

Corporate History.

Kapsch Group founded in 1892

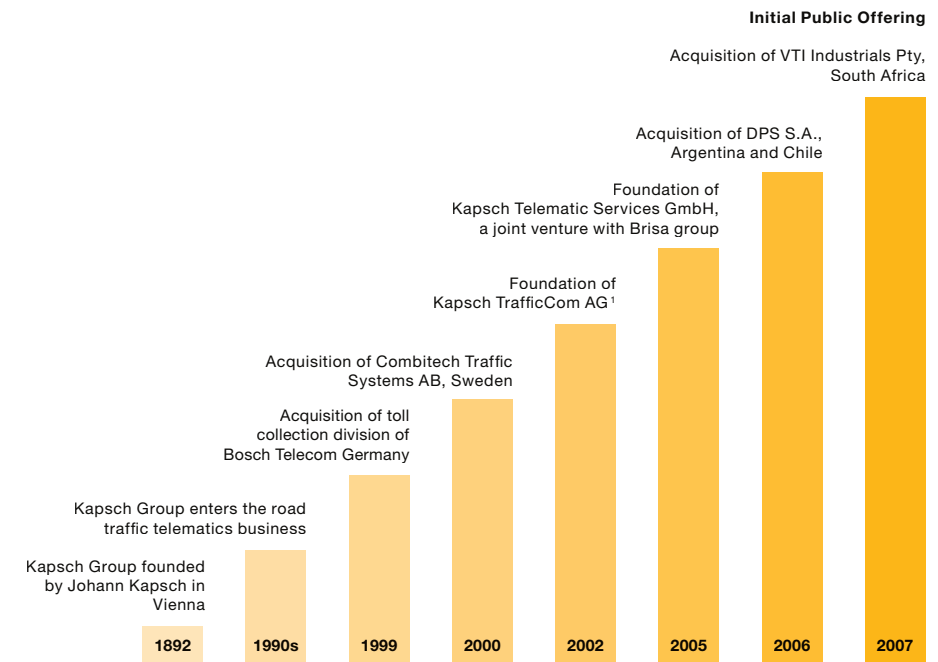
The Kapsch Group was founded in 1892 by Johann Kapsch in Vienna, Austria. In 1916, the Kapsch Group was converted into a stock corporation (Aktiengesellschaft), at which time the company specialized in the manufacturing of telephones and telegraphs. Since the late 1980s, the Kapsch Group has gradually developed into an international communication solutions group.

Kapsch Group entered the road traffic telematics business in the early 1990s

In the early 1990s, the Kapsch Group entered the road traffic telematics business supported by selected acquisitions, including the acquisitions of the electronic toll collection division of Bosch Telecom, Germany (1999), and Combitech Traffic Systems AB, Sweden (2000). Following a reorganization of the Kapsch Group in 2002, Kapsch TrafficCom AG¹ and its subsidiaries now form the road traffic telematics division of the Kapsch Group.

Kapsch TrafficCom AG established in 2002

Since 2002, the Kapsch TrafficCom Group has gradually developed into an international road traffic telematics group by establishing subsidiaries and representative offices in various countries across the world, making selected acquisitions, including the acquisitions of DPS Automation S.A., Argentina in 2006 (subsequently renamed Kapsch TrafficCom Argentina S.A.) and VTI Industrials Pty, South Africa in 2007 and entering into strategic partnerships, including Kapsch Telematic Services GmbH, a joint venture company with Brisa group (Portugal), in 2005.



¹ Kapsch TrafficCom AG was formed in 2002 by means of a demerger (demerger with the purpose of new foundation) from Kapsch Aktiengesellschaft (transferring company) on the basis of the financial statements of the transferring company as of 31 December 2001 in accordance with § 1 (2) 2 SpaltG (Austrian Law on the Demerger of Companies).

