

Report on the **first quarter** **of fiscal year 2010/11.**

Kapsch TrafficCom Group – Key Figures.

FY11 (fiscal year 2010/11): 1 April 2010 – 31 March 2011; FY11-Q1 (first quarter of fiscal year 2010/11): 1 April 2010 – 30 June 2010

Earnings Data		FY11-Q1	FY10-Q1	+/- %	FY10
Revenues	in million EUR	66.3	34.4	92 %	216.0
EBITDA	in million EUR	7.4	-3.7	<-100 %	32.0
EBITDA margin	in %	11.2	-10.7		14.8
EBIT	in million EUR	4.8	-5.5	<-100 %	24.5
EBIT margin	in %	7.3	-16.1		11.4
Profit before tax	in million EUR	5.8	-2.1	<-100 %	43.9
Profit after tax	in million EUR	4.5	-1.5	<-100 %	36.5
Earnings per share ¹	in EUR	0.22	-0.18	<-100 %	2.64
Free cash flow ²	in million EUR	3.2	20.8	-85 %	41.6
Capital expenditure ³	in million EUR	2.9	4.2	-30 %	4.8
Employees ⁴		1,469	955	54 %	1,023

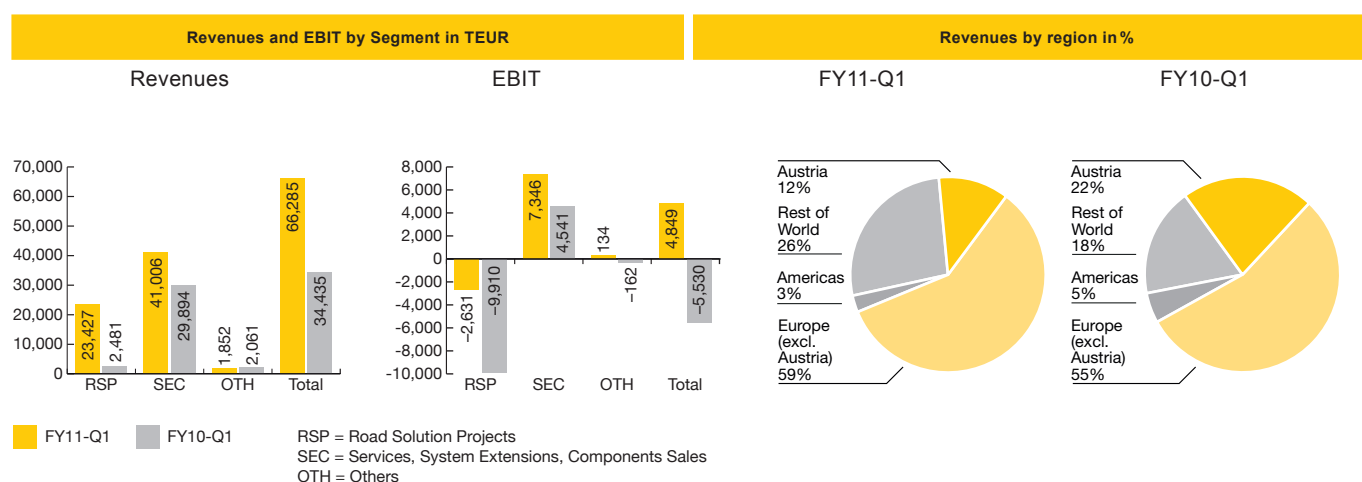
Revenues by Segment		FY11-Q1	FY10-Q1	+/- %	FY10
Road Solution Projects (RSP)	in million EUR	23.4	2.5	>100 %	45.8
Services, System Extensions, Components Sales (SEC)	in million EUR	41.0	29.9	37 %	161.9
Others (OTH)	in million EUR	1.9	2.1	-10 %	8.3

Revenues by Region		FY11-Q1	FY10-Q1	+/- %	FY10
Austria	in million EUR	7.8	7.4	6 %	42.4
Europe (excl. Austria)	in million EUR	39.0	19.1	>100 %	117.1
Americas	in million EUR	1.8	1.8	0 %	12.1
Rest of World	in million EUR	17.6	6.1	>100 %	44.5

