

Report on the third quarter of fiscal year 2008/09.

Kapsch TrafficCom Group – Key Figures.

Operating Figures (cumulative)			FY09-Q3	FY08-Q3	+/- %	FY08
Revenues	in million EUR		160.1	123.6	29 %	185.7
EBITDA	in million EUR		25.2	21.5	17 %	39.0
EBITDA margin	in %		15.7	17.4		21.0
EBIT	in million EUR		21.6	17.7	22%	34.9
EBIT margin	in %		13.5	14.3		18.8
Profit before tax	in million EUR		17.9	21.2	-16 %	42.8
Profit after tax	in million EUR		12.7	13.8	-8 %	32.1
Earnings per share	in EUR		0.95	1.03	-8 %	2.60
Free cash flow ¹	in million EUR		25.5	-5.8	<-100 %	-14.8
Capital expenditure ²	in million EUR		12.3	3.1	>100 %	4.0
Employees as of 31 December 2008			915	793	15 %	824

Revenues by Segment			FY09-Q3	FY08-Q3	+/- %	FY08
Road Solution Projects	in million EUR		50.2	30.7	63 %	47.0
Services, System Extensions, Components Sales	in million EUR		103.8	84.9	22 %	128.8
Others	in million EUR		6.2	8.0	-23 %	10.0

Revenues by Region			FY09-Q3	FY08-Q3	+/- %	FY08
Central & Eastern Europe (incl. Austria)	in million EUR		113.8	81.4	40%	124.2
Western Europe	in million EUR		15.9	12.4	29 %	17.6
America	in million EUR		10.7	12.3	-13 %	18.8
Rest of World	in million EUR		19.7	17.6	12 %	25.2

Balance Sheet Data			31 Dec 2008	+/- %	31. March 2008
Total assets	in million EUR		304.8	2 %	298.4
Total equity ³	in million EUR		131.2	-2 %	133.4
Equity ratio	in %		43.0		44.7
Net assets ⁴	in million EUR		22.5	-21 %	28.4
Capital employed	in million EUR		167.7	4 %	161.3

Capital Market Data ⁵					
Offer price per share on 26 June 2007	in EUR	32.0	Closing price as of 30 Sep 2008	in EUR	23.3
Number of shares as of 31 Dec 2008	in million	12.2	Closing price as of 31 Dec 2008	in EUR	16.0
Free float as of 31 Dec 2008	in %	31.6	Market capitalization as of 31 Dec 2008	in million EUR	195.2

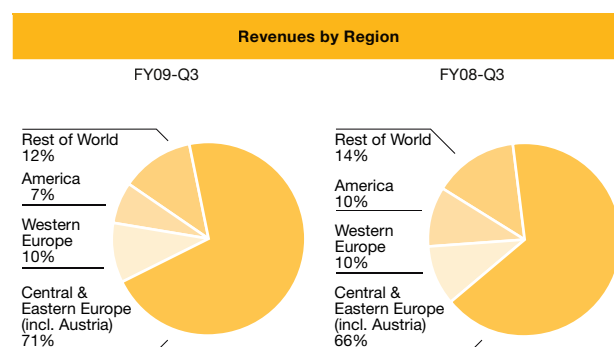
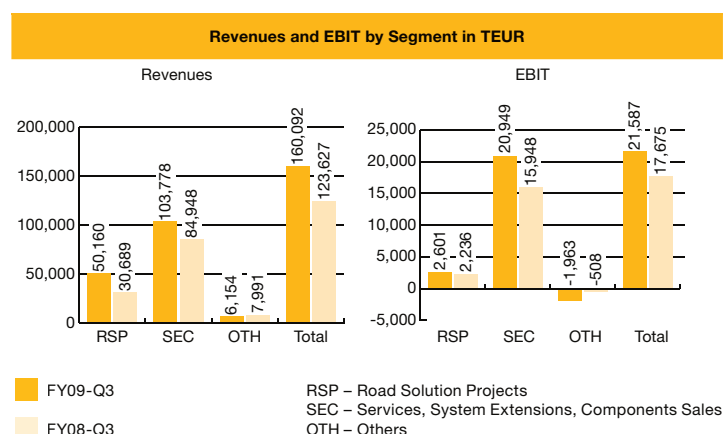
¹ operating cash flow minus capital expenditure from operations (excl. acquisitions and securities)

² capital expenditure from operations (excl. acquisitions and securities)

³ incl. minority interests

⁴ excl. long-term securities

⁵ for additional capital market data see page 6



Letter from the Chief Executive Officer.



