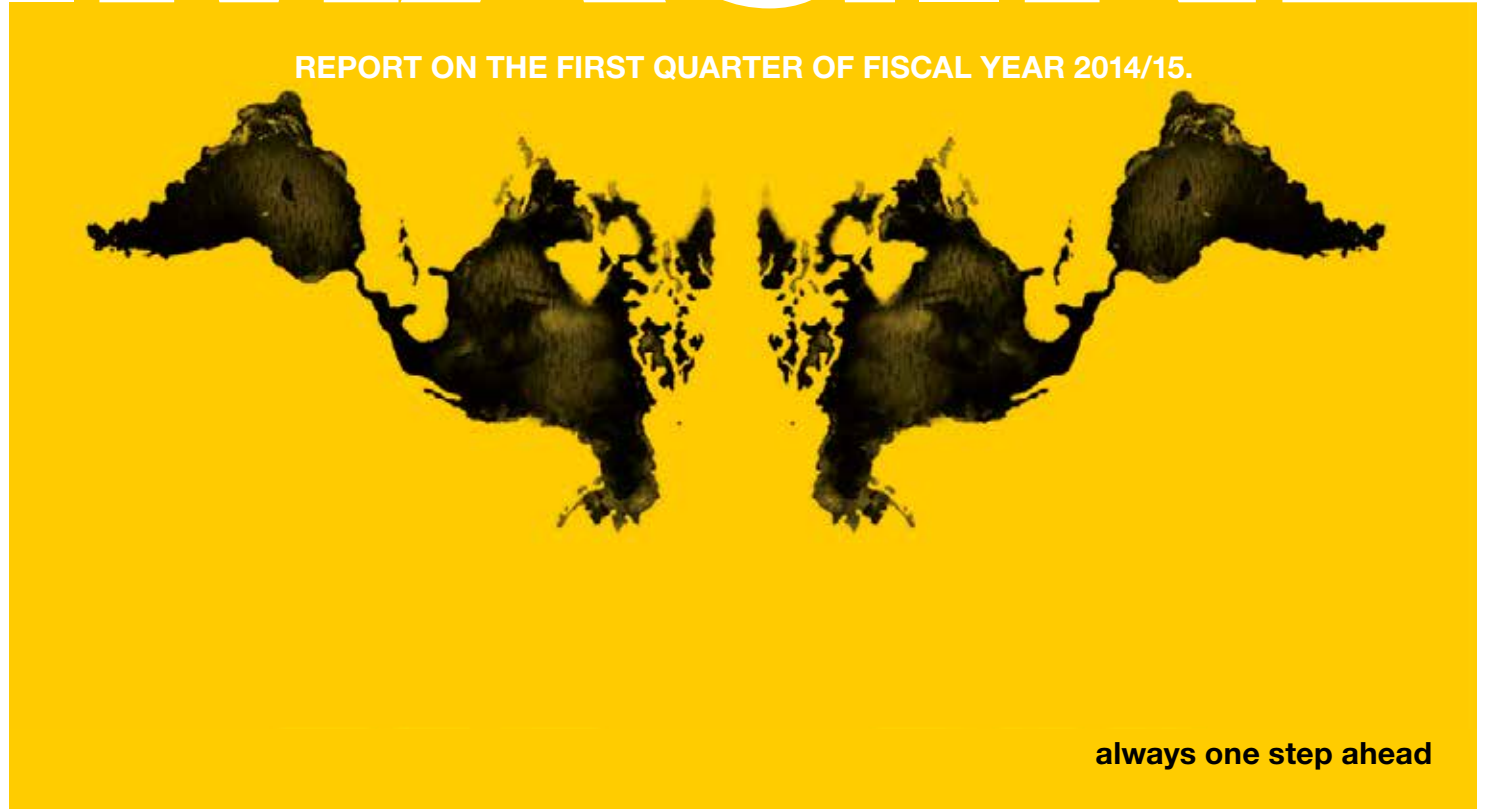


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IMAGINE

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



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Select Key Financial Data.