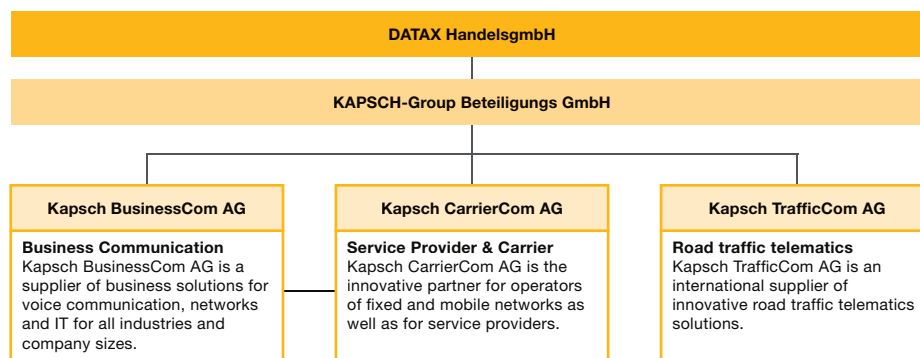
Shareholders.

Since the initial public offering on 26 June 2007, 30.3 % of the shares of Kapsch TrafficCom AG are in free float, whereas the remaining 69.7 % are held by KAPSCH-Group Beteiligungs GmbH. As of 31 March 2008, no other shareholder held shares of Kapsch TrafficCom conferring voting rights in excess of 5 %.

KAPSCH-Group Beteiligungs GmbH is a wholly-owned subsidiary of DATAX HandelsgmbH. In turn, the shares in DATAX HandelsgmbH are held in equal proportions by Traditio-Privatstiftung, ALUK-Privatstiftung and Children of Elisabeth-Privatstiftung, each a private trust under the Austrian Law for Private Trusts (Privatstiftungsgesetz).

Each of these private trusts is managed by a separate executive board (Stiftungsvorstand) and no person serves on the executive board of more than one of the three private trusts. The beneficiaries of these private trusts are Georg Kapsch and members of his family (Traditio-Privatstiftung), Kari Kapsch and members of his family (ALUK-Privatstiftung) and Elisabeth Kapsch and members of her family (Children of Elisabeth-Privatstiftung).

Kapsch TrafficCom AG, together with its subsidiaries, currently forms the road traffic telematics division of the Kapsch Group. The following chart shows in simplified form the corporate structure of the Kapsch Group:



30.3 % of the shares in free float

Principal Shareholder

Corporate structure of Kapsch Group

Managing Board.



Erwin Toplak, Chief Operating Officer

Georg Kapsch, Chief Executive Officer

Two-tier management and oversight structure

Kapsch TrafficCom AG has a two-tier management and oversight structure in accordance with the Austrian Stock Corporation Act (Aktiengesetz), consisting of the managing board (Vorstand) and the supervisory board (Aufsichtsrat). The managing board is responsible for managing the business and represents the company in dealings with third parties. The supervisory board is responsible for appointing and removing the members of the managing board and supervising the business conducted by the managing board.

Although the supervisory board does not actively manage the company, both the Austrian Stock Corporation Act (Aktiengesetz) and the company's articles of association, together with the managing board's internal rules of procedure (Geschäftsordnung), require that the consent of the supervisory board be given before the managing board takes certain actions.

Pursuant to our articles of association, the managing board may consist of one to four members appointed by the supervisory board for a term of up to five years. The managing board currently consists of two members.

Managing board

Name	Area of responsibility	Age	Year first appointed	Year current term expires
Georg Kapsch	CEO, Finance and Administration, Legal, Participations, Human Resources, Marketing, Product Management, Business Development, System Design and Quality	49	2002	2011
Erwin Toplak	COO, Sales, Development, Technical Servicing, Project Management, Business Development, System Design and Quality	47	2002	2011

Georg Kapsch is the CEO and was appointed to the managing board of Kapsch TrafficCom AG in December 2002. Since October 2000, Georg Kapsch is also the CEO of KAPSCH-Group Beteiligungs GmbH. He has been a member of the managing board of Kapsch AG since July 1989 and was appointed as its CEO in October 2001. Georg Kapsch, who studied business administration at Vienna University of Economics and Business Administration (Wirtschaftsuniversität Wien) and graduated in 1981, is the chairman of the Technikum Wien Academy (Fachhochschule Technikum Wien) (since September 2002), and chairman of the Austrian Electrotechnical Association (Fachverband der Elektro- und Elektronikindustrie) (since January 2003).

Georg Kapsch, CEO

Erwin Toplak has been a member of the managing board of Kapsch TrafficCom AG since June 2002. He has been employed with Kapsch Group since 1991, first as director of the traffic control systems division of Kapsch AG (1999-2002, senior manager 1994-1999) and marketing and sales manager of the toll collection start-up of Kapsch AG (1991-1994). Erwin Toplak graduated from Polytechnic (Höhere Technische Lehranstalt) in Graz in 1984 with a degree in engineering.