Georg Kapsch, Chief Executive Officer

Dear shareholders,

even against the background of the currently difficult situation on the international financial markets, I am delighted to report about successful three quarters of the current fiscal year 2008/09, in which we continued the controlled growth of the business and the extension of our strong position in the various markets. As can be seen from this interim report, the Kapsch TrafficCom Group recorded double-digit growth rates in revenues and EBIT despite the tense situation on the financial, commodity and energy markets. We also succeeded to generate a clear positive free cash flow and to advance our cash position. With this strengthening of the financial power we regard ourselves as well prepared for further growth in the future and even in a probably more challenging economic environment.

Revenues were at EUR 160.1 million in the first nine months of the current fiscal year, up 29 % compared to the same period of the previous fiscal year (EUR 123.6 million). EBIT increased by 22 % to EUR 21.6 million (first nine months of previous fiscal year: EUR 17.7 million). Due to a negative financial result in the third quarter resulting from currency losses and the impairment of certain short-term financial assets, profit before tax decreased by 16 % to EUR 17.9 million (first nine months of previous fiscal year: EUR 21.2 million) and profit after tax also decreased by 8 % to EUR 12.7 million (first nine months of previous fiscal year: EUR 13.8 million). Accordingly, earnings per share slightly decreased by 8 % to EUR 0.95 (first nine months of previous fiscal year: EUR 1.03).

Challenging economic environment

Increase in revenues and EBIT

The Kapsch TrafficCom Group also improved the free cash flow to EUR 25.5 million compared to EUR -5.8 million during the same period of the previous fiscal year. In the first nine months of the current fiscal year, cash and cash equivalents increased to EUR 54.4 million, as of 31 December 2008 (31 March 2008: EUR 47.4 million), even though we distributed dividends of approximately EUR 11.0 million and invested approximately EUR 11.1 million in the acquisition of the “Mobility Solutions“ business of TechnoCom Corporation in the U.S.A. and increased capital expenditures. This improves our position in the current situation on the international financial markets.

**Clear positive free cash flow
and advanced cash position**

Both of our large segments – SEC (Services, System Extensions, Components Sales) and RSP (Road Solution Projects) – significantly contributed to these positive developments. The performance of the SEC segment remained strong in the first nine months and, in line with the strategy to increase recurring revenues as presented during our IPO, showed a 22 % increase in revenues to EUR 103.8 million (first nine months of previous year: EUR 84.9 million) and a 31 % increase in EBIT to EUR 20.9 million (first nine months of previous fiscal year: EUR 15.9 million). Developments in the RSP (Road Solution Projects) segment were particularly positive due to a high activity level in projects: revenues increased by 63 % to EUR 50.2 million (first nine months of previous fiscal year: EUR 30.7 million) and already exceeded the level of the entire previous fiscal year (2007/08: EUR 47.0 million) after nine months at an improved EBIT of EUR 2.6 million, up 18 % from the EUR 2.2 million in the same period of the previous fiscal year.

Improvements in both large segments

A very pleasant addition was made to our reference list in the third quarter: Among others, a first success in France was achieved. Just over a year after its establishment, our subsidiary Kapsch TrafficCom France already succeeded in securing significant orders. Over the course of the next three years, Kapsch TrafficCom France will implement four orders for the large French road operators (Vinci, APRR and Sanef Groups) and their joint venture company Axxès. In total, Kapsch TrafficCom will supply over half a million on-board units (OBUs) and related accessories to France for a total order value of approximately EUR 10 million. In Italy, Kapsch-Busi S.p.A. achieved another success only a few months after the establishment of the joint venture with Busi Impianti S.p.A., and received an order for a city access control project in Cremona.

Additions to our reference list

Our business with on-board units (OBUs) continued at a high level: The total volume of OBUs delivered during the first nine months of the current fiscal year increased by 31 % to almost 2.1 million units compared with nearly 1.6 million units during the same period of the previous fiscal year.

**Business with on-board units (OBUs)
continued at a high level**

In the U.S.A., we made significant progress in the third quarter: the new 5.9 GHz tolling technology was introduced to the public in New York and completed the performance evaluation with a collection rate of 100 percent on more than 10,500 samples at the trial facility in Denver, Colorado.

With the final quarter of the current fiscal year 2008/09 in mind, we take an optimistic view on our markets even in a changed economic environment and expect a further positive operating development of Kapsch TrafficCom in the last quarter of the current fiscal year 2008/09.

