

## EANS-Adhoc: Kapsch TrafficCom AG hold firm to long-term growth strategy

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Financial Figures/Balance Sheet/quarterly report

Ad hoc Release

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\* Revenue decline by 24 % in the first three quarters of 2012/13; new projects contributing little so far

\* Updated calculation for the order in South Africa results in negative earnings

\* Balance sheet figures show the strong foundation of the company group

\* Investment strategy will be continued in the future

2012/13 Q1-Q3: 1 Apr.-31 Dec. 2012	2012/13 Q1-Q3	+/- %	2011/12 Q1-Q3
Revenues (in million EUR)	310.9	-24 %	408.2
EBIT (in million EUR)	-9.6	-	37.4
Profit for the period (in million EUR)	-5.8	-	24.7
Earnings per share (in EUR)	-1.09	-	1.40

Vienna, February 27, 2013 - Kapsch TrafficCom AG (ISIN AT000KAPSCH9), listed on the Vienna Stock Exchange in the prime market segment, reports on three challenging quarters of the current 2012/13 fiscal year. The new projects that the group succeeded in obtaining in the past months have hardly yet contributed to revenues or earnings. At the same time, the delays in existing major projects in Poland and South Africa led to significantly lower revenues than expected. The updated calculation for the order in South Africa further indicated a decline in the expected project revenues by roughly 10 %, which, together with the additional costs and standby costs, negatively impacted the project's earnings contribution in the third quarter. The overall profitability of the project is also lower than expected as a result.

The legal action in South Africa, which was not directed against Kapsch TrafficCom but has delayed the commissioning of the toll collection system in the Gauteng province, has now been dismissed. The company hopes that the system can be put into operation at the start of the coming fiscal year - following announcement of the starting date by the government, which had been expected by now. In the operation project in Poland, Kapsch TrafficCom was able to clarify key open issues regarding the system operation during the third quarter. This can also be seen in the significant improvement of the margin in the segment Services, System Extensions, Components Sales (SEC).

"The earnings situation is currently not satisfactory. However, our fundamental business continues to operate solidly, and we see enormous growth potential in our markets. In the previous year, we restructured our organization in line with this growth, which has not yet been realized. We have decided to continue with our previous course in order to participate in the expected future projects, some of them quite large. Naturally, we will at the same time strive to take advantage of potential cost reductions and analyze where we can streamline or suspend investments," explains Georg Kapsch, CEO of Kapsch TrafficCom AG.

Revenue and earnings

In the first three quarters of 2012/13, the Kapsch TrafficCom Group achieved revenues of EUR 310.9 million - a decline of 24% compared to the outstanding equivalent period in the previous year. The EBIT was negative at EUR -9.6 million, weighed down primarily by the South African project.

The segment RSP (Road Solution Projects) recorded revenues of EUR 64.0 million after EUR 181.0 million in the same period of the previous fiscal year, a decrease of 64.6%. While the two implementation projects in Poland and South Africa are reflected in the previous year's figures, the projects begun in Belarus, France, Australia and the U.S.A. have not yet delivered comparable revenue contributions. This situation contributed to the inability to cover the costs assigned to this segment. Moreover, the implementation project for the electronic toll collection system in the South African province of Gauteng weighed down the results due to the delay, the revenue up to commissioning that was lower than originally expected and the additional costs and standby costs incurred. The segment EBIT for the first three quarters of 2012/13 was therefore EUR -30.1 million after EUR 2.0 million in the same period of the previous year.

In the segment SEC (Services, System Extensions and Components Sales), revenues increased by 6.3% from EUR 220.3 million to EUR 234.3 million. While the operation project in Poland delivered a significant revenue contribution, the delay in commissioning of the South African project had a dampening effect here as well. The delay also meant the absence of the expected deliveries of on-board units. The number of on-board units sold amounted to 6.7 million after 8.0 million in the previous year. The segment EBIT was EUR 20.1 after EUR 34.9 million in the same period of the previous year.

#### Financial position and cash flows

Despite the disappointing earnings situation, the strength of the Kapsch TrafficCom Group can be seen in the solid balance sheet structure. The equity ratio increased to 47.7 % as at 31 December 2012. On the balance sheet date, the company had no net debts, rather net assets in the amount of EUR 1.0 million. The cash and cash equivalents amounted to an impressive EUR 83.7 million. The net working capital and capital employed were back to significantly below the comparison values of the previous year. Not least, the free cash flow increased to EUR 89.7 million. Kapsch TrafficCom therefore enjoys a solid foundation, including for future projects.

#### Outlook

The negative influence of the South African project will still weigh down the annual results for 2012/13, bringing them considerably lower than previous expectations. In view of the progress that has been made in the existing projects and the expected tenders and additional projects, the executive board of the Kapsch TrafficCom Group is holding firm to the growth-oriented strategy and looks forward optimistically to the future.

The report on the first three quarters of the 2012/13 fiscal year can be downloaded from

[HYPERLINK:

[http://www.kapsch.net/ktc/investor\\_relations/reports/download/Quarterly-reports/2012-13/KTC\\_IR\\_Report\\_FY13-Q1-Q3?lang=en-US](http://www.kapsch.net/ktc/investor_relations/reports/download/Quarterly-reports/2012-13/KTC_IR_Report_FY13-Q1-Q3?lang=en-US)].

Kapsch TrafficCom is a provider of intelligent transportation systems (ITS) in the application fields of toll collection, urban access management and traffic safety and security. Kapsch TrafficCom covers the entire value creation chain of its customers as a one-stop shop by providing products and components as well as subsystems as open market products, by integrating them into turnkey systems or by developing end-to-end solutions, including services for the technical and commercial operations of systems. Within its current core business of electronic toll collection (ETC), Kapsch TrafficCom designs, builds and operates ETC systems, in particular for multi-lane free-flow traffic. With 280 references in 41 countries on all five continents and with almost 70 million on-board units

delivered and about 18,000 lanes equipped, Kapsch TrafficCom has positioned itself among the internationally recognized suppliers of electronic toll collection worldwide. Kapsch TrafficCom is headquartered in Vienna, Austria, and has subsidiaries and representative offices in 30 countries.

For more information, visit[HYPERLINK: <http://www.kapschtraffic.com/>].

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