –190 | –7,217 | –29,399 |
| **Earnings before taxes (EBT)** | **32,759** | **3,020** | **3,641** | **–17,227** | **22,193** |
| Taxes on income | | | | | 8,667 |
| **Group net profit** | | | | | **30,860** |

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

The figures for the segments for the Group interim financial statements for the period 1st July – 30th September 2008 (Q3) based on internal reporting are as follows:

| € '000 | Wagon Hire | Rail Logistics | Tank Container Logistics | Adjustment | **Group** |
|---|---|---|---|---|---|
| External revenue | 73.214 | 44.318 | 34.639 | 0 | 152.171 |
| Internal revenue | 3.853 | 258 | 110 | –4.221 | 0 |
| **Segment revenue** | **77.067** | **44.576** | **34.749** | **–4.221** | **152.171** |
| **Segment earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)** | **37.728** | **1.752** | **2.698** | **–3.063** | **39.115** |
| **Segment earnings before interest and taxes (EBIT)** * | **19.572** | **1.541** | **1.835** | **–3.166** | **19.782** |
| **Earnings before taxes (EBT)** | **11.881** | **1.608** | **2.041** | **–3.828** | **11.702** |

* Please refer to the second footnote relating to the financial result on page 20.

Segment reporting for the equivalent period from 1st July to 30th September 2007 is as follows:

| € '000 | Wagon Hire | Rail Logistics | Tank Container Logistics | Adjustment | **Group** |
|---|---|---|---|---|---|
| External revenue | 66,566 | 39,042 | 32,994 | 0 | 138,602 |
| Internal revenue | 2,261 | 182 | 10 | –2,453 | 0 |
| **Segment revenue** | **68,827** | **39,224** | **33,004** | **–2,453** | **138,602** |
| **Segment earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)** | **36,388** | **1,091** | **2,046** | **–2,610** | **36,915** |
| **Segment earnings before interest and taxes (EBIT)** | **20,483** | **930** | **1,240** | **–2,688** | **19,965** |
| **Earnings before taxes (EBT)** | **12,787** | **909** | **1,306** | **–2,999** | **12,003** |

Segment assets and segment liabilities at the balance sheet date and at the prior year balance sheet date can be seen from the following table.

| € '000 | | Wagon Hire | Rail Logistics | Tank Container Logistics | Adjustment | Group |
|---|---|---|---|---|---|---|
| Segment assets | | | | | | |
| | 30.9.2008 | 1,061,316 | 37,588 | 46,077 | 20,922 | 1,165,903 |
| | 31.12.2007 | 1,072,475 | 41,694 | 40,337 | −62,156 | 1,092,350 |
| Thereof investments in associates | | | | | | |
| | 30.9.2008 | 16,599 | 0 | 758 | 0 | 17,357 |
| | 31.12.2007 | 15,811 | 0 | 0 | 0 | 15,811 |
| Segment liabilities | | | | | | |
| | 30.9.2008 | 116,954 | 29,434 | 31,408 | 54,156 | 231,952 |
| | 31.12.2007 | 297,631 | 26,299 | 36,243 | −140,674 | 219,499 |
| Investments in intangible assets | | | | | | |
| | 30.9.2008 | 64 | 336 | 32 | 154 | 586 |
| | 30.9.2007 | 3,890 | 166 | 179 | 46 | 4,281 |
| Investments in tangible assets | | | | | | |
| | 30.9.2008 | 102,257 | 103 | 5,429 | 251 | 108,040 |
| | 30.9.2007 | 79,411 | 42 | 419 | 185 | 80,057 |
| Additions from investments in finance leasing | | | | | | |
| | 30.9.2008 | 0 | 0 | 0 | 0 | 0 |
| | 30.9.2007 | 5,505 | 0 | 0 | 0 | 5,505 |
| Additions to tangible assets from first-time consolidation | | | | | | |
| | 30.9.2008 | 16,758 | 0 | 0 | 0 | 16,758 |
| | 30.9.2007 | 73,339 | 0 | 0 | 0 | 73,339 |
| Impairment, depreciation and amortization (excl. impairment of financial assets) | | | | | | |
| | 30.9.2008 | 55,586 | 637 | 2,515 | 236 | 58,974 |
| | 30.9.2007 | 45,300 | 479 | 2,584 | 224 | 48,587 |
| Changes in provisions for pensions and similar obligations and in other provisions | | | | | | |
| | 30.9.2008 | 5,699 | 190 | 388 | −4,432 | 1,845 |
| | 30.9.2007 | 3,720 | −21 | −37 | −5,056 | −1,394 |

