

**Report on the first half of  
fiscal year 2011/12 (FY12-H1).**

# Kapsch TrafficCom Group – Key Figures.

**FY12-H1 (first half of fiscal year 2011/12): 1 April – 30 September 2011**

**FY12-Q2 (second quarter of fiscal year 2011/12): 1 July – 30 September 2011**

All figures presented in million EUR unless otherwise stated

Earnings Data	FY12-H1	FY11-H1	+/-	FY12-Q2	FY11-Q2	+/-	FY11
Revenues	278.8	146.5	90 %	144.1	80.3	80 %	388.6
EBITDA	48.8	24.0	104 %	22.3	16.6	34 %	62.5
EBITDA margin (in %)	17.5	16.4		15.5	20.6		16.1
EBIT	40.1	18.2	120 %	17.9	13.4	33 %	48.9
EBIT margin (in %)	14.4	12.5		12.4	16.7		12.6
Profit before tax	31.4	18.9	66 %	12.3	13.1	-6 %	41.3
Profit for the period	22.4	14.6	53 %	8.5	10.1	-16 %	28.4
Earnings per share <sup>1</sup>	1.36	0.92	49 %	0.46	0.69	-33 %	1.81
Free cash flow <sup>2</sup>	-45.2	-21.2	113 %	-36.2	-24.4	48 %	-19.9
Capital expenditure <sup>3</sup>	5.8	2.6	126 %	2.6	-0.4	<-500 %	8.3
Employees <sup>4</sup>	2,584	1,541	68 %	2,584	1,541	68 %	2,167
On-board units (in million units)	5.72	1.50	281 %	2.94	0.75	294 %	5.20

Business Segments	FY12-H1	FY11-H1	+/-	FY12-Q2	FY11-Q2	+/-	FY11
Road Solution Projects (RSP):							
Revenues (% of Revenues)	122.9 (44 %)	52.8 (36 %)	133 %	68.1 (47 %)	29.4 (37 %)	132 %	158.9 (41 %)
EBIT (EBIT margin)	7.5 (6.1 %)	0.8 (1.5 %)	>500 %	4.0 (5.9 %)	3.4 (11.6 %)	17 %	0.1 (0.1 %)
Services, System Extensions, Components Sales (SEC):							
Revenues (% of Revenues)	153.2 (55 %)	90.3 (62 %)	70 %	74.7 (52 %)	49.3 (61 %)	52 %	223.3 (57 %)
EBIT (EBIT margin)	32.4 (21.2 %)	17.3 (19.1 %)	88 %	13.9 (18.6 %)	9.9 (20.1 %)	40 %	48.3 (21.6 %)
Others (OTH):							
Revenues (% of Revenues)	2.7 (1 %)	3.5 (2 %)	-23 %	1.2 (1 %)	1.6 (2 %)	-22 %	6.4 (2 %)
EBIT (EBIT margin)	0.2 (7.0 %)	0.2 (6.0 %)	-10 %	0.0 (-0.7 %)	0.1 (4.6 %)	-112 %	0.4 (6.7 %)

Revenues by regions (percentage of Revenues)	FY12-H1	FY11-H1	+/-	FY12-Q2	FY11-Q2	+/-	FY11
Austria	12.6 (5 %)	16.0 (11 %)	-21 %	6.2 (4 %)	8.2 (10 %)	-24 %	37.5 (10 %)
Europe (excl. Austria)	155.5 (56 %)	74.1 (51 %)	110 %	86.5 (60 %)	35.1 (44 %)	146 %	182.0 (47 %)
Americas	35.8 (13 %)	3.4 (2 %)	>500 %	15.7 (11 %)	1.5 (2 %)	>500 %	27.6 (7 %)
Rest of World	74.9 (27 %)	53.1 (36 %)	41 %	35.6 (25 %)	35.4 (44 %)	0 %	141.5 (36 %)

Balance Sheet Data	30 Sept. 2011	30 Sept. 2010	+/-	31 March 2011
Total assets	514.4	318.2	62 %	450.1
Total equity <sup>5</sup>	236.8	175.3	35 %	191.5
Equity ratio <sup>5</sup> (in %)	46.0	55.1		42.5
Net assets (+)/net debt (-)	-67.0	5.0	<-500 %	-47.2
Capital employed	354.2	197.0	80 %	288.7
Net working capital	246.4	130.8	88 %	175.9

Stock Exchange Data <sup>6</sup>	FY12-Q2	FY12-Q1	+/-	FY12-Q2	FY12-Q1	+/-
Number of shares <sup>6</sup> (in million)	13.0	12.2	7 %	Closing price <sup>6</sup> (in EUR)	49.64	61.79 -20 %
Free float <sup>6</sup> (in %)	35.8	31.6		Market capitalization <sup>6</sup>	645.26	753.80 -14 %
Ø trading volume <sup>7</sup> (in shares)	31,055	13,089	137 %	Share performance (in %)	-19.67	-1.14

1 earnings per share of FY12-H1 relate to a weighted average number of 12.5 million shares, in FY11 relate to 12.2 million outstanding shares; EPS calculated from the profit 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)

3 capital expenditure from operations (excl. payments for acquisition of companies and purchases of securities and investments)

4 as of end of period

5 incl. minority interests

6 in million EUR; FY12-Q2 as of 30 September 2011, FY12-Q1 as of 30 June 2011; for additional information on the share see page 5

7 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 CEO.



