

**Report on the first half of  
fiscal year 2012/13.**

## Kapsch TrafficCom Group – Key Figures.

2012/13 H1 (first half of fiscal year 2012/13): 1 April – 30 September 2012

2012/13 Q2 (second quarter of fiscal year 2012/13): 1 July – 30 September 2012

All figures presented in million EUR unless otherwise stated

Earnings Data	2012/13 H1	2011/12 H1	+/-	2012/13 Q2	2011/12 Q2	+/-	2011/12
Revenues	203.4	278.8	-27%	97.0	144.1	-33%	549.9
EBITDA	2.1	48.8	-96%	3.8	22.3	-83%	60.6
EBITDA margin (in %)	1.0	17.5		3.9	15.5		11.0
EBIT	-6.2	40.1	–	-0.6	17.9	–	42.2
EBIT margin (in %)	-3.0	14.4		-0.6	12.4		7.7
Profit before tax	-8.2	31.4	–	-2.4	12.3	–	36.3
Profit for the period	-7.0	22.4	–	-2.6	8.5	–	27.5
Earnings per share <sup>1</sup>	-0.85	1.36	–	-0.40	0.46	–	1.62
Free cash flow <sup>2</sup>	78.7	-44.9	–	4.1	-36.0	–	-49.7
Capital expenditure <sup>3</sup>	5.2	5.8	-10%	2.8	2.6	9%	13.1
Employees <sup>4</sup>	2,715	2,584	5%	2,715	2,584	5%	2,705
On-board units (in million units)	3.99	5.72	-30%	2.29	2.94	-22%	11.15

Business Segments	2012/13 H1	2011/12 H1	+/-	2012/13 Q2	2011/12 Q2	+/-	2011/12
Road Solution Projects (RSP):							
Revenues (% of Revenues)	50.2 (25%)	122.9 (44%)	-59%	15.3 (16%)	68.1 (47%)	-78%	229.9 (42%)
EBIT (EBIT margin)	-15.7(-31.4%)	7.5 (6.1%)	–	-8.5(-55.9%)	4.0 (5.9%)	–	4.1 (1.8%)
Services, System Extensions, Components Sales (SEC):							
Revenues (% of Revenues)	144.7 (71%)	153.2 (55%)	-6%	77.0 (79%)	74.7 (52%)	3%	308.1 (56%)
EBIT (EBIT margin)	9.1 (6.3%)	32.4 (21.2%)	-72%	7.5 (9.8%)	13.9 (18.6%)	-46%	37.3 (12.1%)
Others (OTH):							
Revenues (% of Revenues)	8.5 (4%)	2.7 (1%)	218%	4.7 (5%)	1.2 (1%)	276%	12.0 (2%)
EBIT (EBIT margin)	0.5 (5.7%)	0.2 (7.0%)	160%	0.4 (8.7%)	0.0 (-0.7%)	–	0.8 (6.5%)

Revenues by Regions (% of Revenues)	2012/13 H1	2011/12 H1	+/-	2012/13 Q2	2011/12 Q2	+/-	2011/12
Austria	14.8 (7%)	12.6 (5%)	17%	7.1 (7%)	6.2 (4%)	13%	32.8 (6%)
Europe <sup>5</sup>	115.6 (57%)	155.5 (56%)	-26%	49.0 (51%)	86.5 (60%)	-43%	341.4 (62%)
Americas	27.9 (14%)	35.8 (13%)	-22%	18.5 (19%)	15.7 (11%)	18%	63.6 (12%)
Rest of World	44.9 (22%)	74.9 (27%)	-40%	22.4 (23%)	35.6 (25%)	-37%	112.1 (20%)

Balance Sheet Data	30 Sept. 2012	30 Sept. 2011	+/-	31 March 2012
Total assets	481.5	514.4	-6%	557.7
Total equity <sup>6</sup>	222.5	236.8	-6%	256.2
Equity ratio <sup>6</sup> (in %)	46.2	46.0		45.9
Net assets (+)/net debt (-)	-16.3	-67.0	-76%	-74.4
Capital employed	315.1	354.2	-11%	383.8
Net working capital	198.8	246.4	-19%	285.7

Stock Exchange Data <sup>7</sup>	2012/13 Q2	2012/13 Q1	+/-	2012/13 Q2	2012/13 Q1	+/-
Number of shares <sup>7</sup> (in million)	13.0	13.0	0%	Closing price <sup>7</sup> (in EUR)	49.68	58.89 -16%
Free float <sup>7</sup> (in %)	38.1	38.1	0%	Market capitalization <sup>7</sup> (in million EUR)	645.84	765.57 -16%
Ø trading volume <sup>8</sup> (in shares)	24,084	13,752	75%	Share performance (in %)	-15.64	-7.26

1 earnings per share in first half-year 2012/13 relate to 13.0 million shares, in first half-year 2011/12 relate to a weighted average number of 12.5 million shares; EPS calculated from the profit for the period attributable to the equity holders of the company

2 operating cash flow minus capital expenditure from operations (excl. payments for acquisition of companies and purchases of securities and investments) plus proceeds from the disposal of property, plant and equipment and intangible assets

3 capital expenditure from operations (excl. payments for acquisition of companies and purchases of securities and investments)

4 each first half-year – as of 30 September

5 excl. Austria

6 incl. minority interests

7 2012/13 Q2 as of 30 September 2012, 2011/13 Q1 as of 30 June 2012; for additional information on the shares see page 5

8 average daily trading volume (double counting)

### Disclaimer

Certain statements contained in this report constitute "forward-looking statements". These statements, which contain the words "believe", "intend", "expect" and words of similar meaning, reflect management's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law. Slight differences in calculations may arise due to the rounding of individual items and percentages. The English translation is for convenience; only the German text is binding.