**Reconciliation of segment assets and segment liabilities to the consolidated balance sheet**

| € '000 | 30.9.2008 | 31.12.2007 |
|---|---|---|
| **Segment assets** | **1,165,903** | **1,092,350** |
| Cash and cash equivalents | 55,764 | 48,031 |
| Other current financial assets | 5,667 | 10,697 |
| Current income tax assets | 3,165 | 2,882 |
| Deferred income tax assets | 5,640 | 11,954 |
| **Consolidated balance sheet assets** | **1,236,139** | **1,165,914** |
| **Segment liabilities** | **231,952** | **219,499** |
| Current financial liabilities | 63 | 510 |
| Liabilities from financial leases | 41,972 | 55,642 |
| Non-current financial liabilities | 508,201 | 463,185 |
| Current income tax accruals | 18,769 | 15,909 |
| Current income tax liabilities | 461 | 470 |
| Deferred income tax liabilities | 135,051 | 131,968 |
| Other reconciling items | 208 | 4 |
| **Consolidated balance sheet external capital** | **936,677** | **887,187** |

**Secondary segment reporting format**

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

| € '000 | | Germany | Abroad | Group |
|---|---|---|---|---|
| Segment assets | | | | |
| | 30.9.2008 | 912,186 | 253,717 | 1,165,903 |
| | 31.12.2007 | 884,104 | 208,246 | 1,092,350 |
| Segment liabilities | | | | |
| | 30.9.2008 | 187,692 | 44,260 | 231,952 |
| | 31.12.2007 | 177,491 | 42,008 | 219,499 |
| Investments in intangible assets | | | | |
| | 30.9.2008 | 584 | 2 | 586 |
| | 30.9.2007 | 391 | 3,890 | 4,281 |
| Investments in tangible assets | | | | |
| | 30.9.2008 | 68,156 | 39,884 | 108,040 |
| | 30.9.2007 | 43,301 | 36,756 | 80,057 |
| Additions from investments in finance leasing | | | | |
| | 30.9.2008 | 0 | 0 | 0 |
| | 30.9.2007 | 5,505 | 0 | 5,505 |
| External revenue by location of company | | | | |
| | 30.9.2008 | 339,635 | 111,108 | 450,743 |
| | 30.9.2007 | 309,271 | 93,292 | 402,563 |

## Selected explanatory notes on the income statement

**(1) Revenue**
The business of the VTG Group is affected to only a minor degree by seasonal fluctuations. The rise in revenue is principally attributable to the increase in the volume of business in all segments.

Furthermore, the companies VTG Italia and Texas Railcar were not yet part of the Group in the equivalent period of the previous year. In the interim financial statements of 30th September 2007, only the revenue attributable to KR Klostertor Rail GmbH (Klostertor) and Deichtor Rail GmbH (Deichtor) for the third quarter of 2007 was included due to the first-time consolidation of these companies on 30th June 2007.

**(2) Cost of materials**
The rise in the cost of materials is mainly due to the increase in the volume of business in the rail logistics and tank container logistics segments.

