

# init

The Future of Mobility

Interim Report 2/2015

## In line with the market What drives init



## In line with the market – what drives init

The name init stands for innovations in the optimisation of public transport through intelligent telematics, planning, dispatching and ticketing solutions. The company's systematic focus on international growth markets consistently reinforces its global leadership. init achieves this success by having a strategy that is purposefully aligned to customer requirements, a structure

that supports this strategy perfectly, and a corporate culture that creates space for employees to contribute their own ideas and enjoy their own success.

Thus, the company will continue to play its part to ensure that bus and rail transportation becomes more attractive, efficient, and the first choice for an increasing number of travellers.

### Group key figures according to IFRS

EUR '000	2015	2014	Change in %
<b>Balance Sheet (30/06)</b>			
Balance sheet total	136,786	113,879	20.1
Shareholders' equity	65,223	59,013	10.5
Subscribed capital	10,040	10,040	0.0
Equity ratio (in %)	47.7	51.8	
Return on equity (in %)	3.7	7.3	
Non-current assets	38,009	30,991	22.6
Current assets	98,777	82,888	19.2
<b>Income Statement (01/01 – 30/06)</b>			
Revenues	47,143	43,861	7.5
Gross profit	13,518	15,306	-11.7
EBIT	3,656	6,390	-42.8
EBITDA	5,216	7,824	-33.3
Consolidated net profit	2,398	4,337	-44.7
Earnings per share (in EUR)	0.23	0.44	-46.7
Dividend (in EUR)	0.80	0.80	0.0
<b>Cash Flow</b>			
Cash flow from operating activities	305	-312	-197.8
<b>Share</b>			
Issue price (in EUR)	5.10	5.10	
Peak share price (in EUR)	25.62	25.80	-0.7
Bottom share price (in EUR)	20.05	21.30	-5.9

## Corporate Bodies

### Supervisory Board

- > Hans-Joachim Rühlig, B.A.M, Ostfildern, Germany  
(Chairman)  
Former Financial Managing Director,  
Ed. Züblin AG, Stuttgart, Germany
- > Drs. Hans Rat, Schoonhoven, Netherlands  
(Vice-Chairman)  
Honorary Secretary General of UITP  
Managing Director Beaux Jardins B. V.,  
Schoonhoven, Netherlands
- > Dipl.-Ing. Ulrich Sieg, Jork, Germany  
Consulting engineer specialising in public transport  
Member of the Supervisory Board of SECURITAS  
Holding GmbH, Düsseldorf, Germany

### Managing Board

- > Dr. Gottfried Greschner, M.Sc. (Chairman; CEO)  
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	Supervisory Board	Number of shares
Dr. Gottfried Greschner, CEO	3,374,800*	Hans-Joachim Rühlig	–
Joachim Becker, COO	345,783	Drs. Hans Rat	–
Dr. Jürgen Greschner, CSO	98,800	Ulrich Sieg	–
Bernhard Smolka, CFO	25,786		

\* 3,330,000 of which are held by Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, Karlsruhe. At this company, Dr. Gottfried Greschner holds 74.2 per cent.

#### Revenues Q2

in million EUR

30/06/2015	47.1	
30/06/2014	43.9	

#### Order backlog

in million EUR

30/06/2015	121	
30/06/2014	139	

#### EBIT Q2

in million EUR

30/06/2015	3.7	
30/06/2014	6.4	

#### Balance sheet total

in million EUR

30/06/2015	136.8	
30/06/2014	113.9	

## Letter to the Shareholders

Dear Ladies and Gentlemen,  
dear Shareholders,

Two great achievements have so far left their mark on financial year 2015 for init innovation in traffic systems AG. The most pleasing of these for you, our shareholders, was that the init share price soared to a new all-time high of EUR 27.99 on 28 July 2015. The more important achievement from our point of view and for the efficient operation and future growth of our company was, however, the opening of our new group headquarters – the init tower in Karlsruhe – in mid-June.