Erwin Toplak, COO

In the fiscal year ended 31 March 2008, the total base and variable remuneration for the members of the managing board amounted to EUR 1.1 million including the cross-charge from Kapsch AG relating to the services of Georg Kapsch.

Remuneration

Remuneration of Erwin Toplak is determined based on a compensation system that, in addition to the base compensation, provides for annual variable compensation of 20-40% of the base compensation. The variable compensation depends on achieving certain financial performance figures. In case of termination of the managing board contract at the end of the appointed period, Erwin Toplak is entitled to a severance payment of a ten-fold monthly salary. Erwin Toplak is subject to a non-competition clause for one year following termination of his managing board position (unless he is terminated for cause). Erwin Toplak has an individual defined pension scheme for which Kapsch TrafficCom AG pays an annual amount of EUR 14,238 to an outside pension fund (Pensionskasse). The company was notified on 18 April 2008 that Erwin Toplak holds 152.500 shares of Kapsch TrafficCom AG.

Georg Kapsch is employed with Kapsch AG. His services are part of the management and consulting services rendered and invoiced by Kapsch AG to the company.

Supervisory Board.

Pursuant to the articles of association, the supervisory board consists of three to six members appointed by the shareholders' meeting, plus the representatives appointed by the works council (Betriebsrat) according to the Austrian Labor Constitutional Act (Arbeitsverfassungsgesetz). The current members of the supervisory board are:

Members of the supervisory board

Name	Position	Age	Year first appointed	Year current term expires
Franz Semmernegg	Chairman	39	2002	2010
Kari Kapsch	Vice-Chairman	44	2002	2010
Elisabeth Kapsch	Member	47	2002	2010
Christian Windisch	Member ¹	44	2002	2010
Werner Dreschl	Member ¹	36	2006	2010

¹ Appointed by the works council

Shareholder Representatives

Franz Semmernegg has been a member of the supervisory board of Kapsch TrafficCom AG since June 2002. Since September 2005, he has been the chairman of the supervisory board. Franz Semmernegg has been the CFO of KAPSCH-Group Beteiligungs GmbH since April 2005. He also serves as the CFO of Kapsch BusinessCom AG and has been a member of the managing board of Kapsch BusinessCom AG since March 2003. He has also been the CFO of Kapsch AG since October 2001 and was a member of the managing board of Schrack BusinessCom AG from 1999 to September 2001. In 1998, Franz Semmernegg was responsible for the successful management buy-out of Schrack BusinessCom AG from Ericsson Austria AG and had previously been involved in management functions at Ericsson Austria AG (1998) and Schrack Seconet AG (1997). Franz Semmernegg is a member of the supervisory board of the Austrian Regulatory Authority for Broadcasting and Telecommunications (Rundfunk und Telekom Regulierungs-GmbH). Franz Semmernegg graduated with a degree in business administration (1992) and a Ph.D. (1997) from the University of Graz (Karl-Franzens-Universität).

Kari Kapsch has been a member of the supervisory board of Kapsch TrafficCom AG since June 2002. He served as deputy chairman of the supervisory board from June 2002 to December 2002 and as chairman of the supervisory board from December 2002 to September 2005. Kari Kapsch has also been a member of the managing board of KAPSCH-Group Beteiligungs GmbH since December 2005 and CEO of Kapsch BusinessCom AG since December 2002. He is also a member of the managing board of Kapsch AG and chairman of the supervisory board of Kapsch CarrierCom AG. Kari Kapsch is involved in several industry-related associations and was the chairman of the management board of "Junge Industrie Wien" (Young Industry Vienna) and vice-chairman of "Junge Industrie Österreich" (Young Industry Austria) from 1996 to 2002. Kari Kapsch graduated with a degree in physics (1988) and a Ph.D. (1992) from the University of Vienna (Universität Wien). Kari Kapsch is the brother of Georg Kapsch, the CEO of Kapsch TrafficCom AG, and of Elisabeth Kapsch.

