

# Financial Results FY 2010

VTG AG – Moving into the future



Hamburg, April 13<sup>th</sup> 2011

Speakers:

- Dr. Heiko Fischer, CEO
- Dr. Kai Kleeberg, CFO



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# Executive Summary FY 2010 – Positive business development in all three divisions



## Group Figures

- Sales increased by 8.2%
- EBITDA returning to pre-crisis level of 2008
- Meeting upper end of guidance given in Aug. 2010

in €m	Guidance	Delivered
Sales	600-630	629.4 ✓
EBITDA	150-155	154.4 ✓

## Wagon Hire

- Continuous increase in utilization (89.1% as of Dec. 31, 2010)
- Strong fleet development to 50,700 wagons (from 49,500 units)
- Continuing fleet diversification by acquisitions

## Rail Logistics

- Strategy focused on strong growth
- Expansion of product portfolio
- Strengthening strategic position in eastern and southeastern Europe

## Tank Container Logistics

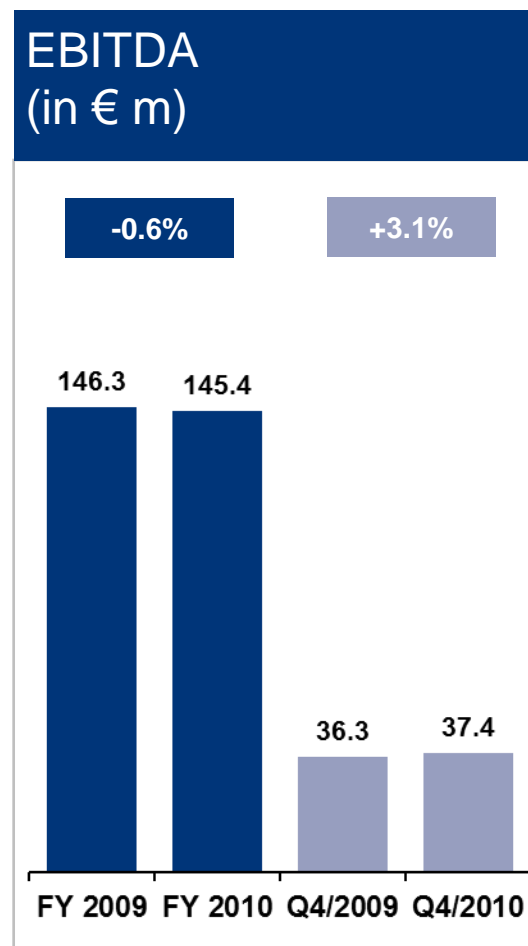
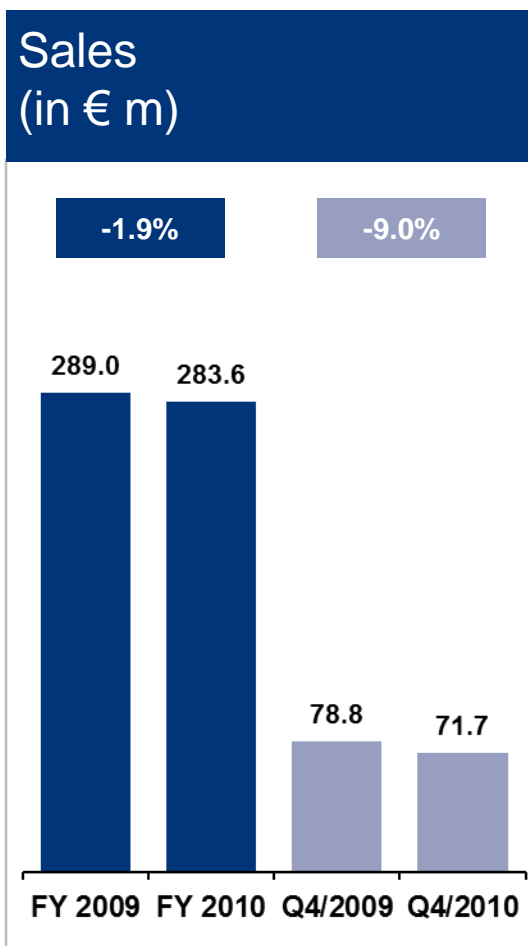
- Quick and powerful recovery after strong downturn due to the economic crisis
- Strategy review completed: implementation phase begun

