

# Report on first quarter of fiscal year 2008/09.

## Kapsch TrafficCom – Key Figures.

Operating Figures (cumulative)		FY09-Q1	FY08-Q1	+/- %	FY08
Revenues	in million EUR	60.4	33.8	79 %	185.7
EBITDA	in million EUR	12.2	4.9	>100 %	39.0
EBITDA margin	in %	20.2	14.4		21.0
EBIT	in million EUR	11.3	3.9	>100 %	34.9
EBIT margin	in %	18.6	11.7		18.8
Profit before tax	in million EUR	15.4	4.0	>100 %	42.8
Profit after tax	in million EUR	11.2	2.9	>100 %	32.1
Earnings per share	in EUR	0.85	0.23	>100 %	2.60
Free Cashflow <sup>1</sup>	in million EUR	-8.0	-7.7	4 %	-14.8
Capital Expenditure <sup>2</sup>	in million EUR	1.1	1.4	-23 %	4.0
Employees as of 30 June 2008		854	783	9 %	824
Revenues by Segment		FY09-Q1	FY08-Q1	+/- %	FY08
Road Solution Projects	in million EUR	26.3	7.3	>100 %	47.0
Services, System Extensions, Components Sales	in million EUR	32.1	23.4	37 %	128.8
Others	in million EUR	2.0	3.2	-36 %	10.0
Revenues by Region		FY09-Q1	FY08-Q1	+/- %	FY08
Central & Eastern Europe (incl. Austria)	in million EUR	45.8	20.2	>100 %	124.2
Western Europe	in million EUR	5.5	3.9	39 %	17.6
America	in million EUR	2.7	5.9	-54 %	18.8
Rest of World	in million EUR	6.4	3.9	67 %	25.2
Balance Sheet Data		30 June 2008		+/- %	31. March 2008
Total Assets	in million EUR	341.5		14 %	298.4
Total Equity <sup>3</sup>	in million EUR	144.3		8 %	133.4
Equity ratio	in %	42.3			44.7
Net assets (+) /-debt (-) <sup>4</sup>	in million EUR	17.6		-38 %	28.4
Capital Employed	in million EUR	194.4		21 %	161.3
Capital Market Data <sup>5</sup>					
Offer price per share on 26 June 2007	in EUR	32.0	Closing price as of 31 March 2008	in EUR	31.8
Number of shares as of 30 June 2008	in million	12.2	Closing price as of 30 June 2008	in EUR	29.7
Free float as of 30 June 2008	in %	31.6	Market capitalization as of 30 June 2008	in million EUR	362.7

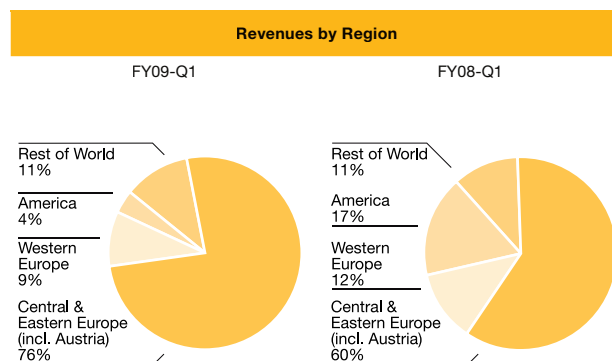
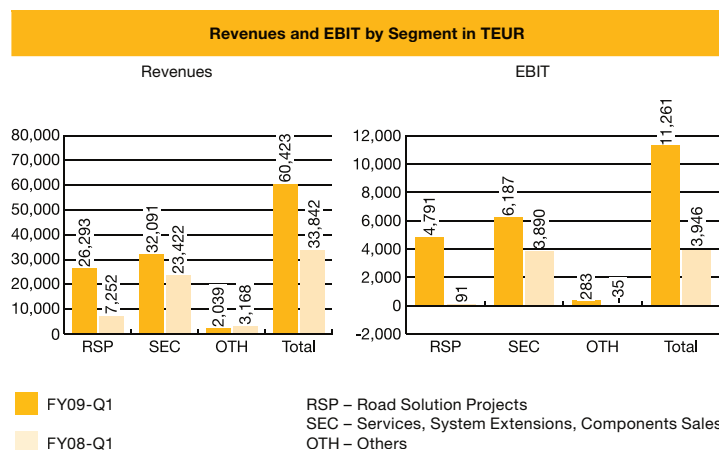
<sup>1</sup> operating cashflow minus capital expenditure from operations (excl. acquisitions and securities)

<sup>2</sup> capital expenditure from operations (excl. acquisitions and securities)