# Letter from the Chief Executive Officer.



Georg Kapsch, Chief Executive Officer

## Dear shareholders,

The Kapsch TrafficCom Group can look back on a complex first half fiscal year of 2012/13. The postponement of project implementations and roll-outs meant that the last six months were disappointing in terms of revenue and results. At the same time, the completion and associated payment of the major project in Poland bolstered the structure of the balance sheet, meaning that the key balance sheet figures demonstrate a solid financial basis. We managed to win several new contracts over the reporting period. This also shows that we were right to adapt our strategy and re-focus Kapsch TrafficCom for the future.

In the first six months of 2012/13 the Kapsch TrafficCom Group generated revenues of EUR 203.4 million, 27 % below the outstanding revenue of the previous year's period which was boosted by the implementation of major projects. The decline was derived from the fact that the implementation projects recently won in the reporting period are not yet reflected in the figures. Moreover, we have not yet been able to generate the expected levels of operating revenue from the projects in South Africa and Poland. The sale of on-board units also shows that no new equipment was required for major projects in the reporting period. However, the finalization of the contracts with the E-ZPass Group produced the expected volume growth in the second quarter.

The lower revenues made it more difficult to cover costs completely. EBIT over the first half-year amounted to EUR -6.2 million, which comprises a significant improvement in the second quarter. The growing volume of sales in on-board units contributed to this, but also the increased input from the operation project in Poland.

While we are not satisfied with these earnings figures, they do not give us cause for alarm either. The project business at present is blighted by volatility in revenues and earnings, which limits the ability to compare individual quarters. We only measure ourselves based on annual results.

The first half-year of 2012/13 was marked by developments in the main projects in Poland and South Africa. In Poland, the nationwide electronic toll collection system that we constructed in record time has been in operation for more than one year. The toll income collected by our customer has exceeded expectations and their satisfaction is demonstrated by the additional orders that have been placed. However, the revenues for Kapsch TrafficCom have fallen short of our expectations. In South Africa the start of the electronic toll collection system in the province of Gauteng was suspended shortly before its planned launch in the first quarter due to a legal action brought against the South African road operator. Although we reached an agreement with our customer on the running costs incurred, there is no operation revenue to offset them for now. We are optimistic about the latest developments: at the end of October a decision was made to continue the system roll-out process.

In the second quarter of 2012/13 we achieved significant, strategic successes on the U.S. market. At the end of July we were selected as the supplier for an entire system – for the first time in this region. In Northern Texas we shall be implementing a so-called “managed lane” system on two highways, which comprises a toll collection system, an intelligent transportation system and a network communications system. It will become one of the most modern transportation systems in North America. Just one month later we were awarded another contract, this time for an incident detection system in a tunnel in Houston. We are extremely delighted about both of these achievements as they represent a milestone for our U.S. strategy. They also demonstrate that we can compete successfully on this market with all-round ITS solutions. In Brazil – one of the fastest growing markets in the ITS industry – we won our first contract for the delivery of on-board units in the reporting period. At the end of August we also won another contract for a toll collection system in Sydney, Australia.

The strength of the Kapsch TrafficCom Group in terms of future projects too is demonstrated by the extremely solid balance sheet structure. In the first quarter the payment of the last milestone from the system implementation in Poland resulted in a significant improvement in the overall picture. As of 30 September 2012 the equity ratio amounted to 46.2%, while liquid assets rose compared to the reporting date of 31 March 2012 to EUR 67.7 million. At EUR 16.3 million, net debt remains at a very low level; net working capital and capital employed were lowered substantially. The free cash flow totaled an impressive EUR 78.7 million. This sound financial basis encourages us to continue investing in research and development and in new projects as well as markets, in spite of the temporary decline in results.

The contracts which we have received in recent months have demonstrated the growing convergence of the ITS market. I look on this as confirmation of our strategy and the new corporate structure that we implemented from early October. This enables us to attribute more importance to ITS systems alongside toll collection systems – and therefore the development of complete solutions. The Kapsch TrafficCom Group now has a globally uniform organizational structure with coordinated standards, processes and interfaces. This will underpin the continuation of our growth.

Together with existing and new projects I see great potential here for the further development of the Kapsch TrafficCom Group. The current order book and the successes achieved will also be reflected in earnings in the second half-year of 2012/13. Our major project in Belarus was launched in September as planned. In addition to this the coming months will be marked by developments in South Africa and the participation in tenders. We are currently working on a bid for a toll collection system tender in Hungary.