## VTG Group – Key figures

(in € m)	2009	2010	Δ in %
Group Sales	581.5	629.4	+8.2
Wagon Hire	289.0	283.6	-1.9
Rail Logistics	179.4	201.4	+12.2
Tank Container Logistics	113.1	144.5	+27.7
Group EBITDA *	149.4	154.4	+3.4
Wagon Hire	146.3	145.4	-0.6
Rail Logistics	6.7	8.4	+24.8
Tank Container Logistics	7.3	11.2	+53.1
EBIT	66.9	63.0	-5.9
EBT	35.4	32.6	-7.8
Net Income	22.5	20.6	-8.5
Dividend per share (in €)	0.30	0.33**	+10.0

\* Group figures are calculated as sum of divisions plus Holding and consolidation layers. \*\* Intended proposal to AGM.

# Wagon Hire – Increasing utilization highlights stability of VTG’s business model



### Comment

- Utilization increased further to 89.1% (Dec. 31, 2009: 87.4%)
- Sales decreased as Graaff's production capacity in 2010 mainly used for VTG's own purpose (2009: major external contract)
- Increasing wagon fleet due to acquisitions and new-buils resulting in a fleet of about 50,700 wagons as of Dec. 31, 2010
- EBITDA margins increased compared to last year:
  - 51.2% (2009: 50.6%)
  - 52.1% (Q4/2009: 46.0%)

