

Report on the first half of Fiscal Year 2009/10 (FY10-Q2).

Kapsch TrafficCom Group – Key Figures.

FY10 (Fiscal Year 2009/10): 1 April 2009 - 31 March 2010; FY10-Q2 (First half of Fiscal Year 2009/10): 1 April 2009 - 30 September 2009

Operating Figures (cumulative)		FY10-Q2	FY09-Q2	+/- %	FY09
Revenues	in million EUR	79.4	108.5	-27%	200.3
EBITDA	in million EUR	-0.6	20.3	<-100%	35.0
EBITDA margin	in %	-0.8	18.7		17.5
EBIT	in million EUR	-4.5	18.3	<-100%	29.0
EBIT margin	in %	-5.7	16.9		14.5
Profit before tax	in million EUR	1.1	22.7	-95%	21.9
Profit after tax	in million EUR	2.2	17.2	-87%	16.4
Earnings per share	in EUR	0.05	1.29	-96%	1.06
Free cash flow ¹	in million EUR	18.6	31.1	-40%	19.9
Capital expenditure ²	in million EUR	5.9	7.2	-18%	22.2
Employees		967	898	8%	946

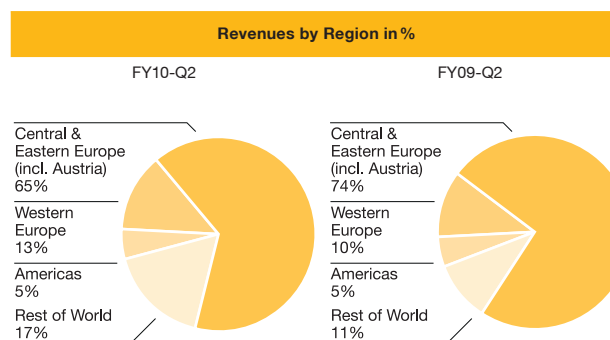
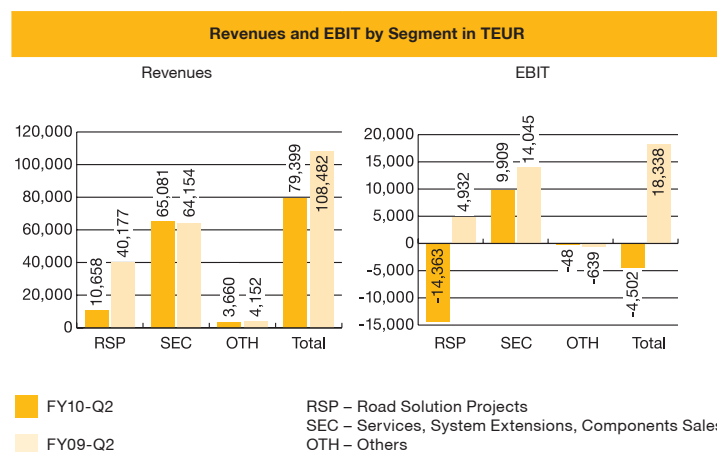
Revenues by Segment		FY10-Q2	FY09-Q2	+/- %	FY09
Road Solution Projects	in million EUR	10.7	40.2	-73%	56.8
Services, System Extensions, Components Sales	in million EUR	65.1	64.2	1%	135.6
Others	in million EUR	3.7	4.2	-12%	8.0

Revenues by Region		FY10-Q2	FY09-Q2	+/- %	FY09
Central & Eastern Europe (incl. Austria)	in million EUR	51.3	79.8	-36%	139.3
Western Europe	in million EUR	10.6	10.7	-1%	21.3
Americas	in million EUR	4.3	5.6	-22%	14.0
Rest of World	in million EUR	13.2	12.4	6%	25.6

Balance Sheet Data		30 Sep 2009	30 Sep 2008	+/- %	31 March 2009
Total assets	in million EUR	267.7	340.5	-21%	324.5
Total equity ³	in million EUR	130.0	138.3	-6%	134.2
Equity ratio	in %	48.6	40.6		41.4
Net assets ⁴	in million EUR	17.6	34.6	-49%	5.0
Capital employed	in million EUR	159.0	189.6	-16%	193.5
Net working capital	in million EUR	101.8	94.1	8%	122.3

Stock Exchange Data ⁵					
Number of shares as of 30 Sep 2009	in million	12.2	Market capitalization as of 30 Sep 2009	in EUR	322.1
Free float as of 30 Sep 2009	in %	31.6	Closing price per share as of 30 Sep 2009	in EUR	26.4

- 1 operating cash flow minus capital expenditure from operations (excl. payments for acquisition of companies and purchases of securities and investments)
 2 capital expenditure from operations (excl. payments for acquisition of companies and purchases of securities and investments)
 3 incl. minority interests
 4 excl. long-term securities
 5 for additional information on the share see page 6



Letter from the Chief Executive Officer.



