

EANS-Adhoc: Kapsch TrafficCom AG reports clear improvement in profits in fiscal year 2014/15

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annual result/annual report

- * Revenue fell by 6 % due to the lack of new large toll projects
- * EBIT improved by 62 %, profit for the period more than tripled
- * Dividend of EUR 0.50 per share proposed
- * Strategy 2020 defines the future business

1_April-31_March	2013/14	+/-_%	2014/15
Revenues (in million EUR)	487.0	-6 %	456.4
EBIT (in million EUR)	20.3	+62 %	32.7
Profit for the period (in million EUR)	2.9	+299 %	11.4
Earnings per share (in EUR)(1)	-0.33	-	0.28
Dividend per share (in EUR)(2)	0.00	-	0.50(2)

(1) Earnings per share relate to 13.0 million shares; calculated from the profit for the period attributable to the equity holders of the company

(2) Proposal of the executive board subject to approval of the shareholders' meeting on 9 September 2015

Vienna, June 16, 2015 - Kapsch TrafficCom AG (ISIN AT000KAPSCH9), listed on the Vienna Stock Exchange in the prime market segment, reports on an intense 2014/15 fiscal year. Through implementation of the Program 2020 in particular, the company also achieved significant strategic progress. This comprehensive set of measures includes cost savings and structural adaptations with short-term effect and will also contribute with the associated Strategy 2020 to strengthening the market position for the future.

From an operational perspective, the Kapsch TrafficCom Group made continued progress on existing installation projects during the fiscal year 2014/15. In addition, new projects were obtained in the U.S.A. as well as several projects in Australia. However, new major orders remained elusive due to a lack of invitations to tender.

Four years after entering the market, Kapsch TrafficCom has achieved the goal of being recognized in North America as an end-to-end solution provider. While the installation of Kapsch TrafficCom's first toll system here is nearly complete, the company also received its first system order from a toll authority of the E-ZPass Group during the reporting period, in which further potential for the future can be seen. In March 2015, Kapsch TrafficCom won the invitation to tender for its first U.S. order for an end-to-end solution: the installation, back office and operation of the toll system on the Ohio River Bridge.

The operation projects continued to supply stable earnings contributions. The projects in Gauteng, South Africa, and in Belarus were in operation for their first entire fiscal year, with a positive impact on the results. The system in Belarus was also expanded, as was the toll system in Poland. The continued expansion of both projects is in planning or has already been ordered.

Zwtl.: Revenue and earnings

The revenue of the Kapsch TrafficCom Group during the fiscal year 2014/15 amounted to EUR 456.4 million, which corresponds to a decline of 6.3 % compared with the previous year's sales of EUR 487.0 million, reflecting the lack of new, large installation projects. However, the operating result (EBIT) increased by 61.5 % and amounted to EUR 32.7 million following EUR 20.3 million in the previous year. In addition to positive one-time effects at mid-year, the initial impact of the initiated cost reductions can be seen here. The EBIT margin increased as a result to 7.2 % following 4.2 % in the previous year and 3.4% in the year before that. Kapsch TrafficCom sees this as a major step in the right direction. By the end of the current fiscal year 2015/16, all implemented measures will take full effect, from which a total cost reduction of roughly EUR 30 million is expected.

The headcount of the Kapsch TrafficCom Group increased by 237 people to 3,545 as

of 31 March 2015 compared to 3,308 as of 31 March 2014. This increase is the result from the acquisition of KTC USA Inc., the take-over of external staff in the South African subsidiary ETC (Pty) Ltd. and from the expansion of the operation companies in Poland and Belarus. The profit for the period increased from EUR 2.9 million in the previous year to EUR 11.4 million despite a goodwill impairment for the share in Q-Free ASA. The profit per share, which only represents the profit share of the equity holders, is once again positive at EUR 0.28 on this basis. The executive board will propose to the annual shareholders' meeting a dividend payout of EUR 0.50 per share for the fiscal year 2014/15. No dividend was paid in the previous year as a one-time exception.

Zwtl.: Financial position and cash flows

The balance sheet paints an extremely solid picture. The equity ratio increased by 5 percentage points to 42.5 %, the net debt was significantly reduced and cash and cash equivalents rose to EUR 96.8 million at the end of March 2015. Capital employed and net working capital were below the levels of the previous year. The free cash flow, which was negative in the previous year at EUR -24.7 million, reached EUR 68.2 million in the reporting period. In order to further optimize the capital structure, the Kapsch TrafficCom Group made its bond investors an offer for an early buyback of the bonds in April 2015. The outstanding volume of the corporate bond due in 2017 was reduced as a result from EUR 75.0 million to EUR 70.8 million at the end of May.

Zwtl.: Strategy 2020

Strategy 2020 will lead to a transformation of the business. In addition to strengthening and securing the existing core business - toll collection and traffic management systems - Kapsch TrafficCom will develop new, forward-looking intelligent mobility solutions (IMS) and develop new business models and integrated multi-application solutions. With solutions for smart parking, commercial vehicle enforcement and public transport, Kapsch TrafficCom will in future target end users in addition to public agencies and expand its range of offerings from the highway into the city. The vision: We enable exceptional user experiences with intelligent mobility solutions.

Zwtl.: Outlook

As part of the Program 2020, Kapsch TrafficCom defined three strategic priorities: operational excellence, grow and secure the core business as well as inaugurate an intelligent mobility solutions (IMS) business. The next years will therefore be challenging for the Kapsch TrafficCom Group but will also bring many new opportunities. The initiated cost savings will fully take effect over the course of the fiscal year 2015/16. The profitability of the core business should then lie at roughly 10 %, as expected, once again leaving sufficient freedom for future investments. A first step toward this future was taken with the purchase of a majority interest in the Californian smart parking provider Streetline in April 2015. Due to the additional investments required, the reported EBIT margin of the Kapsch TrafficCom Group is expected to remain below 10 % in the fiscal year 2015/16. Kapsch TrafficCom will concertedly continue existing projects and work to further strengthen its market position with new developments and projects. In the years to come, some existing contracts for operation projects will be put out to tender again. This will be the case in 2016 for the nationwide electronic truck toll system in the Czech Republic and the contract for the technical operation and maintenance of the nationwide electronic truck toll system in Austria, although the latter is confirmed to be continued until June 2017. Kapsch TrafficCom will strive to win these tenders again with the best service offer.

Zwtl.: Notification

An overview of the fiscal year 2014/15 (key aspects and figures) can be found at http://www.kapsch.net/ktc/investor_relations/presentations_information/download/Overview/KTC_IR_Overview_FY14-15?lang=en-US. The entire annual financial statements and the annual report for 2014/15 will be published on 22 June 2015.

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sector: *Technology*

ISIN: *AT000KAPSCH9*

indexes: *Prime Market*

stockmarkets: *official market: Wien*

language: *English*



Aussendung übermittelt durch euro adhoc
The European Investor Relations Service