

**Report on the first quarter of
fiscal year 2013/14.**

KapschTrafficCom Group – Key figures.

2013/14 (fiscal year 2013/14): 1 April 2013 – 31 März 2014

2013/14 Q1 (first quarter of fiscal year 2013/14): 1 April – 30 June 2013

Earnings Data		2013/14 Q1	2012/13 Q1 (adjusted)	+/-	2012/13 (adjusted)
Revenues	in million EUR	121.4	106.4	14 %	488.9
EBITDA	in million EUR	7.7	-1.3	–	34.2
EBITDA margin	in %	6.3	-1.3		7.0
EBIT	in million EUR	3.7	-5.2	–	16.5
EBIT margin	in %	3.1	-4.9		3.4
Profit before tax	in million EUR	-1.5	-5.8	74 %	17.0
Profit for the period	in million EUR	-1.0	-4.3	77 %	16.8
Earnings per share ¹	in EUR	-0.23	-0.45	50 %	0.74
Free cash flow ²	in million EUR	-37.2	74.6	–	48.3
Capital expenditure ³	in million EUR	4.5	2.4	88 %	20.2
Employees ⁴		3,094	2,643	17 %	3,013
On-board units delivered	in million units	2.33	1.69	38 %	9.28
Business Segments		2013/14 Q1	2012/13 Q1 (adjusted)	+/-	2012/13 (adjusted)
Road Solution Projects (RSP):					
Revenues (share of total revenues in %)	in million EUR	36.5 (30.1 %)	34.9 (32.8 %)	5 %	128.3 (26.2 %)
EBIT (EBIT margin)	in million EUR	-1.6 (-4.3 %)	-7.2 (-20.6 %)	78 %	-51.7 (-40.3 %)
Services, System Extensions, Components Sales (SEC):					
Revenues (share of total revenues in %)	in million EUR	80.8 (66.6 %)	67.7 (63.6 %)	19 %	342.3 (70.0 %)
EBIT (EBIT margin)	in million EUR	5.1 (6.4 %)	1.9 (2.8 %)	176 %	67.3 (20.3 %)
Others (OTH):					
Revenues (share of total revenues in %)	in million EUR	4.1 (3.4 %)	3.8 (3.6 %)	8 %	18.3 (3.7 %)
EBIT (EBIT margin)	in million EUR	0.1 (3.4 %)	0.1 (2.1 %)	76 %	0.9 (5.1 %)
Regions		2013/14 Q1	2012/13 Q1	+/-	2012/13
Austria ⁵	in million EUR	7.3 (6.0 %)	7.8 (7.3 %)	-6 %	38.0 (7.8 %)
Europe ⁵	in million EUR	74.0 (61.0 %)	66.6 (62.7 %)	11 %	288.9 (59.1 %)
Americas ⁵	in million EUR	15.8 (13.0 %)	9.4 (8.8 %)	68 %	74.8 (15.3 %)
Rest of World ⁵	in million EUR	24.3 (20.0 %)	22.5 (21.2 %)	8 %	87.2 (17.8 %)
Balance Sheet Data		30 June 2013	30 June 2012 (adjusted)	+/-	31 March 2013 (adjusted)
Total assets	in million EUR	567.4	499.0	14 %	567.2
Total equity ⁶	in million EUR	217.1	244.5	-11 %	236.7
Equity ratio ⁶	in %	38.3	49.0		41.7
Net assets (+)/debt (-)	in million EUR	-85.3	0.2	–	-40.5
Capital employed	in million EUR	368.1	330.2	11 %	360.7
Net working capital	in million EUR	274.8	199.1	38 %	243.9
Stock Exchange Data ⁷		2013/14 Q1	2012/13 Q1	+/-	2012/13
Number of shares ⁷	in million	13.0	13.0	0 %	13.0
Free float ⁷	in %	38.1	38.1	0 %	38.1
Ø daily trading volume ⁸	in shares	25,380	13,752	85 %	25,510
Closing price ⁷	in EUR	36.98	58.89	-37 %	37.0
Market capitalization ⁷	in million EUR	480.74	765.57	-37 %	481.3
Share performance	in %	-0.11	-7.26		-41.7

The renewed IAS 19R were applied beginning with the fiscal year 2013/14 retrospectively according to IAS 8 with effect from 1 April 2012 to provide comparable financial information.

- Earnings per share relate to 13.0 million shares, calculated from the result for the period attributable to the equity holders of the company
- 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
- Capital expenditure from operations (excl. payments for acquisition of companies and purchases of securities and investments)

- Each Q1 as of 30 June, 2012/13 as of 31 March 2013
- Revenues (share of total revenues in %); Europe excl. Austria
- Incl. minority interests
- Each Q1 as of 30 June, 2012/13 as of 31 March 2013; for additional information on the shares see page 5
- average daily trading volume (double counting)

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

Letter from the Chief Executive Officer.



Photo: Christian Müller/APA/picturedesk.com

Georg Kapsch, Chief Executive Officer

Dear shareholders,

The first quarter of fiscal year 2013/14 for the Kapsch TrafficCom Group was marked by progress in existing projects. Without a doubt, one highlight was the major project in Belarus with phase 1 entering technical operation on July 1st and commercial operation on August 1st. In addition, we moved forward with the projects in France, Australia and Texas, all of which should see implementation largely completed by the end of fiscal year 2013/14.