Georg Kapsch, Chief Executive Officer

## Dear shareholders,

As detailed in this interim management report, we at the Kapsch TrafficCom Group have been able to continue our growth in the first half of the fiscal year 2011/12. Revenues and profit have both increased again significantly. These accomplishments are due in large part to considerable progress in our major ongoing projects, particularly in Poland and South Africa. This progress is also of strategic importance to us since the risk always associated with such projects, especially in the area of system installation, has been significantly reduced in recent months. At the same time, the developments in the second quarter of our fiscal year offer insight into the future of Kapsch TrafficCom. We were able to win important contracts, such as from the E-Z Pass® Group in the U.S.A. and another one in Portugal. Decisions regarding other projects, such as in Russia and Slovenia, will be announced soon. We recently reached a basic agreement with Asfinag Mautservice GmbH regarding the extension of the operation and maintenance contract for the nationwide electronic truck toll collection system in Austria. The contract is due to expire at the end of 2013 but should now be extended to the end of 2018. We are especially pleased by this, also because it provides long-term security for a considerable share of the revenue of our segment Services, System Extensions, Components Sales (SEC).

With an eye toward existing and future projects, we carried out a capital increase at the end of July in which we successfully placed 800,000 new shares. The proceeds have strengthened our capital base and will support our further growth.

In the first half of the fiscal year 2011/12, the Kapsch TrafficCom Group achieved revenues of EUR 278.8 million, almost twice the already outstanding result of the same period in the previous year. We also achieved a disproportionate EBIT increase from EUR 18.2 million to EUR 40.1 million, bringing the EBIT margin to 14.4%, or roughly 2 percentage points above that of the same period in the previous year. The progress accomplished in the project business of the segment Road Solution Projects (RSP) also contributed significantly to this growth, as did the enormous expansion of the recurring business in the segment Services, System Extensions, Components Sales (SEC). For example, the volume of delivered on-board units (OBUs) in the first half of the year rose to 5.7 million units. This not only exceeded our expectations but also the previous year's total annual volume of 5.2 million units.

In our major project in Poland for implementation and operation of a nationwide electronic toll collection system, we completed major milestones during the second quarter of the current fiscal year: after only eight months of installation time, the system went into operation on 3 July 2011. We were also able to finish the entire road-side infrastructure at the end of September, and we are nearing the final acceptance process.

In South Africa, we were able in the second quarter to continue the project for implementation and operation of an electronic toll collection system for multi-lane free-flow traffic in the Gauteng province following definitive clarification of the legal framework by the customer. We reached the pre-operations phase in mid-November, and the official system start is currently planned for February 2012.

In the U.S.A., we achieved a great success in July that will help further the desired market expansion and thereby the continued growth of the Kapsch TrafficCom Group. Kapsch TrafficCom IVHS was selected by the E-Z Pass® Group, a consortium of 24 toll authorities in 14 U.S. states, as the supplier for the new ten-year technology and service contract. We are currently in the process of finalizing the contract with the 24 agencies. Our talks regarding a possible cooperation with the Federal Signal Corporation, another large provider in the U.S.A., were not continued.

At the end of July, Kapsch TrafficCom was selected in Portugal for the installation, technical operation and maintenance of an electronic toll collection system for multi-lane free-flow traffic on over 100 km of road. The realization began in October and should be completed in stages by October 2013. The first toll stations already went into operation on 1 November 2011.

Additional projects and decisions regarding potential orders are already in the works. In Russia, the decision for awarding of the long-term contract for maintenance and refurbishment along the M4 Don Highway as well as for installation and operation of a toll collection system for which we qualified as part of a joint venture should be made in December 2011. Our offer for a nationwide electronic truck toll collection system in Slovenia is largely finished and should be submitted before the end of the year. Invitations to tender are also under consideration or already in preparation for nationwide toll collection systems in Hungary and Denmark.

The second half of the fiscal year 2011/12 will therefore be marked by the completion of major projects as well as preparations for and decisions on new projects.

I would also like to take this opportunity to express my delight that on 22 August 2011 the Annual General Meeting of Kapsch TrafficCom AG elected Sabine Kauper to our Supervisory Board. Not only is Ms. Kauper a top-notch financial expert, we are also pleased to have another woman join the board. In view of the current discussions surrounding the need for diversity on supervisory boards, we see ourselves as "always one step ahead" in this regard as well.

