

**VTG – “*Mobility drives us*“**  
**Hamburg, April 28<sup>th</sup>, 2008**





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**1. Business Characteristics and Strategy**

**2. Economic Development**

**3. Highlights 2007**

**4. Financial Development 2007**

**5. VTG Share**

**6. Summary and Outlook 2008**



## VTG – Europe's leading rail logistics company

### VTG Aktiengesellschaft

#### Wagon Hire

Europe's Number 1 in private wagon hire with approximately 47,800 rail cars and international ambitions

#### Rail Logistics

Full-service rail logistics provider

#### Tank Container Logistics

Global tank container logistics and hiring with 8,000 available tank containers

→ Effective through cross-linking of the three strong business divisions



## Business Characteristics

- Expanding business with high barriers of entry in the Wagon Hire Division
- Relatively independent from business cycles due to long lasting contracts and infrastructure position in many industries
- Excellent European basis complemented by international ambitions
- Long-living and valuable assets which cannot be reproduced quickly and easily
- Long-term financing with interest rate hedge in place
- Liquidity and debt service secured by high and stable cashflow
- Anchor Shareholder promotes long term business development
- 3 Business divisions benefit from synergies between different segments



## VTG's strategic objectives

### Strengthening the leading position in the European core market

- Further expansion of the leading market position of all business divisions in transportation of hazardous goods
- Diversification of service portfolio to additional businesses
- Additional growth in all three business divisions, especially in east and south-east Europe

### Expansion into new markets

- Further development of wagon hire business in North America
- Evaluation of opportunities to enter the wagon hire business in CIS
- Strengthening of tank container logistics business in Asia

### Optimization of processes and increase of efficiency

- Optimization of procurement and fleet management
- Securing stable cash flows
- Further optimization of processes between business divisions; improve organizational structure



## Railway is booming – three growth trends

### Boom

#### 1. Increasing freight volume

- Globalization leads to strong increase in freight volumes
- European rail logistics traffic will increase by 28 % from 2006 to 2015 (Estimation: SCI)
- Increased freight volume particularly in the growth regions of Eastern Europe
- Advantages for rail transports especially for high volume transports over long distances

#### 2. Better conditions in European rail market

- Facilitating access to rail infrastructure
- Reduction of technical and organizational barriers in the European rail market
- New, flexible private market players in rail transport increase service, reliability and attractiveness of rail

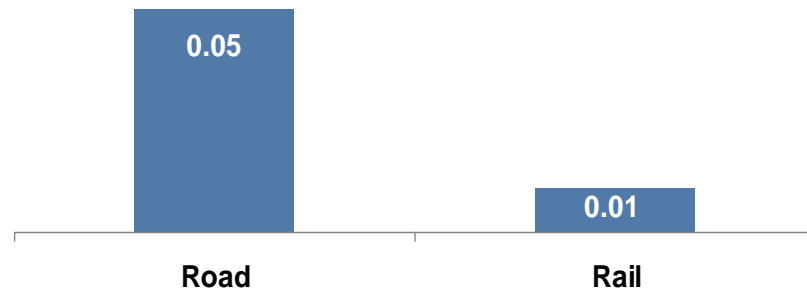
#### 3. Increased environmental awareness

- Climate change as reason for increased demand for eco-friendly transport concepts
- Eco-friendly cargo transport getting more and more important

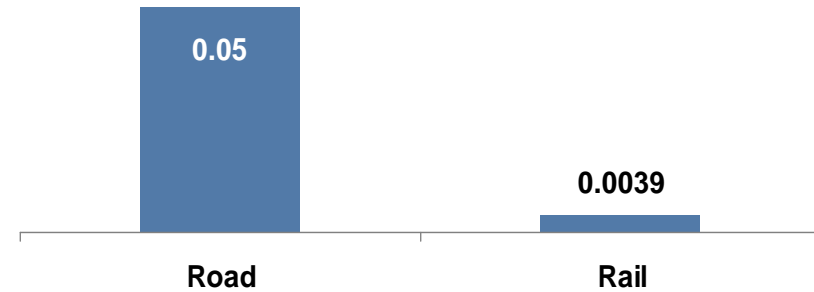


## Sustainability of rail transport

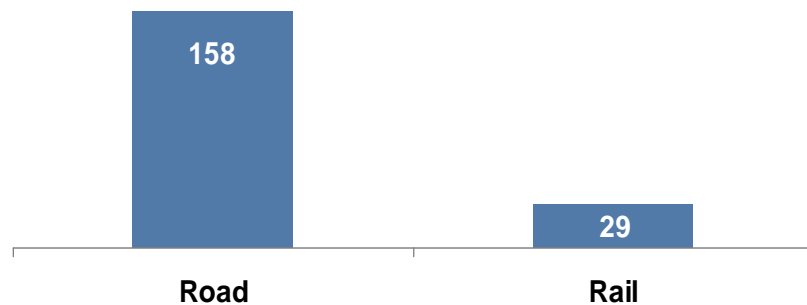
**Energy consumption in cargo transport**  
(Equivalent to Diesel in kg per tonne kilometer)



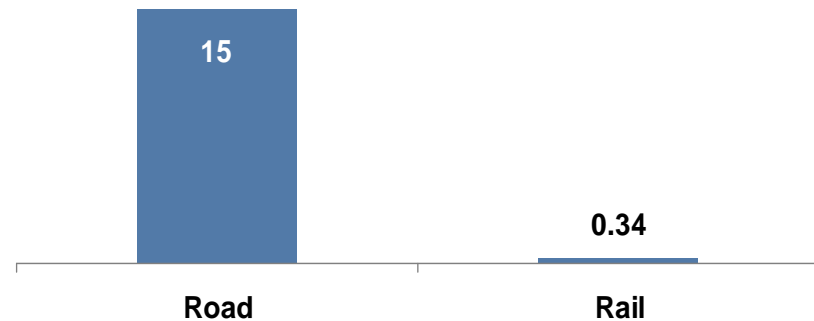
**Particle emission**  
(in g per tonne kilometer)