Elisabeth Kapsch has been a member of the supervisory board of Kapsch TrafficCom AG since December 2002. She is also a member of the supervisory board of Kapsch BusinessCom AG and a managing director of Kapsch Immobilien GmbH (since November 2000). Prior to this she was head of internal audit of Kapsch AG. Elisabeth Kapsch graduated with a degree in business administration (1984) from Vienna University of Economics and Business Administration (Wirtschaftsuniversität Wien). Elisabeth Kapsch is the sister of Georg Kapsch, the CEO of Kapsch TrafficCom AG, and of Kari Kapsch.

Christian Windisch has been a member of the supervisory board of Kapsch TrafficCom AG since November 2002. He joined Kapsch Group in September 1984 and is currently employed in the quality management. Christian Windisch graduated from Polytechnic (Höhere Technische Lehranstalt) in Vienna with a degree in engineering.

Werner Dreschl has been a member of the supervisory of Kapsch TrafficCom AG since November 2006. He joined Kapsch Group in June 2000 as a participant of the trainee program and is currently employed in the product management. Werner Dreschl graduated from Graz University of Technology (Technische Universität Graz) with a degree in engineering (2000).

Members of the supervisory board and its committees receive reimbursement of actual expenses, including reasonable travel expenses. In addition, the shareholders' meeting may provide for annual remuneration of supervisory board members. In the event that a member's term of office begins or ends during a fiscal year, remuneration is paid on a pro-rata basis. Except for coverage under the company's D&O liability insurance, no compensation is paid to the members of the supervisory board. However, members of the supervisory board elected by the shareholders' meeting render consulting services that are invoiced by Kapsch AG to Kapsch TrafficCom AG.

Employee Representatives

Remuneration

Additional Information Relating to Board Members.

The following table sets out the names of all companies and partnerships of which each of the members of the managing and the supervisory board is a member of the administrative, management or supervisory bodies or a partner, as the case may be (excluding Kapsch TrafficCom AG and any of its direct and indirect subsidiaries):

Name	Name of company	Current function
Management Board		
Georg Kapsch	Kapsch AG	Member of managing board (CEO)
	KAPSCH-Group Beteiligungs GmbH	Member of managing board (CEO)
	DATAX HandelsgmbH	Member of managing board (CEO)
	Kapsch CarrierCom AG	Member of supervisory board
	Kapsch BusinessCom AG	Chairman of supervisory board
	Teufelberger Holding AG	Member of supervisory board
	West Square Holding GmbH	Managing director
Erwin Toplak	n/a	n/a
Supervisory Board		
Franz Semmernegg	Kapsch AG	Member of managing board (CFO)
	KAPSCH-Group Beteiligungs GmbH	Member of managing board (CFO)
	Kapsch BusinessCom AG	Member of managing board (CFO)
	Kapsch Sp. z.o.o.	Member of advisory board
	Kapsch Telecom Kiev	Member of advisory board
	Kapsch Kft.	Member of advisory board
	Kapsch s.r.o., Prague	Member of advisory board
	Kapsch s.r.o., Bratislava	Member of advisory board
	CALPANA business consulting GmbH	Member of managing board
	Rundfunk und Telekom Regulierungs-GmbH	Deputy chairman of supervisory board
	Kari Kapsch	Kapsch AG
KAPSCH-Group Beteiligungs GmbH		Member of managing board
Kapsch CarrierCom AG		Chairman of supervisory board
Kapsch BusinessCom AG		Member of managing board (CEO)
Kapsch Sp. z.o.o.		Member of advisory board
Kapsch Telecom Kiev		Member of advisory board
Kapsch Kft.		Member of advisory board
Kapsch s.r.o., Prague		Member of advisory board
Kapsch s.r.o., Bratislava		Member of advisory board
Kapsch Immobilien GmbH		Member of managing board
Elisabeth Kapsch		Kapsch BusinessCom AG
	Kapsch Immobilien GmbH	Member of managing board
Christian Windisch	n/a	n/a
Werner Dreschl	n/a	n/a

Committees of the Supervisory Board.

The supervisory board has established an audit committee (Prüfungsausschuss) and a committee for managing board matters (Ausschuss für Vorstandsangelegenheiten).

The committee for managing board matters is responsible for the relationship between the company and the members of the managing board (including remuneration issues), except for the appointment or dismissal of members of the managing board. It consists of two members of the supervisory board elected by the shareholders' meeting, including the chairman of the supervisory board and two members appointed by the shareholders' meeting. The current members of the committee for managing board matters as of 31 March 2008 are Franz Semmernegg and Kari Kapsch.

