The Future of Mobility

Interim Report 3/2014

Points of contact
Discover technology

Creating points of contact

To experience modern technologies and discover how they make life easier is possible at all points of contact where people get in touch with technology. init's intelligent solutions ensure that these points of contact are optimally designed: Passengers benefit from easy ticketing and real-time information on different media. State-of-the-art on-board computers facilitate the work of drivers while operators can optimally manage buses and trains and deploy capacity precisely. This is why init's integrated systems stand for what public transport companies around the world today strive to achieve: service and efficiency.

Group key figures
according to IFRS

EUR '000	2014	2013	Change in %
Balance Sheet (30/09)			
Balance sheet total	118,595	111,098	6.7
Shareholders' equity	62,618	55,094	13.7
Subscribed capital	10,040	10,040	0.0
Equity ratio (in %)	52.8	49.6	
Return on equity (in %)	10.9	9.2	
Non-current assets	32,767	29,027	12.9
Current assets	85,828	82,071	4.6
Income Statement (01/01 – 30/09)			
Revenues	69,578	61,068	13.9
Gross profit	23,001	22,347	2.9
EBIT	10,048	7,456	34.8
EBITDA	12,244	9,479	29.2
Consolidated net profit	6,810	5,087	33.9
Earnings per share (in EUR)	0.68	0.51	33.7
Dividend (in EUR)	0.80	0.80	0.0
Cash Flow			
Cash flow from operating activities	92	7,401	–98.8
Share			
Issue price (in EUR)	5.10	5.10	
Peak share price (in EUR)	25.80	26.89	–4.1
Bottom share price (in EUR)	18.62	21.15	–12.0

Corporate Bodies

Supervisory Board

- Hans-Joachim Rühlig, B.A.M, Ostfildern (Chairman)
  Former Financial Managing Director, Ed. Züblin AG, Stuttgart
- Drs. Hans Rat, Schoonhoven, Netherlands (Vice-Chairman)
  Managing Director Beaux Jardins B. V., Schoonhoven, Netherlands
- Dipl.-Ing. Ulrich Sieg, Jork
  Consulting engineer specialising in public transport

Managing Board

- Dr. Gottfried Greschner (Chairman; CEO), M.Sc. Business Division: Mobile Telematics and Fare Collection Systems
  Business Development, Personnel, Legal, Purchasing, Logistics and Production
- Joachim Becker, M.Sc. in Information Science (COO)
  Business Division: Telematics Software and Services
- Dr. Jürgen Greschner, B.A.M. (CSO)
  Sales and Marketing
- Bernhard Smolka, B.A.M. (CFO)
  Finance, Controlling and Investor Relations

Directors' Holdings

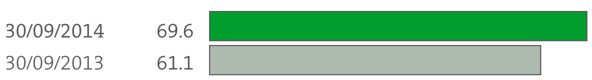
Managing Board	Number of shares
Dr. Gottfried Greschner, CEO	3,371,100*
Joachim Becker, COO	342,083
Dr. Jürgen Greschner, CSO	97,100
Bernhard Smolka, CFO	26,100

* thereof 3,330,000 shares held by Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, Karlsruhe

Supervisory Board	Number of shares
Hans-Joachim Rühlig	–
Drs. Hans Rat	–
Ulrich Sieg	–

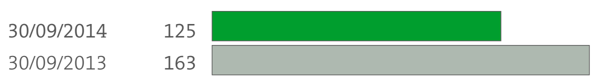
Revenues Q1–Q3

in million EUR



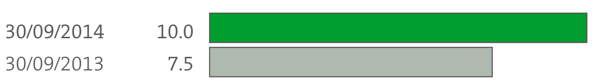
Order backlog

in million EUR



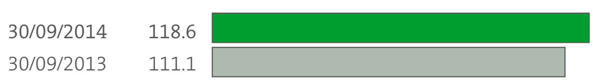
EBIT Q1–Q3

in million EUR



Balance sheet total

in million EUR



Letter to the Shareholders

Dear Ladies and Gentlemen, dear Shareholders,

Civil war in Ukraine, new crisis zones in the Middle East, tensions between the NATO members and Russia. Within a few short weeks, geopolitical conflicts have reached a level that has not been seen for many years. The global economy is suddenly facing added risks and problems that have rendered many plans and forecasts obsolete. In its latest World Economic Outlook at the beginning of October, the International Monetary Fund (IMF) even warned of an impending global economic crisis.

The consequences for industry are already being felt, particularly in Europe. Many export-based companies have had to make downward corrections to their revenue and earnings expectations for 2014 and revise their plans for 2015.

Thanks to the long-term structure of its business and its high order backlog, init is not one of them. In the third quarter of 2014, our revenues and our earnings before interest and taxes (EBIT) remained ahead of last year's.

With the first nine months of the financial year over, our revenues are up by around 14 per cent to EUR 69.6m and our operating profit (EBIT) has risen by around 33 per cent to EUR 10m. Both revenues and EBIT are therefore largely according to plan. We can therefore be confident of achieving our targets for the full year.

The geopolitical developments of the past months and their economic consequences for Europe warn us to pursue a cautious policy in order to keep init on track for success. We still have the support of a solid order backlog of around EUR 125m, which more than covers the revenues for the year. Nevertheless, even we have noticed recently that decision-making deadlines for major international projects have been extended or that tenders have been cancelled and relaunched.

There is no doubt that the risks to init's business development in 2015 have also increased against the background of the geopolitical crises. However, many decision-makers and policy-makers are realising just as we are that the best way to counter an impending global economic downturn is by making long-term investments. For example, influential policy advisers and organisations such as the IMF are recommending investments in infrastructure, and transport systems in particular, as a way to stimulate long-term growth in all countries.

We therefore believe that it is highly likely that we will now see a large number of tenders in this field that were postponed in 2014 being issued in 2015 – with corresponding growth opportunities for init.

Particularly in the current situation, but also beyond, there is a need for massive investment worldwide in intelligent transport infrastructure solutions to ensure continued mobility in metropolitan areas. The international industry association UITP has set itself the goal of doubling the share of public transport by 2025 compared to 2009. The Secretary General of the UITP, Alain Flausch, has now also been appointed to the UNO Advisory Group on Sustainable Transport under its Secretary-General Ban Ki-moon and will be able to work even more effectively towards an expansion of the public transport market. Modern technologies in the field of telematics and electronic fare collection systems will naturally play a key role in this expansion.

If you, like ourselves, are convinced that far-sighted investments are the way to long-term success, then you should continue to place your confidence in init. Thank you for doing so.

For the Managing Board of
init innovation in traffic systems AG

Dr. Gottfried Greschner
Chairman of the Managing Board (CEO)

Share and Investor Relations

Stock markets slump in third quarter – init share holds its own

The init innovation in traffic systems AG (ISIN DE0005759807) stock did significantly better than the key German stock market indices in the third quarter of 2014. Initially, the init stock shared the fate of the German stock index DAX and the technology sector index TecDAX in July because of a paucity of good news, following the general downward trend caused by the worsening of international crises. init's shares marked the beginning of August by hitting their lowest price for the year at EUR 18.62.

