

ONLINE

SUMMER Edition 2019

ISSUE 33.

VTG RAIL EXHIBITS AT MULTIMODAL SHOW 2019



The VTG Rail sales team were delighted to again join the crowds of customers and supply chain professionals at the popular Multimodal Show, held on 18 - 20 June at the Birmingham NEC.

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VTG Rail and Yellow Rail work to reduce the impact of wheel damage

VTG and Yellow Rail have announced a five-year deal to offer the innovative RaiLathe Mobile Wheel Re-profiling Service to customers across the UK.

The issue of wheel damage impacts operators across the rail freight sector and can have a significant affect on customer service, reduced availability and involving, in some cases, complicated plans to move and resolve the damaged vehicles.

The RaiLathe is a mobile wheel lathe system that can be deployed in a range of settings. As the first of its kind in the UK, it involves the on-site re-profiling of wheels without the need

to remove the axles on the vehicle supporting its faster return to service.

The VTG Rail Service Delivery and Engineering teams were delighted to join Yellow Rail at the Rail Live event at Long Marston, Warwickshire, on 19 June, to see first hand the process in action. The teams were able to see the full range of activities of the service, with the branded and

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Welcome

Rob Brook, Managing Director, VTG Rail.

Hello and a warm welcome to the Summer 2019 edition of 'Online', our regular company newsletter. The latest issue is the first in a redesigned format and I hope you find it both useful and enjoyable.

This issue leads on the very successful Multimodal Show, where we exhibited with other Rail Freight Group members and key stakeholders inside the Rail Freight Pavilion. The event was well turned out and provided a great opportunity for the sales team to get out and meet both new and existing customers, while answering important questions on the future of intermodal wagon provision and future developments.

It has been an extremely busy but exciting time for us of late, as the Group completed the integration of the Nacco takeover. It was important for the sales team to be on hand to answer any questions about the process and a big thank you to everyone who came over and said hello on the day.

It is also an exciting time for the wider rail freight sector. The Government has announced renewed commitment to the vital Northern Powerhouse and new intermodal services seem to be coming online every day from the country's major ports.

As more retailers turn to the rail network to move their goods around the country, we know that the future of rail freight in Britain is a bright one.

VTG Rail's role in supplying the wagons for these growing new services will of course be pivotal in the near future and we are always working closely with customers to meet their needs in increasingly demanding sectors.

Also inside this issue, you can read about our latest Annual Golf Day. It has become a real highlight on our calendar and I'm very glad to say it was another huge success. On page 4 you can also read about my recent 350km Cycle Challenge. It was an amazing experience and I would like to thank everyone who has so kindly donated to the cause. The money is still coming in but I am delighted to say we have so far raised £7,200 for the Motor Neurone Disease Association (MNDA). If you would like to donate, please go to justgiving.com/fundraising/margarethazell.

Please enjoy the newsletter and if you have any questions about any of the topics raised inside, please don't hesitate to let us know. Our contact details are at the back.



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equipped special purpose vehicle and trained deployment team.

Nigel Day, VTG Rail's Engineering Director, said: "This innovative response to a significant business issue will revolutionise how we operate and will extend these benefits to our customers. We fully anticipate that this will increase fleet availability and minimise wagon downtime as a result of wheel damage."

Paul Lugg, VTG Rail's Fleet Sales Manager, saw the system up close and added: "The Railathe is a cleverly thought-out piece of equipment, which many customers will find extremely valuable. It will save everyone time and money, particularly with wagons

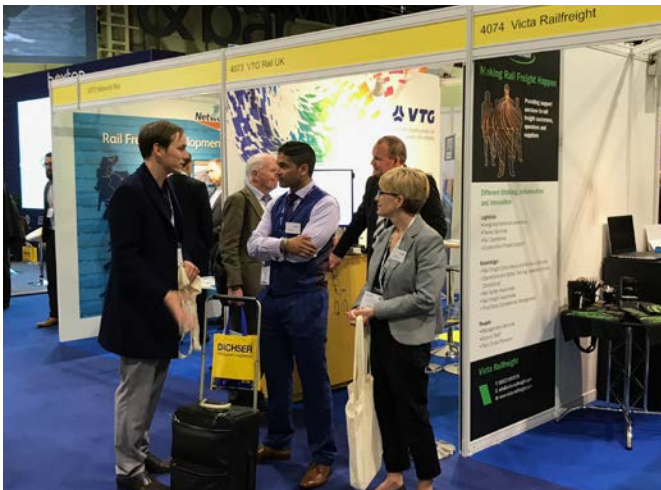
that can't run on to a maintenance depot by rail. Perhaps just as importantly, if not more so, it should enable us to get damaged wagons back into service with the customer much more quickly."