Balance Sheet Data		30 June 2010	30 June 2009	+/- %	31 March 2010
Total assets	in million EUR	316.5	291.9	8 %	295.1
Total equity ⁵	in million EUR	175.4	126.1	39 %	168.2
Equity ratio ⁵	in %	55.4	43.2		57.0
Net assets	in million EUR	37.8	25.9	46 %	35.3
Capital employed	in million EUR	194.7	164.4	18 %	187.5
Net working capital	in million EUR	125.7	90.9	38 %	104.6

Stock Exchange Data ⁴				
Number of shares ⁶	in million	12.2	Closing price ⁶	in EUR
Free float ⁶	in %	31.6	Market capitalization ⁶	in million EUR
				29.25
				356.9

- 1 earnings per share in each of fiscal year 2010/11 and 2009/10 relate to 12.2 million shares
2 operating cashflow 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 2010; for additional information on the share see page 4



Letter from the Chief Executive Officer.



Georg Kapsch, Chief Executive Officer

Dear shareholders.

I am delighted to report about a successful first quarter of fiscal year 2010/11, in which the Kapsch TrafficCom Group almost doubled revenues compared to the previous fiscal year and returned to positive earnings. In the same period, the Group generated a positive free cash flow and increased the equity ratio considerably.

In the first quarter of fiscal year 2010/11 ended 30 June 2010, the Kapsch TrafficCom Group increased revenues by 92 % compared to the same period during the previous fiscal year to EUR 66.3 million (FY10-Q1: EUR 34.4 million). In contrast to the first quarter of the previous fiscal year, EBITDA at EUR 7.4 million (FY10-Q1: EUR -3.7 million) and EBIT at EUR 4.8 million (FY10-Q1: EUR -5.5 million) clearly turned back positive again. Earnings before tax improved to EUR 5.8 million (FY10-Q1: EUR -2.1 million) and earnings after tax also improved to EUR 4.5 million (FY10-Q1: EUR -1.5 million).

During the reporting period, the performance of the segment Services, System Extensions, Components Sales (SEC), which shows the recurring part of our business, was particularly strong, which also reflects the successful implementation of our strategy. We increased revenues in this segment from EUR 29.9 million in the first quarter of the previous fiscal year by 37 % to EUR 41.0 million in the first quarter of the current fiscal year. This success was in particular attributable to our constantly strong on-board units (OBUs) business. At approximately 0.75 million, the total volume of OBUs delivered in the first quarter of fiscal year 2010/11 increased by approximately 27 % compared with approximately 0.59 million units in the same period of the previous fiscal year. The EBIT in this segment was at EUR 7.3 million, up by 37 % from EUR 4.5 million during the same period of the previous fiscal year. The EBIT margin improved from 15.2 % in the first three months of the previous year to 17.9 % in the same period of the current fiscal year.

The segment Road Solution Projects (RSP), which includes the project business, clearly improved its performance in the first quarter of fiscal year 2010/11 compared to the same period during the previous fiscal

year: At EUR 23.4 million, revenues significantly improved compared to the same period of the previous fiscal year at EUR 2.5 million. This improvement was in particular attributable to the partial realisation of projects in the Czech Republic and in South Africa. At EUR -2.6 million, EBIT was still negative in the first quarter of the current fiscal year but clearly improved compared to the same period during the previous fiscal year at EUR -9.9 million.

The Kapsch TrafficCom Group generated a positive free cash flow (EUR 3.2 million). The capital expenditure in assets was significantly reduced from EUR 4.2 million in the previous year to EUR 2.9 million in the current fiscal year. In the same period, we continued to enhance our capital structure. The Kapsch TrafficCom Group's equity ratio reached 55.4 % as of 30 June 2010 (30 June 2009: 43.2 %).

We also scored in the project business in the first quarter of fiscal year 2010/11. In April 2010, Kapsch TrafficCom was awarded a contract in Thailand to equip the Bang Na-Bangpakong Expressway in Bangkok – the longest girder bridge in the world – with a tolling system, with a total volume of EUR 7 million. In the United States, we made further progress: In May 2010, we introduced our tolling equipment at the ITS America Annual Meeting 2010 in Houston, Texas. The tolling equipment is based on the 5.9 GHz DSRC WAVE (wireless access in vehicular environment) technology platform.