The publication of above-forecast figures for the half year ushered in a recovery which saw the stock once more priced above the EUR 22 mark by the end of September. The company made use of temporary weaknesses in September to buy back shares. Trading in the stock picked up again significantly after the half-year figures and the share buyback programme were announced.

On balance, the init stock was able to uncouple itself from the prevailing market weakness, particularly in the third quarter, outperforming both the DAX and the TecDAX. init's shares showed a slight dip of 6 per cent over the first nine months of 2014, largely due to a dividend payment of EUR 0.80 in May.

The stock is still rated by analysts who value our company regularly as a "buy" or "hold". The current target prices range from EUR 22.50 to EUR 28.80.

Share buyback decided and implemented

The Managing Board of init innovation in traffic systems AG decided on 9 September 2014 to acquire up to 20,000 treasury stocks (in accordance with Section 71 (1) (8) of the German Stock Corporation Act (AktG)) in exercise of the authorisation granted by the Annual General Meeting on 12 May 2010, topic 6 of the agenda. The purchase price of the shares was not to exceed EUR 22.30 per share (excluding incidental costs).

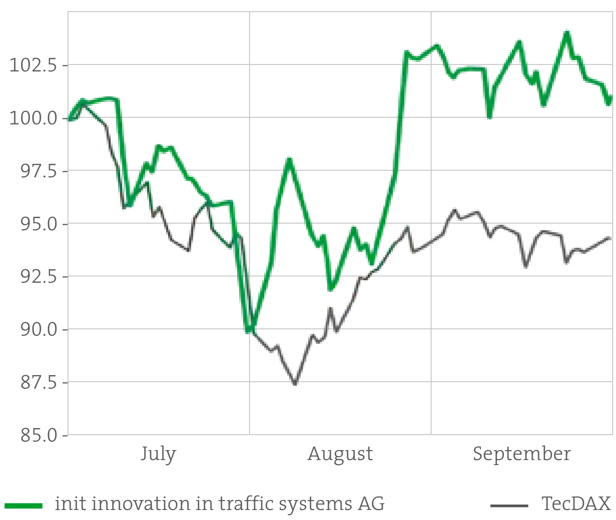
This buyback was implemented successfully by 29 September. The company acquired 20,000 shares in total at an average price of EUR 22.05 (excluding incidental costs). The shares were purchased on the stock exchange (XETRA trading) by Commerzbank AG.

The number of repurchased shares represents a share of 0.2 per cent in the capital stock of init innovation in traffic systems AG. The share buyback programme pursuant to the resolution of 9 September 2014 has therefore been completed.

Basic share information

Exchange	Frankfurt Stock Exchange
Index / Segment	Prime Standard, Regulated Market
Class	No-par bearer shares (at EUR 1 each)
ISIN	DE0005759807
WKN	575 980
Code	IXX
Designated sponsors	Commerzbank AG Close Brother Seydler Bank AG
Capital stock today	10,040,000 no-par bearer shares
Market capitalisation (as of 30 September 2014)	EUR 217.4m

Performance init-share July to September 2014 (Xetra)
(indexed)



Changes in the shareholder structure

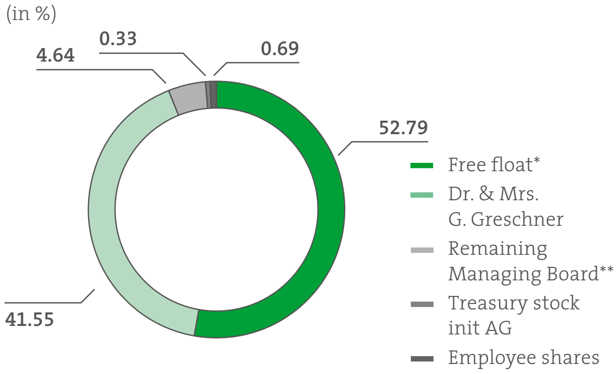
Swisscanto Asset Management International S.A., Luxembourg, Luxembourg, one of the company's largest institutional shareholders, has informed init that its holding fell below the threshold of 3 per cent of the voting rights on 24 September 2014, amounting to 2.91 per cent (corresponding to 292,482 voting rights) on that date.

Shareholdings as at 30 September 2014 are as shown in the diagram.

Up-to-date information about the init share and our Investor Relations services can be found on our website *www.initag.com*.

Shareholder structure as of 30 September 2014

(in %)



* By definiton of the German Stock Exchange the free float of init AG is 56.80 %

** thereof 4.01 % are included in the free float

Interim Group Status Report

Economic environment

The risks and problems for the global economy became more acute in the third quarter of 2014. In its latest economic outlook at the start of October, the International Monetary Fund (IMF) even warned of a potential global economic crisis due to the geopolitical conflicts in Ukraine, Africa and the Middle East, in particular.

Experts from the IMF, and recently also other economic research institutes, are predicting a general economic slowdown in the current year and in 2015 in light of these facts. However, the economic problems are being felt in very different ways around the world. For the time being, the IMF global economic outlook is still predicting growth of 3.3 per cent in the current year and 3.8 per cent in 2015. These are marginally lower values than predicted in the summer.

The IMF is particularly concerned by performance in the Eurozone, where the threat of stagnation once again looms. Currently, the IMF is still predicting overall growth here of 0.8 per cent this year and 1.3 per cent in 2015. The situation in several key countries, such as France and Italy, has already deteriorated significantly.

Even Germany is feeling the impact of these trends. The IMF's latest economic outlook still forecasts growth in local economic performance of 1.4 per cent this year. This is 0.5 percentage points below the previous forecast in July. The IMF is still expecting GDP to increase by 1.5 per cent in Germany in 2015.

The situation is significantly better in the United Kingdom, a further key market for init systems, than in the Eurozone. Here, the IMF is predicting growth rates of 3.2 per cent this year and 2.7 per cent next year.

The projection of IMF economic experts is more positive for init's expected main growth markets of North America and Asia. Growth of between 2 and 3 per cent is expected in 2014 and 2015 in North America, which according to the IMF is once again seeing strong growth following the winter-related economic downturn at the start of the year. GDP in the world's largest economy is set to grow by 2.2 per cent this year, a rise of 0.5 percentage points compared with July. The IMF is predicting growth of 3.1 per cent for 2015.

Growth rates in excess of 5 per cent continue to be predicted for the Asia/Pacific region, with China remaining the world's economic powerhouse, with growth of more than 7 per cent despite higher potential risk.

For all countries, but especially for those feeling the effects of a burgeoning economic crisis, the IMF's economic experts recommend infrastructure investment programmes as a sustainable instrument for growth. If these are implemented, they should result in higher demand from 2015 onwards for intelligent transport infrastructure solutions and systems, such as those manufactured and supplied by init.