The new building provides our employees with an attractive and light-flooded working environment in which they can carry out their challenging duties in a productive manner. This is key to our operations, as our employees are our partners in ensuring the future success of our company. The init tower – a new landmark in the eastern district of Karlsruhe – therefore does not just represent the success experienced by our company, but also the qualities found within it – intelligent design, the latest technology, efficient use of resources, environmental awareness and, above all, innovations that set new standards.

These qualities will give us also in the future an advantage in our target markets. A good indicator that we are also enjoying great success with our innovative products was the good feedback we received at the UITP World Congress and Exhibition, the leading trade fair for all providers active in the public transport sector. A great deal of interest was shown, in particular, in "MOBILE-ECO<sup>2</sup>", our platform for monitoring vehicle condition and ensuring economical driving.

MOBILE-ECO<sup>2</sup> compiles a wide range of technical data from the vehicle and displays it in one place so that it can be used to make further optimisations. The platform monitors the condition and the performance of the vehicle, ensures that the vehicle undergoes efficient and systematic maintenance where necessary and analyses driving behaviour. During travel, the driver receives direct feedback via the ECOdrive LED display about how to drive in an energy-efficient manner. MOBILE-ECO<sup>2</sup> thus ensures effective fleet management in real-time operation from an economical and environmental viewpoint, which benefits transport providers, passengers and, not least, the environment.

This is, however, just one of many areas of growth in which we have high expectations in the future. Other areas of growth include credit-card-based e-ticketing solutions and the Asian markets.

New developments and the tapping of new markets come with a price, however, and can result in short-term costs, as was seen in the second quarter 2015. Beyond this short-term perspective, these investments and innovations are key to the sustainable success of init.

We would be delighted if you were to continue to accompany us on this journey to great achievements and would like to thank you for the trust you have placed in us!

For the Managing Board of  
init innovation in traffic systems AG



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

## Share and Investor Relations

### Reaching new highs during turbulent times on the stock markets

The capital markets were subject to constantly changing sentiment in the second quarter of 2015. Whereas the prolonged low interest rate policy of the central banks ensured an initial influx of liquidity and rising prices in April, the rest of the quarter was once again dominated by worries concerning the unresolved sovereign debt crisis and a possible "Grexit" in Europe. In addition to this, there were signs of risk premiums increasing once again and a surprising collapse on the Chinese stock markets. This led to high levels of price volatility on the leading stock indices. New record highs followed corrections that were in some cases dramatic. As a result, the German Stock Index (DAX) and the leading technology index TecDAX lost in the second quarter some of the gains that they had made over the course of the year.

Initially, the init share price (ISIN DE0005759807) also followed these general trends, but was able to increasingly uncouple itself from them after the Annual General Meeting. In contrast to the DAX and TecDAX, the init share recorded a significant gain in value in the second quarter. This trend continued into July, which resulted in the share achieving a new all-time high with a price of EUR 27.99 (28/07/2015).

In the first six months of 2015, gains of around 25 per cent were calculated for the init share. The DAX recorded an increase of just under 12 per cent, while the TecDAX achieved gains of almost 20 per cent.

