

Report on the **first quarter of
fiscal year 2011/12 (FY12-Q1).**

Kapsch TrafficCom Group – Key Figures.

FY12 (fiscal year 2011/12): 1 April 2011 – 31 March 2012; FY12-Q1 (first quarter of fiscal year 2011/12): 1 April 2011 – 30 June 2011

Earnings Data		FY12-Q1	FY11-Q1	+/- %	FY11
Revenues	in million EUR	134.7	66.3	103 %	388.6
EBITDA	in million EUR	26.5	7.4	258 %	62.5
EBITDA margin	in %	19.7	11.2		16.1
EBIT	in million EUR	22.2	4.8	359 %	48.9
EBIT margin	in %	16.5	7.3		12.6
Profit before tax	in million EUR	19.1	5.8	228 %	41.3
Profit for the period	in million EUR	13.9	4.5	210 %	28.4
Earnings per share ¹	in EUR	0.91	0.22	308 %	1.81
Free cash flow ²	in million EUR	-9.0	3.2	-385 %	-19.9
Capital expenditure ³	in million EUR	3.2	2.9	11 %	8.3
Employees ⁴		2,428	1,469	65 %	2,167
On-board units delivered	in million units	2.77	0.75	269 %	5.20

Business Segments		FY12-Q1	FY11-Q1	+/- %	FY11
Road Solution Projects (RSP)					
Revenues (percentage of Revenues)	in million EUR	54.8 (41 %)	23.4 (35 %)	134 %	158.9 (41 %)
EBIT (EBIT margin)	in million EUR	3.5 (6.4 %)	-2.6 (-11.2 %)	-234 %	0.1 (0.1 %)
Services, System Extensions, Components Sales (SEC)					
Revenues (percentage of Revenues)	in million EUR	78.5 (58 %)	41.0 (62 %)	92 %	223.3 (57 %)
EBIT (EBIT margin)	in million EUR	18.5 (23.6 %)	7.3 (17.9 %)	152 %	48.3 (21.6 %)
Others (OTH)					
Revenues (percentage of Revenues)	in million EUR	1.4 (1 %)	1.9 (3 %)	-23 %	6.4 (2 %)
EBIT (EBIT margin)	in million EUR	0.2 (13.7 %)	0.1 (7.2 %)	46 %	0.4 (6.7 %)

Region		FY12-Q1	FY11-Q1	+/- %	FY11
Austria – Revenues (percentage of Revenues)	in million EUR	6.4 (5 %)	7.8 (12 %)	-18 %	37.5 (10 %)
Europe (excl. Austria) – Revenues (percentage of Revenues)	in million EUR	69.0 (51 %)	39.0 (59 %)	77 %	182.0 (47 %)
Americas – Revenues (percentage of Revenues)	in million EUR	20.0 (15 %)	1.8 (3 %)	>500 %	27.6 (7 %)
Rest of World – Revenues (percentage of Revenues)	in million EUR	39.3 (29 %)	17.6 (27 %)	123 %	141.5 (36 %)

Balance Sheet Data		30 June 2011	30 June 2010	+/- %	31 March 2011
Total assets	in million EUR	514.9	316.5	63 %	450.1
Total equity ⁵	in million EUR	197.1	175.4	12 %	191.5
Equity ratio ⁵	in %	38.3	55.4		42.5
Net assets (+)/net debt (-)	in million EUR	-56.0	37.8	-248 %	-47.2
Capital employed	in million EUR	329.9	194.7	69 %	288.7
Net working capital	in million EUR	203.5	125.7	62 %	175.9

Stock Exchange Data ⁶					
Number of shares ⁶	in million	12.2	Closing price ⁶	in EUR	61.79
Free float ⁶	in %	31.6	Market capitalization ⁶	in million EUR	753.80
Ø daily trading volume ⁷	in shares	13,089	Share performance ⁷	in %	-1.14

¹ earnings per share relate to 12.2 million shares, 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 as of 30 June 2011; for additional information on the share see page 5

⁷ average daily trading volume (double counting) and share performance, each in the first quarter of fiscal year 2011/12

Disclaimer

Certain statements contained in this report constitute “forward-looking statements”. These statements, which contain the words “believe”, “intend”, “expect” and words of similar meaning, reflect management’s beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

Slight differences in calculations may arise due to the rounding of individual items and percentages. The English translation is for convenience; only the German text is binding.