With all best wishes



Georg Kapsch
Chief Executive Officer

Progress in the U.S.A.

Outlook

Disclaimer

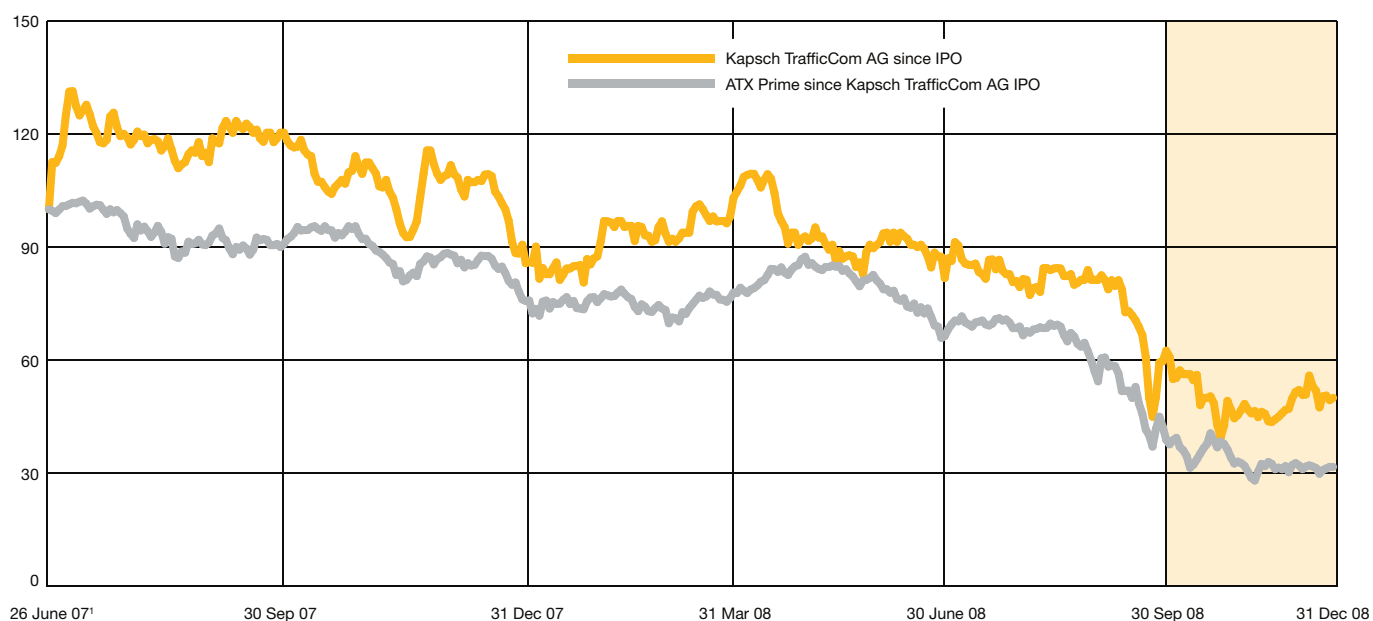
Certain statements contained in this report constitute "forward-looking statements." These statements, which contain the words "believe", "intend", "expect" and words of similar meaning, reflect management's beliefs and expectations and are subject to risks and uncertainties that may cause actual results 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.

Die Kapsch TrafficCom Share.

Developments on the international capital markets in the calendar year 2008 and particularly in the last quarter were negatively influenced by the financial crisis and the cyclical downturn of the economy. The Kapsch TrafficCom share was also affected by the significant downturn of the Vienna Stock Exchange. The share closed the first nine months of the current fiscal year 2008/09 at a share price of EUR 16.0 on 31 December 2008, down 31.3 % from the closing price at the end of the previous quarter (30 September 2008: EUR 23.3). During the same period, the ATX Prime decreased by 38.7 %. Since the initial public offering on 26 June 2007, our share price declined by exactly 50 %, as of 31 December 2008, whereas the ATX Prime decreased by 68.3 %.

Based on a closing price of EUR 16.0 per share on 31 December 2008 and the number of outstanding shares unchanged at 12.2 million, Kapsch TrafficCom's market capitalization was EUR 195.2 million as of December 31, 2008. As of 31 December 2008, approximately 31.6 % of the shares were in free float, whereas the remaining approximately 68.4 % were held by KAPSCH-Group Beteiligungs GmbH.