Yours sincerely,

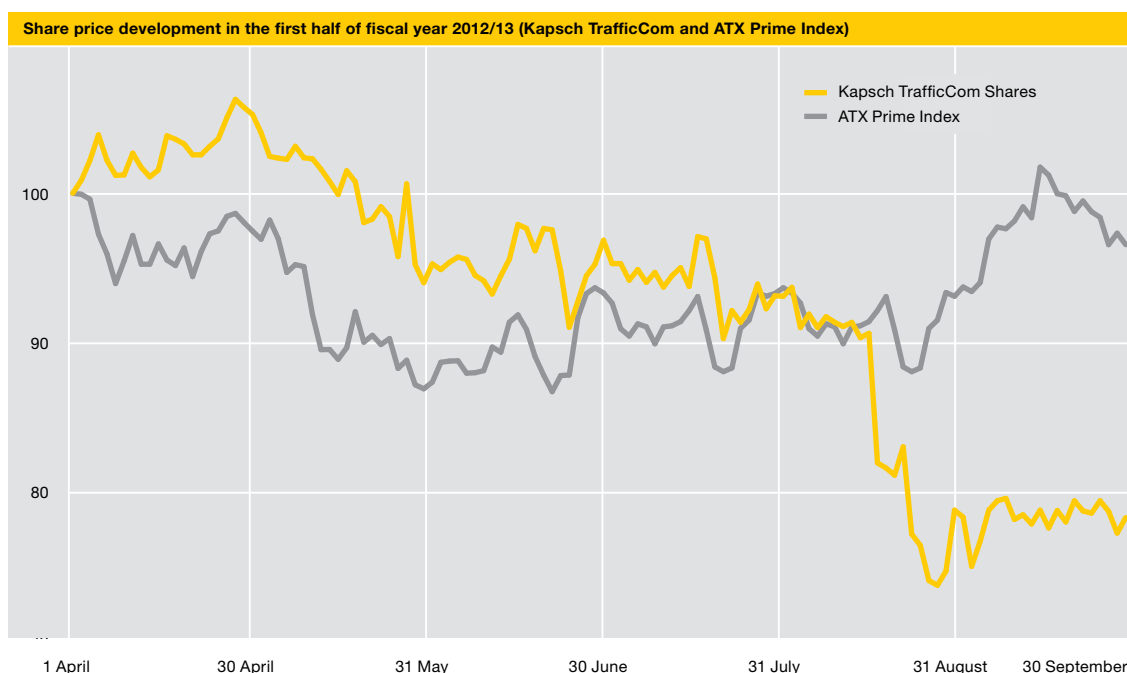


Georg Kapsch  
Chief Executive Officer

# Kapsch TrafficCom Shares.

The shares of Kapsch TrafficCom are listed on the Vienna Stock Exchange and are included in the ATX Prime Index. In the first half of this fiscal year the share price declined by 22 % thereby underperforming the index by far. After a moderate downward trend in the first quarter in line with the overall stock market climate the price of the Kapsch TrafficCom shares dropped sharply in August amidst high trading. At the end of the quarter on 28 September 2012 it closed at EUR 49.68. However, taking a longer view of price trends against the background of the stock market, the shares have performed well overall against the main benchmark indices. Since the IPO in June 2007 the price of Kapsch TrafficCom shares has risen by approximately 50 % – despite the weak development during the current reporting period – while the ATX Prime and some of the international indices fell sharply to the same extent over the corresponding period.

The number of shares totals 13 million. KAPSCH-Group Beteiligungs GmbH holds 61.9 % of the shares, with the remaining 38.1 % in free float (including the shares held by Erwin Toplak, COO). Based on a closing price of EUR 49.68, Kapsch TrafficCom's market capitalization as of 30 September 2012 was EUR 645.8 million.



Closing price of Kapsch TrafficCom shares and closing value of ATX Prime Index on 31 March 2012 each indexed to 100.

Information on the Shares		Financial Calendar	
Investor Relations Officer	Marcus Handl	27 February 2013	Interim financial report FY13 Q3
Shareholders' Telephone	+43 (0)50811 1120	26 June 2013	Results FY13
E-Mail	ir.kapschtraffic@kapsch.net	19 August 2013	Ordinary Shareholders' Meeting for FY13
Website	www.kapsch.net	2 September 2013	Deduction of dividends for FY13 (ex-day)
Stock Exchange	Vienna, Prime Market	9 September 2013	First day of payment for FY13 dividends
ISIN	AT000KAPSCH9		
Trading Symbol	KTCG		
Reuters	KTCG.VI		
Bloomberg	KTCG AV		

# Interim Management Report.

## Economic climate for the group.

Global traffic volumes are constantly growing, with India, Australia, New Zealand, South Africa, China and many Latin American countries showing the fastest growth. With its intelligent transportation systems (ITS) in the application fields of toll collection, urban access management and traffic safety and security, the Kapsch TrafficCom Group has already established a presence in all of these high-growth markets. The Kapsch TrafficCom Group closely monitors developments in requirements in these regions on an ongoing basis, so that it is in a position to supply technical solutions tailored to the specific needs of the market at any time.

Influenced by the fraught worldwide macroeconomic situation the Kapsch TrafficCom Group and its customers continue to face a challenging market environment. However, the management believes that investments in infrastructure will be undertaken even in this challenging economic environment. Several major projects are currently being tendered or are in their preparatory stage just now around the world in relation to rolling out new or modernizing existing toll collection systems.

## Financial performance indicators.

### Revenues and earnings.

The revenues of the Kapsch TrafficCom Group totaled EUR 203.4 million in the first half of the current fiscal year 2012/13 (2012/13 H1), representing a decrease of 27.1% from EUR 278.8 million, the value for the same period of the previous fiscal year (2011/12 H1). Lower revenues were registered in both the segment Road Solution Projects (RSP) and the segment Services, System Extensions, Components Sales (SEC).

Revenues by segment in the first half of the current fiscal year were as follows:

- The segment Road Solution Projects (RSP) recorded revenues of EUR 50.2 million after EUR 122.9 million in the same period of the previous fiscal year, a decline of 59.2%. The main factors influencing this decline on the one hand were the implementation of the nationwide electronic toll collection system in Poland in the previous year, which was completed in a very short period of time, and the lower revenue contribution of the electronic toll collection system project in the South African province of Gauteng, as it is already in its final stage of completion. The decline could not be compensated for in the first half of 2012/13 by the launched projects in Belarus, France, Australia and the U.S.A. as well as the extensions in Poland.
- In the segment Services, System Extensions, Components Sales (SEC), revenues decreased by 5.6% from EUR 153.2 million in the first half of the previous fiscal year to EUR 144.7 million this year. The suspended start of the operation project in the South African province of Gauteng negatively affected revenues as the expected deliveries were not ordered and the revenues in North America could not reach last year's level. However, the operation project in Poland which was not fully implemented in the same period in the previous year made a significant contribution to revenues. The technical and commercial operation of the nationwide system in the Czech Republic and the technical operation, including maintenance, of the nationwide systems in Austria and Switzerland generated stable revenues as before.