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

2014/15 Q1 (first quarter of the fiscal year 2014/15): 1 April – 30 June 2014

Earnings Data		2014/15 Q1	2013/14 Q1	+/-	2013/14
Revenues	in million EUR	118.0	121.4	-3 %	487.0
EBITDA	in million EUR	4.8	7.7	-38 %	36.9
EBITDA margin	in %	4.0	6.3		7.6
EBIT	in million EUR	0.6	3.7	-83 %	20.3
EBIT margin	in %	0.5	3.1		4.2
Profit before tax	in million EUR	2.7	-1.5	—	5.5
Profit for the period	in million EUR	0.3	-1.0	—	2.9
Earnings per share ¹	in EUR	-0.06	-0.23	74 %	-0.33
Free cash flow ²	in million EUR	32.4	-37.2	—	-24.7
Capital expenditure ³	in million EUR	1.1	4.5	-76 %	15.7
Employees ⁴		3,336	3,094	8 %	3,308
On-board units delivered	in million EUR	1.57	2.33	-33 %	9.22
Business Segments		2014/15 Q1	2013/14 Q1	+/-	2013/14
Road Solution Projects (RSP)					
Revenues (share in revenues)	in million EUR	24.4 (21 %)	36.5 (30 %)	-33 %	132.0 (27 %)
EBIT (EBIT margin)	in million EUR	-12.4 (-50.9 %)	-1.6 (-4.3 %)	<-500 %	-34.6 (-26.2 %)
Services, System Extensions, Components Sales (SEC)					
Revenues (share in revenues)	in million EUR	87.0 (74 %)	80.8 (67 %)	8 %	331.8 (68 %)
EBIT (EBIT margin)	in million EUR	12.9 (14.9 %)	5.1 (6.4 %)	152 %	53.8 (16.2 %)
Others (OTH)					
Revenues (share in revenues)	in million EUR	6.6 (6 %)	4.1 (3 %)	62 %	23.1 (5 %)
EBIT (EBIT margin)	in million EUR	0.1 (1.5 %)	0.1 (3.4 %)	-30 %	1.1 (4.7 %)
Regions		2014/15 Q1	2013/14 Q1	+/-	2013/14
Austria ⁵	in million EUR	8.8 (7 %)	7.3 (6 %)	20 %	32.9 (7 %)
Europe ⁵	in million EUR	62.4 (53 %)	74.0 (61 %)	-16 %	300.1 (62 %)
Americas ⁵	in million EUR	23.3 (20 %)	15.8 (13 %)	48 %	87.0 (18 %)
Rest of World ⁵	in million EUR	23.5 (20 %)	24.3 (20 %)	-3 %	67.0 (14 %)
Balance Sheet Data		30 June 2014	30 June 2013	+/-	31 March 2014
Total assets	in million EUR	554.2	567.4	-2 %	566.8
Total equity ⁶	in million EUR	205.7	217.1	-5 %	213.1
Equity ratio ⁶	in %	37.1	38.3		37.6
Net debt	in million EUR	-67.2	-85.3	21 %	-93.4
Capital employed	in million EUR	355.4	368.1	-3 %	369.2
Net working capital	in million EUR	179.4	274.8	-35 %	205.4
Stock Exchange Data		2014/15 Q1	2013/14 Q1	+/-	2013/14
Number of shares ⁷	in million EUR	13.0	13.0	0 %	13.0
Free float ⁷	in %	38.1	38.1		38.1
Ø daily trading volume ⁸	in shares	10,741	25,380	-58 %	25,812
Closing price ⁷	in EUR	33.90	36.98	-8 %	39.99
Market capitalization ⁷	in million EUR	440.70	480.74	-8 %	519.87
Share performance	in %	-15.2	-0.11		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 Each Q1 as of 30 June, 2013/14 as of 31 March 2014

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

6 Incl. non-controlling interests

7 Each Q1 as of 30 June, 2013/14 as of 31 March 2014; please find additional information of shares at page 5

8 Average daily trading volume (double counting)

Letter from the Chief Executive Officer.



Georg Kapsch,
Chief Executive Officer

Dear shareholders,

In the first quarter of fiscal year 2014/15, the Kapsch TrafficCom Group achieved good progress in its current installation projects and the revenue and earnings of our operation projects continued to remain largely stable. However, our overall earnings are still well below our expectations. In line with recent market developments, no invitations to tender for major toll projects are in the immediate vicinity, especially in Europe. During the period under report, we therefore began implementing a set of measures intended to adapt our organization to this change by reducing costs.

Projects and markets. Kapsch TrafficCom continued to enjoy positive developments in our projects during the first quarter of 2014/15. In North America, progress was made in installation of the toll system in Texas, the first own system we have integrated in this region. In July, we received a second system order in the U.S.A. for an electronic toll collection system on the New York State Thruway. This is the first system order that

Kapsch TrafficCom has received from a toll agency of the E-ZPass Group, and we therefore believe it represents great potential for the future.