Letter from the Chief Executive Officer.



Georg Kapsch, Chief Executive Officer

Dear shareholders,

It is my pleasure that I report to you on an exceptionally successful first quarter of the fiscal year 2011/12. This interim report of Kapsch TrafficCom Group reflects remarkable increases in revenues and profit. In addition, we have worked intensively on strategically important projects in the three months from 1 April to 30 June 2011. In particular, I would like to highlight the start of the operation of the nationwide electronic toll collection system in Poland, the expansion of our business in the U.S.A. and the preparations for a capital increase in order to strengthen our financial basis for further growth. These three projects – which are all significant milestones for our fiscal year 2011/12 – were already concluded shortly after the end of the quarter.

The Kapsch TrafficCom Group achieved total revenues in the first quarter of 2011/12 amounting to EUR 134.7 million, once again doubling the revenues of the same period in the previous year. The EBIT increased disproportionately; at EUR 22.2 million, it reached nearly five times the value of EUR 4.8 million in the previous year. This placed the EBIT margin for the first quarter at 16.5 % versus 7.3 % in the corresponding period of the previous year. This accomplishment was supported by both the project business in the segment Road Solution Projects (RSP) as well as the recurring revenues in the segment Services, System Extensions, Components Sales (SEC). For instance, the volume of on-board units (OBUs) delivered increased to 2.77 million units. We have therefore already achieved 50 % of the previous year's total volume during the first quarter of this year.

These gains were made possible through the progress in ongoing projects as well as by our successful efforts in the U.S.A., in particular. With the purchase of the U.S., Canadian and Mexican businesses of Mark IV IVHS in November 2010, we laid an important strategic foundation for an increased presence in these regions.

In July of this year, we achieved a major success in expanding within this market when Kapsch TrafficCom IVHS was selected as supplier for a new ten-year technology and service contract by the E-Z Pass® Group, a consortium of 24 toll authorities in 14 U.S. states and thereby the world's largest provider of toll interoperability. This not only underscores our competence but above all confirms the value of the significant investments we

have made in recent years to enter this market. This order is of great significance to the Kapsch TrafficCom Group in terms of our business volume as well.

In April, we also signed a letter of intent for cooperation with Federal Signal Corporation, another large supplier in the U.S.A. In particular, the possibilities include jointly offering active and passive equipment at both the component and system levels. This could allow us in future to offer our North American customers interoperability from coast to coast in the form of a seamless portfolio of complete solutions.

In the first quarter of the current fiscal year, we were also intensely involved in implementation of the electronic toll collection systems in Poland and South Africa. In a record time of less than eight months, a road network of roughly 1,560 km in Poland was outfitted with a comprehensive and modern electronic tolling solution that went into operation on July 3rd. We are proud to have succeeded in this challenge, even if a few tasks do remain for us to accomplish before the system is fully completed.

In the major project in South Africa – the installation and operation of an electronic toll collection system for multi-lane free-flow traffic in the Gauteng province – the legal framework for collection of tolls is currently being defined. This process is delaying the completion of the project, which is expected to take place in the last quarter of the calendar year.

At the end of July, we succeeded in obtaining yet another order. 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 100 km of newly constructed road. The system for the Portuguese road operator ASCENDI should be realized in stages from October 2011 to October 2013.

In Russia, Kapsch TrafficCom Russia qualified in June 2011 for the final phase of an international tender process as part of a joint venture with Mostotrest, a leading Russian construction company for transport infrastructure. The decision for awarding of the long-term order for maintenance and refurbishment along the M4 Don Highway as well as for installation and operation of a toll collection system should be made in December 2011. The tender process for a nationwide electronic truck tolling system in Slovenia also began at the start of August, for which we are currently preparing our offer. Invitations to tender are also in preparation for nationwide toll collection systems in Hungary and Denmark.

