

QUARTERLY STATEMENT

as of September 30, 2017

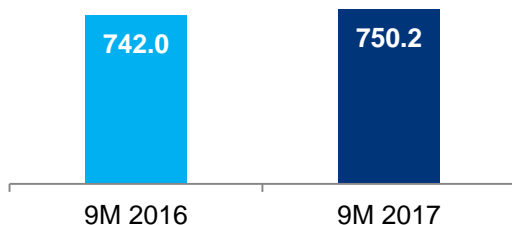
In the third quarter, the VTG Group maintained the gratifying revenue trend witnessed in the previous three months. To date, the Group can therefore look back on a challenging financial year 2017 in which the Rail Logistics Division in particular was able to expand its activities. After a weak start to the year, the Railcar Division continually increased its utilization to the current figure of 92.1% – the highest level since September 2008 and a firm foundation for the coming quarters.

The preparation of hitherto idle railcars and the cost of the planned takeover of French railcar leasing company Nacco weighed on EBITDA in the first nine months of 2017, causing this metric to fall below the figure for the previous year. That said, the previous year's EBITDA included one-time extraordinary income. Accordingly, earnings per share (EPS) edged down slightly to € 1.21. Investments of around € 212 million were significantly higher than in the previous year. The strongest increase

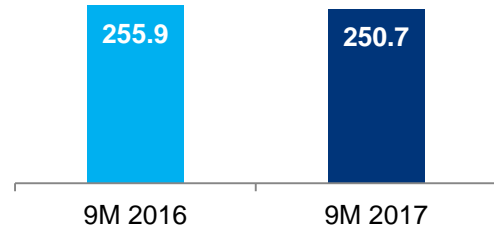
came in the USA, where VTG acquired both newly built railcars and an existing fleet. The fleets in Europe and Russia were also expanded and modernized.

In August, the Executive Board published an EBITDA forecast of between € 330 million and € 360 million for the current financial year. The top end of this spread includes potential proceeds from the acquisition of the Nacco Group in the 2017 financial year. Due to the ongoing examination of the takeover by the relevant antitrust authorities, the Executive Board now expects a closing of the transaction within the first quarter of 2018. The 2017 financial result will therefore not include Nacco Group related income, but expenses associated with the takeover of Nacco. The Executive Board therefore expects that EBITDA for the year will be at the lower end of the spread forecast in August.

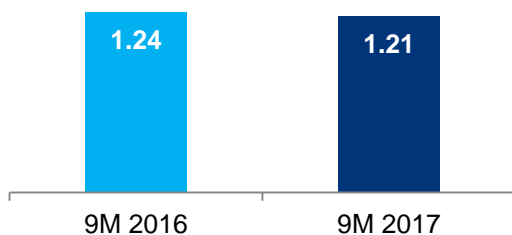
Revenue
(in € million)



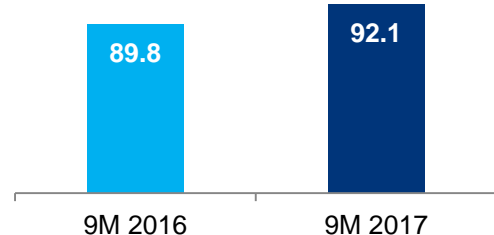
EBITDA
(in € million)



Earnings per share
(in €)



Utilization
(in %)



Business trend

Results for the VTG Group

in € million	9M 2017	9M 2016	Δ
Revenue	750.2	742.0	+ 1.1%
EBITDA	250.7	255.9	- 2.0%
EBIT	109.7	115.9	- 5.3%
EBT	63.0	69.2	- 8.9%
EPS (in €)	1.21	1.24	- 2.4%

- Group revenue was slightly up year on year, due essentially to the Rail Logistics Division. After a subdued start to the year at Railcar, this division's revenue trend improved continually in the course of the year as utilization increased. At Tank Container Logistics, lower freight rates negatively affected revenue.
- Compared to the same period a year ago, both Rail Logistics and Tank Container Logistics saw EBITDA increase in the first nine months of 2017. EBITDA in the Railcar Division was down slightly due to one-time charges (€ -4.2 million) for the preparation of previously unleased railcars and for the planned takeover of the Nacco Group, while the previous year was characterized by high levels of one-time income (€ +3.2 million).
- The planned acquisition of Nacco is also reflected in the financial result, which contained additional financing costs of € 3.5 million relating to the transaction in the third quarter of 2017. Together with the one-time charges described above, this had a negative impact on EBT.
- Thanks to a lower tax rate, earnings per share were down only by a modest 2.4% in the nine months under review, despite the said one-time charges.