Sincerely,



Georg Kapsch  
Chief Executive Officer

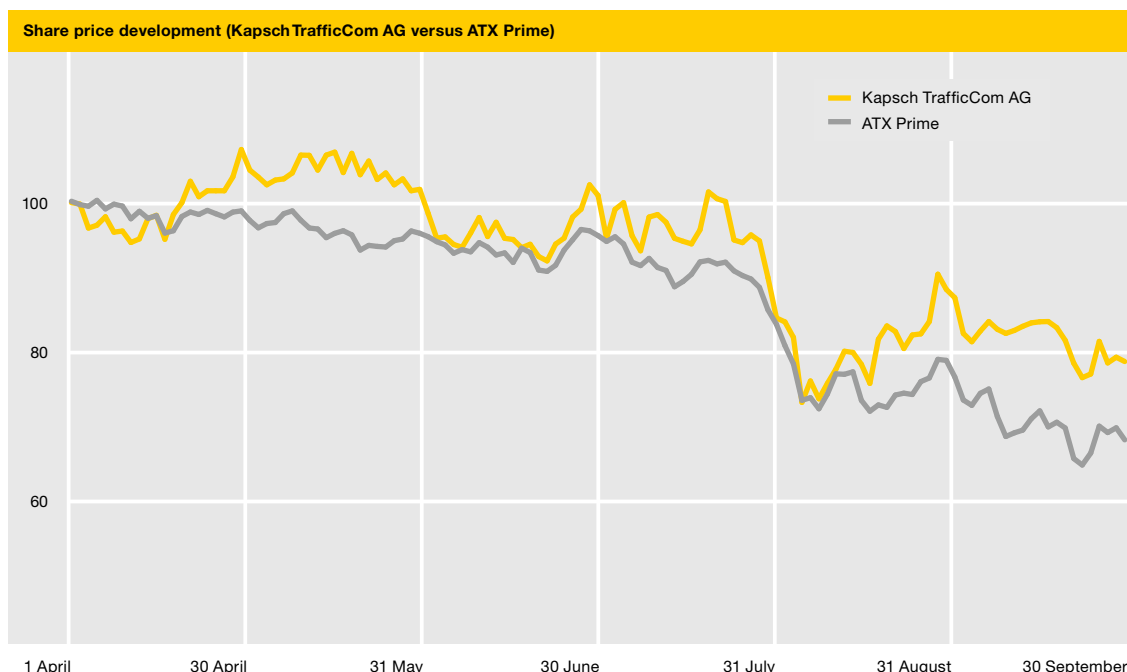
# The Kapsch TrafficCom Share.

The price developments of the Kapsch TrafficCom shares exhibited a very high level of volatility in the first half of the fiscal year 2011/12, reflecting the current environment on the international stock markets. Starting from a closing price of EUR 62.50 on 31 March 2011, the share price initially rose to EUR 67.47. Similar to the development of the relevant comparison indexes, the share price took a downward turn, closing on 30 September 2011 at EUR 49.64, or 21 % below the previous year's final price. The ATX Prime index lost 31 % in value during the same period.

On 22 August 2011, the Annual General Meeting of Kapsch TrafficCom AG passed a dividend of EUR 1.00 per share for the fiscal year 2010/11. Sabine Kauper was also elected as member of the Supervisory Board. She follows Morton Llewlyen, whose appointment came to an end with the close of the Annual General Meeting.

On 27 July 2011, Kapsch TrafficCom carried out a capital increase in which 800,000 new shares were successfully placed with institutional investors. This increased the number of shares from 12.2 to 13 million. The free float (including the shares of Erwin Toplak, COO) rose to roughly 35.8 %, of which about 5 % was held by Capital Research and Management Company as of 30 September 2011. KAPSCH-Group Beteiligungs GmbH holds roughly 64.2 % of the shares. Based on the closing price of the shares of EUR 49.64, Kapsch TrafficCom had a market capitalization of EUR 645.3 million on 30 September 2011.

## Share price development in the first half of the fiscal year 2011/12 (Kapsch TrafficCom and ATX Prime)



Closing price of the Kapsch TrafficCom share and closing value of the ATX Prime on 31 March 2011, each indexed to 100.

Information on the share		Financial calendar	
Investor Relations Officer	Marcus Handl	29 February 2012	Interim report for FY12-Q3
Shareholders' Telephone	+43 (0)50811 1120	22 June 2012	Results of FY12
E-Mail	ir.kapschtraffic@kapsch.net	24 August 2012	Annual General Meeting for FY12
Website	www.kapschtraffic.com	31 August 2012	Deduction of dividends for FY12 (ex-day)
Stock Exchange	Vienna, Prime Market	7 September 2012	First day of payment for FY12 dividends
ISIN / Trading Symbol	AT000KAPSCH9 / KTCG		
Reuters / Bloomberg	KTCG.VI / KTCG AV		

# Interim management report.

## Economic background for the Group.

Global traffic volumes are constantly growing, with India, Australia, New Zealand, South Africa, China and many Latin American countries showing the fastest growth. With its electronic and manual toll collection systems and other intelligent transportation systems (ITS) solutions, Kapsch TrafficCom has already established a presence in all of these high-growth markets. Kapsch TrafficCom closely monitors developments in the requirements in these regions on an ongoing basis, so that it is in a position to supply technical solutions tailored to the specific needs of the market at any time.

Influenced by the debt crisis of certain Southern European countries, Kapsch TrafficCom and its customers continue to face a challenging market environment. The management believes that investments in infrastructure will be undertaken even in light of the current economic climate and that toll collection systems can form the basis for financing such measures. Around the world, a number of major projects involving the introduction or modernization of nationwide toll collection systems are in the preparation or bidding phases.

## Financial performance indicators.

### Revenue and earnings.

The revenues of Kapsch TrafficCom Group were EUR 278.8 million in the first half of the current fiscal year 2011/12 (FY12-H1), up by 90.3% from EUR 146.5 million in the same period of the previous fiscal year (FY11-H1). This positive trend was attributable to both major segments: Road Solution Projects (RSP) more than doubled its revenues, and the segment of Services, System Extensions, Components Sales (SEC) recorded a significant increase.