<sup>3</sup> incl. minority interests

<sup>4</sup> excl. long-term securities

<sup>5</sup> for additional capital market data see page 5



# Letter from the Chief Executive Officer.



Georg Kapsch, Chief Executive Officer

Dear shareholders,

I am delighted to report about a successful first quarter in the current fiscal year 2008/09 in which the Kapsch TrafficCom Group significantly increased revenues compared to the same period of the previous fiscal year and improved earnings even in excess of the increase in revenues. Revenues were at EUR 60.4 million for the first quarter of the current fiscal year, up 79 % compared to the same period of the previous fiscal year. EBIT more than doubled to EUR 11.3 million and profit before tax almost tripled to EUR 15.4 million. We thereby significantly enhanced our profitability in the first three months compared to the same period of the previous fiscal year with the EBIT margin improving by 59 % to 18.6 % and earnings per share increasing by 270 % to EUR 0.85.

Both large segments – SEC (Services, System Extensions, Components Sales) and RSP (Road Solution Projects) significantly contributed to this positive developments. The performance of the SEC segment has remained strong in the first three months, with a 37 % increase in revenues to EUR 32.1 million and an 59 % increase in EBIT to EUR 6.2 million. Developments in the RSP (Road Solution Projects) segment were also very positive: revenues more than tripled to EUR 26.3 million at an EBIT of EUR 4.8 million.

With total assets of EUR 341.5 million and total equity of EUR 144.3 million, the Kapsch TrafficCom Group's equity ratio as of 30 June 2008 amounted to 42.3 % (31 March 2008: 44.7 %), resulting in a strong balance sheet structure. As of 30 June 2008, Kapsch TrafficCom Group held cash and short-term securities in an aggregate amount of EUR 58.7 million.

**Significant increase in revenues and earnings**

**Strong balance sheet structure**

In the first quarter we took a further important step in Italy and strengthened our presence through the partnership with Busi Impianti and the establishment of the Kapsch-Busi joint venture. This long-term partnership represents an ideal addition to our activities in Italy and to our portfolio of solutions. Both companies can point to many years of experience in their respective fields: Busi as a renown company in system construction with numerous installations in the "city access" field, and Kapsch TrafficCom in the field of traffic telematics and tolling systems for motorways and urban areas. The joint venture company will combine these core competences for activities in the Italian market. We see great potential in the area of traffic telematics solutions in the coming years. Furthermore, Busi Group has the know-how and capabilities for the integration of future systems.

In June 2008, we reported the acquisition of all of the assets of the "Mobility Solutions" business unit of TechnoCom Corporation in the U.S. The "Mobility Solutions" business unit of TechnoCom Corporation conducts a business which, among other things, develops, owns, markets, and licenses vehicle infrastructure integration technologies, including but not limited to multiband configurable networking units (MCNU), and related technology for the transportation and automotive industries, systems integrators and federal, state, and local government agencies. The acquisition closed after the end of the first quarter.

As at the end of the first quarter, in Slovakia our appeals in connection with the award for the implementation and operation of the nationwide electronic truck tolling system had not finally been decided.

Assuming that economies worldwide continue to perform satisfactorily, and given the growing interest around the world in road traffic telematics solutions, we take a thoroughly optimistic view of our future prospects. The fiscal year 2008/09 will be shaped by the expected participation in tenders and project awards in Hungary, Slovenia, Italy, Portugal, France, the U.K., in the Middle East, in the Asian-pacific region, South Africa, Argentina, and in the U.S.