Capital market

VTG's share performance

in €	9M 2017	2016	Δ
Closing price	47.00	28.41	+ 65.5%
High	47.00	29.52	
Low	28.65	22.70	
Market capitalization	1,352 m	817 m	+ 65.5%

- Healthy economic data in the eurozone, the USA and China pushed up nearly all lead indices worldwide.
- The DAX rose by 11.7% and the SDAX by 25.1% in the first nine months of 2017.
- In June, the DAX hit a new all-time high of 12,889 points.
- The VTG share substantially outperformed the trajectory of the German lead indices, climbing 65.5% in the first nine months.
- On September 29, the VTG share peaked at € 47.00, the highest closing price since the IPO.

Results for the divisions

Railcar

in € million	9M 2017	9M 2016	Δ
Revenue	386.0	387.7	- 0.4%
EBITDA	249.1	255.5	- 2.5%
EBITDA margin	64.5%	65.9%	- 1.4 PP
Utilization	92.1%	89.8%	+ 2.3 PP
No. of wagons	82,800	81,900	+ 900

- After the first nine months of 2017, Railcar's revenue was roughly on a par with the same period in the previous year. A sustained positive trend in revenue development in the second and third quarters essentially made up for a weak start to the year.
- Demand for freight cars picked up tangibly in Europe in the third quarter in particular. Toward the end of the period, leasing activity increased for intermodal wagons, tank cars and standard freight cars alike. Third-quarter revenue was thus up sequentially by 2.7%.
- This development is also reflected in the utilization rate, which peaked at 92.1% at the end of the third quarter – the highest figure since September 2008.
- In the first nine months of 2017, EBITDA declined compared to the same period a year ago. One-time charges totaling € 4.2 million were the main reason. Of this sum, € 2.6 million related to the planned takeover of the Nacco Group. The remaining € 1.6 million was spent on preparing newly leased railcars and on overhauling braking systems in the context of changes to European safety regulations.
- By contrast, one-time income of € 3.2 million had positively influenced EBITDA in the third quarter of 2016.
- The EBITDA margin for the first nine months of 2017 thus dropped by a modest 1.4 percentage points to 64.5%.

Rail Logistics

in € million	9M 2017	9M 2016	Δ
Revenue	247.2	233.7	+ 5.7%
EBITDA	5.1	4.7	+ 10.4%
EBITDA margin*	22.8%	22.0%	+ 0.8 PP

* Calculated on the basis of gross profit

- Year on year, revenue at Rail Logistics was up 5.7% in the first nine months of 2017.
- This was attributable in particular to sustained positive business development in southeastern Europe. Positive trends were also in evidence in transports for the metalworking industry and in project logistics.
- Accordingly, the operating result (EBITDA) increased by 10.4% to € 5.1 million in the first nine months of 2017. The EBITDA margin improved slightly to 22.8%.

Tank Container Logistics

in € million	9M 2017	9M 2016	Δ
Revenue	117.0	120.6	- 3.0%
EBITDA	8.3	7.7	+ 8.4%
EBITDA margin*	37.0%	36.0%	+ 1.0 PP

* Calculated on the basis of gross profit

- Revenue in the first nine months of 2017 was 3.0% down on the same period a year ago. The transportation volume was higher, but freight rates were lower. The temporary closure of the key railway line near Rastatt also had a negative impact on revenue development in the third quarter.
- Despite the slight decline in revenue, EBITDA was up 8.4%. The EBITDA margin (based on gross profit) increased by 1.0 PP to 37.0%.
- Lower transportation costs were the key factor in improving EBITDA. At the same time, savings were realized on tank container leasing. In the course of an ongoing investment program some leased equipment was gradually replaced by the company's own tank containers.

Financial position and net assets

Cash flow

in € million	9M 2017	9M 2016	Δ
Operating cash flow	170.5	226.1	- 55.6
Investing cash flow	- 150.1	- 112.7	- 37.4
Financing cash flow	- 34.0	- 110.9	+ 76.9

- Cash flow from operating activities was down primarily because of the purchase of railcars that are soon to be resold to leasing companies (purchases in 2017: € -32.5 million; sales in the same period a year ago: € +8.1 million).
- Additionally, revenue growth at Rail Logistics drove up working capital, which likewise had a negative effect on cash flow from operating activities.
- Heavier investments in the wagon fleet increased net cash used in investing activities year on year.
- Some of this capital spending was funded by additional credit lines, with the result that cash used in financing activities declined.

