

What our traffic telematics solutions contribute to millions of road users?

Annual report on fiscal year 2008/09.

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Vision/Mission.

The global exchange of information and goods has made our world faster, more transparent but also more challenging. Amplified mobility and incremental networking increase productivity and flexibility of our society but at the same time demand responsible management of sensitive matters such as the environment, individual freedom or security with a view to our future.

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 the development of a mobile and networked world.

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 or the society. 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 and we make our contribution in a way that road users all over the world reach their destination safely, fast and with a reasonable use of limited resources.

Mobile and productive, global and networked

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

The Fiscal Year 2008/09 in Review.

In the fiscal year 2008/09 ending 31 March 2009, Kapsch TrafficCom AG, listed on the Vienna Stock Exchange in the prime market segment since 26 June 2007, increased revenues by 8 % to EUR 200.3 million (2007/08: EUR 185.7 million). The increase in revenues in the past fiscal year 2008/09 was driven by both two large segments: Road Solution Projects (RSP) and Services, System Extensions, Components Sales (SEC).

Due to a large investment in the expansion into new markets, particularly the U.S.A., EBITDA declined by 10 % compared to the previous fiscal year (2007/08: EUR 39.0 million) to EUR 35.0 million. EBIT also declined by 17 % to EUR 29.0 million (2007/08: EUR 34.9 million). Due to a negative financial result from currency losses and the impairment of certain short-term financial assets (securities), profit before tax decreased by 49 % to EUR 21.9 million (2007/08: EUR 42.8 million) and profit after tax also decreased by 49 % to EUR 16.4 million (2007/08: EUR 32.1 million).

In accordance with the development of its profitability, Kapsch TrafficCom recorded a decline in its earnings per share to EUR 1.06 (2007/08: EUR 2.60 per share). Applying a consistent dividend policy, the managing board will propose that the shareholders' meeting to be held on 24 June 2009 resolve a dividend of EUR 0.50 per share (2007/08: EUR 0.90).

The Kapsch TrafficCom Group clearly increased cash and cash equivalents in the past fiscal year: At EUR 60.2 million as of 31 March 2009 cash and cash equivalents were 27 % ahead of the the EUR 47.4 million as of 31 March 2008. The free cash flow was improved to EUR 19.9 million compared to EUR -14.8 million during the same period of the previous fiscal year.

Kapsch TrafficCom continued its expansion strategy with first-time orders in Thailand, France and through the newly established joint venture in Italy. The company was also successful in follow-up orders particularly in Austria and Australia. Further parts of the extension of the nationwide electronic truck tolling system (phase II) in the Czech Republic were realized.

In the U.S.A., Kapsch TrafficCom made further progress: In July 2008, all of the assets of the "Mobility Solutions" business unit of TechnoCom Corporation in California were acquired. In November 2008, the new 5.9 GHz tolling technology was introduced to the public in New York. Kapsch TrafficCom also successfully completed the performance evaluation of its tolling technology in Denver.

In January 2009, Kapsch TrafficCom AG acquired shares representing 20.47 % of the outstanding shares in the Norwegian competitor Q-Free ASA.

Highlights of Fiscal Year 2008/09.

Revenues up by 8 % to EUR 200.3 million ¹	First orders in Thailand, France and Italy
Revenues in RSP segment up by 21 % ¹	Follow-up orders particularly in Australia and Austria
Revenues in SEC segment up by 5 % ¹	Parts of phase II in Czech Republic realized
Total volume of OBUs delivered up by 7 % to more than 2.7 million units ¹	Further progress in the U.S.A.
Free cashflow up from EUR -14.8 to 19.9 million ¹	Joint venture in Italy
Cash and cash equivalents up from EUR 47.4 to 60.2 million ²	Stake of 20.47 % in the Norwegian competitor Q-Free ASA acquired
Performance of securities ¹	26 % of the shares of Brisa Group in Kapsch Telematic Services GmbH acquired ³

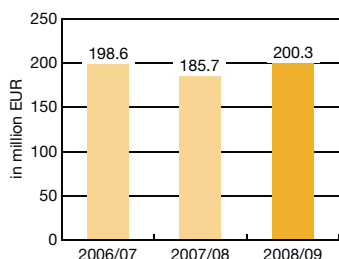
¹ Fiscal year 2008/09 compared to fiscal year 2007/08

² 31 March 2009 compared to 31 March 2008

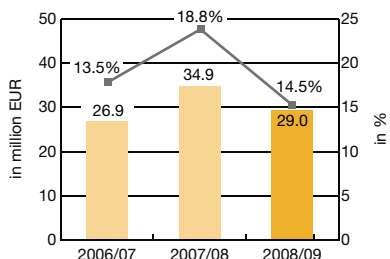
³ Event after the balance sheet date

Key Financial Data in Fiscal Year 2008/09.