In consideration of the outlook arising from the current projects and tender processes, we undertook a capital increase at the end of July in which 800,000 new shares were offered and placed with institutional investors at a price of EUR 61.25 per share. Not only were we able to increase our free float to over 35 % in this way, but the gross proceeds of EUR 49 million from this measure strengthens our capital base to support us in the implementation of our strategy and secure our further growth. We also view the investor trust that made this transaction a success as a confirmation of our strategy.

Sincerely,



Georg Kapsch
Chief Executive Officer

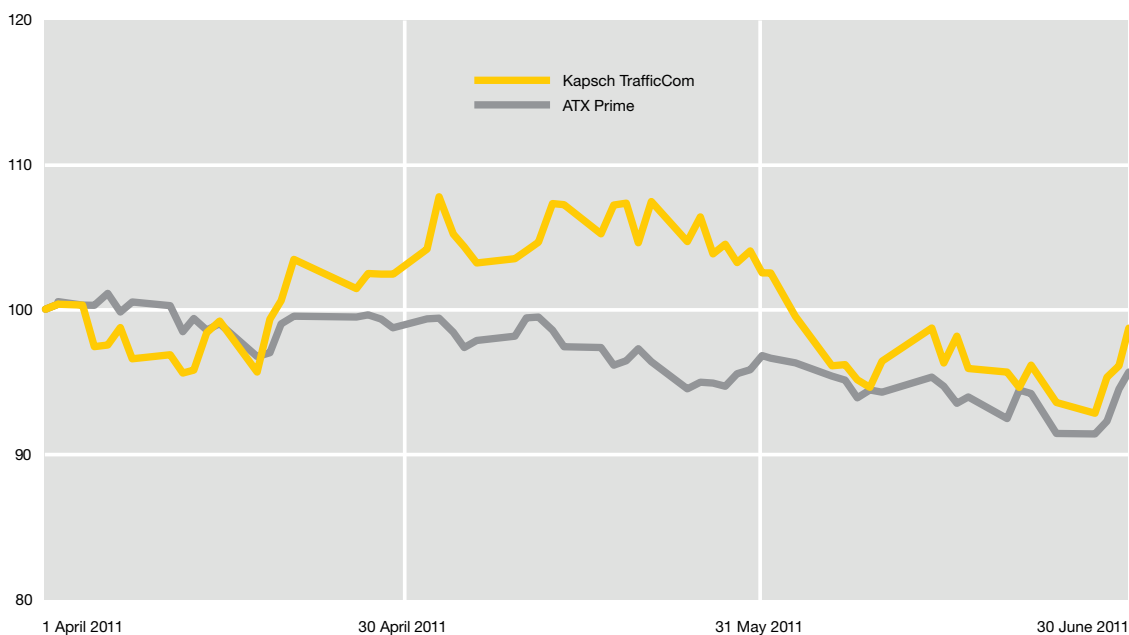
The Kapsch TrafficCom Share.

The price developments of the Kapsch TrafficCom shares exhibited a high level of volatility in the first quarter of the fiscal year 2011/12. Starting at a price of EUR 62.50 EUR on 31 March 2011, the shares experienced a significant upward trend in May followed by declines in June. Another strong increase began on 27 June 2011 with the publishing of the annual report. At the end of the quarter, the shares of Kapsch TrafficCom closed at EUR 61.79 EUR, roughly 1 percent below the final price of the previous quarter. The benchmark index ATX Prime also declined slightly over the quarter from 1 April to 30 June 2011, ending 4 percent below the level of the previous quarter, however with a lower amount of turbulence.

Based on the final price of the shares on 30 June 2011 of EUR 61.79, Kapsch TrafficCom had a market capitalization of EUR 753.8 million. At the end of the quarter, roughly 31.6 % of the shares were in free float, while KAPSCH-Group Beteiligungs GmbH held roughly 68.4 %, unchanged from the previous quarter.

After the end of the reporting period, Kapsch TrafficCom undertook a capital increase in which 800,000 new shares were successfully placed with institutional investors at a price of EUR 61.25 EUR per share. This increased the share capital from EUR 12.2 million to EUR 13.0 million, and the free float (including the shares of Erwin Toplak, COO) increased to roughly 35.8 %. The first trading day for the new shares was 1 August 2011.