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

- The segment RSP (Road Solution Projects) recorded revenues of EUR 122.9 million after EUR 52.8 million in the same period of the previous fiscal year, an increase of 132.7%. The main driver for this positive development was the ongoing implementation of the nationwide toll collection system in Poland. Moreover, the South African Gauteng project, the implementation of the automatic fare collection system for the public transport of the city of Johannesburg and the realization of the Australian Airport Link project contributed increased revenues. In contrast to the previous year's period, no major extensions to the nationwide truck toll collection system in the Czech Republic were contracted or realized.
- In the segment SEC (Services, System Extensions and Components Sales), revenues increased by 69.8% from EUR 90.3 million in the first half of the previous fiscal year to EUR 153.2 million this year. The most important factors for this development were the revenues from the mobilization phase for the electronic toll collection system in the South African Gauteng project and the associated deliveries of on-board units (OBUs) as well as the revenues of the Canadian and American IVHS subsidiaries. The ongoing operations of the nationwide truck toll collection system in the Czech Republic and the deliveries to Portugal also exhibited increased revenues.

The number of on-board units delivered reached an all-time high of 5.7 million units (FY11-H1: 1.5 million units), attributable to the deliveries for the South African Gauteng project, the equipment of the nationwide toll collection system in Poland and the Mark IV IVHS subsidiaries acquired in November 2010.

- The segment Others (OTH) recorded revenues of EUR 2.7 million (FY11-H1: EUR 3.5 million), a decrease of 22.6%. Due to the Group-internal demand, external manufacturing orders were accepted on a selective basis.

In the first half of the current fiscal year, Kapsch TrafficCom Group reported an operating result (EBIT) of EUR 40.1 million (FY11-H1: EUR 18.2 million). This result was impacted negatively by not yet realized exchange rate effects. Operating results by segment in the first half of the year were as follows:

- The segment RSP recorded an EBIT of EUR 7.5 million after EUR 0.8 million in the same period of the previous fiscal year. This represents an EBIT margin of 6.1%. This enormous improvement can primarily be attributed to the nationwide truck toll collection system in Poland.
- The EBIT for the segment SEC was EUR 32.4 million (FY11-H1: EUR 17.3 million), corresponding to an EBIT margin of 21.2%, which is 2.1% higher than the previous year (FY11-H1: 19.1%). This improvement mainly resulted from OBU sales by the IVHS subsidiaries.
- The segment OTH showed an unchanged positive EBIT of EUR 0.2 million (FY11-H1: EUR 0.2 million). The EBIT of this segment is still marginal.

Kapsch TrafficCom recorded a financial result of EUR -8.7 million in the period under consideration (FY11-H1: EUR 0.7 million). Finance income increased slightly due to exchange rate gains. Finance costs rose as a result of exchange rate losses, which largely remained unrealized, basically determined by the financing of the projects in Poland and South Africa and the acquisitions in the North American region. Increased interest expenses in connection with the corporate bond issued last year and the financing of the nationwide truck toll collection project in Poland were other reasons for the higher finance costs. Due to these developments, the profit before taxes and subsequently also the profit for the period as well as the earnings per share exhibited lower growth rates than the operating result (EBIT).

## **Financial position and cash flows.**

Total assets increased as a consequence of the ongoing project business to EUR 514.4 million as of 30 September 2011 (31 March 2011: EUR 450.1 million). Total equity reached EUR 236.8 million, EUR 45.3 million above the previous year's figure of EUR 191.5 (31 March 2011), mainly due to the capital increase at the end of July in which 800,000 new shares were offered and placed with institutional investors. On this basis, the equity ratio of the Kapsch TrafficCom Group increased to 46.0% as at 30 September 2011 (31 March 2011: 42.5%) despite an increase in total assets and the high project-related net working capital.

The most significant changes in assets were due to the increase in inventories relating to the nationwide electronic toll collection system in Poland. The increase of EUR 10.4 million compared with the 31 March 2011 value brought the total to EUR 59.9 million. The higher trade receivables (30 September 2011: EUR 245.2 million; 31 March 2011: EUR 190.9 million) resulted predominantly from receivables in the project in Poland and the South African Gauteng project.

On the liabilities side, non-current and current liabilities increased. Deferred income tax liabilities increased due to the accrued sales from the project business. The current liabilities were mainly influenced by the current financial liabilities increasing from EUR 23.1 million to EUR 43.1 million due to utilization of the credit line for the project in Poland. Trade payables recorded a decrease of EUR 5.7 million, and other liabilities and deferred income declined by EUR 5.3 million.

Net cash flow from operating activities declined to EUR -39.4 million in the first half of the current fiscal year, compared to EUR -18.7 million in the same period of the previous fiscal year. Mainly the rise in trade receivables and other current assets as well as the increase in inventories and a decrease in trade payables and other current payables were responsible for this development, also leading to a further increase of the net working capital. This could not be compensated by the significantly improved operating result. The net cash flow from investing activities was determined by the expansion of production facilities, modernization of office premises and acquisition of securities. The free cash flow declined to EUR -45.2 million after EUR -21.2 million in the same period of the previous fiscal year. The capital increase at the end of July and the drawdown of a short-term credit for the project in Poland positively affected the net cash flow from financing activities, while the payment of dividends lowered the result.

Cash and cash equivalents nearly stayed unchanged at EUR 42.2 million as of 30 September 2011, compared to EUR 42.0 million on 31 March 2011. The increase in short-term financial liabilities led to higher net debts, which increased from EUR 47.2 million as of 31 March 2011 to EUR 67.0 million as of 30 September 2011.