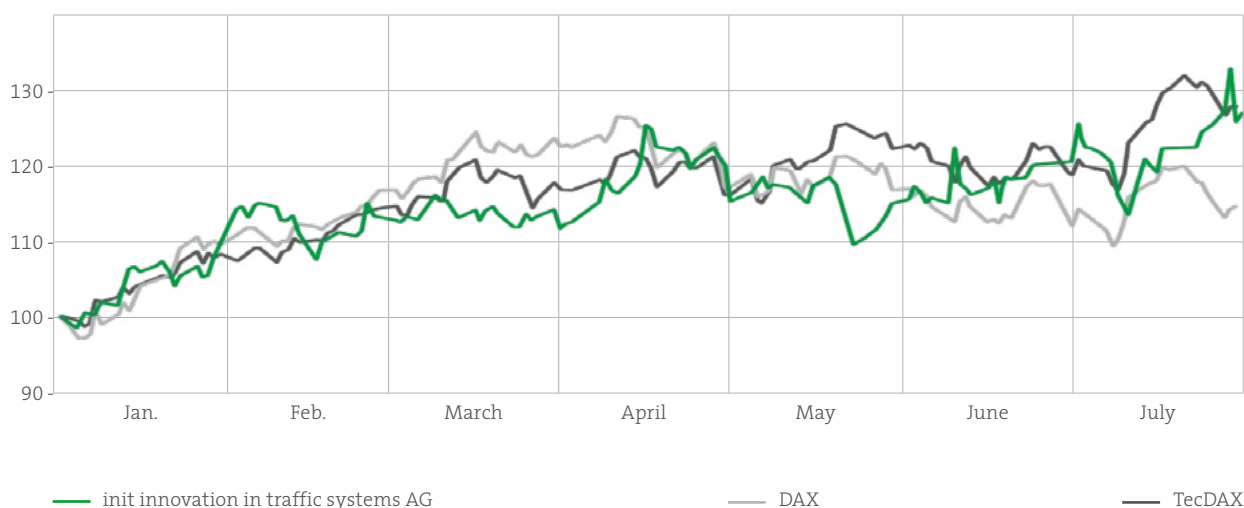
Despite the substantial increase in share price, the vast majority of stock analysts continued to view the init innovation in traffic systems AG share as a "buy" position and see the current price targets as being between EUR 26.50 and EUR 31. According to the chart analysis, with the share price consistently above EUR 25.70, there is potential for it to enjoy another boost to EUR 32 to EUR 36 in the short term.

### Annual General Meeting satisfied with dividends and corporate strategy

The init innovation in traffic systems AG shareholders at the Annual General Meeting held on 13 May 2015 were satisfied with the dividends and the corporate strategy. The Managing Board and Supervisory Board were thus discharged, achieving majority votes of 97.054 and 99.995 per cent respectively.

Performance init-share January to July 2015 (Xetra)

(indexed)



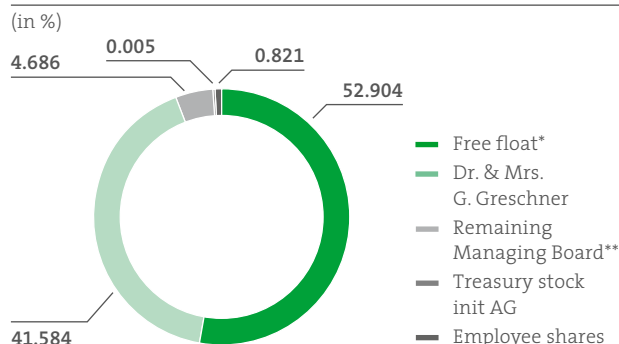
At 99.999 per cent, there was also overwhelming approval for the dividends proposed by the Managing Board and Supervisory Board. Accordingly, shareholders received an unchanged dividend of EUR 0.80 per dividend-bearing share. In total, over EUR 8m will be paid out from net profit of EUR 17.4m.

As proposed by the Managing Board and Supervisory Board, the Annual General Meeting also renewed the authorization to purchase own shares. As a result, the company can now acquire a maximum of 1,004,000 shares with an imputed share in the capital stock of up to EUR 1,004,000 by 12 May 2020. This is a maximum of 10 per cent of the capital stock.

Shareholdings as at 30 June 2015 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](http://www.initag.com).