Sector-specific performance

Population growth, increasing urbanisation and impending traffic gridlock are leading to rising demand for public transport. Globally, transport infrastructure is experiencing increased demand for expansion and modernisation. More than one half of the world's population now lives in metropolitan areas that are of crucial importance to their countries' economy. The necessary mobility can only be guaranteed there by upgrading public transport systems. This demands massive investment in intelligent transport infrastructure solutions, as offered by init. Another current trend is hardware substitution and the modernisation of old telematics systems.

This contrasts with the pressure to consolidate public finances, which means that funds to expand the necessary infrastructure are not or are no longer available in certain countries due to their weak economic position. Accordingly, this may also lead to cuts in funding. By and large though, the effects of budget cuts have been no more significant than this so far. In individual cases, tenders which have already been announced have been postponed. Several tenders have also been cancelled and certain of them are to be reissued. Nevertheless, we are expecting the volume of new tenders to increase in 2015.

Economic basis of the group

The economic basis of the Group Status Report 2013 continue to apply unchanged.

Report on earnings, assets and financial position

General performance

The distribution of revenues within the init group is traditionally uneven over the course of the financial year: the first three quarters are usually weaker and the fourth the strongest.

In the first nine months of 2014, the init group managed to increase revenues by around 14 per cent year-over-year and increase earnings (EBIT) by 33 per cent. Both revenues and earnings are therefore more or less according to plan.

The rise in revenues was primarily the result of increased hardware supplies. The absolute improvement in earnings is mainly the result of increased revenues and positive currency effects.

Orders

All in all, init managed to acquire new orders to the value of EUR 12.1m in the third quarter (Q3 2013: EUR 10.4m). Of incoming orders, EUR 11.1m (Q3 2013: EUR 9.7m) is attributable to the “Telematics and Electronic Fare Collection Systems” segment and EUR 1.0m (Q3 2013: EUR 0.7m) to the “Other” segment, which comprises the business segments Planning Systems, Driver Dispatch Systems and Automotive.

Incoming orders for the first nine months total EUR 55.6m (Q1–Q3 2013: EUR 46.7m) and are therefore considerably higher than in the prior-year period. We deem that our target for incoming orders of EUR 105m for 2014 is difficult to achieve. This is due to considerable delays in the time it has taken for decisions to be reached. Several tenders have also been cancelled and only partly reissued. However, incoming orders for 2014 are expected to be significantly above the previous year overall.

The order backlog as at 30 September 2014 stands at around EUR 125m and is therefore below the previous year’s figure of EUR 163m on the balance sheet date. However, it continues to be at a high level and cover more than the annual revenues.

Earnings position

Revenues of EUR 25.7m (Q3 2013: EUR 24.0m) were generated in the third quarter of 2014.

Breakdown of revenues by region for the first nine months:

in million EUR	01/01 to 30/09/2014	%	01/01 to 30/09/2013	%
Germany	16.8	24.2	14.4	23.6
Rest of Europe	17.4	24.9	13.0	21.3
North America	32.2	46.3	28.0	45.9
Other countries (Australia, UAE)	3.2	4.6	5.6	9.2
Group total	**69.6**	**100.0**	**61.1**	**100.0**

Revenues based on customer’s location.

Group revenues came in at EUR 69.6m in the first nine months (Q1–Q3 2013: EUR 61.1m). Of this, EUR 65.9m was contributed by the “Telematics and Electronic Fare Collection Systems” segment (Q1–Q3 2013: EUR 57.2m), representing around 95 per cent (Q1–Q3: 2013: around 94 per cent). The “Other” segment generated revenues with third parties amounting to EUR 3.7m (Q1–Q3 2013: EUR 3.9m). This equates to 5 per cent (Q1–Q3 2013: around 6 per cent) of group revenues. Group revenues essentially met therefore our targets as at the end of September 2014. The increase in revenues is largely accounted for by the scheduled implementation of major projects.

Earnings before interest and taxes (EBIT) increased to EUR 10.0m compared with Q1–Q3 2013 (EUR 7.5m), and are therefore also according to plan. The “Telematics and Electronic Fare Collection Systems” segment contributed EUR 10.5m (Q1–Q3 2013: EUR 7.9m) and the “Other” segment contributed EUR -0.5m (Q1–Q3 2013: EUR -0.4m).

Gross profit stands at EUR 23.0m, which is EUR 0.7m higher than in the previous year (EUR 22.3m). The reason for this is found in the increased revenues. However, the ratio of manufacturing costs to revenues rose by around 3.5 percentage points, which is accounted for primarily by the increase in wages and salaries and the higher level of purchased services and lower contribution margins due to higher minority interests.

Sales and administrative expenses came in at EUR 0.1m lower than in the previous year. The reduction is the result of cost savings in various areas.

Research and development expenses are around EUR 0.7m below the previous year’s level and should increase again in the course of the year due to new developments.

Foreign currency gains amounting to EUR 0.9m are primarily the result of the realisation of currency gains in receivables in foreign currency and the fulfilment of forward exchange transactions, especially from the US dollar and the CAN dollar (Q1–Q3 2013: losses of EUR 0.8m).

Net interest income (balance of interest income and interest expenses) stands at EUR -320k (Q1–Q3 2013: EUR -189k). Interest expenses are incurred primarily from interest for real estate finance at the Karlsruhe site, pension obligations, as well as overdraft loans taken out by the subsidiaries.

Due to the above-mentioned effects, **net profit** as at 30 September 2014 increased compared with the prior-year period (Q1–Q3 2013: EUR 5.1m) to around EUR 6.8m. This equates to earnings per share of EUR 0.68 (Q1-Q2 2013: EUR 0.51).

Despite diminished gains from currency translation (as a result of US dollar exchange rate depreciation) and because of the higher net profit, **total comprehensive income** rose to EUR 8.5m (Q1–Q3 2013: EUR 4.7m).

Net assets and financial position

The **Balance sheet total** increased by EUR 0.3m to EUR 118.6m compared to 31 December 2013 and is therefore EUR 7.5m higher than it was last year as at 30 September.

Operating cash flow stands at EUR 0.1m (Q1–Q3 2013: EUR 7.4m) and deteriorated compared with the previous year primarily as a result of the build-up of inventories and receivables from PoC as well as the reduction in accounts payable from PoC. This is offset by the build-up in accounts payable from deliveries and services, income tax liabilities, and the increase in provisions. We expect that the cash flow will rise over the further course of business as a result of payment receipts for major projects.

Cash flow from investment activities stands at EUR -5.9m (Q1–Q3 2013: EUR -3.5m) and results primarily from disbursements for the new-build project in Kaeppelestrasse in Karlsruhe as well as from replacement and expansion investments.

Total equity stands at EUR 62.6m and is therefore higher than in the previous year (Q1–Q3 2013: EUR 55.1m). The **equity ratio** is therefore 52.8 per cent (Q1–Q3 2013: 49.6 per cent).

Short and long-term liabilities to banks stand at EUR 9.7m (31/12/2013: EUR 11.0m) and mainly relate to real estate finance.