Share price development in FY09-Q3 and since IPO (Kapsch TrafficCom AG vs. ATX Prime)



1 Offer price on 26 June 2007 and closing value for ATX Prime on 25 June 2007, each indexed to 100.

Information on the share		Financial calendar	
Investor Relations Officer	Marcus Handl	08 June 2009	Results FY09
E-Mail	ir.kapschtraffic@kapsch.net	24 June 2009	Ordinary shareholders' meeting
Stock exchange	Vienna, Prime Market	01 July 2009	Deduction of dividends (ex-day)
ISIN	AT000KAPSCH9	08 July 2009	First day of payment for dividends
Trading Symbol	KTCG		
Reuters / Bloomberg	KTCG.VI / KTCG AV		

Analysis of results and balance sheet.

Revenues and earnings.

Revenues of Kapsch TrafficCom Group in the first nine months of the current fiscal year 2008/09 amounted to EUR 160.1 million, up 29 % from EUR 123.6 million recorded in the same period of the previous fiscal year. This increase in revenues was in line with optimistic expectations.

In the first three quarters of the current fiscal year, the Services, System Extensions, Components Sales (SEC) segment recorded a significant increase in revenues. At EUR 103.8 million, segment revenues for the first nine months were up 22 % compared to the same period of the previous fiscal year (EUR 84.9 million). The successful technical and commercial operation of the nationwide electronic truck tolling system in the Czech Republic and the significant increase in sales of on-board units (OBUs) in Australia, Spain, Ireland, Denmark, France, Turkey and Austria significantly contributed to the segment's encouraging performance. The Road Solution Projects (RSP) segment also showed a positive development in revenues with an increase by EUR 19.5 million (63 %) compared with the same period of the previous fiscal year to EUR 50.2 million. This segment also accounted for the delivery of the interface for a future satellite-based toll collection system on 1st class, 2nd class and 3rd class roads as well as the supply of the interface for telematics applications and the implementation of a traffic regulation system for the D1 motorway route in the Czech Republic. The Others (OTH) segment's revenues declined by 23 % from EUR 8.0 million to EUR 6.2 million.

In the first nine months of the current fiscal year, Kapsch TrafficCom Group reported an operating result (EBIT) up 22 % from EUR 17.7 million to EUR 21.6 million. Operating results (EBIT) by segment were as follows:

- In the first nine months of the current fiscal year the EBIT for the SEC segment improved from EUR 15.9 million in the same period of the previous fiscal year to EUR 20.9 million (up 31 %).
- In the same period, project realizations led to an increase of RSP segment's EBIT from EUR 2.2 million to EUR 2.6 million.
- OTH segment's EBIT slightly declined from EUR -0.5 million to EUR -2.0 million.

Due to a negative financial result in the third quarter resulting from currency losses and particularly from an impairment of certain short-term financial assets (securities), profit before tax decreased by 16 % to EUR 17.9 million (previous fiscal year: EUR 21.2 million) and profit after tax also decreased by 8 % to EUR 12.7 million (previous fiscal year: EUR 13.8 million).

Financial position and cash flows.

Total assets of EUR 304.8 million as of 31 December 2008 were up 2 % from EUR 298.4 million as of 31 March 2008. The increase in assets was particularly due to an increase in current assets whereas the increase in equity and liabilities was attributable to an increase in current financial liabilities as well as trade and other current payables. At 43 %, the equity ratio was almost at the same level as of 31 March 2008.

The cash flow from operating activities increased from EUR -2.6 million in the first nine months of the previous fiscal year to EUR 37.8 million in the same period of the current fiscal year 2008/09. Besides the increased operating result (EBIT), a decrease in trade receivables as well as an increase in trade payables positively contributed to this development. The cash flow used in investing activities was at EUR -25.8 million in the first nine months of the current fiscal year compared with EUR -12.5 million in the same period of the previous fiscal year and in particular resulted from payments for acquisitions of companies and asset deals as well as from purchases of property, plant and equipment and from purchases of non-current intangible assets due to the move of the Austrian entities to new business premises and the expansion of our production facilities. Within the cash flow used in financing activities an increase in current financial liabilities did not offset the dividends distributed to shareholders (approximately EUR 11.0 million) and the reduction of non-current financial liabilities. At EUR 54.4 million as of 31 December 2008, cash and cash equivalents increased by EUR 7.0 million compared to 31 March 2008 (EUR 47.4 million).