Shareholder structure as of 30 June 2015



\* By definition of the German Stock Exchange the free float of init AG is 57.00%

\*\* thereof 4.10% are included in the free float

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, Oddo Seydler Bank AG
Capital stock today	10,040,000 no-par bearer shares
Market capitalisation (as of 30 June 2015)	EUR 247.2m

## Interim Group Status Report

### Economic environment

The second quarter of 2015 saw a further increase in risks for the global economy. This included a series of unexpected events which overshadowed the outlook for further global economic trends. As a result, the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD) have both markedly retracted some of their forecasts in their latest publications on the economic outlook for 2015. The IMF slashed its growth forecast for the global economy for the current year from 3.5 per cent to 3.3 per cent (IMF World Economic Outlook, July 2015), while the OECD has scaled it down even further from 3.7 per cent to 3.1 per cent (OECD Economic Outlook, June 2015). Despite the IMF holding fast to its estimate of 3.8 per cent for global economic growth for 2016, the OECD has withdrawn its estimate of 4.3 per cent and now anticipates a rate of 3.8 per cent.

Economic experts have drastically reduced their growth forecasts, by 0.6 and 0.7 percentage points respectively, for the US and Canada – two important markets for init, where major projects and tendering processes are currently under way. The IMF expects the US to enjoy growth of 2.5 per cent (previously 3.1 per cent) for 2015, and Canada 1.5 per cent (previously 2.2 per cent). Both countries, however, are expected to once again experience a strong boost in the coming year, with growth rising to 3.0 per cent and 2.1 per cent respectively. This means that, all in all, growth in North America will continue to remain intact.

The IMF remains convinced that the strongest stimuli will once again come from the emerging economies in Asia, a growth region that is also becoming increasingly important for init. The IMF expects further growth in this region in excess of 6.0 per cent for both the current year and the coming year (2015: 6.6 per cent; 2016: 6.4 per cent). In spite of this, the growth momentum in this region is decreasing from one year to the next, particularly in China.

While the US dollar became a burden for the emerging economies in particular after it sharply appreciated during the reporting period, the economy in the eurozone countries reaped the benefits in the medium term due to the generally improved competitive situation. In view of the weakness of the euro against the US dollar, the IMF has maintained its positive assessment of the eurozone economy despite the Greek and sovereign debt crises (growth rate for 2015: 1.5 per cent), and has even increased its assessment slightly for 2016 (from 1.6 per cent to 1.7 per cent growth).

The IMF is maintaining its assessment for Germany – init's home market – in which it expects the growth rate in 2015 and 2016 to stay at the same level as that of the

eurozone, but has slightly lowered its growth forecast for the UK, which is one of the most important markets in Europe for init systems. Nevertheless, the IMF expects the UK to enjoy GDP growth of 2.4 per cent this year (previously 2.7 per cent) and 2.2 per cent next year (previously 2.3 per cent), both of which are higher than the forecasts for the eurozone. With the exception of Greece, the IMF expects Europe as a whole to continue on its road to recovery, with a robust domestic economy being the main driver behind this.

Experts at the IMF and the OECD are, however, calling once again for more investments to be made in order to keep the global economy on course for growth. In their view, a large number of governments had postponed infrastructure improvement projects in light of a lack of budget funding. The institutes are hoping that the world climate conference scheduled to be held in Paris in December will include incentives for more investment to be made in new transport technologies, which is something that init innovation in traffic systems AG will benefit from in particular. init's solutions make a significant contribution towards the reduction of greenhouse gas emissions and also allow for a more efficient use of resources.

### Sector-specific performance

The development and maintenance of functioning public transport systems is being confronted with a number of challenges around the world. Long-term trends such as population growth, increasing urbanisation and impending traffic gridlock are leading to growing demand for local public transport. Added to this is the increasingly urgent need to protect the climate and environment. New technologies and sharing systems require and allow for closer links to be established between all transport providers. The transport infrastructure is therefore experiencing an increased global demand for expansion and modernisation. This is also placing new demands on public transport and transport companies in terms of both quality and quantity. To overcome these challenges, intelligent system solutions are required, such as those developed, offered and implemented by init.