Cash and cash equivalents, including short-term securities and bonds, stood at EUR 10.3m in the reporting period (31/12/2013: EUR 25.6m) and are therefore below the previous year because of the investment in the new build and agreed payment terms from the projects. Cash and cash equivalents will rise again over the further course of business.

The rise in **PoC receivables** to EUR 37.5m (31/12/2013: EUR 31.9m) is primarily the result of agreed milestone payments in the projects and should be reduced by the year end through invoicing.

Compared with 31 December 2013 **inventories** rose by EUR 6.4m to EUR 19.0m. The reason for this is imminent hardware deliveries, which will cause the stock to fall again in the months to come.

The available **guarantee and credit lines** continue to provide secure finance for business activities and their expansion.

Personnel

The init group employed 478 staff as at 30 September 2014 (Q3 2013: 448) including temporary workers, research assistants and students doing thesis work. There are a further 18 (Q3 2013: 18) employees in apprenticeships.

Number of employees by region:

	30/09/2014	30/09/2013
Employees in Germany	371	355
Employees in the rest of Europe	10	4
Employees in North America	80	73
Employees in other countries	17	16
Total	**478**	**448**

Opportunities and risks

The opportunities and risks described in the group status report 2013 (p. 41 et seq.) apply unchanged. Appropriate provision has been made for all recognisable risks. In our opinion, there are no risks capable of jeopardising the continued existence of the company.

Claims have been made against us in connection with an international cooperation agreement. We do not believe these claims are justified. Based on this international cooperation agreement, our general contractor did not forward approximately EUR 2.0m of payments from an end customer to us. init has sued for this payment. The ruling in the arbitration proceedings went in init's favour, although the risk that the receivables will still not be recovered remains. The risk provisioning set up for this purpose was therefore also retained.

Activities are currently underway to improve the revenues situation and earnings of CarMedialab GmbH, Bruchsal. The effectiveness of these measures cannot be guaranteed in the future, however. If the planned growth is not achieved, an impairment of goodwill amounting to EUR 0.2m will have to be recognised. Further additional losses may arise.

The projects in France and Finland send out a signal for future tenders in these countries and improve growth prospects there. We still expect our activities in the Asia/Pacific region to stimulate growth.

In the US, we have won our second ticketing project with Portland. This provides init with references for further tenders in the ticketing business in North America, as we see considerable market potential here over the next ten years.

Events after the reporting date

There have been no significant events after the balance-sheet date.

Related party transactions

Transactions with related parties set down in Notes on page 18 under "Other Disclosures".

Forecast and outlook

The prospects for future global economic performance have been greatly impacted by renewed geopolitical turbulence and its consequences for the economy in the third quarter of 2014, particularly in Europe. This has already led to many companies revising their forecasts for revenues and earnings for 2014.

The high order backlog has meant that init remains largely unaffected by this trend and has been able to essentially realise the targets for revenues and EBIT. The Managing Board remains confident of being able to come within the target range of between EUR 103m and 107m for revenues and EUR 17m to 19m for operating profit (EBIT).

Given the deterioration in the global economic situation, the risks to init's business performance in 2015 have also increased. This can be seen in the longer decision-making periods for major international projects and the suspension and only partial republication of tenders. This is also the reason behind the current flattening out of incoming orders. However, incoming orders for 2014 are expected to be significantly above the previous year overall.

By contrast, there is a need for massive investment worldwide in intelligent transport infrastructure solutions to ensure continued mobility in metropolitan areas. At the same time, the need for hardware substitution and the modernisation of old telematics systems is increasing, particularly in the industrialised countries in the West. Influential policy advisers and organisations, such as the International Monetary Fund (IMF), are also recommending investments in infrastructure, and transport systems in particular, as a way to stimulate long-term growth in all countries.

Considering these factors, we therefore believe that it is highly likely that we will now see a large number of tenders in this field that were postponed in 2014 being issued in 2015 – with corresponding growth opportunities for init. How quickly decisions are made on these tenders and how rapidly the backlog of investments already observed in several key countries is cleared for init will be a deciding factor in the growth of revenues and EBIT.

We further continue to anticipate long-term – above-average, compared to the overall economy – growth opportunities in our market. We see the greatest potential here over the next few years in North America and Asia. On the one hand, the modernisation of transport infrastructure continues to be in full swing, while in Asia, large tenders are also emerging for redeveloping local public transport systems, from which init intends to benefit as the market leader for intelligent telematics and electronic fare collection systems.

Karlsruhe, 13 November 2014

The Managing Board

Dr. Gottfried Greschner	Joachim Becker
Dr. Jürgen Greschner	Bernhard Smolka

Consolidated Income Statement (IFRS)
from 1 January 2014 to 30 September 2014 (unaudited)

EUR '000	01/07 to 30/09/2014	01/07 to 30/09/2013	01/01 to 30/09/2014	01/01 to 30/09/2013
Revenues	25,717	24,011	69,578	61,068
Cost of revenues	–18,022	–15,723	–46,577	–38,721
Gross profit	**7,695**	**8,288**	**23,001**	**22,347**
Sales and marketing expenses	–2,697	–2,465	–7,937	–8,015
General administrative expenses	–1,573	–1,531	–4,573	–4,613
Research and development expenses	–754	–1,207	–2,394	–3,067
Other operating income	294	568	990	1,693
Other operating expenses	–45	–48	–256	–373
Foreign currency gains and losses	519	–447	878	–787
Income from associated companies	219	97	339	226
Other income and expenses	0	44	0	45
Earnings before interest and taxes (EBIT)	**3,658**	**3,299**	**10,048**	**7,456**
Interest income	12	8	40	78
Interest expenses	–137	–42	–360	–267
Earnings before taxes (EBT)	**3,533**	**3,265**	**9,728**	**7,267**
Income taxes	–1,060	–979	–2,918	–2,180
Net profit	**2,473**	**2,286**	**6,810**	**5,087**
thereof attributable to equity holders of parent company	2,445	2,230	6,833	5,105
thereof non-controlling interests	28	–56	–23	–18
Net profit and diluted net profit per share in EUR	0.24	0.22	0.68	0.51
Average number of floating shares	10,023,659	10,019,980	10,018,158	10,011,675

Consolidated Statement of Comprehensive Income (IFRS)
from 1 January 2014 to 30 September 2014 (unaudited)

EUR '000	01/07 to 30/09/2014	01/07 to 30/09/2013	01/01 to 30/09/2014	01/01 to 30/09/2013
Net profit	**2,634**	**2,286**	**6,810**	**5,087**
Items to be reclassified to the income statement				
Changes on currency translation	1,531	–1,069	1,657	–424
Total Other comprehensive income	**1,531**	**–1,069**	**1,657**	**–424**
Total comprehensive income	**4,165**	**1,217**	**8,467**	**4,663**
thereof attributable to equity holders of the parent company	4,168	1,161	8,490	4,681
thereof non-controlling interests	–3	56	–23	–18