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



Final price of the Kapsch TrafficCom shares and final value of the ATX Prime on 31 March 2011, both indexed to 100.

Information on the share		Financial calendar	
Investor Relations Officer	Marcus Handl	22 August 2011	Annual General Meeting for fiscal year 2010/11 (FY11)
Shareholders' Telephone	+43 50 811 1120	29 August 2011	Ex date for dividends for FY11
E-Mail	ir.kapschtraffic@kapsch.net	5 September 2011	First payment date for dividends for FY11
Website	www.kapschtraffic.com	23 November 2011	Interim report for fiscal year 2011/12-Q2
Stock exchange	Vienna, Prime Market	29 February 2012	Interim report for fiscal year 2011/12-Q3
ISIN / exchange code	AT000KAPSCH9 / KTCG	22 June 2012	Results of fiscal year 2011/12
Reuters / Bloomberg	KTCG.VI / KTCG AV	24 August 2012	Annual General Meeting for fiscal year 2011/12

Analysis of results and balance sheet.

Revenue and earnings.

The revenues of Kapsch TrafficCom Group were at EUR 134.7 million in the first quarter of the current fiscal year 2011/12 (FY12-Q1), up by 103.3 % from EUR 66.3 million compared to the same period of the previous fiscal year (FY11-Q1). This positive trend was attributable to both major segments of Road Solution Projects (RSP) and Services, System Extensions, Components Sales (SEC).

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

- The segment RSP (Road Solution Projects) recorded revenues of EUR 54.8 million after EUR 23.4 million in the same period of the previous fiscal year. The main driver for this positive development was the ongoing implementation of the nationwide truck toll collection system in Poland. Moreover, the South African Gauteng project, the implementation of the automatic fare collection system for public transportation in the city of Johannesburg, South Africa, 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 91.5 % from EUR 41.0 million in the first quarter of the previous fiscal year to EUR 78.5 million this year. The most important factors for this development were the revenues from the pre-operations 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 also exhibited increased revenues.

The number of on-board units delivered reached the all-time high of 2.77 million units (FY11-Q1: 0.75 million units), attributable to the deliveries for the Gauteng project, the equipment of the nationwide truck toll collection system in Poland and the Mark IV IVHS subsidiaries acquired in November 2010.

- The segment Others (OTH) recorded revenues of EUR 1.4 million (FY11-Q1: EUR 1.9 million), a decrease of 23.0 %. Due to the group-internal demand, external manufacturing orders were only accepted on a selective basis.

In the first three months of the current fiscal year, the Kapsch TrafficCom Group reported an operating result (EBIT) of EUR 22.2 million (FY11-Q1: EUR 4.8 million). Operating results by segment were as follows:

- The segment RSP recorded an EBIT of EUR 3.5 million after EUR -2.6 million in the same period of the previous fiscal year. This represents an EBIT margin of 6.4 %. Already in the first quarter, the segment RSP once again made a positive contribution to profit for the first time in two fiscal years. This is primarily attributed to the nationwide truck toll collection system in Poland.
- The EBIT for the segment SEC was at EUR 18.5 million (FY11-Q1: EUR 7.3 million), corresponding to an EBIT margin of 23.6 %, that was 5.7 % higher than the previous year (FY11-Q1: 17.9 %). This improvement mainly resulted from OBU sales by the IVHS subsidiaries.
- The segment OTH showed a positive EBIT with EUR 0.2 million (FY11-Q1: EUR 0.1 million). The increased EBIT margin reflected the high degree of utilization.

Kapsch TrafficCom recorded a financial result of EUR -3.2 million in the period under consideration (FY11-Q1: EUR 1.0 million). Finance income decreased due to lower exchange rate gains. Finance costs rose as a result of the exchange rate losses, which largely remained

unrealized, increased interest expenses in connection with the corporate bond issued last year and financing of the nationwide truck toll collection project in Poland.

Financial position and cash flows.