Andy Kevins, Yellow Group MD, added: "Our intention has always been to transform the approach to wheel turning. The service, as well as the Railathe static options, creates a new range of responses to wheel defects, which can occur at any location and any time on the network."

For more information on how the process works the Railathe has a dedicated website. Just go to www.railathe.com

Making the case for rail freight at Multimodal

VTG Rail was delighted to exhibit at this year's Multimodal Show, held on 18 to 20 June at the Birmingham NEC. Multimodal is one of the major UK exhibitions for the intermodal sector and regularly attracts more than 9,000 senior supply chain professionals.



Rob Brook presents the champagne prize to Emma Leam-Saville from DFDS Seaways.

VTG is a regular exhibitor at the popular three-day event that provides a great opportunity to showcase the latest in wagon developments and the many benefits of moving more goods by rail.

Our sales team joined other members of the Rail Freight Group (RFG) to exhibit on the Rail Freight Pavilion and grabbed the opportunity to speak to as many visitors as possible.

Ian Shaw, VTG Rail UK Sales & Marketing Director, said: "Multimodal has always been a worthwhile opportunity for us and we were very happy to exhibit as part of the Rail Freight Pavilion. It is always a great chance to meet up with existing customers

and showcase the many benefits of VTG's fleet to both new and existing customers. The Pavilion itself provides one dedicated location for shippers and logisticians to learn more about the rail freight sector and we have always been a keen supporter of the format."

The team were present for the full three days and during that time met with a lot of interested companies who were new to using rail freight. They also attended the RFG Summer Group meeting, which covered a number of key issues impacting the sector.

Huge congratulations to Emma Leam-Saville from DFDS Seaways [pictured], who won our on-stand champagne raffle.



VTG Rail MD completes huge 350km charity cycle challenge



VTG Rail's Managing Director Rob Brook has completed a memorial cycle challenge, taking on the 350km between Welford-on-Avon, Warwickshire, to Vilmart in Rilly-la-Montagne, just outside Reims.

He teamed up with a group of family and friends to take on the huge task, cycling in aid of the memory of friend Margaret Hazell, who sadly passed away three years after being diagnosed with Motor Neurone Disease.

The challenge has so far raised £7,200 in aid of the Motor Neurone Disease Association (MND), the only national charity in England, Wales and Northern Ireland focused on improving access to care, research and campaigning for those people living with or affected by the condition.

Margaret was a keen cyclist, whose achievements included an amazing 450km ride across the Yucatan Peninsula in Mexico. She loved visiting the Champagne area in France and had a particular favourite champagne house called Vilmart, located between Reims and Epernay.

The cycling group, including her husband Scott, decided to undertake the mammoth cycle ride to celebrate Margaret's memory, while also raising funds to support the work of MND.

The ride was called 'Velden House to Vilmart' and started at Margaret and Scott's house in Welford-on-Avon (called Velden House) on Tuesday 4 June and finished at the Vilmart champagne house on Monday 10 June.

The group cycled from Welford (near Stratford-on-Avon) to St. Pancras station in London, then caught the Eurostar to Paris, from where they then cycled to the home of Vilmart champagne in Rilly-la-Montagne. In total they completed a huge 350km.

Rob said: "Cycling had been one of Margaret's great loves, together we cycled across the Yucatan in Mexico, from London to Paris, and from Coast to Coast of both the north and south coasts of England, and although she wasn't with us in body this time, I know her spirit was beside us all the way."

GROUP NEWS

New TIS white paper published

The TIS working group, of which VTG Group is a part, published the new 'The Intelligent Freight Train' (IF2) white paper at this year's Transport Logistic Show.

Over recent years, the Technical Innovation Circle for Rail Freight Transport (TIS) has made significant progress in advancing the development and implementation of innovations around the freight wagon. There is now an industry-wide consensus that innovations for rail freight wagons are urgently needed to encourage more companies to switch their goods onto rail.

The white paper details TIS' road map to make rail freight more

competitive and outlines its position on key issues surrounding innovation, digitisation and automation.

