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MORE

REPORT ON THE FIRST THREE QUARTERS OF FISCAL YEAR 2015/16.

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Selected Key Financial Data.

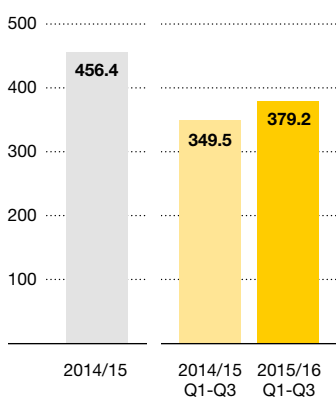
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2014/15 (fiscal year 2014/15): 1 April 2014–31 March 2015

2015/16 Q1-Q3 (first three quarters of fiscal year 2015/16): 1 April–31 December 2015

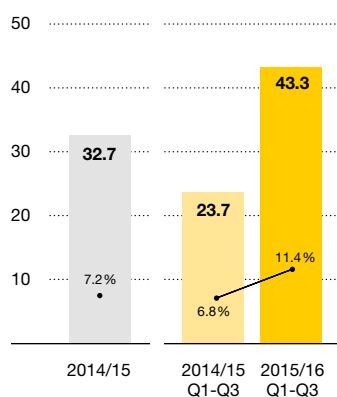
2015/16 Q3 (third quarter of fiscal year 2015/16): 1 October–31 December 2015

Revenues (in million EUR)



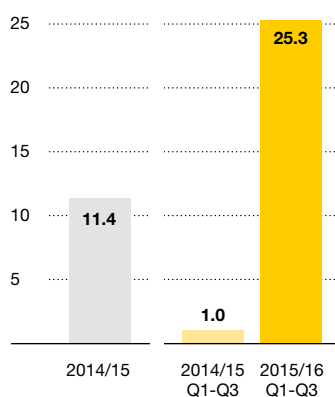
The revenues of EUR 379.2 million were 8% above the previous year.

EBIT (in million EUR) and EBIT margin (in %)



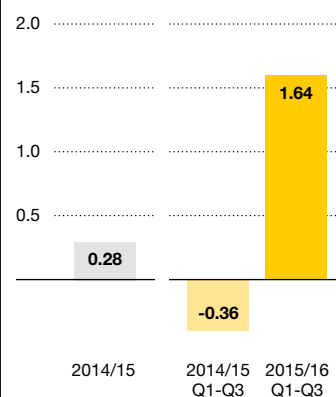
The Agenda 2020 contributed decisively to the disproportionate EBIT increase by 82% to EUR 43.3 million. The EBIT margin reached 11.4%.

Profit for the period (in million EUR)



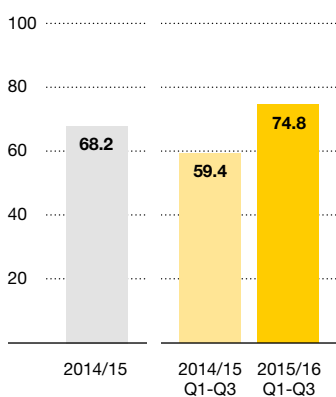
The profit for the period was EUR 25.3 million after only EUR 1.0 million in the same period of the previous year.

Earnings per share (in EUR)



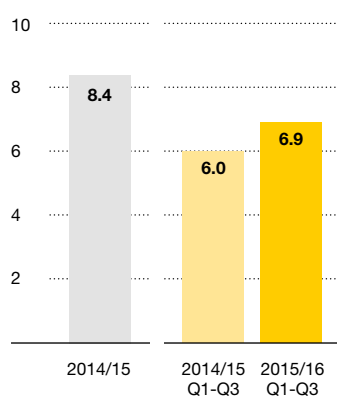
The earnings per share were significantly positive at EUR 1.64.

Free cash flow (in million EUR)



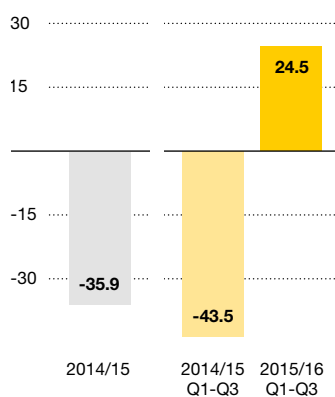
The free cash flow of EUR 74.8 million signals the potential for new projects and growth.

Capital expenditure (in million EUR)



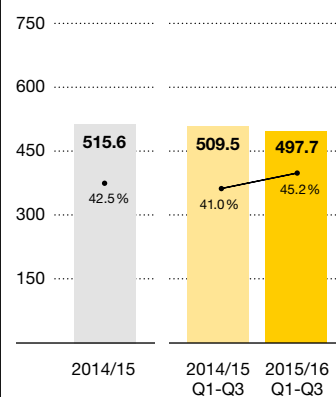
The capital expenditure of EUR 6.9 million was at the same level as the previous year.

Net asset (+)/debt (-) (in million EUR)



The net debt shifted into positive territory for a net asset of EUR 24.5 million.

Total assets (in million EUR) and equity ratio (in %)



The balance sheet total declined by 2%, while the equity ratio increased to 45.2%.

Selected Key Financial Data.

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All figures presented in million EUR unless otherwise stated

Earnings Data	2015/16 Q1-Q3	2014/15 Q1-Q3	+/-	2015/16 Q3	2014/15 Q3	+/-	2014/15
Revenues	379.2	349.5	8 %	134.3	112.1	20 %	456.4
EBITDA	55.4	48.3	15 %	19.6	10.3	91 %	61.5
EBITDA margin (in %)	14.6	13.8		14.6	9.2		13.5
EBIT	43.3	23.7	82 %	15.9	6.2	157 %	32.7
EBIT margin (in %)	11.4	6.8		11.8	5.5		7.2
Profit before tax	34.1	9.8	249 %	9.4	0.3	>500 %	19.9
Profit for the period	25.3	1.0	>500 %	6.1	0.0	>500 %	11.4
Profit for the period attributable to equity holders	21.3	-4.6	—	4.7	-1.1	—	3.6
Earnings per share ¹ (in EUR)	1.64	-0.36	—	0.36	-0.09	—	0.28
Free cash flow ²	74.8	59.4	26 %	44.5	34.0	31 %	68.2
Capital expenditure ³	6.9	6.0	15 %	4.0	2.0	97 %	8.4
Employees ⁴	3,461	3,685	-6 %	3,461	3,685	-6 %	3,545
On-board units delivered (in million units)	6.69	5.61	19 %	2.09	2.36	-11 %	7.42
Business Segments	2015/16 Q1-Q3	2014/15 Q1-Q3	+/-	2015/16 Q3	2014/15 Q3	+/-	2014/15
Road Solution Projects (RSP)							
Revenues (share in revenues)	69.7 (18.4 %)	51.3 (14.7 %)	36 %	31.5 (23.5 %)	13.5 (12.0 %)	134 %	60.2 (13.2 %)
EBIT (EBIT margin)	-12.9 (-18.5 %)	-37.4 (-72.9 %)	66 %	-3.7 (-11.8 %)	-13.7 (-102.0 %)	73 %	-50.7 (-84.4 %)
Services, System Extensions, Components Sales (SEC)							
Revenues (share in revenues)	292.2 (77.0 %)	280.6 (80.3 %)	4 %	98.0 (73.0 %)	93.4 (83.3 %)	5 %	372.6 (81.6 %)
EBIT (EBIT margin)	54.6 (18.7 %)	60.0 (21.4 %)	-9 %	19.1 (19.5 %)	19.7 (21.1 %)	-3 %	82.2 (22.1 %)
Others (OTH)							
Revenues (share in revenues)	17.3 (4.6 %)	17.6 (5.0 %)	-1 %	4.8 (3.6 %)	5.2 (4.7 %)	-8 %	23.6 (5.2 %)
EBIT (EBIT margin)	1.5 (8.9 %)	1.2 (6.8 %)	28 %	0.5 (11.2 %)	0.2 (3.0 %)	244 %	1.3 (5.4 %)
Regions	2015/16 Q1-Q3	2014/15 Q1-Q3	+/-	2015/16 Q3	2014/15 Q3	+/-	2014/15
Austria ⁵	29.6 (8 %)	29.0 (8 %)	2 %	10.8 (8 %)	11.0 (10 %)	-2 %	38.2 (8 %)
Europe ⁵	194.9 (51 %)	183.5 (52 %)	6 %	66.6 (50 %)	57.8 (52 %)	15 %	234.0 (51 %)
Americas ⁵	85.0 (22 %)	67.2 (19 %)	27 %	32.6 (24 %)	24.1 (22 %)	35 %	92.6 (20 %)
Rest of World ⁵	69.7 (18 %)	69.9 (20 %)	0 %	24.2 (18 %)	19.2 (17 %)	26 %	91.6 (20 %)
Balance Sheet Data	31 Dec. 2015	31 Dec. 2014	+/-				31 March 2015
Total assets	497.7	509.5	-2 %				515.6
Total equity ⁶	225.0	209.0	8 %				219.4
Equity ratio ⁶ (in %)	45.2	41.0					42.5
Net asset (+)/debt (-)	24.5	-43.5	—				-35.9
Capital employed	338.5	352.6	-4 %				357.3
Net working capital	174.7	183.0	-5 %				209.9
Stock Exchange Data	2015/16 Q3	2015/16 Q2	+/-				2014/15
Number of shares ⁷ (in million)	13.0	13.0	0 %				13.0
Free float ⁷ (in %)	36.7	36.7	0 %				36.9
Ø daily trading volume ⁸ (in shares)	23,559	23,757	0 %				27,574
Closing price ⁷ (in EUR)	37.40	29.29	28 %				23.85
Market capitalization ⁷	486.14	380.77	28 %				309.99
Share performance (in %)	27.7	32.0					-40.4