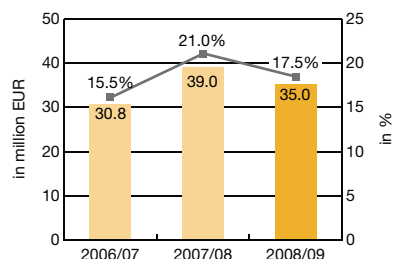
Revenues



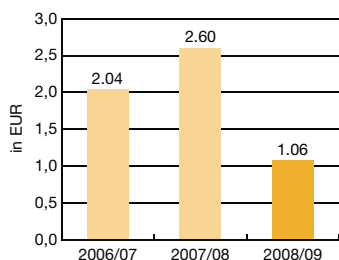
EBIT and EBIT margin



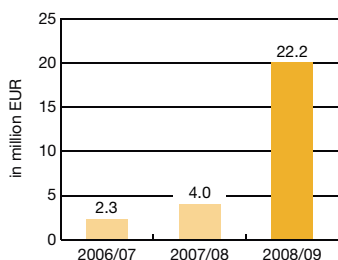
EBITDA and EBITDA margin



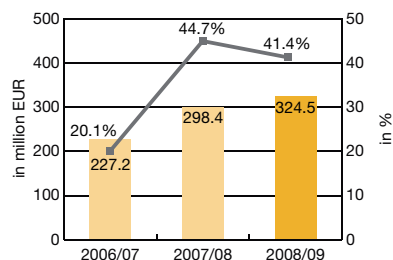
Earnings per share²



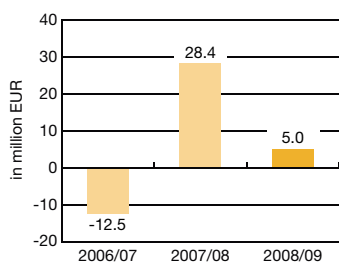
Capital Expenditure⁴



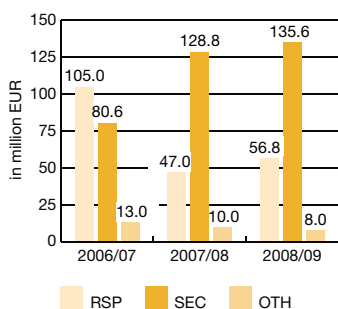
Total Assets and Equity ratio⁵



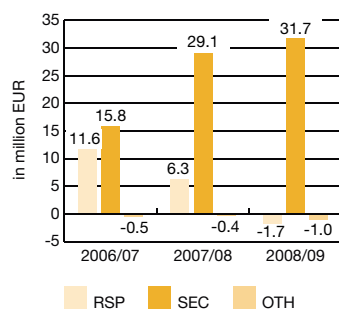
Net Assets (+) / -Debt (-)



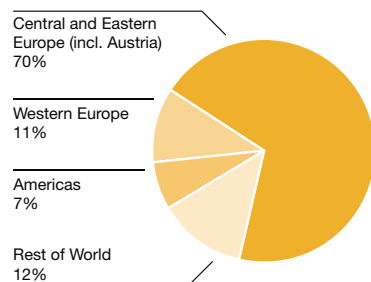
Revenues by Segment



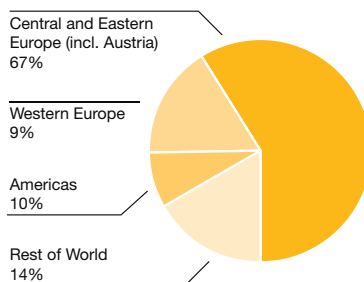
EBIT by Segment



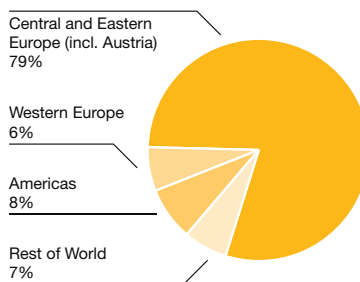
Revenues by Region 2008/09



Revenues by Region 2007/08



Revenues by Region 2006/07



Key Data in Fiscal Year 2008/09.

