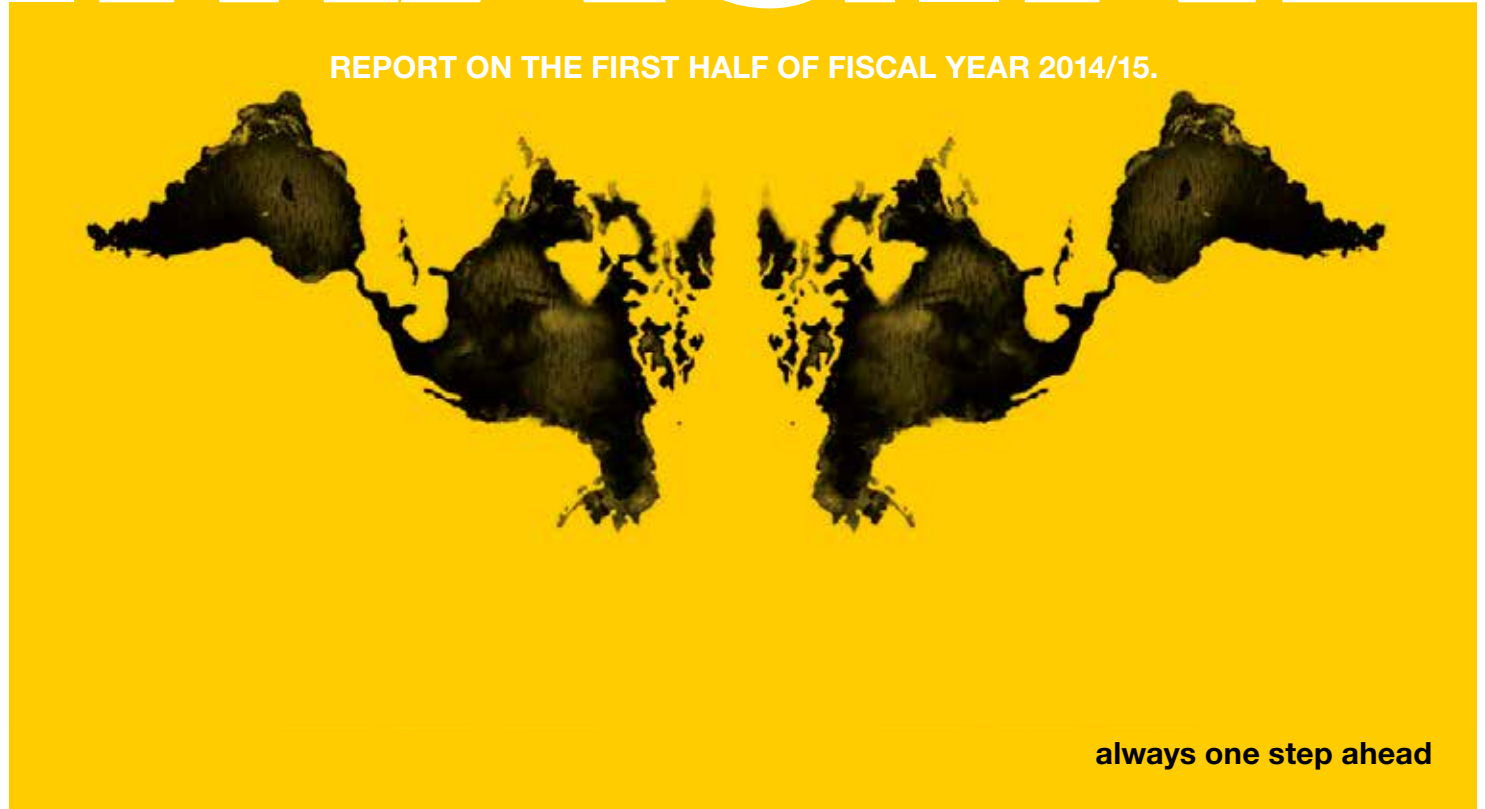


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IMAGINE

REPORT ON THE FIRST HALF OF FISCAL YEAR 2014/15.



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Selected Key Financial Data.