With total assets of EUR 514.9 million as of 30 June 2011 (31 March 2011: EUR 450.1 million), up from the year before largely due to the project business, and a total equity of EUR 197.1 million, slightly above the value at the same point in the previous year, the Kapsch TrafficCom Group's equity ratio was at 38.3 % as of 30 June 2011 (31 March 2011: 42.5 %).

The most significant changes in assets were due to the increase in inventories by EUR 5.5 million compared to 31 March 2011 up to EUR 55.0 million, a change relating to the nationwide electronic truck toll collection system in Poland. The higher trade receivables and other current assets (30 June 2011: EUR 221.6 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, current financial liabilities increased from EUR 23.1 million to EUR 58.6 million due to utilization of the credit line for funding of the nationwide truck toll collection project in Poland. The rise in the trade payables by EUR 8.9 million resulted from liabilities in the two large-scale projects in Poland and South Africa. Liabilities to minority shareholders also led to an increase in other liabilities and deferred income.

Net cash flow from operating activities declined to EUR -5.8 million in the first three months of the current fiscal year compared to EUR 6.1 million in the same period of the previous fiscal year. The increase in trade receivables and other current assets, which also caused the increase in net working capital, could not be compensated by the improved operating result. The net cash flow from investing activities was largely impacted by the expansion of production facilities. The free cash flow declined to EUR -9.0 million after EUR 3.2 million in the same period of the previous fiscal year. The drawdown of a short-term credit for the project in Poland brought about a positive net cash flow from financing activities.

Cash and cash equivalents were increased from EUR 42.0 million as of 31 March 2011 to EUR 68.4 million as of 30 June 2011. The increase in cash and cash equivalents in the first three months of the current fiscal year could not compensate the rise of the short-term financial liabilities so that net debts increased from EUR 47.2 million as of 31 March 2011 to EUR 56.0 million as of 30 June 2011.

Condensed consolidated interim report as of 30 June 2011. *)

Kapsch TrafficCom Group – Consolidated statement of comprehensive income.

All amounts in TEUR	Note	FY12-Q1	FY11-Q1	FY12-Q1 cum.	FY11-Q1 cum.
Revenue	(4)	134,742	66,285	134,742	66,285
Other operating income		1,842	886	1,842	886
Changes in finished and unfinished goods and work in progress		493	2,199	493	2,199
Cost of materials and other production services		-61,200	-31,189	-61,200	-31,189
Staff costs		-29,537	-18,446	-29,537	-18,446
Amortization of intangible assets and depreciation of property, plant and equipment		-4,278	-2,551	-4,278	-2,551
Other operating expenses		-19,820	-12,335	-19,820	-12,335
Operating result	(4)	22,241	4,848	22,241	4,848
Finance income		1,644	2,625	1,644	2,625
Finance costs		-4,801	-1,648	-4,801	-1,648
Financial result		-3,156	977	-3,156	977
Result from associates		0	0	0	0
Profit before income taxes		19,085	5,826	19,085	5,826
Income taxes	(10)	-5,187	-1,342	-5,187	-1,342
Profit for the period		13,899	4,483	13,899	4,483
Other comprehensive income for the period					
Gains/losses recognized directly in equity:					
Available-for-sale financial assets		-1,020	-2,543	-1,020	-2,543
Currency translation differences		-449	525	-449	525
Income tax relating to components of other comprehensive income		-100	-162	-100	-162
Other comprehensive income for the period net of tax	(11)	-1,569	-2,180	-1,569	-2,180
Total comprehensive income for the period		12,329	2,304	12,329	2,304
Profit attributable to:					
Equity holders of the company		11,101	2,721	11,101	2,721
Minority interests		2,797	1,763	2,797	1,763
		13,899	4,483	13,899	4,483
Total comprehensive income attributable to:					
Equity holders of the company		9,636	516	9,636	516
Minority interests		2,693	1,788	2,693	1,788
		12,329	2,304	12,329	2,304
Earnings per share from the profit for the period attributable to the equity holders of the Company (in EUR)		0.91	0.22	0.91	0.22

Earnings per share relate to 12.2 million shares. The notes on the following pages form an integral part of this condensed interim financial information.

*) The condensed consolidated interim report has neither been audited nor been reviewed by an auditor.

Kapsch TrafficCom Group – Consolidated balance sheet.