Net working capital decreased from EUR 131.4 million as of 31 March 2008 to EUR 124.8 million as of 31 December 2008 and is still burdened by the long-term payment conditions in connection with the nationwide electronic truck tolling system in the Czech Republic.

Condensed consolidated interim financial information 31 December 2008 (unaudited).

Kapsch TrafficCom AG – Consolidated income statement.

All amounts in TEUR	Note	FY09-Q3	FY08-Q3	FY09-Q3 cum.	FY08-Q3 cum.
REVENUE	(4)	51,610	54,828	160,092	123,627
Other operating income		1,576	3,207	2,372	3,901
Changes in finished and unfinished goods and work in progress		-14,553	-11,009	-1,547	-77
Other own work capitalized		149	0	149	0
Cost of material and other production services		-8,290	-14,239	-67,288	-52,398
Staff costs		-13,926	-12,075	-39,533	-33,553
Amortization of intangible assets and depreciation of property, plant and equipment		-1,616	-965	-3,569	-2,911
Other operating expenses		-11,702	-8,803	-29,090	-20,914
Operating result	(4,10)	3,249	10,945	21,587	17,675
Finance income		1,041	3,937	9,211	8,093
Finance costs		-9,055	-2,242	-12,900	-4,495
Financial result		-8,014	1,695	-3,689	3,599
Result from associates		0	-20	0	-51
Profit before tax		-4,765	12,620	17,898	21,223
Income taxes	(11)	251	-5,139	-5,170	-7,447
Profit after tax for the period		-4,515	7,481	12,728	13,776
Attributable to:					
Equity holders of the Company		-5,666	7,119	11,570	12,584
Minority interest		1,151	362	1,158	1,192
		-4,515	7,481	12,728	13,776
Earnings per share for profit attributable to the equity holders of the company (expressed in EUR per share)	(12)	-0,46	0,58	0,95	1,03

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.

Kapsch TrafficCom AG – Consolidated balance sheet.

All amounts in TEUR	Note	31 Dec 2008	31 March 2008
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	11,350	6,192
Intangible assets	(5)	25,470	8,593
Shares in associates		0	0
Other financial assets		3,758	3,405
Other non-current assets		24,776	55,005
Deferred tax assets		7,279	7,280
		72,632	80,475
Current assets			
Inventories		28,713	25,734
Trade receivables and other assets		144,345	135,837
Other current financial assets		4,627	8,895
Cash and cash equivalents		54,444	47,429
		232,129	217,895
TOTAL ASSETS		304,761	298,371
EQUITY AND LIABILITIES			
Equity			
Share capital	(6)	12,200	12,200
Capital reserve		70,077	70,077
Currency translation differences		-3,445	220
Fair value valuation reserve		-135	-971
Consolidated retained earnings and other reserves		49,461	49,728
		128,158	131,254
Minority interests		3,036	2,123
Total equity		131,195	133,377
Non-current liabilities			
Non-current financial liabilities	(7)	2,556	10,581
Liabilities from post-employment benefits to employees	(8)	13,867	14,089
Non-current provisions	(9)	444	1,694
Other non-current liabilities		21,722	26,150
Deferred tax liability		1,736	2,055
		40,324	54,568
Current liabilities			
Trade and other current payables		52,850	39,050
Other liabilities and deferred income		25,880	29,486
Current tax payables		7,143	6,259
Current financial liabilities	(7)	33,972	17,382
Current provisions	(9)	13,398	18,250
		133,242	110,426
Total liabilities		173,566	164,994
TOTAL EQUITY AND LIABILITIES		304,761	298,371

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	Currency translation differences	Fair Value valuation reserve	Consolidated retained earnings & other reserves		
Carrying amount at 1 April 2008	12,200	70,077	220	-971	49,728	2,123	133,377
Currency translation differences			-3,665			-245	-3,910
Fair value gains/losses realized				1,105			1,105
Fair value gains/losses (net of tax)				-269			-269
<i>Net income/expenses recognised directly in equity</i>			-3,665	836		-245	-3,074
Dividend for 2007/08					-11,836		-11,836
Profit for the year					11,570	1,158	12,728
Carrying amount at 31 December 2008	12,200	70,077	-3,445	-135	49,461	3,036	131,195
Carrying amount at 1 April 2007	10,000	5,325	914	-114	29,130	340	45,595
Currency translation differences			-915			86	-830
Fair value gains/losses realised (net of tax)				-64			-64
<i>Net income/expenses recognised directly in equity</i>			-915	-64		86	-894
Capital increase from initial public offering	2,200						2,200
Premium from initial public offering less expenses relating to the initial public offering		65,323					65,323
Effects of business combinations					185		185
Dividend for 2005/06					-10,000	0	-10,000
Profit for the year					12,584	1,192	13,776
Carrying amount at 31 December 2007	12,200	70,648	-1	-178	31,899	1,617	116,185