**CO<sub>2</sub> emission of cargo transport**  
(CO<sub>2</sub> in g per tonne kilometer)



**Accidents with hazardous goods**  
(# per 1 bn tonne kilometers)







## Strong Economic Development in 2007

- 2.9 % GDP growth in European countries
- In particular Middle- and East-European countries with reflation
- Very positive economic development in Germany (e.g. chemical industry increased productivity by 4.5 %)
- German exports grew by 8.5 % (positive effect on European freight volumes)
- Possible slow-down of economic growth does not have a significant influence on rail freight services (28 % growth between 2006 and 2015 estimated)
- Conclusion: For VTG very good financial year 2007, especially very strong 4<sup>th</sup> quarter.



## Highlights 2007

- IPO in June as Europe's first rail logistics company
- Entering markets with new wagon segments beyond VTG's previous tank car focus
- Preparatory steps for entering North American rail market
- Acquisitions extended the leading market position:

Takeover of 800 Wagons from Rexwal (Switzerland)

Increase of stake in VOTG to 100 %

Railtrans: Management and Marketing of 600 railcars (France)

Acquisition of Tankspan Leasing (UK)

Acquisition of Texas Railcar Leasing (USA)\*

2007

Jan

Feb

Mar

Apr

May

Jun

Jul

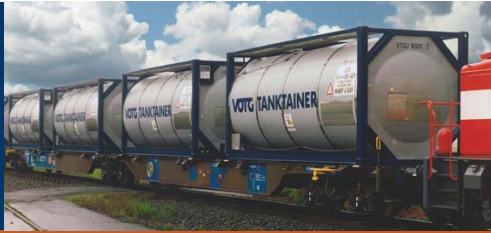
Aug

Sep

Oct

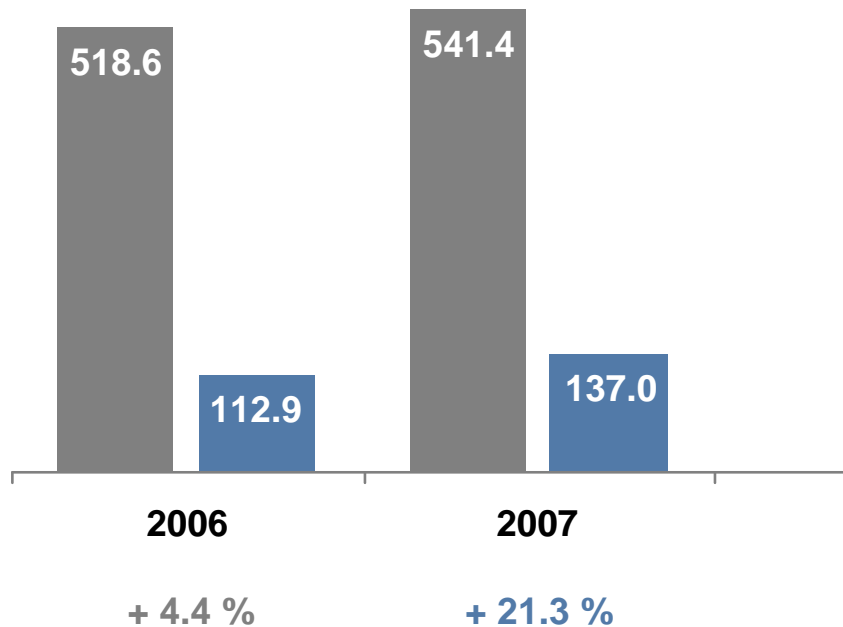
Nov

Dec

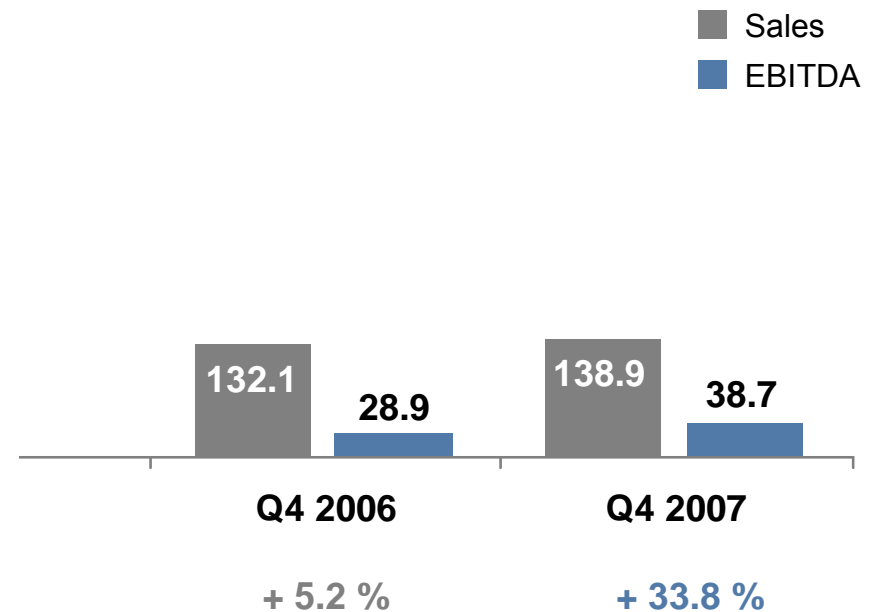


## Accelerated growth and dynamic profit development

Q 1 – 4 (€m)