## Details of major transactions with related parties.

No major transactions with related parties having a considerable impact on the financial position or the operative result took place during the first half of the current fiscal year. Details of transactions with related parties are discussed under note 13 to the condensed consolidated interim report as of 30 September 2011.

## Acquisitions and legal changes.

On 1 April 2011, Kapsch Telematic Services FLLC, Minsk, Belarus was founded.

On 17 May 2011, Kapsch TrafficCom Group acquired a share in the newly founded limited liability company "United Toll Systems", Moscow, Russia.

On 27 July 2011, Kapsch TrafficCom AG successfully completed the placement of 800,000 new shares from authorized capital. The issue price was determined at EUR 61.25 per share, resulting in gross proceeds of EUR 49.0 million to Kapsch TrafficCom AG. This transaction increased the free float to 35.8 %.

## Risk reporting.

As an international group, Kapsch TrafficCom is exposed to general and industry-specific risks such as high volatility of revenues from project business as well as risks from project realization. A risk management system has been established at the headquarters in order to identify any such risks at early stages.

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



## Outlook on the second half of the current fiscal year.

The second half of the fiscal year 2011/12 will be shaped by the completion of existing projects – particularly in Poland and South Africa – as well as by potential new projects. In Russia, Kapsch TrafficCom is expecting a decision on a possible award in December 2011, while additional invitations to tender are also in preparation or expected soon in other countries.

## Events occurring after 30 September 2011.

On 3 October and 8 November 2011, Kapsch TrafficCom Group increased its investment in Q-Free ASA, Norway, and now has a share of just over 20%.

Vienna, 23 November 2011

The Management Board



Georg Kapsch  
Chief Executive Officer



Erwin Toplak  
Chief Operating Officer



André Laux  
Executive Board Member

# Statement of all Members of the Management Board.

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

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

Vienna, 23 November 2011

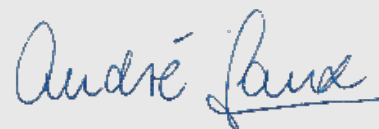
Management Board



Georg Kapsch  
Chief Executive Officer



Erwin Toplak  
Chief Operating Officer



André Laux  
Executive Board member

# Condensed consolidated interim financial information as of 30 Sept. 2011. \*)

## Kapsch TrafficCom Group – Consolidated statement of comprehensive income.

All amounts in TEUR	Note	FY12-Q2	FY11-Q2	FY12-H1	FY11-H1
<b>Revenue</b>	(4)	<b>144,066</b>	<b>80,258</b>	<b>278,808</b>	<b>146,543</b>
Other operating income		4,855	1,173	6,697	2,058
Changes in finished and unfinished goods and work in progress		8,736	-960	9,228	1,238
Cost of materials and other production services		-80,099	-32,306	-141,298	-63,494
Staff costs		-27,367	-18,633	-56,904	-37,079
Amortization of intangible assets and depreciation of property, plant and equipment		-4,395	-3,165	-8,673	-5,716
Other operating expenses		-27,915	-12,965	-47,735	-25,301
<b>Operating result</b>	(4)	<b>17,881</b>	<b>13,401</b>	<b>40,122</b>	<b>18,249</b>
Finance income		2,331	717	3,975	3,341
Finance costs		-7,838	-1,003	-12,639	-2,650
<b>Financial result</b>		<b>-5,507</b>	<b>-286</b>	<b>-8,663</b>	<b>691</b>
Result from associates		-33	0	-33	0
<b>Profit before income taxes</b>		<b>12,341</b>	<b>13,115</b>	<b>31,426</b>	<b>18,940</b>
Income taxes	(10)	-3,844	-3,001	-9,031	-4,343
<b>Profit for the period</b>		<b>8,497</b>	<b>10,114</b>	<b>22,396</b>	<b>14,597</b>
<b>Other comprehensive income for the period</b>					
Gains/losses recognized directly in equity:					
Available-for-sale financial assets		-788	-813	-1,808	-3,355
Currency translation differences		-3,065	1,418	-3,514	1,943
Income tax relating to components of other comprehensive income		35	-2	-65	-164
<b>Other comprehensive income for the period net of tax</b>	(11)	<b>-3,818</b>	<b>603</b>	<b>-5,387</b>	<b>-1,577</b>
<b>Total comprehensive income for the period</b>		<b>4,679</b>	<b>10,717</b>	<b>17,009</b>	<b>13,021</b>
<b>Profit attributable to:</b>					
Equity holders of the company		5,901	8,447	17,002	11,168
Minority interests		2,596	1,666	5,393	3,429
		<b>8,497</b>	<b>10,114</b>	<b>22,396</b>	<b>14,597</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the company		3,022	8,780	12,658	9,296
Minority interests		1,657	1,937	4,350	3,725
		<b>4,679</b>	<b>10,717</b>	<b>17,009</b>	<b>13,021</b>
<b>Earnings per share from the profit for the period attributable to the equity holders of the Company (in EUR)</b>		<b>0.46</b>	<b>0.69</b>	<b>1.36</b>	<b>0.92</b>