The project business remains in an exciting cycle: Nationwide electronic truck tolling systems in France and in Poland are close to being awarded. Several other projects – among these the nationwide systems in Hungary, Slovenia and Denmark – are close to the final decision for a tender.

On 8 April 2010, Kapsch TrafficCom AG acquired 51.43 % of the shares of the South African TMT Services and Supplies (Proprietary) Limited (TMT) through a capital increase in the total amount of Rand 75 million (approximately EUR 8 million). Besides shareholdings in various subsidiaries, TMT is also a 35 % participant in the Electronic Toll Collection joint venture (ETC), in which Kapsch TrafficCom holds the remaining 65 %. All of the existing shareholders of TMT, which include the three founders of the company and Matemeku TMT (Proprietary) Limited, a black economic empowerment investor, will continue to be shareholders in TMT. The injection of new equity capital should place TMT in a strong market position to take advantage of existing and upcoming opportunities that are expected to become available in the South African market.

With the fiscal year 2010/11 in mind, we take an optimistic view on our markets in the long term. The fiscal year 2010/11 will be shaped by the realisation of the project in South Africa as well as the participation in tenders and by project awards in France, Poland, Hungary, Slovenia and Denmark.

With all best wishes



Georg Kapsch
Chief Executive Officer

Disclaimer

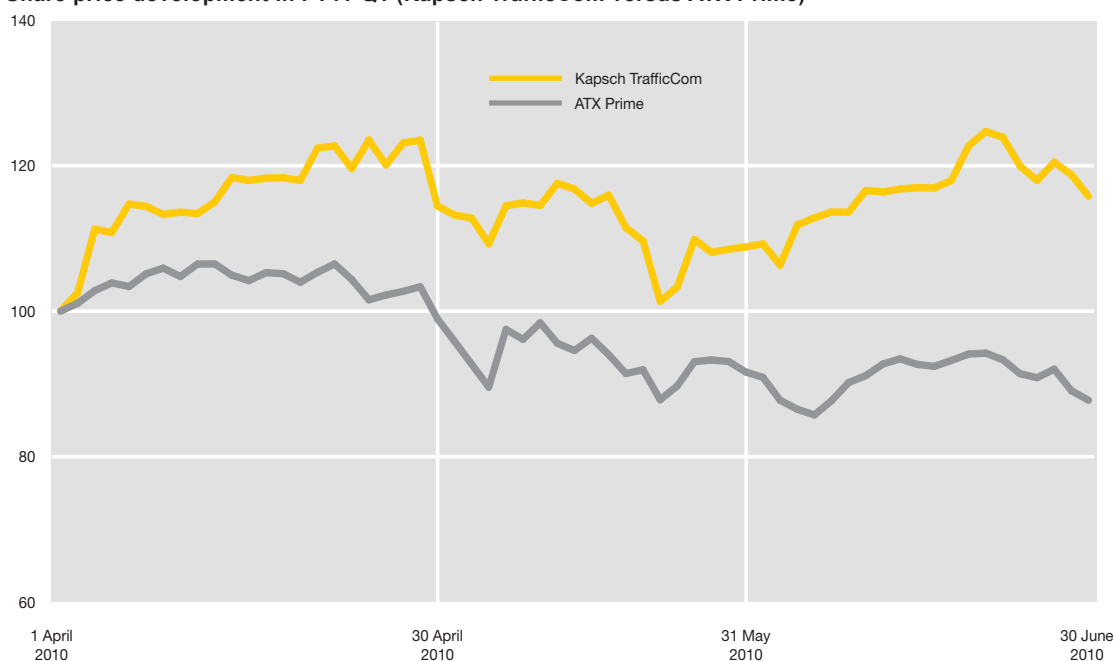
Certain statements contained in this report constitute "forward-looking statements." These statements, which contain the words "believe", "intend", "expect" and words of similar meaning, reflect management's beliefs and expectations and are subject to risks and uncertainties that may cause actual results 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 first quarter of fiscal year 2010/11 on the Vienna Stock Exchange at a share price of EUR 29.25 on 30 June 2010, up by 16 % compared to the closing price of the previous quarter on 31 March 2010 (EUR 25.26). With the beginning of the first quarter of fiscal year 2010/11, the price of the Kapsch TrafficCom share initially increased to EUR 31.20 (closing price on 3 May 2010) but then declined throughout the month of May, in line with the overall market trend, to EUR 25.60 (closing price on 25 May 2010). In June, the share price increased again reaching EUR 31.50 (closing price on 22 June 2010). With this development, the Kapsch TrafficCom share clearly outperformed the ATX Prime, which declined by approximately 12 % during the same period.