The audit committee is responsible for the audit and preparation of the approval of the financial statements and consolidated financial statements, the preparation of a proposal for the distribution of profits and the preparation of a management report. Furthermore, the audit committee proposes an auditor, which proposal must be approved by the shareholders' meeting before the auditor is appointed.

One member of the audit committee must be a person with special knowledge and practical experience in finance and accounting and reporting (Finanzexperte). Persons who were previously members of the managing board, executives, auditor or auditors of the company or persons having certified the consolidated or unconsolidated financial statements of the company within the last three years do not qualify as "Finanzexperte" and may not serve as chairman of the audit committee.

In addition to the members of the audit committee, the managing board and a representative of the auditor, if required by the chairman of the audit committee or required by law, attend the audit committee meetings. Other members of the supervisory board can be elected to the audit committee. The audit committee meets at least twice a year. The current members of the audit committee as of 31 March 2008 are Franz Semmernegg, Kari Kapsch and Werner Dreschl.

Supervisory board has established two committees

Committee for managing board matters

Audit committee

Report of the Supervisory Board.



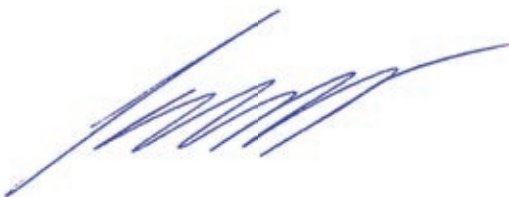
Franz Semmernegg, Chairman

Report of the Kapsch TrafficCom AG supervisory board to the Kapsch TrafficCom AG ordinary shareholders' meeting on 10 July 2008 relating to the fiscal year from 1 April 2007 to 31 March 2008 of Kapsch TrafficCom AG (Section 96 of the Austrian Stock Corporation Act (Aktiengesetz)) with regard to the unconsolidated financial statements of Kapsch TrafficCom AG as of 31 March 2008, the proposal for the distribution of profits from the fiscal year from 1 April 2007 to 31 March 2008 made by the Kapsch TrafficCom AG managing board, the management report, audited consolidated financial statements as of 31 March 2008 and the consolidated management report by the Kapsch TrafficCom AG managing board.

1. The Kapsch TrafficCom AG supervisory board held a total of seven meetings during the fiscal year from 1 April 2007 to 31 March 2008. No member of the supervisory board attended fewer than half of the meetings. The supervisory board was informed by the managing board on an ongoing basis in writing and orally as well as in the meetings held jointly with the managing board on the situation, development and strategy of the company and monitored and advised the managing board during the period under review. The chairman of the supervisory board was in regular contact with the chairman of the managing board in order to discuss business development, strategy and risk management within the company.
2. The unconsolidated financial statements of Kapsch TrafficCom AG presented by the managing board and the consolidated financial statements!, each as of 31 March 2008, the managing board's management report and consolidated management report dated June 2008 were audited by the appointed independent auditor PwC INTER-TREUHAND GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna and given an

unqualified audit opinion. The unconsolidated and consolidated financial statements, the managing board's profit distribution proposal and the auditors' audit reports (including the "management letter") were discussed in detail with the managing board and the independent auditors in the audit committee and presented to the supervisory board. The supervisory board has reviewed these documents in accordance with Section 96 of the Austrian Stock Corporation Act (Aktiengesetz) and approved the unconsolidated financial statements in line with Section 125 Para. 2 of the Austrian Stock Corporation Act (Aktiengesetz). The supervisory board concurs with the managing board's proposal for the distribution of profits.

3. In its meeting of 15 May 2007 before the company's initial public offering, the supervisory board amended the rules of procedure for the managing and supervisory boards. The amendments brought these rules of procedure in line with the changes in applicable laws and with the Austrian Code of Corporate Governance. In addition, the supervisory board in June 2007 committed to adhere to the Austrian Code of Corporate Governance, meaning that non-compliance with C-rules ("comply or explain") must be explained.
4. The committee for managing board matters engaged in intense discussions on renewing the terms of the two successful managing board members after the previous appointments had expired. The supervisory board in its meeting on 31 March 2008 reappointed Georg Kapsch and Erwin Toplak as members of the managing board with the new terms for both expiring on 31 March 2011.
5. The supervisory board extends its thanks to the members of the managing board and all employees of Kapsch TrafficCom AG for their successful work in the fiscal year from 1 April 2007 to 31 March 2008.



