

# Mobile and productive, global and networked.

The global exchange of knowledge and goods has made our world faster, more transparent and more challenging. Increased mobility and networking increase our wealth but at the same time demand responsible management of sensitive issues with a view to our future: environment, personal freedom, security ...

We believe in enriching our society and economy through information exchange, media convergence, real-time communication and mobility. We have therefore been dedicated for over 100 years to researching and applying new technologies. By embodying an entrepreneurial spirit and always striving to replace the good with what is better, we consistently follow the philosophy of our founder: "always one step ahead" and make our contribution to the sustainable design of the future and development of a mobile and networked world.

**Manage traffic intelligently. Consistently add value. Kapsch TrafficCom**

As an international supplier we design, integrate, implement, maintain and operate innovative road traffic telematics solutions over the long-term and in a sustainable manner.

It is part of our mission to consistently create competitive advantages and benefits for our customers and partners without losing sight of our responsibility towards the environment. Our objective is global leadership in quality and innovation in the area of traffic telematics solutions. In order to meet this goal we combine technological innovation and proximity to customers with the competence of our employees.

# The pillars of our success.

- 1. All of our activities are in line with the interests of our five focus groups: employees, customers, suppliers and partners, owners and society/environment.** Our focus groups are united in our goal of developing innovative and intelligent road traffic telematics solutions together with our customers, partners and suppliers that create sustainable benefits and added value not only for their core purpose but also for society as a whole and our company, our shareholders, suppliers, partners and the environment.
- 2. Competence of our employees.** Only the comprehensive expertise, dedication and loyalty of our employees creates the competitive advantage that, as in the past, also in the future will provide the key unique selling proposition that endures within rapidly changing, commercial and technological environments.
- 3. Focused commitment to innovation.** We are committed to a permanent and integrated innovation process that lives up to our market position as a leading innovator and secures this position over the long term.
- 4. Our decisions focus on profitability.** One important objective of our business activities is economic success. Based on this success, we finance our growth and realize our other objectives.
- 5. Continuity and professional nature of our approach.** Our strategy, objectives and activities are planned for the long-term but also take into account the ever changing conditions in our markets. All our partnerships are founded on trust, mutual respect and professionalism.
- 6. Comprehensive solutions.** We support our customers' value-added processes comprehensively and over the long term. Therefore, we offer a comprehensive range of products and services that make us as a partner for integrated solutions characterized by a deep sense of commitment to professionalism, quality and innovation.
- 7. Principles of our Kapsch culture.** Entrepreneurship, decentralized decisions made close to the market and our commitment to success are distinctive for our Kapsch culture. We see ourselves as a team because the success of our company is the result of joint efforts by our employees and our management. The core values of our corporate culture are dynamism, respect, responsibility, family, discipline, performance, transparency and freedom.

# The Fiscal Year 2007/08 in Review.

In the fiscal year 2007/08 ending 31 March 2008, Kapsch TrafficCom AG, listed on the Vienna Stock Exchange in the prime market segment since 26 June 2007, increased EBITDA by 27 % compared to the previous fiscal year to EUR 39.0 million and EBIT by 30% to EUR 34.9 million, whereas revenues slightly declined by 6 % to EUR 185.7 million (2006/07: EUR 198.6 million). The EBIT margin improved considerably from 14 % in the previous fiscal year to 19 % in 2007/08

The past fiscal year is characterized by considerably different developments in the various segments. Whereas tenders for major projects in Central and Eastern Europe (CEE) have been postponed or are still in a preparation phase, leading to a decline of the Road Solution Projects (RSP) segment's revenues, the segment Services, System Extensions, Components Sales (SEC) recorded a significant increase in revenues thanks to rapidly growing business volumes and in line with our strategy. The successful technical and commercial operation of the nationwide truck tolling system in the Czech Republic and the significant increase in sales of components, particularly on-board units (OBUs) resulted in a significant contribution to the segment's encouraging performance. At approximately 2.5 million, sales of OBUs more than doubled from 1.2 million in the previous fiscal year.

In accordance with the positive development of its profitability, Kapsch TrafficCom also recorded significant growth of 27 % in Earnings per share, which increased to EUR 2.60. The managing board will therefore propose that the shareholders' meeting to be held on 10 July 2008 resolve a dividend of EUR 0.90 per share.

Undoubtedly, the highlight of fiscal year 2007/08 was the successful initial public offering. The offering of 3.7 million shares (including Greenshoe shares) was approximately 14 times oversubscribed, mainly by Austrian and international institutional investors. The offer price was set at EUR 32, at the upper end of the EUR 29 to EUR 32 price range.