All amounts in TEUR	Note	30 June 2011	31 March 2011
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	20,392	19,404
Intangible assets	(5)	86,519	88,687
Shares in associates		33	0
Other non-current financial assets and investments		32,488	34,490
Other non-current assets		5,720	9,018
Deferred tax assets		16,459	8,110
		161,612	159,709
Current assets			
Inventories		54,956	49,485
Trade receivables and other current assets		221,616	190,885
Other current financial assets		8,379	8,037
Cash and cash equivalents		68,379	42,001
		353,330	290,407
Total assets		514,942	450,116
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	(6)	12,200	12,200
Capital reserve		70,077	70,077
Retained earnings and other reserves		103,792	94,066
		186,070	176,343
Minority interests		11,072	15,171
Total equity		197,142	191,513
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	(7)	74,169	74,112
Liabilities from post-employment benefits to employees	(8)	16,259	16,315
Non-current provisions	(9)	702	686
Other non-current liabilities		9,329	10,423
Deferred income tax liabilities		25,955	15,876
		126,413	117,412
Current liabilities			
Trade payables		81,422	72,531
Other liabilities and deferred income		43,469	36,881
Current tax payables		4,487	3,973
Current financial liabilities	(7)	58,620	23,083
Current provisions	(9)	3,389	4,722
		191,387	141,191
Total liabilities		317,800	258,603
Total equity and liabilities		514,942	450,116

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		
Carrying amount as of 31 March 2010	12,200	70,077	80,937	5,035	168,249
Dividend for 2009/10			0	-550	-550
Total comprehensive income			516	1,788	2,304
Effects from business combinations and the acquisition of minority interests			-996	6,437	5,441
Carrying amount as of 30 June 2010	12,200	70,077	80,457	12,710	175,444
Carrying amount as of 31 March 2011	12,200	70,077	94,066	15,171	191,513
Dividend for 2010/11			0	-6,792	-6,792
Total comprehensive income			9,636	2,693	12,329
Contributions from shareholders			91	0	91
Carrying amount as of 30 June 2011	12,200	70,077	103,792	11,072	197,142

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-Q1	FY11-Q1	FY12-Q1 cum.	FY11-Q1 cum.
Cash flow from operating activities				
Operating result	22,241	4,848	22,241	4,848
Adjustments for non-cash items and other reconciliations:				
Depreciation and amortization	4,278	2,551	4,278	2,551
Increase/decrease in obligations for post-employment benefits	-56	-34	-56	-34
Increase/decrease in other non-current liabilities and provisions	16	-9	16	-9
Increase/decrease in other non-current receivables and assets	640	0	640	0
Increase/decrease in trade receivables (non-current)	-1,094	1,568	-1,094	1,568
Increase/decrease in trade payables (non-current)	3,297	-1,190	3,297	-1,190
Other (net)	-1,809	1,070	-1,809	1,070
	27,513	8,804	27,513	8,804
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	-30,780	-6,065	-30,780	-6,065
Increase/decrease in inventories	-5,472	-6,631	-5,472	-6,631
Increase/decrease in trade payables and other current payables	8,686	9,225	8,686	9,225
Increase/decrease in current provisions	-1,332	-548	-1,332	-548
	-28,898	-4,019	-28,898	-4,019
Cash flow from operations	-1,385	4,785	-1,385	4,785
Interest received	134	186	134	186
Interest payments	-1,616	-417	-1,616	-417
Net payments of income taxes	-2,895	1,522	-2,895	1,522
Net cash flow from operating activities	-5,762	6,076	-5,762	6,076
Cash flow from investing activities				
Purchases of property, plant and equipment	-2,524	-1,129	-2,524	-1,129
Purchases of intangible assets	-713	-1,787	-713	-1,787
Payments for acquisition of companies (net of cash acquired)	0	-1,262	0	-1,262
Payments for acquisition of shares in companies consolidated at equity	-33	0	-33	0
Proceeds from disposal of shares in subsidiaries	0	25	0	25
Proceeds from disposal of property, plant and equipment and intangible assets	79	10	79	10
Net cash flow from investing activities	-3,191	-4,142	-3,191	-4,142
Cash flow from financing activities				
Contributions paid from shareholders	91	0	91	0
Dividends paid to minority shareholders of group companies	0	-550	0	-550
Increase in non-current financial liabilities	56	266	56	266
Increase in current financial liabilities	35,859	46	35,859	46
Decrease in current financial liabilities	-320	-361	-320	-361
Net cash flow from financing activities	35,685	-599	35,685	-599
Net increase/decrease in cash and cash equivalents	26,732	1,334	26,732	1,334
Change in cash and cash equivalents				
Cash and cash equivalents at beginning of period	42,001	47,743	42,001	47,743
Net increase/decrease in cash and cash equivalents	26,732	1,334	26,732	1,334
Currency translation differences on cash and cash equivalents	-354	547	-354	547
Cash and cash equivalents at end of period	68,379	49,624	68,379	49,624