Georg Kapsch, Chief Executive Officer

Dear shareholders,

with this report, the Kapsch TrafficCom Group draws a balance on the first half of the current fiscal year 2009/10 which may be compared to the same period of the previous fiscal year only to a limited degree. In the first half year of 2008/09 (FY09-Q2 cum.), Kapsch TrafficCom significantly increased revenues and earnings compared to the same period of the fiscal year 2007/08 (FY08-Q2 cum.) due to the realization of project revenues from the extension of the nationwide electronic truck tolling system in the Czech Republic (phase II) and the implementation of an electronic tolling system in New Zealand. Against this background, and due to the lack of a comparable project realization in the reporting period, revenues of the Kapsch TrafficCom Group decreased by 27 % to EUR 79.4 million (FY09-Q2 cum.: EUR 108.5 million). For the second quarter, revenues at EUR 45.0 million were down by 6% compared to the same period of the previous fiscal year (FY09-Q2: EUR 48.1 million).

In contrast to the first quarter of the current fiscal year 2009/10, the Kapsch TrafficCom Group realized positive earnings despite constantly high investments in the expansion into new markets, particularly the U.S.A., and despite decreased revenues. In the second quarter, EBIT was at EUR 1.0 million (FY09-Q2: EUR 7.1 million), profit before tax at EUR 3.2 million (FY09-Q2: EUR 7.2 million) and profit after tax at EUR 3.7 million (FY09-Q2: EUR 6.1 million). Cumulated, the EBIT is still negative in the first half of the current fiscal year whereas profit before tax returned to positive.

Broken down by segments, with first half of the current fiscal year revenues of EUR 10.7 million (FY09-Q2 cum.: EUR 40.2 million) the Road Solution Projects (RSP) segment recorded a considerable decrease against the same period of the previous fiscal year. At EUR minus 14.4 million, the EBIT also clearly fell behind the first half of the previous fiscal year (FY09-Q2 cum.: EUR plus 4.9 million). The Services, System Extensions, Components

**Revenues in the second quarter down by 6%,
in the first half year cumulated down by 27%**

**Earnings in the second quarter despite
decreased revenues and constantly high
investments in the expansion into new
markets positive again**

**RSP segment with a considerable negative
deviation from the previous fiscal year**

Sales (SEC) segment slightly exceeded the level in the first half of the previous fiscal year with revenues of EUR 65.1 million (FY09-Q2 cum.: EUR 64.2 million) and at an EBIT down by approximately 30 % to EUR 9.9 million (FY09-Q2 cum.: EUR 14.0 million).

SEC segment's revenue slightly exceeds previous fiscal year

In the same period, Kapsch TrafficCom clearly improved its capital structure. With total assets of EUR 267.7 million as of 30 September 2009, down by 21 % from EUR 340.5 million as of 30 September 2008, the Kapsch TrafficCom Group's equity ratio reached 48.6 % as of 30 September 2009 (30 September 2008: 40.6 %).

Significantly reduced assets result in an equity ratio of 48.6%

From a project perspective, the highlight in the second quarter was a large award in South Africa: The South African National Roads Agency Ltd (SANRAL) awarded the contract for the implementation and subsequent operation of a multi-lane free-flow (MLFF) tolling system to Electronic Toll Collection (ETC) Pty, a joint venture lead by Kapsch TrafficCom. The contract value for the implementation of the system is Rand 1.16 billion. The system will be installed over a period of 18 months and is scheduled to 'go live' in April 2011. The value for the subsequent operation of the system will be determined at a later stage and depends on the customer's final selection of certain modules. In any event, it will significantly exceed the contract value for the implementation of the system.

Award in South Africa as the highlight in the second quarter

Kapsch TrafficCom successfully acquired another prestigious tolling system order in Australia in the second quarter: A subsidiary has won another tender for an electronic toll collection system in Australia, worth a total of EUR 4 million. In connection with the project, Kapsch TrafficCom will implement a multi-lane free-flow (MLFF) tolling solution on the Hale Street Link, a four-lane bridge in Brisbane.

Another order in Australia

The recent developments in the Czech Republic during the reporting period were also interesting: Through an amendment to the relevant law, the weight limit for vehicles subject to tolling will be reduced from 12 to 3.5 tonnes as of 1 January 2010, whereas today's paper vignette will be replaced by an electronic vignette as of 1 January 2011.

Interesting development in the Czech Republic

The project business remains in an exciting cycle: A contract in North Carolina (U.S.A.) is close to an award and Kapsch TrafficCom has prequalified for nationwide electronic truck tolling systems in France and in The Netherlands. Several other projects - among these the nationwide systems in Hungary and Slovenia - are close to the start of the tender or to the final decision for a tender.

Project business remains in an exciting cycle

With the second half of fiscal year 2009/10 in mind, we take an optimistic view on our markets in the long term even in a changed economic environment. The second half of fiscal year 2009/10 will be shaped by participation in tenders and by project awards in Hungary, Slovenia, France, Portugal, and in the Netherlands as well as in the U.S.A.