**(3) Impairment, amortization and depreciation**
The figures for amortization and depreciation have increased in particular as a result of the first-time consolidation of the companies VTG Italia and Texas Railcar in January 2008. Due to the first-time consolidation of the companies Klostertor and Deichtor on 30th June 2007, only the amortization and depreciation attributable to these companies for the third quarter of 2007 was included in the interim financial statements of 30th September 2007.

**(4) Other operating expenses**
The rise in other operating expenses is principally attributable to the first-time consolidation of the companies VTG Italia and Texas Railcar in January 2008. Furthermore, due to the first-time consolidation of the companies Klostertor and Deichtor on 30th June 2007, only the other operating expenses attributable to these two companies for the third quarter of 2007 were included in the interim financial statements of 30th September 2007.

**(5) Financial result**
The improvement in the financial result is attributable to a reduction in interest expenses through the repayment of loans from IPO funds.

Additionally, the financial result includes the income from the disposal of the rail4chem share. For further information on the rail4chem disposal, see under section (14).

**(6) Taxes on income**
Taxes on income for the current period under review are not comparable with the figures for the previous year. The legal change to the tax rate led to an adjustment of the deferred taxes for all German consolidated companies in the accounts of the previous year. In line with this, the deferred income tax assets and deferred income tax liabilities recorded by German companies have been calculated using the low income tax rate of 33 % expected in future.

Without the special tax effects recorded in the previous year, the tax charge would have been € 10,020 k. In relation to this, please refer to our 30th September 2007 quarterly report and the 2007 consolidated financial statements.

Based on the value of the previous year of € 10,020 k as adjusted for special tax effects, taxes on income in the current period, at € 11,987 k, are € 1,967 k above the figure for the previous year.

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

We have adjusted our estimates in the past quarter on the basis of new information and expect a tax rate of 35.2 % for the Group in the IFRS accounts. In accordance with this, these consolidated interim financial statements report this value. In addition to the effects of first-time consolidations on this adjustment, the effects of measurement adjustments to tax loss carryforwards are also very significant. These effects only have an impact on deferred taxes and have no effect on the actual income tax payments to be made to tax authorities.

**(7) Earnings per share**

The undiluted earnings per share are calculated in accordance with IAS 33 based on the Group profit attributable to the shareholders of VTG AG divided by the weighted average number of shares in issue during the period under review.

| | **1.1. – 30.9.2008** | **1.7. – 30.9.2008** |
|---|---|---|
| Group net income attributable to the VTG AG shareholders (in € ,000) | 21,268 | 6,773 |
| Weighted average number of shares | 21,388,889 | 21,388,889 |
| **Undiluted earnings per share (in €)** | **0.99** | **0.32** |

Earnings per share are diluted if the weighted 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.

For the equivalent period of the previous year, the earnings per share were as follows:

| | 1.1. – 30.9.2007 | 1.7. – 30.9.2007 |
|---|---|---|
| Group net income attributable to the VTG AG shareholders (in € ,000) | 29,991 | 23,650 |
| Weighted average number of shares | 9,358,344 | 21,388,889 |
| **Undiluted earnings per share (in €)** | **3.20** | **1.11** |

Based on the number of shares in issue at the balance sheet date (21,388,889), for the period from 1st January to 30th September 2007, Group profit as adjusted for special tax effects (see also section 6) would be calculated at € 12,173 k and thus give earnings per share of € 0.57.

## Selected explanatory notes on the balance sheet

**(8) Goodwill**

The change to goodwill in 2008 is due to the first-time consolidation of Texas Railcar on 16th January 2008.

The calculation of goodwill from the acquisition of Texas Railcar is shown below:

| | in USD '000 | in € '000 |
|---|---|---|
| Acquisition costs | 17,600 | 11,823 |
| Net assets acquired, Texas Railcar | 14,896 | 10,006 |
| **Goodwill 16.1.2008** | **2,704** | **1,817** |
| Foreign currency effect | 0 | 69 |
| **Goodwill 30.9.2008** | **2,704** | **1,886** |

The goodwill reflects the anticipated future income of this company.