Consolidated Balance Sheet (IFRS)
as of 30 September 2014 (unaudited)

Assets

EUR ‘000	30/09/2014	31/12/2013
Current assets		
Cash and cash equivalents	10,194	25,446
Marketable securities and bonds	155	153
Trade accounts receivable	15,755	17,170
Future receivables from production orders (“Percentage-of-Completion-Method”)	37,515	31,933
Inventories	18,986	12,598
Income tax receivable	1,143	97
Other current assets	2,080	2,718
Current assets, total	85,828	90,115
Non-current assets		
Tangible fixed assets	14,079	9,470
Investment property	6,195	6,257
Goodwill	4,388	4,388
Other intangible assets	2,167	2,818
Interest in associated companies	2,227	1,888
Deferred tax assets	1,685	1,548
Other assets	2,026	1,829
Non-current assets, total	32,767	28,198
Assets, total	**118,595**	**118,313**

Liabilities and shareholders' equity

EUR '000	30/09/2014	31/12/2013
Current liabilities		
Bank loans	1,521	1,942
Trade accounts payable	8,548	8,948
Accounts payable of "Percentage-of-Completion-Method"	1,860	5,339
Accounts payable due to related parties	415	55
Advance payments received	1,185	1,287
Income tax payable	959	380
Provisions	8,873	8,298
Other current liabilities	12,013	9,823
Current liabilities, total	35,374	36,072
Non-current liabilities		
Bank loans	8,214	9,050
Deferred tax liabilities	5,690	4,992
Pensions accrued and similar obligations	6,023	5,431
Other non-current liabilities	676	676
Non-current liabilities, total	20,603	20,149
Shareholders' equity		
Attributable to equity holders of the parent company		
Subscribed capital	10,040	10,040
Additional paid-in capital	5,980	5,962
Treasury stock	–701	–763
Surplus reserves and consolidated unappropriated profit	47,597	48,785
Other reserves	–339	–1,996
	62,577	62,028
Non-controlling interests	41	64
Shareholders' equity, total	62,618	62,092
Liabilities and shareholders' equity, total	**118,595**	**118,313**

Consolidated Cash Flow Statement (IFRS)

from 1 January 2014 to 30 September 2014 (unaudited)

EUR '000	01/01 to 30/09/2014	01/01 to 30/09/2013
Cash flow from operating activities		
Net income	6,810	5,087
Depreciation	2,196	2,023
Gains (-) / Losses (+) on the disposal of fixed assets	–37	120
Change of provisions and accruals	1,167	–1,069
Change of inventories	–6,388	–4,692
Change in trade accounts receivable and future receivables from production orders (PoC)	–4,167	1,944
Change in other assets, not provided by / used in investing or financing activities	–605	–434
Change in trade accounts payable	–400	99
Change in advanced payments received and liabilities from PoC method	–3,581	8,605
Change in other liabilities, not provided by / used in investing or financing activities	3,129	–5,314
Amount of other non-cash income and expenses	1,968	1,032
Net cash from operating activities	**92**	**7,401**
Cash flow from investing activities		
Inflows from sales of tangible fixed assets	65	11
Investments in tangible fixed assets and other intangible assets	–5,919	–3,488
Investment property	–4	–4
Investments in marketable securities as part of short-term cash management	0	–18
Net cash flows used in investing activities	**–5,858**	**–3,499**
Cash flow from financing activities		
Dividend paid out	–8,022	–8,016
Cash payments for the purchase of treasury stock	–442	0
Payments received from bank loans incurred	0	370
Redemption of bank loans	–1,257	–167
Net cash flows used in financing activities	**–9,721**	**–7,813**
Net effects of currency translation and consolidation changes in cash and cash equivalents	235	–227
Decrease in cash and cash equivalents	**–15,252**	**–4,138**
Cash and cash equivalents at the beginning of the period	25,446	20,329
Cash and cash equivalents at the end of the period	**10,194**	**16,191**

Selected Explanatory Notes for Q3 2014 (IFRS)

Notes to the Interim Financial Statements

The init group is an international system house for intelligent transportation systems (ITS). Business activities are divided into the telematics and electronic fare collection systems, planning systems, driver dispatch systems and automotive divisions. init innovation in traffic systems AG, Karlsruhe is a listed company, ISIN DE0005759807, and has been in the regulated market (Prime Standard) since 1 January 2003.

The interim financial statements as at 30 September 2014 have been produced in accordance with the International Financial Reporting Standards (IFRS) applicable in the EU and meet the requirements of IAS 34. The consolidated interim financial statements are presented in euros. All figures have been rounded to the nearest thousand euros unless stated otherwise. The interim group status report and interim consolidated financial statements as at 30 September 2014 have not been audited. The interim financial statements for the third quarter were submitted to the Supervisory Board on 31 October 2014.

Principles of Accounting and Valuation

The interim financial statements have been prepared using the same principles of accounting and valuation used to produce the consolidated financial statements as at 31 December 2013, which are described in detail in the notes to the consolidated financial statements.

Application of New Accounting Standards

New accounting standards applied for the first time in 2014 did not have any significant impact on our consolidated financial statements.

Standard	**Title**
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
Amendment to IFRS 10, IFRS 11 and IFRS 12	Transitional provisions
Amendment to IFRS 10, IFRS 12 und IAS 27	Investment companies
IAS 27	Separate Financial Statements (revised 2011)
IAS 28	Investments in Associates and Joint Ventures (revised 2011)
Amendment to IAS 32	Offsetting Financial Assets and Financial Liabilities
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting

Consolidated Group

There were no changes to the consolidated group as at 31 December 2013.

Inventories

Inventory write-downs amounted to EUR 823k (30/09/2013: EUR 748k). The charge is included under cost of revenues in the income statement.

Marketable Securities and Bonds

Securities and bonds were written down by EUR 5k (30/09/2013: EUR 45k) due to a value impairment.

Receivables

Write-downs on receivables came to EUR 991k (30/09/2013: EUR 855k). EUR 97k was booked to the income statement in the current financial year (30/09/2013: EUR 94k).

Property, Plant, Equipment and Intangible Assets

Property, plant and equipment essentially refer to the administration building at Kaeppelestrasse 4 in Karlsruhe, two residential buildings leased to employees, and office and technical equipment. Capital expenditure for replacement stood at EUR 982k (30/09/2013: EUR 1,434k). The scheduled depreciation totalled EUR 2,130k (30/09/2013: EUR 1,958k). Sales of property, plant and equipment generated profit of EUR 60k (30/09/2013: EUR 56k). Advance payments totalling EUR 4,712k (30/09/2013: EUR 1,101k) were made towards the new building (asset under construction).

The software activated within the context of the purchase price allocation of initperdis GmbH, Hamburg (financial year 2011) in the amount of EUR 3.3m will be amortised over five years. The scheduled depreciation was made for first time in the first quarter 2012 and is recognised under cost of revenues in the income statement.