The number of on-board units sold amounted to 3.99 million (2011/12 H1: 5.72 million). The lower volume year-on-year resulted from initial equipment sales in connection with the nationwide toll collection system in Poland, delivered in the previous year, and the suspension of the start of the project in the South African province of Gauteng.

- In the segment Others (OTH), revenues rose in the first half of 2012/13 to EUR 8.5 million (2011/12 H1: EUR 2.7 million). This rise resulted from production and deliveries for the GSM-R project of Kapsch CarrierCom.

In the first six months of the current fiscal year the Kapsch TrafficCom Group reported earnings before interest and taxes (EBIT) of EUR -6.2 million (2011/12 H1: EUR 40.1 million). Operating results by segment were as follows in the first six months:

- The segment RSP recorded an EBIT figure in the reporting period of EUR -15.7 million after EUR 7.5 million in the first half of the previous year. The lower revenues in comparison to the same period of the previous year were insufficient to cover the regular costs allocated to this segment.
- The segment SEC generated EBIT of EUR 9.1 million (2011/12 H1: EUR 32.4 million). The main factors influencing this decline were the lower segment revenue overall, the competitive pricing agreement with the E-ZPass Group which brought margins in the U.S.A. down in line with typical global margins, as well as the low earnings in Poland and the lack of any real contribution to earnings from the delayed follow-up deliveries of on-board units for the system constructed in Gauteng, South Africa.
- The segment OTH contributed EUR 0.5 million to earnings in the reporting half-year (2011/12 H1: EUR 0.2 million). The high EBIT margin from the previous year was largely triggered by the one-off absorption of costs for the adaption of the production for GSM-R products.

The financial result was improved from EUR -8.7 million in the same period of the previous year to EUR -2.1 million. Finance income remained at the same level as the previous year, largely on account of unrealized exchange-rate gains. Under finance costs there was a sharp drop in unrealized exchange-rate losses, as the previous year's financial result figure was significantly influenced by the inter-company financing in connection with the nationwide toll collection system in Poland.

### **Financial position and cash flows.**

As of 30 September 2012, total assets dropped compared to the end of fiscal year 2011/12 to EUR 481.5 million (31 March 2012: EUR 557.7 million). Equity capital came in at EUR 222.5 million, below the figure from 31 March 2012 of EUR 256.2 million. The fall in total assets and the almost identical drop in equity capital raised the equity ratio of the Kapsch TrafficCom Group marginally from 45.9% as of 31 March 2012 to 46.2% as of 30 September 2012.

The main change under assets on the balance sheet was for current assets. Trade receivables along with other current assets dropped on account of the payment received for the completion of the Polish toll collection project, from EUR 287.6 million to EUR 189.1 million.

The most significant decrease under equity and liabilities on the balance sheet was registered for current liabilities. The major influencing factor here was current financial liabilities, which sank from EUR 53.2 million to EUR 18.3 million on account of the reduction in the credit for the Polish project.

The changes in the balance sheet demonstrate a clear improvement in the following figures:

- The free cash flow rose from EUR -44.9 million to EUR 78.7 million compared to the same period of the previous year.
- In spite of the corporate bond issued to maturity amounting to EUR 75.0 million, net debt was reduced from EUR -74.4 million as of 31 March 2012 to EUR -16.3 million as of 30 September 2012.
- Net working capital was lowered following the payment received from the Polish toll collection system project, falling from EUR 285.7 million as of 31 March 2012 to EUR 198.8 million as of 30 September 2012.

Although the negative EBIT figure, the increase in inventories and the drop in trade liabilities and other current liabilities weighed down on the net cash flow from operating activities, this was increased from EUR -39.4 million in the same period the previous year to EUR 83.9 million. The main factor in this respect was the substantial fall in trade receivables and other assets. The cash flow from investing activities was shaped during the first six months of fiscal 2012/13 by ongoing replacement investments and the acquisition of an interest in SIMEX, Mexico. The repayment of current financial liabilities, chiefly from project financing, led to a negative net cash flow from financing activities amounting to EUR -53.9 million (2011/12 H1: EUR 48.6 million) with a positive impact on net debt.

Consequently, cash and cash equivalents rose from EUR 44.9 million as of 31 March 2012 to EUR 67.7 million as of 30 September 2012.

## **Major transactions with related parties.**

During the first six months of the current fiscal year 2012/13 there were no transactions with related parties that could have a significant influence on the financial position or the results of operations. Details on transactions with related parties are outlined under note 13 to the condensed consolidated interim financial report as at 30 September 2012.

## **Acquisitions and legal changes.**

On 31 July 2012, Kapsch TrafficCom acquired an interest of 33 % in SIMEX, Integración de Sistemas, S.A.P.I. de C.V., Mexico during an issue of new shares.

## **Risk reporting.**

The company is exposed to general and industry-specific risks, such as the high volatility of revenues from projects and project implementation risks. A central risk management system has been established to identify these risks early.

The significance of foreign currency risks is increasing on account of the growing international focus of the group. A considerable portion of revenues and costs are denominated not in euros but in the currencies of the respective foreign companies, in particular, CZK, PLN, SEK, USD and ZAR. Although the group aims to hedge the net currency position of the individual contracts as required, currency fluctuations may result in exchange rate losses that appear on the consolidated financial statements (transaction risk). In addition, risks arise from the conversion of separate financial statements of international companies into the group currency, the euro (translation risk).

## **Outlook on the second half of the current fiscal year.**

The current order book and the successes achieved will also be reflected in the earnings of the Kapsch TrafficCom Group in the second half of 2012/13. The major project in Belarus was launched in September as planned. In addition to this, the coming months will be marked by further developments in South Africa and the participation in tenders. Kapsch TrafficCom is currently working on a bid for a toll collection system tender in Hungary.