**(9) Tangible fixed assets**

The increase in tangible fixed assets, amounting to €16,758 k, is the result of the additions from the first-time consolidation of VTG Italia and Texas Railcar. These additions principally relate to the wagon fleet of the companies. These additions include hidden reserves from the Texas Railcar purchase price allocation amounting to € 7,725 k using the discounted cashflow method (income approach).

On top of this, investments were made in the wagon fleet.

**(10) Deferred income tax assets and liabilities**

Deferred income tax assets decreased by € 6,314 k compared to 31st December 2007 and amounted to € 5,640 k as at 30th September. Deferred income tax liabilities increased in the same period by € 3,083 k to € 135,051 k.

Due to the requirement of IAS 12.75 to set off deferred tax assets against deferred tax liabilities where they relate to income taxes levied by the same tax authority on the basis of the due dates, where the due dates are changed, this can result in changes to these balance sheet items. For this reason, the change to the deferred income tax assets and income tax liabilities should be shown together. Taken together, the figures are as follows:

| € '000 | **30.9.2007** | 31.12.2007 | Difference |
|---|---|---|---|
| Deferred income tax assets | 5,640 | 11,954 | –6,314 |
| Deferred income tax liabilities | 135,051 | 131,968 | 3,083 |
| **Net amount Income tax liabilities** | **129,411** | **120,014** | **9,397** |

The increase is principally due to measurement differences between the tax balance sheet and IFRS in respect of tangible assets.

**(11) Trade receivables**

Trade receivables rose compared to the consolidated financial statements as at 31st December 2007 due to the increase in business volume.

**Shareholders' equity**

**(12) Subscribed capital**

The share capital of the company amounts to € 21,389 k since the IPO in June 2007 and consists of 21,388,889 bearer shares, each amounting to € 1 of the share capital.

**(13) Statutory reserves**

Statutory reserves increased mainly as a result of the positive Group net profit.

**(14) Change in revaluation reserve**

The revaluation reserve in the 2007 consolidated financial statements, at an amount of € 3,153 k, mainly comprises changes in the fair value of the investment in rail4chem not impacting profit and recognized as available for sale. On conclusion of the sale on 18th April 2008, the revaluation reserve was reduced accordingly through this transaction.

**Statement of changes in equity from 1st January 2008 to 30th September 2008**

| € '000 | Subscribed capital | Additional paid-in capital | Revenue reserves | (Thereof: differences from currency translation) | Revaluation reserve | VTG AG shareholders' share in equity | Minority interests | **Total** |
|---|---|---|---|---|---|---|---|---|
| **As at 1.1.2008** | **21,389** | **193,991** | **57,853** | **(–5,542)** | **3,184** | **276,417** | **2,310** | **278,727** |
| Changes in companies included in consolidation | | | –72 | (–36) | | –72 | | –72 |
| Group profit | | | 21,268 | | | 21,268 | 756 | 22,024 |
| Hedge accounting | | | 36 | | | 36 | | 36 |
| Dividend distribution | | | | | | 0 | –514 | –514 |
| Currency translation | | | 884 | (884) | | 884 | | 884 |
| Other changes | | | 1,705 | | –3,311 | –1,606 | –17 | –1,623 |
| **As at 30.9.2008** | **21,389** | **193,991** | **81,674** | **(–4,694)** | **–127** | **296,927** | **2,535** | **299,462** |

Of the changes to the consolidation, the first-time consolidation of VTG Italia and the merger with TP Italia affect the difference to an amount of € 76 k. and that of Provista to an amount of € –112 k. Furthermore, there were foreign currency effects from the first-time consolidation of the American companies.