1 Earnings per share relate to 13.0 million shares, calculated from the result 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 Q3 as of 31 December; 2014/15 as of 31 March 2015

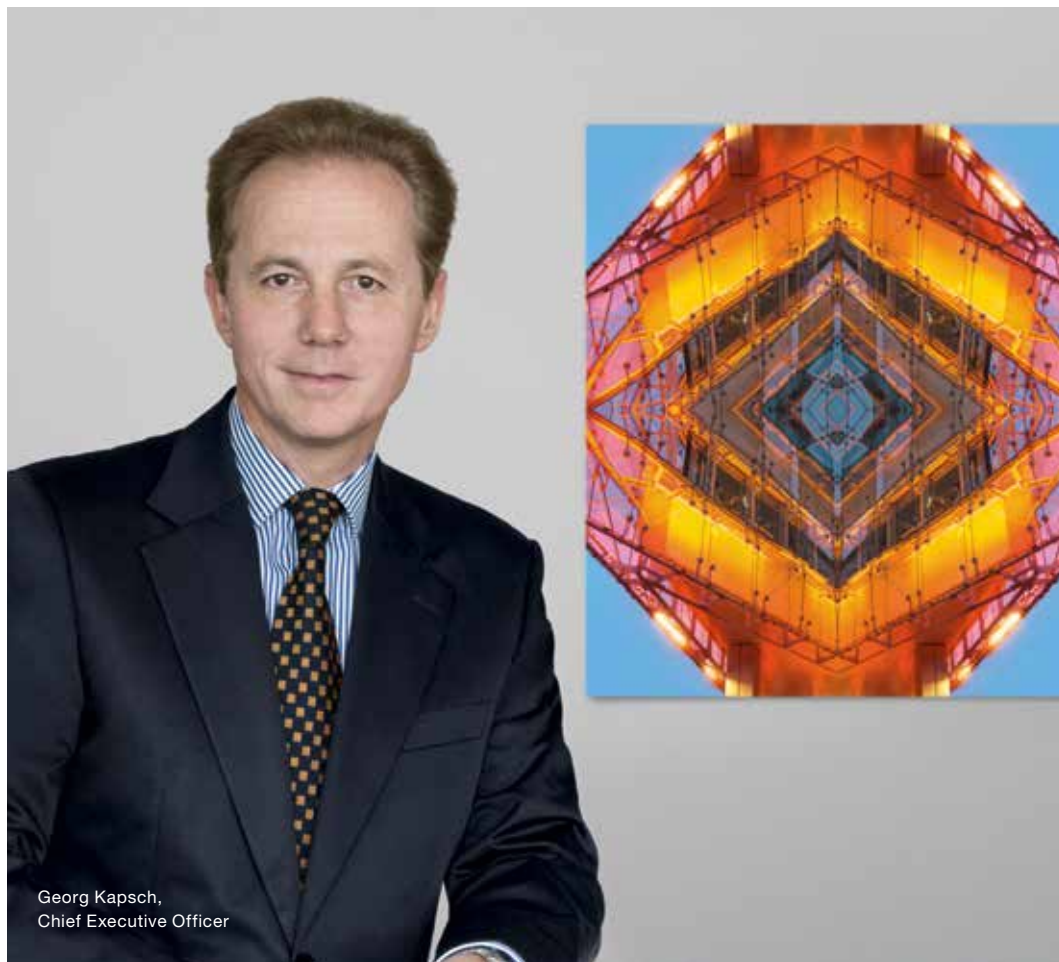
5 Revenues (share on total revenues in %); Europe excl. Austria

6 Incl. non-controlling interests

7 Q3 as of 31 December 2015, Q2 as of 30 September 2015; for additional information on the share see page 6

8 Average daily trading volume (double counting)

Letter from the Chief Executive Officer.



Georg Kapsch,
Chief Executive Officer

Dear shareholders,

In the first three quarters of the 2015/16 fiscal year, the effects and results of Program 2020 were already clearly visible in the Kapsch TrafficCom Group. In the past year, we implemented comprehensive measures for cost reduction and improved earnings with the project “Top Fit” and also adapted our strategy with respect to future developments and growth potential.

Projects and markets. Our existing operation projects continued to represent a stable foundation, and the expansion of the systems in Belarus and Poland contributed to revenue and earnings as expected. In the U.S.A., we have now positioned ourselves as an end-to-end provider, and we obtained new orders there as well as in Chile, Australia and New Zealand. In Italy, we successfully put a city solution into operation, and in the Czech Republic, our V2X technology will be utilized in the capital of Prague. Not least, Kapsch TrafficCom was able to win an important

order in late summer: the delivery and installation of the traffic management systems within the framework of the cross-border program “CHARM” of the road authorities of the Netherlands and Great Britain. This advanced traffic management system will be the largest and most modern system in Europe and will secure for us a globally recognized position in traffic management systems to match the position we have enjoyed for many years in the area of electronic toll collection. All of these developments contribute immensely to strengthening and securing the core business of the Kapsch TrafficCom Group in addition to demonstrating the demand for city solutions. They are also reflected in our financial figures.

Asset, financial and earnings situation. The revenue in the first three quarters of 2015/16 of EUR 379.2 million was 8 % above the previous year. The EBIT increased disproportionately by 82 %

to EUR 43.3 million. This growth is all the more impressive since the comparison value of the previous year was significantly elevated due to one-time effects. The current results also include our investment in a majority stake in the smart parking provider Streetline. The successes of the project "Top Fit" as well as the newly launched projects and the significant increase in our on-board unit sales contributed positively. The EBIT margin has remained in the double digits for the last three quarters and is currently 11.4%.