Q 4 (€m)



Guidance for 2007:

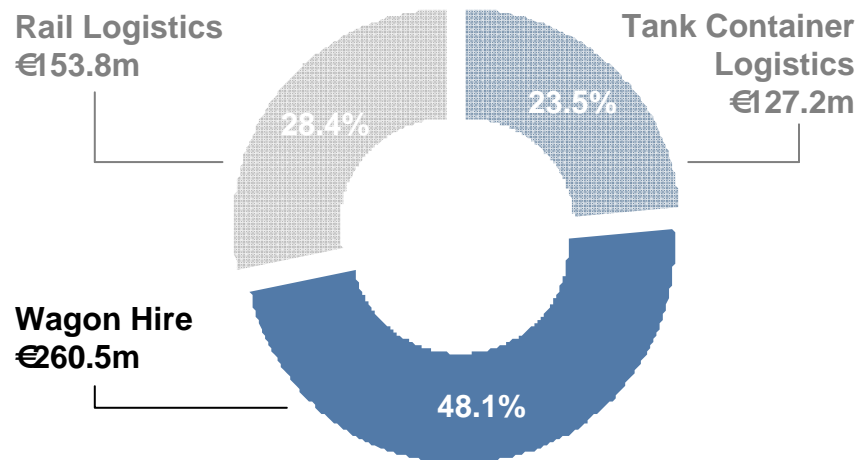
Sales: 3.5 % – 4.5 %

EBITDA: 19 % – 21 %



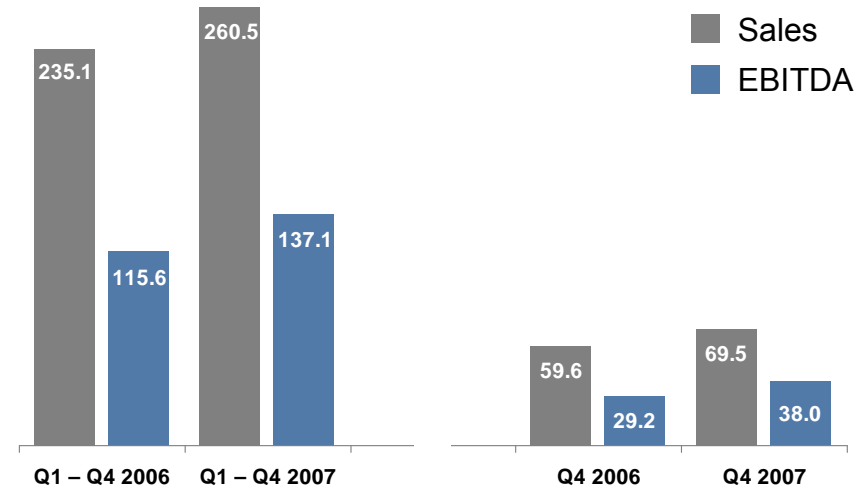
## Wagon Hire benefits from increasing demand for rail freight capacities

### Sales Q1 – Q4 2007



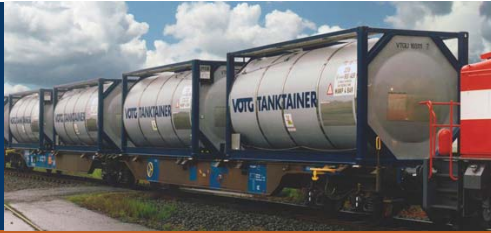
- Wagon fleet of around 47,800 cars with increased utilization rate of 93.9% (2006: 90.7%)
- Fleet capacity increased while average age structure remains at 21.2 years
- Entry into additional wagon segments