As always, the ongoing operation of systems contributed strongly to the results. For several quarters now, this has also included the nationwide system in Poland, which – after initial difficulties arising from the short implementation time – now contributes impressively to revenue and earnings.

On this basis, the Kapsch TrafficCom Group achieved revenue in the first quarter of 2013/14 amounting to EUR 121.4 million. This increase of 14 % over the same quarter of the previous year is due primarily to the installation project in Belarus and the operation and further expansion of the Polish system.

The EBIT, which was negative in the first quarter of the previous year at EUR -5.2 million was EUR 3.7 million in the reporting period. The profit before tax and the earnings per share were still negative as the financial result decreased to EUR -5.3 million due to exchange rate fluctuations that negatively impacted the conversion of the group-internal financing measures as at the key date. This result is not exceptional but it represents a significant improvement over the previous year – even despite the burden of the continued delay in commissioning of the system in South Africa.

Shortly after the end of the quarter, in the second half of July – the business developments of Kapsch TrafficCom were overshadowed by media reports of further delays and supposed difficulties in connection with the toll system we installed in the South African province of Gauteng. The fact is that the situation there has remained unchanged since the end of 2012. The conditions for commissioning of the system have been established; it remains only for the corresponding law to be signed by the President of South Africa and for the starting date to be announced. South Africa's new Minister of Transportation recently also spoke in support of the system on behalf of the government and emphasized its importance in connection with financing and maintaining infrastructure.

The toll system is completed and the installation has largely been paid for. We have also reached an agreement with our customer concerning reimbursement for the costs of maintaining operational readiness. However, the facts that we are not receiving operating revenue and that not all of our costs are being reimbursed mean that the project currently detracts significantly from the results of Kapsch TrafficCom.

In Belarus, Kapsch TrafficCom received an order for the installation and the operation over 20 years of a nationwide electronic toll collection system a little over one year ago. The first expansion phase – to an initial 815 kilometers of road – was completed within the quarter under report, and technical operation began on July 1st. A fluid transition to the 2nd expansion phase took place at the same time. Each individual phase is prefinanced by Kapsch TrafficCom and paid for within three years as of the start of operation.

In Slovenia, the tender for an electronic toll collection system for trucks, for which we were the only bidder, was annulled at the start of July. This was already the second canceled tender in the past three years. It remains to be seen how the situation will develop further, although we do expect another tender.

We have achieved yet another success in North America. After our contract with the E-ZPass Group, which operates the world's largest interoperable toll system in 14 US states, was extended in July 2011, Kapsch TrafficCom received in June 2013 a new five-year order from the Canadian toll authority Cantoll. In this project, we will be supplying the next generation of on-board units for highway 407 ETR Toronto metropolitan region. This should secure the high volume of on-board units in North America for the coming years.

In Chile, we were entrusted with a traffic management system for the access road to the world's largest copper mine. This order shows – even if only on a small scale – the increasing importance of intelligent transportation systems (ITS).

The balance sheet of the Kapsch TrafficCom Group at the end of the first quarter of 2013/14 reflected the progress and the prefinancing of the project in Belarus: Both receivables and financial liabilities increased relative to the balance sheet date of 31 March 2013, as did the net working capital. The free cash flow is again negative at EUR -37.2 million, in contrast to the previous quarters. With the conclusion of the first expansion phase, payment by our customer has now begun.

The next quarters will be characterized by the continuation of our existing orders. The next expansion phase in Belarus should go into operation toward the end of our fiscal year in spring 2014. Then phase 3 begins, which entails a further expansion of the system by 1,500 km. The implementation of our ongoing projects in France, Australia and Texas should be largely completed by the end of the fiscal year.

We look forward with great interest to the coming developments in South Africa as well as Slovenia, and we also expect additional invitations to tender. In parallel to this, we are also actively contacting possible interested parties for toll systems, an approach that already proved successful in Belarus. These efforts are also meeting with great interest in other countries. With our ITS strategy and the new company structure, we consider ourselves well-positioned for all growth opportunities.