The profit for the period rose to EUR 25.3 million and enabled earnings per share of EUR 1.64, while the free cash flow increased to EUR 74.8 million. The balance sheet figures also reflect a continuous improvement over the first three quarters of the fiscal year. Cash and cash equivalents increased to EUR 138.0 million as at the end of December and helped ensure that the Kapsch TrafficCom Group has no net debt but rather a net credit of EUR 24.5 million.

Program 2020 and strategy. The cost savings and organizational changes contributed significantly to our operational excellence, and the measures implemented will become fully apparent over the course of this fiscal year. It can be stated already today that the savings were realized more effectively and more rapidly than originally expected.

Our Strategy 2020, which was introduced in April, will secure our future growth. The initial priorities that we have set are: 1. Operational excellence, which we have been able to improve in the meantime; 2. Strengthening and securing the core business, which is reflected in the new projects we have obtained; and 3. Establishment of the intelligent mobility solutions (IMS) business.

In December, we also concluded an agreement to take over the global transportation business of Schneider Electric, which encompasses integrated advanced traffic management solutions for cities, highways and transit solutions. This will enable Kapsch TrafficCom to offer integrated intelligent transportation solutions from the highway into the city. Furthermore, we will expand our presence in the growth markets of Spain, Latin America, the U.S.A. and the Middle East. The acquisition should be concluded in the coming weeks – subject to all agreed conditions.

The current fiscal year 2015/16 is now almost finished. We have accomplished much in the past months and laid a strong foundation for the future. On this basis, we expect the EBIT margin for the entire fiscal year 2015/16 to be above the 10% mark that we set as an initial minimum target for our core business.

From an operational perspective, we take an optimistic view of the development of our existing projects, including for the coming fiscal year 2016/17. There are also several invitations to tender that we are watching: We are waiting for a decision in Slovenia, and the new invitation to tender for the existing toll system in Austria is currently under way. In addition, we continue to expect additional potential projects.

Our activities will continue to focus on the implementation of our strategy. In accordance with the changes in our business, our internal structures – and therefore our reporting as well – have followed a modified segmentation since the fourth quarter of the current fiscal year. A detailed explanation of this will be provided together with our annual figures, which will still be presented in a way that allows for easy comparison. We are also planning additional strategic steps to shape our future.

Sincerely,



Georg Kapsch
Chief Executive Officer

Kapsch TrafficCom

Shares.

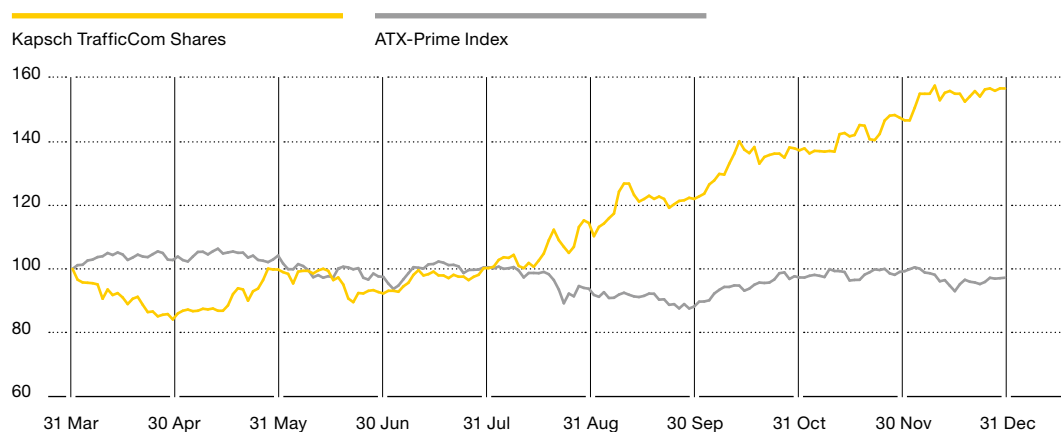
The Kapsch TrafficCom shares are listed on the Vienna Stock Exchange and are included in the Austrian indexes ATX Prime, ATX Global Players and the sustainability index VÖNIX.

After the share price exhibited a heavy decline in the previous fiscal year, it was able to recover significant value in the first three quarters of the fiscal year 2015/16. A lasting upward trend has been observed in particular since May, contrary to the developments on the international stock exchanges. At the end of the third quarter, on 31 December 2015, the shares closed at EUR 37.40, which is 57 % above the price at the start of the fiscal year. The international comparison indexes all declined

during the reporting period due to global economic and political developments. The ATX Prime index lost roughly 3 % in value, the German DAX and the European share index Euro Stoxx 50 lost somewhat more than 10 %.

The number of shares is 13 million. KAPSCH-Group Beteiligungs GmbH holds 63.3 % of the shares. The remaining 36.7 % are in free float, of which approximately 5.4 % have been held according to the company's information by The Bank of New York Mellon Corporation as well as its affiliated companies since the start of July 2015. On 31 December 2015, the market capitalization with respect to the closing share price of EUR 37.40 was EUR 486.1 million.

Share price development in the first three quarters of fiscal year 2015/16 (Kapsch TrafficCom and ATX Prime Index)



The final price of the Kapsch TrafficCom shares and final value of the ATX Prime Index on 31 March 2015, both indexed to 100

Information on the Shares

Investor Relations Officer	Marcus Handl
Shareholders' Telephone	+43 50 811 1120
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

Financial Calendar

22 June 2016	Results of fiscal year (FY) 2015/16
24 August 2016	Interim report for FY 2016/17 Q1
07 September 2016	Annual General Meeting for FY 2015/16
14 September 2016	Ex date for dividends for FY 2015/16
16 September 2016	Record Date
21 September 2016	1st payment date for dividends for FY 2015/16
17 November 2016	Interim report for FY 2016/17 Q2
22 February 2017	Interim report for FY 2016/17 Q3
21 June 2017	Results of FY 2016/17
06 September 2017	Annual General Meeting for FY 2016/17

Analysis

of the Results and Balance Sheet.

Revenues and earnings.

The revenues of the Kapsch TrafficCom Group were EUR 379.2 million in the first three quarters of the current fiscal year 2015/16 (2015/16 Q1-Q3), up by 8.5 % from the same period of the previous fiscal year (2014/15 Q1-Q3: EUR 349.5 million). Revenues increased in the Road Solution Projects (RSP) segment and the Services, System Extensions, Components Sales (SEC) segment, while revenues in the segment Others (OTH) were slightly below those of the previous year.

Revenues by segment in the first three quarters were as follows:

- ▶ The segment RSP (Road Solution Projects) recorded revenues of EUR 69.7 million after EUR 51.3 million in the same period of the previous fiscal year, an increase of 35.8 %. Significant revenue contributions came during the reporting period from the projects acquired since the previous year. In particular, these are the expansion project in Belarus, the toll projects in Australia (WestConnex M4 motorway, Sydney) and in the U.S.A. (New York State Thruway, Ohio River Bridges, Puerto Rico) as well as the traffic management systems within the framework of the "CHARM" program in the Netherlands and Great Britain as well as in the Czech Republic.
- ▶ In the segment SEC (Services, System Extensions and Components Sales), revenues increased by 4.1 % from EUR 280.6 million in the previous fiscal year to EUR 292.2 million this year. Component sales contributed significantly to this revenue increase. The contributions from the South African operation project were lower by comparison since a one-time effect was included in the previous year for compensation amounting to EUR 5.5 million for costs incurred during the time for which it was necessary to maintain operational readiness of the system. The technical and commercial operation of the nationwide system in the Czech Republic, the operation project in Poland, the technical operation including maintenance of the nationwide system in Austria, the technical and commercial operation project in Belarus and the expansions to the toll system in Poland continued to provide stable revenue contributions.