With all best wishes



Georg Kapsch  
Chief Executive Officer

#### **Joint venture in Italy**

#### **Acquisition in the U.S.**

#### **Tender in Slovakia**

#### **Looking forward with optimism**

#### **Disclaimer**

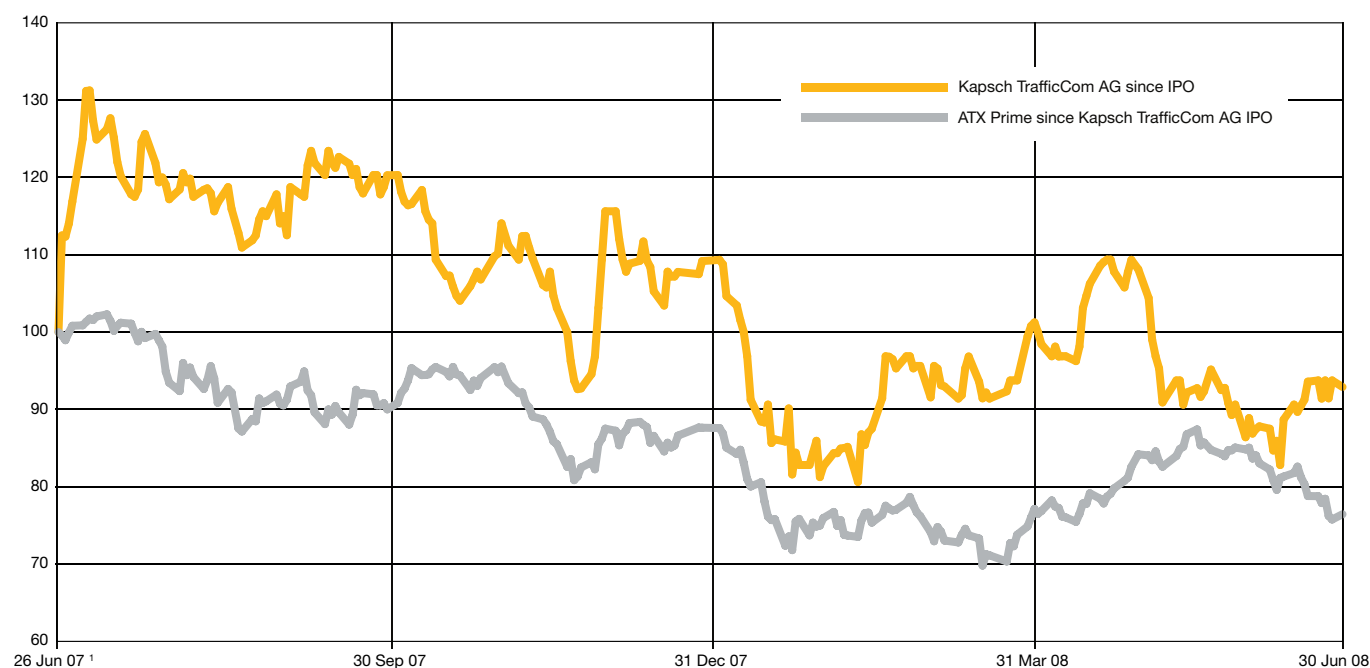
Certain statements contained in this report constitute "forward-looking statements." These statements, which contain the words "believe", "intend", "expect" and words of similar meaning, reflect management's beliefs and expectations and are subject to risks and uncertainties that may cause actual results 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.

# Die Kapsch TrafficCom Share.

The Kapsch TrafficCom share closed the first quarter of 2008/09 at a closing price of EUR 29.73 on 30 June 2008, down about 6.6 %, compared to the closing price on 31 March 2008 (EUR 31.82). With the beginning of the first quarter of 2008/09, the share price experienced an increase and closed on 30 April 2008 at EUR 34.99, but declined to EUR 29.0 until 31 May 2008. Since the initial public offering (the offer price per share on 26 June 2007 was EUR 32.0), the price of the share has decreased by approximately 7.1 %, as of 30 June 2008, whereas the ATX Prime was down about 23.6 % in the same period.

Based on a closing price of EUR 29.73 per share on 30 June 2008 and the number of outstanding shares unchanged at 12.2 million, Kapsch TrafficCom's market capitalization was EUR 362.7m as of June 30, 2008. Approximately 31.6 % of the shares were in free float as of 30 June 2008, whereas the remaining approximately 68.4 % are held by KAPSCH-Group Beteiligungs GmbH.

## Share price development in FY09-Q1 and since IPO (Kapsch TrafficCom AG vs. ATX Prime)



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

Information on the share		Financial calendar	
Investor Relations Officer	Marcus Handl	26 November 2008	Interim financial report FY09-Q2
E-Mail	ir.kapschtraffic@kapsch.net	25 February 2009	Interim financial report FY09-Q3
Stock exchange	Vienna, Prime Market	18 June 2009	Results FY09
ISIN	AT000KAPSCH9	10 July 2009	Ordinary Shareholders' Meeting
Trading Symbol	KTCG	17 July 2009	Deduction of dividends (ex-day)
Reuters / Bloomberg	KTCG.VI / KTCG AV	24 July 2009	First day of payment for dividends

# Analysis of results and balance sheet.

## Revenue and earnings.

Revenues in the first quarter of the current fiscal year 2008/09 were EUR 60.4 million of Kapsch TrafficCom Group up 79 % of the EUR 33.8 million recorded in the same period of the previous fiscal year. This considerable increase was primarily attributable to the Road Solution Projects (RSP) segment and the development of the Services, System Extensions, Components Sales (SEC) segment, which is also visible from the segment analysis.