Developing and redesigning transport systems does come with a price tag, however. The current funding from public finances scarcely covers this, particularly in numerous countries in which the funds required to expand the necessary infrastructure are not or are no longer available due to their weak economic position. The management and structuring of further growth in local public transport is therefore increasingly dependent on alternative funding options or investment having to be spread over

time. In individual cases, tenders that have already been announced have been postponed or cancelled. It is also apparent that tendered projects are constantly increasing in scope and are involving more and more partners.

In these situations, init innovation in traffic systems AG can contribute as one of the key system partners thanks to its hardware and software solutions. For this reason, we are currently involved in many tendering processes and expect our overall tender volume to continue to increase.

### Economic basis of the group

The principles set down in the Group Status Report 2014 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 quarters are usually weaker, and the fourth quarter is the strongest.

In the first six months of 2015, the init group managed to increase revenues by around 7.5 per cent year-on-year. The rise in revenues was primarily the result of work completed in major projects. There was a further increase in EBIT in the second quarter; however, exchange rates caused this half-year figure to be significantly below the figure for the same period in the previous year as well as below our expectations.

#### Orders

All in all, init managed to acquire new orders to the value of EUR 16.2m in the second quarter (Q2 2014: EUR 14.2m), which is more or less what we anticipated. The majority of incoming orders consist of maintenance contracts, a significant follow-up order with a client and a ticketing project in Germany. In addition to this, we also won several smaller tenders. Of incoming orders, EUR 9.9m (Q2 2014: EUR 12.6m) is attributable to the "Telematics and Electronic Fare Collection Systems" segment and EUR 6.3m (Q2 2014: EUR 1.6m) to the "Other" segment, which comprises the Planning Systems, Driver Dispatch Systems and Automotive business segments.

Incoming orders for the first half-year stand at EUR 41.3m (Q1-Q2 2014: EUR 43.6m) and are therefore largely in line with our expectations.

We believe our target for incoming orders of EUR 112m for 2015 is attainable. However, this depends both on whether we win more of the large tenders in which we are currently participating and whether the resulting orders are placed this year.

The order backlog as of 30 June 2015 stands at around EUR 121m and is therefore below the EUR 139m achieved on the previous year's balance sheet date. However, it continues to be at a high level and covers more than the annual revenues.

#### Earnings position

Revenues of EUR 23.6m (Q2 2014: EUR 24.8m) were generated in the second quarter of 2015.

#### Breakdown of revenues by region for the half-year:

in million EUR	01/01-30/06/2015	%	01/01-30/06/2014	%
Germany	12.6	26.8	10.4	23.7
Rest of Europe	9.9	21.0	11.0	25.1
North America	22.6	48.0	20.5	46.8
Other countries (Australia, UAE)	2.0	4.2	2.0	4.4
<b>Group total</b>	<b>47.1</b>	<b>100.0</b>	<b>43.9</b>	<b>100.0</b>

The revenue information given above is based on the location of the customer.

**Revenues** came in at EUR 47.1m in the first half-year (Q1-Q2 2014: EUR 43.9m). Of this, EUR 44.3m was contributed by the "Telematics and Electronic Fare Collection Systems" segment (Q1-Q2 2014: EUR 41.7m), representing around 94 per cent (Q1-Q2 2014: around 95 per cent). The "Other" segment generated revenues with third parties amounting to EUR 2.8m (Q1-Q2 2014: EUR 2.2m). This equates to 6 per cent (Q1-Q2 2014: around 5 per cent) of group revenues. As per the end of June 2015, group revenues were therefore slightly above expectations for the first six months of the year. The increase in revenues is largely accounted for by work completed in our major projects, especially in North America.

Due to the high share of revenues attributable to the North America business as well as the appreciation of the US dollar, material costs and the cost of services pur-



chased in the first half of 2015 increased disproportionately. At the same time, expenses were initially incurred by new development work on current major projects and activities in the Asian market. As a result, **gross profit** decreased year-on-year to EUR 13.5m (2014: EUR 15.3m).