Dr. Franz Semmernegg
Chairman

Corporate Governance Report.

Commitment to corporate governance since June 2007

Corporate governance plays a key role for Kapsch TrafficCom because, as close cooperation between the company's management and supervisory boards is essential in order to safeguard shareholder interests, to increase transparency, to establish clear responsibilities and to increase confidence by all stakeholders.

Kapsch TrafficCom has committed to compliance with the Austrian Code of Corporate Governance and its aim to establish a system of management and control that is accountable and is geared to create sustainable, long-term value. Consequently, transparency is the most important task.

The Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance (the "Code") was published by the Austrian Working Group on Corporate Governance, a group of private organizations and individuals. The Code constitutes the equivalent of international standards for responsible management with a view to companies in Austria. This voluntary self-regulatory initiative is designed to reinforce the confidence of investors by improving reporting transparency, and the quality of cooperation between supervisory board, managing board and shareholders, to provide for accountability and promote sustainable, long-term value.

The Code is based on statutory provisions of Austrian corporate law, securities law and capital markets law ("legal requirements"). In addition, the Code contains rules considered to be a part of ordinary international practice, such as the principles set out in the OECD Principles of Corporate Governance. Non-compliance with these rules must be explained to the shareholders' meeting ("comply or explain"). However, the Code also contains rules that are voluntary and do not require explanation if not followed ("recommendations"). The Code was first presented on 1 October 2002. The Code was amended in February 2005, January 2006 and June 2007.

Corporate Governance declaration

Kapsch TrafficCom has intensely examined the requirements of the Austrian Code of Corporate Governance. In June 2007, the managing board and supervisory board resolved to apply the rules of the Code as far as they are consistent with the specific situation of the company. Kapsch TrafficCom will therefore publish, on an annual basis, a statement of compliance as provided in No. 58 of the Code. The evaluation of compliance with the Code is made by the compliance officer together with the internal audit on an annual basis.

As of 31 March 2008, Kapsch TrafficCom AG has complied with the L-Rules and C-Rules of the Code, except for the following C-Rules:

Rules 4 and 6. Due to the intense competition in the industry in which the company is active, it will not publish on its website any documents to be made available to shareholders at the company's registered office, any motions by shareholders or the results of votes.

Rule 53. The company does not intend to establish criteria of independence different from the general requirement set forth in the Code as it believes that such additional criteria are not required.

Rule 54. Due to the current shareholder structure, the company currently has no member of the supervisory board elected by the shareholders' meeting who is independent of KAPSCH-Group Beteiligungs GmbH. It is considered to procure the appointment of an independent member in the next shareholders' meeting.

Rule 60. The declaration to comply with the Code and annual statements of compliance will not be published on the company's website (but will be published in the annual report) as the company intends to limit information available on its website for the reasons set forth above.

Rule 65. Due to the intense competition in the industry in which the company is active, it will not make available to all shareholders (or publish on its website) all information it may make available to financial analysts.

Exceptions for C-Rules

The Kapsch TrafficCom Share.

Economic and political environment

A favorable business climate supported strong development on most of the major international stock exchanges during the first half of 2007. Corporations reported sound earnings, and the strength of the global economy was underscored by robust indicators.

In contrast, the second half-year was characterized by strong turbulences and market declines in the wake of the crisis in the financial markets. After a roller coaster performance, the English FTSE 100 Index ended the year with +4 %, while the German DAX recorded strong growth of +22 %.