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

- The Road Solution Projects (RSP) segment recorded a significant increase in revenues from EUR 7.3 million in the same period in the previous fiscal year to EUR 26.3 million (plus 260 %) due to increased business volumes.
- The Services, System Extensions, Components Sales (SEC) segment's revenues for the first three months increased by 37 % to EUR 32.1 million compared to the same period of the previous fiscal year (EUR 23.4 million). This increase was primarily attributable to recurring revenues from the technical and commercial operation of the nationwide truck tolling system in the Czech Republic and a high volume of components sales. First quarter sales of nearly 0.6 million on-board units (OBUs) doubled compared to the same period of the previous fiscal year (0.3 million).
- The Others (OTH) segment's revenues declined by 36 % from EUR 3.2 million in the previous fiscal year to EUR 2.0 million.

In the first quarter of the current fiscal year 2008/09, Kapsch TrafficCom Group recorded an increase in its EBIT from EUR 3.9 million in the previous fiscal year to EUR 11.3 million (plus 189 %) due to higher revenues and improved profitability: The EBIT margin improved from 11.7 % to 18.6 % (plus 59 %).

During the first quarter of fiscal year 2008/09 EBIT by segment was as follows:

- The RSP segment's EBIT increased from EUR 0.1 million to EUR 4.8 million. The EBIT margin improved from 1.3 % to 18.2 %.
- The EBIT for the SEC segment increased from EUR 3.9 million in the previous fiscal year to EUR 6.2 million (up 59 %). At 19.3 %, the EBIT margin remained at a high level.
- With an improvement to EUR 0.3 million, the OTH segment positively contributed to the EBIT development.

In the first quarter of the current fiscal year 2008/09, Kapsch TrafficCom Group recorded an increase in its profit after tax from EUR 2.9 million in the previous fiscal year to EUR 11.2 million with income taxes of EUR 4.3 million compared to EUR 1.1 million in the same period of the previous fiscal year.

## Financial position and cash flows.

With total assets of EUR 341.5 million (30 June 2007: EUR 275.8 million) and total equity of EUR 144.3 million, the Kapsch TrafficCom Group's equity ratio as of 30 June 2008 was 42.3 % (31 March 2008: 44.7 %).

Net cash from operating activities was at EUR -6.9 million compared to EUR -6.3 million in the same period of the previous fiscal year including net payments from income tax of EUR 3.5 million. The development in net cash from operating activities continues also throughout this quarter of the current fiscal year due to the payment conditions from the implementation of the nationwide electronic truck tolling system in the Czech Republic. The first instalment from the implementation of the system (phase I) which started operation as of 1 January 2007 in an amount of EUR 30.8 million was received on 1 October 2007, representing 25 % of the total amount. The second instalment for phase I and the first instalment for phase II which started operation as of 1 January 2008 together with the payment of additional deliveries are scheduled for the end of September / beginning of October 2008 in a total amount of approximately EUR 58 million.

As of 30 June 2008, Kapsch TrafficCom Group held cash and short-term securities in an amount of EUR 58.7 million. This reserve in liquidity serves as a basis to finance future projects or strategic acquisitions of companies.

# Condensed consolidated interim financial information

## 30 June 2008 (unaudited).

Kapsch TrafficCom AG – Consolidated income statement.

All amounts in TEUR	Note	FY09-Q1	FY08-Q1	FY09-Q1 cum.	FY08-Q1 cum.
<b>REVENUE</b>	(4)	<b>60,423</b>	<b>33,842</b>	<b>60,423</b>	<b>33,842</b>
Other operating income		595	486	595	486
Changes in finished and unfinished goods and work in progress		726	5,350	726	5,350
Cost of material and other production services		-28,363	-17,854	-28,363	-17,854
Staff costs		-13,149	-11,180	-13,149	-11,180
Amortisation of intangible assets and depreciation of property, plant and equipment		-919	-925	-919	-925
Other operating expenses		-8,053	-5,773	-8,053	-5,773
<b>Operating result</b>	(4,10)	<b>11,261</b>	<b>3,946</b>	<b>11,261</b>	<b>3,946</b>
Finance income		5,775	2,044	5,775	2,044
Finance costs		1,590	1,867	1,590	1,867
<b>Financial result</b>		<b>4,185</b>	<b>177</b>	<b>4,185</b>	<b>177</b>
Result from associates		0	-132	0	-132
<b>Profit before tax</b>		<b>15,445</b>	<b>3,991</b>	<b>15,445</b>	<b>3,991</b>
Income taxes	(11)	-4,259	-1,101	-4,259	-1,101
<b>Profit after tax for the period</b>		<b>11,186</b>	<b>2,890</b>	<b>11,186</b>	<b>2,890</b>
<b>Attributable to:</b>					
Equity holders of the Company		10,326	2,806	10,297	2,806
Minority interest		860	83	890	83
		<b>11,186</b>	<b>2,890</b>	<b>11,186</b>	<b>2,890</b>
Earnings per share for profit attributable to the equity holders of the company (expressed in EUR per share)	(12)	<b>0.85</b>	<b>0.23</b>	<b>0.84</b>	<b>0.23</b>

Earnings per share related to 12.2 million shares.