**Statement of changes in equity from 1st January 2007 to 30th September 2007**

| € '000 | Subscribed capital | Additional paid-in capital | Revenue reserves | (Thereof: differences from currency translation) | Revaluation reserve | VTG AG shareholders' share in equity | Minority interests | Total |
|---|---|---|---|---|---|---|---|---|
| **As at 1.1.2007** | **50** | **52,412** | **9,270** | **(–2,695)** | **207** | **61,939** | **1,937** | **63,876** |
| Capital increase from company's own funds | 12,450 | –12,450 | | | | 0 | | 0 |
| Capital increase from issue of new shares | 8,889 | 151,111 | | | | 160,000 | | 160,000 |
| Equity procurement costs net of tax | | –7,097 | | | | –7,097 | | –7,097 |
| Contribution of shares in companies | | 11,834 | –4,916 | | | 6,918 | | 6,918 |
| Group profit | | | 29,991 | | | 29,991 | 869 | 30,860 |
| Dividend distributions | | | | | | | –505 | –505 |
| Currency translation | | | –1,704 | (–1,704) | | –1,704 | | –1,704 |
| Other changes | | | 3,528 | | 66 | 3,594 | –49 | 3,545 |
| **As at 30.9.2007** | **21,389** | **195,810** | **36,169** | **(–4,399)** | **273** | **253,641** | **2,252** | **255,893** |

**(15) Financial liabilities**

The Group is financed predominantly by various loans from the Bayerische Hypo-Vereinsbank, London (Hypo-Vereinsbank) as well as by two loans from the DVB Bank, Frankfurt (DVB Bank).

The financing agreement with Hypo-Vereinsbank provides for loans of a total of € 640,000 k. € 435,272 k of loans had been taken up as at the balance sheet date.

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

The companies Klostertor and Deichtor have agreed lines of credit with DVB Bank. The bank liabilities of Klostertor and Deichtor amounted to € 80,403 k as at the balance sheet date.

In relation to the increase in financial liabilities, please refer to the explanatory notes in the section "Selected explanatory notes on the cash flow statement".

To counter risks arising from changes in interest rates, parts of the credit amount with Hypo-Vereinsbank have been covered by interest rate hedges. The term of the interest rate hedges, which have fixed interest rates, was extended in May 2007 until mid-2012 with a combined interest swap. This extended interest rate hedge has a volume of € 322,000 k. Klostertor and Deichtor have secured the great majority of their loans against interest rate changes with fixed interest rate agreements until 2011 and 2013.

**(16) Trade payables**
The increase in trade payables is due to the increase in business volume.

## Selected explanatory notes on the cash flow statement

In the period under review, there was a reclassification of the income from investments affecting payments (€ 1,808 k) from cash flows used in investing activities to cash flows from operating activities. This reclassification took place due to the fact that, with the disposal of the shares in rail4chem, all investments in the portfolio of the VTG group are now of an operational nature. The figures for the same period of the previous year (€ 1,324 k) have been adjusted.

The increase in cash flows from operating activities is largely explained by the expanded business volume, the first-time consolidations in 2008 and the fact that the results of the companies Deichtor and Klostertor were not yet included in the first half of 2007.

The payments for investments in intangible assets and tangible fixed assets, at € 119,267 k, are much higher than the values for the same period as at 30th September 2007 (€ 77,206 k). The reasons for this are increased investment in the wagon fleet and the buying back of rail freight cars and tank containers from financial leases.

Investments in financial assets led to payments of € 12,566 k. These mainly comprise the payment for the acquisition of Texas Railcar and the payment for the acquisition of the share in Shanghai Tanktainer.

Proceeds from disposals of financial assets (€ 3,383 k) are mainly from the sale of the shares in rail4chem.

The change in financial receivables of € 5,054 k is mostly due to the repayment of a loan to rail4chem. This repayment took place in the course of the disposal of rail4chem.

The cash outflow from financing activities is affected by the uptake of a loan by Deichtor amounting to € 39,153 k and by the taking up of credit by Texas Railcar (€ 12,251 k).

The repayments cover, on the one hand, repayments of loans (with Hypo-Vereinsbank and DVB Bank) in accordance with the agreed terms of redemption. On the other hand, repayments of financial leases were made.