2

2014/15 H1 (first half of fiscal year 2014/15): 1 April–30 September 2014

2014/15 Q2 (second quarter of fiscal year 2014/15): 1 July–30 September 2014

All figures presented in million EUR unless otherwise stated

Earnings Data	2014/15 H1	2013/14 H1	+/-	2014/15 Q2	2013/14 Q2	+/-	2013/14
Revenues	237.4	235.9	1 %	119.5	114.6	4 %	487.0
EBITDA	38.0	16.1	137 %	33.3	8.4	296 %	36.9
EBITDA margin (in %)	16.0	6.8		27.9	7.3		7.6
EBIT	17.6	7.6	132 %	16.9	3.9	337 %	20.3
EBIT margin (in %)	7.4	3.2		14.2	3.4		4.2
Profit before tax	9.5	-1.0	—	6.8	0.5	>500 %	5.5
Profit for the period	0.9	-0.7	—	0.6	0.3	88 %	2.9
Earnings per share ¹ (in EUR)	-0.27	-0.36	25 %	-0.21	-0.13	-62 %	-0.33
Free cash flow ²	25.5	-46.7	—	-7.4	-9.6	23 %	-24.7
Capital expenditure ³	4.0	8.3	-52 %	2.9	3.7	-22 %	15.7
Employees ⁴	3,533	3,134	13 %	3,533	3,134	13 %	3,308
On-board unit (in million units)	3.25	4.46	-27 %	1.68	2.13	-21 %	9.22
Business Segments	2014/15 H1	2013/14 H1	+/-	2014/15 Q2	2013/14 Q2	+/-	2013/14
Road Solution Projects (RSP)							
Revenues (share in revenues)	37.9 (16.0 %)	63.4 (26.9 %)	-40 %	13.5 (11.3 %)	26.9 (23.5 %)	-50 %	132.0 (27.1 %)
EBIT (EBIT margin)	-23.7 (-62.6 %)	-13.1 (-20.7 %)	-81 %	-11.3 (-83.7 %)	-11.6 (-43.0 %)	-2 %	-34.6 (-26.2 %)
Services, System Extensions, Components Sales (SEC)							
Revenues (share in revenues)	187.2 (78.8 %)	164.4 (69.7 %)	14 %	100.2 (83.9 %)	83.6 (73.0 %)	20 %	331.8 (68.1 %)
EBIT (EBIT margin)	40.2 (21.5 %)	20.4 (12.4 %)	97 %	27.3 (27.2 %)	15.3 (18.3 %)	79 %	53.8 (16.2 %)
Others (OTH)							
Revenues (share in revenues)	12.3 (5.2 %)	8.2 (3.5 %)	51 %	5.7 (4.8 %)	4.1 (3.6 %)	39 %	23.1 (4.8 %)
EBIT (EBIT margin)	1.0 (8.4 %)	0.3 (3.4 %)	272 %	0.9 (16.4 %)	0.1 (3.4 %)	>500 %	1.1 (4.7 %)
Regions	2014/15 H1	2013/14 H1	+/-	2014/15 Q2	2013/14 Q2	+/-	2013/14
Austria ⁵	18.0 (8 %)	14.5 (6 %)	24 %	9.3 (8 %)	7.3 (6 %)	28 %	32.9 (7 %)
Europe ⁵	125.7 (53 %)	145.2 (62 %)	-13 %	63.3 (53 %)	71.2 (62 %)	-11 %	300.1 (62 %)
Americas ⁵	43.0 (18 %)	31.5 (13 %)	37 %	19.7 (17 %)	15.7 (14 %)	25 %	87.0 (18 %)
Rest of World ⁵	50.7 (21 %)	44.7 (19 %)	13 %	27.2 (23 %)	20.3 (18 %)	34 %	67.0 (14 %)
Balance Sheet Data	30. Sep. 2014	30. Sep. 2013	+/-				31. March 2014
Total assets	526.6	573.8	-8 %				566.8
Total equity ⁶	214.8	218.4	-2 %				213.1
Equity ratio ⁶ (in %)	40.8	38.1					37.6
Net debt	-75.9	-100.3	24 %				-93.4
Capital employed	361.5	368.3	-2 %				369.2
Net working capital	204.7	296.6	-31 %				205.4
Stock Exchange Data	2014/15 H1	2014/15 Q1	+/-				2013/14
Number of shares ⁷ (in million)	13.0	13.0	0 %				13.0
Free float ⁷ (in %)	38.1	38.1					38.1
Ø daily trading volume ⁸ (in shares)	19,654	10,741	83 %				25,812
Closing price ⁷ (in EUR)	23.07	33.90	-32 %				39.99
Market capitalization ⁷	299.91	440.70	-32 %				519.87
Share performance (in %)	-42.3	-15.2					8.0

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 H1 and Q2 as of 30 September; 2013/14 as of 31 March 2014

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

6 Incl. non-controlling interests

7 H1 as of 30 September 2014, Q1 as of 30 June 2014; for additional information on the share see page 5

8 Average daily trading volume (double counting)

Letter from the Chief Executive Officer.



Georg Kapsch,
Chief Executive Officer

Dear shareholders,

The first half of the fiscal year 2014/15 was marked from an operational perspective by progress in installation projects and expansions to existing operation projects. The revenue for the period slightly exceeded the comparison value of the previous year, largely due to the stable contributions from operation projects. As announced, the operating profit (EBIT) is impacted by one-time effects and amounts to EUR 17.6 million, which is an outstanding value following the very weak first quarter. The profit for the period is also positive at EUR 0.9 million despite of necessary impairments. A description of these developments can be found in the management report. The balance sheet further depicts the solid basis of the Kapsch TrafficCom Group; liquidity and free cash flow are just two of these figures.

However, our defined profitability goal is to earn a two-digit EBIT margin for the whole financial year in order to continue innovating and growing. Kapsch TrafficCom has not yet achieved this goal. Already at the beginning of the fiscal year, we therefore

introduced a package of cost reducing measures that is now bearing initial fruits. The cancellation of the toll tender in Russia in August intensified the urgency with which we believe the Kapsch TrafficCom Group must fundamentally adapt to the changed market conditions. I would therefore like to take this letter as an opportunity to offer you, our esteemed shareholders, an overview of where we currently are and the direction that Kapsch TrafficCom will be heading.

Looking back. Over the past ten years, we have built up a strong business with toll solutions, and Kapsch TrafficCom is today a globally recognized provider of electronic toll systems and a market leader in systems for multi-lane free-flow traffic. In addition, we have expanded and demonstrated our competence in the area of intelligent transportation systems (ITS). I am very proud of our accomplishments and my thanks go out to all employees of the Kapsch TrafficCom Group around the world for their hard work, passion and support.

In the last two years, however, some trends have arisen in our industry that present us with major challenges as well as great opportunities. The economic and political conditions continue to result in delays to new projects, and some expected tenders have been canceled or postponed. Furthermore, the demand for large, nationwide toll systems has declined in favor of regional, interurban and modularly designed solutions. The convergence process that we predicted would transform the ITS market has also already taken place. For the future, we speak of intelligent mobility solutions, some elements of which already exist today while others are still to be developed. We have established a good foundation for helping to shape the future.

We have responded to the changing situation, however, our current perspective shows that these responses have not been comprehensive and flexible enough. We will therefore be rapidly implementing an intensive agenda in order to quickly improve the earning power of our existing business while also putting in place a long-term strategy with a vision of a profitable and sustainable future for Kapsch TrafficCom.

Program 2020. A variety of measures will be initiated and implemented by the end of the fiscal year 2014/15 under the title of "Program 2020". These include the plan to achieve an EBIT margin of 10 % in the coming fiscal year 2015/16 on the basis of a cost structure adapted to the current revenue level – with the goal of a further increase in the following year. We view this as a basis for calculation, but we naturally continue to strive for further growth. The set of performance improvement measures begun already in March will be continued, but we will also undertake structural and financial adjustments. We will comprehensively reshape our organizational structures, decision-making processes and responsibilities – all without altering our core company values.

During the coming weeks, we will firm up the planning for the global Kapsch TrafficCom Group, and individual measures will be implemented immediately in order to achieve initial results as quickly as possible. In this way, we will ensure that we remain competitive today, tomorrow, up to 2020 and beyond. We will be focusing heavily on these measures internally, and you will be kept informed of the key milestones.