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	FY09-Q3	FY08-Q3	FY09-Q3 cum.	FY08-Q3 cum.
Cash flow from operating activities				
Operating result	3,249	10,945	21,587	17,675
Adjustments for non-cash items and other reconciliations:				
Depreciation and amortisation	1,616	965	3,569	2,911
Increase/decrease in obligations for post-employment benefits	-82	-68	-222	-287
Change in other non-current liabilities and provisions	1,041	1	-119	-50
Increase/decrease in non-current trade receivables	43,009	-2,783	30,261	17,327
Increase/decrease in non-current trade payables	-5,821	3,148	-4,428	5,069
Other (net)	-2,915	215	-648	262
	40,096	12,423	49,999	42,906
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	-29,055	-914	-8,508	-28,402
Increase/decrease in inventories	-947	11,341	-2,979	-2,151
Increase/decrease in trade payables and other current payables	-5,623	-1,837	10,155	-5,226
Increase/decrease in current provisions	-2,901	171	-4,852	-2,773
	-38,525	8,761	-6,184	-38,553
Cash generated from operations:	1,571	21,184	43,815	4,354
Interest received	694	532	1,976	1,139
Interest payments	-1,432	-289	-3,355	-2,242
Net payments of income taxes	-1,270	-4,726	-4,604	-5,879
Net cash flow from operating activities	-437	16,701	37,831	-2,628
Cash flow used in investing activities				
Purchases of property, plant and equipment	-4,947	-591	-9,949	-2,446
Purchases of non-current intangible assets	-247	-550	-5,612	-696
Purchases of securities and shares	0	0	-343	-30,000
Payments for acquisition of companies (less cash and cash equivalents of these companies) and for asset deals	-299	-35	-11,074	-70
Proceeds from sale of shares in consolidated companies	0	0	0	54
Proceeds from disposal of property, plant and equipment and intangible assets	578	81	1,148	635
Net cash flow used in investing activities	-4,916	18,905	-25,830	-12,522
Cash flow used in financing activities				
Contribution from shareholders	0	-56	0	67,523
Dividends paid to shareholders	0	-6,500	-10,980	-13,500
Increase/decrease in other non-current financial liabilities	-5,157	-3,955	-8,026	1,785
Increase/decrease in current financial liabilities	-9,755	1,374	16,630	-5,716
Net cash flow used in financing activities	-14,912	-9,137	-2,376	50,091
Net decrease/increase in cash and cash equivalents	-20,264	26,470	9,625	34,941
Change in cash and cash equivalents				
Cash and cash equivalents at beginning of period	77,535	28,651	47,429	20,183
Net decrease/increase in cash and cash equivalents	-20,264	26,470	9,625	34,941
Exchange gains/losses on cash and cash equivalents	-2,827	-180	-2,610	-184
Cash and cash equivalents at end of period	54,444	54,941	54,444	54,941

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 operates mainly in the road traffic telematics market. It holds shares in several domestic and foreign companies. The parent company is headquartered in Vienna.

For financial reporting purposes 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 technical and commercial operation) and components in the area of traffic telematics solutions.

The Others segment represents the non-core business. In this segment engineering solutions, electronic manufacturing and logistics services are offered to affiliated entities and third parties, including audio solutions equipment and systems for the Austrian E-Card.

2. Basis of preparation.

This condensed interim financial information for the third quarter of the current fiscal year 2008/09 ended 31 December 2008 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 2008.

3. Accounting policies.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2008, as described in the annual financial statements for the year ended 31 March 2008.