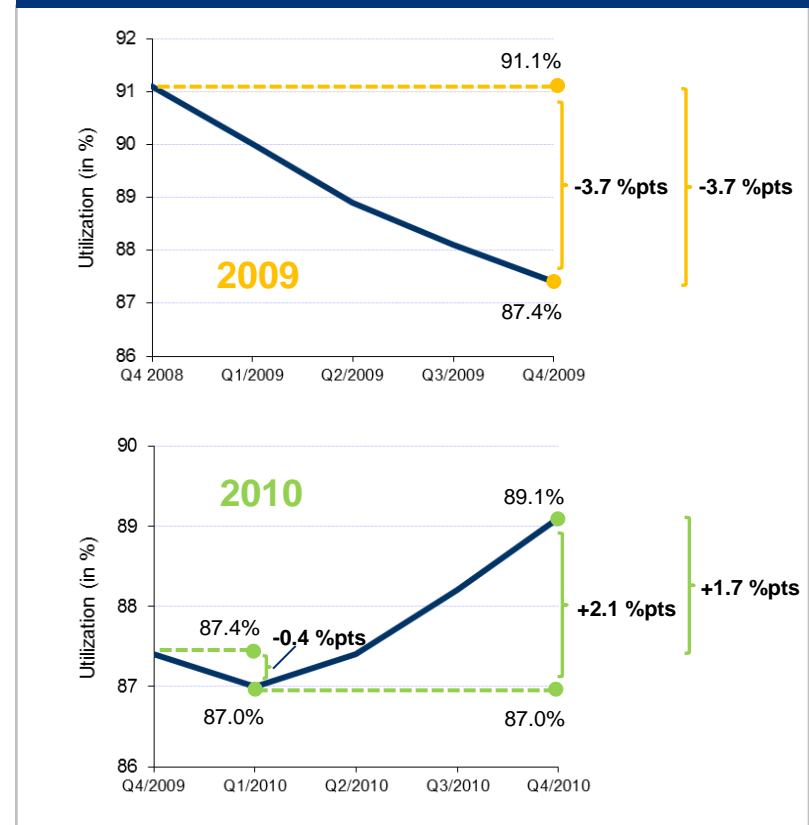
# VTG Group – Rebounding utilization

## Utilization rate Wagon Hire – Illustrative model

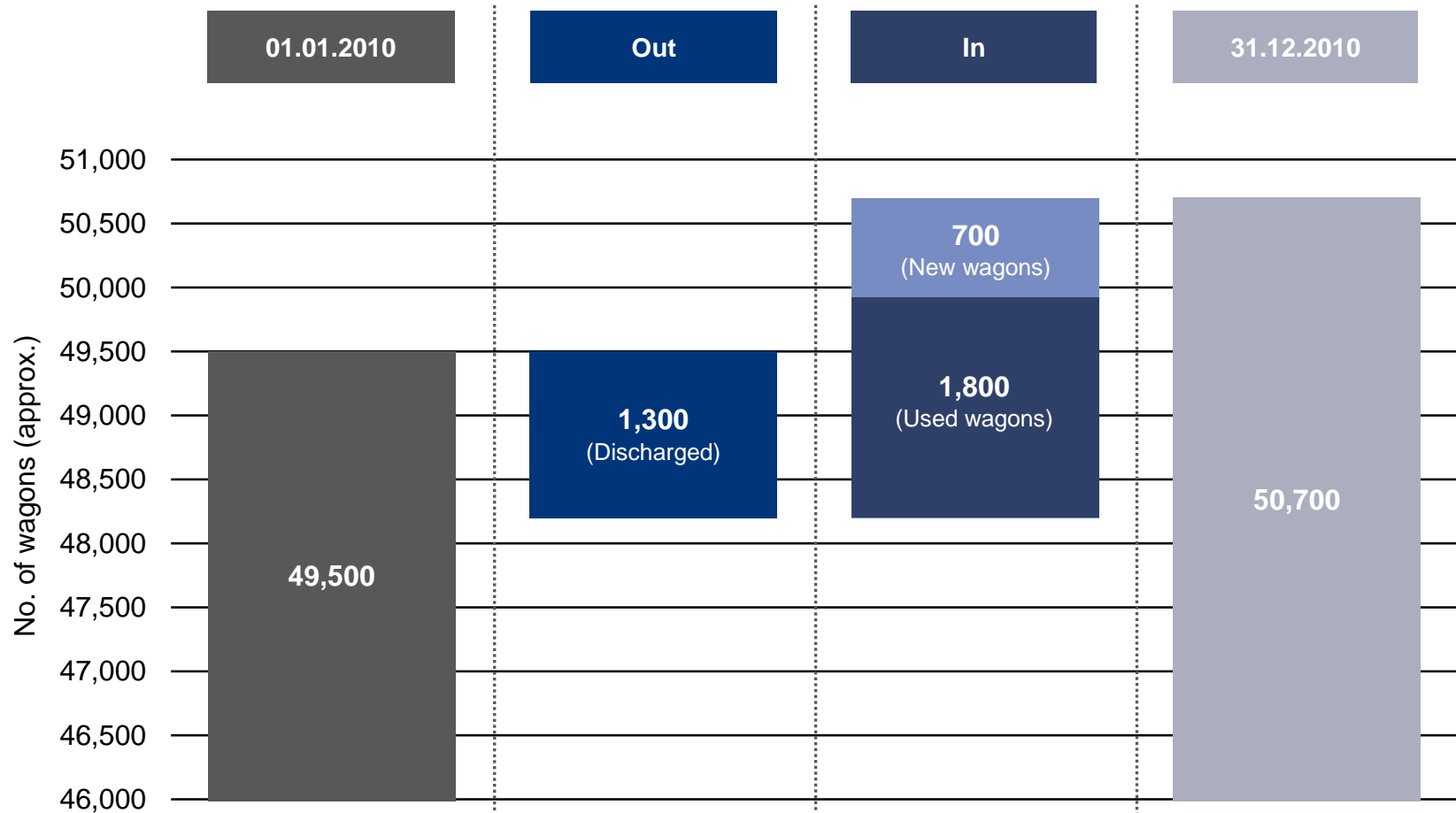


- Reaching lowest point in Q1/2010 with 87.0% during latest recession
- Strong recovery going forward to 89.1% in Q4/2010
- Wagon Hire’s EBITDA almost on prior year’s level, even if upswing of utilization in 2010 (+1.7%-points) has not reached magnitude of 2009 (-3.7%-points)