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

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 non-core business activities conducted by the subsidiary Kapsch Components GmbH & Co KG. In this segment, engineering solutions, electronic manufacturing and logistics services are rendered to affiliated entities and third parties.

2. Basis of preparation.

This condensed interim financial information for the first quarter of the current fiscal year 2011/12 ended 30 June 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 quarter of the current fiscal year 2011/12 no new IFRSs and IFRICs have been adopted.

4. Segment information.

FY12-Q1 All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated Group
Revenue	54,786	78,530	1,425	134,742
Operating result	3,516	18,530	196	22,241

FY11-Q1 All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated Group
Revenue	23,427	41,006	1,852	66,285
Operating result	-2,631	7,346	134	4,848

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-Q1 All amounts in TEUR	Revenue	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	39,744	x	
Customer 2	22,203	x	x
Customer 3	21,620	x	x
Customer 4	16,396		x

FY11-Q1 All amounts in TEUR	Revenue	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	0		
Customer 2	7,571	x	x
Customer 3	30,509	x	x
Customer 4	0		

5. Capital expenditure.

All amounts in TEUR	Tangible and intangible assets
Carrying amount as of 31 March 2011	108,092
Additions	3,493
Disposals	-74
Depreciation, amortization, impairments and other movements	-4,278
Currency translation differences	-321
Carrying amount as of 30 June 2011	106,912
Carrying amount as of 31 March 2010	44,352
Additions	2,914
Addition resulting from company acquisition	5,311
Depreciation, amortization, impairments and other movements	-2,578
Currency translation differences	1,208
Carrying amount as of 30 June 2010	51,207

6. Share capital.

The registered share capital of the company amounts to EUR 12,200,000. The share capital is fully paid in. The total number of ordinary shares issued is 12,200,000. The shares are ordinary bearer shares and have no par value.

7. Financial liabilities.

All amounts in TEUR	30 June 2011	31 March 2011	30 June 2010	31 March 2010
Non-current	74,169	74,112	10,326	10,060
Current	58,620	23,083	8,921	9,237
Total	132,789	97,195	19,247	19,297

Movements in borrowings is analysed as follows:

All amounts in TEUR	Non-current	Current	Total
Carrying amount as of 31 March 2011	74,112	23,083	97,195
Additions	56	35,859	35,915
Repayments of borrowings	0	-320	-320
Currency translation differences	0	-1	-1
Carrying amount as of 30 June 2011	74,169	58,620	132,789

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

All amounts in TEUR	Non-current	Current	Total
Carrying amount as of 31 March 2010	10,060	9,237	19,297
Additions	266	46	311
Repayments of borrowings	0	-361	-361
Currency translation differences	0	0	0
Carrying amount as of 30 June 2010	10,326	8,921	19,247

8. Liabilities from post-employment benefits to employees.

All amounts in TEUR	30 June 2011	31 March 2011	30 June 2010	31 March 2010
Termination benefits	5,928	5,912	5,571	5,561
Retirement benefits	10,331	10,403	8,711	8,755
Total	16,259	16,315	14,282	14,316

Termination benefits

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

Retirement benefits

Liabilities for retirement 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 Mark IV 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 June 2011	31 March 2011	30 June 2010	31 March 2010
Non-current	702	686	574	583
Current	3,389	4,722	6,297	6,845
Total	4,092	5,408	6,870	7,428