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



## Kapsch TrafficCom AG – Consolidated balance sheet.

All amounts in TEUR	Note	30 June 2008	31 March 2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(5)	6,417	6,192
Intangible assets	(5)	12,360	8,593
Shares in associates		0	0
Other financial assets		3,354	3,405
Other non-current assets		53,554	55,005
Deferred tax assets		6,357	7,280
		<b>82,042</b>	<b>80,475</b>
<b>Current assets</b>			
Inventories		21,892	25,734
Trade receivables and other assets		169,930	135,837
Other current financial assets		9,026	8,895
Cash and cash equivalents		58,654	47,429
		<b>259,502</b>	<b>217,895</b>
<b>TOTAL ASSETS</b>		<b>341,544</b>	<b>298,371</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	(6)	12,200	12,200
Capital Reserve		70,077	70,077
Currency translation differences		-170	220
Fair value valuation reserve		-912	-971
Consolidated retained earnings and other reserves		60,054	49,728
		<b>141,249</b>	<b>131,254</b>
Minority interests		3,093	2,123
<b>Total Equity</b>		<b>144,342</b>	<b>133,377</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	(7)	26,333	10,581
Liabilities from post-employment benefits to employees	(8)	14,058	14,089
Non-current provisions	(9)	1,676	1,694
Other non-current liabilities		27,240	26,150
Deferred tax liability		2,139	2,055
		<b>71,446</b>	<b>54,568</b>
<b>Current liabilities</b>			
Trade and other current payables		46,487	39,050
Other liabilities and deferred income		27,924	29,486
Current tax payables		6,054	6,259
Current financial liabilities	(7)	23,980	17,382
Current provisions	(9)	21,312	18,250
		<b>125,756</b>	<b>110,426</b>
<b>Total Liabilities</b>		<b>197,202</b>	<b>164,994</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>341,544</b>	<b>298,371</b>

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

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

All amounts in TEUR							
	Attributable to equity holders of the Company					Minority Interest	Total Equity
	Share capital	Capital reserve	Currency translation differences	Fair Value valuation reserve	Consolidated retained earnings & other reserves		
<b>Carrying amount at 1 April 2008</b>	<b>12,200</b>	<b>70,077</b>	<b>220</b>	<b>-971</b>	<b>49,728</b>	<b>2,123</b>	<b>133,377</b>
Currency translation differences			-390			110	-280
Fair Value gains/losses realised (net of tax)				59			59
<i>Net income/expenses recognised directly in equity</i>			-390	59		110	-221
Profit for the year					10,326	860	11,186
<b>Carrying amount at 30 June 2008</b>	<b>12,200</b>	<b>70,077</b>	<b>-170</b>	<b>-912</b>	<b>60,054</b>	<b>3,093</b>	<b>144,342</b>
<b>Carrying amount at 1 April 2007</b>	<b>10,000</b>	<b>5,325</b>	<b>914</b>	<b>-114</b>	<b>29,130</b>	<b>340</b>	<b>45,595</b>
Currency translation differences			89			-32	57
Fair Value gains/losses realised (net of tax)				-23			-23
<i>Net income/expenses recognised directly in equity</i>			89	-23		-32	33
Capital increase from initial public offering	2,200						2,200
Premium from initial public offering less expenses relating to the initial public offering		65,934					65,934
Dividend for 2005/06					-10,000	0	-10,000
Profit for the year					2,806	83	2,890
<b>Carrying amount at 30 June 2007</b>	<b>12,200</b>	<b>71,259</b>	<b>1,003</b>	<b>-138</b>	<b>21,937</b>	<b>391</b>	<b>106,652</b>