My vision for 2020 is clear: We will continue to be a globally leading provider of intelligent mobility solutions capable of covering the entire value creation chain of our customers. In addition, we will search within the Kapsch Group for areas in which

we can collaborate with our sister companies, in particular Kapsch CarrierCom, to offer intermodal and interoperable solutions for individual and public transportation around the world.

Outlook. In line with these efforts, we have much planned from a strategic perspective for the second half of the current fiscal year. Nevertheless, we will not lose sight of our operational business. The existing projects, such as the expansion of the toll systems in Belarus and Poland, will be concertedly continued. The implementation of the system in Texas should be completed in the next two quarters, and we will continue to work hard on improving the profit situation in South Africa. Furthermore, we expect that our business will be expanded with new projects.

The outstanding result of the first half of the fiscal year will have an impact on the overall result of fiscal year 2014/15, just as well as first effects from the structural changes. For fiscal year 2015/16, we are striving for a level of profitability based on our Program 2020 that will enable an EBIT margin of 10 % even at our current revenues.

Sincerely,



Georg Kapsch
Chief Executive Officer

Kapsch TrafficCom Shares.

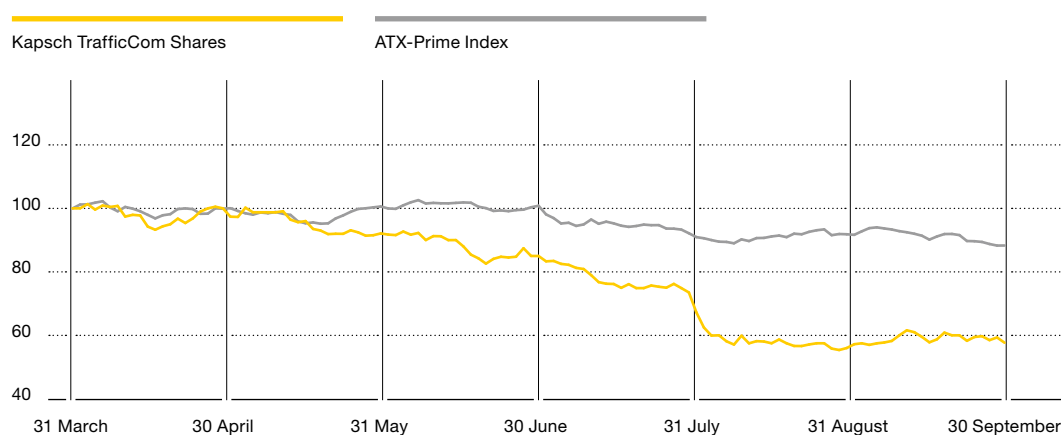
The Kapsch TrafficCom shares are listed on the Vienna Stock Exchange and included in the ATX Prime Index, the Austrian sustainability index VÖNIX and, since May 2013, in the new ATX Global Players index as well.

While the price gain of 8 % during the previous fiscal year corresponded to the performance on the international stock exchanges, Kapsch TrafficCom suffered a significant share price drop during the reporting period. After a decline of 15 % in the first quarter of the fiscal year, the shares continued falling from July onward to hit EUR 23.07 on 30 September 2014, which is 42 % below the closing price of the

previous year. The benchmark index ATX Prime lost 13 % over the same period, while slight gains were seen internationally.

The number of shares is 13 million. KAPSCH-Group Beteiligungs GmbH holds 61.9 % of the shares. Roughly 38.1 % are in free float, of which according to the company's knowledge approximately 4.0 % are held in managed profiles by Schroders plc, its subsidiaries and affiliated companies. Based on the final price of the shares of EUR 23.07 on 30 September 2014, the market capitalization of Kapsch TrafficCom was EUR 299.9 million.

Share price development in the first half of fiscal year 2014/15 (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 2014, 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

25 February 2015	Interim financial report Fiscal Year 2014/15 Q3
16 June 2015	Results Fiscal Year 2014/15
09 September 2015	Ordinary Shareholders' Meeting for Fiscal Year 2014/15

Interim management report.

Economic background for the Group.

Kapsch TrafficCom addresses the market for Intelligent Transportation Systems (ITS). ITS refers to systems in which information and communication technologies are employed to support and optimize transportation, including infrastructure, vehicles, users and commercial enterprises. The market comprises the product segments of electronic toll collection (ETC) for the payment of tolls without stopping at toll stations, advanced traffic management systems (ATMS) for traffic monitoring, the optimization of information transmission and the regulation of traffic flows and other intelligent transportation systems such as commercial vehicle operations (CVO), public vehicle transportation management systems (PVTMS) and advanced vehicle information systems (AVIS). The ITS market is expected to grow between 2009 and 2018 by an average 8.7 % per year, and for the ETC segment, an annual increase of 11.8 % has been forecast.

Due to the increasing financing requirements of infrastructure projects and the growing need to relieve state budgets, there exists an opportunity to develop new markets, especially in emerging and developing countries, as well as an opportunity to expand our activities into already developed markets. The global rise in traffic volumes and the associated impact on the environment and society open up opportunities in the area of traffic management because measures such as toll collection, the establishment of environmental zones or access restrictions are increasingly being employed as controlling instruments of environmental and traffic policy. The drive to increase the productivity of vehicles and vehicle operations as well as the rising comfort expectations of travelers also open up new opportunities for expanding the functionality of existing systems.

Financial performance indicators.

Revenue and earnings.

The revenues of Kapsch TrafficCom Group were EUR 237.4 million in the first half of the current 2014/15 fiscal year (2014/15 H1), slightly above the value of EUR 235.9 million in the same period of the previous fiscal year (2013/14 H1). Revenues increased in the Services, System Extensions, Components Sales (SEC) segment as well as in the Others (OTH) segment but were down in the Road Solution Projects (RSP) segment.

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

- The segment RSP (Road Solution Projects) recorded revenues of EUR 37.9 million after EUR 63.4 million in the same period of the previous fiscal year, a decrease of 40.2 %. The largest revenue contribution in the past half year came from the installation project in Belarus, although this was significantly below the comparison amount in the previous year due to the high level of project completion. The same applies for GNSS (Global Navigation Satellite System) project in France and the M5 South Western Motorway project in Sydney, Australia. In contrast, the managed lane system project in Texas, USA, supplied a higher revenue contribution than in the same period of the previous year.
- In the segment SEC (Services, System Extensions and Components Sales), revenues increased by 13.9 % from EUR 164.4 million in the previous fiscal year to EUR 187.2 million this year. The technical and commercial project in Belarus, which went into operation in the second quarter of the previous year, as well as the operation project in Gauteng province, South Africa, which started in the third quarter of the previous year, both contributed significantly to the increase in revenues. The technical and commercial operation of the nationwide system in the Czech Republic, the technical operation including maintenance of the nationwide system in Austria and the operation project in Belarus continued to provide stable revenue contributions.