The number of on-board units sold amounted to 6.69 million units (2014/15 Q1-Q3: 5.61 million units), an increase of 1.08 million units. Increases were observed in particular in Thailand, North America and Australia, while the sales figures in Chile lagged behind those of the comparison period.

- ▶ In the segment Others (OTH), revenue amounted in the first three quarters of fiscal year 2015/16 to EUR 17.3 million (2014/15 Q1-Q3: EUR 17.6 million). A positive contribution to segment revenue was made by the non-ITS-related business of KTC USA Inc., largely due to the operational monitoring of environmental facilities in the U.S.A. The production and supply for the GSM-R project of Kapsch CarrierCom declined compared with the same period in the previous year.

In the first three quarters of the current fiscal year, the Kapsch TrafficCom Group reported an operating result (EBIT) of EUR 43.3 million, which was significantly higher than the comparison period of the previous year (2014/15 Q1-Q3: EUR 23.7 million). The operating results by segment were as follows:

- ▶ The segment RSP recorded an EBIT of EUR -12.9 million during the reporting period after EUR -37.4 million in the first three quarters of the previous year. The new projects obtained since the previous year contributed to this improvement as did the successful implementation of the project "Top Fit", which contains measures for cost reduction and improved earnings. In the comparison period of the previous year, two mutually opposing one-time effects were taken into account: While a goodwill impairment in the cash-generating unit "Road Solution Projects, Electronic Toll Collection" in the amount of EUR 12.3 million weighed down the EBIT of the segment, the release of a provision for losses from pending transactions and follow-up work in the amount of EUR 16.1 million had a positive effect on earnings. Despite the improvement, it was not possible during the reporting period to fully cover the expenditures for development and preparatory work for potential tenders as well as expenditures for ongoing tenders attributed to this segment.

►The segment SEC achieved an EBIT of EUR 54.6 million (2014/15 Q1-Q3: EUR 60.0 million). The decline in comparison to the same period of the previous year results from the one-time revenue effect from the South African project. In addition, the costs of Streetline, Inc., U.S.A., which was acquired in April, negatively impact the result in this segment during the current fiscal year. On the other hand, growth in the component business had a positive impact.

►The segment OTH exhibited an EBIT of EUR 1.5 million (2014/15 Q1-Q3: EUR 1.2 million).

The financial result improved from EUR -14.1 million in the comparison period of the previous year to EUR -9.1 million. The finance income increased from EUR 8.8 million to EUR 9.4 million, largely due to the profit from the sale of securities in the amount of EUR 3.4 million (2014/15 H1: EUR 0.0 million). In contrast to this, the effect from the compounding of the receivables from the installation of the Belorussian toll system was lower than the previous year at EUR 2.6 million (2014/15 Q1-Q3: EUR 4.5 million). The finance costs declined from EUR -22.9 million to EUR -18.6 million, although the as yet unrealized foreign currency losses increased to EUR -10.6 million (2014/15 Q1-Q3: EUR 0.0 million). A goodwill impairment of Q-Free ASA in the amount of EUR 18.5 million was recorded under finance costs in the comparison period of the previous year in connection with the continued poor share price performance.

The profit for the period increased significantly from EUR 1.0 million in the comparison period of the previous year to EUR 25.3 million. The share attributable to the equity holders of the company also presents a positive picture at EUR 21.3 million (2014/15 Q1-Q3: EUR -4.6 million). The Kapsch TrafficCom Group can therefore report significantly positive earnings per share in the amount of EUR 1.64 (2014/15 Q1-Q3: EUR -0.36).

Financial position and cash flows.

The balance sheet total on 31 December 2015 of EUR 497.7 million was lower than at the end of the 2014/15 fiscal year (31 March 2015: EUR 515.6 million). The total equity of EUR 225.0 million was above the comparison value on 31 March 2015 of EUR 219.4 million. The equity ratio of the Kapsch TrafficCom Group improved as a result from 42.5% on 31 March 2015 to 45.2% on 31 December 2015.

The greatest change in non-current assets took place under other non-current assets. These declined by EUR 16.9 million due to the contractual repayment from the Belorussian installation project. Under current assets, the trade receivables and other current assets were down by EUR 21.1 million on 31 December 2015 due to date-related fluctuations in accounts receivable.

On the liabilities side of the balance sheet, the largest changes occurred in non-current financial liabilities, which declined by EUR 16.4 million, and in the current financial liabilities, which fell by EUR 8.0 million. This is related largely to the buyback of corporate bonds in the amount of EUR 4.2 million as well as the ongoing repayment of the financing for the installation of the nationwide electronic truck toll system in Belarus.

The net cash flow from operating activities amounted to EUR 79.9 million in the first three quarters of the fiscal year after EUR 64.6 million in the comparison period of the previous year and can be attributed to the positive profit from operating activities as well as the decline in the non-current receivables. In addition, the net cash flow from operating activities was affected in the previous year by the release of a provision with an impact on earnings in the amount of EUR 16.1 million as well as a goodwill impairment in the amount of EUR 12.3 million.

The cash flow from investing activities was positive at EUR 2.8 million in the first three quarters of the fiscal year 2015/16 due to the sale of securities as well as the cash inflow from the purchase of the shares in Streetline, Inc., U.S.A. The free cash flow was also positive at EUR 74.8 million (2014/15 Q1-Q3: EUR 59.4 million). The decrease in the current and non-current financial liabilities due to the buyback of corporate bonds and the repayment of project financing as well as the dividends paid out for the previous fiscal year in the amount of EUR 13.2 million resulted in a negative net cash flow from financing activities of EUR -37.1 million. Cash and cash equivalents increased from EUR 96.8 million on 31 March 2015 to EUR 138.0 million on 31 December 2015. The decrease in non-current financial liabilities and the increase in cash and cash equivalents led to a surplus in net debt of EUR 24.5 million on 31 December 2015, which is reported as a net credit (31 March 2015: EUR -35.9 million).

Events occurring after 31 December 2015.

On 14 December 2015, Kapsch TrafficCom AG announced that an agreement was reached with Schneider Electric S.E. concerning an acquisition of its global transportation business. Schneider's transportation business, previously active under the brand Telvent Tráfico y Transporte, is a provider of integrated advanced traffic management software (ATMS) solutions for applications in cities, on highways and in tunnels as well as toll and transit solutions. The acquisition will enable Kapsch TrafficCom to offer existing and future customers an integrated portfolio of intelligent transportation solutions from the highway into the city.

The acquisition is taking place based on a purchase price of EUR 35 million, free of cash and liabilities and subject to the existence of agreed conditions, which are currently being evaluated. The conclusion of the transaction is expected in the coming weeks.

Vienna, 24 February 2016

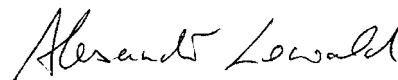
The Executive Board



Georg Kapsch
Chief Executive Officer



André Laux
Executive board member



Alexander Lewald
Executive board member

Condensed Consolidated Interim Financial Information as of 31 December 2015. *)

Kapsch TrafficCom Group – Consolidated statement of comprehensive income.