The first expansion stage of the nationwide electronic toll collection system in Belarus has now been in operation for one year. At the beginning of August 2014, it was further increased to 1,189 km. The continued expansion will also lead to another rise in registered vehicles, which currently number 190,000.

The nationwide toll collection system in Poland has now been in operation for three years. With 2,653 kilometers of toll roads and 1.6 million on-board units (OBUs), it is now our largest toll collection system. By the year 2018, it should be expanded to 7,000 km.

Our toll collection system in the South African Gauteng province went into operation at the beginning of December 2013. The payment rate remains very low but the system operation has reached the break-even

point in the meantime. However, the project in its entirety is still negative for Kapsch TrafficCom. We plan to work with the customer to improve the profitability.

The invitation to tender for the toll collection system in Russia has been postponed several times, most recently until 22 September. The realization of the project currently appears uncertain. Nevertheless, we cannot explain the decline in the share price in this context since the future of Kapsch TrafficCom does not depend on this project.

Asset, financial and earnings situation. Against this backdrop, Kapsch TrafficCom Group brought in revenue of EUR 118.0 million during the first quarter of fiscal year 2014/15, which represents a 3% decline compared with the same quarter of the previous year. The operating result (EBIT) fell from EUR 3.7 million to EUR 0.6 million. This weak result reflects the lack of additional installation projects. At the same time, we are investing in continued development and are sustaining high costs from the maintenance of international structures and resources. We will now significantly reduce these structures and resources while taking care not to endanger our project and technology potential. A view of the operation projects in isolation clearly shows positive development by the Kapsch TrafficCom Group.

We are pleased by the change in the profit for the period, which is again positive at EUR 0.3 million. The ongoing repayments from the financing agreement for the project in Belarus also led to a visible improvement in key financial figures. Accordingly, the net working capital and net debt decreased. The free cash flow is again positive at EUR 32.4 million following EUR -37.2 million in the previous year.

Strategy. We continue to expect that the market for intelligent transportation systems (ITS), in which we have established ourselves, will gain momentum. Nevertheless, the figures for the first quarter show that this predicted growth has not yet set in.

Kapsch TrafficCom can report positive results. In order to continue our growth strategy, however, we are targeting a two-digit EBIT margin, and we have long remained far from achieving this goal. We will hold to our strategy, but we believe that now is the time to significantly reduce our costs associated with maintaining complex structures and resources by means of a comprehensive series of measures.

We successfully realized cost savings already in the previous year, and we must now intensify this course.

Our broad ITS portfolio and increasingly global orientation are key pillars of our strategy. The costs that have arisen from this growth will be reduced. We will also consider how many resources we can maintain for potential projects and which investments are actually necessary. We currently invest roughly EUR 40 million per year in our own customer-independent development projects and potential future projects.

At the same time, we feel it is important to develop our strategic path "from the highway into the city", our contribution to the future of smart cities, as well as to address the automotive industry with regard to future solutions.

The toll market is currently developing more slowly than expected. Hardly any major projects are pending despite the fact that these would be required for infrastructure development. We continue to expect that the market structure and composition will change.

From an operational perspective, we will concertedly continue our existing projects and we also expect expansions in existing systems as well as some new projects. We eagerly await the outcome of the invitation to tender in Russia. At the same time, we are actively contacting parties potentially interested in toll collection systems and expect this approach to also bear fruit.

Sincerely,



Georg Kapsch
Chief Executive Officer

Kapsch TrafficCom Shares.