The number of on-board units sold amounted to 3.25 million (2013/14 H1: 4.46 million), which amounts to a decrease of 1.21 million units. It should be noted here that the initial delivery for the nationwide toll project in Belarus took place in the comparison period of the previous year. Lower sales figures were also experienced in North America due to delays. In contrast, the volume sold in Australia increased, and on-board units were also sold to Norway for the first time.

- ▶The segment Others (OTH) saw EUR 12.3 million in revenue during the first half of 2014/15 (2013/14 H1: EUR 8.2 million). This increase resulted from the production and deliveries for the GSM-R project of Kapsch CarrierCom and the revenues of Transdyn Inc., which was acquired in the previous year and renamed to KTC USA Inc., USA.

In the first half of the current fiscal year, the Kapsch TrafficCom Group reported an operating result (EBIT) of EUR 17.6 million, which was significantly higher than the comparison period of the previous year (2013/14 H1: EUR 7.6 million). The operating results by segment were as follows:

- ▶The segment RSP recorded an EBIT of EUR -23.7 million during the reporting period after EUR -13.1 million in the first half of the previous year. The decline in the EBIT associated with this segment is due to the lower revenue contributions. In consequence, it was also not possible to sufficiently cover the expenditures for development and preparatory work for potential tenders as well as expenditures for ongoing tenders attributed to this segment. In addition, the EBIT of the segment was weighed down by a goodwill impairment to the cash-generating unit "Road Solution Projects, Electronic Toll Collection" in the amount of EUR 12.3 million. The results were improved by the release of a provision for losses from pending transactions and follow-up work in the amount of EUR 16.2 million on 30 September 2014 due to changed circumstances.
- ▶The segment SEC achieved an EBIT of EUR 40.2 million (2013/14 H1: EUR 20.4 million). This positive development compared with the same period of the previous year was due to the fact that the operation projects in Belarus and South Africa contributed for the entire reporting period. In addition, a solution acceptable to both parties for compensation of the costs arising from maintaining the operational readiness of the system was reached with the customer of the South African project. This one-time effect amounts to EUR 5.5 million.
- ▶The segment OTH exhibited an EBIT of EUR 1.0 million during the reporting period (2013/14 H1: EUR 0.3 million).

Despite the one-time effect due to the impairment of the interest in Q-Free ASA, Trondheim, Norway, it was possible to improve the financial result from EUR -8.6 million in the comparison period of the previous year to EUR -8.2 million. The finance income increased due to compounding of the receivables from the installation of the Belorussian toll system.

Due to the continued negative share price developments for the interest in Q-Free ASA, an impairment of EUR 12.2 million was recorded under finance costs. The amount comprises net losses from exchange rate fluctuations in previous periods already recorded in equity under other comprehensive income in the amount of EUR 10.6 million (until 30 June 2014) as well as the further exchange rate losses incurred in the second quarter of the 2014/15 fiscal year in the amount of EUR 1.6 million. The reclassification of these cumulative net losses in the profit for the period led to a significant improvement in the other comprehensive income and a corresponding dampening of the profit for the period, which is nevertheless positive at EUR 0.9 million (2013/14 H1: EUR -0.7 million). The profit per share improved from EUR -0.36 EUR in the comparison period to EUR -0.27.

Financial position and cash flows.

The balance sheet total on 30 September 2014 of EUR 526.6 million was lower than at the end of the 2013/14 fiscal year (31 March 2014: EUR 566.8 million). The total equity of EUR 214.8 million was slightly above the comparison value on 31 March 2014 of EUR 213.1 million. Due to the lower balance sheet total and the higher total equity, the equity ratio of the Kapsch TrafficCom Group improved from 37.6 % on 31 March 2014 to 40.8 % on 30 September 2014.

The most significant changes in assets involved the non-current assets. The intangible assets declined by EUR 15.0 million, largely due to the goodwill impairment amounting to EUR 12.3 million. Other non-current assets also decreased by EUR 12.7 million primarily due to the reclassification of a portion of the non-current receivables from the Belorussian installation project as current trade receivables. Under current assets, the trade receivables fell by EUR 5.6 million and the inventories by EUR 5.3 million, largely as a result of the project business.

The largest changes in the liabilities resulted from the decrease in current provisions by EUR 15.9 million, primarily due to the release of the provision for losses from pending transactions and follow-up work amounting to EUR 16.2 million. The decline in trade payables by EUR 10.0 million arose from the project business. The repayment of the financing for construction of the nationwide electronic truck toll system in Belarus lowered the non-current financial liabilities by EUR 10.4 million.

The net cash flow from operating activities amounted to EUR 29.2 million after EUR -39.9 million in the same period of the previous year. This change can be attributed to the decrease in the current and non-current receivables and assets as well as the good operating result; the decline in trade liabilities and the release of the provision exerted an opposing influence here. The cash flow from investing activities was impacted during the first half of the 2014/15 fiscal year by investments in the expansion of IT hardware. The free cash flow was positive at EUR 25.5 million. The decrease in the current and non-current financial liabilities primarily from project financing led to a negative net cash flow from financing activities of EUR -17.7 million.

Cash and cash equivalents increased from EUR 57.7 million on 31 March 2014 to EUR 65.6 million on 30 September 2014. The decrease in non-current financial liabilities and the increase in cash and cash equivalents led to a decline in net debt from EUR -93.4 million on 31 March 2014 to EUR -75.9 million on 30 September 2014.

Details of major transactions with related parties.

No major transactions with related parties having a considerable impact on the financial position or the operative result took place during the first half of the current fiscal year. Details of transactions with related parties are discussed under note 16 to the condensed consolidated interim report as of 30 September 2014.

Acquisitions and legal changes.

On 27 August 2014, the new company Kapsch TrafficCom KGZ, Bishkek, Kyrgyzstan, was founded.

On 10 September 2014, Kapsch TrafficCom Lietuva, Vilnius, Lithuania, was founded jointly with a local partner.