Based on the closing price on 30 June 2010 and the number of outstanding shares unchanged at 12.2 million, Kapsch TrafficCom's market capitalization was approximately EUR 356.9 million. As of 30 June 2010, approximately 31.6 % of the shares were in free float, whereas the remaining approximately 68.4 % continued to be held by KAPSCH-Group Beteiligungs GmbH.

Share price development in FY11-Q1 (Kapsch TrafficCom versus ATX Prime)



Closing price of the Kapsch TrafficCom share on 31 March 2010 and closing value of the ATX Prime on 31 March 2010, each indexed to 100.

Information on the share		Financial calendar	
Investor Relations Officer	Marcus Handl	25 August 2010	Ordinary Shareholders' Meeting for FY10
Shareholders' Telephone	+43 (0)50811 1120	1 September 2010	Deduction of dividends for FY10 (ex-day)
E-mail	ir.kapschtraffic@kapsch.net	8 September 2010	First day of payment for FY10 dividends
Website	www.kapsch.net	30 November 2010	Interim financial report FY11-Q2
Stock Exchange	Vienna, Prime Market	28 February 2011	Interim financial report FY11-Q3
ISIN	AT000KAPSCH9	22 June 2011	Results FY11
Trading Symbol	KTCG	24 August 2011	Ordinary Shareholders' Meeting for FY11
Reuters	KTCG.VI	31 August 2011	Deduction of dividends for FY11 (ex-day)
Bloomberg	KTCG AV	7 September 2011	First day of payment for FY11 dividends

Analysis of results and balance sheet.

Revenues and earnings.

The revenues of the Kapsch TrafficCom Group were at EUR 66.3 million in the first quarter of the current fiscal year 2010/11 (FY11-Q1), up by 92 % from EUR 34.4 million recorded in the same period of the previous fiscal year (FY10-Q1). This positive trend was attributable to both of our major segments, the segment Road Solution Projects (RSP) and the segment 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 23.4 million in the first quarter of the current fiscal year after EUR 2.5 million in the same period of the previous fiscal year. The implementation of the Traffic Management System for the nationwide truck tolling system in the Czech Republic and the ongoing realisation of the electronic toll collection system in the province of Gauteng, South Africa, were the main drivers for this positive development.
- In the segment SEC (Services, System Extensions and Components Sales) revenues increased by 37.2 % from EUR 29.9 million in the first quarter of the previous fiscal year to EUR 41.0 million in the first quarter of the current fiscal year. This favourable development was attributable to additional revenues from the nationwide truck tolling system in the Czech Republic, due to the extension of the weight limit from 12 tons to 3.5 tons, as well as to the change in consolidated entities by acquiring the majority in TMT Services and Supplies (Pty) Ltd., Cape Town, South Africa. Furthermore, the number of on-board units (OBUs) delivered could be increased by 27 % compared to the first quarter of the previous year.
- The segment Others (OTH) recorded revenues of EUR 1.9 million (FY10-Q1: EUR 2.1 million), a decrease of 10.1 %.

In the first three months of the current fiscal year, Kapsch TrafficCom Group reported an operating result (EBIT) at EUR 4.8 million (FY10-Q1: EUR -5.5 million). Operating results (EBIT) by segment were as follows:

- The segment RSP recorded an EBIT of EUR -2.6 million after EUR -9.9 million in the same period of the previous fiscal year.
- The EBIT for the segment SEC was at EUR 7.3 million (FY10-Q1: EUR 4.5 million) showing an EBIT margin of 17.9 %, an increase of 2.7 % compared to the previous year (FY10-Q1: 15.2 %).
- The segment OTH showed a slightly positive EBIT at EUR 0.1 million (FY10-Q1: EUR -0.2 million).

Kapsch TrafficCom recorded a financial result of EUR 1.0 million in the period under review (FY10-Q1: EUR 3.3 million), mainly influenced by currency exchange profits and losses.

Financial position and cash flows.