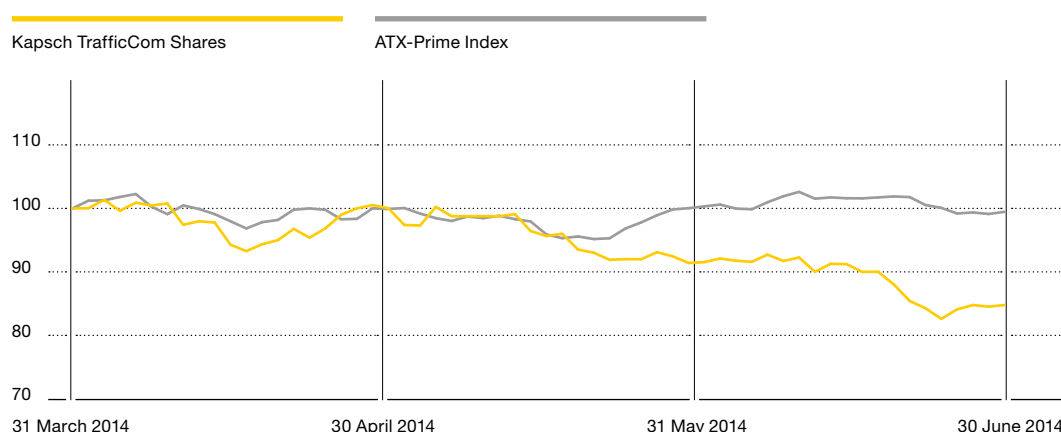
The Kapsch TrafficCom shares are listed on the Vienna Stock Exchange and included in the ATX Prime Index, the Austrian sustainability index VÖNIX and, since May 2013, in the new ATX Global Players index as well.

After the share price experienced high volatility in the previous fiscal year with an upward trend in the second half of the year, it has declined again in the first quarter of the 2014/15 fiscal year. On 30 June 2014, the Kapsch TrafficCom shares closed at EUR 33.90, 15 % below the previous year's final price. With this performance, the shares deviated from broader

market developments; the comparison index ATX Prime lost only 2 % during this quarter, while slight growth of 2 % was seen internationally.

The number of shares remains unchanged at 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 funds by Schrodgers plc, its subsidiaries and affiliated companies. Based on the closing share price of EUR 33.90 on 30 June 2014, the market capitalization of Kapsch TrafficCom was EUR 440.7 million.

Share price development in the first quarter 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

01 September 2014	Ordinary Shareholders' Meeting for Fiscal Year 2013/14
08 September 2014	Deduction of dividends for Fiscal Year 2013/14 (ex-day)
15 September 2014	First day of payment for Fiscal Year 2013/14 dividends
26 November 2014	Interim financial report Fiscal Year 2014/15 Q2
25 February 2015	Interim financial report Fiscal Year 2014/15 Q3
24 June 2015	Results Fiscal Year 2014/15
09 September 2015	Ordinary Shareholders' Meeting for Fiscal Year 2014/15

Analysis

of the Results and Balance Sheet.

Revenue and earnings.

In the first quarter of the current fiscal year 2014/15, the Kapsch TrafficCom Group took in revenue of EUR 118.0 million, which is 2.8% below the comparison value of the previous year (2013/14 Q1: EUR 121.4 million). While revenue in the segment Road Solution Projects (RSP) declined, increasing revenue was seen in the segment Services, System Extensions, Components Sales (SEC).

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

- ▶ The segment Road Solution Projects (RSP) experienced a 33.2% decrease in revenue from EUR 36.5 million in the previous year to EUR 24.4 million in the current fiscal year. The revenue contributions during the quarter under report for the implementation project in Belarus as well as the GNSS (Global Navigation Satellite System) project in France and the M5 South Western Motorway project in Sydney, Australia, were below those of the same quarter in the previous year because these projects are already in the finalization phase. The managed lane system project in Texas, U.S.A., contributed more revenue compared with the same period of the previous year.
- ▶ In the segment Services, System Extensions, Components Sales (SEC), revenues increased by 7.7% from EUR 80.8 million in the previous fiscal year to EUR 87.0 million this year. The increase in revenue is largely due to the fact that the technical and commercial operation project in Belarus went into operation as of the second quarter of the previous year. The technical and commercial operation of the nationwide system in the Czech Republic, the technical operation including maintenance of the nationwide system in Austria as well as the operation project in Poland continued to deliver stable revenue contributions. The operation project in Gauteng, South Africa, also made a positive contribution to revenue.

The number of on-board units sold was 1.57 million units (2013/14 Q1: 2.33 million). The decline resulted primarily from the initial delivery for the nationwide toll project in Belarus, which took place in the same period of the previous year. Lower sales figures were also observed in North America, although this is due only to postponements. Australia, in particular, saw an increase in the quantities sold.

- ▶ In the segment Others (OTH), revenue rose by 61.9% to reach EUR 6.6 million in the first quarter of 2014/15 (2013/14 Q1: EUR 4.1 million). This increase resulted from the production and deliveries for the GSM-R project of Kapsch CarrierCom. The revenue of the company KTC USA Inc. (formerly Transdyn, Inc.) also contributed positively to revenue development in this segment.