## Events after 30 September 2012.

On 9 November 2012, Kapsch TrafficCom Russia, Moscow, Russia, sold its share of 33 % in the joint venture LLC United Toll Systems, Moscow, Russia.

Vienna, 22 November 2012

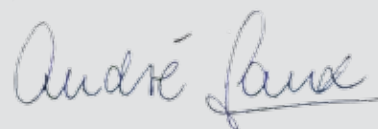
Executive Board



Georg Kapsch  
Chief Executive Officer



Erwin Toplak  
Chief Operating Officer



André Laux  
Executive Board member

# Statement of all Members of the Executive Board.

## Statement of all Members of the Executive Board pursuant to Section 87 Para. 1 No. 3 BoerseG (Austrian Stock Exchange Act).

We confirm to the best of our knowledge that the condensed interim statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, 22 November 2012

Executive Board



Georg Kapsch  
Chief Executive Officer



Erwin Toplak  
Chief Operating Officer



André Laux  
Executive Board member

# Condensed consolidated interim financial information as of 30 September 2012.\*)

## Kapsch TrafficCom Group – Consolidated statement of comprehensive income.

All amounts in TEUR	Note	2012/13 Q2	2011/12 Q2	2012/13 H1	2011/12 H1
<b>Revenues</b>	(4)	<b>96,995</b>	<b>144,066</b>	<b>203,364</b>	<b>278,808</b>
Other operating income		5,530	4,855	8,341	6,697
Changes in finished and unfinished goods and work in progress		7,181	8,736	11,957	9,228
Cost of materials and other production services		-53,783	-80,099	-116,913	-141,298
Staff costs		-32,148	-27,367	-64,884	-56,904
Amortization of intangible assets and depreciation of property, plant and equipment		-4,393	-4,395	-8,312	-8,673
Other operating expenses		-20,003	-27,915	-39,732	-47,735
<b>Operating result</b>	(4)	<b>-621</b>	<b>17,881</b>	<b>-6,179</b>	<b>40,122</b>
Finance income		1,266	2,331	4,051	3,975
Finance costs		-3,069	-7,838	-6,109	-12,639
<b>Financial result</b>		<b>-1,803</b>	<b>-5,507</b>	<b>-2,058</b>	<b>-8,663</b>
Result from joint ventures and associates		0	-33	0	-33
<b>Profit before income taxes</b>		<b>-2,424</b>	<b>12,341</b>	<b>-8,237</b>	<b>31,426</b>
Income taxes	(10)	-203	-3,844	1,255	-9,031
<b>Profit for the period</b>		<b>-2,626</b>	<b>8,497</b>	<b>-6,982</b>	<b>22,396</b>
<b>Other comprehensive income for the period</b>					
Gains/losses recognized directly in equity:					
Available-for-sale financial assets		-4,604	-788	-6,875	-1,808
Currency translation differences		1,401	-3,065	-732	-3,514
Income tax relating to components of other comprehensive income		-3	35	-97	-65
<b>Other comprehensive income for the period net of tax</b>	(11)	<b>-3,206</b>	<b>-3,818</b>	<b>-7,704</b>	<b>-5,387</b>
<b>Total comprehensive income for the period</b>		<b>-5,832</b>	<b>4,679</b>	<b>-14,686</b>	<b>17,009</b>
Profit attributable to:					
Equity holders of the company		-5,146	5,901	-11,077	17,002
Minority interests		2,519	2,596	4,094	5,393
		<b>-2,626</b>	<b>8,497</b>	<b>-6,982</b>	<b>22,396</b>
Total comprehensive income attributable to:					
Equity holders of the company		-8,434	3,022	-18,437	12,658
Minority interests		2,602	1,657	3,751	4,350
		<b>-5,832</b>	<b>4,679</b>	<b>-14,686</b>	<b>17,009</b>
<b>Earnings per share from the profit for the period attributable to the equity holders of the company (in EUR)</b>		<b>-0.40</b>	<b>0.46</b>	<b>-0.85</b>	<b>1.36</b>

Earnings per share in first half-year 2012/13 relate to 13.0 million shares and in first half-year 2011/12 relate to a weighted average number of 12.5 million shares. The notes on the following pages form an integral part of this condensed interim financial information.

\*) The condensed consolidated interim report has neither been audited nor been reviewed by an auditor.

## Kapsch TrafficCom Group – Consolidated balance sheet.

All amounts in TEUR	Note	30 September 2012	31 March 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(5)	22,059	21,847
Intangible assets	(5)	77,656	80,379
Other non-current financial assets and investments		45,750	51,229
Other non-current assets		2,143	3,420
Deferred tax assets		13,046	11,189
		<b>160,654</b>	<b>168,064</b>
<b>Current assets</b>			
Inventories		55,558	48,899
Trade receivables and other current assets		189,090	287,590
Other current financial assets		8,554	8,213
Cash and cash equivalents		67,661	44,929
		<b>320,863</b>	<b>389,631</b>
<b>Total assets</b>		<b>481,517</b>	<b>557,695</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Share capital	(6)	13,000	13,000
Capital reserve		117,509	117,509
Retained earnings and other reserves		81,960	112,098
		<b>212,469</b>	<b>242,607</b>
<b>Minority interests</b>		<b>10,029</b>	<b>13,640</b>
<b>Total equity</b>		<b>222,499</b>	<b>256,247</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current financial liabilities	(7)	74,318	74,256
Liabilities from post-employment benefits to employees	(8)	16,791	16,704
Non-current provisions	(9)	1,129	1,098
Other non-current liabilities		2,561	3,440
Deferred income tax liabilities		17,431	18,316
		<b>112,229</b>	<b>113,812</b>
<b>Current liabilities</b>			
Trade payables		54,448	59,013
Other liabilities and deferred income		51,153	53,048
Current tax payables		2,972	3,795
Current financial liabilities	(7)	18,247	53,249
Current provisions	(9)	19,969	18,531
		<b>146,789</b>	<b>187,636</b>
<b>Total liabilities</b>		<b>259,019</b>	<b>301,448</b>
<b>Total equity and liabilities</b>		<b>481,517</b>	<b>557,695</b>

The notes on the following pages form an integral part of this condensed interim financial information.