All amounts in TEUR	31 March 2011	Utilization/ disposal	Addition	Currency translation differences	30 June 2011
Obligations from anniversary bonuses	605	-9	37	0	633
Other	81	-10	0	-1	70
Non-current provisions, total	686	-19	37	-1	702
Warranties	1,480	-4	4	-33	1,446
Legal fees, costs of litigation and contract risks	1,442	-409	24	9	1,067
Other	1,800	-1,561	629	9	877
Current provisions, total	4,722	-1,974	656	-15	3,389
Total	5,408	-1,994	693	-16	4,092

All amounts in TEUR	31 March 2010	Utilization/ disposal	Addition	Currency translation differences	30 June 2010
Obligations from anniversary bonuses	583	-10	1	0	574
Non-current provisions, total	583	-10	1	0	574
Warranties	2,361	-73	16	38	2,342
Losses from pending transactions and rework	710	-24	0	0	686
Legal fees, costs of litigation and contract risks	891	-6	3	-7	881
Other	2,883	-1,176	647	34	2,388
Current provisions, total	6,845	-1,278	666	65	6,297
Total	7,428	-1,288	666	65	6,870

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.

After the first quarter of FY12 the effective tax rate is approximately 27 % (first quarter of FY11: 23 %). For the full year FY12, management expects an effective tax rate of approximately 25 %.

11. Other comprehensive income.

FY12-Q1 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	-1,020	-100	-1,120
Currency translation differences	-449		-449
Fair value changes recognized in equity	-1,469	-100	-1,569

The fair value gains/losses not realized amounting to TEUR -1,421 relate to the investment in Q-Free ASA, Norway (FY11-Q1: TEUR -3,193).

FY11-Q1 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	-2,543	-162	-2,705
Currency translation differences	525		525
Fair value changes recognized in equity	-2,017	-162	-2,180

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 and bid bonds and sureties.

Details for contingent liabilities and other commitments are as follows:

All amounts in TEUR	30 June 2011	31 March 2011
Contract, warranty, performance and bid bonds:		
City Highway Sydney and Melbourne	2,349	2,306
Truck tolling system Austria	12,500	12,500
Truck tolling system Czech Republic	9,151	9,414
Tolling projects in South Africa: Gauteng, Marian Hill, Huguenot	118,607	120,208
Tolling project Poland	55,678	24,656
Other	826	967
	199,110	170,051
Bank guarantees	1,997	1,975
Sureties	523	544
Total	201,630	172,570

13. Related parties.

All amounts in TEUR		Sales to related parties Q1	Sales from related parties Q1	Amounts owed by related parties 30 June	Amounts owed to related parties 30 June
Affiliated companies outside the Kapsch TrafficCom Group	FY12	477	6,305	2,058	4,696
	FY11	388	3,351	3,490	1,599
Others	FY12	0	852	0	9,115
	FY11	0	924	0	9,191

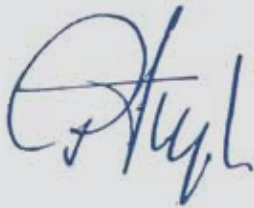
The members of the managing and supervisory board have management functions or are members in supervisory boards of other companies of the Kapsch Group.

14. Events occurring after 30 June 2011.

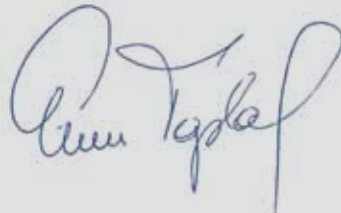
On 27 July 2011, Kapsch TrafficCom AG successfully completed the placement of 800,000 new shares from authorized capital. The placement price has been determined at EUR 61.25 per share, resulting in gross proceeds of EUR 49 million to Kapsch TrafficCom AG. This transaction has increased the free float to 35.8 %.

Vienna, 22 August 2011

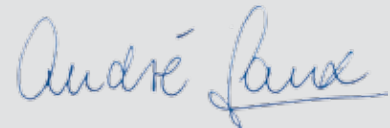
The Managing Board



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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