Overall, the Kapsch TrafficCom Group achieved an operating result (EBIT) of EUR 0.6 million in the first three months of the current fiscal year (2013/14 Q1: EUR 3.7 million). Operating results by segment were as follows:

- ▶ The segment RSP achieved an EBIT of EUR -12.4 million during the reporting period after EUR -1.6 million in the first quarter 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.
- ▶ The segment SEC achieved an EBIT of EUR 12.9 million (2013/14 Q1: EUR 5.1 million). This can be attributed largely to the start of the operation project in the Gauteng province, South Africa, in December 2013 and the positive earnings contribution of the technical and commercial operation project in Belarus.
- ▶ The segment OTH yielded an earnings contribution of EUR 0.1 million in the quarter under report (2013/14 Q1: EUR 0.1 million).

The financial result improved from EUR -5.3 million in the comparison period of the previous year to EUR 1.9 million. The finance income increased as a result of higher as yet unrealized foreign exchange gains. With respect to the finance costs, there was a decline in the as yet unrealized foreign exchange losses.

Financial position and cash flows.

The balance sheet total on 30 June 2014 of EUR 554.2 million was below the total at the end of the 2013/14 fiscal year (31 March 2014: EUR 566.8 million). The total equity of EUR 205.7 million was EUR 7.4 million below the comparison value of EUR 213.1 million. As a result, the equity ratio of the Kapsch TrafficCom Group declined from 37.6 % on 31 March 2014 to 37.1 % on 30 June 2014.

The most significant changes in assets involved the trade receivables and other current assets. These decreased by EUR 19.4 million due to payments received in the project business, resulting in an increase in cash and cash equivalents amounting to EUR 19.7 million to reach EUR 77.4 million. The other non-current assets also declined by EUR 5.0 million, largely due to the non-current portion of the receivables from the Belorussian installation project.

On the liabilities side of the balance sheet, the largest change occurred in the non-current financial liabilities with a decline of EUR 5.2 million. This is associated with the ongoing repayment of the financing for the installation of the nationwide electronic toll collection system in Belarus.

The net cash flow from operating activities was EUR 33.3 million after EUR -33.3 million in the comparison period of the previous year. This development was most heavily influenced by the decrease in the current and non-current receivables and assets. The cash flow from investment activities was determined in the first quarter by the purchase of physical assets and securities. The free cash flow was positive at EUR 32.4 million. The decrease in the current and non-current financial liabilities primarily due to project financing and the dividends paid out to minority shareholders of group companies led to a negative net cash flow from financing activities of EUR -13.3 million.

The cash and cash equivalents increased from EUR 57.7 million on 31 March 2014 to EUR 77.4 million on 30 June 2014. The decrease in the non-current financial liabilities and the increase in cash and cash equivalents reduced the net debt from EUR 93.4 million on 31 March 2014 to EUR 67.2 million on 30 June 2014.

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

Kapsch TrafficCom Group – Consolidated statement of comprehensive income.

All amounts in TEUR	Notes	2014/15 Q1	2013/14 Q1
Revenues	(4)	117,970	121,384
Other operating income		3,068	3,903
Changes in finished and unfinished goods and work in progress		2,218	7,014
Cost of materials and other production services		-58,593	-66,591
Staff costs		-36,554	-34,824
Amortization of intangible assets and depreciation of property, plant and equipment		-4,108	-3,955
Other operating expenses		-23,357	-23,213
Operating result	(4)	643	3,718
Finance income		3,441	976
Finance costs		-1,535	-6,248
Financial result		1,906	-5,272
Results from associates		137	35
Result before income tax		2,686	-1,519
Income taxes	(12)	-2,404	527
Result for the period		282	-992
Result attributable to:			
Equity holders of the company		-755	-2,976
Non-controlling interests		1,037	1,985
		282	-992
Earnings per share from the result for the period attributable to the equity holders of the company (in EUR)		-0.06	-0.23
Other comprehensive income for the period:			
Items subsequently reclassified to the result for the period:			
Currency translation differences		-263	-2,347
Currency translation differences from net investments in foreign operations		298	0
Available-for-sale financial assets		-889	-9,986
Income tax relating to items subsequently reclassified to the result for the period		-118	-11
Total items subsequently reclassified to the result for the period		-972	-12,344
Items subsequently not reclassified to the result for the period:			
Remeasurements of liabilities from post-employment benefits		0	0
Income tax relating to items subsequently not reclassified to the result for the period		0	0
Total items subsequently not reclassified to the result for the period		0	0
Other comprehensive income for the period net of tax	(13)	-972	-12,344
Total comprehensive income for the period		-691	-13,336
Total comprehensive income attributable to:			
Equity holders of the company		-1,740	-14,596
Non-controlling interests		1,050	1,261
		-691	-13,336