## Kapsch TrafficCom Group – Consolidated statement of changes in equity.

All amounts in TEUR

	Attributable to equity holders of the company				Minority interests	Total equity
	Share capital	Capital reserve	Other reserves	Consolidated retained earnings		
<b>Carrying amount as of 31 March 2011</b>	<b>12,200</b>	<b>70,077</b>	<b>4,249</b>	<b>89,817</b>	<b>15,171</b>	<b>191,513</b>
Proceed from shares issued	800	47,432				48,232
Dividend for 2010/11				-13,000	-7,041	-20,041
Contributions from shareholders			91		0	91
Result for the period				17,002	5,393	22,396
Other comprehensive income for the period:						
Currency translation differences			-2,471		-1,043	-3,514
Fair value gains/losses on available-for-sale financial assets			-1,873		0	-1,873
<b>Carrying amount as of 30 Sept. 2011</b>	<b>13,000</b>	<b>117,509</b>	<b>-5</b>	<b>93,819</b>	<b>12,479</b>	<b>236,803</b>
<b>Carrying amount as of 31 March 2012</b>	<b>13,000</b>	<b>117,509</b>	<b>14,682</b>	<b>97,416</b>	<b>13,640</b>	<b>256,247</b>
Dividend for 2011/12				-11,700	-7,362	-19,062
Result for the period				-11,077	4,094	-6,982
Other comprehensive income for the period:						
Currency translation differences			-389		-343	-732
Fair value gains/losses on available-for-sale financial assets			-6,972		0	-6,972
<b>Carrying amount as of 30 Sept. 2012</b>	<b>13,000</b>	<b>117,509</b>	<b>7,321</b>	<b>74,639</b>	<b>10,029</b>	<b>222,499</b>

The notes on the following pages form an integral part of this interim financial information.

## Kapsch TrafficCom Group – Consolidated cash flow statement.

All amounts in TEUR	2012/13 Q2	2011/12 Q2	2012/13 H1	2011/12 H1
<b>Cash flow from operating activities</b>				
Operating result	-621	17,881	-6,179	40,122
Adjustments for non-cash items and other reconciliations:				
Depreciation and amortization	4,393	4,395	8,312	8,673
Increase/decrease in obligations for post-employment benefits	32	-54	87	-110
Increase/decrease in other non-current liabilities and provisions	-213	10	-215	26
Increase/decrease in other non-current receivables and assets	-142	46	-169	685
Increase/decrease in trade receivables (non-current)	929	1,591	1,289	4,888
Increase/decrease in trade payables (non-current)	-297	243	-716	-851
Other (net)	916	-6,219	-778	-8,028
	<b>4,997</b>	<b>17,892</b>	<b>1,631</b>	<b>45,405</b>
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	12,260	-21,492	102,730	-52,271
Increase/decrease in inventories	-2,343	-4,974	-6,659	-10,446
Increase/decrease in trade payables and other current payables	6,179	-19,675	-6,464	-10,989
Increase/decrease in current provisions	-4,804	323	1,438	-1,009
	11,293	-45,818	91,046	-74,715
<b>Cash flow from operations</b>	<b>16,290</b>	<b>-27,925</b>	<b>92,677</b>	<b>-29,310</b>
Interest received	467	264	821	398
Interest payments	-1,618	-1,473	-3,069	-3,089
Net payments of income taxes	-8,223	-4,482	-6,535	-7,377
<b>Net cash flow from operating activities</b>	<b>6,916</b>	<b>-33,616</b>	<b>83,894</b>	<b>-39,378</b>
<b>Cash flow from investing activities</b>				
Purchases of property, plant and equipment	-2,540	-2,387	-4,330	-4,911
Purchases of intangible assets	-242	-169	-862	-882
Purchases of securities and investments	-1,569	-1,682	-1,569	-1,682
Payments for acquisition of shares in companies consolidated at equity	0	0	0	-33
Proceeds from disposal of property, plant and equipment and intangible assets	-2	205	6	284
<b>Net cash flow from investing activities</b>	<b>-4,353</b>	<b>-4,033</b>	<b>-6,755</b>	<b>-7,224</b>
<b>Cash flow from financing activities</b>				
Proceeds from shares issued and contributions from shareholder	0	48,232	0	48,322
Dividends paid to company shareholders	-11,700	-13,000	-11,700	-13,000
Dividends paid to minority shareholders of group companies	-7,362	-7,041	-7,362	-7,041
Increase in non-current financial liabilities	42	79	83	135
Decrease in non-current financial liabilities	0	0	-20	0
Increase in current financial liabilities	7,652	-12,639	7,764	23,220
Decrease in current financial liabilities	-814	-2,758	-42,708	-3,079
<b>Net cash flow from financing activities</b>	<b>-12,182</b>	<b>12,872</b>	<b>-53,943</b>	<b>48,558</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-9,618</b>	<b>-24,776</b>	<b>23,196</b>	<b>1,956</b>
<b>Change in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of period	77,357	68,379	44,929	42,001
Net increase/decrease in cash and cash equivalents	-9,618	-24,776	23,196	1,956
Currency translation differences on cash and cash equivalents	-78	-1,370	-464	-1,724
<b>Cash and cash equivalents at end of period</b>	<b>67,661</b>	<b>42,233</b>	<b>67,661</b>	<b>42,233</b>

The notes on the following pages form an integral part of this condensed interim financial information.

## **Kapsch TrafficCom Group – Selected notes to the condensed consolidated interim financial information.**

### **1. General information.**

The Kapsch TrafficCom Group is an international supplier of intelligent transportation systems (ITS).