All amounts in TEUR	Notes	2015/16 Q3	2014/15 Q3	2015/16 Q1-Q3	2014/15 Q1-Q3
Revenues	(5)	134,262	112,106	379,226	349,526
Other operating income		6,250	5,080	12,731	11,378
Changes in finished and unfinished goods and work in progress		-4,222	-2,400	-4,593	-1,533
Own work capitalized		139	0	547	0
Cost of materials and other production services		-50,747	-40,792	-144,204	-131,440
Staff costs		-39,237	-39,772	-113,857	-110,214
Amortization and depreciation		-3,755	-4,093	-12,095	-12,211
Impairment charge		0	0	0	-12,342
Other operating expenses		-26,814	-23,955	-74,479	-69,415
Operating result	(5)	15,875	6,173	43,276	23,750
Finance income		1,432	2,848	9,442	8,796
Finance costs		-7,882	-8,728	-18,580	-22,892
Financial result		-6,450	-5,880	-9,137	-14,096
Result from associates		-39	2	6	141
Result before income taxes		9,386	295	34,144	9,795
Income taxes	(13)	-3,321	-251	-8,852	-8,830
Result for the period		6,065	44	25,292	966
Result attributable to:					
Equity holders of the company		4,669	-1,122	21,344	-4,635
Non-controlling interests		1,396	1,166	3,947	5,600
		6,065	44	25,292	966
Earnings per share from the result for the period attributable to the equity holders of the company (in EUR)		0.36	-0.09	1.64	-0.36
Other comprehensive income for the period					
Items subsequently reclassified to the result for the period:					
Currency translation differences		1,975	-2,820	640	-7,228
Currency translation differences from net investments in foreign operations		-2,123	1,282	-469	4,321
Available-for-sale financial assets:					
Fair value gains/losses recognized in other comprehensive income		-1,093	45	-5,567	-2,224
Reclassification of cumulated net losses to the result for the period (impairment)		1,046	0	1,237	12,185
Reclassification of cumulated net gains to the result for the period (sale of available-for-sale financial assets)		0	0	-3,318	0
Income tax relating to items subsequently reclassified to the result for the period		543	-332	981	-1,194
Total items subsequently reclassified to the result for the period		347	-1,825	-6,497	5,860
Items subsequently not reclassified to the result for the period:					
Remeasurements of liabilities from post-employment benefits		0	0	0	0
Income tax relating to items subsequently not reclassified to the result for the period		0	0	0	0
Total items subsequently not reclassified to the result for the period		0	0	0	0
Other comprehensive income for the period net of tax	(14)	347	-1,825	-6,497	5,860
Total comprehensive income for the period		6,412	-1,781	18,795	6,826
Total comprehensive income attributable to:					
Equity holders of the company		5,090	-2,930	15,060	1,219
Non-controlling interests		1,323	1,150	3,735	5,607
		6,412	-1,781	18,795	6,826

Earnings per share relate to 13.0 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	Notes	31 Dec. 2015	31 March 2015
ASSETS			
Non-current assets			
Property, plant and equipment	(6)	20,476	22,393
Intangible assets	(6)	66,210	71,250
Interests in associates	(7)	1,836	2,014
Other non-current financial assets and investments	(8)	17,588	23,099
Other non-current assets		11,187	28,138
Deferred tax assets		14,986	13,590
		132,282	160,485
Current assets			
Inventories		43,044	47,670
Trade receivables and other current assets		184,310	205,387
Other current financial assets	(8)	0	5,291
Cash and cash equivalents		138,034	96,765
		365,388	355,113
Total assets		497,670	515,597
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	(9)	13,000	13,000
Capital reserve		117,509	117,509
Retained earnings and other reserves		85,991	77,449
		216,499	207,958
Non-controlling interests		8,469	11,403
Total equity		224,969	219,361
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	(10)	72,634	88,985
Liabilities from post-employment benefits to employees	(11)	24,690	25,210
Non-current provisions	(12)	1,369	1,661
Other non-current liabilities		4,484	4,657
Deferred income tax liabilities		794	2,380
		103,971	122,892
Current liabilities			
Trade payables		52,701	48,441
Other liabilities and deferred income		63,306	65,535
Current tax payables		2,904	1,174
Current financial liabilities	(10)	40,930	48,969
Current provisions	(12)	8,890	9,225
		168,731	173,344
Total liabilities		272,702	296,236
Total equity and liabilities		497,670	515,597

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

Kapsch TrafficCom Group – Consolidated statement of changes in equity.

All amounts in TEUR

	Attributable to equity holders of the company				Non-controlling interests	Total equity
	Consolidated					
	Share capital	Capital reserve	Other reserves	retained earnings		
Carrying amount as of 31 March 2014	13,000	117,509	-13,713	86,004	10,310	213,110
Dividend				0	-6,935	-6,935
Effects from increase in shares of subsidiaries			-4,821		795	-4,026
Non-controlling interests arising on foundation of a subsidiary					5	5
Result for the period				-4,635	5,600	966
Other comprehensive income for the period:						
Currency translation differences			-3,993		6	-3,988
Fair value gains/losses on available-for-sale financial assets			9,848		0	9,848
Carrying amount as of 31 December 2014	13,000	117,509	-12,679	81,369	9,781	208,979
Carrying amount as of 31 March 2015	13,000	117,509	-12,184	89,634	11,403	219,361
Dividend				-6,500	-6,709	-13,209
Effects from acquisition of shares in subsidiaries				0	21	21
Effects from the acquisition and sale of non-controlling interests				-19	19	0
Result for the period				21,344	3,947	25,292
Other comprehensive income for the period:						
Currency translation differences			500		-212	288
Fair value gains/losses on available-for-sale financial assets			-6,785		0	-6,785
Carrying amount as of 31 December 2015	13,000	117,509	-18,469	104,460	8,469	224,969

The effects from the acquisition of shares in subsidiaries in the third quarter of the fiscal year 2015/16 result from the acquisition of shares in Streetline, Inc., California (see note 15). 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	2015/16 Q3	2014/15 Q3	2015/16 Q1-Q3	2014/15 Q1-Q3
Cash flow from operating activities				
Operating result	15,875	6,173	43,276	23,750
Adjustments for non-cash items and other reconciliations:				
Scheduled amortization and depreciation	3,755	4,093	12,095	12,211
Impairment charge	0	0	0	12,342
Increase/decrease in obligations for post-employment benefits	-98	-218	-520	-377
Increase/decrease in other non-current liabilities and provisions	429	92	-41	58
Increase/decrease in other non-current receivables and assets	-782	-164	-2,787	-3,387
Increase/decrease in trade receivables (non-current)	3,257	14,620	22,436	33,639
Increase/decrease in trade payables (non-current)	-156	-211	-626	-662
Other (net)	-3,834	41	-2,126	243
	18,447	24,427	71,706	77,817
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	21,964	22,905	20,902	29,025
Increase/decrease in inventories	4,345	2,316	4,626	7,651
Increase/decrease in trade payables and other current payables	4,103	-7,870	-1,221	-18,546
Increase/decrease in current provisions	466	-3,759	-335	-19,680
	30,878	13,592	23,972	-1,549
Cash flow from operating activities	49,326	38,019	95,678	76,267
Interest received	256	491	823	1,399
Interest payments	-1,235	-1,900	-3,806	-4,327
Net payments of income taxes	-1,494	-1,214	-12,793	-8,714
Net cash flow from operating activities	46,853	35,395	79,903	64,625
Cash flow from investing activities				
Purchase of property, plant and equipment	-1,890	-1,912	-4,733	-5,403
Purchase of intangible assets	-2,115	-121	-2,212	-614
Purchase of securities and investments	0	0	0	-362
Payments received from the acquisition of entities (less payment for the acquisition of the entity)	0	0	2,543	0
Payments received from the disposal of property, plant and equipment and intangible assets	1,622	594	1,855	832
Payments received from the disposal of securities and investments	0	0	5,375	0
Net cash flow from investing activities	-2,383	-1,439	2,827	-5,546
Cash flow from financing activities				
Contributions from shareholders	0	5	0	5
Dividends paid to company shareholder	0	0	-6,500	0
Dividends paid to non-controlling interests	-11	0	-6,709	-6,935
Increase in non-current financial liabilities	12	56	483	147
Decrease in non-current financial liabilities	-2,514	-5,083	-16,834	-15,610
Increase in current financial liabilities	698	4,109	2,573	6,342
Decrease in current financial liabilities	-6,570	-3,078	-10,141	-5,678
Net cash flow from financing activities	-8,386	-3,991	-37,127	-21,730
Net increase/decrease in cash and cash equivalents	36,083	29,965	45,602	37,349
Change in cash and cash equivalents				
Cash and cash equivalents at beginning of period	102,339	65,592	96,765	57,731
Net increase/decrease in cash and cash equivalents	36,083	29,965	45,602	37,349
Exchange gains/losses on cash and cash equivalents	-388	-716	-4,333	-239
Cash and cash equivalents at end of period	138,034	94,842	138,034	94,842

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

Selected Notes

to the Condensed Consolidated Interim Financial Information.