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 June 2014	31 March 2014
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	21,769	23,447
Intangible assets	(5)	88,406	89,567
Interests in associates	(6)	1,806	1,596
Other non-current financial assets and investments	(7)	27,709	28,506
Other non-current assets		66,065	71,113
Deferred tax assets		20,717	22,110
		226,473	236,339
Current assets			
Inventories		54,951	58,108
Trade receivables and other current assets		190,304	209,721
Other current financial assets	(7)	5,050	4,924
Cash and cash equivalents		77,417	57,731
		327,722	330,484
Total assets		554,194	566,823
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	(8)	13,000	13,000
Capital reserve		117,509	117,509
Retained earnings and other reserves		70,551	72,291
		201,060	202,800
Non-controlling interests		4,610	10,310
Total equity		205,670	213,110
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	(9)	104,276	109,494
Liabilities from post-employment benefits to employees	(10)	22,079	22,153
Non-current provisions	(11)	1,322	1,303
Other non-current liabilities		3,217	3,660
Deferred income tax liabilities		10,111	10,778
		141,006	147,387
Current liabilities			
Trade payables		70,909	67,388
Other liabilities and deferred income		62,000	62,810
Current tax payables		756	1,191
Current financial liabilities	(9)	45,407	46,560
Current provisions	(11)	28,445	28,378
		207,519	206,326
Total liabilities		348,525	353,713
Total equity and liabilities		554,194	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				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
Carrying amount as of 31 March 2014	13,000	117,509	-13,713	86,004	10,310	213,110
Dividend for 2013/14				0	-6,750	-6,750
Result for the period				-755	1,037	282
Other comprehensive income for the period:						
Currency translation differences			-52		13	-39
Fair value gains/losses on available-for-sale financial assets			-933		0	-933
Carrying amount as of 30 June 2014	13,000	117,509	-14,698	85,249	4,610	205,670

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 Q1	2013/14 Q1
Cash flow from operating activities		
Operating result	643	3,718
Adjustments for non-cash items and other reconciliations:		
Depreciation and amortization	4,108	3,955
Increase/decrease in obligations for post-employment benefits	-73	-76
Increase/decrease in other non-current liabilities and provisions	-160	-208
Increase/decrease in other non-current receivables and assets	-1,578	-13,418
Increase/decrease in trade receivables (non-current)	8,248	-1,175
Increase/decrease in trade payables (non-current)	-328	-87
Other (net)	49	-3,913
	10,910	-11,205
Changes in net current assets:		
Increase/decrease in trade receivables and other assets	19,745	-18,917
Increase/decrease in inventories	3,157	2,676
Increase/decrease in trade payables and other current payables	1,700	648
Increase/decrease in current provisions	67	-1,058
	24,670	-16,652
Cash flow from operations	35,580	-27,857
Interest received	445	393
Interest payments	-1,207	-1,600
Net payments of income taxes	-1,473	-4,208
Net cash flow from operating activities	33,345	-33,271
Cash flow from investing activities		
Purchase of property, plant and equipment	-1,011	-3,786
Purchase of intangible assets	-57	-750
Purchase of securities and investments	-208	0
Proceeds from the disposal of property, plant and equipment and intangible assets	131	628
Net cash flow from investing activities	-1,144	-3,908
Cash flow from financing activities		
Dividends paid to minority shareholders of group companies	-6,750	-6,305
Increase in non-current financial liabilities	45	23,876
Decrease in non-current financial liabilities	-5,263	0
Increase in current financial liabilities	1,299	3,543
Decrease in current financial liabilities	-2,600	-347
Net cash flow from financing activities	-13,269	20,768
Net increase/decrease in cash and cash equivalents	18,932	-16,411
Change in cash and cash equivalents		
Cash and cash equivalents at beginning of period	57,731	79,022
Net increase/decrease in cash and cash equivalents	18,932	-16,411
Exchange gains/losses on cash and cash equivalents	307	-1,474
Cash and cash equivalents at end of period	77,417	61,137

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 business of KTC USA Inc. (former Transdyn, Inc.) that is not relevant to the ITS business are 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 quarter of the current fiscal year 2014/15 ended 30 June 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 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 quarter of the current fiscal year 2014/15 the following new or amended IFRS and IFRIC have been adopted.