4. Segment Information.

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

Primary reporting format – business segments

All amounts in TEUR

FY09-Q3	RSP	SEC	OTH	Consolidated Group
Revenues	50,160	103,778	6,154	160,092
Operating result	2,601	20,949	-1,963	21,587

FY08-Q3	RSP	SEC	OTH	Consolidated Group
Revenues	30,689	84,948	7,991	123,627
Operating result	2,236	15,948	-508	17,675

5. Capital Expenditure.

All amounts in TEUR	Tangible and intangible assets
Opening net book amount as of 1 April 2008	14,785
Additions	26,121
Change in consolidated entities	484
Disposals	-2,297
Depreciation, amortization, impairment and other movements	-2,068
Currency translation differences	-206
Closing net book amount as of 31 December 2008	36,820
Opening net book amount as of 1 April 2007	15,417
Additions	2,665
Change in consolidated entities	477
Disposals	-635
Depreciation, amortization, impairment and other movements	-2,626
Currency translation differences	-216
Closing net book amount as of 31 December 2007	15,081

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

The Company issued 2,200,000 new shares at an issue price of EUR 32 per share in the initial public offering in June 2007.

7. Financial Liabilities.

All amounts in TEUR	31 Dec 2008	31 March 2008	31 Dec 2007	31 March 2007
Non-current	2,556	10,581	12,307	10,523
Current	33,972	17,382	16,407	22,124
Total	36,528	27,963	28,714	32,646

Movements in borrowings is analysed as follows:

Opening amount as of 1 April 2008	27,963
Additions	45,786
Repayments of borrowings	-35,401
Currency translation	-1,820
Closing amount as of 31 December 2008	36,528
Opening amount as of 1 April 2007	32,646
Additions	10,812
Repayments of borrowings	-14,744
Currency translation	0
Closing amount as of 31 December 2007	28,714

8. Defined benefit plans.

All amounts in TEUR	31 Dec 2008	31 March 2008	31 Dec 2007	31 March 2007
Severance payments	4,898	5,001	5,131	5,305
Pension benefits	8,969	9,088	9,135	9,247
Total	13,867	14,089	14,266	14,552

Severance Payments

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

Pension benefits

Liabilities for pension 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 external pension fund for employees of the Group.

9. Provisions.

All amounts in TEUR	31 Dec 2008	31 March 2008	31 Dec 2007	31 March 2007
Non-current provisions	444	1,694	1,634	1,684
Current provisions	13,398	18,250	12,689	15,462
Total	13,841	19,943	14,323	17,146

FY09-Q3

All amounts in TEUR	1 April 2008	Change in consolidated entities	Use/disposal	Additions	Exchange rate differences	31 Dec 2008
Obligations from anniversary bonuses	464	0	-21	0	0	444
Costs of dismantling and removing assets	1,130	0	-1,130	0	0	0
Other	99	0	-88	0	-10	0
Non-current provisions, total	1,694	0	-1,240	0	-10	444
Warranties	4,128	0	-1,339	172	-250	2,711
Losses from pending transactions and repairs	910	0	-364	157	0	702
Legal fees, costs of litigation and contract risks	6,888	0	-4,315	2,236	-207	4,602
Other	6,324	0	-4,791	3,927	-77	5,383
Current provisions, total	18,250	0	-10,809	6,492	-535	13,398
Total	19,943	0	-12,049	6,492	-545	13,841

FY08-Q3

All amounts in TEUR	1 April 2007	Change in consolidated entities	Use/disposal	Additions	Exchange rate differences	31 Dec 2007
Obligations from anniversary bonuses	457	7	-21	9	0	452
Costs of dismantling and removing assets	1,227	0	-46	0	0	1,181
Non-current provisions, total	1,684	7	-66	9	0	1,634
Warranties	4,165	0	0	0	30	4,194
Losses from pending transactions and repairs	881	0	0	142	0	1,023
Legal fees, costs of litigation and contract risks	2,881	0	-1,607	2,406	41	3,721
Other	7,535	0	-5,553	1,585	12	3,579
Current provisions, total	15,462	0	-7,160	4,134	82	12,517
Total	17,146	7	-7,227	4,142	82	14,151

10. Operations result.

The income statement for the first three quarters of FY08 included one-off costs resulting from the IPO in the amount of approximately TEUR 963. There were no comparable costs in the first three quarters of FY09.

11. Income Taxes.

Income tax expense is recognised on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated tax rate for first three quarters of FY09 used is 28 % (the estimated tax rate for the first three quarters of FY08 was 35 %).

12. Earnings per share.

Earnings per share attributable to equity holders of the company arises as follows:

All amounts in TEUR	FY09-Q3 cum.	FY08-Q3 cum.
Earnings per share for profit attributable to the equity holders of the company (expressed in EUR per share)	0.95	1.03

Earnings per share is related to 12.2 million shares.