Risk reporting.

The primary risk elements of the company are industry-specific risks, such as high volatility in revenue from projects, risks in project execution and long-term contracts with public agencies, strategic risks, financial risks, personnel risks, legal risks and IT risks. The central risk management system is focused in particular on project risk management in order to identify and control the risks in project execution as well as enterprise risk management (ERM).

In the past, the revenues of the Kapsch TrafficCom Group have been heavily influenced by whether the given fiscal year had any implementation projects in the RSP segment. In this segment, the company regularly participates in tenders for the implementation and operation of large electronic toll collection systems. In this regard, there is a risk that invitations to tender may be postponed or withdrawn or that the Kapsch TrafficCom Group may not successfully win bids for new projects. Continuing revenues from technical and commercial operations also depend on the successful participation in tenders for systems.

In the area of project execution, deadlines may be missed and/or system and product defects may arise. If the contractual services are not fulfilled or if deadlines are exceeded, penalties and damages usually have to be paid, in some cases even damages for lost toll revenue. There is also the risk that projects of the Kapsch TrafficCom Group cannot be realized at the previously calculated costs.

In many cases, contracts are awarded by public agencies. Some multi-year contracts contain demanding requirements regarding the targeted performance of the implemented systems, components and processes. Failure to meet these requirements can result in considerable contractual penalties, obligations to pay damages or termination of the contract. On the other hand, in some contracts substantial bonus payments may be earned in the case of over-performance.

One of the strategic objectives of the Kapsch TrafficCom Group is to expand internationally both through organic growth and via selected acquisitions and joint ventures. In implementing this strategy, the Kapsch TrafficCom Group has acquired companies around the world and integrated them into the group. However, a number of challenges remain in connection with this growth strategy in achieving the desired synergies and objectives. Impairments to the goodwill recorded on the balance sheet can also occur on the basis of impairment tests according to IAS 36.

As the Kapsch TrafficCom Group becomes more internationally active, the importance of currency exchange risks increases. A considerable portion of revenues and costs are denominated in the currency of the respective foreign companies such as CZK, PLN, SEK, USD and ZAR rather than in euros. Although the Group aims to hedge the foreign currency risks of the individual contracts, currency fluctuations may result in exchange rate losses that appear on the consolidated financial statements (transaction risk).

The foreign currency risk is lower in operation projects than in installation projects since the operational revenues of the local company are typically counterbalanced by expenditures in the same currency in the case of operation projects. In addition, fluctuations arise from the conversion of separate financial statements of international companies into the group currency, the euro (translation risk).

Outlook on the second half of the current fiscal year.

The second half of the 2014/15 fiscal year will be marked by strategic adjustments to changed market conditions. On the operational side, Kapsch TrafficCom will continue to carry out existing projects, such as the expansion of the toll systems in Belarus and Poland. The implementation of the system in Texas should be completed in the next two quarters, and work continues unabated on improving the profit situation in South Africa. Furthermore, Kapsch TrafficCom expects its business to be expanded with new projects.

The outstanding result of the first half of the fiscal year will have an impact on the result of the total year of fiscal year 2014/15, just as well as first effects from the structural changes. For 2015/16 fiscal year, Kapsch TrafficCom is striving for a level of profitability based on our Program 2020 that will enable an EBIT margin of 10% even at our current revenues.

Events occurring after 30 September 2014.

No significant events have occurred since 30 September 2014.

Vienna, 20 November 2014

The Managing Board



Georg Kapsch
Chief Executive Officer



André Laux
Executive board member

Statement

of all Members of the Executive Board.

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

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

Vienna, 20 November 2014



Georg Kapsch
Chief Executive Officer



André Laux
Executive board member

Condensed consolidated interim financial information as of 30 September 2014. *)

Kapsch TrafficCom Group – Consolidated statement of comprehensive income.

All amounts in TEUR	Notes	2014/15 Q2	2013/14 Q2	2014/15 H1	2013/14 H1
Revenues	(5)	119,451	114,554	237,420	235,939
Other operating income		3,230	5,485	6,298	9,388
Changes in finished and unfinished goods and work in progress		-1,351	-6,067	867	947
Cost of materials and other production services		-32,054	-48,900	-90,648	-115,490
Staff costs		-33,887	-34,418	-70,442	-69,242
Amortization, depreciation and impairment charge		-16,351	-4,529	-20,459	-8,484
Other operating expenses		-22,103	-22,254	-45,461	-45,467
Operating result	(5)	16,934	3,872	17,577	7,590
Finance income		2,507	1,926	5,948	2,902
Finance costs		-12,629	-5,289	-14,164	-11,538
Financial result		-10,122	-3,363	-8,216	-8,636
Results from associates		2	-18	140	17
Result before income tax		6,815	491	9,501	-1,029
Income taxes	(13)	-6,175	-150	-8,579	377
Result for the period		640	340	922	-651
Result attributable to:					
Equity holders of the company		-2,758	-1,710	-3,513	-4,687
Non-controlling interests		3,398	2,051	4,435	4,035
		640	340	922	-651
Earnings per share from the result for the period attributable to the equity holders of the company (in EUR)		-0.21	-0.13	-0.27	-0.36
Other comprehensive income for the period:					
Items subsequently reclassified to the result for the period:					
Currency translation differences		-4,146	239	-4,408	-2,108
Currency translation differences from net investments in foreign operations		2,741	0	3,039	0
Available-for-sale financial assets:					
Fair value gains/losses recognized in other comprehensive income		-1,379	6,243	-2,268	-3,743
Reclassification of cumulated net losses to the result for the period (impairment)		12,185	0	12,185	0
Income tax relating to items subsequently reclassified to the result for the period		-744	-20	-862	-30
Total items subsequently reclassified to the result for the period		8,658	6,463	7,685	-5,881
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)	8,658	6,463	7,685	-5,881
Total comprehensive income for the period		9,297	6,803	8,607	-6,532
Total comprehensive income attributable to:					
Equity holders of the company		5,890	4,944	4,149	-9,653
Non-controlling interests		3,408	1,860	4,457	3,121
		9,297	6,803	8,607	-6,532