Earnings per share of fiscal year 2011/12-H1 relate to a weighted average number of 12.5 million shares, in fiscal year 2010/11 relate to 12.2 million outstanding 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 September 2011	31 March 2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(5)	19,828	19,404
Intangible assets	(5)	85,272	88,687
Other non-current financial assets and investments		33,581	34,490
Other non-current assets		4,834	9,018
Deferred tax assets		15,365	8,110
		<b>158,881</b>	<b>159,709</b>
<b>Current assets</b>			
Inventories		59,931	49,485
Trade receivables and other current assets		245,178	190,885
Other current financial assets		8,132	8,037
Cash and cash equivalents		42,233	42,001
		<b>355,474</b>	<b>290,407</b>
<b>Total assets</b>		<b>514,355</b>	<b>450,116</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Share capital	(6)	13,000	12,200
Capital reserve		117,509	70,077
Retained earnings and other reserves		93,815	94,066
		<b>224,323</b>	<b>176,343</b>
Minority interests		12,479	15,171
<b>Total equity</b>		<b>236,803</b>	<b>191,513</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current financial liabilities	(7)	74,248	74,112
Liabilities from post-employment benefits to employees	(8)	16,205	16,315
Non-current provisions	(9)	656	686
Other non-current liabilities		10,388	10,423
Deferred income tax liabilities		24,928	15,876
		<b>126,424</b>	<b>117,412</b>
<b>Current liabilities</b>			
Trade payables		66,865	72,531
Other liabilities and deferred income		31,559	36,881
Current tax payables		5,852	3,973
Current financial liabilities	(7)	43,139	23,083
Current provisions	(9)	3,713	4,722
		<b>151,127</b>	<b>141,191</b>
<b>Total liabilities</b>		<b>277,552</b>	<b>258,603</b>
<b>Total equity and liabilities</b>		<b>514,355</b>	<b>450,116</b>

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

## Kapsch TrafficCom 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	Consolidated retained earnings and other reserves		
<b>Carrying amount as of 31 March 2010</b>	<b>12,200</b>	<b>70,077</b>	<b>80,937</b>	<b>5,035</b>	<b>168,249</b>
Dividend for 2009/10			-9,150	-3,206	-12,356
Total comprehensive income			9,296	3,725	13,021
Effects from business combinations and the acquisition of minority interests			2,376	4,011	6,387
<b>Carrying amount as of 30 Sept. 2010</b>	<b>12,200</b>	<b>70,077</b>	<b>83,458</b>	<b>9,565</b>	<b>175,301</b>
<b>Carrying amount as of 31 March 2011</b>	<b>12,200</b>	<b>70,077</b>	<b>94,066</b>	<b>15,171</b>	<b>191,513</b>
Proceed from shares issued	800	47,432			48,232
Dividend for 2010/11			-13,000	-7,041	-20,041
Total comprehensive income			12,658	4,350	17,009
Contributions from shareholders			91	0	91
<b>Carrying amount as of 30 Sept. 2011</b>	<b>13,000</b>	<b>117,509</b>	<b>93,815</b>	<b>12,479</b>	<b>236,803</b>

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

## Kapsch TrafficCom Group – Consolidated cash flow statement.

All amounts in TEUR	FY12-Q2	FY11-Q2	FY12-H1	FY11-H1
<b>Cash flow from operating activities</b>				
Operating result	17,881	13,401	40,122	18,249
Adjustments for non-cash items and other reconciliations:				
Depreciation and amortization	4,395	3,165	8,673	5,716
Increase/decrease in obligations for post-employment benefits	-54	-41	-110	-75
Increase/decrease in other non-current liabilities and provisions	10	-9	26	-18
Increase/decrease in other non-current receivables and assets	46	0	685	0
Increase/decrease in trade receivables (non-current)	243	368	-851	1,937
Increase/decrease in trade payables (non-current)	1,591	-2,047	4,888	-3,237
Other (net)	-6,219	-1,051	-8,028	19
	<b>17,892</b>	<b>13,787</b>	<b>45,405</b>	<b>22,591</b>
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	-21,492	-32,174	-52,271	-38,239
Increase/decrease in inventories	-4,974	6,759	-10,446	129
Increase/decrease in trade payables and other current payables	-19,675	-7,158	-10,989	2,067
Increase/decrease in current provisions	323	-855	-1,009	-1,403
	<b>-45,818</b>	<b>-33,428</b>	<b>-74,715</b>	<b>-37,446</b>
<b>Cash flow from operations</b>	<b>-27,925</b>	<b>-19,641</b>	<b>-29,310</b>	<b>-14,856</b>
Interest received	264	222	398	408
Interest payments	-1,473	-543	-3,089	-960
Net payments of income taxes	-4,482	-4,802	-7,377	-3,281
<b>Net cash flow from operating activities</b>	<b>-33,616</b>	<b>-24,764</b>	<b>-39,378</b>	<b>-18,689</b>
<b>Cash flow from investing activities</b>				
Purchases of property, plant and equipment	-2,387	-1,274	-4,911	-2,402
Purchases of intangible assets	-169	1,631	-882	-155
Purchases of securities and investments	-1,682	0	-1,682	0
Payments for acquisition of companies (net of cash acquired)	0	0	0	-1,262
Payments for acquisition of shares in companies consolidated at equity	0	0	-33	0
Proceeds from the disposal of shares in subsidiaries	0	11	0	36
Proceeds from disposal of property, plant and equipment and intangible assets	205	20	284	31
<b>Net cash flow from investing activities</b>	<b>-4,033</b>	<b>389</b>	<b>-7,224</b>	<b>-3,753</b>
<b>Cash flow from financing activities</b>				
Proceeds from shares issued and contribution from shareholder	48,232	0	48,322	0
Dividends paid to company shareholders	-13,000	-9,150	-13,000	-9,150
Dividends paid to minority shareholders of group companies	-7,041	-54	-7,041	-604
Increase in non-current financial liabilities	79	0	135	266
Decrease in non-current financial liabilities	0	-72	0	-72
Increase in current financial liabilities	-12,639	2,493	23,220	2,538
Decrease in current financial liabilities	-2,758	-20	-3,079	-381
<b>Net cash flow from financing activities</b>	<b>12,872</b>	<b>-6,803</b>	<b>48,558</b>	<b>-7,402</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-24,776</b>	<b>-31,178</b>	<b>1,956</b>	<b>-29,844</b>
<b>Change in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of period	68,379	49,624	42,001	47,743
Net increase/decrease in cash and cash equivalents	-24,776	-31,178	1,956	-29,844
Currency translation differences on cash and cash equivalents	-1,370	794	-1,724	1,341
<b>Cash and cash equivalents at end of period</b>	<b>42,233</b>	<b>19,240</b>	<b>42,233</b>	<b>19,240</b>