## Utilization rate Wagon Hire – 2010 vs 2009

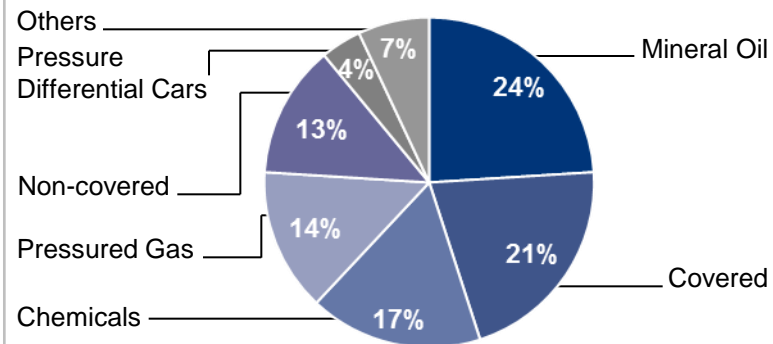


# Wagon Hire – Wagon fleet increased to about 50,700 units



# Wagon Hire – Fleet with highly diversified structure

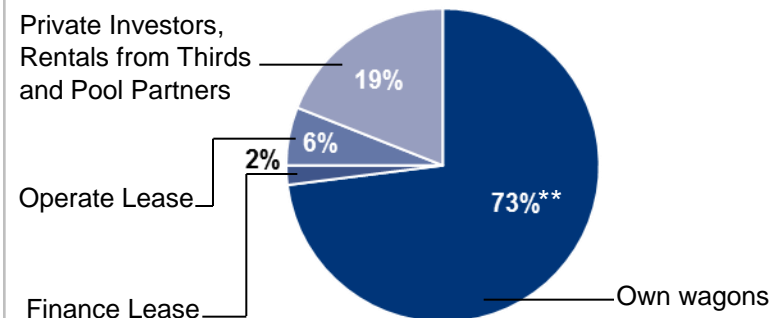
## By type\*



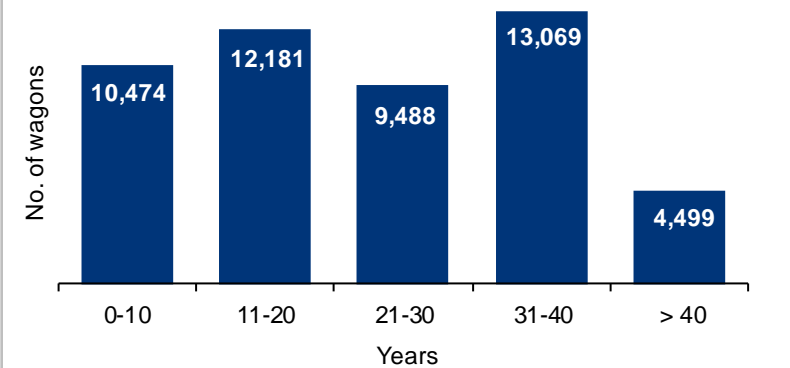
## Facts & figures\*

Number of wagons:	approx. 50,700
Thereof in North America:	approx. 1,700
Number of different types:	approx. 1,000
Average age:	22.9 years
Useful life:	40+ years

## By ownership\*



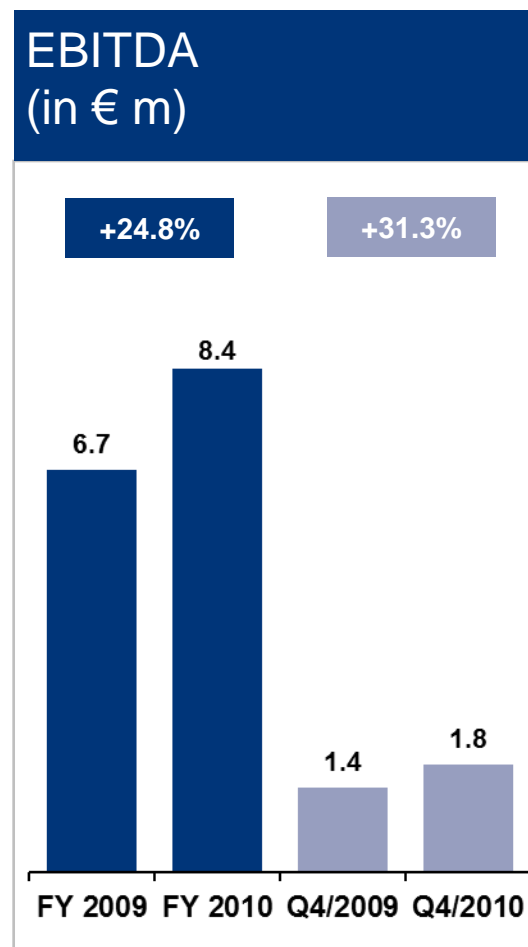
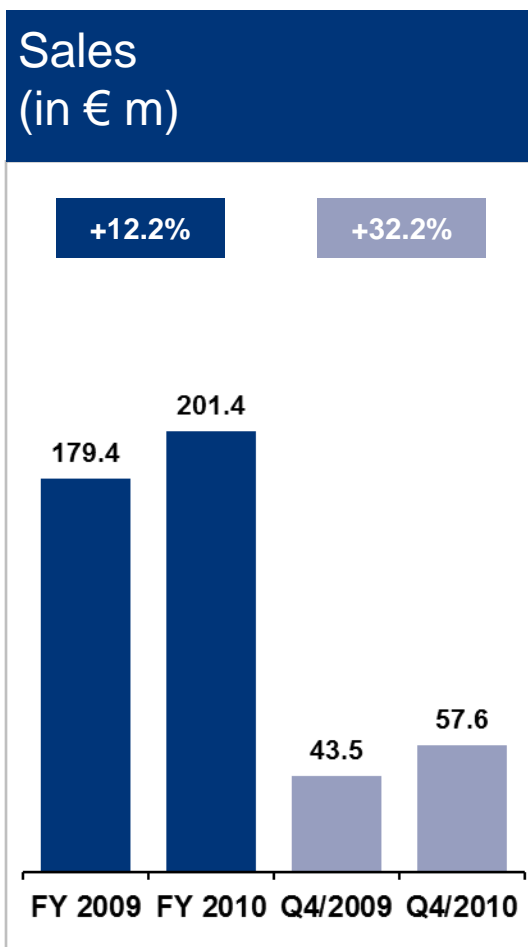
## Age structure\*