New/adopted 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

4 Segment information.

2014/15 Q1	Road Solution	Services, System Extensions, Components Sales	Others	Consolidated group
All amounts in TEUR	Projects			
Revenues	24,371	86,988	6,611	117,970
Operating result	-12,394	12,939	98	643

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

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.

All amounts in TEUR	2014/15 Q1			2013/14 Q1		
	Revenues	Road Solution Projects	Services, System Extensions, Components Sales	Revenues	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	19,426		x	22,669		x
Customer 2	14,665		x	17,670		x
Customer 3	14,568	x	x	17,256	x	
Customer 4	9,538	x	x	17,161	x	x

5 Capital expenditure.

All amounts in TEUR	30 June 2014	30 June 2013
Carrying amount as of 31 March of prior year	113,014	103,846
Additions	1,067	4,536
Disposals	-129	-626
Depreciation, amortization, impairments and other movements	-4,108	-3,955
Currency translation differences	331	-971
Carrying amount as of 30 June of fiscal year	110,175	102,830

6 Interests in associates.

All amounts in TEUR	30 June 2014	30 June 2013
Carrying amount as of 31 March of prior year	1,596	1,694
Currency translation differences	73	-87
Additions from foundations and acquisitions	0	0
Disposals	0	0
Share in result	137	35
Carrying amount as of 30 June of fiscal year	1,806	1,643

On 31 July 2012 the group acquired 33 % of the shares in SIMEX, Integración de Sistemas, S.A.P.I. de C.V., 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.

7 Current and non-current financial assets.

	30 June 2014	31 March 2014	30 June 2013	31 March 2013
Other non-current financial assets and investments	27,709	28,506	25,693	38,085
Other current financial assets	5,050	4,924	4,575	4,505
	32,759	33,430	30,268	42,590

Other non-current financial assets and investments 2014/15 Q1	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	10	10
Additions	0	208	0	208
Disposals	0	0	0	0
Change in fair value	49	-1,064	0	-1,015
Carrying amount as of 30 June 2014	3,704	22,902	1,103	27,709

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 current financial assets 2014/15 Q1	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	126	0	126
Carrying amount as of 30 June 2014	5,050	0	5,050

Other current financial assets 2013/14 Q1	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	70	0	70
Carrying amount as of 30 June 2013	4,575	0	4,575

As of 30 June 2014, available-for-sale securities relate to government and bank bonds as well as shares in investment funds. As of 30 June 2014, investments classified as available-for-sale mainly relate to a 19.70 % investment in the listed company Q-Free ASA, Trondheim, Norway.

Unrealized gains and losses are recognized in other comprehensive income of the period (see note 13).

Other non-current financial assets relate to a loan from SIMEX, Integración de Sistemas, S.A.P.I. de C.V., Mexico, to the group in the first quarter of fiscal year 2014/15 (2013/14 Q1: TEUR 0). In the first quarter 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 Q1
Non-current financial assets				
Available-for-sale securities	2,958	746	0	3,704
Available-for-sale investments	22,897	0	0	22,897
	25,855	746	0	26,601
Current financial assets				
Available-for-sale securities	5,050	0	0	5,050
	5,050	0	0	5,050
Total	30,905	746	0	31,651

As of 30 June 2014, other non-current financial assets amounting to TEUR 1,108 are recognized at amortized cost.

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

As of 30 June 2013, other non-current financial assets amounting to TEUR 62 are recognized at amortized cost.

8 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.

9 Financial liabilities.

All amounts in TEUR	30 June 2014	31 March 2014	30 June 2013	31 March 2013
Non-current financial liabilities	104,276	109,494	125,332	104,372
Current financial liabilities	45,407	46,560	25,720	19,658
Total	149,683	156,054	151,052	124,030

Movements in borrowings are analyzed as follows:

All amounts in TEUR	Non-current financial liabilities	Current financial liabilities	Total
Carrying amount as of 31 March 2014	109,494	46,560	156,054
Additions	45	1,299	1,344
Repayments of borrowings	-5,263	-2,600	-7,863
Reclassification	0	0	0
Currency translation differences	0	149	149
Carrying amount as of 30 June 2014	104,276	45,407	149,683