### Sales, EBITDA (€m), EBITDA Margin (%)

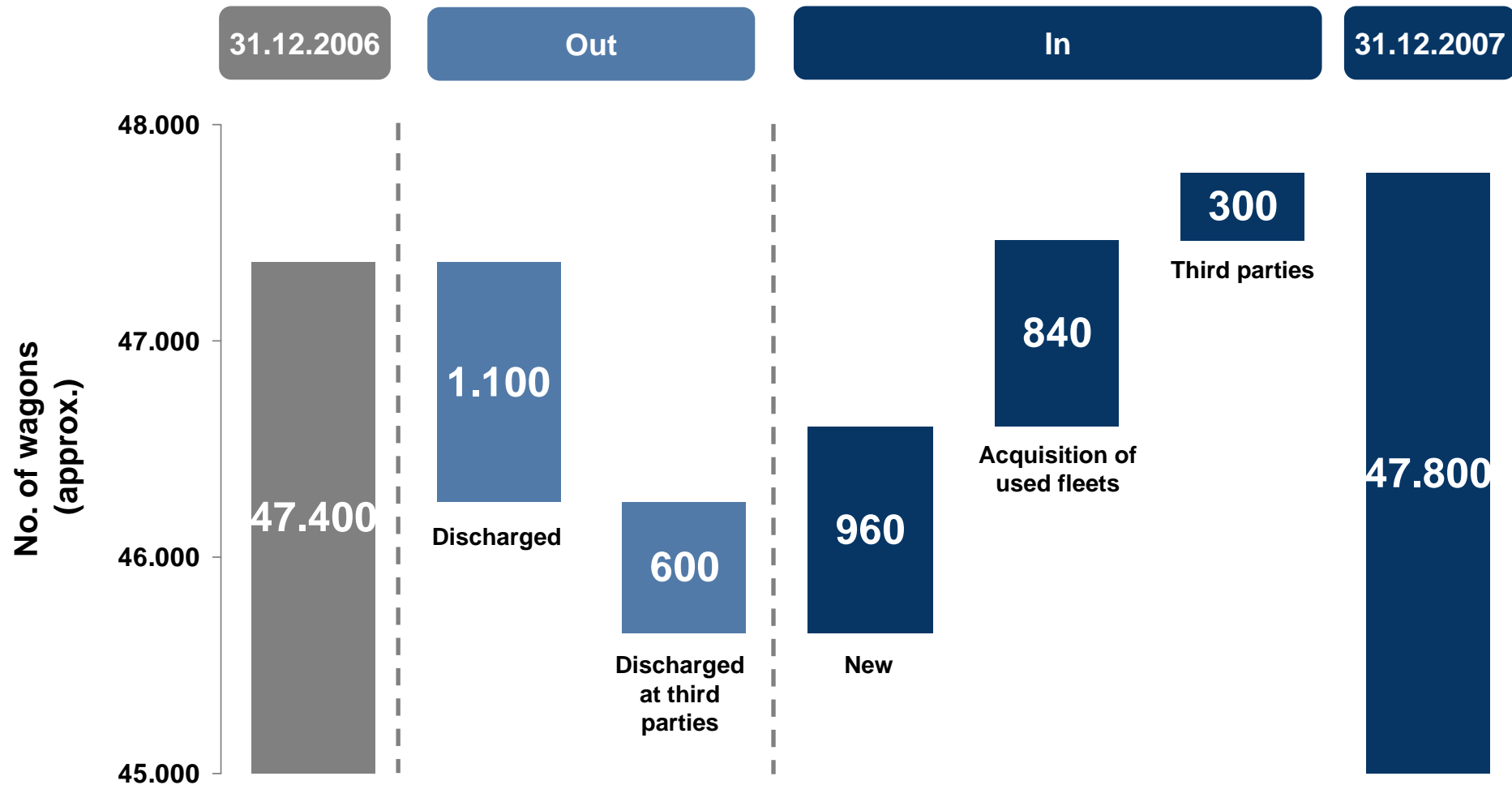


**EBITDA Margin:**  
49.2 % to 52.6 %

**EBITDA Margin:**  
48.9 % to 54.6 %



## Development of the fleet

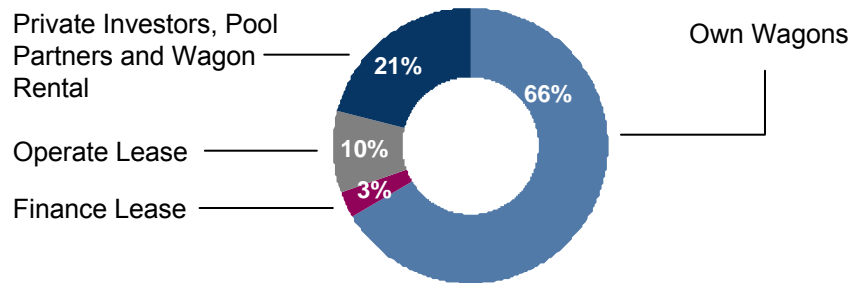




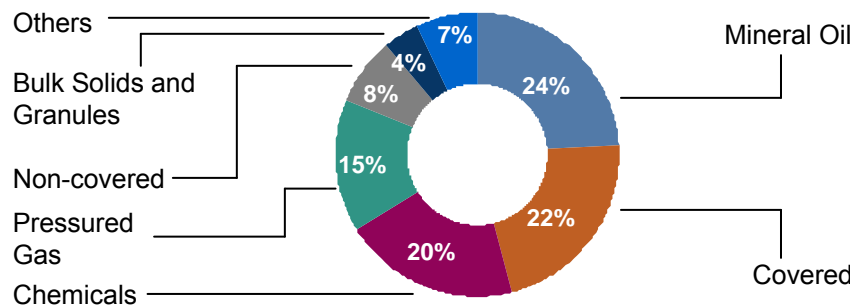
# Large and Diversified Asset Base of 47,800 wagons with a Broad Range of Services Offered

