

## **EANS-Adhoc: Kapsch TrafficCom AG / Kapsch TrafficCom confirms its growth potential in the first three quarters of the fiscal year 2011/12**

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- Revenues and EBIT up by roughly 60% despite results in the third quarter weighed down by delays in projects in Poland and South Africa
- Total revenues of the previous year already exceeded
- Two major orders received in Q3, decisions on additional projects expected soon

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FY 12 Q1-Q3: 1 April - 31 December 2011 FY12 Q1-Q3 +/- % FY11 Q1-Q3

Revenues (in million EUR) 408.2 58 % 258.5

EBIT (in million EUR) 37.4 61 % 23.2

Profit for the period (in million EUR) 24.7 47 % 16.8

Earnings per share (in EUR) 1.40 28 % 1.09

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Vienna, 29 February 2012 - Kapsch TrafficCom AG (ISIN AT000KAPSCH9), listed in the Prime Market of the Vienna Stock Exchange, succeeded in continuing its growth of previous years during the first three quarters of the fiscal year 2011/12. Existing and new projects contributed to the achieved revenue and profit growth as did the acquisition of the Canadian and American Mark IV IVHS companies in November 2010. In the past three quarters, Kapsch TrafficCom Group has exceeded the total annual sales of the previous year and achieved successes on many levels that support its future and continued growth.

At the start of the third quarter, Kapsch TrafficCom already reached a basic agreement with Asfinag Mautservice GmbH regarding the extension of the current operation and maintenance contract for the nationwide electronic truck tolling system in Austria through the end of year 2018. At the end of December, the company was awarded the contract for maintenance and toll-based operation of a section of the Don highway M-4 in Russia as part of a joint venture. This major order is also of strategic significance for Kapsch TrafficCom as the first step into the Russian market.

The executive board is not satisfied with the developments in the third quarter, which was characterized in particular by delays in the ongoing major projects in Poland and South Africa. Despite the extremely short implementation time, the nationwide electronic toll collection system in Poland was put into operation on 3 July 2011, just two days later than planned, and was completed in stages by the end of December. Since then, Kapsch TrafficCom has borne the ongoing costs for the operation of the system but is only receiving reduced operating performance until the system acceptance by the customer is complete. The payment of the outstanding receivables has also been delayed accordingly as the system acceptance is a prerequisite for these payments. The acceptance process is expected to be completed only in the fourth quarter of the fiscal year 2011/12, significantly later than anticipated even at the end of the second quarter.

Delays also arose in the toll project in the South African Gauteng province, for which the mobilization phase has already been started in view of the planned commissioning on 15 February 2012. As a result of new rate discussions with the government, however, the customer was forced to postpone the system start again to 30 April 2012.

The market expansion in the U.S.A. is continuing according to plan, and in Portugal, Kapsch TrafficCom began in October 2011 with the installation of an electronic toll collection system that should be completed in stages by October 2013.

### **Revenue and earnings**

In the first three quarters of the current fiscal year, the Kapsch TrafficCom Group achieved revenues totaling EUR 408.2 million, representing an increase of 57.9 % over the value of EUR 258.5 million from the same period of the previous

year and thus already exceeding the total annual sales of the previous year. The EBIT increased by 61.1 % from EUR 23.2 million to EUR 37.4 million. This raised the EBIT margin to 9.2 %.

Revenues in the third quarter amounted to EUR 129.4 million, an increase of 15.6 % compared with EUR 111.9 million in the third quarter of the previous year. After a value of EUR 5.0 million in the same quarter of the previous year, the EBIT was negative at EUR -2.7 million as a result of the delays in the two projects in Poland and South Africa as well as negative currency exchange effects not yet realized.

In the segment Road Solution Projects (RSP), revenues grew in the first three quarters of the fiscal year 2011/12 compared with the same period of the previous year from EUR 105.9 million to EUR 181.0 million, an increase of 70.9 %, while the EBIT reached EUR 2.0 million after EUR -4.5 million in the comparison period. This improvement can primarily be attributed to the project in Poland.

In the segment Services, System Extensions and Components Sales (SEC), revenues increased by 49.0 % from EUR 147.8 million to EUR 220.3 million compared with the previous year. The EBIT increased by 27.3 % from EUR 27.4 million to EUR 34.9 million, leaving the EBIT margin at 15.8 % compared to the previous year's value of 18.5 %. This decline is largely due to the delays in the major projects in Poland and South Africa.

The volume of delivered on-board units increased during the last nine months to an all-time high of 8.0 million units, compared with 2.9 million units in the same period of the previous year.

#### Financial position and cash flows

The total assets grew over the reporting period as a result of the augmented project business, and the capital increase at the end of July 2011 combined with the previously earned profits to increase the total equity, putting the equity ratio at 46.1 % as of 31 December 2011. The project-related increase in the net working capital contributed significantly to reducing the free cash flow to EUR -23.8 million following on EUR 16.3 million in the same period of the previous year.

#### Outlook

The fourth quarter of the fiscal year 2011/12 will be marked by the acceptance of the Polish toll collection system and the continued developments in South Africa as well as other existing and potential projects. For some time, Kapsch TrafficCom has been engaged in talks regarding another major order on which a decision is anticipated soon.

The report on the first three quarters of the fiscal year 2011/12 can be downloaded from  
[http://www.kapsch.net/en/ktc/investor\\_relations/downloads/files/reports/KTC\\_IR\\_Report\\_FY12-Q1-Q3.pdf](http://www.kapsch.net/en/ktc/investor_relations/downloads/files/reports/KTC_IR_Report_FY12-Q1-Q3.pdf).

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Kapsch TrafficCom is an international supplier of superior intelligent transportation systems (ITS) and primarily supplies electronic toll collection (ETC) systems. With its end-to-end solution portfolio, Kapsch TrafficCom covers the entire value creation chain of its customers, from products and systems to integration and operations, as a one-stop shop. Kapsch TrafficCom also offers solutions for urban access management as well as for traffic safety and security. Add-on applications to these solutions complement the offering. With references in 41 countries in all 5 continents, Kapsch TrafficCom has positioned itself among the internationally recognized suppliers of intelligent transportation systems. Kapsch TrafficCom AG is headquartered in Vienna, Austria, and represented in 27 countries.

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