With total assets of EUR 316.5 million as of 30 June 2010 (31 March 2010: EUR 295.1 million) and at a total equity of EUR 175.4 million, Kapsch TrafficCom Group's equity ratio was at 55.4 % as of 30 June 2010 (31 March 2010: 57.0 %).

The major changes in assets were due to the increase in inventories in connection with the nationwide electronic truck tolling system in the Czech Republic and an increased stock of components. The higher trade receivables and other current assets were mainly attributable to receivables owed by customers for contract work in connection with the project in South Africa. The change in consolidated entities led to an increase in intangible assets.

On the liabilities side, short-term liabilities increased due to higher accruals for outstanding invoices.

The cash flow from operating activities reached EUR 6.1 million in the first three months of the current fiscal year compared to EUR 26.1 million in the same period of the previous fiscal year. This development resulted mainly from an increase in trade receivables and other current assets which could not be offset by the positive EBIT. The cash flow from investing activities resulted from the acquisitions of TMT Services and Supplies (Pty) Ltd., Cape Town, South Africa, and Kapsch Telematic Services Solutions A/S, Copenhagen, Denmark. The slight decrease in current financial liabilities in the first quarter of fiscal year 2010/11, compared to the same period of the previous financial year resulted in a higher cash position.

Cash and cash equivalents increased from EUR 47.7 million as of 31 March 2010 to EUR 49.6 million as of 30 June 2010.

Condensed consolidated interim financial information as of 30 June 2010.^{*)}

Kapsch TrafficCom Group – Consolidated statement of comprehensive income.

All amounts in TEUR	Note	FY11-Q1	FY10-Q1	FY11-Q1 cum.	FY10-Q1 cum.
Revenue	(4)	66,285	34,435	66,285	34,435
Other operating income		886	259	886	259
Changes in finished and unfinished goods and work in progress		2,199	2,403	2,199	2,403
Cost of materials and other production services		-31,189	-16,434	-31,189	-16,434
Staff costs		-18,446	-14,317	-18,446	-14,317
Amortization of intangible assets and depreciation of property, plant and equipment		-2,551	-1,850	-2,551	-1,850
Other operating expenses		-12,335	-10,025	-12,335	-10,025
Operating result	(4)	4,848	-5,530	4,848	-5,530
Finance income		2,625	4,019	2,625	4,019
Finance costs		-1,648	-767	-1,648	-767
Financial result		977	3,252	977	3,252
Result from associates		0	143	0	143
Profit before income taxes		5,826	-2,134	5,826	-2,134
Income taxes	(10)	-1,342	602	-1,342	602
Profit for the period		4,483	-1,532	4,483	-1,532
Other comprehensive income for the period					
Gains/losses recognized directly in equity:					
Available for sale financial assets		-2,543	-346	-2,543	-346
Currency translation differences		525	-278	525	-278
Income tax relating to components of other comprehensive income		-162	86	-162	86
Other comprehensive income for the period net of tax	(11)	-2,180	-537	-2,180	-537
Total comprehensive income for the period		2,304	-2,069	2,304	-2,069
Profit attributable to:					
Equity holders of the Company		2,721	-2,204	2,721	-2,204
Minority interests		1,763	673	1,763	673
		4,483	-1,532	4,483	-1,532
Total comprehensive income attributable to:					
Equity holders of the Company		516	-2,519	516	-2,519
Minority interests		1,788	450	1,788	450
		2,304	-2,069	2,304	-2,069
Earnings per share from the profit for the period attributable to the equity holders of the Company (in EUR)		0.22	-0.18	0.22	-0.18

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 2010	31 March 2010
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	17,141	15,824
Intangible assets	(5)	34,067	28,529
Other non-current financial assets and investments		35,986	38,937
Other non-current assets		9,671	8,481
Deferred tax assets		10,801	9,650
		107,665	101,420
Current assets			
Inventories		44,213	37,582
Trade receivables and other current assets		107,513	101,448
Other current financial assets		7,439	6,898
Cash and cash equivalents		49,624	47,743
		208,789	193,671
Total assets		316,454	295,092
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		80,457	80,937
		162,734	163,214
Minority interests		12,710	5,035
Total equity		175,444	168,249
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	(7)	10,326	10,060
Liabilities from post-employment benefits to employees	(8)	14,282	14,316
Non-current provisions	(9)	574	583
Other non-current liabilities		10,922	9,353
Deferred income tax liabilities		5,028	3,284
		41,131	37,596
Current liabilities			
Trade and other current payables		33,440	41,332
Other liabilities and deferred income		43,049	25,933
Current tax payables		8,172	5,900
Current financial liabilities	(7)	8,921	9,237
Current provisions	(9)	6,297	6,845
		99,879	89,247
Total liabilities		141,010	126,843
Total equity and liabilities		316,454	295,092