The notes on the following pages form an integral part of this condensed 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 (RSP) relates to the installation of ITS solutions.

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

The segment Others (OTH) relates to the non-core business activities conducted by the subsidiary 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 half of the current fiscal year 2011/12 ended 30 September 2011 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 2011.

## 3. Accounting policies.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2011, as described in the annual financial statements for the year ended 31 March 2011.

In this condensed interim financial information for the first half of the current fiscal year 2011/12 no new IFRSs and IFRICs have been adopted.

#### 4. Segment information.

FY12-H1 All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated Group
Revenue	122,896	153,239	2,673	278,808
Operating result	7,506	32,429	187	40,122

FY11-H1 All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated Group
Revenue	52,817	90,272	3,454	146,543
Operating result	791	17,251	207	18,249

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.

FY12-H1 All amounts in TEUR	Revenue	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	92,904	x	
Customer 2	43,724	x	x
Customer 3	42,343	x	x
Customer 4	26,853		x

FY11-H1 All amounts in TEUR	Revenue	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	0		
Customer 2	57,864	x	x
Customer 3	27,944	x	x
Customer 4	0		

#### 5. Capital expenditure.

FY12-H1 All amounts in TEUR	Tangible and intangible assets
<b>Carrying amount as of 31 March 2011</b>	<b>108,092</b>
Additions	5,793
Disposals	-233
Depreciation, amortization, impairments and other movements	-8,673
Currency translation differences	122
<b>Carrying amount as of 30 September 2011</b>	<b>105,100</b>

FY11-H1 All amounts in TEUR	Tangible and intangible assets
<b>Carrying amount as of 31 March 2010</b>	<b>44,352</b>
Additions	3,878
Disposals	-19
Addition resulting from company acquisition	9,617
Depreciation, amortization, impairments and other movements	-5,770
Currency translation differences	101
<b>Carrying amount as of 30 September 2010</b>	<b>52,158</b>



## 6. Share capital.

After placement of 800,000 new shares on 27 July 2011, the registered share capital of the company amounts to EUR 13,000,000. The placement price has been determined at EUR 61.25 per share, resulting in gross proceeds of EUR 49.0 million to Kapsch TrafficCom Group. The total number of ordinary shares issued is 13,000,000. The shares are ordinary bearer shares and have no par value.

## 7. Financial liabilities.

All amounts in TEUR	30 Sept. 2011	31 March 2011	30 Sept. 2010	31 March 2010
Non-current	74,248	74,112	10,254	10,060
Current	43,139	23,083	11,455	9,237
<b>Total</b>	<b>117,387</b>	<b>97,195</b>	<b>21,710</b>	<b>19,297</b>

Movements in borrowings is analysed as follows:

FY12-H1 All amounts in TEUR	Non-current	Current	Total
<b>Carrying amount as of 31 March 2011</b>	<b>74,112</b>	<b>23,083</b>	<b>97,195</b>
Additions	135	23,220	23,355
Repayments of borrowings	0	-3,079	-3,079
Currency translation differences	0	-85	-85
<b>Carrying amount as of 30 September 2011</b>	<b>74,248</b>	<b>43,139</b>	<b>117,387</b>

The addition in current financial assets mainly relates to the tolling project in Poland.

FY11-H1 All amounts in TEUR	Non-current	Current	Total
<b>Carrying amount as of 31 March 2010</b>	<b>10,060</b>	<b>9,237</b>	<b>19,297</b>
Additions	266	2,538	2,804
Repayments of borrowings	-72	-381	-453
Currency translation differences	0	62	62
<b>Carrying amount as of 30 September 2010</b>	<b>10,254</b>	<b>11,455</b>	<b>21,710</b>

## 8. Liabilities from post-employment benefits to employees.

All amounts in TEUR	30 Sept. 2011	31 March 2011	30 Sept. 2010	31 March 2010
Termination benefits	5,944	5,912	5,575	5,561
Pension benefits	10,261	10,403	8,666	8,755
<b>Total</b>	<b>16,205</b>	<b>16,315</b>	<b>14,241</b>	<b>14,316</b>

### 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 recognised at the balance sheet date relate to retirees only. All pension agreements are based on past service cost and are, except for the pension plans of KTC IVHS, not covered by external plan assets (funds). In addition, contributions are paid to an external pension fund for employees of the Group.