\* Figures as of December 31, 2010. \*\* As of December 31, 2006: 62% own wagons.



# Rail Logistics – Strengthening market position and expanding product portfolio

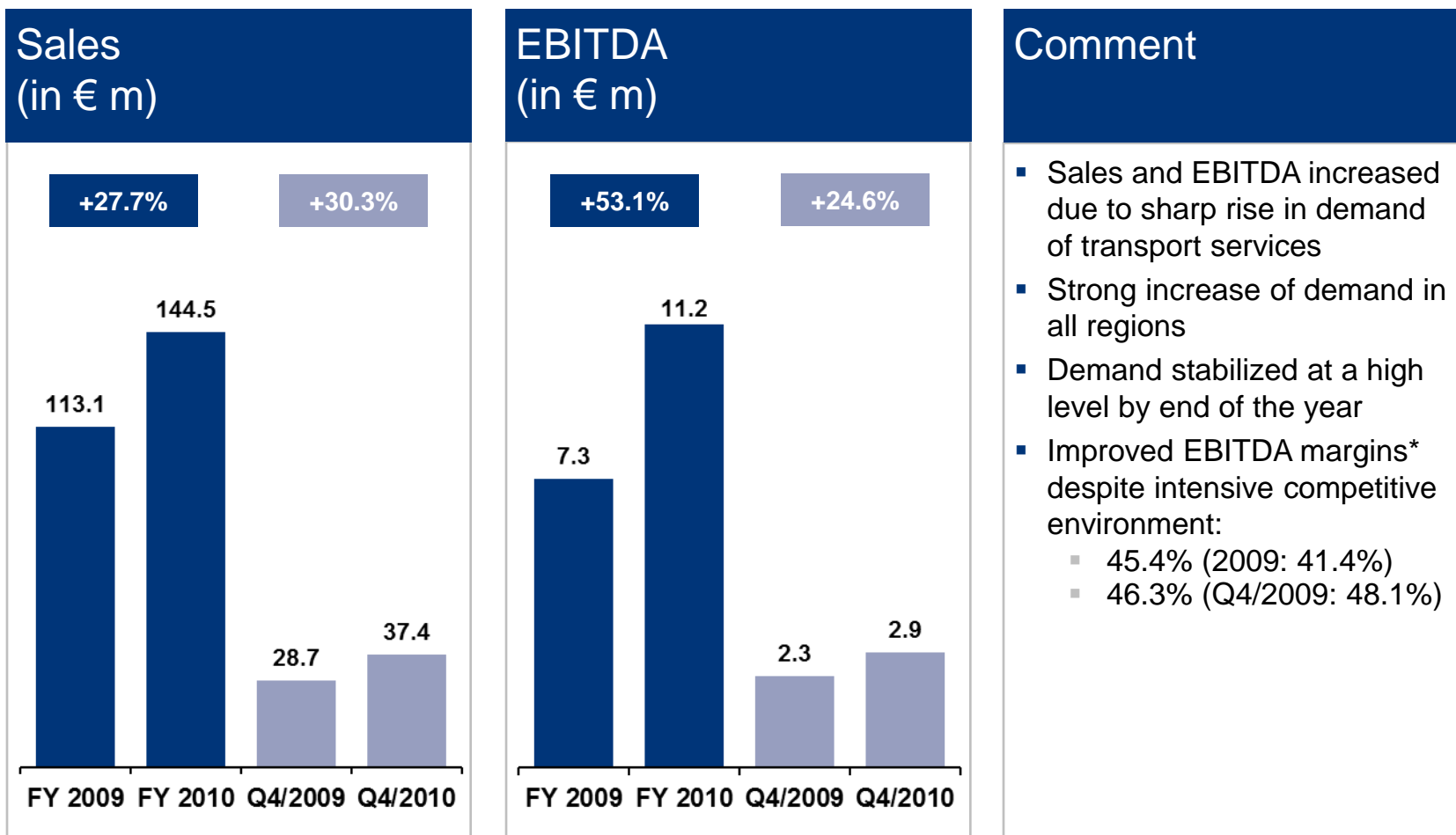


### Comment

- Exceptional good performance in 2010 particular due to the increase of cross-border transports
- Expansion of product portfolio as well as acquisition of new customers
- Entry in the European market for rail-based transport of agricultural products
- Improved EBITDA margins\*:
  - 49.2% (2009: 41.7%)
  - 39.9% (Q4/2009: 34.0%)

\* EBITDA margins calculated on gross profit.

# Tank Container Logistics – Excellent business development



\* EBITDA margins calculated on gross profit.