## Railcars for every need

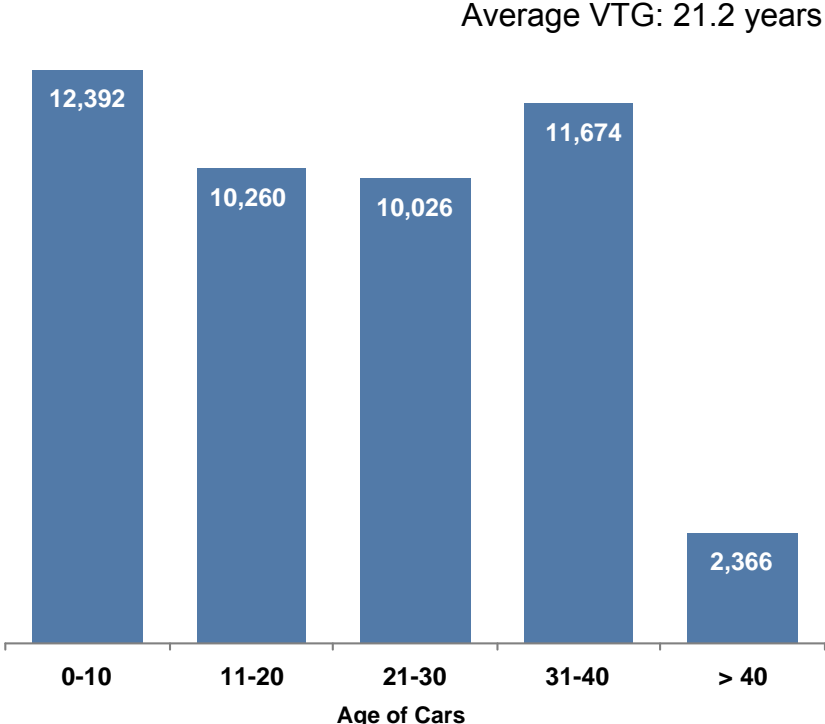
### Split by Ownership

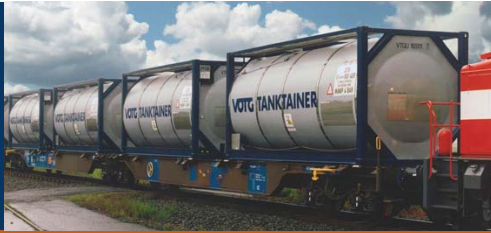


### Split by Type



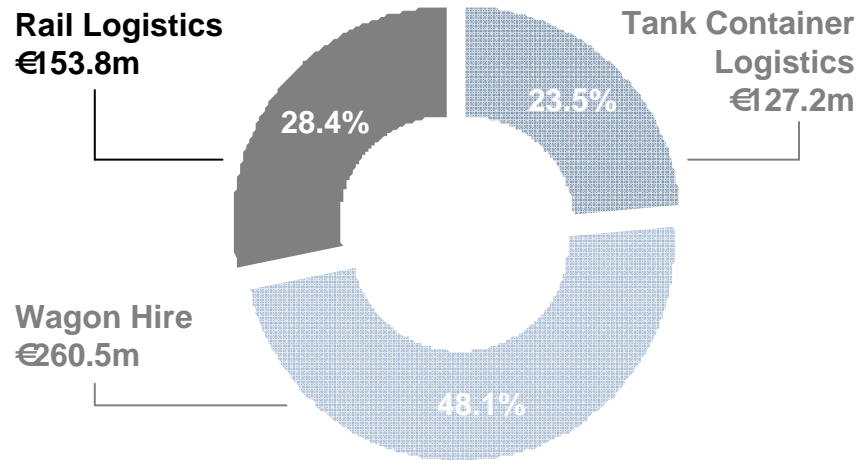
## Age Structure of Wagon Fleet\*





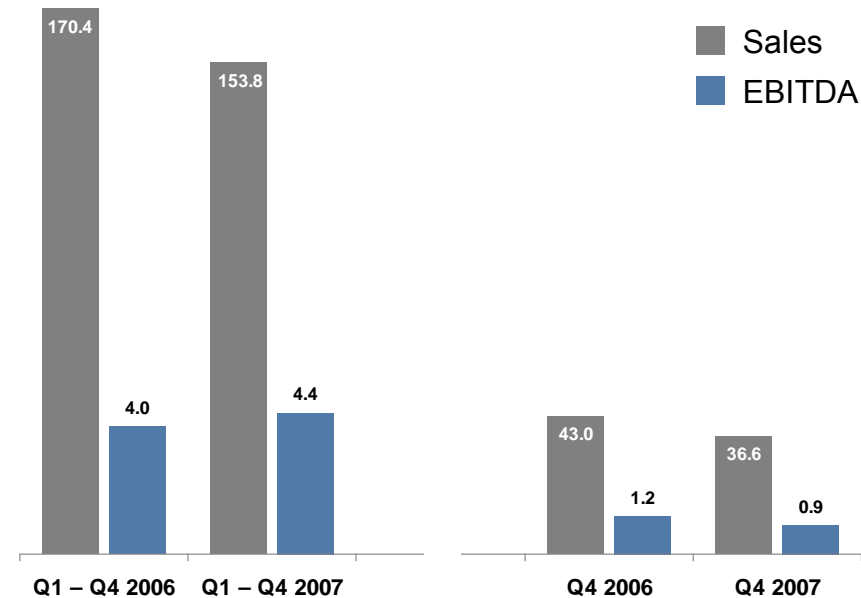
## Rail Logistics increases profitability despite lower sales

### Sales Q1 – Q4 2007



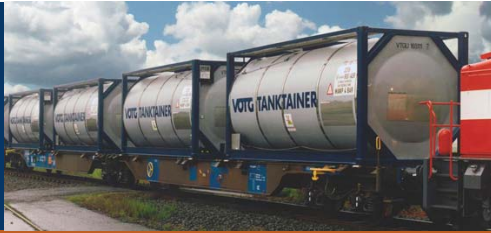
- Focus on international tailor-made businesses
- Cross-border transports of chemical basic components; transports of biofuels and their raw materials
- Opening of European east-west connections offers growth opportunities