**Sales and administrative expenses** came in at approximately EUR 1m above the previous year's level. The added expenses came as a result of an increase in the number of employees.

**Research and development** expenses remained at the previous year's level and should increase again in the course of the year due to new development work.

The **foreign currency gains** position was lower due to appreciation-related losses from advance payments in US dollars already collected from projects that are now complete, amounting to EUR 0.3m (Q1-Q2 2014: EUR 0.4m).

**Earnings Before Interest and Taxes** (EBIT), at EUR 3.7m compared with the first half-year of 2014 (EUR 6.4m), are significantly lower and are on the whole below expectations due to the aforementioned effects of the dollar exchange rate as well as higher personnel and sales costs. The "Telematics and Electronic Fare Collection Systems" segment contributed EUR 4.0m (Q1-Q2 2014: EUR 7.3m) and the "Other" segment contributed EUR -0.3m (Q1-Q2 2014: EUR -0.9m).

**Net interest income** (balance of interest income and interest expenses) stands at EUR -231k (Q1-Q2 2014: EUR -195k). Interest expenses are incurred primarily from interest for real estate finance at the Karlsruhe site as well as from euro loans.

As a result of the abovementioned effects, overall **net profit** declined as at 30 June 2015 year-on-year to around EUR 2.4m (Q1-Q2 2014: EUR 4.3m). This corresponds to earnings per share of EUR 0.23 (Q1-Q2 2014: EUR 0.44).

Taking into account the increase in unrealised profits from currency translation, **total comprehensive income** as at 30 June 2015, however, rose to EUR 4.8m (Q1-Q2 2014: EUR 4.5m).

## Net assets and financial position

The **balance-sheet total** increased by EUR 8.0m to EUR 136.8m compared to 31 December 2014 and is therefore EUR 22.9m higher than it was last year as at 30 June.

**Cash and cash equivalents**, including **securities and bonds**, stood at EUR 8.2m in the reporting period (31/12/2014: EUR 9.2m). Cash will rise again toward the end of the year.

The increase in **future receivables from production orders** to EUR 46.6m (31/12/2014: EUR 43.8m) 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 2014, **inventories** rose by EUR 3.7m to EUR 23.5m. The reason for this is imminent hardware deliveries, which will cause stock to fall again in the months to come.

**Current and non-current liabilities** to banks in the amount of EUR 20.8m (31/12/2014: EUR 9.1m) mainly concern real estate financing as well as short-term euro loans taken out to stabilise liquidity which had been prompted by delayed payment receipts and payment plans for major projects, which require a high pre-financing.

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

**Equity** stands at EUR 65.2m and is thus higher than in the previous year (Q1-Q2 2014: EUR 59.0m). The **equity ratio** is therefore 47.7 per cent (Q1-Q2 2014: 51.8 per cent).

**Cash flow from operating activities** stands at EUR 0.3m (Q1-Q2 2014: EUR -0.3m), an improvement over the previous year which was primarily achieved by increasing the advanced payments received and the change in equity not affecting profit or loss. This was mainly offset by the reduction in income tax liabilities. We expect operational cash flow to continue to rise over the further course of business as a result of payment receipts for major projects.

**Cash flow from investing activities** stands at EUR -5.1m (Q1-Q2 2014: EUR -3.9m) and results primarily from disbursements for the new building in Kaeppelestraße in Karlsruhe as well as from replacement and expansion investments.

## Personnel

The init group employed 510 staff as per 30 June 2015 (Q2 2014: 465) including temporary workers, research assistants and students doing thesis work. There are a further 17 (Q2 2014: 17) employees in apprenticeships.