13. Business Combinations.

Kapsch TrafficCom AG and the Italian Busi Impianti Group announced their cooperation on 15 May 2008. The two companies have established Kapsch-Busi S.p.A., with its seat in Bologna, as a joint venture to focus on the Italian traffic telematics market in the urban area. Busi Impianti has outsourced the respective business unit, including a group of about 10 employees, Kapsch TrafficCom has complemented the team by own personnel.

Kapsch-Busi S.p.A

All amounts in TEUR	
Purchase price:	
paid in cash	80
fair value of the liability resulting from put-option	3,214
	3,294
Fair value of net assets acquired (on a provisional basis)	120
Goodwill	3,174

The assets and liabilities arising from the acquisition:

All amounts in TEUR	Fair value (on a provisional basis)
Intangible assets	327
Property, plant and equipment	4
Receivables and other assets	459
Cash and cash equivalents	90
Payables, other liabilities and accruals	-760
Net assets acquired	120

The fair value of the net assets acquired was determined on a provisional basis. In the course of the acquisition of the controlling interest, put/call options over the remaining non-controlling interest were entered into between the group and the seller. The put option was disclosed at its fair value under liabilities.

Business area “Mobility Solutions” of TechnoCom Corporation.

As of 4 July 2008, Kapsch TrafficCom AG acquired through its subsidiary Kapsch TrafficCom Inc, 100 % of the Mobility Solutions business unit of TechnoCom Corporation, a corporation organized under the laws of the State of Delaware and with its primary place of business in Encino, California.

All amounts in TEUR	
Purchase price:	
paid in cash	11,074
contingent considerations	2,383
	13,457
Fair value of net assets acquired (on a provisional basis)	614
Goodwill	12,843

The assets and liabilities arising from the acquisition:

All amounts in TEUR	Fair value (on a provisional basis)
Intangible assets	104
Property, plant and equipment	49
Receivables and other assets	557
Cash and cash equivalents	0
Payables, other liabilities and accruals	-97
Net assets acquired	614

The fair value of the net assets acquired was determined on a provisional basis. The purchase price is determined according to IFRS 3 and consists of a fixed cash component amounting to approximately EUR 11.1 million and contingent considerations totalling approximately EUR 2.4 million which contain payments contingent on realisation of milestones in certain projects and expected sales. Both components were measured at their fair value (present value) and disclosed under liabilities. The third contingent element was not considered in determining total acquisition costs as it is contingent on future tax amortization benefits which cannot be measured reliably.

14. Contingent liabilities.

The Group's contingent liabilities primarily result from major projects. Other commitments mainly relate to contract and warranty bonds, bank guarantees, performance und 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	31 Dec 2008	31 March 2008
Contract and warranty bonds		
City highway Santiago	846	860
City highway Sydney and Melbourne	2,333	2,377
	3,179	3,237
Performance, bid and other bonds		
Truck tolling system Austria	12,500	12,500
Truck tolling system Czech Republic	19,721	48,899
Tolling system New Zealand	2,025	2,101
Other	5,314	4,306
	39,561	67,806
Bank guarantees	3,158	3,290
Sureties	28	25
	3,186	3,315
Total	45,926	74,359

15. Related-party transactions.

All amounts in TEUR		Sales to related parties Q3 (cum.)	Sales from related parties Q3 (cum.)	Amounts owed by related parties 31 Dec	Amounts owed to related parties 31 Dec
Affiliated companies outside the Kapsch TrafficCom Group	FY09	1,155	9,908	1,938	2,394
	FY08	2,300	7,276	1,491	2,939
Others	FY09	84	1,316	0	10,195
	FY08	34	986	0	9,530

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.

16.Events occurring after 31 December 2008.

On 16 January 2009, Kapsch TrafficCom AG acquired 11,047,017 shares in Q-Free ASA at a price of NOK 10.00 per share, representing 20.47 % of the out-standing shares in Q-Free ASA. The total purchase price amounted to TEUR 12,302.

Vienna, 25 February 2009

Management Board

A handwritten signature in blue ink, appearing to read 'G. Kapsch', with a large, stylized initial 'G'.

Georg Kapsch, CEO

A handwritten signature in blue ink, appearing to read 'Erwin Toplak', with a large, stylized initial 'E'.

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 210 references in 35 countries in Europe, Australia, America, in the Middle-East, in the Asian/Pacific region and in South Africa, and with almost 14 million delivered on-board units (OBUs) and more than 11,600 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 22 countries.