

EANS-Adhoc: Kapsch TrafficCom AG / Kapsch strengthens the position despite a mediocre 2013/14 fiscal year

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Financial Figures/Balance Sheet/Company Information

Kapsch strengthens the position despite a mediocre 2013/14 fiscal year

- Market growth absent in the toll collection area - revenue comparable to previous year
- Toll systems in South Africa and Belarus successfully put into operation
- Significant improvement in operating results - EBIT increased by 23 %
- Profit for the period down by 83 % - no dividend planned
- Position for the future strengthened by stable revenue base and adapted strategy

1 April-31 March	2012/13	+/-	2013/14
Revenues (in million EUR)	488.9	0 %	487.0
EBIT (in million EUR)	16.5	+23 %	20.3
Profit for the period (in million EUR)	16.8	-83 %	2.9

Vienna, 11 June, 2014 - Kapsch TrafficCom AG (ISIN AT000KAPSCH9), listed on the Vienna Stock Exchange in the prime market segment, reports a mediocre 2013/14 fiscal year in which the forecast growth in the area of electronic toll collection did not materialize. The reporting period was characterized by postponements and cancellations of expected projects; in addition, Kapsch TrafficCom suffered a negative one-time effect in connection with the project in South Africa. Nevertheless, the group successfully continued its strategic development and finds itself in a more solid position than one year ago and well prepared for the future.

One key milestone was the commissioning of the electronic toll collection system in the South African province of Gauteng, which was delayed for more than one-and-a-half years and has up to now been the main cause of the mediocre company results. In Belarus, Kapsch TrafficCom put the first sections of the national electronic toll collection system according to plan into operation, a system that will be continuously expanded in the coming years. Additional system starts as well as new orders were achieved by Kapsch TrafficCom in the U.S.A., in Australia, Chile, Russia, Kazakhstan and Europe.

The result was a significant further expansion in the enduring revenue mainstays of the global on-board unit business and ongoing system operation. Furthermore, Kapsch TrafficCom was able to expand on its competence beyond the area of toll collection systems in the market for intelligent transportation systems (ITS), and strengthen its position with the acquisition of the major ITS provider Transdyn in the U.S.A.

Subtitle: Revenue and earnings

The revenue in the 2013/14 fiscal year was EUR 487.0 million, which is in line with the previous year's level of EUR 488.9 million. As in the previous year, major installation projects - other than the Belorussian project - were absent, and the most recently commissioned systems in South Africa and Belarus are not yet reflected to their full extent in the revenue and earnings for the reporting period.

The investments that were made for the predicted market growth were downsized as far as possible in the reporting period, while at the same time existing structures were adapted for new operation projects as well as resources and know-how were maintained for future large projects. In the third quarter, Kapsch TrafficCom was once again forced to record a negative one-time effect in connection with the project in South Africa in the amount of EUR 8.5 million. The operating result nevertheless improved significantly in the 2013/14 fiscal year due to progress in and expansions of installation projects. At EUR 20.3 million, the EBIT is 22.9 % above the previous year's value of EUR 16.5 million.

The EBIT margin of 4.2 % reflects this improvement, even if it remains far below the medium-term goal of a two-digit margin.

The financial result recorded an enormous decline, due primarily to largely unrealized currency losses - above all in the South Africa rand. The profit before tax decreased as a result to EUR 5.5 million, and the profit for the period fell from EUR 16.8 million in the previous year to EUR 2.9 million in the reporting period.

The executive board will propose to the annual shareholders' meeting on 1 September 2014 that no dividend be paid out for the 2013/14 fiscal year in order to avoid limiting options for further growth.

Subtitle: Outlook

Kapsch TrafficCom has invested in the future during recent years and prepared its internal structures for the predicted market growth. The company is also ready for the changes to arise from increasing ITS convergence. With the adapted strategy, the executive board considers the company's position for the future to be stronger than ever. Details concerning the developments on the market and within the Kapsch TrafficCom Group will be published in the 2013/14 annual report.

Concerted work will continue on existing projects in the 2014/15 fiscal year. The major project in Belarus will be expanded further, and Kapsch TrafficCom also expects expansions to the operation project in Poland. Now that the toll system in South Africa has been in operation since December 2013, the company plans to work with its customer to further improve the revenue from the project. The result of the invitation to tender for the nationwide toll collection system in Russia is expected soon.

Kapsch TrafficCom also expects that some of the postponed projects as well as others will materialize in the current fiscal year. In parallel to this, the company continues to actively contact potentially interested parties for toll systems, an approach that has already proved successful in Belarus.

Subtitle: Notification

An overview of the fiscal year 2013/14 (key aspects and figures) can be found at http://www.kapsch.net/ktc/investor_relations/presentations_information/download/Overview/KTC_IR_Overview_FY13-14?lang=en-US. The entire annual financial statements and the annual report for 2013/14 will be published on 25 June 2014.

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