### Number of employees by region:

	30/06/2015	30/06/2014
Employees in Germany	396	366
Employees in the rest of Europe	10	6
Employees in North America	86	74
Employees in other countries	18	19
<b>Total</b>	<b>510</b>	<b>465</b>

### Opportunities and risks

The opportunities and risks described in the group status report 2014 (p. 45 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.

There are currently no significant default risks within the group, with the exception of the accounts receivable from Dubai. Our general contractor from the first Dubai project did not forward payments of approximately EUR 2m by the end customer to us. init took the matter to a court of arbitration to defend its claim. The ruling in the arbitration proceedings went in init's favour, although the risk that these receivables will still not be recovered remains. An appropriate risk provision has been created.

The projects in France and Finland as well as the ticketing project in Portland, Oregon, USA, send 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 in 2014. This provides init with references for further tenders in the ticketing business in North America, as we see considerable market potential there 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 are set down in Notes under "Other Disclosures" on page 23.

### Forecast and outlook

init innovation in traffic systems AG reported an improvement in revenues in the first half of financial year 2015. In the current major projects significant progress has been made, resulting in a pleasing year-on-year increase in total revenues in excess of 7 per cent.

Although revenues even came in above target, the half-year results were impacted by negative currency effects. Earnings before interest and taxes (EBIT) were less dynamic than planned in the second quarter due to the exchange rate volatility and expenses incurred by new development work on current major projects and activities in the Asian market. Although the result of the second quarter compared to the first quarter of 2015 doubled to EUR 2.5m, however, the value of EUR 3.7m as at 30 June 2015 is significantly lower than in the prior year (EUR 6.4m).

Over the year as a whole, the Managing Board holds on to its revenue forecast of EUR 104m to 110m for 2015. Whether it succeeds in reaching its targeted earnings before interest and taxes (EBIT) will largely depend on developments in the second half of the year – in particular with regard to exchange rates. The Managing Board still considers EBIT of its current planning of between EUR 17m and 19m to be achievable. Actual figures could deviate significantly from the forecast if new risk factors arise or assumptions underlying the plan later prove to be false.

Our continued high order backlog of some EUR 121m covers more than one-year revenues. Over the long term, the large number of international tenders that have been put out for public transport infrastructure projects, telematics and ticketing systems also give cause about init's future growth to be confident. As a leading international provider of appropriate solutions for buses and trains, init's numerous references make it a hot contender.

The Managing Board still considers the target for incoming orders of EUR 112m for 2015 to be attainable. However, this depends both on whether init wins more of the large tenders in which the company is currently participating and whether the resulting orders are placed this year.

Furthermore, init innovation in traffic systems AG, with its innovative technologies and integrated solution packages is well equipped to benefit from the growing demand for ticketing and integrated transport control systems in North America and Europe as well as emerging opportunities for sustainable growth in the Asian market.

Karlsruhe, 11 August 2015

The Managing Board



Dr. Gottfried Greschner



Joachim Becker



Dr. Jürgen Greschner



Bernhard Smolka

### Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Karlsruhe, 11 August 2015

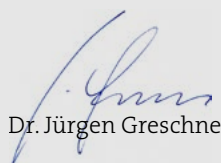
The Managing Board



Dr. Gottfried Greschner



Joachim Becker



Dr. Jürgen Greschner



Bernhard Smolka

## Consolidated Income Statement (IFRS)

from 1 January 2015 to 30 June 2015 (unaudited)