Sincerely,

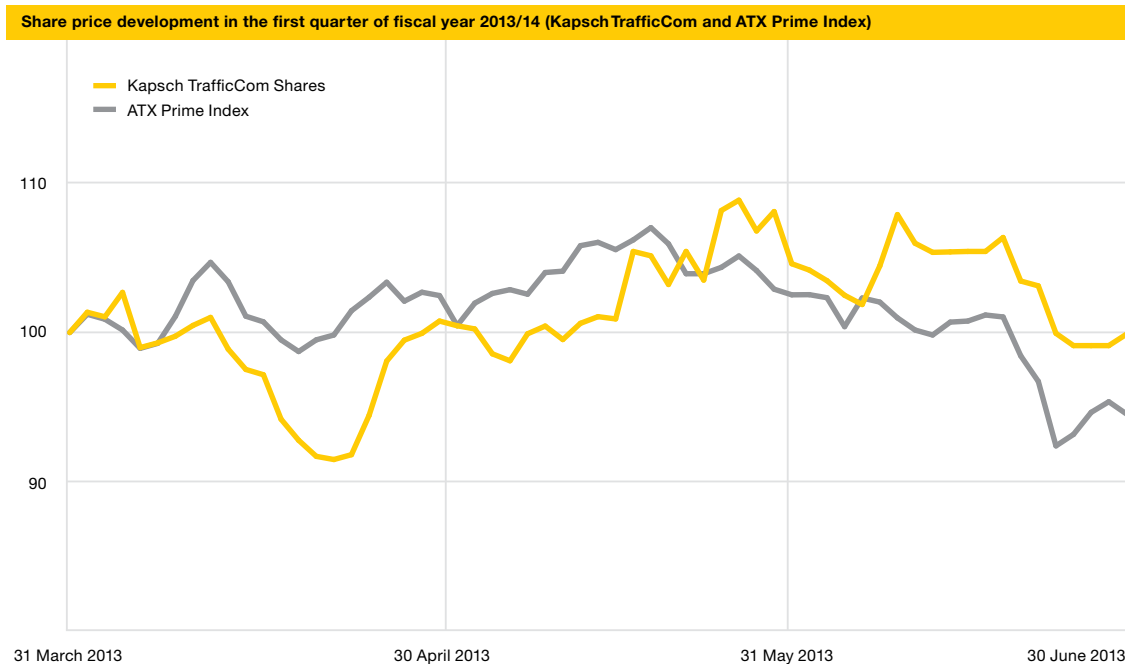


Georg Kapsch
Chief Executive Officer

Kapsch TrafficCom Shares.

The Kapsch TrafficCom shares are listed on the Vienna Stock Exchange and included in the ATX Prime Index as well as the Austrian sustainability index VÖNIX. During the reporting period, they were also integrated into the ATX Global Players Index, which has been tracked by the Vienna Stock Exchange since 13 May 2013. After the share price experienced a massive decline in the previous fiscal year to EUR 37.02 as at 31 March 2013, it remained stable over the first three months of the current fiscal year – albeit with high volatility. At the end of the quarter on 30 June 2013, the price was EUR 36.98. The price of the Kapsch TrafficCom shares thereby developed during the quarter under report similarly to the international stock exchange trends and performed somewhat better than the ATX Prime Index, which fell by roughly 5%. At the end of July 2013, however, the price did fall by roughly 15% within a short time after media reports concerning South Africa until a clarification of the facts by the CEO put an end to this downward trend.

The number of shares is 13 million. KAPSCH-Group Beteiligungs GmbH holds 61.9% of the shares, and the remaining 38.1% are in free float (including the shares of Erwin Toplak, COO). On 30 June 2013, Kapsch TrafficCom had a market capitalization of EUR 480.7 million based on the final share price of EUR 36.98.



The final price of the Kapsch TrafficCom shares and final value of the ATX Prime Index on 31 March 2013, both indexed to 100.

Information on the Shares		Financial Calendar	
Investor Relations Officer	Marcus Handl	12 September 2013	Ordinary Shareholders' Meeting for Fiscal Year 2012/13
Shareholders' Telephone	+43 50811 1120	19 September 2013	Deduction of dividends for Fiscal Year 2012/13 (ex-day)
E-Mail	ir.kapschtraffic@kapsch.net	26 September 2013	First day of payment for Fiscal Year 2012/13 dividends
Website	www.kapschtraffic.com	27 November 2013	Interim financial report Fiscal Year 2013/14 Q2
Stock Exchange	Vienna, Prime Market	26 February 2014	Interim financial report Fiscal Year 2013/14 Q3
ISIN	AT000KAPSCH9	25 June 2014	Results Fiscal Year 2013/14
Trading Symbol	KTCG	10 September 2014	Ordinary Shareholders' Meeting for Fiscal Year 2013/14
Reuters	KTCG.VI	17 September 2014	Deduction of dividends for Fiscal Year 2013/14 (ex-day)
Bloomberg	KTCG AV	24 September 2014	First day of payment for Fiscal Year 2013/14 dividends

Analysis of the results and balance sheet.

Revenue and earnings.

The revenues of Kapsch TrafficCom Group were EUR 121.4 million in the first quarter of the current fiscal year 2013/14, up by 14.1 % from EUR 106.4 million in the same period of the previous fiscal year. Revenues increased in the Road Solution Projects (RSP) segment and the Services, System Extensions, Components Sales (SEC) segment.

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

- The segment RSP (Road Solution Projects) recorded revenues of EUR 36.5 million after EUR 34.9 million in the same period of the previous fiscal year, an increase of 4.7 %. The most significant revenue contribution during the quarter under report was supplied by the implementation project in Belarus, while the “Managed Lane” system project in Texas, USA, and the project for the M5 South West Motorway in Sydney, Australia, also contributed revenue.
- In the segment SEC (Services, System Extensions and Components Sales), revenues increased by 19.3 % from EUR 67.7 million in previous fiscal year to EUR 80.8 million this year. The greatest factor here was the increased revenue from the operation project in Poland and the ongoing expansions of the toll system. Revenue in North America also developed positively since the ongoing contract negotiations with the individual members of the E-ZPass Group led in the first quarter of the previous year to postponements in on-board unit sales and revenue. The technical and commercial operation of the nationwide system in the Czech Republic and the technical operation including maintenance of the nationwide system in Austria continued to provide stable revenue contributions.

The number of on-board units sold amounted to 2.33 million (2012/13 Q1: 1.69 million). The initial delivery of on-board units for the nationwide toll project in Belarus took place in the quarter under report. The sales in North America, Mexico and Chile also increased.

- The segment Others (OTH) recorded revenues of EUR 4.1 million (2012/13 Q1: EUR 3.8 million), an increase of 7.6 %. This increase resulted from the production and deliveries for the GSM-R project of Kapsch CarrierCom.