Investments

in € million	9M 2017	9M 2016	Δ
Investments	211.8	154.8	+ 57.0
Of which:			
Fixed assets	192.1	113.7	+ 78.4
Operating leases	19.7	41.1	- 21.4
Order book (quantity)	3,200	2,500	+ 700

Net assets

in € million	09/30/2017	12/31/2016
Assets	3,058.4	3,001.5
Non-current	2,731.3	2,726.2
Current	327.1	275.3
Equity	778.4	774.0
Equity ratio (in %)	25.5	25.8
Liabilities	2,280.0	2,227.5
Non-current	1,904.2	1,912.8
Current	375.8	314.7

- Investments were higher than in the previous year.
 - Nearly half of total capital spending was channeled into expanding the fleets in North America and Russia by acquiring new and used wagons. In North America, some of the 1,000 wagons ordered in 2014 were delivered in the third quarter.
 - In Europe, investment in new railcars remained on a high level.
 - VTG bundled part of its pending investment in maintenance between now and 2020 in "Initiative 2020". This is the main reason for the sharp rise in the order book.
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- Total assets of the VTG Group remained virtually unchanged from the balance sheet date of December 31, 2016.
 - Non-current debt is covered by non-current assets.
 - The equity ratio of 25.5 % continues to be at a good level.

Opportunities and risks

The VTG Group's 2016 annual report sets out significant opportunities and risks that could have an impact on the business situation, net assets, financial position or results of operations of the VTG Group. It also sets out the structure of the Group's risk management system. In the nine months of 2017, no further significant risks or opportunities emerged beyond those already set out in the VTG Group's 2016 annual report. There are therefore currently no known risks whose occurrence, alone or in combination with other risks, could endanger the company as a going concern. In relation to this, please also refer to the section "Cautionary note regarding forward-looking statements".

Report on expected developments

In August, the Executive Board published an EBITDA forecast of between € 330 million and € 360 million for the current financial year. The top end of this spread includes potential proceeds from the acquisition of the Nacco Group in the 2017 financial year. Due to the ongoing examination of the takeover by the relevant antitrust authorities, the Executive Board now expects a closing of the transaction within the first quarter of 2018. The 2017 financial result will therefore not include Nacco Group related income, but expenses associated with the takeover of Nacco. The Executive Board therefore believes that EBITDA for the year will be at the lower end of the spread forecast in August.

The Executive Board's revenue forecast remains unchanged at a figure slightly higher than that of the previous year (2016: € 986.9 million).

Cautionary note regarding forward-looking statements

This quarterly statement contains a number of statements relating to the future development of VTG. These statements are based on assumptions and estimates. Although we are confident that these anticipatory statements are realistic, we cannot guarantee them. For our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. VTG neither intends to nor assumes any separate obligation to update any statement concerning the future to reflect events or circumstances after the date of this report.

CONSOLIDATED INCOME STATEMENT

in € million	9M 2017	9M 2016	Q3 2017	Q3 2016
Revenue	750.2	742.0	251.4	248.7
Changes in inventories	-1.8	1.7	-0.5	-
Other operating income	20.2	20.7	7.8	10.4
Cost of materials	-331.3	-331.4	-107.8	-109.9
Personnel expenses	-74.2	-70.9	-24.6	-23.8
Other operating expenses	-115.9	-109.5	-40.2	-36.5
Earnings from companies accounted for using the equity method	3.5	3.3	1.3	1.2
Earnings before interest, taxes, depreciation and amortization (EBITDA)	250.7	255.9	87.4	90.1
Impairment, amortization and depreciation	-141.0	-140.0	-46.9	-46.9
Earnings before interest and taxes (EBIT)	109.7	115.9	40.5	43.2
Financing income	4.5	1.2	1.2	0.6
Financing expenses	-51.2	-47.9	-18.0	-15.7
Financial result (net)	-46.7	-46.7	-16.8	-15.1
Earnings before taxes (EBT)	63.0	69.2	23.7	28.1
Taxes on income and earnings	-18.9	-24.2	-7.1	-9.8
Group net profit	44.1	45.0	16.6	18.3
Thereof relating to				
Shareholders of VTG Aktiengesellschaft	34.7	35.6	13.4	15.1
Hybrid capital investors	9.4	9.4	3.2	3.2
	44.1	45.0	16.6	18.3
Earnings per share (in €, basic and diluted)	1.21	1.24	0.47	0.53