# Strategic acquisitions pushed capex spendings in 2010

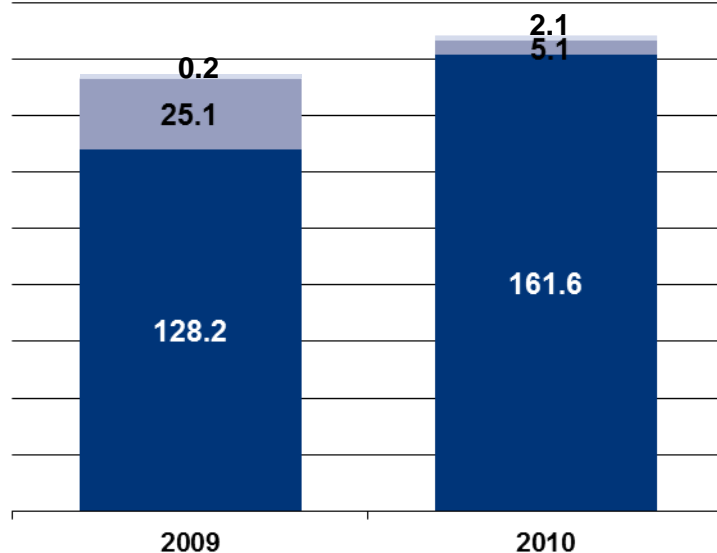


## Capital expenditures (in € m)

■ Fixed assets\*   ■ Off-balance   ■ Financial assets

Total: 153.5

Total: 168.8



## Comment

- Capex is mainly used to:
  - Preserve and modernize wagon fleet
  - Expand fleet by ordering new wagons
  - Acquire used wagon fleets
- 2010 capex above prior year's level due to acquisition of:
  - Rexwal fleet (720 wagons)
  - 1,100 grain hopper wagons + 100% stake in rail logistics group TMF reflected in fixed assets and financial assets
- Relatively low order book as at Dec. 31, 2010 (300 wagons) as acquisitions of second hand fleets in 2010 fulfill replacement capex needs