### Sales, EBITDA (€m), EBITDA Margin (%)



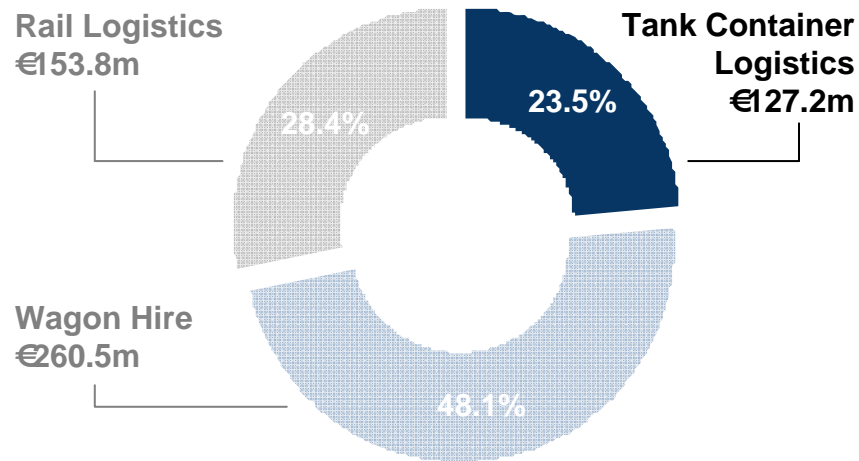
**EBITDA Margin:**  
35.0 % to 38.8 %

**EBITDA Margin:**  
34.6 % to 32.9 %



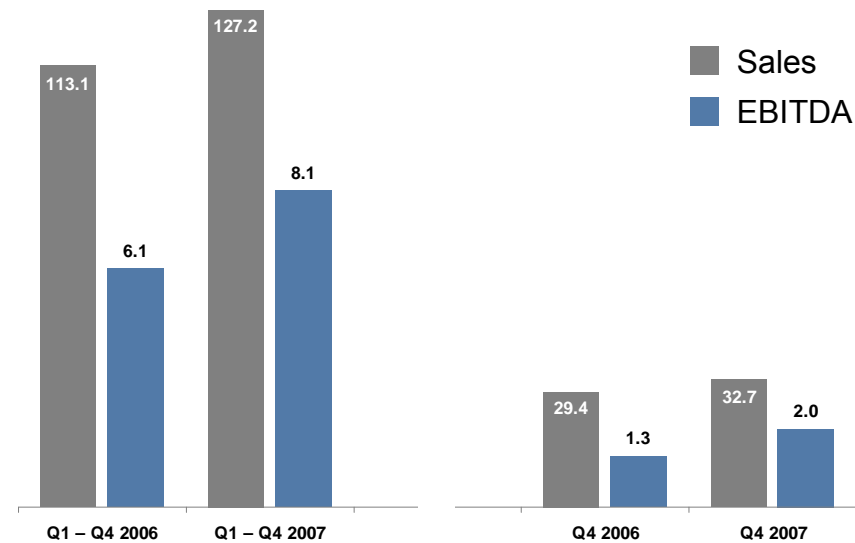
## Tank Container Logistics with significant growth in all markets

### Sales Q1 – Q4 2007



- Benefits from growing international trade and globalization; increased fleet to more than 8,000 units
- Participates in growth of intra-European transport (incl. Russia and Turkey)
- Increased capacity utilization based on steady demand by the chemical industry and optimization of route management

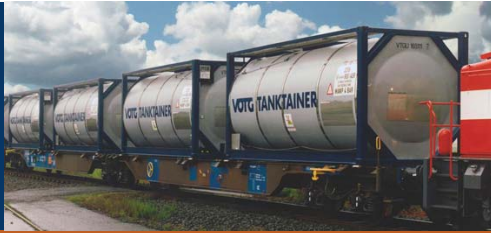
### Sales, EBITDA (€m), EBITDA Margin (%)



**EBITDA Margin:**  
34.9 % to 40.9 %

**EBITDA Margin:**  
27.2 % to 36.4 %

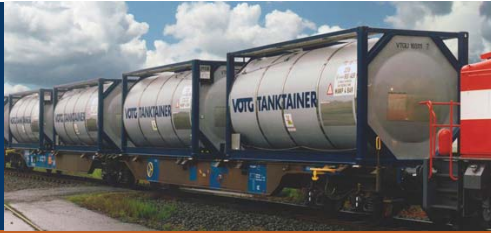




## Key Figures Financial Development

€m	2006	2007	Change in %
Sales	518.6	541.4	4.4
EBITDA	112.9	137.0	21.3
EBIT	53.6	68.4	27.6
EBT	15.3	32.7	> 100.0
Net income	7.5	49.7	> 100.0
Net income adjusted	7.5	19.1	> 100.0
Earnings per share (in €)*, adjusted	n/a	0.87	

→ All Key figures increased significantly!



## German corporate tax reform

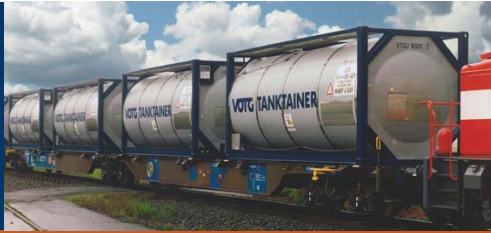
- IFRS Corporate tax rate for deferred taxes was reduced from 40 % to 33 %.
- This has a **nonrecurring effect** on IFRS results for 2007.
- In 2008 the tax ratio for the group will decrease.

### Including tax effects (reported) in €m

EBT		32.7
Tax in 2007 (tax revenue)		17.0
- Income tax	(13.6)	
- Tax effects due to tax reform	24.7	
- Further tax effects	5.9	
- Corresponding tax rate		(51.9 %)
<b>Net income reported</b>		<b>49.7</b>

### Excluding tax effects (reported) in €m

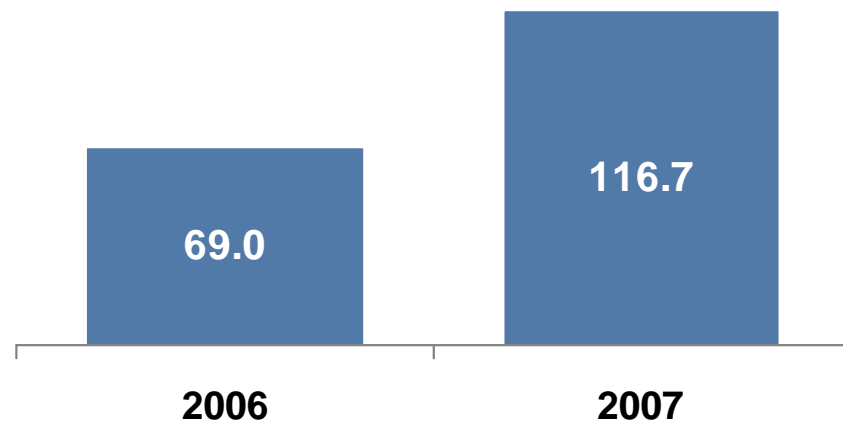
EBT		32.7
Tax in 2007		(13.6)
- Income tax	(13.6)	
- Corresponding tax rate		41.5 %
<b>Net income adjusted</b>		<b>19.1</b>