1 General information.

Kapsch TrafficCom Group is an international supplier of superior 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, Kapsch TrafficCom Group offers engineering solutions, electronic manufacturing and logistics services to affiliated entities and third parties. Furthermore, the non-ITS relevant business of KTC USA Inc. is allocated to this segment, including solutions, systems and services for operational monitoring of public transportation and environmental infrastructure.

2 Basis of preparation.

This condensed interim financial information for the third quarter of the current fiscal year 2015/16 ended 31 December 2015 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 2015.

For ease of presentation, amounts have been rounded and, unless indicated otherwise, are presented in thousand Euro (TEUR). However, calculations are done using exact amounts, including the digits not shown, which may lead to rounding differences.

3 Accounting policies.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2015, as described in the annual financial statements for the year ended 31 March 2015.

In the condensed interim financial information for the third quarter of the current fiscal year 2015/16 the following new or amended IFRS and IFRIC have been adopted.

New/adopted IFRSs		Applicable to financial years beginning on or after
IAS 19	Employee Benefits (Amendment)	1 January 2015
Annual improvement to IFRS, 2010–2012		
IFRS 2	Share-based Payment	1 January 2015
IFRS 3	Business Combinations	1 January 2015
IFRS 8	Operating Segments	1 January 2015
IFRS 13	Fair Value Measurement	1 January 2015
IAS 16	Property, Plant and Equipment	1 January 2015
IAS 24	Related Party Disclosures	1 January 2015
IAS 38	Intangible Assets	1 January 2015

New/adopted IFRSs		Applicable to financial years beginning on or after
Annual improvement to IFRS, 2011–2013		
IFRS 1	First-time Adoption of International Financial Reporting Standards	1 January 2015
IFRS 3	Business Combinations	1 January 2015
IFRS 13	Fair Value Measurement	1 January 2015
IAS 40	Investment Property	1 January 2015

Adoption of the new/amended standards did not result in any significant effects on the condensed consolidated interim financial information.

4 Risk management.

The financial risks to which Kapsch TrafficCom Group is exposed are generally consistent with those of the consolidated financial statements for the year ended 31 March 2015 and are described therein.

5 Segment information.

2015/16 Q1-Q3 All amounts in TEUR	Road Solution Projects	Services,		Consolidated group
		System Extensions, Components Sales	Others	
Revenues	69,740	292,160	17,325	379,226
Operating result	-12,875	54,616	1,534	43,276

2014/15 Q1-Q3 All amounts in TEUR	Road Solution Projects	Services,		Consolidated group
		System Extensions, Components Sales	Others	
Revenues	51,342	280,621	17,563	349,526
Operating result	-37,443	59,997	1,197	23,750

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 respective operating segment.

All amounts in TEUR	2015/16 Q1-Q3			2014/15 Q1-Q3		
	Revenues	Road Solution Projects	Services, System Extensions, Components Sales	Revenues	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	61,811		x	60,057		x
Customer 2	53,993		x	51,649		x
Customer 3	37,185	x	x	32,344	x	x
Customer 4	32,605	x	x	40,801	x	x

6 Capital expenditure.

All amounts in TEUR	2015/16	2014/15
Carrying amount as of 31 March of prior year	93,644	113,014
Additions	6,946	6,017
Additions from the acquisition	1,297	0
Disposals	-1,855	-832
Impairment charge	0	-12,342
Depreciation, amortization and other movements	-12,095	-12,211
Currency translation differences	-1,251	1,178
Carrying amount as of 31 December of fiscal year	86,686	94,824

In the third quarter of the fiscal year 2014/15, the position "Impairment charge" includes an impairment of the goodwill of the cash generating unit "Road Solution Projects, Electronic Toll Collection" amounting to TEUR 12,342.

7 Interests in associates.

All amounts in TEUR	2015/16	2014/15
Carrying amount as of 31 March of prior year	2,014	1,596
Currency translation differences	-184	136
Additions from foundations and acquisitions	0	0
Disposals	0	0
Share in result	6	141
Carrying amount as of 31 December of fiscal year	1,836	1,874

On 31 July 2012 the group acquired 33 % of the shares in Simex, Integración de Sistemas, S.A.P.I. de C.V., Mexico City, Mexico. Taking potential voting rights into account (options for purchase of the remaining shares) the group has the majority of the shares. As the potential voting rights are not assessed to be substantial the presumption of control was rebutted. As significant influence over the financial and business policies exists, the investment is accounted for using the equity method.

8 Current and non-current financial assets.

All amounts in TEUR	31 Dec. 2015	31 March 2015	31 Dec. 2014	31 March 2014
Other non-current financial assets and investments	17,588	23,099	18,843	28,506
Other current financial assets	0	5,291	5,293	4,924
	17,588	28,390	24,136	33,430

Other non-current financial assets and investments 2015/16 Q1-Q3	Available- for-sale securities	Available- for-sale investments	Other non-current financial assets	Total
All amounts in TEUR				
Carrying amount as of 31 March 2015	3,803	19,296	0	23,099
Currency translation differences	0	0	0	0
Additions	0	0	96	96
Disposals	-40	0	0	-40
Change in fair value	-136	-5,432	0	-5,567
Carrying amount as of 31 December 2015	3,627	13,864	96	17,588

Other non-current financial assets and investments 2014/15 Q1-Q3 All amounts in TEUR	Available- for-sale securities	Available- for-sale investments	Other non-current financial assets	Total
Carrying amount as of 31 March 2014	3,655	23,758	1,093	28,506
Currency translation differences	0	0	56	56
Additions	0	362	1,148	1,510
Disposals	0	0	-2,296	-2,296
Change in fair value	86	-9,018	0	-8,932
Carrying amount as of 31 December 2014	3,741	15,102	0	18,843

Other current financial assets 2015/16 Q1-Q3 All amounts in TEUR	Available- for-sale securities	Other current financial assets	Total
Carrying amount as of 31 March 2015	5,291	0	5,291
Currency translation differences	0	0	0
Additions	0	0	0
Disposals	-5,291	0	-5,291
Change in fair value	0	0	0
Carrying amount as of 31 December 2015	0	0	0

Other current financial assets 2014/15 Q1-Q3 All amounts in TEUR	Available- for-sale securities	Other current financial assets	Total
Carrying amount as of 31 March 2014	4,924	0	4,924
Currency translation differences	0	0	0
Additions	0	0	0
Disposals	0	0	0
Change in fair value	369	0	369
Carrying amount as of 31 December 2014	5,293	0	5,293

As of 31 December 2015, available-for-sale securities relate to government and bank bonds as well as shares in investment funds. As of 31 December 2015, investments classified as available-for-sale mainly relate to a 19.48 % investment in the listed company Q-Free ASA, Trondheim, Norway.

In the first three quarters of the fiscal year 2015/16, the disposal of the available-for-sale securities relate to the sale of a mutual fund (ESPA Cash Asset-Backed) and led to a gain amounting to TEUR 3,363 (effect in the result for the period) and TEUR 44 (effect in total comprehensive income for the period).

As of 31 December 2014, other non-current financial assets mainly related to a loan from the group to Simex, Integración de Sistemas, S.A.P.I. de C.V., Mexico, which was repaid in full in the third quarter of fiscal year 2014/15.