The business activities of the Kapsch TrafficCom Group are subdivided into the following three segments:

- Road Solution Projects (RSP)
- Services, System Extensions, Components Sales (SEC)
- Others (OTH)

The segment Road Solution Projects relates to the installation of ITS solutions.

The segment Services, System Extensions, Components Sales relates to the sale of services (maintenance and operation) and components in the area of ITS solutions.

The segment Others relates to non-core business activities conducted by Kapsch Components GmbH & Co KG. In this segment, engineering solutions, electronic manufacturing and logistics services are rendered to affiliated entities and third parties.

### **2. Basis of preparation.**

This condensed interim financial information for the first half of the current fiscal year 2012/13 ended 30 September 2012 has been prepared in accordance with IAS 34 “Interim financial reporting”. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 March 2012.

### **3. Accounting policies.**

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2012, as described in the annual financial statements for the year ended 31 March 2012.

In this condensed interim financial information for the first half of the current fiscal year 2012/13 no new IFRSs and IFRICs have been adopted.

#### 4. Segment information.

2012/13 H1 All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated group
Revenues	50,159	144,714	8,491	203,364
Operating result	-15,741	9,075	486	-6,179

2011/12 H1 All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated group
Revenues	122,896	153,239	2,673	278,808
Operating result	7,506	32,429	187	40,122

The following table contains all single external customers which contributed more than 10 % to the total revenues of the period and additionally shows the information of the contributed operating segment.

2012/13 H1 All amounts in TEUR	Revenues	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	44,239	x	x
Customer 2	41,631	x	x
Customer 3	40,558	x	x

2011/12 H1 All amounts in TEUR	Revenues	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	92,904	x	
Customer 2	42,343	x	x
Customer 3	43,724	x	x

#### 5. Capital expenditure.

All amounts in TEUR	Tangible and intangible assets
<b>Carrying amount as of 31 March 2012</b>	<b>102,226</b>
Additions	5,192
Disposals	-16
Depreciation, amortization, impairments and other movements	-8,312
Currency translation differences	625
<b>Carrying amount as of 30 September 2012</b>	<b>99,715</b>
<b>Carrying amount as of 31 March 2011</b>	<b>108,092</b>
Additions	5,793
Disposals	-233
Depreciation, amortization, impairments and other movements	-8,673
Currency translation differences	122
<b>Carrying amount as of 30 September 2011</b>	<b>105,100</b>



## 6. Share capital.

The registered share capital of the company amounts to EUR 13,000,000. The share capital is fully paid in. The total number of ordinary shares issued is 13,000,000. The shares are ordinary bearer shares and have no par value.

## 7. Financial liabilities.

All amounts in TEUR	30 Sept. 2012	31 March 2012	30 Sept. 2011	31 March 2011
Non-current	74,318	74,256	74,248	74,112
Current	18,247	53,249	43,139	23,083
<b>Total</b>	<b>92,564</b>	<b>127,505</b>	<b>117,387</b>	<b>97,195</b>

Movements in borrowings are analyzed as follows:

All amounts in TEUR	Non-current	Current	Total
<b>Carrying amount as of 31 March 2012</b>	<b>74,256</b>	<b>53,249</b>	<b>127,505</b>
Additions	83	7,764	7,847
Repayments of borrowings	-20	-42,708	-42,728
Currency translation differences	-1	-59	-60
<b>Carrying amount as of 30 September 2012</b>	<b>74,318</b>	<b>18,247</b>	<b>92,564</b>

All amounts in TEUR	Non-current	Current	Total
<b>Carrying amount as of 31 March 2011</b>	<b>74,112</b>	<b>23,083</b>	<b>97,195</b>
Additions	135	23,220	23,355
Repayments of borrowings	0	-3,079	-3,079
Currency translation differences	0	-85	-85
<b>Carrying amount as of 30 September 2011</b>	<b>74,248</b>	<b>43,139</b>	<b>117,387</b>

## 8. Liabilities from post-employment benefits to employees.

All amounts in TEUR	30 Sept. 2012	31 March 2012	30 Sept. 2011	31 March 2011
Termination benefits	6,551	6,452	5,944	5,912
Pension benefits	10,240	10,251	10,261	10,403
<b>Total</b>	<b>16,791</b>	<b>16,704</b>	<b>16,205</b>	<b>16,315</b>

### Termination benefits

The obligation to set up a provision for termination benefits is based on the respective labor law.

### Pension benefits

Liabilities for pension benefits recognized at the balance sheet date relate to retirees only. All pension agreements are based on past service cost and are not covered by external plan assets (funds). In addition, contributions are paid to an external pension fund for employees of the group.

## 9. Provisions.

All amounts in TEUR	30 Sept. 2012	31 March 2012	30 Sept. 2011	31 March 2011
Non-current	1,129	1,098	656	686
Current	19,969	18,531	3,713	4,722
<b>Total</b>	<b>21,098</b>	<b>19,628</b>	<b>4,368</b>	<b>5,408</b>

2012/13 H1 All amounts in TEUR	31 March 2012	Addition	Utilization	Disposal	Currency translation differences	30 Sept. 2012
Obligations from anniversary bonuses	868	20	0	0	0	888
Other	230	0	0	0	11	241
<b>Non-current provisions, total</b>	<b>1,098</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>1,129</b>
Warranties	1,229	15	0	-7	44	1,281
Losses from pending transactions and rework	12,382	0	-156	0	141	12,368
Legal fees, costs of litigation and contract risks	1,022	33	-589	-83	8	391
Other	3,897	3,704	-1,752	0	81	5,929
<b>Current provisions, total</b>	<b>18,531</b>	<b>3,751</b>	<b>-2,497</b>	<b>-90</b>	<b>274</b>	<b>19,969</b>
<b>Total</b>	<b>19,628</b>	<b>3,771</b>	<b>-2,497</b>	<b>-90</b>	<b>285</b>	<b>21,098</b>