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 2009	12,200	70,077	47,769	4,194	134,240
Dividend for 2008/09			-6,100	0	-6,100
Total comprehensive income			-2,519	450	-2,069
Carrying amount as of 30 June 2009	12,200	70,077	39,150	4,644	126,071
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			-996	6,437	5,441
Carrying amount as of 30 June 2010	12,200	70,077	80,457	12,710	175,444

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	FY11-Q1	FY10-Q1	FY11-Q1 cum.	FY10-Q1 cum.
Cash flow from operating activities				
Operating result	4,848	-5,530	4,848	-5,530
Adjustments for non-cash items and other reconciliations:				
Depreciation and amortization	2,551	1,850	2,551	1,850
Increase/decrease in obligations for post-employment benefits	-34	-109	-34	-109
Change in other non-current liabilities and provisions	-9	0	-9	0
Increase in trade receivables (non-current)	1,568	346	1,568	346
Increase in trade payables (non-current)	-1,190	3,496	-1,190	3,496
Other (net)	1,070	4,334	1,070	4,334
	8,804	4,388	8,804	4,388
Changes in net current assets:				
Increase/decrease in trade receivables and other assets	-6,065	37,545	-6,065	37,545
Increase/decrease in inventories	-6,631	-5,863	-6,631	-5,863
Increase/decrease in trade payables and other current payables	9,225	-10,864	9,225	-10,864
Increase/decrease in current provisions	-548	-245	-548	-245
	-4,019	20,572	-4,019	20,572
Cash flow from operations	4,785	24,960	4,785	24,960
Interest received	186	180	186	180
Interest payments	-417	-624	-417	-624
Net payments of income taxes	1,522	1,610	1,522	1,610
Net cash flow from operating activities	6,076	26,126	6,076	26,126
Cash flow from investing activities				
Purchases of property, plant and equipment	-1,129	-699	-1,129	-699
Purchases of non-current intangible assets	-1,787	-3,520	-1,787	-3,520
Purchases of securities and investments	-1,262	0	-1,262	0
Payments for acquisition of companies (net of cash acquired)	25	0	25	0
Proceeds from disposal of property, plant and equipment and intangible assets	10	-1	10	-1
Net cash flow from investing activities	-4,142	-4,220	-4,142	-4,220
Cash flow from financing activities				
Dividends paid to minority shareholders of group companies	-550	0	-550	0
Increase in other non-current financial liabilities	266	0	266	0
Increase in current financial liabilities	46	4	46	4
Decrease in current financial liabilities	-361	-22,056	-361	-22,056
Net cash flow from financing activities	-599	-22,052	-599	-22,052
Change in cash and cash equivalents	1,334	-146	1,334	-146
Cash and cash equivalents at beginning of period	47,743	60,230	47,743	60,230
Net decrease/increase in cash and cash equivalents	1,334	-146	1,334	-146
Exchange gains/losses on cash and cash equivalents	547	475	547	475
Cash and cash equivalents at end of period	49,624	60,558	49,624	60,558

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
- Services, System Extensions, Components Sales
- Others

The segment Road Solution Projects relates to the installation of ITS solutions.

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

The segment Others 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 quarter of the current fiscal year 2010/11 ended 30 June 2010 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 2010.

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 2010, as described in the annual financial statements for the year ended 31 March 2010.

In this condensed interim financial information report for the first quarter of the current fiscal year 2010/11 no new IFRSs and IFRICs have been adopted. The following amended IFRSs and IFRICs have been adopted:

Amended IFRSs		Mandatory for accounting periods beginning on or after
IFRS 3 (rev)	Business Combinations	1 July 2009

4. Segment information.

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	4,849

FY10-Q1 All amounts in TEUR	Road Solution Projects	Services, System Extensions, Components Sales	Others	Consolidated Group
Revenue	2,481	29,894	2,061	34,435
Operating result	-9,910	4,541	-162	-5,530

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.