Fair value-hierarchies and determination of fair value

Financial assets and liabilities have to be classified in one of the three following fair value-hierarchies:

Level 1. There are quoted prices in active markets for identical assets and liabilities. In the group, the investment in Q-Free ASA, Trondheim, Norway, as well as listed equity instruments are attributed to Level 1.

Level 2. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on observable direct or indirect market data. This category comprises available-for-sale securities, such as government and other bonds, which are quoted, however not regularly traded on a stock market.

Specific valuation techniques used to value financial instruments include:

- ▶ quoted market prices or dealer quotes for similar instruments;
- ▶ the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- ▶ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- ▶ other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Level 3. Financial instruments are included in level 3 if the valuation information is not based on observable market data.

The classification of current and non-current financial assets is as follows:

All amounts in TEUR	Level 1 Quoted prices	Level 2 Observable market data	Level 3 Not based on observable market data	2015/16 Q1-Q3
Non-current financial assets				
Available-for-sale securities	2,945	682	0	3,627
Available-for-sale investments	13,859	0	0	13,859
	16,805	682	0	17,487
Current financial assets				
Available-for-sale securities	0	0	0	0
	0	0	0	0
Total	16,805	682	0	17,487

As of 31 December 2015, other non-current financial assets amounting to TEUR 101 are recognized at amortized cost.

All amounts in TEUR	Level 1 Quoted prices	Level 2 Observable market data	Level 3 Not based on observable market data	2014/15 Q1-Q3
Non-current financial assets				
Available-for-sale securities	3,013	728	0	3,741
Available-for-sale investments	15,097	0	0	15,097
	18,110	728	0	18,838
Current financial assets				
Available-for-sale securities	5,293	0	0	5,293
	5,293	0	0	5,293
Total	23,402	728	0	24,131

As of 31 December 2014, available-for-sale investments amounting to TEUR 5 are recognized at amortized cost.

9 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.

10 Financial liabilities.

All amounts in TEUR	31 Dec. 2015	31 March 2015	31 Dec. 2014	31 March 2014
Non-current financial liabilities	72,634	88,985	94,032	109,494
Current financial liabilities	40,930	48,969	49,619	46,560
Total	113,563	137,954	143,651	156,054

Movements in borrowings are analyzed as follows:

2015/16 Q1-Q3 All amounts in TEUR	Non-current financial liabilities	Current financial liabilities	Total
Carrying amount as of 31 March 2015	88,985	48,969	137,954
Additions	483	2,573	3,056
Repayments of borrowings	-16,834	-10,141	-26,975
Reclassification	0	0	0
Currency translation differences	0	-472	-472
Carrying amount as of 31 December 2015	72,634	40,930	113,563

2014/15 Q1-Q3 All amounts in TEUR	Non-current financial liabilities	Current financial liabilities	Total
Carrying amount as of 31 March 2014	109,494	46,560	156,054
Additions	147	6,342	6,489
Repayments of borrowings	-15,610	-5,678	-21,288
Reclassification	0	0	0
Currency translation differences	1	2,396	2,397
Carrying amount as of 31 December 2014	94,032	49,619	143,651

On 28 April 2015, Kapsch TrafficCom made holders of the corporate bond a buyback offer at a rate of 105.75 %, valid until 19 May 2015. This offer was utilized at a nominal value of TEUR 4,182. The purchased debt instruments were submitted to the Oesterreichische Kontrollbank (OeKB) for redemption on 22 May 2015, leaving the corporate bond with an outstanding volume of TEUR 70,818 with maturity on 3 November 2017.

The fair values and the gross cash flows (including interests) of current and non-current financial liabilities are as follows:

All amounts in TEUR	31 Dec. 2015	31 Dec. 2014
Carrying amount	113,563	143,651
Fair value	125,992	147,963
Gross cash flows:		
Up to 1 year	44,162	50,448
Between 1 and 3 years	79,400	20,406
Between 3 and 5 years	0	78,488
	123,562	149,341

The classification of financial liabilities is as follows:

All amounts in TEUR	Level 1	Level 2	Level 3	31 Dec. 2015
	Quoted prices	Observable market data	Not based on observable market data	
Corporate bond	73,828	0	0	73,828
Other financial liabilities	0	52,165	0	52,165
Total	73,828	52,165	0	125,992

All amounts in TEUR	Level 1	Level 2	Level 3	31 Dec. 2014
	Quoted prices	Observable market data	Not based on observable market data	
Corporate bond	78,488	0	0	78,488
Other financial liabilities	0	69,475	0	69,475
Total	78,488	69,475	0	147,963

The fair value of the other financial liabilities (level 2) was derived through discounting the gross cash flows over the contracted term at a risk-adjusted interest rate.

11 Liabilities from post-employment benefits to employees.

All amounts in TEUR	31 Dec. 2015	31 March 2015	31 Dec. 2014	31 March 2014
Termination benefits	9,490	9,690	8,578	8,790
Retirement benefits	15,201	15,520	13,197	13,363
Total	24,690	25,210	21,776	22,153

Termination benefits

Termination benefits include legal and contractual entitlements to one-off payments to employees of the group which result from events such as dismissal by the employer, amicable termination of the employment, retirement or death of the employee. For termination benefits the group bears the risk of inflation due to compensation increases. The obligations from termination benefits mainly result from the Austrian entities of the group.

Retirement benefits

Liabilities for retirement benefits recognized at the balance sheet date relate to retirees only. All pension agreements are based on the final salary, are granted as fixed monthly pension payments and are not covered by external plan assets (funds). In addition, contributions are paid to an external pension fund for employees of the group. For retirement benefits the group bears the risk of longevity and inflation due to pension increases.

12 Provisions.

All amounts in TEUR	31 Dec. 2015	31 March 2015	31 Dec. 2014	31 March 2014
Non-current provisions	1,369	1,661	1,823	1,303
Current provisions	8,890	9,225	8,698	28,378
Total	10,259	10,886	10,521	29,680

2015/16 Q1-Q3		Addition re- sulting from company				Currency translation	
All amounts in TEUR	31 March 2015	acquisition	Addition	Utilization	Disposal	differences	31 Dec. 2015
Obligations from anniversary bonuses	1,189	0	20	0	-63	0	1,146
Other	472	0	105	-5	-245	-103	223
Non-current provisions, total	1,661	0	124	-5	-308	-103	1,369
Warranties	1,611	711	5	-1	-162	-42	2,123
Losses from pending transactions and rework	1	0	0	0	0	0	1
Legal fees, costs of litigation and contract risks	402	0	2,964	-30	-79	33	3,290
Costs of dismantling, removing and restoring assets	0	183	0	0	-15	-5	163
Other	7,211	0	732	-3,243	-1,270	-121	3,308
Current provisions, total	9,225	894	3,701	-3,274	-1,526	-135	8,890
Total	10,886	894	3,825	-3,279	-1,834	-239	10,259

2014/15 Q1-Q3		Addition re- sulting from company				Currency translation	
All amounts in TEUR	31 March 2014	acquisition	Addition	Utilization	Disposal	differences	31 Dec. 2014
Obligations from anniversary bonuses	1,120	0	17	0	-22	0	1,115
Other	183	0	497	0	0	28	708
Non-current provisions, total	1,303	0	515	0	-22	28	1,823
Warranties	1,637	0	29	-17	-18	-18	1,614
Losses from pending transactions and rework	16,201	0	0	0	-16,124	-74	3
Legal fees, costs of litigation and contract risks	4,071	0	0	-2,621	-167	-38	1,244
Other	6,468	0	2,555	-3,215	-22	50	5,837
Current provisions, total	28,378	0	2,584	-5,853	-16,331	-80	8,698
Total	29,680	0	3,099	-5,853	-16,353	-52	10,521

Due to a change in circumstances as of 30 September 2014 a provision for losses from pending transactions and rework in the amount of TEUR 16,124 had to be reversed in the second quarter of fiscal year 2014/15.