CONSOLIDATED BALANCE SHEET

Assets in € million	09/30/2017	12/31/2016
Goodwill	340.5	340.5
Other intangible assets	90.3	92.4
Tangible fixed assets	2,216.5	2,216.8
Companies accounted for using the equity method	35.1	32.3
Other investments	1.4	1.5
Derivative financial instruments	8.5	6.1
Other financial assets	17.4	13.9
Other assets	0.2	0.1
Deferred income tax assets	21.4	22.6
Non-current assets	2,731.3	2,726.2
Inventories	37.0	32.4
Trade receivables	154.6	140.8
Derivative financial instruments	5.1	1.4
Other financial assets	24.2	18.3
Other assets	50.4	11.6
Current income tax assets	6.7	7.3
Cash and cash equivalents	49.1	63.5
Current assets	327.1	275.3
	3,058.4	3,001.5
Shareholders' equity and liabilities in € million	09/30/2017	12/31/2016
Subscribed capital	28.8	28.8
Additional paid-in capital	323.7	323.7
Retained earnings	169.3	164.1
Revaluation reserve	0.3	-2.0
Equity attributable to shareholders of VTG AG	522.1	514.6
Equity attributable to hybrid capital investors of VTG AG	256.3	259.4
Equity	778.4	774.0
Provisions for pensions and similar obligations	65.6	67.6
Deferred income tax liabilities	155.9	151.5
Other provisions	9.3	9.1
Financial liabilities	1,656.5	1,652.2
Derivative financial instruments	15.4	29.9
Other financial liabilities	1.5	2.5
Non-current liabilities	1,904.2	1,912.8
Provisions for pensions and similar obligations	3.3	3.4
Current income tax liabilities	25.6	25.4
Other provisions	45.6	49.2
Financial liabilities	121.9	75.1
Trade payables	143.3	119.6
Derivative financial instruments	18.9	20.0
Other financial liabilities	8.1	10.3
Other liabilities	9.1	11.7
Current liabilities	375.8	314.7
	3,058.4	3,001.5

CONSOLIDATED CASH FLOW STATEMENT

in € million	9M 2017	9M 2016
Operating activities		
Group net profit	44.1	45.0
Impairment, amortization and depreciation	141.0	140.0
Financing income	-4.5	-1.2
Financing expenses	51.2	47.9
Taxes on income and earnings	18.9	24.2
EBITDA	250.7	255.9
Other non-cash expenses and income	-2.1	-1.4
Dividends from companies accounted for using the equity method	1.5	1.8
Income taxes paid	-13.6	-12.9
Income taxes reimbursed	1.9	0.4
Profit/loss on disposals of fixed asset items	-5.2	-3.2
Changes in		
Inventories	-4.6	-4.1
Trade receivables	-14.4	3.5
Trade payables	5.7	-5.8
Other assets and liabilities	-49.4	-8.1
Cash flows from operating activities	170.5	226.1
Investing activities		
Payments for investments in intangible and tangible fixed assets	-176.7	-120.0
Proceeds from disposal of intangible and tangible fixed assets	36.1	6.2
Proceeds from / payments for investments in financial assets and company acquisitions (less cash and cash equivalents received)	0.0	0.7
Proceeds from disposal of financial assets	0.0	0.2
Financial receivables (incoming payments)	1.5	3.4
Financial receivables (outgoing payments)	-11.6	-3.8
Receipts from interest	0.6	0.6
Cash flows used in investing activities	-150.1	-112.7
Financing activities		
Dividend payment to VTG AG shareholders	-21.6	-14.4
Payment for the acquisition of non-controlling interests	0.0	-5.5
Payment to non-controlling interests	0.0	-0.7
Dividend payment to hybrid capital investors	-12.5	-12.5
Hybrid transaction costs	-3.0	0.0
Receipts from the taking up of (financial) loans	170.0	18.3
Repayments of bank loans and other financial liabilities	-123.3	-46.9
Interest payments	-43.6	-49.2
Cash flows used in financing activities	-34.0	-110.9
Change in cash and cash equivalents	-13.6	2.5
Effect of changes in exchange rates	-0.8	-1.8
Balance at beginning of period	63.5	97.8
Balance of cash and cash equivalents at end of period	49.1	98.5
of which freely available funds	47.3	95.7