At the operational level, Kapsch TrafficCom continued its expansion strategy with first-time orders in New Zealand and South Africa and large orders in Chile and Australia. Kapsch TrafficCom also confirmed its innovation capabilities and officially presented its "Kapsch Area" solution to the markets in June 2007. This hybrid solution combines the advantages of microwave technology (dedicated short-range communication – DSRC) with the advantages of satellite technologies (GPS/GSM). In December 2007, Kapsch TrafficCom concluded the contract on the extension of the nationwide truck tolling system (phase II) in the Czech Republic. In January 2008, the first tolling project of Kapsch TrafficCom in India successfully started operation.

With these and other projects, Kapsch TrafficCom continued strengthening its leading position as an international supplier of innovative road traffic telematics solutions.

# Key Data in Fiscal Year 2007/08.

Earnings Data <sup>1</sup>		2007/08	2006/07	+/- %	2005/06
Revenues	in million EUR	185.7	198.6	-6 %	116.2
EBITDA	in million EUR	39.0	30.8	27 %	21.0
EBITDA margin	in %	21	16		18
EBIT	in million EUR	34.9	26.9	30 %	17.3
EBIT margin	in %	19	14		15
Profit before tax	in million EUR	42.8	27.0	59 %	17.8
Profit after tax	in million EUR	32.1	20.3	58 %	12.3
Earnings per share <sup>2</sup>	in EUR	2.60	2.04	27 %	1.24
Free Cashflow <sup>3</sup>	in million EUR	-14.8	-39.1	-62 %	14.4
Capital Expenditure <sup>4</sup>	in million EUR	4.0	2.3	75 %	1.3
Employees as of 31 March (of each year)		824	774	6 %	569
Revenues by Segment (percentage of Revenues)		2007/08	2006/07	+/- %	2005/06
Road Solutions Projects (RSP)	in million EUR	47.0 (25 %)	105.0 (53 %)	-55 %	18.7 (16 %)
Services, System Extensions, Components Sales (SEC)	in million EUR	128.8 (69 %)	80.6 (41 %)	60 %	76.2 (66 %)
Others (OTH)	in million EUR	10.0 (5 %)	13.0 (7 %)	-23 %	21.3 (18 %)
Revenues by Region (percentage of Revenues)		2007/08	2006/07	+/- %	2005/06
Central & Eastern Europe (incl. Austria)	in million EUR	124.2 (67 %)	157.3 (79 %)	-21 %	68.4 (59 %)
Western Europe	in million EUR	17.6 (9 %)	12.9 (6 %)	36 %	18.9 (16 %)
Americas	in million EUR	18.8 (10 %)	15.4 (8 %)	22 %	9.4 (8 %)
Rest of World	in million EUR	25.2 (14 %)	13.0 (7 %)	94 %	19.5 (17 %)
Balance Sheet Data		31 March 2008	31 March 2007	+/- %	31 March 2006
Total Assets	in million EUR	298.4	227.2	31 %	131.9
Total Equity <sup>5</sup>	in million EUR	133.4	45.6	>100 %	39.1
Equity ratio <sup>5</sup>	in %	45	20		30
Net assets (+) /-debt (-)	in million EUR	28.4	-12.5	<-100 %	37.2
Capital Employed	in million EUR	161.3	78.2	>100 %	48.6
Stock Exchange Data <sup>6</sup>		2007/08			
Offer price per share on 26 June 2007	in EUR	32.0			
Number of shares as of 31 March 2008	in million	12.2			
Free float as of 31 March 2008	in %	30.3			
Closing price as of 31 March 2008	in EUR	31.8			
Market Capitalization as of 31 March 2008	in million EUR	388.2			
Share performance in fiscal year 2007/08	in %	-0.6			
Dividend per share	in EUR	0.90			

<sup>1</sup> only continuing operations

<sup>2</sup> earnings per share in fiscal year 2007/08 relate to a weighted average number of 11.7 million shares, in fiscal year 2006/07 relate to 10.0 million outstanding shares

<sup>3</sup> operating cashflow minus capital expenditure from operations (excl. acquisitions and securities)

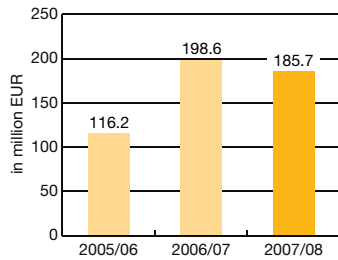
<sup>4</sup> capital expenditure from operations (excl. acquisitions and securities)

<sup>5</sup> incl. minority interests

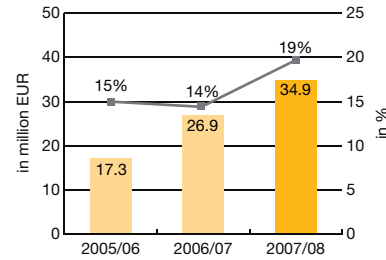
<sup>6</sup> for additional capital market data see page 36