FY11-Q1 All amounts in TEUR	Revenue	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	30,509	x	x
Customer 2	6,149		x

FY10-Q1 All amounts in TEUR	Revenue	Road Solution Projects	Services, System Extensions, Components Sales
Customer 1	13,495		x
Customer 2	5,664		x

5. Capital expenditure.

All amounts in TEUR	Tangible and intangible assets
Carrying amount as of 31 March 2010	44,352
Additions	2,914
Change in consolidated entities	5,311
Depreciation, amortization, impairments and other movements	-2,578
Currency translation differences	1,208
Carrying amount as of 30 June 2010	51,207
Carrying amount as of 31 March 2009	42,976
Additions	4,490
Depreciation, amortization, impairments and other movements	-1,838
Currency translation differences	-658
Carrying amount as of 30 June 2009	44,970

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.

7. Financial liabilities.

All amounts in TEUR	30 June 2010	31 March 2010	30 June 2009	31 March 2009
Non-current	10,326	10,060	10,060	10,060
Current	8,921	9,237	28,302	49,210
Total	19,247	19,297	38,363	59,270

Movements in borrowings is analysed as follows:

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
Carrying amount as of 30 June 2010	10,326	8,921	19,247

All amounts in TEUR	Non-current	Current	Total
Carrying amount as of 31 March 2009	10,060	49,210	59,270
Additions	0	4	4
Repayments of borrowings	0	-22,056	-22,056
Currency translation differences	0	1,145	1,145
Carrying amount as of 30 June 2009	10,060	28,302	38,363

8. Liabilities from post-employment benefits to employees.

All amounts in TEUR	30 June 2010	31 March 2010	30 June 2009	31 March 2009
Severance payments	5,571	5,561	5,226	5,294
Pension benefits	8,711	8,755	8,880	8,920
Total	14,282	14,316	14,106	14,214

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.

9. Provisions.

All amounts in TEUR	30 June 2010	31 March 2010	30 June 2009	31 March 2009
Non-current	574	583	524	524
Current	6,297	6,845	10,378	10,623
Total	6,870	7,428	10,902	11,147

FY11-Q1 All amounts in TEUR	31 March 2010	Change in consolidated entities	Utilization/ disposal	Addition	Currency translation differences	30 June 2010
Obligations from anniversary bonuses	583	0	-10	1	0	574
Non-current provisions, total	583	0	-10	1	0	574
Warranties	2,361	0	-73	16	38	2,342
Losses from pending transactions and rework	710	0	-24	0	0	686
Legal fees, costs of litigation and contract risks	891	0	-6	3	-7	881
Other	2,883	0	-1,176	647	34	2,388
Current provisions, total	6,845	0	-1,278	666	65	6,297
Total	7,428	0	-1,288	666	65	6,870

FY10-Q1 All amounts in TEUR	31 March 2009	Change in consolidated entities	Utilization/ disposal	Addition	Currency translation differences	30 June 2009
Obligations from anniversary bonuses	524	0	-7	7	0	524
Non-current provisions, total	524	0	-7	7	0	524
Warranties	1,820	0	-155	0	9	1,675
Losses from pending transactions and rework	934	0	-47	0	0	888
Legal fees, costs of litigation and contract risks	3,228	0	-8	153	94	3,468
Other	4,640	0	-470	89	89	4,348
Current provisions, total	10,623	0	-679	242	192	10,378
Total	11,147	0	-685	249	192	10,902

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 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.

After the first quarter of FY11 the effective tax rate is approximately 23 % (first quarter of FY10: 28 %). For the full year FY11, management expects an effective tax rate of approximately 25 %.

11. Other comprehensive income.

FY11-Q1 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	-2,543	-162	-2,705
Currency translation differences	525	0	525
Fair value gains/losses recognized in equity	-2,017	-162	-2,180

The fair value gains/losses not realized relate for the most part to the investment in Q-Free ASA, Norway (TEUR -3.193).