With all best wishes



Georg Kapsch
Chief Executive Officer

Outlook

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.

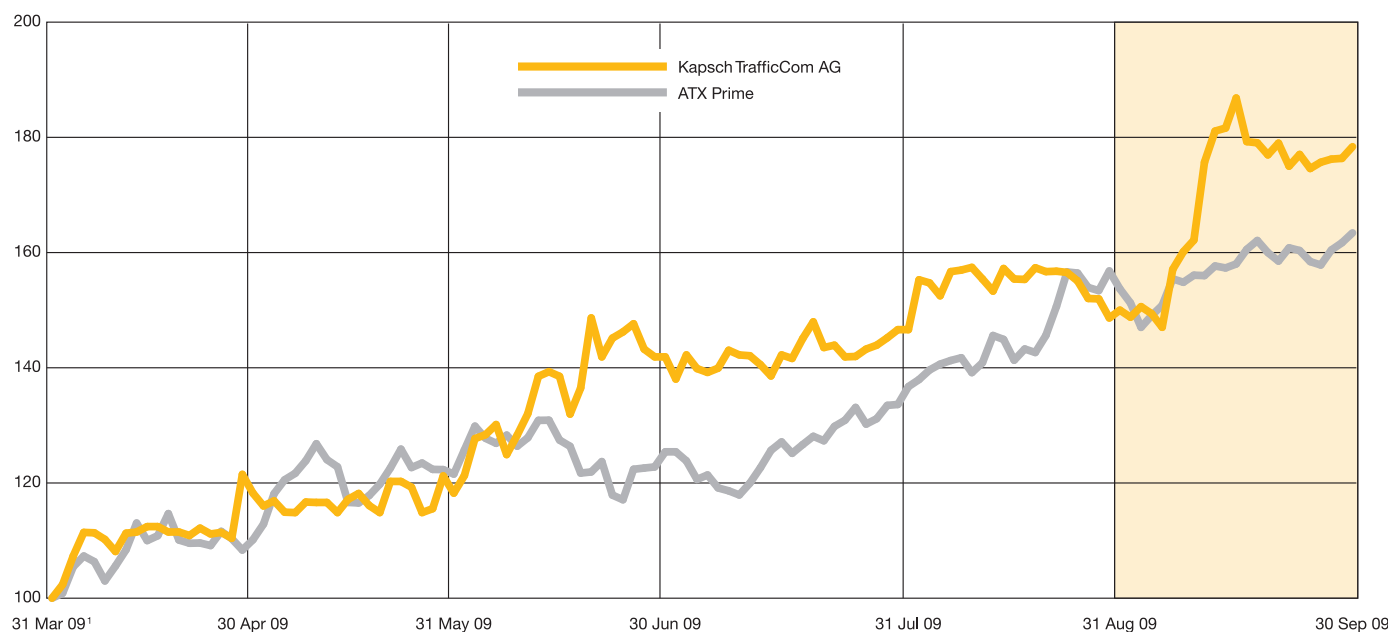
The Kapsch TrafficCom Share.

The Kapsch TrafficCom share closed the second quarter of the current fiscal year 2009/10 on the Vienna Stock Exchange at a share price of EUR 26.4 on 30 September 2009, up approximately 78 % from the closing price on 31 March 2009 (EUR 14.8). During the same period, the ATX Prime increased by approximately 63 %. With the beginning of the second quarter of the current fiscal year 2009/10, the price of the Kapsch TrafficCom share continuously increased up to EUR 27.7 (closing price on 15 September 2009) and closed the second quarter at a slightly lower price on 30 September 2009.

The Kapsch TrafficCom website, which represents an important means of communication, and provides a wide range of information on the company and the share, has been restructured and expanded in the second quarter of fiscal year 2009/10.

Based on a closing price of EUR 26.4 per share on 30 September 2009 and the number of outstanding shares unchanged at 12.2 million, Kapsch TrafficCom's market capitalization was approximately EUR 322.1 million. As of 30 September 2009, approximately 31.6 % of the shares were in free float, whereas the remaining approximately 68.4 % were continued to be held by KAPSCH-Group Beteiligungs GmbH.

Share price development in FY 2009/10 (Kapsch TrafficCom AG vs. ATX Prime)



¹ Closing price of the share and closing value of the ATX Prime on 31 March 2009, each indexed to 100.

Information on the share		Financial calendar	
Investor Relations Officer	Marcus Handl	24 February 2010	Interim financial report FY10-Q3
E-Mail	ir.kapschtraffic@kapsch.net	16 June 2010	Results FY10
Stock exchange	Vienna, Prime Market	07 July 2010	Ordinary Shareholders' Meeting
ISIN	AT000KAPSCH9	14 July 2010	Deduction of dividends (ex-day)
Trading Symbol	KTCG	21 July 2010	First day of payments for dividends
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, road traffic telematics solutions, and electronic access and parking management systems, 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.