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

## Kapsch TrafficCom AG – Consolidated cash flow statement.

All amounts in TEUR	FY09-Q1	FY08-Q1	FY09-Q1 cum.	FY08-Q1 cum.
<b>Cash flow from operating activities</b>				
Operating result	11,261	3,946	11,261	3,946
Adjustments for non-cash items and other reconciliations:				
Depreciation and amortisation	919	925	919	925
Increase/decrease in obligations for post-employment benefits	-31	-80	-31	-80
Change in other non-current liabilities and provisions	-18	1	-18	1
Increase/decrease in non-current trade receivables	1,451	-510	1,451	-510
Increase/decrease in non-current trade payables	1,091	-268	1,091	-268
Other (net)	3,755	1	3,755	1
	<b>18,428</b>	<b>4,015</b>	<b>18,428</b>	<b>4,015</b>
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	-34,086	6,305	-34,086	6,305
Increase/decrease in inventories	3,843	-5,319	3,843	-5,319
Increase/decrease in trade payables and other current payables	5,836	-8,412	5,836	-8,412
Increase/decrease in current provisions	3,062	-2,877	3,062	-2,877
	<b>-21,345</b>	<b>-10,303</b>	<b>-21,345</b>	<b>-10,303</b>
<b>Cash generated from operations:</b>	<b>-2,917</b>	<b>-6,288</b>	<b>-2,917</b>	<b>-6,288</b>
Interest received	387	985	387	985
Interest payments	-938	-1,025	-938	-1,025
Net payments of income taxes	-3,458	50	-3,458	50
<b>Net cash flow from operating activities</b>	<b>-6,926</b>	<b>-6,279</b>	<b>-6,926</b>	<b>-6,279</b>
<b>Cash flow used in investing activities</b>				
Purchases of property, plant and equipment	-794	-1,381	-794	-1,381
Purchases of non-current intangible assets	-3,528	-62	-3,528	-62
Proceeds from sale of shares in consolidated companies	0	54	0	54
Proceeds from disposal of property, plant and equipment and intangible assets	69	458	69	458
<b>Net cash flow used in investing activities</b>	<b>-4,253</b>	<b>-931</b>	<b>-4,253</b>	<b>-931</b>
<b>Cash flow used in financing activities</b>				
Contribution from shareholders	0	68,134	0	68,134
Dividends paid to company shareholders	0	-7,000	0	-7,000
Increase/decrease in other non-current financial liabilities	15,751	4,028	15,751	4,028
Increase/decrease in current financial liabilities	6,637	-8,484	6,637	-8,484
<b>Net cash flow used in financing activities</b>	<b>22,388</b>	<b>56,678</b>	<b>22,388</b>	<b>56,678</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>11,209</b>	<b>49,468</b>	<b>11,209</b>	<b>49,468</b>
<b>Change in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of period	47,429	20,183	47,429	20,183
Net decrease/increase in cash and cash equivalents	11,209	49,468	11,209	49,468
Exchange gains/losses on cash and cash equivalents	17	220	17	220
<b>Cash and cash equivalents at end of period</b>	<b>58,654</b>	<b>69,872</b>	<b>58,654</b>	<b>69,872</b>

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

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

## 1. General Information.

The Kapsch TrafficCom Group operates mainly in the road traffic telematics market. It holds shares in several domestic and foreign companies. The parent company is headquartered in Vienna.

For financial reporting purposes the business activities of the Kapsch TrafficCom Group are subdivided into the following 3 segments:

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

The Road Solution Projects segment relates to the installation of road traffic telematics solutions.

The Services, System Extensions, Components Sales segment relates to the sale of services (maintenance as well as technical and commercial operation) and components in the area of traffic telematics solutions.

The Others segment represents the non-core-business. In this segment we offer engineering solutions, electronic manufacturing and logistics services to affiliated entities and third parties, including audio solutions equipment and systems for the Austrian E-Card.

## 2. Basis of preparation.

This condensed interim financial information for the first quarter ended 30 June 2008 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 2008.

## 3. Accounting policies.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2008, as described in the annual financial statements for the year ended 31 March 2008.

#### 4. Segment Information.

- RSP = Road Solution Projects
- SEC = Services, System Extensions and Components Sales
- OTH = Others

##### Primary reporting format – business segments

All amounts in TEUR

FY09-Q1	RSP	SEC	OTH	Consolidated Group
Revenues	26,293	32,091	2,039	<b>60,423</b>
Operating Result	4,791	6,187	283	<b>11,261</b>

FY08-Q1	RSP	SEC	OTH	Consolidated Group
Revenues	7,252	23,422	3,168	<b>33,842</b>
Operating Result	91	3,890	-35	<b>3,946</b>

#### 5. Capital Expenditure.

All amounts in TEUR	Tangible and intangible Assets
<b>Opening net book amount as of 1 April 2008</b>	<b>14,785</b>
Additions	4,158
Change in consolidated entities	331
Disposals	-69
Depreciation, amortisation, impairment and other movements	-462
Currency translation differences	35
<b>Closing net book amount as of 30 June 2008</b>	<b>18,777</b>
<b>Opening net book amount as of 1 April 2007</b>	<b>15,417</b>
Additions	1,577
Change in consolidated entities	6
Disposals	-458
Depreciation, amortisation, impairment and other movements	-876
Currency translation differences	-184
<b>Closing net book amount as of 30 June 2007</b>	<b>15,482</b>

#### 6. Share Capital.

The registered share capital of the company amounts to EUR 12,200,000. The share capital is fully paid in. The total authorized number of ordinary shares is 12,200,000. The shares are ordinary bearer shares and have no par value.