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	30 Sep. 2014	31 March 2014
ASSETS			
Non-current assets			
Property, plant and equipment	(6)	22,699	23,447
Intangible assets	(6)	74,513	89,567
Interests in associates	(7)	1,874	1,596
Other non-current financial assets and investments	(8)	26,367	28,506
Other non-current assets		58,436	71,113
Deferred tax assets		14,959	22,110
		198,849	236,339
Current assets			
Inventories		52,772	58,108
Trade receivables and other current assets		204,117	209,721
Other current financial assets	(8)	5,261	4,924
Cash and cash equivalents		65,592	57,731
		327,742	330,484
Total assets		526,591	566,823
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		76,441	72,291
		206,949	202,800
Non-controlling interests		7,837	10,310
Total equity		214,786	213,110
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	(10)	99,058	109,494
Liabilities from post-employment benefits to employees	(11)	21,994	22,153
Non-current provisions	(12)	1,632	1,303
Other non-current liabilities		2,967	3,660
Deferred income tax liabilities		8,012	10,778
		133,662	147,387
Current liabilities			
Trade payables		57,415	67,388
Other liabilities and deferred income		59,795	62,810
Current tax payables		815	1,191
Current financial liabilities	(10)	47,660	46,560
Current provisions	(12)	12,457	28,378
		178,142	206,326
Total liabilities		311,805	353,713
Total equity and liabilities		526,591	566,823

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 2013	13,000	117,509	-1,424	95,503	12,115	236,703
Dividend for 2012/13				-5,200	-6,521	-11,721
Result for the period				-4,687	4,035	-651
Other comprehensive income for the period:						
Currency translation differences			-1,193		-915	-2,108
Fair value gains/losses on available-for-sale financial assets			-3,773		0	-3,773
Carrying amount as of 30 September 2013	13,000	117,509	-6,390	85,617	8,714	218,450
Carrying amount as of 31 March 2014	13,000	117,509	-13,713	86,004	10,310	213,110
Dividend for 2013/14				0	-6,935	-6,935
Non-controlling interests arising on foundation of a subsidiary					5	5
Result for the period				-3,513	4,435	922
Other comprehensive income for the period:						
Currency translation differences			-2,152		22	-2,129
Fair value gains/losses on available-for-sale financial assets			9,814		0	9,814
Carrying amount as of 30 September 2014	13,000	117,509	-6,050	82,491	7,837	214,786

Material deviations in the other comprehensive income are explained in note 14.
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	2014/15 Q2	2013/14 Q2	2014/15 H1	2013/14 H1
Cash flow from operating activities				
Operating result	16,934	3,872	17,577	7,590
Adjustments for non-cash items and other reconciliations:				
Scheduled amortization and depreciation	4,009	4,529	8,117	8,484
Impairment charge	12,342	0	12,342	0
Increase/decrease in obligations for post-employment benefits	-86	-114	-159	-190
Increase/decrease in other non-current liabilities and provisions	125	-182	-34	-390
Increase/decrease in other non-current receivables and assets	-1,645	15,736	-3,223	2,319
Increase/decrease in trade receivables (non-current)	10,771	-12,274	19,019	-13,449
Increase/decrease in trade payables (non-current)	-123	363	-451	276
Other (net)	-294	-891	202	-4,804
	42,033	11,040	53,390	-165
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	-13,625	-18,662	6,120	-37,580
Increase/decrease in inventories	2,179	-1,457	5,336	1,218
Increase/decrease in trade payables and other current payables	-12,377	9,712	-10,677	10,360
Increase/decrease in current provisions	-15,988	-3,215	-15,920	-4,274
	-39,811	-13,623	-15,141	-30,274
Cash flow from operations	2,223	-2,583	38,249	-30,439
Interest received	463	255	908	649
Interest payments	-1,219	-1,861	-2,427	-3,461
Net payments of income taxes	-6,028	-2,472	-7,500	-6,680
Net cash flow from operating activities	-4,561	-6,660	29,230	-39,931
Cash flow from investing activities				
Purchase of property, plant and equipment	-2,480	-3,099	-3,490	-6,885
Purchase of intangible assets	-436	-616	-493	-1,366
Purchase of securities and investments	-154	0	-362	0
Proceeds from the disposal of property, plant and equipment and intangible assets	107	812	238	1,440
Net cash flow from investing activities	-2,963	-2,903	-4,107	-6,811
Cash flow from financing activities				
Dividends paid to company shareholders	0	-5,200	0	-5,200
Dividends paid to non-controlling interests	-186	-216	-6,935	-6,521
Increase in non-current financial liabilities	45	2,210	90	26,087
Decrease in non-current financial liabilities	-5,263	-360	-10,527	-360
Increase in current financial liabilities	934	-959	2,233	2,584
Decrease in current financial liabilities	0	-2,108	-2,600	-2,454
Net cash flow from financing activities	-4,470	-6,633	-17,739	14,135
Net increase/decrease in cash and cash equivalents	-11,994	-16,196	7,384	-32,608
Change in cash and cash equivalents				
Cash and cash equivalents at beginning of period	77,417	61,137	57,731	79,022
Net increase/decrease in cash and cash equivalents	-11,994	-16,196	7,384	-32,608
Exchange gains/losses on cash and cash equivalents	169	-117	476	-1,591
Cash and cash equivalents at end of period	65,592	44,824	65,592	44,824

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 a provider of intelligent transportation systems (ITS).

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

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

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

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

The segment Others relates to non-core business activities conducted by Kapsch Components GmbH & Co KG. In this segment, engineering solutions, electronic manufacturing and logistics services are rendered to affiliated entities and third parties. Furthermore, the non-ITS relevant business of KTC USA Inc. (formerly Transdyn, 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 first half of the current fiscal year 2014/15 ended 30 September 2014 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 2014.

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 generally consistent with those of the annual financial statements for the year ended 31 March 2014, as described in the annual financial statements for the year ended 31 March 2014.

In the condensed interim financial information for the first half of the current fiscal year 2014/15 the following new or amended IFRS and IFRIC have been adopted.

New/amended IFRSs	Applicable to financial years beginning on or after
IFRS 10	Consolidated Financial Statements 1 January 2014
IFRS 11	Joint Arrangements 1 January 2014
IFRS 12	Disclosure of Interests in other Entities 1 January 2014
IAS 32	Financial Instruments: Presentation 1 January 2014
IAS 27	Separate Financial Statements 1 January 2014
IAS 28	Investments in Associates and Joint Ventures 1 January 2014
IAS 39	Financial Instruments 1 January 2014

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 2014 and are described therein.