Despite an easing of the tense situation on the financial, commodity and energy markets as well as the slight economic recovery since the middle of the year 2009, Kapsch TrafficCom and its customers continue to face a challenging market environment. The management of the Company believes that investments in infrastructure will be undertaken even in this challenging economic environment.

Financial performance indicators.

Earnings

Revenues of Kapsch TrafficCom Group in the first half of the current fiscal year 2009/10 (FY10-Q2 cum.) amounted to EUR 79.4 million, down 27 % from EUR 108.5 million recorded in the same period of the previous fiscal year. The breakdown by segments shows that the decline in revenues resulted exclusively from the volatility of the project business in the segment Road Solution Projects (RSP) whereas the segment Services, System Extensions, Components Sales (SEC) contributed stable revenues of EUR 65.1 million (FY09-Q2 cum.: EUR 64.2 million) and thereby generated the largest share of sales.

In the first half of the current fiscal year, revenues by segment were as follows:

- The RSP segment showed a decrease in revenues from EUR 40.2 million in the first half of the previous fiscal year to EUR 10.7 million in the same period of the current fiscal year. The reason behind this decrease was that in the previous fiscal year project revenues from the extension of the nationwide electronic truck tolling system in the Czech Republic (phase II) and the implementation of an electronic tolling system in New Zealand were realized whereas in the current reporting period no comparable project realization occurred.
- Particularly as a result of increased sales of on-board units (OBUs) in Australia, Turkey and France, the SEC segment recorded revenues at EUR 65.1 in the first half of the current fiscal year, up 1.5 % compared to the same period of the previous fiscal year (EUR 64.2 million).
- The Others (OTH) segment's revenues declined from EUR 4.2 million to EUR 3.7 million (down 11.8 %).

In the first six months of the current fiscal year, Kapsch TrafficCom Group reported an operating result (EBIT) at EUR minus 4.5 million (FY09-Q2 cum.: EUR 18.3 million). Operating results (EBIT) by segment were as follows:

- The RSP segment recorded a considerable decrease of the operating result (EBIT) in the first half of the current fiscal year compared the same period of the previous fiscal year. At EUR minus 14.4 million, the EBIT clearly fell behind the first half of the previous year (FY09-Q2 cum.: EUR plus 4.9 million). This development is attributable to the lack of project realizations in the period under consideration and constantly high investments in the expansion into new markets, particularly the U.S.A.

- In the same period, the operating result (EBIT) for the SEC segment declined to EUR 9.9 million (FY09-Q2 cum.: EUR 14.0 million). The EBIT margin was reduced from 21.9 % to 15.2 % in the same period of the previous fiscal year which contained one-off effects from the extension of existing projects.
- At EUR minus 0.05 million (FY09-Q2 cum.: EUR minus 0.6 million), the OTH segment had only a minor effect on the operating result (EBIT) of the Kapsch TrafficCom Group.

The Kapsch TrafficCom Group recorded a financial result of EUR 5.1 million in the first half of the current fiscal year, up by approximately EUR 0.7 million from EUR 4.3 million in the same period of the previous fiscal year. This increase was attributable to lower finance costs and to an improved foreign currency exchange situation. At the same time, the finance income decreased - mainly due to the impact on interest of non-current receivables and to a lower interest yield.

The result from associates of EUR 0.5 million was entirely attributable to the acquisition of shares in the Norwegian Q-Free ASA.

Financial position and cash flows

Total assets of EUR 267.7 million as of 30 September 2009 decreased by 17.5 % from EUR 324.5 million as of 31 March 2009. The decrease in assets was particularly due to a decrease in trade receivables and other current assets as well as a decrease in cash and cash equivalents. In addition, non-current assets decreased due to the scheduled payment of non-current receivables from the implementation of the nationwide electronic truck tolling system in the Czech Republic. The decrease in equity and liabilities was attributable to reduced current financial liabilities from the scheduled repayment of loans as well as to lower trade payables. The equity ratio was at 48.6 % as of 30 September 2009 (31 March 2009: 41.4 %).

The cash flow from operating activities was at EUR 24.5 million in the first six months of the current fiscal year, down by EUR 13.8 million compared to the first half of the previous fiscal year. Despite a still negative cumulated EBIT it remained at a similar level as in the first quarter of the current fiscal year. This development was attributable to a reduction of trade receivables and other current assets. At EUR 5.9 million, the cash flow from investing activities resulted, in particular, from payments for the acquisition of shares in Kapsch Telematic Services GmbH from BRISA Group. Despite the payments of current financial liabilities and the payment of a dividend of EUR 8.2 million which resulted in a negative cash flow from financing activities (EUR minus 38.5 million), cash and cash equivalents were at EUR 42.0 million as of 30 September 2009.

Details of major transactions with related parties.