13 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.

The disproportionate high tax rate in the third quarter of the fiscal year 2014/15 is due to the non-tax effective impairments (goodwill impairment and impairment Q-Free ASA).

14 Other comprehensive income.

2015/16 Q1-Q3	Tax expense/		
All amounts in TEUR	Before taxes	income	After taxes
Fair value gains/losses on available-for-sale financial assets:			
Unrealized gains/losses in the current period	-5,567	34	-5,533
Gains/losses recognized in the result for the period	-2,081	829	-1,251
Currency translation differences	640		640
Currency translation differences from net investments in foreign business	-469	117	-352
Fair value changes recognized in equity	-7,478	981	-6,497

The unrealized gains/losses on available-for-sale financial assets recognized in the third quarter of the fiscal year 2015/16 amounting to TEUR -5.432 relate to fair value changes on the investment in Q-Free ASA, Norway. Due to the ongoing unfavorable development of the share price in the first three quarters of fiscal year 2015/16 these net losses, together with net gains that have been recognized through other comprehensive income in equity in the amount of TEUR 4,194 up to 31 March 2015, were recognized as impairment in the result for the period (TEUR -1,238; reclassification from other comprehensive income to the result of the period).

In the third quarter of the fiscal year 2015/16, gains/losses recognized in the profit for the period from available-for-sale financial assets also include the sale of a mutual fund (ESPA Cash Asset-Backed). Net gains that have been recognized through other comprehensive income in equity up to 31 March 2015 amounting to TEUR 3,318 have been reclassified.

2014/15 Q1-Q3	Tax expense/		
All amounts in TEUR	Before taxes	income	After taxes
Fair value gains/losses on available-for-sale financial assets:			
Unrealized gains/losses in the current period	-2,224	-114	-2,337
Gains/losses recognized in the result for the period	12,185	0	12,185
Currency translation differences	-7,228		-7,228
Currency translation differences from net investments in foreign business	4,321	-1,080	3,241
Fair value changes recognized in equity	7,054	-1,194	5,860

The unrealized gains/losses on available-for-sale financial assets recognized in the third quarter of the fiscal year 2014/15 amounting to TEUR -2.679 relate to fair value changes on the investment in Q-Free ASA, Trondheim, Norway. In the first half of fiscal year 2014/15 these net losses, together with net losses that have been recognized through other comprehensive income in equity in the amount of TEUR 9,506 up to 31 March 2014, were recognized as impairment in the result for the period (TEUR 12,185; reclassification from other comprehensive income to the result of the period).

15 Business combinations.

On 14 April 2015 the group acquired a controlling interest in Streetline, Inc., California. Streetline is a leading smart parking company that offers intelligent data and modern analytics to solve parking space problems for end users.

All amounts in TEUR	
Consideration paid	189
Less fair value of net assets acquired (provisionally determined)	-189
Goodwill	0

Assets and liabilities resulting from the acquisition are shown as follows (provisionally determined):

All amounts in TEUR	Fair value
Property, plant and equipment	1,251
Intangible assets	46
Receivables and other assets	580
Cash and cash equivalents	2,732
Provisions	-894
Liabilities, other liabilities and deferred income	-3,504
Net assets acquired	210
thereof controlling interest (90 %)	189
thereof non-controlling interest (10 %)	21

The acquired company contributed revenue of TEUR 1,911 and a net loss of TEUR -2,882 to the group's result for the period from 14 April 2015 to 31 December 2015. If the acquisition had occurred on 1 April 2015, there would not have been a significant change in revenue or profit of the group.

16 Contingent liabilities and other commitments.

The Kapsch TrafficCom 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 as well as sureties.

Details of contingent liabilities and other commitments are as follows:

All amounts in TEUR	31 Dec. 2015	31 March 2015
Contract, warranty, performance and bid bonds		
North America (toll collection systems and traffic management)	107,123	79,441
South Africa (toll collection system)	68,204	87,578
Australia (toll collection systems)	26,633	20,593
Austria (toll collection system)	8,500	8,500
Poland (toll collection system)	6,933	7,236
Slovenia (tender)	5,000	0
Czech Republic (toll collection system)	4,641	4,126
Chile (toll collection systems)	2,210	900
Other	913	915
	230,156	209,288
Bank guarantees	1,698	1,664
Sureties	22	61
Total	231,876	211,014

17 Related parties.

The following tables provide an overview of revenues and expenses in the respective fiscal years as well as receivables from and payables due to related parties at the respective balance sheet dates:

All amounts in TEUR	2015/16 Q1-Q3	2014/15 Q1-Q3
Affiliated companies outside the Kapsch TrafficCom Group		
Revenues	8,137	12,502
Expenses	21,236	19,539
Other related parties		
Revenues	111	113
Expenses	79	111

All amounts in TEUR	31 Dec. 2015	31 Dec. 2014
Affiliated companies outside the Kapsch TrafficCom Group		
Trade receivables and other current assets	1,889	2,800
Trade payables and other liabilities	7,814	10,679
Liabilities from share purchase	2,067	0
Other related parties		
Trade receivables and other current assets	127	127
Trade payables and other liabilities	13,168	11,785

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

18 Events occurring after 31 December 2015.

On 14 December 2015, Kapsch TrafficCom AG announced that an agreement was reached with Schneider Electric S.E. concerning an acquisition of its global transportation business. Schneider's transportation business, previously active under the brand Telvent Tráfico y Transporte, is a provider of integrated advanced traffic management software (ATMS) solutions for applications in cities, on highways and in tunnels as well as toll and transit solutions. The acquisition will enable Kapsch TrafficCom to offer existing and future customers an integrated portfolio of intelligent transportation solutions from the highway into the city.

The acquisition is taking place based on a purchase price of EUR 35 million, free of cash and liabilities and subject to the existence of agreed conditions, which are currently being evaluated. The conclusion of the transaction is expected in the coming weeks.

Vienna, 24 February 2016

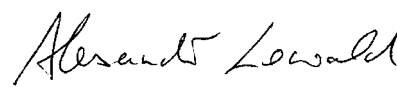
The Executive Board



Georg Kapsch
Chief Executive Officer



André Laux
Executive board member



Alexander Lewald
Executive board member

Kapsch TrafficCom is a provider of intelligent transportation systems (ITS) in the segments of toll collection, city access control and parking space management, traffic management, traffic monitoring, utility vehicle monitoring, electronic vehicle registration and V2X cooperative systems. The end-to-end solutions of Kapsch TrafficCom cover the entire value creation chain of its customers, from components and design to the installation and operation of systems, all from a single source. The core business comprises the development, installation and operation of electronic toll collection and traffic management systems. Reference projects in 44 countries on all continents have made Kapsch TrafficCom a globally recognized ITS provider. As part of the Kapsch Group, an Austrian family-owned technology group founded in 1892, Kapsch TrafficCom is headquartered in Vienna, Austria, and has subsidiaries and representational offices in 33 countries. It has also been listed since 2007 on the Vienna Stock Exchange (KTCG) and earned revenues of EUR 456 million in the 2014/15 fiscal year with over 3,500 employees.

Kapsch TrafficCom AG | Am Europlatz 2 | 1120 Vienna | Austria | www.kapschtraffic.com

Investor Relations | Marcus Handl | Phone +43 50 811 1120 | Fax +43 50 811 99 1120 | E-Mail ir.kapschtraffic@kapsch.net

Public Relations | Ingrid Lawicka | Phone +43 50 811 1705 | Fax +43 50 811 99 1705 | E-Mail ingrid.lawicka@kapsch.net