## 9. Provisions.

All amounts in TEUR	30 Sept. 2011	31 March 2011	30 Sept. 2010	31 March 2010
Non-current	656	686	564	583
Current	3,713	4,722	5,442	6,845
<b>Total</b>	<b>4,368</b>	<b>5,408</b>	<b>6,006</b>	<b>7,428</b>

FY12-H1 All amounts in TEUR	31 March 2011	Utilization/ disposal	Addition	Currency translation differences	30 Sept. 2011
Obligations from anniversary bonuses	605	-18	10	0	597
Other	81	-21	0	-2	58
<b>Non-current provisions, total</b>	<b>686</b>	<b>-39</b>	<b>10</b>	<b>-2</b>	<b>656</b>
Warranties	1,480	-17	0	-44	1,418
Legal fees, costs of litigation and contract risks	1,442	-901	0	2	543
Other	1,800	-952	878	26	1,751
<b>Current provisions, total</b>	<b>4,722</b>	<b>-1,870</b>	<b>878</b>	<b>-16</b>	<b>3,713</b>
<b>Total</b>	<b>5,408</b>	<b>-1,909</b>	<b>887</b>	<b>-18</b>	<b>4,368</b>

FY11-H1 All amounts in TEUR	31 March 2010	Utilization/ disposal	Addition	Currency translation differences	30 Sept. 2010
Obligations from anniversary bonuses	583	-20	1	0	564
<b>Non-current provisions, total</b>	<b>583</b>	<b>-20</b>	<b>1</b>	<b>0</b>	<b>564</b>
Warranties	2,361	-147	16	121	2,351
Losses from pending transactions and rework	710	-686	0	0	24
Legal fees, costs of litigation and contract risks	891	-24	0	25	892
Other	2,883	-1,206	472	25	2,174
<b>Current provisions, total</b>	<b>6,845</b>	<b>-2,062</b>	<b>488</b>	<b>171</b>	<b>5,442</b>
<b>Total</b>	<b>7,428</b>	<b>-2,082</b>	<b>489</b>	<b>171</b>	<b>6,006</b>

## 10. 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 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 half of FY12 the tax rate is 29 % (first half of FY11: 23 %). For the full year FY12, management expects an effective tax rate of approximately 25 %.

## 11. Other comprehensive income.

FY12-H1 All amounts in TEUR	Before tax	Tax expense/income	After tax
Fair value gains/losses relating to available-for-sale financial assets:			
Fair value gains/losses not realized in the current period	-1,808	-65	-1,873
Currency translation differences	-3,514		-3,514
<b>Fair value gains/losses recognized in equity</b>	<b>-5,322</b>	<b>-65</b>	<b>-5,387</b>

The fair value gains/losses not realized amounting to TEUR -2,067 relate to the investment in Q-Free ASA, Norway (FY11-H1: TEUR -4,013).

FY11-H1 All amounts in TEUR	Before tax	Tax expense/income	After tax
Fair value gains/losses relating to available-for-sale financial assets:			
Fair value gains/losses not realized in the current period	-3,355	-164	-3,520
Currency translation differences	1,943		1,943
<b>Fair value gains/losses recognized in equity</b>	<b>-1,412</b>	<b>-164</b>	<b>-1,577</b>

## 12. 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 und bid bonds and sureties.

Details for contingent liabilities and other commitments are as follows:

All amounts in TEUR	30 Sept. 2011	31 March 2011
<b>Contract, warranty, performance and bid bonds</b>		
City Highway Sydney and Melbourne	2,679	2,306
Truck tolling system Austria	12,500	12,500
Truck tolling system Czech Republic	5,476	9,414
Tolling projects in South Africa: Gauteng, Marian Hill, Huguenot	106,807	120,208
Tolling project Poland	46,602	24,656
Other	951	967
	<b>175,015</b>	<b>170,051</b>
<b>Bank guarantees</b>	<b>1,964</b>	<b>1,975</b>
<b>Sureties</b>	<b>523</b>	<b>544</b>
<b>Total</b>	<b>177,501</b>	<b>172,570</b>

### 13. Related parties.

All amounts in TEUR		Sales to related parties H1	Sales from related parties H1	Amounts owed by related parties 30 September	Amounts owed to related parties 30 September
Affiliated companies outside the Kapsch TrafficCom Group	FY12	1,084	12,124	3,003	4,516
	FY11	744	7,450	4,009	1,156
Others	FY12	0	2,131	0	9,204
	FY11	0	1,623	0	11,848

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

### 14. Events occurring after 30 September 2011.

On 3 October and 8 November 2011, Kapsch TrafficCom Group increased its investment in Q-Free ASA, Norway, and now has a share of just over 20%.

Vienna, 23 November 2011


Management Board



Georg Kapsch  
Chief Executive Officer



Erwin Toplak  
Chief Operating Officer



André Laux  
Executive Board member

**Kapsch TrafficCom** is an international supplier of superior intelligent transportation systems (ITS) and primarily supplies electronic toll collection systems. With its end-to-end solution portfolio, Kapsch TrafficCom covers the entire value creation chain of its customers, from products and systems to integration and operations as a one-stop shop. It also offers solutions for urban traffic management as well as for traffic safety and security. Add-on applications to these solutions, such as traffic data collection, complement the offering. With references in 41 countries on all 5 continents, Kapsch TrafficCom has positioned itself among the internationally recognized suppliers of intelligent transportation systems. Kapsch TrafficCom AG is headquartered in Vienna, Austria, and has subsidiaries and representative offices in 25 countries.

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