In connection with the nationwide electronic truck tolling system in the Czech Republic, KAPSCH-Group Beteiligungs-GmbH issued a payment guarantee in the amount of EUR 40 million. Details of transactions with related parties are discussed under note 14 to the condensed consolidated interim financial information as of 30 September 2009.

Acquisitions.

On 9 April 2009, Kapsch TrafficCom AG acquired 19 % of the shares in Kapsch Telematic Services GmbH from Brisa Internacional, SGPS, S.A., Sao Domingos da Rana, for a purchase price of EUR 2.3 million. In addition, another 7 % of the shares in Kapsch Telematic Services GmbH were acquired indirectly through acquisition of BRISA ACCESS Europe GmbH, Vienna, for a purchase price of EUR 1.9 million.

Risk reporting.

As an international group, Kapsch TrafficCom is exposed to general and industry specific risks. A risk management system has been established at the headquarters in order to identify any such risks at early stages.

Currency exchange risks are hedged by forward exchange contracts, if necessary. The weakness of the USD played only a minor role so far, as Kapsch TrafficCom invoices in EUR, SEK or local currencies. However, a translation risk exists due to the conversion of financial statements of subsidiaries into EUR.

Kapsch TrafficCom frequently provides to customers, suppliers and creditors guarantees and warranties, mainly in the form of performance guarantees.

Outlook on the second half of the current fiscal year.

With the second half fiscal year 2009/10 in mind, the management takes an optimistic view on the company's markets in the long term even in a changed economic environment. The project awards in South Africa and Australia as well as the expected tender and project awards in several countries will positively influence the second half of the current fiscal year. A change in the risk situation is not visible at the moment.

Events after 30 September 2009.

There were no major events after 30 September 2009.

Vienna, 25 November 2009

Board of Management



Georg Kapsch, CEO



Erwin Toplak, COO

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 financial 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, 25 November 2009

Board of Management



Georg Kapsch, CEO



Erwin Toplak, COO

Condensed consolidated interim financial information 30 Sep 2009.^{*)}

Kapsch TrafficCom AG – Consolidated statement of comprehensive income.

All amounts in TEUR	Note	FY10-Q2	FY09-Q2	FY10-Q2 cum.	FY09-Q2 cum.
Revenue	(4)	44,964	48,060	79,399	108,482
Other operating income		316	201	575	796
Changes in finished and unfinished goods and work in progress		1,296	12,280	3,700	13,005
Cost of material and other production services		-21,847	-30,636	-38,282	-58,998
Staff costs		-12,908	-12,458	-27,225	-25,607
Amortization of intangible assets and depreciation of property, plant and equipment		-2,005	-1,034	-3,856	-1,952
Other operating expenses		-8,788	-9,335	-18,814	-17,388
Operating result	(4)	1,027	7,077	-4,502	18,338
Finance income		2,962	2,396	6,981	8,170
Finance costs		-1,154	-2,255	-1,921	-3,845
Financial result		1,808	141	5,060	4,325
Result from associates		406	0	549	0
Profit before income taxes		3,241	7,218	1,107	22,663
Income taxes	(11)	466	-1,161	1,068	-5,421
Profit for the period		3,707	6,056	2,176	17,243
Other comprehensive income for the period					
Gains/losses recognized directly in equity:					
Available for sale financial assets		1,140	-607	794	-528
Effects from disproportionate capital increase at associates		79	0	79	0
Currency translation differences		1,408	-700	1,130	-980
Income tax relating to components of other comprehensive income		-285	152	-199	132
Other comprehensive income for the period net of tax	(12)	2,342	-1,155	1,805	-1,376
Total comprehensive income for the period		6,049	4,901	3,980	15,866
Profit attributable to:					
Equity holders of the company		2,856	5,426	652	15,752
Minority interest		851	630	1,524	1,490
		3,707	6,056	2,176	17,243
Total comprehensive income attributable to:					
Equity holders of the company		4,748	4,351	2,229	14,346
Minority interest		1,301	550	1,751	1,520
		6,049	4,901	3,980	15,866
Earnings per share from the profit for the period attributable to the equity holders of the company (in EUR per share)		0.23	0.44	0.05	1.29

Earnings per share related 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 AG – Statement of financial position.