5 Segment information.

2014/15 H1	Road Solution	Services, System Extensions, Components Sales	Others	Consolidated group
All amounts in TEUR	Projects			
Revenues	37,887	187,186	12,347	237,420
Operating result	-23,701	40,238	1,041	17,577

2013/14 H1	Road Solution	Services, System Extensions, Components Sales	Others	Consolidated group
All amounts in TEUR	Projects			
Revenues	63,374	164,368	8,197	235,939
Operating result	-13,108	20,418	280	7,590

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	2014/15 H1			2013/14 H1		
	Revenues	Road Solution Projects	Services, System Extensions, Components Sales	Revenues	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	39,843		x	45,419		x
Customer 2	35,714		x	33,017		x
Customer 3	30,623	x	x	27,949	x	x
Customer 4	24,513	x	x	35,373	x	x

6 Capital expenditure.

All amounts in TEUR	30 Sep. 2014	30 Sep. 2013
Carrying amount as of 31 March of prior year	113,014	103,846
Additions	3,983	8,251
Disposals	-224	-1,451
Depreciation, amortization, impairments and other movements	-20,459	-8,484
Currency translation differences	899	-1,472
Carrying amount as of 30 September of fiscal year	97,213	100,690

The adverse market development of the preceding months required an adjustment of the multi-year planning and an impairment test as of 30 September 2014. Due to the result of the impairment test according to IAS 36 an impairment of the goodwill of the cash generating unit "Road Solution Projects, Electronic Toll Collection" was recognized in the first half of the fiscal year 2014/15 amounting to TEUR 12,342 based on an internal value in use. The recoverable amount of the cash generating unit was determined with TEUR 160,226. The calculation was based on a discount rate before tax of 11.5 % (31 March 2014: 11.5 %).

7 Interests in associates.

All amounts in TEUR	30 Sep. 2014	30 Sep. 2013
Carrying amount as of 31 March of prior year	1,596	1,694
Currency translation differences	139	-109
Additions from foundations and acquisitions	0	0
Disposals	0	0
Share in result	140	17
Carrying amount as of 30 September of fiscal year	1,874	1,603

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.

	30 Sep. 2014	31 March 2014	30 Sep. 2013	31 March 2013
Other non-current financial assets and investments	26,367	28,506	31,843	38,085
Other current financial assets	5,261	4,924	4,685	4,505
	31,628	33,430	36,528	42,590

Other non-current financial assets and investments 2014/15 H1	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	105	105
Additions	0	362	0	362
Disposals	0	0	0	0
Change in fair value	74	-2,679	0	-2,605
Carrying amount as of 30 September 2014	3,729	21,441	1,197	26,367

Other non-current financial assets and investments 2013/14 H1	Available- for-sale securities	Available- for-sale investments	Other non-current financial assets	Total
Carrying amount as of 31 March 2013	3,684	32,008	2,394	38,085
Currency translation differences	0	0	-75	-75
Additions	0	0	0	0
Disposals	0	0	-2,245	-2,245
Change in fair value	-58	-3,864	0	-3,922
Carrying amount as of 30 September 2013	3,626	28,144	74	31,843

Other current financial assets 2014/15 H1	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	337	0	337
Carrying amount as of 30 September 2014	5,261	0	5,261

Other current financial assets 2013/14 H1	Available- for-sale securities	Other current financial assets	Total
Carrying amount as of 31 March 2013	4,505	0	4,505
Currency translation differences	0	0	0
Additions	0	0	0
Disposals	0	0	0
Change in fair value	180	0	180
Carrying amount as of 30 September 2013	4,685	0	4,685

As of 30 September 2014, available-for-sale securities relate to government and bank bonds as well as shares in investment funds. As of 30 September 2014, investments classified as available-for-sale mainly relate to a 19.84 % investment in the listed company Q-Free ASA, Trondheim, Norway.

Other non-current financial assets relate to a loan from the group to SIMEX, Integración de Sistemas, S.A.P.I. de C.V., Mexico, in the first half of fiscal year 2014/15 (2013/14 H1: TEUR 0). In the first half of fiscal year 2013/14 the other non-current financial assets related to a fixed-term investment.

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.

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:

	Level 1 Quoted prices	Level 2 Observable market data	Level 3 Not based on observable market data	2014/15 H1
Non-current financial assets				
Available-for-sale securities	2,995	733	0	3,729
Available-for-sale investments	21,437	0	0	21,437
	24,432	733	0	25,165
Current financial assets				
Available-for-sale securities	5,261	0	0	5,261
	5,261	0	0	5,261
Total	29,693	733	0	30,426

As of 30 September 2014, other non-current financial assets amounting to TEUR 1,202 are recognized at amortized cost.

	Level 1 Quoted prices	Level 2 Observable market data	Level 3 Not based on observable market data	2013/14 H1
Non-current financial assets				
Available-for-sale securities	2,886	740	0	3,626
Available-for-sale investments	28,139	0	0	28,139
	31,025	740	0	31,765
Current financial assets				
Available-for-sale securities	4,685	0	0	4,685
	4,685	0	0	4,685
Total	35,710	740	0	36,449

As of 30 September 2013, other non-current financial assets amounting to TEUR 79 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	30 Sep. 2014	31 March 2014	30 Sep. 2013	31 March 2013
Non-current financial liabilities	99,058	109,494	119,932	104,372
Current financial liabilities	47,660	46,560	29,872	19,658
Total	146,718	156,054	149,804	124,030

Movements in borrowings are analyzed as follows:

	Non-current financial liabilities	Current financial liabilities	Total
All amounts in TEUR			
Carrying amount as of 31 March 2014	109,494	46,560	156,054
Additions	90	2,233	2,323
Repayments of borrowings	-10,527	-2,600	-13,127
Reclassification	0	0	0
Currency translation differences	0	1,468	1,468
Carrying amount as of 30 September 2014	99,058	47,660	146,718

	Non-current financial liabilities	Current financial liabilities	Total
All amounts in TEUR			
Carrying amount as of 31 March 2013	104,372	19,658	124,030
Additions	26,087	2,584	28,670
Repayments of borrowings	-360	-2,454	-2,814
Reclassification	-10,167	10,167	0
Currency translation differences	0	-82	-82
Carrying amount as of 30 September 2013	119,932	29,872	149,804