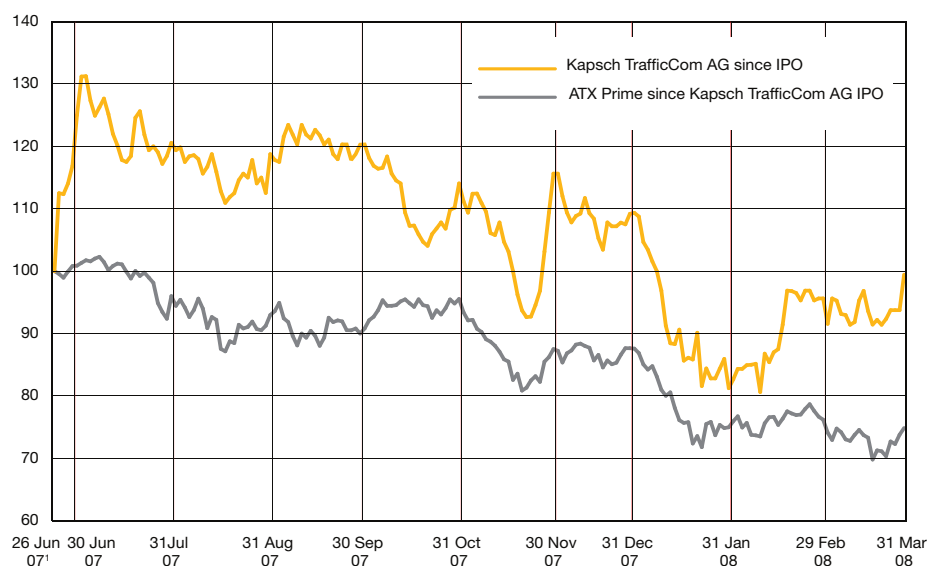
The ATX index of the Vienna Stock Exchange outperformed most of the other European indexes during the first six months – above all due to the prevailing M&A fantasy – and climbed to a historical all-time high of 5,010.93 points at the beginning of July 2007. The ATX was hit by a significant correction in August as a result of the crisis in the financial markets, but recovered briefly in early November. This short upturn was followed by a downward slide to its 2007 low of 4,088.79 points. The final 2007 level of 4,512.98 exceeded the prior year level only slightly, by +1 %.

Substantial gains were recorded in the key U.S. stock indexes at the beginning of 2007, but were followed by a massive drop in share prices on all U.S. markets during the second half-year. This trend reversal was a direct consequence of the financial crisis that was triggered by the corrections in the real estate sector. Hesitancy on the part of market participants and uncertainty over the actual impact of the crisis in the financial markets on the real estate sector resulted in heavy losses for the U.S. stock indexes. The Dow Jones Industrial closed at 13,265 points and an annual performance of +6 %. The American S&P 500 ended the year with a modest plus of 4 %.

Kapsch TrafficCom AG share in fiscal year 2007/08

The Kapsch TrafficCom AG share ended the fiscal year 2007/08 at EUR 31.82 on 31 March 2008, down 0,56 % compared with the offer price per share of EUR 32.00 on 26 June 2007. Immediately following the initial public offering, the Kapsch TrafficCom AG share showed an initial upward trend, reaching an intraday high of EUR 43.75 on 4 July 2007. At the end of the first half-year, as of 30 September 2007, the share price was EUR 38.49. With the beginning of the third quarter of 2007/08, the share price experienced a decline due to the overall situation of the stock market and closed on 20 November 2007 for the first time below the offer price per share at the initial public offering. Until 5 December 2007, the price per share recovered to EUR 35.85 (closing price) and closed the third quarter at EUR 34.94 (closing price). With the beginning of the calendar year 2008, the share price declined to EUR 24.55, recovered throughout February and March and closed the fiscal year 2007/08 at a share price of EUR 31.82 as of 31 March 2008.

Since the initial public offering, the price of the share has declined by 0.56 %, as of 31 March 2008, while the ATX Prime was down by approximately 26 %.



Share price development
in fiscal year 2007/08

1 Offer price on 26 June 2007 and opening value for ATX Prime on 25 June 2007, each indexed to 100

Based on a closing price of EUR 31.82 per share as of 31 March 2008 and the number of outstanding shares in circulation unchanged at 12.2 million, Kapsch TrafficCom's market capitalization as of the end of the fiscal year 2007/08 was EUR 388.2m.

Closing price of EUR 31.82 per share with
market capitalization of EUR 388.2m

Key Data per Share		2007/08
Earnings	in EUR	2.60
Dividend	in EUR	0.90
Free cash flow	in EUR	-1.26
Equity	in EUR	10.93
Offer price per share ¹	in EUR	32.00
Share price high ²	in EUR	43.75
Share price low ²	in EUR	24.55
Share price at fiscal year-end ³	in EUR	31.82
P/E ratio at fiscal year-end ³	in EUR	12.23
Number of shares ³	in million	12.20
Weighted average number of shares	in million	11.68
Free float ³	in %	30.30
Market capitalization ³	in million EUR	388.20
Performance of share ⁴	in %	-0.56
Performance of ATX Prime ⁴	in %	-26.00
Average trading volume ⁴⁺⁵	in million EUR in 1,000 shares	1.49 41.39