All amounts in TEUR	Note	30 Sept 2009	31 March 2009
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	15,918	16,887
Intangible assets	(5)	28,106	26,089
Shares in associates	(6)	13,537	12,302
Other non-current financial assets and investments		3,862	3,784
Other non-current assets		10,015	18,423
Deferred tax assets		9,079	8,242
		80,517	85,728
Current assets			
Inventories		38,464	34,220
Trade receivables and other current assets		102,182	140,409
Other current financial assets		4,512	3,946
Cash and cash equivalents		42,034	60,230
		187,192	238,804
TOTAL ASSETS		267,709	324,532
EQUITY AND LIABILITIES			
Equity			
Share capital	(7)	12,200	12,200
Capital reserve		70,077	70,077
Retained earnings and other reserves		45,765	47,769
		128,042	130,046
Minority interests		1,986	4,194
Total equity		130,028	134,240
Non-current liabilities			
Non-current financial liabilities	(8)	10,060	10,060
Liabilities from post-employment benefits to employees	(9)	13,998	14,214
Non-current provisions	(10)	524	524
Other non-current liabilities		11,070	14,773
Deferred tax liability		1,756	1,870
		37,408	41,442
Current liabilities			
Trade and other current payables		43,372	56,253
Other liabilities and deferred income		22,406	25,316
Current tax payables		6,357	7,449
Current financial liabilities	(8)	18,889	49,210
Current provisions	(10)	9,249	10,623
		100,274	148,851
Total liabilities		137,682	190,293
TOTAL EQUITY AND LIABILITIES		267,709	324,532

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

Kapsch TrafficCom AG – Consolidated statement of changes in equity.

All amounts in TEUR

	Attributable to equity holders of the company			Minority interest	Total equity
	Share capital	Capital reserve	Consolidated retained earnings & other reserves		
Carrying amount as of 31 March 2009	12,200	70,077	47,769	4,194	134,240
Dividend relating to 2008/09			-6,100	-2,093	-8,193
Total comprehensive income			2,229	1,751	3,980
Carrying amount as of 30 September 2009	12,200	70,077	43,898	3,852	130,028
Carrying amount as of 31 March 2008	12,200	70,077	48,976	2,123	133,377
Dividend relating to 2007/08			-10,980	0	-10,980
Total comprehensive income			14,346	1,520	15,866
Carrying amount as of 30 September 2008	12,200	70,077	52,343	3,643	138,263

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

Kapsch TrafficCom AG – Consolidated cash flow statement.

All amounts in TEUR	FY10-Q2	FY09-Q2	FY10-Q2 cum.	FY09-Q2 cum.
Cash flow from operating activities				
Operating result	1,027	7,077	-4,502	18,338
Adjustments for non-cash items and other reconciliations:				
Depreciation and amortisation	2,005	1,034	3,856	1,952
Increase/decrease in obligations for post-employment benefits	-108	-109	-217	-140
Change in other non-current liabilities and provisions	0	-1,143	0	-1,160
Increase/decrease in non-current trade payables	-4,049	303	-3,703	1,394
Increase/decrease in non-current trade receivables	4,897	-14,199	8,394	-12,748
Other (net)	2,585	-1,488	5,774	2,267
	6,357	-8,525	9,600	9,903
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	682	54,633	38,227	20,547
Increase/decrease in inventories	1,619	-5,874	-4,244	-2,032
Increase/decrease in trade payables and other current payables	-4,926	9,941	-15,791	15,777
Increase/decrease in current provisions	-1,129	-5,013	-1,374	-1,951
	-3,754	53,687	16,818	32,341
Cash flow from operations	2,603	45,161	26,418	42,244
Interest received	83	896	263	1,282
Interest payments	-627	-986	-1,252	-1,924
Net payments of income taxes	-2,585	123	-974	-3,335
Net cash flow from operating activities	-526	45,194	24,455	38,268
Cash flow from investing activities				
Purchases of property, plant and equipment	-852	-4,208	-1,551	-5,002
Purchases of non-current intangible assets	-815	-1,837	-4,335	-5,365
Purchases of securities and investments	0	-343	0	-343
Payments for acquisition of companies (net of cash acquired)	0	-10,775	0	-10,775
Proceeds from disposal of property, plant and equipment and intangible assets	2	502	1	571
Net cash flow from investing activities	-1,666	-16,661	-5,886	-20,914
Cash flow from financing activities				
Dividends paid to equity holders of the company	-6,100	-10,980	-6,100	-10,980
Dividends paid to minority shareholders of group companies	-2,093	0	-2,093	0
Increase/decrease in other non-current financial liabilities	0	-18,620	0	-2,869
Increase/decrease in current financial liabilities	-9,413	19,748	-30,320	26,384
Net cash flow from financing activities	-17,606	-9,853	-38,513	12,536
Net decrease/increase in cash and cash equivalents	-19,797	18,681	-19,944	29,890
Change in cash and cash equivalents				
Cash and cash equivalents at beginning of period	60,558	58,654	60,230	47,429
Net decrease/increase in cash and cash equivalents	-19,797	18,681	-19,944	29,890
Exchange gains/losses on cash and cash equivalents	1,273	200	1,748	216
Cash and cash equivalents at end of period	42,034	77,535	42,034	77,535

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

Kapsch TrafficCom AG – Selected notes to the condensed consolidated interim financial information.

1. General information.

The Kapsch TrafficCom Group is an international supplier of innovative road traffic telematics solutions.

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 Road Solution Projects segment relates to the installation of road traffic telematics solutions.