In the first three months of the current fiscal year, the Kapsch TrafficCom Group reported an operating result (EBIT) of EUR 3.7 million (2012/13 Q1: EUR -5.2 million). Operating results by segment were as follows:

- The segment RSP achieved an EBIT of EUR -1.6 million during the reporting period after EUR -7.2 million in the first quarter of the previous year. The installation project in Belarus, which exhibited great progress, made a significant contribution to the results. Overall, however, the expenditures for development and preparatory work for potential tenders as well as expenditures for ongoing tenders attributed to this segment could not be fully covered.
- The segment SEC achieved an EBIT of EUR 5.1 million (2012/13 Q1: EUR 1.9 million). The greatest portion originated from the technical and commercial operation project in Poland, which is now supplying stable earnings contributions. The increased sales of on-board units in the North American market also had a positive effect. For the South African Project in the Gauteng province, the costs for maintaining operational readiness are being reimbursed by the customer, however no ongoing revenues or earnings contributions are being earned from the commercial operation of the project due to the delayed commissioning.
- The segment OTH exhibited an EBIT of EUR 0.1 million (2012/13 Q1: EUR 0.1 million).

The financial result decreased from EUR -0.5 million in the comparison period of the previous year to EUR -5.3 million. The finance income declined due to lower foreign exchange gains, which are to a large extent still unrealized. The finance costs experienced an increase in the as yet unrealized foreign exchange losses. In both cases, the changes can be attributed to exchange rate fluctuations that negatively impacted the conversion of the group-internal financing measures of the subsidiaries in North America and South Africa as at the key date.

Financial position and cash flows.

The balance sheet total on 30 June 2013 of EUR 567.4 million was nearly unchanged from the total at the end of the last fiscal year 31 March 2013 (31 March 2013: EUR 567.2 million). The total equity of EUR 217.1 million was EUR 19.6 million below the comparison value at the end of the fiscal year of EUR 236.7 million. Due to the decreased total equity, the equity ratio of the Kapsch TrafficCom Group declined from 41.7 % on 31 March 2013 to 38.3 % on 30 June 2013.

The most significant changes in assets involved the non-current assets. The other non-current assets increased by EUR 17.0 million, largely due to the non-current share of the receivables from the Belarus installation project. On the other hand, the non-current assets were negatively impacted by the decline of EUR 12.4 million in other non-current financial assets and investments due primarily to the change in the fair value of the investment in Q-Free ASA, Norway. Under current assets, the trade receivables increased by EUR 16.2 million, primarily as a result of the project business.

On the liabilities side of the balance sheet, the largest change occurred in non-current financial liabilities, which increased by EUR 21.0 million due to financing the installation of the nationwide electronic truck toll system in Belarus.

The net cash flow from operating activities amounted to EUR -33.3 million. The operating result was therefore unable to compensate for the increase in current and non-current receivables and assets. The cash flow from investing activities was determined in the first quarter of fiscal year 2013/14 by the setup of the Belarusian company and ongoing replacement investments, leaving the free cash flow negative at EUR -37.2 million. The increase in the current and non-current financial liabilities primarily from project financing compensated for the dividends paid out to minority shareholders of group companies, leading to a positive net cash flow from financing activities of EUR 20.8 million.

Cash and cash equivalents declined from EUR 79.0 million as of 31 March 2013 to EUR 61.1 million as of 30 June 2013. The increase in non-current financial liabilities and the decline in cash and cash equivalents led to an increase in net debt from EUR 40.5 million on 31 March 2013 to EUR 85.3 million on 30 June 2013.

Condensed consolidated interim financial information as of 30 June 2013.^{*)}

Kapsch TrafficCom Group – Consolidated statement of comprehensive income.

All amounts in TEUR	Note	2013/14 Q1	2012/13 Q1 (adjusted)	2013/14 Q1 cum.	2012/13 Q1 cum. (adjusted)
Revenues	(4)	121,384	106,369	121,384	106,369
Other operating income		3,903	2,811	3,903	2,811
Changes in finished and unfinished goods and work in progress		7,014	4,775	7,014	4,775
Cost of materials and other production services		-66,591	-63,130	-66,591	-63,130
Staff costs		-34,824	-32,427	-34,824	-32,427
Amortization of intangible assets and depreciation of property, plant and equipment		-3,955	-3,919	-3,955	-3,919
Other operating expenses		-23,213	-19,729	-23,213	-19,729
Operating result	(4)	3,718	-5,249	3,718	-5,249
Finance income		976	2,785	976	2,785
Finance costs		-6,248	-3,314	-6,248	-3,314
Financial result		-5,272	-529	-5,272	-529
Results from associates and joint ventures		35	0	35	0
Result before income tax		-1,519	-5,779	-1,519	-5,779
Income taxes	(11)	527	1,449	527	1,449
Result for the period		-992	-4,330	-992	-4,330