The Company in the initial public offering in June 2007 issued 2,200,000 new shares at an issue price of EUR 32 per share.

## 7. Financial Liabilities.

All amounts in TEUR	30 June 2008	31 March 2008	30 June 2007	31 March 2007
Non-Current	26,333	10,581	14,550	10,523
Current	23,980	17,382	13,640	22,124
<b>Total</b>	<b>50,312</b>	<b>27,963</b>	<b>28,190</b>	<b>32,646</b>

Movements in borrowings is analysed as follows:

<b>Opening amount as of 1 April 2008</b>	<b>27,963</b>
Additions	26,625
Repayments of borrowings	-6,183
Currency translation	1,908
<b>Closing amount as of 30 June 2008</b>	<b>50,312</b>
<b>Opening amount as of 1 April 2007</b>	<b>32,646</b>
Additions	6,244
Repayments of borrowings	-10,700
Currency translation	0
<b>Closing amount as of 30 June 2007</b>	<b>28,190</b>

## 8. Defined benefit plans.

All amounts in TEUR	30 June 2008	31 March 2008	30 June 2007	31 March 2007
Severance payments	5,010	5,001	5,263	5,305
Pension benefits	9,049	9,088	9,210	9,247
<b>Total</b>	<b>14,058</b>	<b>14,089</b>	<b>14,473</b>	<b>14,552</b>

### Severance Payments

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

### Pension benefits

Liabilities for pension recognised 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 external pension fund for employees of the Group.

## 9. Provisions.

All amounts in TEUR	30 June 2008	31 March 2008	30 June 2007	31 March 2007
Non-Current Provisions	1,676	1,694	1,685	1,684
Current Provisions	21,312	18,250	12,585	15,462
<b>Total</b>	<b>22,988</b>	<b>19,943</b>	<b>14,270</b>	<b>17,146</b>

### FY09-Q1

All amounts in TEUR	1 April 2008	Change in consolidated entities	Use/disposal	Additions	Exchange rate differences	30 June 2008
Obligations from anniversary bonuses	464	0	-12	0	0	453
Costs of dismantling and removing assets	1,130	0	0	0	0	1,130
Other	99	0	0	0	-6	93
<b>Non-current provisions, total</b>	<b>1,694</b>	<b>0</b>	<b>-12</b>	<b>0</b>	<b>-6</b>	<b>1,676</b>
Warranties	4,128	0	-422	0	-14	3,692
Losses from pending transactions and repairs	910	0	-301	0	0	609
Legal fees, costs of litigation and contract risks	6,888	0	-4,328	6,009	423	8,993
Other	6,324	0	-2,259	3,781	172	8,018
<b>Current provisions, total</b>	<b>18,250</b>	<b>0</b>	<b>-7,309</b>	<b>9,790</b>	<b>581</b>	<b>21,312</b>
<b>Total</b>	<b>19,943</b>	<b>0</b>	<b>-7,321</b>	<b>9,790</b>	<b>575</b>	<b>22,988</b>

### FY08-Q1

All amounts in TEUR	1 April 2007	Change in consolidated entities	Use/disposal	Additions	Exchange rate differences	30 June 2007
Obligations from anniversary bonuses	457	6	-10	4	0	458
Costs of dismantling and removing assets	1,227	1	0	0	0	1,228
<b>Non-current provisions, total</b>	<b>1,684</b>	<b>7</b>	<b>-10</b>	<b>4</b>	<b>0</b>	<b>1,685</b>
Warranties	4,165	0	0	0	21	4,186
Losses from pending transactions and repairs	881	0	0	142	0	1,023
Legal fees, costs of litigation and contract risks	2,881	0	0	0	0	2,881
Other	7,535	0	-4,009	1,023	-53	4,496
<b>Current provisions, total</b>	<b>15,462</b>	<b>0</b>	<b>-4,010</b>	<b>1,165</b>	<b>-32</b>	<b>12,585</b>
<b>Total</b>	<b>17,146</b>	<b>7</b>	<b>-4,020</b>	<b>1,169</b>	<b>-32</b>	<b>14,270</b>

## 10. Operations result.

The income statement for the first quarter of FY08 included one-off costs resulting from the IPO in the amount of TEUR 407. There were no comparable costs in the first quarter of FY09.

## 11. Income Taxes.

Income tax expense is recognised on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated tax rate for the first quarter FY09 used is 28 % (the estimated tax rate for the first quarter FY08 was 28 %).