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

The Others segment relates to non-core business activities conducted by the subsidiary Kapsch Components KG. In this segment, Kapsch TrafficCom Group offers engineering solutions, electronic manufacturing and logistics services to affiliated entities and third parties.

2. Basis of preparation.

This condensed interim financial information for the first half of the current fiscal year 2009/10 ended 30 September 2009 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 2009.

3. Accounting policies.

Except for new or amended IFRSs and IFRICs listed below the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2009, as described in the annual financial statements for the year ended 31 March 2009.

In this condensed interim financial information report for the first half of FY10 the following new or amended IFRSs and IFRICs have been adopted:

New IFRSs/IFRICs		Mandatory for accounting periods beginning on or after
IFRS 8	Operating segments	1 January 2009
IFRIC 12	Service concession agreements (*)	30 March 2009
IFRIC 13	Customer loyalty programs (*)	1 January 2009

Amended IFRSs		Mandatory for accounting periods beginning on or after
IAS 1 (R)	Presentation of Financial Statements	1 January 2009
IAS 23 (R)	Borrowing Costs (*)	1 January 2009
IAS 32 and 1	Puttable Financial Instruments and Obligations Arising on Liquidation (*)	1 January 2009

The standards and interpretations marked with (*) had no effect on the condensed interim financial information for the first half of fiscal year 2009/10 ending 30 September 2009.

4. Segment information.

- RSP = Road Solution Projects
- SEC = Services, System Extensions and Components Sales
- OTH = Others

All amounts in TEUR

FY10-Q2	RSP	SEC	OTH	Consolidated Group
Revenues	10,658	65,081	3,660	79,399
Operating result	-14,363	9,909	-48	-4,502

FY09-Q2	RSP	SEC	OTH	Consolidated Group
Revenues	40,177	64,154	4,152	108,482
Operating result	4,932	14,045	-639	18,338

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 attributed operating segment.

All amounts in TEUR	FY10-Q2			FY09-Q2		
	Revenue	RSP	SEC	Revenue	RSP	SEC
Customer 1	33,465	x	x	51,961	x	x
Customer 2	11,960		x	13,606		x

5. Capital expenditure.

All amounts in TEUR	Tangible and intangible assets
Carrying amount as of 31 March 2009	42,976
Additions	5,887
Change in consolidated entities	0
Disposals	-3
Depreciation and amortization	-3,909
Currency translation differences	-926
Carrying amount as of 30 September 2009	44,024
Carrying amount as of 31 March 2008	14,785
Additions	20,974
Change in consolidated entities	480
Disposals	-571
Depreciation and amortization	-1,240
Currency translation differences	-32
Carrying amount as of 30 September 2008	34,397

6. Shares in associates.

All amounts in TEUR	
Carrying amount as of 31 March 2009	12,302
Share of profit for the period	549
Currency translation differences	607
Effects from disproportionate capital increase	79
Carrying amount as of 30 September 2009	13,537

In January 2009 the Group acquired a share of 20.47 % in Q-Free ASA, Norway. The purchase price of TEUR 12,302 included goodwill in the amount of TEUR 4,905. In the first half of the current fiscal year ended 30 September 2009, a minor dilution of equity to 20.10 % occurred.

7. 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 is 12,200,000. The shares are ordinary bearer shares and have no par value.

8. Financial liabilities.

All amounts in TEUR	30 Sept 2009	31 March 2009	30 Sept 2008	31 March 2008
Non-current	10,060	10,060	7,713	10,581
Current	18,889	49,210	43,727	17,382
Total	28,949	59,270	51,440	27,963

Movements in borrowings is analysed as follows:

Carrying amount as of 31 March 2009	59,270
Additions	415
Repayments of borrowings	-32,112
Currency translation differences	1,376
Carrying amount as of 30 September 2009	28,949
Carrying amount as of 31 March 2008	27,963
Additions	44,217
Repayments of borrowings	-21,252
Currency translation differences	512
Carrying amount as of 30 September 2008	51,440

9. Liabilities from post-employment benefits to employees.

All amounts in TEUR	30 Sept 2009	31 March 2009	30 Sept 2008	31 March 2008
Severance payments	5,158	5,294	4,940	5,001
Pension benefits	8,840	8,920	9,009	9,088
Total	13,998	14,214	13,949	14,089

Severance payments

The obligation to set up a provision for severance payments 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 not covered by external plan assets (funds). In addition, contributions are paid to an external pension fund for employees of the Group.