Investment Property

Investment property as defined in IAS 40 – property and buildings that are not used for commercial operations – refers to the acquisition of the neighbouring properties at

Kaeppelestrasse 8/8a and 10 in Karlsruhe in 2012. Rental income was EUR 240k as at 30 September 2014 (30/09/2013: EUR 240k). The scheduled depreciation was EUR 65k (30/09/2013: EUR 65k).

Liabilities

Liabilities are carried at amortised acquisition cost. The current liabilities to banks of EUR 1.5m (31/12/2013: EUR 1.9m) mainly concern the short-term part of the real estate financing of Kaeppelestrasse 4, 8/8a and 10 as well as of the new-build project in Karlsruhe. The long-term liabilities to banks of EUR 8.2m (31/12/2013: EUR 9.1m) relate to the long-term part of the real estate financing.

Shareholders' Equity

Subscribed Capital

The capital stock consists of 10,040,000 no-par bearer shares with an imputed share in the capital stock of EUR 1 per share. The shares have been issued and are fully paid up.

Authorised Capital

The annual shareholders' meeting on 24 May 2011 passed a resolution to create authorised capital totalling EUR 5,020,000. Subject to approval by the Supervisory Board, the Managing Board is authorised to increase the company's capital stock by up to EUR 5,020,000 by 23 May 2016, through one or more issues of up to 5,020,000 bearer shares against contributions in cash or in kind. The new shares will be granted to credit institutions with an obligation to offer the shares to the shareholders for subscription. However, subject to approval by the Supervisory Board, the Managing Board is authorised to withdraw the subscription right in order to:

- issue up to 1,004,000 new shares at a price not substantially lower than the stock market price of the company shares when the issue price is determined
- to balance out peak amounts,
- to open up additional capital markets
- to acquire investments and to acquire or merge with other companies or parts of companies by way of a non-cash investment and
- to turn up to 250,000 new shares into employee shares.

Additional Paid-in Capital

As at 30 September 2014, additional paid-in capital was EUR 5,980k, comprising EUR 3.141k from the premium on shares sold in the IPO and the 2002 capital increase. A further EUR 2,307k was allocated for employee share scheme expenses for the years 2005 to 2013 and EUR 628k for 2014. EUR 610k was reversed following the share transfer to members of the Managing Board and key personnel in 2014. Additional paid-in capital was increased by EUR 514k through the sale of treasury stock in 2007.

Treasury Stock

As at 1 January 2014, treasury stock comprised 39,918 shares. In the first quarter of 2014, 26,340 shares were transferred to the incentive scheme for members of the Managing Board, managing directors and key personnel with a five-year lock up period.

Based on a resolution passed at the shareholders' meeting of 12 May 2010, the company is authorised to purchase treasury shares. On 9 September 2014, a decision was made to repurchase up to 20,000 shares. 20,000 shares were repurchased from 9 to 29 September at an average price of EUR 22.10. Consequently, treasury stock totalled 33,578 shares as at 30 September 2014.

Treasury stock is valued at acquisition cost (cost method) at EUR 701k (31/12/2013: EUR 763k) and deducted from shareholders' equity. As at 30 September 2014 the 33,578 shares have an imputed share in capital stock of EUR 33,578 (0.33 per cent). The average repurchase price was EUR 20.89 per share. Treasury stock was purchased for use as a consideration in mergers and acquisitions of other companies or parts of companies, to gain access to new capital markets, or to be issued to staff or members of the Managing Board.

Paid Dividends

EUR '000	
Dividend for 2013: 80 cents per share, distributed on 19 May 2014	8,022
Dividend for 2012: 80 cents per share, distributed on 17 May 2013	8,016

Contingent Liabilities/Assets

The init group had no contingent liabilities or assets as at 30 September 2014 or 31 December 2013.

Legal Disputes

init AG and other group companies are involved in legal disputes connected with ongoing business operations that may have an impact on the group's financial situation. Litigation involves a number of variables, and the outcome of individual lawsuits cannot be reliably predicted. The affected group companies have recognised provisions in the balance sheet for events prior to the reporting date that are likely to result in a liability which can be estimated with reasonable accuracy. We do not anticipate any other significant negative outcomes that would have a long-term effect on the assets, liabilities, financial position and earnings situation of the init group. We also refer to the chapter "Opportunities and risks" in the group status report.

Financial Instruments

Classification and Fair Values

The following table states the book values of the financial instruments of the group reported in the balance sheet on 30 September 2014 compared to 31 December 2013 and shows their classification in appropriate measurement categories according to IAS 39.

EUR '000	30/09/2014	31/12/2013
ASSETS		
Loans and receivables	**64,169**	**75,062**
Cash and cash equivalents	10,194	25,446
Trade accounts receivable	15,755	17,170
Future receivables from production orders	37,515	31,933
Other assets (current)	360	376
Other assets (non-current)	345	137
Financial assets available for sale	**155**	**153**
Securities and bond issues	155	153
Financial assets reported at fair value through profit or loss	**0**	**875**
Derivative financial assets	0	875
LIABILITIES		
Financial liabilities recognised at cost	**20,911**	**20,824**
Bank loans (current and non-current)	9,735	10,992
Trade accounts payable	8,548	8,948
Liabilities to related parties	415	55
Other liabilities (current)	1,537	153
Other liabilities (non-current)	676	676
Financial liabilities reported at fair value through profit or loss	**532**	**68**
Derivative financial liabilities	532	68

The fair value of the listed securities and bond issues (available for sale) was determined using their respective market value. The fair value of the derivative financial instruments and the loans was calculated by way of discounting the expected future cash flow using the prevailing market interest rates. Given the short maturities of the cash and cash equivalents, trade accounts receivable, other assets, trade accounts payable, and other liabilities, it is assumed that their fair value is equal to the book value.

Hierarchy of Fair Values to IFRS 13

The group uses the following hierarchy to determine and report the fair value:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets.

Level 2: Techniques in which all input parameters with a material impact on the calculated fair value are directly or indirectly observable.

Level 3: Techniques using input parameters that have a material impact on the calculated fair value but which are not based on observable market data.

EUR '000	30/09/2014				31/12/2013			
		Level				Level		
	Total	**1**	**2**	**3**	**Total**	**1**	**2**	**3**
Financial assets available for sale								
Securities and bond issues	**155**	155			**153**	153		
Financial assets reported at fair value through profit or loss								
Derivative financial assets	**0**		0		**875**		875	
Financial liabilities reported at fair value through profit or loss								
Derivative financial liabilities	**-532**		-532		**-68**		-68	

In the reporting period ending 30 September 2014 and the reporting period ending 31 December 2013, there were neither reclassifications between the fair value categories of Level 1 and Level 2 nor any reclassifications into or out of the fair value category of Level 3.

Through a review of the classification (based on the lowest level input that is significant to the fair value measurement as a whole) of the acquired assets and liabilities is determined whether transfers between the levels have occurred at the end of each reporting period.