It explains the steps on which each participant company will focus its research and development work in the future in the various fields of innovation - from the automation of braking tests to the definition of harmonised interfaces for energy and data management to efficient, condition-based maintenance.

More details on the project can be found at the below link. www.innovative-freight-wagon.eu

Crowds flock to Munich to see latest logistics innovations

VTG Group was in the thick of the action at this year's Transport Logistic trade fair, one of Europe's leading events for the supply chain sector.

Held in Munich on 4 to 7 June, the exhibition is one of the biggest in Europe and provided the perfect opportunity to showcase the Group's latest digital solutions and technical innovations from across all of its divisions including: Wagon Hire, Rail Logistics and Tank Container Logistics.

At the show, VTG Group announced plans to extend its FastTrack service to now include Rotterdam. In the past, it has only been available at the Port of Hamburg. It allows customers

to hire container wagons on an ad-hoc basis to manage short-term spikes in demand or process unplanned consignments.

Using VTG's online platform, customers can arrange a block train with intermodal cars around the clock, 365 days a year. The rolling stock, with a total loading volume of 86 teu and measuring 611m in length, is ready for operation at Rotterdam and can be deployed at short notice, subject to availability.

VTG also presented a new predictive maintenance pilot project in Sweden, working with Trafikverket, that can detect damaged wheelsets before they cause any downtime.



The VTG stand and the calm before the storm.



Photo: Messe München.

UK NEWS

200 box wagons set for UK customers

VTG Rail is set to shortly welcome the arrival of some 200 new box wagons into the UK, with an option to extend the new number to include a further 50.

A customer is already lined up to take half of the wagons on immediately, with discussions ongoing with others to take up the rest.

The first wagons will be leaving the Greenbrier factory, which is based in Turnu Severin in Romania. They will be leaving the workshop in late September and are set to arrive in the UK, coming in to Wembley, in early October. The

process usually takes around two to three weeks for the wagons to be delivered once they have left the factory.

Each wagon will be a 60m³ JNA box wagon, which will be able to carry different varieties of aggregates and other products. They will have a tare (unladen) weight of around 24 tonnes and a GLW of 101.6 tonnes - meaning they will be able to convey a payload of 77.6 tonnes.

They will be on standard LN25 bogies and are able to operate at speeds of 75 mph in tare condition, and 60 mph laden.

Golf Day goes with a swing



The VTG Rail team were delighted to again host their Annual Golf Day at Warwickshire Golf & Country Club on 3 July.

The popular event has become the highlight of the VTG events calendar and this year was no different. The sunny weather helped make it a great day for everyone and some great shots

(and not so great shots) played made the day very memorable.

Congratulations to Ben Andrew, Managing Director of Echelon Rail, who was the winner on the day but a huge thank you to everyone who came out in support. We'll see you all next year so there's plenty of time to put in extra practice.

GROUP NEWS



During the Transport Logistic trade fair, VTG and DB Cargo announced that they are working together to develop a new multifunctional and modular flat wagon.

By assembling the flat wagon from a variety of standardised components, it will be possible to choose individual lengths, bogies, wheelsets and braking configurations. The wagon will also remain extremely flexible throughout its life cycle being a modular design that can enable the structure of the flat wagon to be aligned with customers' changing needs throughout its service life.

The m2 project marks a continuation of the already successful cooperation between VTG and DB Cargo. The two companies enjoyed close collaboration on an innovative freight wagon project sponsored by Germany's Federal Ministry of Transport that was completed at the start of 2019.

VTG and DB Cargo to develop new modular and multifunctional flat wagon

"We are now building on this positive experience," says Dr. Heiko Fischer, CEO of VTG AG. "We have seen in the past that we can only make rail more competitive with road if we pull together. The modular flat wagon we are developing in the project will further improve the offerings we provide to our customers and make rail more attractive."

Dr. Roland Bosch, Chairman of the Management Board and CEO of DB Cargo, added: "The modular flat wagon and its individual superstructures will enable us to respond even faster to the needs of our customers in the future. That in turn will make customers more satisfied with rail freight."

The aim is to have the new wagon approved in 2021. VTG and DB Cargo will then market it independently.

Catch-up Q&A with...



Ian Shaw, Sales & Marketing Director, VTG Rail.