All amounts in TEUR	Note	2013/14 Q1	2012/13 Q1 (adjusted)	2013/14 Q1 cum.	2012/13 Q1 cum. (adjusted)
Other comprehensive income for the period:					
Items that may be reclassified to the result for the period:					
Currency translation differences		-2,347	-2,133	-2,347	-2,133
Available-for-sale financial assets		-9,986	-2,272	-9,986	-2,272
Income tax relating to items that will be reclassified to the result for the period		-11	-93	-11	-93
Total items that may be reclassified to the result for the period		-12,344	-4,498	-12,344	-4,498
Items that will not be reclassified to the result for the period:					
Actuarial gains/losses according to IAS 19		0	-509	0	-509
Income tax relating to items that will not be reclassified to the result for the period		0	128	0	128
Total items that will not be reclassified to the result for the period		0	-380	0	-380
Other comprehensive income for the period net of tax	(12)	-12,344	-4,879	-12,344	-4,879
Total comprehensive income for the period		-13,336	-9,208	-13,336	-9,208
Result attributable to:					
Equity holders of the company		-2,976	-5,905	-2,976	-5,905
Minority interests		1,985	1,575	1,985	1,575
		-992	-4,330	-992	-4,330
Total comprehensive income attributable to:					
Equity holders of the company		-14,596	-10,357	-14,596	-10,357
Minority interests		1,261	1,149	1,261	1,149
		-13,336	-9,208	-13,336	-9,208
Earnings per share from the result for the period attributable to the equity holders of the company (in EUR)					
		-0.23	-0.45	-0.23	-0.45

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	Note	30 June 2013	31 March 2013 (adjusted)
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	25,265	24,676
Intangible assets	(5)	77,565	79,170
Interests in associates and joint ventures	(5)	1,643	1,694
Other non-current financial assets and investments	(6)	25,693	38,085
Other non-current assets		17,900	942
Deferred tax assets		20,468	19,527
		168,534	164,094
Current assets			
Inventories		63,752	66,428
Trade receivables and other current assets		269,422	253,177
Other current financial assets	(6)	4,575	4,505
Cash and cash equivalents		61,137	79,022
		398,887	403,132
Total assets		567,421	567,227
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	(7)	13,000	13,000
Capital reserve		117,509	117,509
Retained earnings and other reserves		79,483	94,080
		209,992	224,588
Minority interests		7,071	12,115
Total equity		217,063	236,703
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	(8)	125,332	104,372
Liabilities from post-employment benefits to employees	(9)	22,526	22,602
Non-current provisions	(10)	1,357	1,370
Other non-current liabilities		1,543	1,766
Deferred income tax liabilities		11,779	11,752
		162,536	141,861
Current liabilities			
Trade payables		62,997	80,220
Other liabilities and deferred income		70,391	52,520
Current tax payables		1,538	8,031
Current financial liabilities	(8)	25,720	19,658
Current provisions	(10)	27,175	28,233
		187,822	188,663
Total liabilities		350,358	330,524
Total equity and liabilities		567,421	567,227

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

KapschTrafficCom Group – Consolidated statement of changes in equity.

All amounts in TEUR						
	Attributable to equity holders of the company				Minority interests	Total equity
	Share capital	Capital reserve	Other reserves	Consolidated retained earnings		
Carrying amount as of 31 March 2012 (adjusted)	13,000	117,509	12,120	97,416	13,640	253,685
Result for the period				-5,905	1,575	-4,330
Other comprehensive income for the period:						
Currency translation differences			-1,707		-426	-2,133
Fair value gains/losses on available-for-sale financial assets			-2,365		0	-2,365
Actuarial gains/losses according to IAS 19			-380		0	-380
Carrying amount as of 30 June 2012 (adjusted)	13,000	117,509	7,668	91,511	14,789	244,477
Carrying amount as of 31 March 2013 (adjusted)	13,000	117,509	-1,424	95,503	12,115	236,703
Dividend 2012/13				0	-6,305	-6,305
Result for the period				-2,976	1,985	-992
Other comprehensive income for the period:						
Currency translation differences			-1,623		-724	-2,347
Fair value gains/losses on available-for-sale financial assets			-9,997		0	-9,997
Carrying amount as of 30 June 2013	13,000	117,509	-13,044	92,527	7,071	217,063

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	2013/14 Q1	2012/13 Q1 (adjusted)	2013/14 Q1 cum.	2012/13 Q1 cum. (adjusted)
Cash flow from operating activities				
Operating result	3,718	-5,249	3,718	-5,249
Adjustments for non-cash items and other reconciliations:				
Depreciation and amortization	3,955	3,919	3,955	3,919
Increase/decrease in obligations for post-employment benefits	-76	-125	-76	-125
Increase/decrease in other non-current liabilities and provisions	-208	-2	-208	-2
Increase/decrease in other non-current receivables and assets	-13,418	-28	-13,418	-28
Increase/decrease in trade receivables (non-current)	-1,175	360	-1,175	360
Increase/decrease in trade payables (non-current)	-87	-418	-87	-418
Other (net)	-3,913	-1,693	-3,913	-1,693
	-11,205	-3,237	-11,205	-3,237
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	-18,917	90,470	-18,917	90,470
Increase/decrease in inventories	2,676	-4,316	2,676	-4,316
Increase/decrease in trade payables and other current payables	648	-12,644	648	-12,644
Increase/decrease in current provisions	-1,058	6,242	-1,058	6,242
	-16,652	79,753	-16,652	79,753
Cash flow from operations	-27,857	76,515	-27,857	76,515
Interest received	393	354	393	354
Interest payments	-1,600	-1,451	-1,600	-1,451
Net payments of income taxes	-4,208	1,559	-4,208	1,559
Net cash flow from operating activities	-33,271	76,978	-33,271	76,978
Cash flow from investing activities				
Purchase of property, plant and equipment	-3,786	-1,790	-3,786	-1,790
Purchase of intangible assets	-750	-620	-750	-620
Proceeds from the disposal of property, plant and equipment and intangible assets	628	8	628	8
Net cash flow from investing activities	-3,908	-2,402	-3,908	-2,402
Cash flow from financing activities				
Dividends paid to minority shareholders of group companies	-6,305	0	-6,305	0
Increase in non-current financial liabilities	23,876	41	23,876	41
Decrease in non-current financial liabilities	0	-20	0	-20
Increase in current financial liabilities	3,543	111	3,543	111
Decrease in current financial liabilities	-347	-41,894	-347	-41,894
Net cash flow from financing activities	20,768	-41,761	20,768	-41,761
Net increase/decrease in cash and cash equivalents	-16,411	32,814	-16,411	32,814
Change in cash and cash equivalents				
Cash and cash equivalents at beginning of period	79,022	44,929	79,022	44,929
Net increase/decrease in cash and cash equivalents	-16,411	32,814	-16,411	32,814
Exchange gains/losses on cash and cash equivalents	-1,474	-387	-1,474	-387
Cash and cash equivalents at end of period	61,137	77,357	61,137	77,357