The measurement of fair value at Level 2 in the current financial year and the prior year is as follows: derivative financial instruments are determined by discounting the expected future cash flows over the remaining term of the contract at the closing rate.

Segment Reporting

Segment reporting is provided on page 20 of the interim report.

Other Disclosures

Related Party Transactions

The associated companies included in the consolidated financial statements are listed in the section entitled "Consolidated group" in the annual report 2013.

EUR '000	Associated companies		Other related parties and persons	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Trade accounts receivable and other income	0	0	0	0
Trade accounts payable and other expenses	2,726	1,690	403	402
	30/09/2014	31/12/2013	30/09/2014	31/12/2013
Receivables	0	0	0	0
Payables	415	55	0	40

Associated Companies

Payables totalling EUR 415k (31/12/2013: EUR 55k) refer to trade accounts payable to iris-GmbH, Berlin with a residual term of less than one year. The item is recognised under current liabilities in the balance sheet.

Other Transactions with Related Parties

init AG began renting an office building in Karlsruhe from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, Karlsruhe on 1 March 2013 (lease previously held by INIT GmbH, Karlsruhe). The monthly rent payments are approximately EUR 40k (total annual rent: EUR 475k). The rent is contractually fixed until 30 June 2026. Total payments of EUR 47k (30/09/2013: EUR 46k) made to family members of a Managing Board member were recognised under personnel expenses in the first nine months.

Terms and Conditions of Business Transactions with Related Parties

Transactions (sales and acquisitions) with related parties are executed at market rates. No guarantees exist for receivables and payables in relation to related parties. In the report period as at 30 September 2014, the group had not set aside any valuation allowances for receivables from related parties.

Changes in the Managing Board of init AG

Wolfgang Degen, COO of init AG, resigned on 30 June 2014 at his own request from the Managing Board. However, he remains consultant as a Managing Director of INIT GmbH until 31 March 2016. The Chairman of the Managing Board, Dr. Gottfried Greschner, has taken over the management of the technical scope of Wolfgang Degen at board level.

Changes in the Supervisory Board of init AG

The Chairman of the Supervisory Board of init AG Prof. Dr.-Ing. Dr.-Ing. E.h. Günter Girnau retired from his position on 30 June 2014. Dr. Gottfried Greschner had previously been elected at the Annual General Meeting of 2011 to succeed Prof. Dr. Girnau on the Supervisory Board. However, since Dr. Greschner has chosen to remain on the Managing Board, he is unable to sit on the Supervisory Board. Accordingly, Dipl.-Ing. Ulrich Sieg, residing in Jork, was elected as a new member of the Supervisory Board at the Annual General Meeting on 15 May 2014 to take up office from 1 July 2014. On 1 July 2014 Dipl.-Kfm. Hans-Joachim Rühlig was elected as the new Chairman of the Supervisory Board as well as Drs. Hans Rat as Vice-Chairman of the Supervisory Board.

Notifications under Section 26 (1) of the German Securities Trading Act (WpHG)

Under Section 21 (1) of the German Securities Trading Act (WpHG), init AG was notified as follows:

On 22 May 2014, BNP Paribas Investment Partners Belgium S.A., Brüssel, Belgien has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on init innovation in traffic systems AG, Karlsruhe, Deutschland, have exceeded the 3 per cent threshold of the Voting Rights on 21 May 2014 and on that day amounted to 3.07 per cent (this corresponds to 308,205 Voting Rights).

On 22 May 2014, BNP Paribas Investment Partners UK Ltd, London, United Kingdom has informed us according to

Article 21, Section 1 of the WpHG that via shares its Voting Rights on init innovation in traffic systems AG, Karlsruhe, Deutschland, have exceeded the 3 per cent threshold of the Voting Rights on 21 May 2014 and on that day amounted to 3.07 per cent (this corresponds to 308,205 Voting Rights). 3.07 per cent of Voting Rights (this corresponds to 308,205 Voting Rights) are attributed to the company in accordance with Article 22, Section 1, Sentence 1, No. 6 of the WpHG (German Securities Trading Act). Attributed Voting Rights are held by the following shareholders, whose share of the Voting Rights in init innovation in traffic systems AG amounts to 3 per cent or more: BNP Paribas Investment Partners Belgium S.A..

On 22 May 2014, BNP Paribas Investment Partners S.A., Paris, Frankreich has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on init innovation in traffic systems AG, Karlsruhe, Deutschland, have exceeded the 3 per cent threshold of the Voting Rights on 21 May 2014 and on that day amounted to 3.09 per cent (this corresponds to 309,936 Voting Rights). 3.09 per cent of Voting Rights (this corresponds to 309,936 Voting Rights) are attributed to the company in accordance with Article 22, Section 1, Sentence 1, No. 1 of the WpHG (German Securities Trading Act). Attributed Voting Rights are held by the following companies under its control, whose share of the Voting Rights in init innovation in traffic systems AG amounts to 3 per cent or more: BNP Paribas Investment Partners Belgium S.A.. 3.07 per cent of Voting Rights (this corresponds to 308,205 Voting Rights) are attributed to the company in accordance with Article 22, Section 1, Sentence 1, No. 6 in connection with sentence 2 of the WpHG (German Securities Trading Act). Attributed Voting Rights are held by the following shareholders, whose share of the Voting Rights in init innovation in traffic systems AG amounts to 3 per cent or more: BNP Paribas Investment Partners Belgium S.A..

On 25 September 2014, Swisscanto Asset Management International S.A., Luxembourg, Luxembourg has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on init innovation in traffic systems AG, Karlsruhe, Deutschland, have deceeded the 3 per cent threshold of the Voting Rights on 24 September 2014 and on that day amounted to 2.91 per cent (this corresponds to 292,482 Voting Rights).

Karlsruhe, 13 November 2014

The Managing Board

Dr. Gottfried Greschner   Joachim Becker

Dr. Jürgen Greschner   Bernhard Smolka

Segment Reporting

The corporate group has the following segments that are obliged to report:

1. The "Telematics and Electronic Fare Collection Systems" covers integrated systems for controlling personnel transport, fare collection systems, passenger information systems and passenger counting systems.
2. The category entitled "Other" encompasses planning systems (planning and data management systems), driver dispatch systems and automotive (analysis systems for the car industry).