# Key Financial Data in Fiscal Year 2007/08.

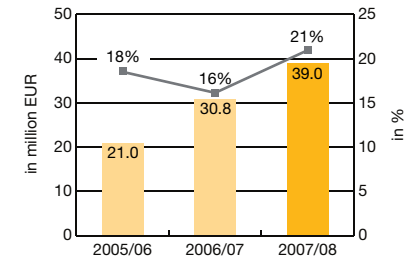
**Revenues**



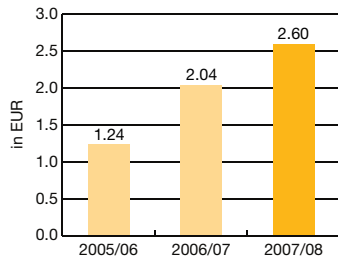
**EBIT and EBIT margin**



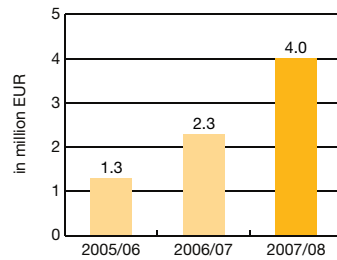
**EBITDA and EBITDA margin**



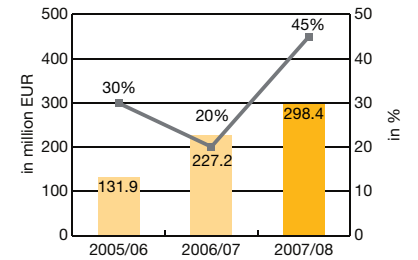
**Earnings per share<sup>2</sup>**



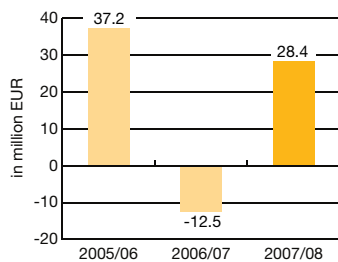
**Capital Expenditure<sup>4</sup>**



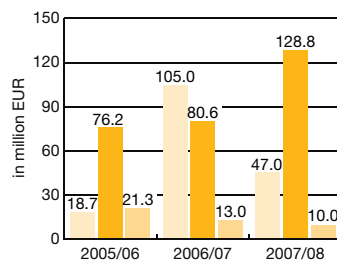
**Total Assets and Equity ratio<sup>5</sup>**



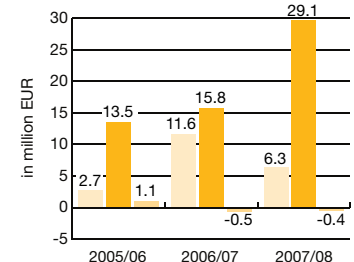
**Net assets (+) / -debt (-)**



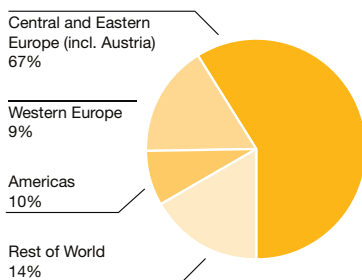
**Revenues by Segment**



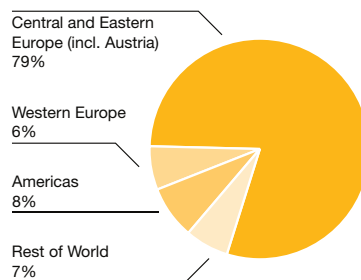
**EBIT by Segment**



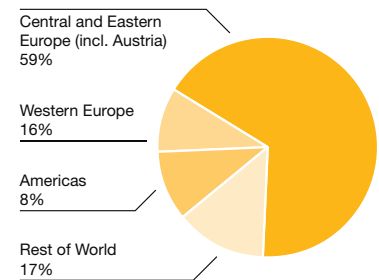
**Revenues by Region 2007/08**



**Revenues by Region 2006/07**



**Revenues by Region 2005/06**



# Highlights of Fiscal Year 2007/08.

EBIT up 30 % to EUR 34.9m <sup>1</sup>	Successful initial public offering in June 2007
EBIT margin improved from 14 % to 19 % <sup>1</sup>	Official presentation of “Kapsch Area”
Revenues in SEC segment up 60 % and EBIT up 84 % <sup>1</sup>	Contract for extension of nationwide truck tolling system (phase II) in Czech Republic signed
Net assets up from EUR -12.5 m to EUR 28.4m <sup>2</sup>	First-time orders in New Zealand and South Africa
Total equity almost tripled from EUR 45.6m to EUR 133.4m <sup>2</sup>	Large orders in Chile and Australia
Equity ratio up from 20% to 45 % <sup>2</sup>	Start of operation of the first completed tolling project in India
Earnings per share up 27 % to EUR 2.60 <sup>1</sup>	Participation in tenders for nationwide truck tolling systems in Slovakia and in Hungary

<sup>1</sup> Fiscal year 2007/08 compared to fiscal year 2006/07

<sup>2</sup> 31 March 2008 compared to 31 March 2007