2011/12 H1 All amounts in TEUR	31 March 2011	Addition	Utilization	Disposal	Currency translation differences	30 Sept. 2011
Obligations from anniversary bonuses	605	10	0	-18	0	597
Other	81	0	-21	0	-2	58
<b>Non-current provisions, total</b>	<b>686</b>	<b>10</b>	<b>-21</b>	<b>-18</b>	<b>-2</b>	<b>656</b>
Warranties	1,480	0	0	-17	-44	1,418
Legal fees, costs of litigation and contract risks	1,442	0	-35	-866	2	543
Other	1,800	878	-949	-3	26	1,751
<b>Current provisions, total</b>	<b>4,722</b>	<b>878</b>	<b>-984</b>	<b>-886</b>	<b>-16</b>	<b>3,713</b>
<b>Total</b>	<b>5,408</b>	<b>887</b>	<b>-1,005</b>	<b>-904</b>	<b>-18</b>	<b>4,368</b>

## 10. Income taxes.

Income taxes relate to current taxes and to deferred tax assets and deferred tax liabilities. Applying the Austrian corporate tax rate of 25 % to the group's pre-tax result gives rise to the theoretical value for the tax expense/income. The effective tax expense/income differs from the above due to, among others, different tax regimes in the various countries, the treatment of tax losses, tax allowances and permanent differences.

In the first half of 2012/13, the effective tax rate is 15 % (first half of 2011/12: 29 %). For the full year 2012/13, management expects an effective tax rate of approximately 25 %.

## 11. Other comprehensive income.

2012/13 H1 All amounts in TEUR	Before taxes	Tax expense /income	After taxes
Fair value gains/losses on available-for-sale financial assets:			
Unrealized gains/losses in the current period	-6,875	-97	-6,972
Currency translation differences	-732		-732
<b>Fair value changes recognized in equity</b>	<b>-7,607</b>	<b>-97</b>	<b>-7,704</b>

The fair value gains/losses not realized amounting to TEUR -7,262 relate to the investment in Q-Free ASA, Norway (2011/12 H1: TEUR -2,067).

2011/12 H1 All amounts in TEUR	Before taxes	Tax expense /income	After taxes
Fair value gains/losses on available-for-sale financial assets:			
Unrealized gains/losses in the current period	-1,808	-65	-1,873
Currency translation differences	-3,514		-3,514
<b>Fair value changes recognized in equity</b>	<b>-5,322</b>	<b>-65</b>	<b>-5,387</b>

## 12. Contingent liabilities and other commitments.

The group's contingent liabilities primarily result from large-scale projects. Other commitments mainly relate to contract and warranty bonds, bank guarantees, performance and bid bonds and sureties.

Details for contingent liabilities and other commitments are as follows:

All amounts in TEUR	30 Sept. 2012	31 March 2012
<b>Contract, warranty, performance and bid bonds:</b>		
City Highway Sydney und Melbourne	2,656	1,811
Truck toll collection system Austria	8,500	8,500
Truck toll collection system Czech Republic	2,707	4,471
Toll collection system in South Africa: Gauteng, Marian Hill, Huguenot	109,094	114,113
Toll collection system Poland	7,203	43,501
Toll collection system Portugal	1,820	1,820
Toll collection system North America	21,020	0
Other	900	906
	<b>153,900</b>	<b>175,121</b>
<b>Bank guarantees</b>	<b>2,066</b>	<b>1,722</b>
<b>Sureties</b>	<b>198</b>	<b>524</b>
<b>Total</b>	<b>156,164</b>	<b>177,366</b>

### 13. Related parties.

All amounts in TEUR		Sales to related parties H1	Sales from related parties H1	Amounts owed by related parties 30 September	Amounts owed to related parties 30 September
Affiliated companies outside the Kapsch TrafficCom Group	2012/13	6,864	10,754	5,720	4,461
	2011/12	1,084	12,124	3,003	4,516
Others	2012/13	1,353	2,355	0	8,959
	2011/12	0	2,131	0	9,204

The members of the executive and supervisory boards have management functions or are members in supervisory boards of other companies of the Kapsch Group.

### 14. Events after 30 September 2012.

On 9 November 2012, Kapsch TrafficCom Russia, Moscow, Russia, sold its share of 33% in the joint venture LLC United Toll Systems, Moscow, Russia.

Vienna, 22 November 2012

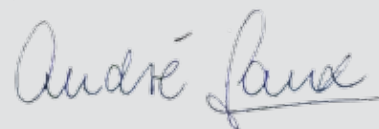
Executive Board



Georg Kapsch  
Chief Executive Officer



Erwin Toplak  
Chief Operating Officer



André Laux  
Executive Board member

**Kapsch TrafficCom** is a provider of intelligent transportation systems (ITS) in the application fields of toll collection, urban access management and traffic safety and security. Kapsch TrafficCom covers the entire value creation chain of its customers as a one-stop shop by providing products and components as well as subsystems as open market products, by integrating them into turnkey systems or by developing end-to-end solutions, including the technical and commercial operations of systems. Within its current core business of electronic toll collection (ETC), Kapsch TrafficCom designs, builds and operates ETC systems, in particular for multi-lane free-flow traffic. With 280 references in 41 countries on all continents and with almost 70 million on-board units delivered and about 18,000 lanes equipped, Kapsch TrafficCom has positioned itself as an internationally recognized supplier of ETC systems worldwide. Kapsch TrafficCom is headquartered in Vienna, Austria, and has subsidiaries and representative offices in 30 countries. For additional information, please visit [www.kapschtraffic.com](http://www.kapschtraffic.com).

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