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

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

	30 June 2014	30 June 2013
Carrying amount	149,683	151,052
Fair value	155,703	154,211
Gross cash flows:		
Up to 1 year	47,037	27,449
Between 1 and 3 years	31,536	38,891
Between 3 and 5 years	74,346	88,880
	152,919	155,220

The classification of financial liabilities is as follows:

	Level 1: Quoted prices	Level 2: Observable market data	Level 3: Not based on observable market data	2014/15 Q1
Corporate bond	79,388	0	0	79,388
Other financial liabilities	0	76,315	0	76,315
Total	79,388	76,315	0	155,703

	Level 1: Quoted prices	Level 2: Observable market data	Level 3: Not based on observable market data	2013/14 Q1
Corporate bond	77,700	0	0	77,700
Other financial liabilities	0	76,511	0	76,511
Total	77,700	76,511	0	154,211

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.

10 Liabilities from post-employment benefits to employees.

All amounts in TEUR	30 June 2014	31 March 2014	30 June 2013	31 March 2013
Termination benefits	8,742	8,790	9,175	9,064
Pension benefits	13,337	13,363	13,350	13,537
Total	22,079	22,153	22,526	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.

11 Provisions.

All amounts in TEUR	30 June 2014	31 March 2014	30 June 2013	31 March 2013
Non-current provisions	1,322	1,303	1,357	1,370
Current provisions	28,445	28,378	27,175	28,233
Total	29,767	29,680	28,532	29,603

2014/15 Q1						Currency translation differences	30 June 2014
All amounts in TEUR	31 March 2014	Addition	Utilization	Disposal			
Obligations from anniversary bonuses	1,120	19	0	-7	0		1,132
Other	183	10	0	0	-2		190
Non-current provisions, total	1,303	29	0	-7	-2		1,322
Warranties	1,637	6	-29	0	-8		1,606
Losses from pending transactions and rework	16,201	0	0	0	59		16,260
Legal fees, costs of litigation and contract risks	4,071	17	-50	0	14		4,051
Other	6,468	924	-883	-2	21		6,528
Current provisions, total	28,378	946	-961	-2	85		28,445
Total	29,680	975	-961	-10	83		29,767

2013/14 Q1						Currency translation differences	30 June 2013
All amounts in TEUR	31 March 2013	Addition	Utilization	Disposal			
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

12 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.

13 Other comprehensive income.

2014/15 Q1		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	-889	-44	-933
Currency translation differences	-263		-263
Currency translation differences from net investments in foreign operations	298	-74	223
Fair value changes recognized in equity	-854	-118	-972

The fair value gains/losses not realized amounting to TEUR -1,064 relate to the investment in Q-Free ASA, Norway (2013/14 Q1: TEUR -10,029).

2013/14 Q1		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	-9,986	-11	-9,997
Currency translation differences	-2,347		-2,347
Fair value changes recognized in equity	-12,333	-11	-12,344

14 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 June 2014	31 March 2014
Contract, warranty, performance and bid bonds		
Toll collection system South Africa, Gauteng	79,573	79,161
Toll collection system North America	59,599	62,284
Truck toll collection system Austria	8,500	8,500
Toll collection system Poland	7,111	7,115
City Highway Sydney and Melbourne	6,521	6,439
Truck toll collection system Czech Republic	1,689	1,448
Toll collection system Portugal	573	573
Other	1,871	2,009
	165,438	167,530
Bank guarantees	1,522	1,774
Sureties	62	62
Total	167,021	169,365

15 Related parties.

The following transactions were performed with related parties:

All amounts in TEUR	2014/15 Q1	2013/14 Q1
Affiliated companies outside the Kapsch TrafficCom Group		
Revenues	5,045	3,423
Expenses	6,389	5,834
Other related parties		
Revenues	0	37
Expenses	239	304
All amounts in TEUR		
30 June 2014		
30 June 2013		
Affiliated companies outside the Kapsch TrafficCom Group		
Trade receivables and other current assets	5,381	3,226
Trade payables and other liabilities	12,054	8,312
Other related parties		
Trade receivables and other current assets	127	108
Trade payables and other liabilities	11,794	11,450

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

16 Events occurring after 30 June 2014.

No material events have occurred after balance sheet date.

Vienna, 20 August 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 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 design to the installation and operation of systems. The solutions of Kapsch TrafficCom help to finance infrastructure, 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 44 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 3,300 employees revenues of EUR 487.0 million in fiscal year 2013/14. For additional information: www.kapsch.net and www.kapschtraffic.com