Key figures by division

in € million	Railcar		Rail Logistics		Tank Container Logistics		Reconciliation		Group	
	9M	9M	9M	9M	9M	9M	9M	9M	9M	9M
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
External revenue	386.0	387.7	247.2	233.7	117.0	120.6	-	-	750.2	742.0
Internal revenue	23.9	21.8	5.7	2.4	0.1	0.1	-29.7	-24.3	0.0	0.0
Changes in inventories	-1.8	1.7	-	-	-	-	-	-	-1.8	1.7
Segment revenue	408.1	411.2	252.9	236.1	117.1	120.7	-29.7	-24.3	748.4	743.7
Segment cost of materials	-16.3	-23.0	-230.4	-214.9	-94.6	-99.4	29.1	23.7	-312.2	-313.6
Segment gross profit	391.8	388.2	22.5	21.2	22.5	21.3	-0.6	-0.6	436.2	430.1
Other segment income and expenditure	-142.7	-132.7	-17.4	-16.5	-14.2	-13.6	-11.2	-11.4	-185.5	-174.2
Segment earnings before interest, taxes, depreciation and amortization (EBITDA)	249.1	255.5	5.1	4.7	8.3	7.7	-11.8	-12.0	250.7	255.9
Impairment, amortization of intangible and depreciation of tangible fixed assets	-135.7	-134.7	-0.9	-1.1	-3.9	-3.9	-0.5	-0.3	-141.0	-140.0
Segment earnings before interest and taxes (EBIT)	113.4	120.8	4.2	3.6	4.4	3.8	-12.3	-12.3	109.7	115.9
thereof earnings from companies accounted for using the equity method	3.3	3.1	-	-	0.2	0.2	-	-	3.5	3.3
Financial result	-44.5	-44.2	-0.2	-0.3	-0.4	-0.5	-1.6	-1.7	-46.7	-46.7
Earnings before taxes (EBT)	68.9	76.6	4.0	3.3	4.0	3.3	-13.9	-14.0	63.0	69.2
Taxes on income and earnings									-18.9	-24.2
Group net profit									44.1	45.0

in € million	Railcar		Rail Logistics		Tank Container Logistics		Reconciliation		Group	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
External revenue	131.9	133.0	80.6	78.1	38.9	37.6	-	-	251.4	248.7
Internal revenue	8.1	7.2	2.1	0.7	0.1	-	-10.3	-7.9	0.0	0.0
Changes in inventories	-0.5	-	-	-	-	-	-	-	-0.5	0.0
Segment revenue	139.5	140.2	82.7	78.8	39.0	37.6	-10.3	-7.9	250.9	248.7
Segment earnings before interest, taxes, depreciation and amortization (EBITDA)	86.5	90.0	1.8	2.1	3.2	1.9	-4.1	-3.9	87.4	90.1
Segment earnings before interest and taxes (EBIT)	41.4	44.9	1.5	1.7	1.8	0.6	-4.2	-4.0	40.5	43.2
Earnings before taxes (EBT)	25.3	30.5	1.5	1.7	1.7	0.4	-4.8	-4.5	23.7	28.1

Management of capital structure

The (adjusted) financial debt is determined as follows:

in € million	09/30/2017	12/31/2016
Financial liabilities	1,778.4	1,727.3
Correction, deduction of transaction costs	9.1	10.8
Cash and cash equivalents	-49.1	-63.5
Investment securities	-0.4	-0.4
Financial receivables	-23.5	-13.8
Net financial debt	1,714.5	1,660.4
Provisions for pensions	68.9	71.0
Adjusted net financial debt	1,783.4	1,731.4
EBITDA 2016	345.3	345.3
Ratio of adjusted net financial debt / EBITDA	5.2	5.0

Other financial commitments

The nominal values of the other financial commitments are as follows as of September 30, 2017 and for the previous year:

in € million	due within 1 year		between 1 and 5 years		more than 5 years		Total	
	09/30/ 2017	12/31/ 2016	09/30/ 2017	12/31/ 2016	09/30/ 2017	12/31/ 2016	09/30/ 2017	12/31/ 2016
	Obligations from rental, leasehold and leasing agreements	40.9	44.9	99.4	104.1	42.9	45.6	183.2
Purchase commitments	198.4	134.8	34.3	144.4	-	-	232.7	279.2
Total	239.3	179.7	133.7	248.5	42.9	45.6	415.9	473.8

Material events after the balance sheet date

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

Hamburg, November 15, 2017

The Executive Board

FINANCIAL CALENDAR AND CONTACT INFORMATION

Financial calendar 2018

February	Preliminary Results FY 2017
March 27	Annual Report FY 2017
March 27	Annual Results Press Conference, Hamburg
May 17	Quarterly Statement as of March 31, 2018
May 17	Analyst Conference, Elze
June 6	Annual General Meeting, Hamburg
August 14	Half-yearly Financial Report 2018
November 13	Quarterly Statement as of September 30, 2018

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