## 12. Earnings per share.

Earnings per share attributable to equity holders of the company arises from continuing and discontinued operations as follows:

All amounts in TEUR	FY09-Q1 cum.	FY08-Q1 cum.
Earnings per share for profit from continuing operations attributable to the equity holders of the company (expressed in EUR per share)	0.85	0.23
Earnings per share for profit from discontinuing operations attributable to the equity holders of the company (expressed in EUR per share)	0.00	-0.04

Earnings per share is related to 12.2 million shares.

## 13. Business Combinations.

Kapsch TrafficCom AG and the Italian Busi Impianti Group announced their cooperation on 15 May 2008. The two companies will establish Kapsch-Busi S.p.A., domiciled in Bologna, under a joint venture. The new company will focus on the Italian traffic telematics market in the urban area. Busi Impianti will outsource the respective business unit, including a group of about 10 employees, Kapsch TrafficCom will complement the team by own personnel.

The assets and liabilities arising from the acquisition:

### Kapsch-Busi S.p.A

All amounts in TEUR	
Purchase price:	
paid in cash	80
fair value of the liability resulting from put-option	3,214
	<b>3,294</b>
Fair value of net assets acquired (on a provisional basis)	120
<b>Goodwill</b>	<b>3,174</b>



The assets and liabilities arising from the acquisition:

All amounts in TEUR	Fair Value (on a provisional basis)
Intangible assets	327
Property, plant and equipment	4
Receivables and other assets	459
Cash and cash equivalents	90
Payables, other liabilities and accruals	-760
<b>Net assets acquired</b>	<b>120</b>

The fair value of the net assets acquired was determined on a provisional basis. In the course of the acquisition of the controlling interest, put/call options over the remaining non-controlling interest were entered into between the group and the seller. The put option was disclosed at its fair value under liabilities.

## 14. Contingent liabilities.

The Group's contingent liabilities primarily result from major projects. Other commitments mainly relate to contract and warranty bonds, bank guarantees, performance and bid bonds, sureties and acceptance of guarantees for subsidiaries vis-à-vis third parties.:

Details of contingent liabilities and other commitments are as follows:

All amounts in TEUR	30 June 2008	31 March 2008
<b>Contract and warranty bonds</b>		
City Highway Santiago	853	860
City Highway Sydney and Melbourne	2,359	2,377
	<b>3,212</b>	<b>3,237</b>
<b>Performance, bid and other bonds</b>		
Truck Tolling System Austria	12,500	12,500
Truck Tolling System Czech Republic	62,348	48,899
Tolling System New Zealand	2,084	2,101
Other	4,643	4,306
	<b>81,575</b>	<b>67,806</b>
Bank guarantees	3,432	3,290
Sureties	25	25
	<b>3,458</b>	<b>3,315</b>
<b>Total</b>	<b>88,245</b>	<b>74,359</b>

## 15. Related-Party transactions.

All amounts in TEUR		Sales to Related Parties Q1 (cum.)	Sales from Related Parties Q1 (cum.)	Amounts owed by Related Parties 30 June	Amounts owed to Related Parties 30 June
Affiliated companies outside the Kapsch TrafficCom Group	FY09	3,046	2,995	749	1,063
	FY08	1,000	2,374	2,405	10,477
Others	FY09	16	67	0	9,339
	FY08	6	338	0	9,364

Additionally, the related party KAPSCH-Group Beteiligungs GmbH, Vienna, issued a payment guarantee in the amount of EUR 40 million, in relation to the Czech truck tolling system.

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

## 16. Events occurring after 30 June 2008.

As of 4 July 2008, Kapsch TrafficCom AG acquired through its subsidiary Kapsch TrafficCom Inc, all of the assets of the Mobility Solutions business unit of TechnoCom Corporation, a corporation organized under the laws of the State of Delaware and with its primary place of business in Encino, California.

Vienna, 27 August 2008

Board of Management



Georg Kapsch, CEO



Erwin Toplak, COO

Kapsch TrafficCom is an international supplier of innovative road traffic telematics solutions. Its principle business is the development and supply of electronic toll collection (ETC) systems, in particular for the multi-lane free-flow (MLFF) of the traffic, and the technical and commercial operation of such systems. Kapsch TrafficCom also supplies traffic management systems, with a focus on road safety and traffic control, and electronic access systems and parking management. With more than 140 installed tolling systems in 30 countries in Europe, Australia, Latin America, in the Middle-East, in the Asian/Pacific region and in South Africa, and with almost 12 million on-board units (OBUs) and nearly 11,000 equipped lanes, Kapsch TrafficCom has positioned itself among the leading suppliers of ETC systems worldwide. Kapsch TrafficCom is headquartered in Vienna, Austria, and has subsidiaries and representative offices in 20 countries.