Key Data per Share

1 on 26 June 2007

2 Intraday

3 as of 31 March 2008

4 Since the initial public offering (IPO) of Kapsch TrafficCom AG on 26 June 2007 until 31 March 2008

5 Double counting

Dividend policy

The Kapsch TrafficCom AG 's policy is to recommend a distribution of dividends in line with that of other companies that the managing board considers being the company's industry benchmark, which would currently be a payout ratio of approximately one third of its profits for the year. The timing and amount of such dividends, if any, will depend upon the company's future earnings and prospects, capital requirements resulting from projects and acquisitions and financial condition and such other factors as the managing and supervisory boards of the company consider relevant, as well as the approval of the shareholders' meeting. The company's ability to pay dividends is determined based on its unconsolidated financial statements prepared in accordance with Austrian GAAP. There can be no assurance that any dividends will be paid or that, if paid, they will correspond to the policy described above.

Managing board recommends dividend of EUR 0.90 per share

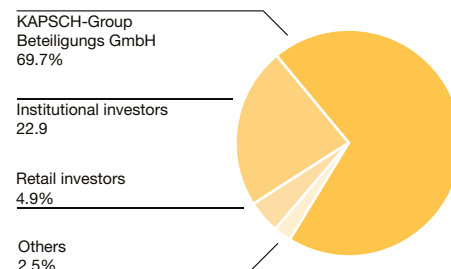
The managing board will propose that the shareholders meeting to be held on July 10 approve a dividend of EUR 0.90 per share for fiscal year 2007/08.

Shareholder structure

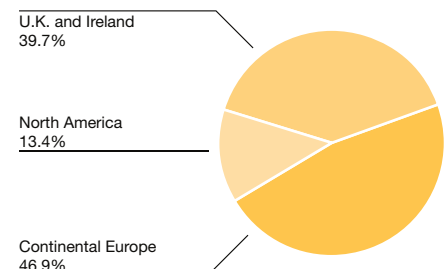
Since the initial public offering on 26 June 2007, 30.3 % of the shares of Kapsch TrafficCom AG are in free float, whereas the remaining 69.7 % are held by KAPSCH-Group Beteiligungs GmbH. As of 31 March 2008, no other shareholder held shares of Kapsch TrafficCom conferring voting rights in excess of 5 %.

Kapsch TrafficCom AG has a widely diversified shareholder structure. As part of the free float, a majority of investors are institutional investors from Anglo-Saxon countries, the U.K. and Ireland (39.7 %) as well as North America (13.4 %). Given that KAPSCH-Group Beteiligungs GmbH as principal shareholder holds 69.7 % of the shares, the share of private investors totals 4.9 %, whereas 22.9 % are held by institutional investors (with the top ten in the aggregate holding 79.2 % of that share).

Shareholder Structure



Geographical distribution of Institutional investors



Professional investor relations have a high priority at Kapsch TrafficCom. This function reports directly to the Chief Executive Officer, but its work is also integrated closely with the head of finance and administration. The goal of our investor relations activities is to provide a comprehensive view of the company, thereby facilitating an appropriate valuation of the Kapsch TrafficCom share.

Kapsch TrafficCom held several road shows and participated in investor conferences in Europe and the U.S.A. during the past year. The CEO and the investor relations team met with numerous investors throughout the world and discussed the company as well as its development and strategy. The Kapsch TrafficCom website represents an important means of communication, and provides a wide range of information on the company and the share.

The coverage of our company by reputable Austrian and international investment banks maintains the visibility of the Kapsch TrafficCom AG share in the financial community. As of 31 March 2008, Kapsch TrafficCom AG was covered by four analysts (in alphabetical order): Berenberg Bank (Hamburg), Erste Bank (Vienna), Sal. Oppenheim (Frankfurt/Cologne) and UniCredit (Vienna).

Information on the Kapsch TrafficCom share	
Investor Relations Officer	Marcus Handl
Shareholders' Telephone	+43 (0)50811 1122
E-mail	ir.kapschtraffic@kapsch.net
Website	www.kapschtraffic.com
Stock exchange	Vienna, Prime Market
ISIN	AT000KAPSCH9
Trading Symbol	KTCG
Reuters	KTCG.VI
Bloomberg	KTCG AV

Investor Relations

Coverage by four investment banks

Information on the share