In October 2018, the VTG Group completed the successful integration of the Nacco fleet into its growing wagon portfolio, following the acquisition of CIT Rail Holdings (Europe) SAS. The move significantly increased the wagon availability for both new and existing customers across Europe and for the UK meant new opportunities for fulfilling growing customer demand.

1. What has happened since the 2018 announcement?

Ever since October 2018, the UK team has been meeting face to face with all of our new "Nacco UK" customers (as well as existing joint VTG/Nacco ones) to ensure their needs are being fully met. The Nacco integration of course meant a great deal of new wagons coming into the VTG UK fleet (as well as the wider European portfolio). These wagons fulfil customer needs via both wet and dry lease contracts, with the former having now moved onto VTG's management and maintenance systems. Ultimately, this will mean increased availability for UK customers, although demand has meant some real challenges for the team.

2. How has work progressed?

I'm very happy to say that the process is going very smoothly and we are actively engaging with all our customers to update and/or renew contracts as required.

3. How many wagons were involved in the deal?

In total 11,000 Nacco wagons were purchased, increasing the overall VTG fleet from 83,000 to more than 94,000 vehicles. The UK fleet grew by around 1,200 wagons, representing around 40% growth in wagon availability for customers.

4. What differences can customers expect to see?

We know customers are going to be pleased to see how VTG Rail is driving performance to meet their needs - particularly in the areas of innovation, reliability and availability. Demand for rail wagons is increasing all the time, as more companies look to take goods off of congested motorways and make more use of the rail network. All of the acquired fleet is being equipped with VTG Connect telematics system, as part of the Group's ongoing digitalisation programme. This is a vital step in fulfilling the needs of customers operating in the modern rail freight sector.

5. What's next?

This is all of course very exciting, if not challenging, but we strongly believe this process will be hugely beneficial for all our customers. The Nacco integration has already strengthened our market position in Europe and enhanced our service offering for all of our customers. The acquired fleet serves key markets in the UK, Scandinavia, the Netherlands, Belgium, Austria, France, Italy and eastern Europe and will generate around €85m of additional revenue in 2019. VTG of course remains clear about the need to provide its customers with best possible service and value for money, and will continue to invest in its new assets to ensure this is achieved.

If anyone has any queries about the integration process, I am more than happy to answer any questions. Please feel free to contact me at the below email address or contact number.

VTG works on new power supplies for reefer wagons



VTG has been working to make transporting refrigerated containers easier by developing new ways of powering them. A generator, driven by a hydraulic pump, converts kinetic energy into the electricity needed to cool goods such as fruit, vegetables, frozen foods and medicines.

The system, currently available for mainland Europe only, due to UK loading gauge limitations, was developed by the Swiss logistics company railCare, a subsidiary of the Coop trading group. The rCE Powerpacks have been used successfully in Switzerland since 2016 and have now been approved for use throughout all of Europe.

“The intelligent railCare solution enables us to make rail freight transport accessible for completely new kinds of cargo,” said Sven Wellbrock, Managing Director of VTG Rail Europe. “In doing so, we are not only improving our services for our customers, but also boosting the railway as a mode of transportation.”

The modular rCE Powerpack can be mounted on any carrying wagon for swap bodies or containers and consists of an adapter

frame with the entire power supply system embedded in it. A hydraulic pump mounted on a wheelset drives a generator that produces electricity when speeds in excess of 30kph are reached. This energy is used to both supply the containers’ refrigeration units and to charge the power packs, ensuring an uninterrupted power supply at all times – even when the wagons are stationary. The number of power packs therefore determines how long cooling is guaranteed. The specific services required can be adapted individually on consultation with the customer.

The special feature of rCE Powerpacks is that location data, speed, power pack charge status and the energy consumption of the containers connected to the system are transmitted via cellular networks. This data is transmitted to the customer’s company headquarters and can be called up at any time using an app and documents in detail how the power is allocated.

As part of this project, VTG Rail UK is in active discussions with its own customer to determine reefer requirements and plans to develop a UK-specific solution. We would be pleased to discuss any requirements you may have in more detail.

Send us your news

Do you have a news item you would like us to include in the next edition of ‘Online’?

We always welcome input for the newsletter and would love to hear from you. Whether you are a member of VTG Rail staff, an existing customer or have worked with us as

a project partner, please feel free to get in touch anytime to share your news.

Please email James Falkner at james@railfreightpr.com to let us know and we’ll be only too happy to consider it for publication in the next issue.

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