1 January 2014 to 30 September 2014 EUR '000	**Telematics and Electronic Fare Collection Sys.**	**Other**	**Eliminations**	**Consolidated**
Revenues				
With third parties	65,943	3,635	0	69,578
With other segments	556	2,679	–3,235	0
Total revenues	**66,499**	**6,314**	**–3,235**	**69,578**
EBIT	**10,543**	**–502**	**7**	**10,048**
Segment assets	113,021	8,301	–2,727	118,595
Segment liabilities	55,072	3,609	–2,704	55,977
Interest income	53	1	–14	40
Interest expenses	352	22	–14	360
Scheduled depreciation	1,553	643	0	2,196
Cost of revenues	45,135	4,697	–3,255	46,577
R & D costs	1,555	839	0	2,394
Foreign currency gains (+) and losses (-)	852	26	0	878
Shares in profit of associated companies	339	0	0	339
Income tax	2,914	4	0	2,918
Value impairments	934	56	0	990
Shares in associated companies	2,227	0	0	2,227
Investments in tangible and intangible assets, and investement property	5,923	42	0	5,965
31/12/2013				
Segment assets	110,833	10,760	–3,280	118,313
Segment liabilities	54,769	4,711	–3,259	56,221
Shares in associated companies	1,888	0	0	1,888

Based on the products and services offered by the segments and for the purpose of managing the corporation, the corporate group is subdivided into the following four divisions: “Telematics and Electronic Fare Collection Systems”, “Planning Systems”, “Driver Dispatch Systems” and “Automotive”. The “Planning Systems”, “Driver Dispatch Systems” and “Automotive” divisions have been subsumed under the segment entitled “Other”.

The management monitors the operating results separately for each division in order to make decisions on the distribution of resources and to estimate the profitability. The profitability is determined based on the operational result, which corresponds to the result indicated in the consolidated financial statements.

1 January 2013 to 30 September 2013 EUR ‘000	**Telematics and Electronic Fare Collection Sys.**	**Other**	**Eliminations**	**Consolidated**
Revenues				
With third parties	57,180	3,888	0	61,068
With other segments	575	1,717	–2,292	0
Total revenues	**57,755**	**5,605**	**–2,292**	**61,068**
EBIT	**7,880**	**–431**	**7**	**7,456**
Segment assets	103,705	8,083	–690	111,098
Segment liabilities	53,843	5,342	–3,181	56,004
Interest income	90	2	–14	78
Interest expenses	256	25	–14	267
Scheduled depreciation	1,366	659	–2	2,023
Cost of revenues	36,609	4,118	–2,006	38,721
R & D costs	2,121	946	0	3,067
Foreign currency gains (+) and losses (-)	–413	–24	–350	–787
Shares in profit of associated companies	226	0	0	226
Income tax	2,178	2	0	2,180
Value impairments	669	0	0	669
Shares in associated companies	2,105	0	0	2,105
Investments in tangible and intangible assets, and investement property	3,418	74	0	3,492
31/12/2012				
Segment assets	103,023	10,788	–3,359	110,452
Segment liabilities	51,496	4,538	–3,339	52,695
Shares in associated companies	1,879	0	0	1,879

Geographical Information

Non-current assets

EUR '000	30/09/2014	%	31/12/2013	%
Germany	22,262	90.3	18,032	88.2
Rest of Europe	264	1.1	322	1.6
North America	1,959	7.9	1,892	9.3
Other countries (Australia, UAE)	183	0.7	187	0.9
Group total	**24,668**	**100.0**	**20,433**	**100.0**

The long-term assets are composed of tangible fixed assets, investment property, other intangible assets, as well as interest in associated companies.

Consolidated Statement of Changes in Equity (IFRS)

as of 30 September 2014 (unaudited)

	Attributable to equity holders			
EUR '000	Subscribed capital	Additional paid-in capital	Treasury stock	Surplus reserves and Consolidated unappropriated profit
Status as of 01/01/2013	10,040	5,579	–650	44,718
Net profit				5,105
Other comprehensive income				
Total comprehensive income				5,105
Dividend paid out				–8,016
Share-based payments		277	413	
Status as of 30/09/2013	**10,040**	**5,856**	**–237**	**41,807**
Status as of 01/01/2014	10,040	5,962	–763	48,785
Net profit				6,833
Other comprehensive income				
Total comprehensive income				6,833
Dividend paid out				–8,021
Share-based payments		18	504	
Purchase of treasury stock			–442	
Status as of 30/09/2014	**10,040**	**5,980**	**–701**	**47,597**

of the parent company			Non-controlling interest	Shareholders' equity total
Other reserves				
Difference from pension valuation	Difference from currency translation	Total		
–1,662	**–347**	**57,678**	**79**	**57,757**
		5,105	–18	5,087
	–424	–424		–424
	–424	**4,681**	**–18**	**4,663**
		–8,016		–8,016
		690		690
–1,662	**–771**	**55,033**	**61**	**55,094**
–1,141	**–855**	**62,028**	**64**	**62,092**
		6,833	–23	6,810
	1,657	1,657		1,657
	1,657	**8,490**	**–23**	**8,467**
		–8,021		–8,021
		522		522
		–442		–442
–1,141	**802**	**62,577**	**41**	**62,618**

Financial calendar and imprint

Date	Event
25 – 26 November 2014	Analyst conference, German Equity Forum, Frankfurt
26 March 2015	Publication Annual Report 2014 / Press Conference Frankfurt

Picture credits:
photo UAE: 123RF/Philip Lange
photo Munich: SWM/MVG
photo San Francisco: Golden Gate Bridge,
Highway & Transportation District

Contact:
init
innovation in traffic systems AG
Kaeppelestrasse 4 – 6
76131 Karlsruhe
Germany

P.O. Box 3380
76019 Karlsruhe
Germany

Tel. +49.721.6100.0
Fax +49.721.6100.399

info@initag.com
www.initag.com

Five-year financial summary of the init group
IFRS

EUR '000	2013	2012	2011	2010	2009
Balance Sheet (31/12)					
Balance sheet total	118,313	110,452	109,756	84,421	71,610
Shareholders' equity	62,092	57,757	56,938	46,667	38,977
Subscribed capital	10,040	10,040	10,040	10,040	10,040
Equity ratio (in %)	52.5	52.3	51.9	55.3	54.4
Return on equity (in %)	19.4	18.8	26.4	21.5	21.3
Non-current assets	28,198	27,603	19,806	13,484	14,297
Current assets	90,115	82,849	89,950	70,937	57,313
Income Statement (01/01–31/12)					
Revenues	100,120	97,297	88,736	80,913	64,955
Gross profit	37,456	34,006	36,294	27,292	23,037
EBIT	17,725	17,318	20,430	15,085	11,754
EBITDA	20,501	19,895	22,891	17,592	14,157
Consolidated net profit	12,068	10,872	15,057	10,014	8,314
Earnings per share (in EUR)	1.21	1.11	1.51	1.00	0.84
Dividend (in EUR)	0.80	0.80	0.80	0.60	0.30
Cash Flow					
Cash flow from operating activities	11,435	11,332	17,433	14,615	5,570
Share					
Issue price (in EUR)	5.10	5.10	5.10	5.10	5.10
Peak share price (in EUR)	26.89	25.70	19.99	15.89	11.30
Bottom share price (in EUR)	21.15	13.60	13.06	9.15	4.75

+ + + + + + + +

init
innovation in traffic systems AG
Kaeppelestrasse 4–6
76131 Karlsruhe
Germany

P.O. Box 3380
76019 Karlsruhe

Tel. +49.721.6100.0
Fax +49.721.6100.399

info@initag.com
www.initag.com