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

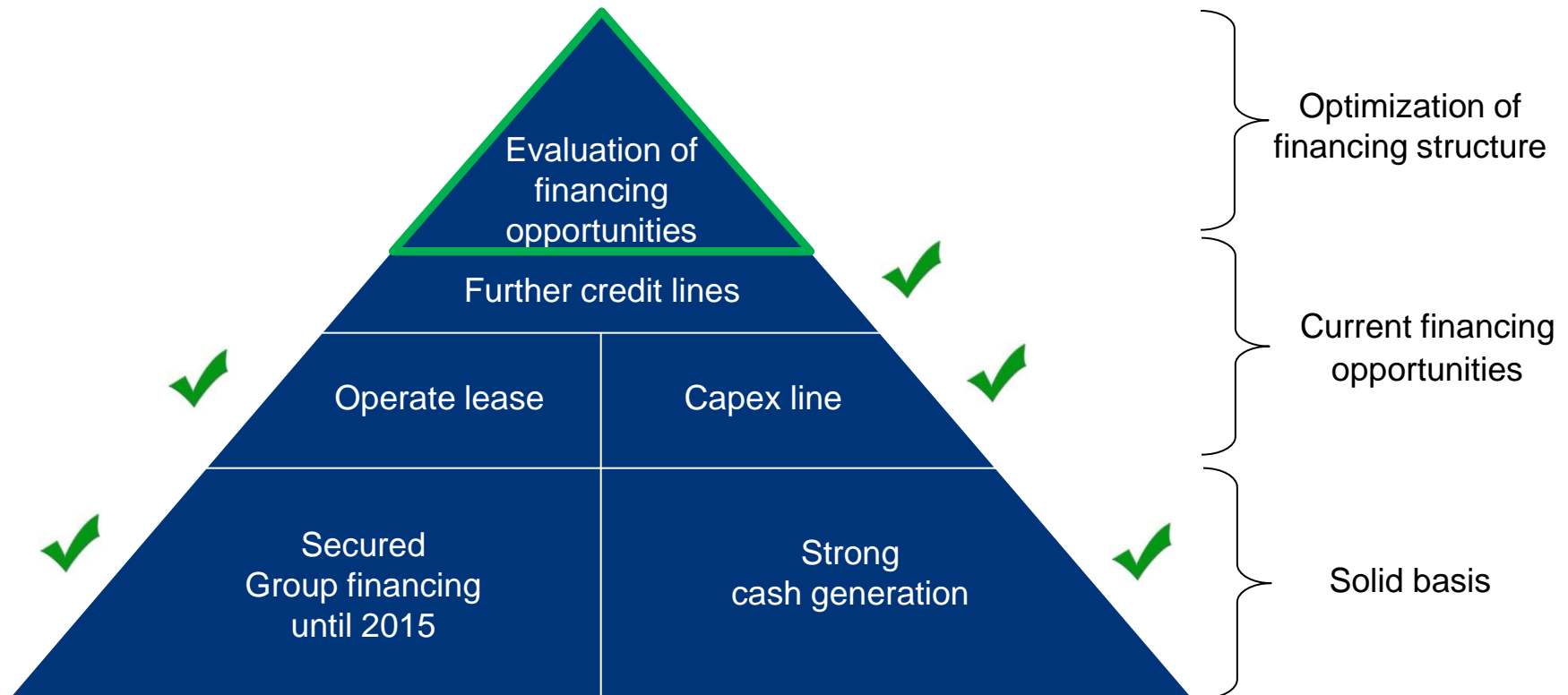
## Strong operating cash flow

(in € m)	2009	2010
Cash and cash equivalents at the beginning of the period	28.3	42.6
Cash flows from operating activities	144.8	137.8
Cash flows used in investing activities	(121.5)	(119.7)
Cash flows used in financing activities	(9.0)	(12.4)
Other changes in cash and cash equivalents	0.0	0.4
Cash and cash equivalents at the end of the period	42.6	48.7

## Net debt/EBITDA ratio on previous year's level

(in € m)	2009	2010
Cash and Cash Equivalents	42.6	48.7
Liabilities to Credit Institutions	(536.4)	(567.1)
Liabilities from Finance Lease	(29.0)	(24.3)
Other Financial Assets and Liabilities	1.5	2.0
<b>Net debt</b>	<b>(521.3)</b>	<b>(540.7)</b>
Net debt adjusted (incl. pensions)	(569.1)	(589.2)
<b>Net debt adj./EBITDA</b>	<b>3.8</b>	<b>3.8</b>