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

Kapsch TrafficCom Group – 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, engineering solutions, electronic manufacturing and logistics services are offered to affiliated entities and third parties.

2 Basis of preparation

This condensed interim financial information for the first quarter of the current fiscal year 2013/14 ended 30 June 2013 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 2013.

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 2013, as described in the annual financial statements for the year ended 31 March 2013.

In the condensed interim financial information for the first quarter of the fiscal year 2013/14 the following new or amended IFRSs and IFRICs have been adopted.

New/adopted IFRSs		applicable to financial years beginning on or after
IAS 19R	Employee Benefits	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
Amendment to IFRS 7	Financial Instruments: Disclosures	1 January 2013
Amendment to IAS 1	Presentation of items under other comprehensive income	1 July 2012

Due to the revisions to IAS 19 the previously permissible deferral of actuarial gains and losses according to the corridor method, in which the actuarial gains were permitted to be recognized in profit or loss only if they amounted to 10 % of the higher amount of the defined benefit obligation and the fair value of the plan assets, is no longer possible. Actuarial gains and losses are now fully recognized in other comprehensive income in the statement of comprehensive income. In addition, the group has adopted the new disclosure requirements.

In the course of applying IAS 19R the net interest amount is now disclosed within the financial result and no longer included in staff costs. This is the common disclosure method and facilitates comparability with other financial statements.

The adoption of IAS 19R and the change in disclosure of the interest effect were applied retrospectively according to IAS 8 with effect from 1 April 2012 to provide comparable financial information.

The impacts on the first quarter of the fiscal year 2012/13 are as follows:

Corrections for the items of the total comprehensive income	2012/13 Q1	IAS 19R	2012/13 Q1 (adjusted)
Staff costs	-32,736	309	-32,427
Operating result	-5,558	309	-5,249
Finance costs	-3,040	-274	-3,314
Financial result	-255	-274	-529
Result before income tax	-5,814	35	-5,779
Income taxes	1,458	-9	1,449
Result for the period	-4,356	26	-4,330
Actuarial gains/losses	0	-509	-509
Income tax relating to items that will not be reclassified to the result for the period	-93	128	35
Other comprehensive income for the period net to tax	-4,498	-380	-4,879
Total comprehensive income for the period	-8,854	-354	-9,208
Result attributable to equity holders of the company	-5,931	26	-5,905
Result attributable to minority interests	1,575	0	1,575
	-4,356	26	-4,330
Total comprehensive income attributable to equity holders of the company	-10,003	-354	-10,357
Total comprehensive income attributable to minority interests	1,149	0	1,149
	-8,854	-354	-9,208
Earnings per share from the result for the period attributable to the equity holders of the company (in EUR)	-0.46	0.01	-0.45

Corrections for the items of balance sheet	30 June 2012	IAS 19R	30 June 2012 (adjusted)
Consolidated retained earnings and other reserves	102,095	-2,916	99,179
Total equity	247,393	-2,916	244,477
Liabilities from post-employment benefits to employees	16,759	3,892	20,651
Deferred income tax liabilities	17,393	-976	16,417
Total non-current liabilities	112,452	2,916	115,368
Total equity and liabilities	498,967	0	498,967

Corrections for the items of balance sheet	31 March 2013	IAS 19R	31 March 2013 (adjusted)
Consolidated retained earnings and other reserves	98,058	-3,979	94,080
Total equity	240,682	-3,979	236,703
Liabilities from post-employment benefits to employees	17,289	5,313	22,602
Deferred income tax liabilities	13,086	-1,335	11,752
Total non-current liabilities	137,882	3,979	141,861
Total equity and liabilities	567,227	0	567,227

4 Segment information

2013/14 Q1 All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated group
Revenues	36,508	80,792	4,084	121,384
Operating result	-1,557	5,136	139	3,718

2012/13 Q1 (adjusted) All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated group
Revenues	34,876	67,697	3,796	106,369
Operating result	-7,191	1,862	79	-5,249

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

2013/14 Q1 All amounts in TEUR	Revenue	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	22,669		x
Customer 2	17,670		x
Customer 3	17,256	x	
Customer 4	17,161	x	x

2012/13 Q1 All amounts in TEUR	Revenue	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	20,432	x	x
Customer 2	31,689	x	x
Customer 3	0		
Customer 4	18,567	x	x