FY10-Q1 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	-346	86	-259
Currency translation differences	-278	0	-278
Fair value gains/losses recognized in equity	-623	86	-537

12. Business combinations.

TMT Services and Supplies (Pty) Ltd., Cape Town, South Africa.

Kapsch TrafficCom AG, Vienna, through a subsidiary, acquired 51.43 % of the increased share capital of TMT Services and Supplies (Pty) Ltd., Cape Town, South Africa, through a capital increase on 8 April 2010. The volume of the capital increase amounted to a total of Rand 75 million.

For the remaining 48.57% of the shares a put-option, exercisable from 2013 to 2015 (with a potential extension to 2017), was granted to the minority shareholders. The strike price is based on the lower of the fair market value of the shares at the date of the exercise and a predetermined value. As a result of the structure of the put option, the minority interest continues to be recognised and no liability for the put option is accounted for.

All amounts in TEUR	
Purchase price	7,682
Share of fair value of net assets acquired	7,333
Goodwill	349

The assets and liabilities arising from the acquisition are as follows (determined on a provisional basis):

All amounts in TEUR	Fair value	Acquiree's carrying amount
Intangible assets	6,587	359
Property, plant and equipment	1,267	1,267
Receivables and other assets	4,591	4,591
Cash and cash equivalents	7,170	7,170
Payables, other liabilities and accruals	-5,357	-5,357
Net assets acquired	14,258	8,029

Kapsch Telematic Services Solutions A/S, Copenhagen, Denmark (prior PayVend F&P A/S).

On 1 April 2010, Kapsch Telematic Services GmbH, Vienna, acquired 60% of the shares in PayVend F&P A/S, Copenhagen, Denmark, at a price of EUR 0.75 million. Subsequently, the company was renamed Kapsch Telematic Services Solutions A/S, Copenhagen, Denmark.

All amounts in TEUR	
Purchase price	750
Share of fair value of net assets acquired	750
Goodwill	0

The assets and liabilities arising from the acquisition are as follows (determined on a provisional basis):

All amounts in TEUR	Fair value	Acquiree's carrying amount
Intangible assets	1.667	1.667
Payables, other liabilities and accruals	-417	-417
Net assets acquired	1.250	1.250

13. Contingent liabilities, other commitments and financial obligations.

The Kapsch TrafficCom Group's contingent liabilities primarily result from large scale projects.

Other commitments mainly relate to contract and warranty bonds, bank guarantees, performance und bid bonds, 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 June 2010	31 March 2010
Contract, warranty, performance and bid bonds:		
City Highway Santiago	268	263
City Highway Sydney and Melbourne	2.949	2.881
Truck tolling system Austria	12.500	12.500
Truck tolling system Czech Republic	10.024	10.046
Tolling projects in South Africa: Gauteng, Marian Hill, Huguenot	123.923	117.084
Other	1.207	1.069
	150.870	143.844
Bank guarantees	2.049	2.419
Sureties	33	30
Total	152.952	146.293

14. Related parties.

All amounts in TEUR		Sales to related parties Q1 cum.	Sales from related parties Q1 cum.	Amounts owed by related parties 30 June	Amounts owed to related parties 30 June
Affiliated companies outside the Kapsch TrafficCom Group	FY11	388	3.351	3.490	1.599
	FY10	381	2.499	3.166	5.202
Others	FY11	0	924	0	9.191
	FY10	0	838	0	9.351

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 June 2010.

No major events occurred after 30 June 2010.

Vienna, 25 August 2010

Management Board



Georg Kapsch
Chief Executive Officer



Erwin Toplak
Chief Operating Officer



André F. Laux
Executive Board member

Kapsch TrafficCom is an international supplier of superior intelligent transportation systems (ITS). 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 approximately 240 references in 39 countries on all 5 continents, and with more than 18 million on-board units (OBUs) delivered and nearly 13,000 lanes equipped, 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 25 countries.

Kapsch TrafficCom AG | Am Europlatz 2 | 1120 Vienna | Austria | www.kapschtraffic.com

Investor Relations | Marcus Handl | Phone +43 50811 1120 | Fax +43 50811 99 1120 | E-mail ir.kapschtraffic@kapsch.net

Public Relations | Brigitte Herdlicka | Phone +43 50811 1710 | Fax +43 50811 99 1710 | E-mail brigitte.herdlicka@kapsch.net