Earnings Data ¹		2008/09	2007/08	+/- %	2006/07
Revenues	in million EUR	200.3	185.7	8 %	198.6
EBITDA	in million EUR	35.0	39.0	-10 %	30.8
EBITDA margin	in %	17.5	21.0		15.5
EBIT	in million EUR	29.0	34.9	-17 %	26.9
EBIT margin	in %	14.5	18.8		13.5
Profit before tax	in million EUR	21.9	42.8	-49 %	27.0
Profit after tax	in million EUR	16.4	32.1	-49 %	20.3
Earnings per share ²	in EUR	1.06	2.60	-59 %	2.04
Free Cashflow ³	in million EUR	19.9	-14.8	<-100 %	-39.1
Capital Expenditure ⁴	in million EUR	22.2	4.0	>100 %	2.3
Employees as of 31 March of each year		946	824	15 %	774
Revenues by Segment (percentage of Revenues)		2008/09	2007/08	+/- %	2006/07
Road Solution Projects (RSP)	in million EUR	56.8 (28 %)	47.0 (25 %)	21 %	105.0 (53 %)
Services, System Extensions, Components Sales (SEC)	in million EUR	135.6 (68 %)	128.8 (69 %)	5 %	80.6 (41 %)
Others (OTH)	in million EUR	8.0 (4 %)	10.0 (5 %)	-20 %	13.0 (7 %)
Revenues by Region (percentage of Revenues)		2008/09	2007/08	+/- %	2006/07
Central & Eastern Europe (incl. Austria)	in million EUR	139.3 (70 %)	124.2 (67 %)	12 %	157.3 (79 %)
Western Europe	in million EUR	21.3 (11 %)	17.6 (9 %)	21 %	12.9 (6 %)
Americas	in million EUR	14.0 (7 %)	18.8 (10 %)	-25 %	15.4 (8 %)
Rest of World	in million EUR	25.6 (12 %)	25.2 (14 %)	2 %	13.0 (7 %)
Balance Sheet Data		31 March 2009	31 March 2008	+/- %	31 March 2007
Total Assets	in million EUR	324.5	298.4	9 %	227.2
Total Equity ⁵	in million EUR	134.2	133.4	1 %	45.6
Equity ratio ⁵	in %	41.4	44.7		20.1
Net Assets (+) /-Debt (-)	in million EUR	5.0	28.4	-82 %	-12.5
Capital Employed	in million EUR	193.4	161.3	20 %	78.2
Net Working Capital	in million EUR	122.3	131.4	-7 %	56.8
Stock Exchange Data ⁶		2008/09	2007/08		
Offer price per share on 26 June 2007	in EUR	32.0	32.0		
Number of shares as of 31 March of each year	in million	12.2	12.2		
Free float as of 31 March of each year	in %	31.6	30.3		
Closing price as of 31 March of each year	in EUR	14.8	31.8		
Market capitalization as of 31 March of each year	in million EUR	180.6	388.2		
Share performance	in %	-53.8	-0.6		
Dividend per share	in EUR	0.50	0.90		

¹ only continuing operations

² earnings per share in fiscal year 2008/09 relate to 12.2 million shares, in fiscal year 2007/08 relate to a weighted average number of 11.7 million outstanding shares and in fiscal year 2006/07 relate to 10.0 million shares

³ operating cashflow minus capital expenditure from operations (excl. acquisitions and securities)

⁴ capital expenditure from operations (excl. acquisitions and securities)

⁵ incl. minority interests

⁶ for additional capital market data see page 34

Kapsch TrafficCom is an international supplier of innovative road traffic telematics solutions. Its principle business is the development and supply of electronic toll collection (ETC) systems, in particular for the multi-lane free-flow (MLFF) of the traffic, and the technical and commercial operation of such systems. Kapsch TrafficCom also supplies traffic management systems, with a focus on road safety and traffic control, and electronic access systems and parking management. With more than 220 references in 36 countries in all 5 continents, and with more than 14 million on-board units (OBUs) and nearly 12,000 equipped lanes, Kapsch TrafficCom has positioned itself among the leading suppliers of ETC systems worldwide. Kapsch TrafficCom is headquartered in Vienna, Austria, and has subsidiaries and representative offices in 22 countries.