5 Capital expenditure

All amounts in TEUR	Tangible and intangible assets
Carrying amount as of 31 March 2013	103,846
Additions	4,536
Disposals	-626
Depreciation, amortization, impairments and other movements	-3,955
Currency translation differences	-971
Carrying amount as of 30 June 2013	102,830
Carrying amount as of 31 March 2012	102,226
Additions	2,410
Disposals	-8
Depreciation, amortization, impairments and other movements	-3,919
Currency translation differences	786
Carrying amount as of 30 June 2012	101,495

6 Current and non-current financial assets

	30 June 2013	31 March 2013	30 June 2012	31 March 2012
Other non-current financial assets and investments	25,693	38,085	48,665	51,229
Other current financial assets	4,575	4,505	8,522	8,213
	30,268	42,590	57,187	59,442

Other non-current financial assets and investments 2013/14 Q1	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	-60	-60
Additions	0	0	0	0
Disposals	0	0	-2,277	-2,277
Change in fair value	-27	-10,029	0	-10,056
Carrying amount as of 30 June 2013	3,657	21,979	57	25,693

Other non-current financial assets and investments 2012/13 Q1	Available-for-sale securities	Available-for-sale investments	Other non-current financial assets	Total
Carrying amount as of 31 March 2012	3,619	40,981	6,629	51,229
Currency translation differences	0	0	-3	-3
Additions	0	0	19	19
Disposals	0	0	0	0
Change in fair value	64	-2,645	0	-2,581
Carrying amount as of 30 June 2012	3,682	38,336	6,646	48,665

Other current financial assets 2013/14 Q1	Available-for-sale securities	Other	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	70	0	70
Carrying amount as of 30 June 2013	4,575	0	4,575

Other current financial assets 2012/13 Q1	Available-for-sale securities	Other	Total
Carrying amount as of 31 March 2012	8,213	0	8,213
Currency translation differences	0	0	0
Additions	0	0	0
Disposals	0	0	0
Change in fair value	309	0	309
Carrying amount as of 30 June 2012	8,522	0	8,522

As of 30 June 2013, available-for-sale securities relate to government and bank bonds as well as shares in investment funds.

As of 30 June 2013, investments classified as available-for-sale mainly relate to a 19.76 % investment in the listed company Q-Free ASA, Trondheim, Norway.

Unrealized gains and losses are recognized in the other comprehensive income of the period (see Note 12).

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 according to IFRS 7.27 A:

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.

Fair value-hierarchies according to IFRS 7.27 A	2013/14 Q1	Level 1 Quoted prices	Level 2 Observable market data	Level 3 Not based on observable market data
Non-current financial assets				
Available-for-sale securities	3,657	2,911	746	0
Available-for-sale investments	21,974	21,974	0	0
	25,631	24,885	746	0
Current financial assets				
Available-for-sale securities	4,575	4,575	0	0
	4,575	4,575	0	0
Total	30,206	29,460	746	0

In the first quarter of fiscal year 2013/14, other non-current financial assets amounting to TEUR 62 are recognized at amortized cost.

Fair value-hierarchies according to IFRS 7.27 A	2012/13 Q1	Level 1 Quoted prices	Level 2 Observable market data	Level 3 Not based on observable market data
Non-current financial assets				
Available-for-sale securities	3,682	2,995	687	0
Available-for-sale investments	38,332	38,332	0	0
	42,014	41,327	687	0
Current financial assets				
Available-for-sale securities	8,522	8,522	0	0
	8,522	8,522	0	0
Total	50,536	49,849	687	0

In the first quarter of fiscal year 2012/13, other non-current financial assets amounting to TEUR 6,650 are recognized at amortized cost.

7 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.

8 Financial liabilities

All amounts in TEUR	30 June 2013	31 March 2013	30 June 2012	31 March 2012
Non-current financial liabilities	125,332	104,372	74,277	74,256
Current financial liabilities	25,720	19,658	11,443	53,249
Total	151,052	124,030	85,720	127,505

Movements in borrowings is analyzed as follows:

All amounts in TEUR	Non-current financial liabilities	Current financial liabilities	Total
Carrying amount as of 31 March 2013	104,372	19,658	124,030
Additions	23,876	3,543	27,419
Repayments of borrowings	0	-347	-347
Reclassification	-2,917	2,917	0
Currency translation differences	0	-50	-50
Carrying amount as of 30 June 2013	125,332	25,720	151,052

All amounts in TEUR	Non-current financial liabilities	Current financial liabilities	Total
Carrying amount as of 31 March 2012	74,256	53,249	127,505
Additions	41	111	152
Repayments of borrowings	-20	-41,894	-41,914
Currency translation differences	0	-23	-23
Carrying amount as of 30 June 2012	74,277	11,443	85,720

9 Liabilities from post-employment benefits to employees

All amounts in TEUR	30 June 2013	31 March 2013 (adjusted)	30 June 2012 (adjusted)	31 March 2012 (adjusted)
Termination benefits	9,175	9,064	8,286	8,220
Pension benefits	13,350	13,537	12,364	11,902
Total	22,526	22,602	20,651	20,122

Termination benefits

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

Pension benefits

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

10 Provisions

All amounts in TEUR	30 June 2013	31 March 2013	30 June 2012	31 March 2012
Non-current provisions	1,357	1,370	1,115	1,098
Current provisions	27,175	28,233	24,773	18,531
Total	28,532	29,603	25,887	19,628