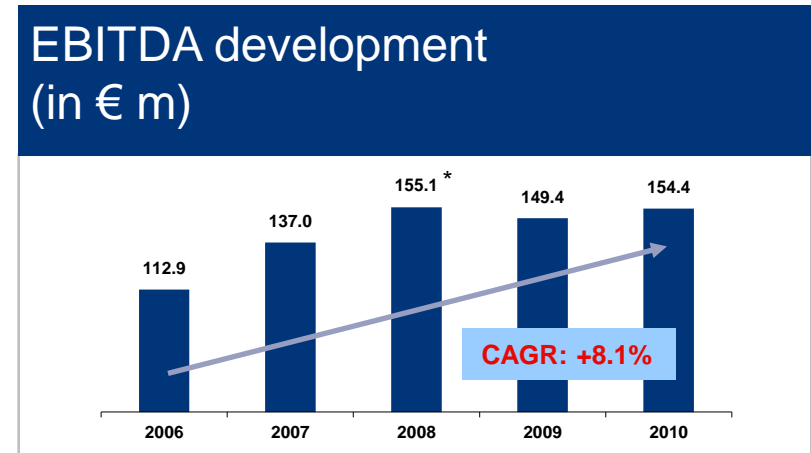
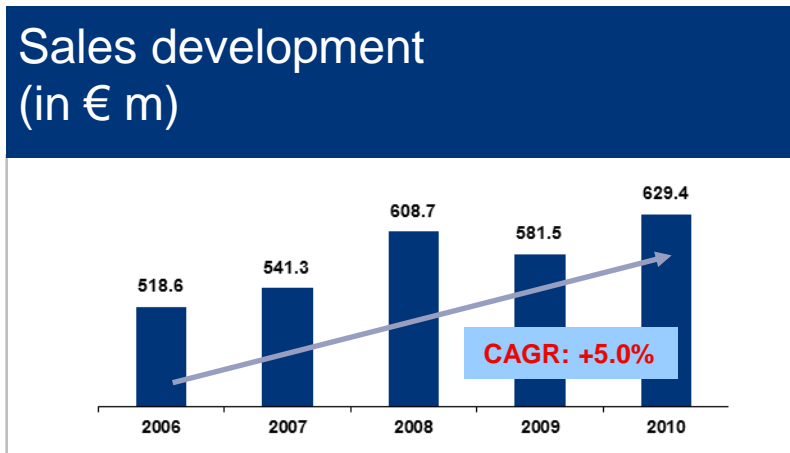
# VTG's current financial situation – Focus on optimal financing structure to finance future growth



Conclusion:

- In 2010 VTG used all financing opportunities ✓
- From 2011 onwards, headroom for further growth is limited
- ▶ Working on optimizing VTG's financing structure since Q2/2010 with focus on capital requirements to finance future growth

# Successful development of growth strategy is limited by current financing structure



- ▶ Strong growth path despite financial and economic crisis
- ▶ Current financing structure would not allow to continue this growth strategy

\* Adjusted by one-time effect of € 1.3 m in 2008.

# VTG's anticipated future financing structure needs to...

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...support VTG's sustainable financing strategy

...support VTG's long-term business model

...support VTG's growth strategy



## Good start into 2011 – Selected highlights

- **Industry consolidation process driven further by VTG:**

- Acquisition of a smaller fleet in Italy (~ 300 wagons)

- **Innovation platform Graaff:**

- First Volume<sup>112</sup> (compressed gas tank wagon) delivered
- More new railcar types in the pipeline



- **Optimizing processes and increasing efficiency: test**

- Project HIRE21: First part of new IT system in Wagon Hire Division
- New organizational structure in Wagon Hire Europe



Positioning as a best-in-class fleet operator and service provider

# VTG enters 2011 with confidence and expects positive development



## Our expectations for FY 2011

- Positive contribution of acquisitions made in 2010
- Upward business trend in all three divisions:
  - Wagon Hire Division**
    - Capacity utilization in 2011 expected to increase further
    - Order book (new-builts) growing
  - Rail Logistics & Tank Container Logistics Divisions**
    - More moderate growth than in 2010
- Continuing the growth means looking at financing
  - VTG exploring or discussing options

## Financial guidance FY 2011

- Group Sales: € 720 – 760 m
- Group EBITDA: € 165 – 170 m

## Dividend for FY 2010

- VTG intends to propose a dividend payment of € 0.33 per share for FY 2010 (increase of 10.0% compared to FY 2009)

## Save the date 2011

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### Financial calendar 2011:

- February 23<sup>rd</sup> Preliminary Results FY 2010
- April 13<sup>th</sup> Annual Report FY 2010
- April 14<sup>th</sup> Analyst Conference, Frankfurt
- May 19<sup>th</sup> Interim Report for the 1<sup>st</sup> Quarter 2011
- June 17<sup>th</sup> Annual General Meeting, Hamburg
- August 23<sup>rd</sup> Half-Yearly Financial Results 2011
- November 16<sup>th</sup> Interim Report for the 3<sup>rd</sup> Quarter 2011

### Investor Relations Contact

VTG Aktiengesellschaft  
Nagelsweg 34  
20097 Hamburg  
Germany



#### Felix Zander

Head of Investor Relations

Phone: +49 40 2354 1351

Fax: +49 40 2354 1350

Email: felix.zander@vtg.com

#### Andreas Hunscheidt

Investor Relations Manager

Phone: +49 40 2354 1352

Fax: +49 40 2354 1350

Email: andreas.hunscheidt@vtg.com



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for your attention.