10. Provisions.

All amounts in TEUR	30 Sept 2009	31 March 2009	30 Sept 2008	31 March 2008
Non-current provisions	524	524	533	1,694
Current provisions	9,249	10,623	16,299	18,250
Total	9,773	11,147	16,832	19,943

FY10-Q2

All amounts in TEUR	31 March 2009	Change in consolidated entities	Utilization/disposal	Addition	Currency translation differences	30 Sept 2009
Obligations from anniversary bonuses	524	0	-13	13	0	524
Non-current provisions, total	524	0	-13	13	0	524
Warranties	1,820	0	-309	0	54	1,565
Losses from pending transactions and repairs	934	0	-100	0	0	834
Legal fees, costs of litigation and contract risks	3,228	0	-1,138	33	81	2,205
Other	4,640	0	-3,767	3,629	142	4,645
Current provisions, total	10,623	0	-5,314	3,663	277	9,249
Total	11,147	0	-5,327	3,676	277	9,773

FY09-Q2

All amounts in TEUR	31 March 2008	Change in consolidated entities	Utilization/disposal	Addition	Currency translation differences	30 Sept 2008
Obligations from anniversary bonuses	464	0	-19	0	0	445
Costs of dismantling and removing assets	1,130	0	-1,130	0	0	0
Other	99	0	0	0	-11	88
Non-current provisions, total	1,694	0	-1,150	0	-11	533
Warranties	4,128	0	-811	0	-75	3,242
Losses from pending transactions and repairs	910	0	-364	0	0	545
Legal fees, costs of litigation and contract risks	6,888	0	-4,357	2,260	165	4,956
Other	6,324	0	-2,507	3,703	36	7,555
Current provisions, total	18,250	0	-8,040	5,963	126	16,299
Total	19,943	0	-9,189	5,963	115	16,832

11. Income taxes.

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

As a result of the low result before tax in the first half year of FY10, tax allowances and permanent differences have a disproportional effect on the effective tax rate of the period, resulting in disclosure of a tax income despite the positive result before taxes. For the full year FY10, management expects an effective tax rate of app. 25 % (full year FY09: 25.2 %).

12. Other comprehensive income.

FY10-Q2			
All amounts in TEUR	Before tax	Tax (charge) credit	After tax
Fair value gains/losses relating to available-for-sale financial assets:			
Fair value gains/losses not realized in the current period	794	-199	596
Fair value gains/losses realized in the income statement	0	0	0
Effects from disproportionate capital increase at associates	79	0	79
Currency translation differences	1,130	0	1,130
Fair value gains/losses recognized in equity	2,003	-199	1,805

FY09-Q2			
All amounts in TEUR	Before tax	Tax (charge) credit	After tax
Fair value gains/losses relating to available-for-sale financial assets:			
Fair value gains/losses not realized in the current period	-528	132	-396
Fair value gains/losses realized in the income statement	0	0	0
Currency translation differences	-980	0	-980
Fair value gains/losses recognized in equity	-1,508	132	-1,376

13. Contingent liabilities, other commitments and financial obligations.

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, sureties and acceptance of guarantees for subsidiaries vis-à-vis third parties.

Details of contingent liabilities and other commitments are as follows:

All amounts in TEUR	30 Sept 2009	31 March 2009
Contract, warranty, performance and bid bonds:		
City highway Santiago	1,366	846
City highway Sydney and Melbourne	1,164	1,593
Truck tolling system Austria	12,500	12,500
Truck tolling system Czech Republic	9,688	19,938
Tolling system New Zealand	2,047	2,025
Express Toll Collection System, Maryland, USA	0	3,317
Other	5,055	5,338
	31,819	45,557
Bank guarantees	2,979	3,486
Sureties	27	30
Total	34,825	49,073

14. Related parties.

All amounts in TEUR		Sales to related parties Q2 (cum.)	Sales from related parties Q2 (cum.)	Amounts owed by related parties 30 Sept	Amounts owed to related parties 30 Sept
Affiliated companies outside the Kapsch TrafficCom Group	FY10	722	4,721	4,457	1,469
	FY09	694	5,837	574	1,154
Others	FY10	1	1,789	0	9,173
	FY09	27	757	0	10,397

Additionally, the related party KAPSCH-Group Beteiligungs GmbH, Vienna, issued a payment guarantee in the amount of EUR 40 million, in relation to the nationwide electronic truck tolling system in the Czech Republic.

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

15. Events occurring after 30 September 2009.

No material events occurred after 30 September 2009.

Vienna, 25 November 2009

Management Board



Georg Kapsch, CEO



Erwin Toplak, COO

Kapsch TrafficCom is an international supplier of innovative road traffic telematics solutions. Its principle business is the development and supply of electronic toll collection (ETC) systems, in particular for the multi-lane free-flow (MLFF) of the traffic, and the technical and commercial operation of such systems. Kapsch TrafficCom also supplies traffic management systems, with a focus on road safety and traffic control, and electronic access systems and parking management. With more than 230 references in 38 countries in all 5 continents, and with almost 16 million delivered on-board units (OBUs) and 12,000 equipped lanes, Kapsch TrafficCom has positioned itself among the leading suppliers of ETC systems worldwide. Kapsch TrafficCom is headquartered in Vienna, Austria, and has subsidiaries and representative offices in 23 countries.