2013/14 Q1 All amounts in TEUR	31 March 2013	Addition	Utilization	Disposal	Currency translation differences	30 June 2013
Obligations from anniversary bonuses	1,182	4	0	-8	0	1,178
Other	188	0	0	0	-10	179
Non-current provisions, total	1,370	4	0	-8	-10	1,357
Warranties	1,910	90	0	-1	-62	1,937
Losses from pending transactions and rework	18,514	0	0	0	-670	17,844
Legal fees, costs of litigation and contract risks	2,524	46	-70	-2	-81	2,417
Other	5,286	618	-712	-77	-139	4,977
Current provisions, total	28,233	755	-782	-80	-951	27,175
Total	29,603	759	-782	-88	-961	28,532

2012/13 Q1 All amounts in TEUR	31 March 2012	Addition	Utilization	Disposal	Currency translation differences	30 June 2012
Obligations from anniversary bonuses	868	9	0	0	0	877
Other	230	0	0	0	8	237
Non-current provisions, total	1,098	9	0	0	8	1,115
Warranties	1,229	8	0	-3	10	1,244
Losses from pending transactions and rework	12,382	0	-103	0	-272	12,007
Legal fees, costs of litigation and contract risks	1,022	0	-26	-61	6	942
Other	3,897	7,853	-1,112	0	-59	10,580
Current provisions, total	18,531	7,861	-1,241	-64	-314	24,773
Total	19,628	7,870	-1,241	-64	-306	25,887

11 Income taxes

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

In the first quarter of 2013/14, the effective tax rate is 35 % (2012/13 Q1: 25 %). For the full year 2013/14, management expects an effective tax rate of approximately 25 %.

12 Other comprehensive income

2013/14 Q1 All amounts in TEUR	Before taxes	Tax expense/ income	After taxes
Fair value gains/losses on available-for-sale financial assets:			
Unrealized gains/losses in the current period	-9,986	-11	-9,997
Actuarial gains/losses according to IAS 19	0	0	0
Currency translation differences	-2,347		-2,347
Fair value changes recognized in equity	-12,333	-11	-12,344

The fair value gains/losses on available-for-sale financial assets not realized amounting to TEUR -10,029 relate to the investment in Q-Free ASA, Norway (2012/13 Q1: TEUR -2,645).

2012/13 Q1 (adjusted) All amounts in TEUR	Before taxes	Tax expense/ income	After taxes
Fair value gains/losses on available-for-sale financial assets:			
Unrealized gains/losses in the current period	-2,272	-93	-2,365
Actuarial gains/losses according to IAS 19	-509	128	-380
Currency translation differences	-2,133		-2,133
Fair value changes recognized in equity	-4,914	35	-4,879

13 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 of contingent liabilities and other commitments are as follows:

All amounts in TEUR	30 June 2013	31 March 2013
Contract, warranty, performance and bid bonds:		
Toll collection system South Africa, Gauteng	89,127	98,202
Toll collection system North America	20,779	21,225
Truck toll collection system Austria	8,500	8,500
Toll collection system Poland	6,836	9,194
City Highway Sydney and Melbourne	2,410	2,775
Truck toll collection system Czech Republic	2,051	2,494
Tender Slovenia	2,000	2,000
Toll collection system Portugal	573	1,820
Other	2,569	2,842
	134,846	149,052
Bank guarantees	2,267	1,780
Sureties	63	64
Total	137,175	150,896

14 Related parties

All amounts in TEUR		Sales to related parties Q1	Sales from related parties Q1	Amounts owed by related parties 30 June	Amounts owed to related parties 30 June (adjusted)
Affiliated companies outside the Kapsch TrafficCom Group	2013/14	3,423	5,834	3,226	8,312
	2012/13	3,120	5,353	4,575	5,994
Others	2013/14	37	304	108	11,450
	2012/13	0	1,142	0	11,460

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

15 Events occurring after 30 June 2013

No mayor events occurred after 30 June 2013.

Vienna, 19 August 2013

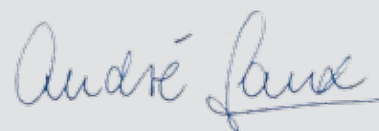
The Managing Board



Georg Kapsch
Chief Executive Officer



Erwin Toplak
Executive board member



André Laux
Executive board member

Kapsch TrafficCom is a provider of intelligent transportation systems (ITS) in the application fields of road user charging, urban access and parking, road safety enforcement, commercial vehicle operations, electronic vehicle registration, traffic management and V2X cooperative systems. Kapsch TrafficCom covers with end-to-end solutions the entire value creation chain of its customers as a one-stop shop, from components and subsystems to their integration and operation. The solutions of Kapsch TrafficCom help to provide funding for infrastructure projects, to increase traffic safety, to optimize traffic flow, and to reduce environmental pollution from traffic. The core business is to design, build and operate electronic toll collection systems for multi-lane free-flow traffic. References in 43 countries on all continents make Kapsch TrafficCom a recognized supplier of electronic toll collection worldwide. As part of the Kapsch Group, a family-owned Austrian technology group founded in 1892, Kapsch TrafficCom, headquartered in Vienna, Austria, has subsidiaries and representative offices in 33 countries, has been listed on the Vienna Stock Exchange (KTCG) since 2007, and generated with more than 3,000 employees revenues of EUR 488.9 million in fiscal year 2012/13.

For additional information: www.kapsch.net and www.kapschtraffic.com

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