## VTG Capex – investments for expansion of wagon fleet

### Capital Expenditures\* (€m)

■ on balance



- Capex is used to preserve and modernize existing fleet as well as to purchase additional new and used wagons
- Acquisition of wagon fleet of Swiss competitor Rexwal
- Entry in new wagon segments beyond tank car focus

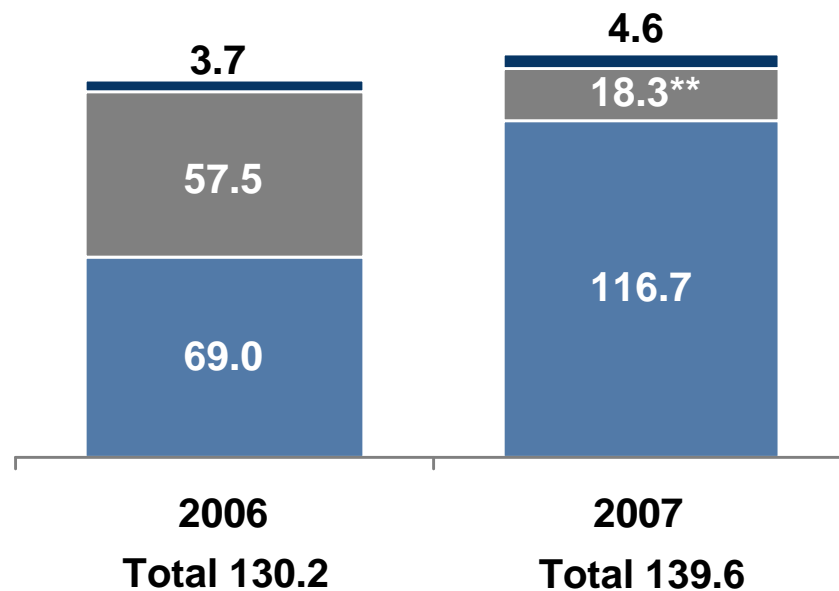
\* Capex for fixed assets, incl. capitalization of revision costs.



## VTG Capex – investments for expansion of wagon fleet

### Capital Expenditures\* (€m)

■ off balance ■ SPV Deichtor/Klostertor ■ on balance

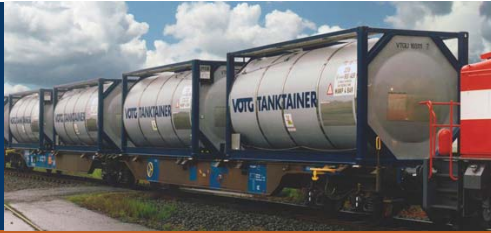


- Capex is used to preserve and modernize existing fleet as well as to purchase additional new and used wagons
- Acquisition of wagon fleet of Swiss competitor Rexwal
- Entry in new wagon segments beyond tank car focus

- In 2006 SPV Klostertor acquired Nordwaggon fleet
- In the first half of 2007 €18.3m were invested in Deichtor for additional new built wagons
- Both SPV's were consolidated by June 30<sup>th</sup> 2007

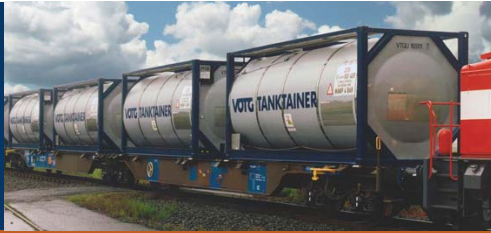
\* Capex for fixed assets, incl. capitalization of revision costs.

\*\* Capex of Deichtor and Klostertor of the first half of the year 2007 when they were not consolidated.



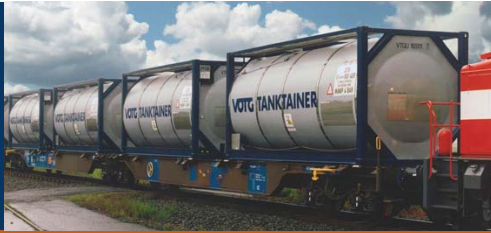
## VTG Operating Cash Flow

€m	2006	2007
<b>EBITDA</b>	<b>112.9</b>	<b>137.0</b>
Δ Net Working Capital	7.9	(3.1)
Δ Other Assets / Liabilities	(4.6)	(7.6)
Taxes	(0.3)	(7.8)
Other	(5.0)	(5.0)
<b>Operating Cash Flow</b>	<b>110.9</b>	<b>113.5</b>



## Net Financial Liabilities significantly decreased

€m	31.12.2006	30.06.2007	31.12.2007
Cash and Cash Equivalents	43.5	70.1	48.0
Other Financial Assets / Securities	3.4	4.9	5.9
Liabilities to Credit Institutions	(422.3)	(495.3)	(478.3)
Liabilities from Finance Lease	(60.6)	(58.9)	(53.3)
Shareholder Loan	(95.7)	(106.8)	0
Other Financial Liabilities	(1.4)	(0.6)	(0.4)
<b>Net Debt</b>	<b>(533.0)</b>	<b>(479.8)</b>	<b>(478.1)</b>
Provisions for Pensions	(52.0)	(48.0)	(46.3)
<b>Net Debt adjusted</b>	<b>(585.0)</b>	<b>(527.8)</b>	<b>(524.4)</b>
EBITDA	112.9	122.8*	137.0
<b>Net Debt adjusted / EBITDA</b>	<b>5.2x</b>	<b>4.3x</b>	<b>3.8x</b>