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

	30 Sep. 2014	30 Sep. 2013
Carrying amount	146,718	149,804
Fair value	151,360	151,705
Gross cash flows:		
Up to 1 year	48,722	31,232
Between 1 and 3 years	25,822	33,124
Between 3 and 5 years	78,638	91,567
	153,182	155,923

The classification of financial liabilities is as follows:

	Level 1 Quoted prices	Level 2 Observable market data	Level 3 Not based on observ- able market data	2014/15 H1
Corporate bond	78,638	0	0	78,638
Other financial liabilities	0	72,723	0	72,723
Total	78,638	72,723	0	151,360

	Level 1 Quoted prices	Level 2 Observable market data	Level 3 Not based on observ- able market data	2013/14 H1
Corporate bond	76,875	0	0	76,875
Other financial liabilities	0	74,830	0	74,830
Total	76,875	74,830	0	151,705

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	30 Sep. 2014	31 March 2014	30 Sep. 2013	31 March 2013
Termination benefits	8,687	8,790	9,190	9,064
Retirement benefits	13,306	13,363	13,222	13,537
Total	21,994	22,153	22,412	22,602

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	30 Sep. 2014	31 March 2014	30 Sep. 2013	31 March 2013
Non-current provisions	1,632	1,303	1,174	1,370
Current provisions	12,457	28,378	23,960	28,233
Total	14,089	29,680	25,134	29,603

2014/15 H1						Reclassi- fication	Currency translation differences	30 Sep. 2014
All amounts in TEUR	31 March 2014	Addition	Utilization	Disposal				
Obligations from anniversary bonuses	1,120	12	0	-15	0	0	0	1,117
Other	183	334	0	0	0	0	-2	515
Non-current provisions, total	1,303	346	0	-15	0	0	-2	1,632
Warranties	1,637	23	-34	0	0	0	12	1,638
Losses from pending transactions and rework	16,201	0	0	-16,180	0	0	-18	3
Legal fees, costs of litigation and contract risks	4,071	0	-50	0	0	0	-5	4,015
Other	6,468	1,418	-1,127	-33	0	0	75	6,801
Current provisions, total	28,378	1,441	-1,211	-16,213	0	0	63	12,457
Total	29,680	1,787	-1,211	-16,228	0	0	61	14,089

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 16,180 had to be reversed.

2013/14 H1					Reclassi-	Currency	
All amounts in TEUR	31 March 2013	Addition	Utilization	Disposal	fication	translation	30 Sep. 2013
						differences	
Obligations from anniversary bonuses	1,182	8	0	-15	0	0	1,174
Other	188	0	0	0	-181	-7	0
Non-current provisions, total	1,370	8	0	-15	-181	-7	1,174
Warranties	1,910	12	0	-3	181	-71	2,029
Losses from pending transactions and rework	18,514	0	-1,144	0	0	-214	17,156
Legal fees, costs of litigation and contract risks	2,524	202	-112	0	5	-30	2,589
Other	5,286	671	-3,598	-49	-5	-120	2,186
Current provisions, total	28,233	885	-4,853	-52	181	-435	23,960
Total	29,603	893	-4,853	-67	0	-442	25,134

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 first half 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.

2014/15 H1		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	-2,268	-103	-2,371
Gains/losses recognized in the profit for the period	12,185	0	12,185
Currency translation differences	-4,408		-4,408
Currency translation differences from net investments in foreign operations	3,039	-760	2,279
Fair value changes recognized in equity	8,547	-862	7,685

The unrealized gains/losses on available-for-sale financial assets recognized in the first half 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. Due to the ongoing unfavorable development of the share price 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).

2013/14 H1		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	-3,743	-30	-3,773
Currency translation differences	-2,108		-2,108
Fair value changes recognized in equity	-5,850	-30	-5,881

In the first half of the fiscal year 2013/14 the unrealized gains/losses on available-for-sale financial assets amounting to TEUR -3,864 relate to fair value changes on the investment in Q-Free ASA, Norway.

15 Contingent liabilities and other commitments.

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

Details for contingent liabilities and other commitments are as follows:

All amounts in TEUR	30 Sep. 2014	31 March 2014
Contract, warranty, performance and bid bonds		
Toll collection system South Africa, Gauteng	80,460	79,161
Toll collection systems North America	75,792	62,284
Truck toll collection system Austria	8,500	8,500
Toll collection system Poland	7,076	7,115
City Highway Sydney and Melbourne	6,656	6,439
Truck toll collection system Czech Republic	586	1,448
Toll collection system Portugal	167	573
Other	1,585	2,009
	180,822	167,530
Bank guarantees	1,576	1,774
Sureties	62	62
Total	182,460	169,365

16 Related parties.

The following transactions were performed with related parties:

All amounts in TEUR	2014/15 H1	2013/14 H1
Affiliated companies outside the Kapsch TrafficCom Group		
Revenues	8,907	6,927
Expenses	12,729	12,942
Other related parties		
Revenues	0	75
Expenses	533	504
All amounts in TEUR	30 Sep. 2014	30 Sep. 2013
Affiliated companies outside the Kapsch TrafficCom Group		
Trade receivables and other current assets	3,363	3,866
Trade payables and other liabilities	8,126	7,283
Other related parties		
Trade receivables and other current assets	127	111
Trade payables and other liabilities	11,749	11,442

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

17 Events occurring after 30 September 2014.

No material events have occurred after balance sheet date.

Vienna, 20 November 2014

The Managing Board



Georg Kapsch
Chief Executive Officer



André Laux
Executive board member

Kapsch TrafficCom is a provider of intelligent transportation systems (ITS) in the areas of toll collection, city access control and parking space management, traffic monitoring, utility vehicle monitoring, electronic vehicle registration, traffic management 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 solutions of Kapsch TrafficCom help finance traffic infrastructure, improve traffic safety, optimize traffic flows and reduce traffic-related environmental impact. The core business comprises the development, installation and operation of electronic toll systems for multi-lane free-flow traffic. Reference projects in 44 countries on all continents have made Kapsch TrafficCom a global leader in the area of electronic toll collection. 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 487 million in the 2013/14 fiscal year with over 3,300 employees. For more information: www.kapsch.net and www.kapschtraffic.com

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