The effect of changes in the consolidation amounting to € 78 k results from the first-time consolidation of VTG Italia and includes the added cash and cash equivalents

## Contingent liabilities

A total of 9 companies in the VTG Group have guaranteed the repayment of loans of € 487.661 k taken up by the companies within the VTG Group to the Hypo-Vereinsbank.

4 companies within the VTG Group have assigned as collateral their rail freight cars registered in Germany and the UK respectively at their carrying amount of € 518,924.

In addition to the abovementioned guarantees, two Group companies have, in order to secure their bank liabilities, pledged bank accounts and rail freight cars with carrying values of € 1,815 k and € 99,550 k respectively.

## Other financial commitments

Nominal values of the other financial commitments:

| € '000 | due within 1 year | over 1 to 5 years | over 5 years | **30.9.2008 Total** | 31.12.2007 Total | over 1 year |
|---|---|---|---|---|---|---|
| Obligations from rental, leasehold and leasing agreements | 35,847 | 84,256 | 18,743 | 138,846 | 138,002 | 103,909 |
| Purchase commitments | 99,005 | 25,506 | 0 | 124,511 | 89,107 | 0 |
| **Total** | **134,852** | **109,763** | **17,920** | **263,358** | **227,109** | **103,909** |

## Events since the closing date

With a purchase agreement of 28th July 2008, the VTG Group concluded an asset deal with Graaff Transportsysteme GmbH, Elze, and with Waggonbau Elze GmbH & Co. Besitz-KG, Elze. The assets acquired are to be used for the manufacture of rail freight cars. The Federal Cartel Office approved the sale in mid-October 2008. The final purchase price has yet to be determined.

## Average number of employees

| | **1.1. – 30.9.2008** | 1.1. – 31.12.2007 |
|---|---|---|
| Salaried employees | 560 | 525 |
| Wage-earning staff | 252 | 248 |
| Trainees | 26 | 27 |
| **Total** | **838** | **800** |
| Thereof abroad | 309 | 286 |

Hamburg, 3rd November 2008

The Executive Board

Dr. Heiko Fischer

Jürgen Hüllen

Dr. Kai Kleeberg

# Review Report

**To VTG Aktiengesellschaft**

We have reviewed the condensed consolidated interim financial statements – comprising the condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and selected explanatory notes - and the interim group management report of VTG Aktiengesellschaft, Hamburg, for the period from 1 January 2007 to 30 September 2008 which are part of the quarterly financial report pursuant to Article 37x paragraph 3 WpHG ("Wertpapierhandelsgesetz"). 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, 3rd November 2008

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Claus Brandt | ppa. Hans-Henning Wolf |
| Wirtschaftsprüfer | Wirtschaftsprüfer |

# Financial calendar 2009 and share data

| Financial calendar 2009 | |
|---|---|
| February | Preliminary results for 2008 |
| Calendar week 17 | Publication of the results for 2008 |
| Calendar week 17 | Financial Statements Press Conference, Hamburg |
| Calendar week 17 | Analyst Conference, Frankfurt |
| 27th May | Interim Report for the 1st quarter 2009 |
| 4th June | Annual General Meeting, Hamburg |
| 27th August | Half-yearly Financial Report 2009 |
| 16th November | Interim Report for the 3rd quarter 2009 |

| Share data | |
|---|---|
| WKN | VTG999 |
| ISIN | DE000VTG9999 |
| Stock exchange abbreviation | VT9 |
| Index | SDAX, CDAX, HASPAX |
| Share type | Non-par-value bearer share |
| No. of shares (30.9.) | 21,388,889 |
| Market capitalization (30.9.) | € 293.0 m |
| Stock exchanges | XETRA, Frankfurt, Berlin, Düsseldorf, Hamburg, Hanover, Munich, Stuttgart |
| Market segment | Prime Standard |
| Share price (30.9.) | € 13.70 |

# Contact and imprint

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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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