## VTG Financing

### Bank Syndicates

- 18 banks (thereof 17 European, 9 German)
- Majority lenders: specialized in asset financing

### Lending facilities

- Total Senior loans: €525m
- Revolving / Guarantee Facility: €100m
- Capex Facility: €100m

### Repayment Schedule

- Annual redemption €25-30m for senior loans
- Bullet repayments for all facilities 2014-2018

### Covenants

- Debt Cover, Cash Cover, Asset Value Cover

### Interest rates

- Hedging agreements fix at least 70 % of the expected loans until 2012
- The variable part is linked to Euribor / Libor

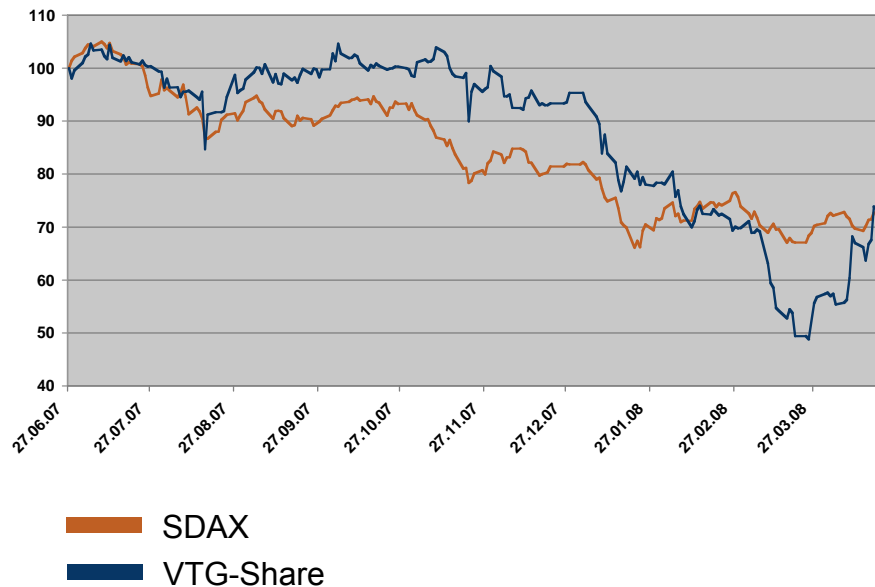
### Existing financing capacities

- €150m

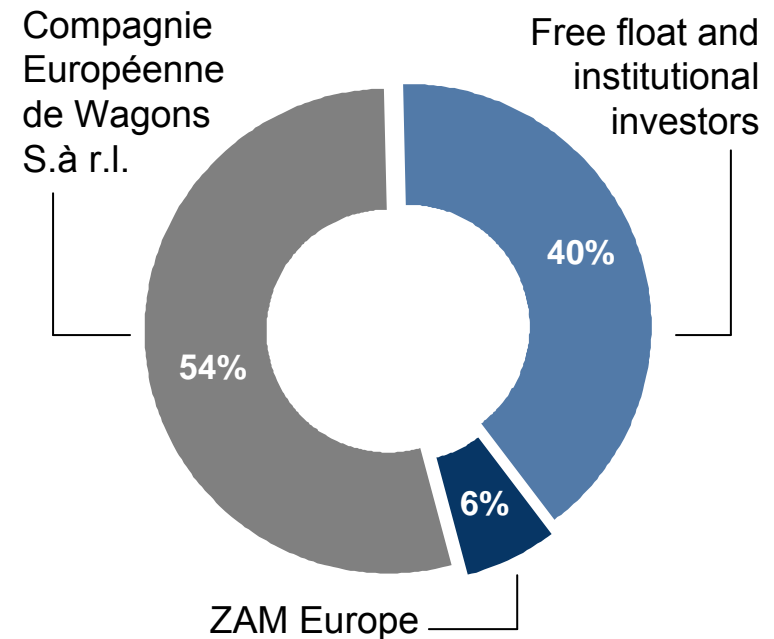


## Share

### Share price 27.06.2007 – 22.04.2008



### Ownership structure as of 31.12.2007



- 2007: Share price remained relatively stable in volatile market
- 2008: Volatile development in weak capital market not connected to VTG' business development





## Summary: Achievements 2007

- Modernized fleet with enhanced capacity
- Increased revenues and earnings
- Equity ratio significantly enhanced
- Net debt decreased
- Continued international growth strategy through selected acquisitions
- Secured financing and liquidity for future growth in the long term



## VTG takes chances for growth opportunities worldwide



- Increase of cargo volume by 3.4 % p.a. expected until 2011 in the USA
- High profitability of rail freight market

- Renaissance of railway, especially for long distance transports
- Close integration into value chains of industry

- Strong increase of cargo volume amount due to dynamic economic development of Asia-Pacific area



## Start into financial year 2008 and outlook

- Positive trend from previous quarters continue
- Acquisition of Texas Railcar is the basis for selected growth in North America
- Capital expenditure of approximately €100m is expected
- Guidance for 2008: Sales increase by 3.5 – 5.5 % to €560 – 570m
- EBITDA increase by 5 – 8 % to €144 – 148m
- Ability to pay dividend expected for financial year 2008

**→ VTG on track as one of Europe's leading rail logistics company**



## Financial Calendar 2008

- 28<sup>th</sup> April 2008      Financial Statements 2007  
Press conference
- 29<sup>th</sup> April 2008      Analysts Conference (Frankfurt)
- 27<sup>th</sup> May 2008        Interim report for the 1<sup>st</sup> quarter 2008
- 18<sup>th</sup> June 2008        Annual General Meeting
- 27<sup>th</sup> August 2008     Half-Yearly Financial Report 2008
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