EUR '000	01/04 to 30/06/2015	01/04 to 30/06/2014	01/01 to 30/06/2015	01/01 to 30/06/2014
Revenues	23,592	24,837	47,143	43,861
Cost of revenues	-16,724	-14,443	-33,625	-28,555
<b>Gross profit</b>	<b>6,868</b>	<b>10,394</b>	<b>13,518</b>	<b>15,306</b>
Sales and marketing expenses	-2,931	-2,616	-5,690	-5,240
General administrative expenses	-1,880	-1,594	-3,556	-3,000
Research and development expenses	-908	-741	-1,667	-1,640
Other operating income	473	324	967	696
Other operating expenses	-80	-112	-417	-211
Foreign currency gains and losses	879	331	340	359
Income from associated companies	54	88	161	120
<b>Earnings before interest and taxes (EBIT)</b>	<b>2,475</b>	<b>6,074</b>	<b>3,656</b>	<b>6,390</b>
Interest income	8	17	15	28
Interest expenses	-126	-126	-246	-223
<b>Earnings before taxes (EBT)</b>	<b>2,357</b>	<b>5,965</b>	<b>3,425</b>	<b>6,195</b>
Income taxes	-707	-1,789	-1,027	-1,858
<b>Net profit</b>	<b>1,650</b>	<b>4,176</b>	<b>2,398</b>	<b>4,337</b>
thereof attributable to equity holders of parent company	1,590	4,196	2,352	4,388
thereof non-controlling interests	60	-20	46	-51
Net profit and diluted net profit per share in EUR	0.16	0.42	0.23	0.44
Average number of floating shares	10,031,354	10,026,422	10,031,641	10,015,362

## Consolidated Statement of Comprehensive Income (IFRS)

from 1 January 2015 to 30 June 2015 (unaudited)

EUR '000	01/04 to 30/06/2015	01/04 to 30/06/2014	01/01 to 30/06/2015	01/01 to 30/06/2014
<b>Net profit</b>	<b>1,650</b>	<b>4,176</b>	<b>2,398</b>	<b>4,337</b>
<b>Items to be reclassified to the income statement</b>				
Changes on currency translation	-418	126	2,358	131
<b>Total Other comprehensive income</b>	<b>-418</b>	<b>126</b>	<b>2,358</b>	<b>131</b>
<b>Total comprehensive income</b>	<b>1,232</b>	<b>4,302</b>	<b>4,756</b>	<b>4,468</b>
thereof attributable to equity holders of the parent company	1,172	4,322	4,710	4,519
thereof non-controlling interests	60	-20	46	-51

## Consolidated Balance Sheet (IFRS)

as of 30 June 2015 (unaudited)

### Assets

EUR '000	30/06/2015	31/12/2014
<b>Current assets</b>		
Cash and cash equivalents	8,151	9,213
Marketable securities and bonds	31	30
Trade accounts receivable	18,095	19,606
Future receivables from production orders ("Percentage-of-Completion-Method")	46,585	43,758
Inventories	23,513	19,775
Income tax receivable	15	0
Other current assets	2,387	1,855
<b>Current assets, total</b>	<b>98,777</b>	<b>94,237</b>
<b>Non-current assets</b>		
Tangible fixed assets	19,189	15,034
Investment property	6,130	6,173
Goodwill	4,388	4,388
Other intangible assets	1,555	1,925
Interest in associated companies	2,184	2,023
Deferred tax assets	2,326	2,857
Other assets	2,237	2,137
<b>Non-current assets, total</b>	<b>38,009</b>	<b>34,537</b>
<b>Assets, total</b>	<b>136,786</b>	<b>128,774</b>

Liabilities and shareholders' equity

EUR '000	30/06/2015	31/12/2014
<b>Current liabilities</b>		
Bank loans	13,486	1,197
Trade accounts payable	12,011	10,894
Accounts payable of "Percentage-of-Completion-Method"	3,658	2,950
Accounts payable due to related parties	266	888
Advance payments received	1,004	775
Income tax payable	47	2,015
Provisions	8,700	8,212
Other current liabilities	10,432	11,505
<b>Current liabilities, total</b>	<b>49,604</b>	<b>38,436</b>
<b>Non-current liabilities</b>		
Bank loans	7,309	7,900
Deferred tax liabilities	5,711	5,965
Pensions accrued and similar obligations	8,539	8,303
Other non-current liabilities	400	400
<b>Non-current liabilities, total</b>	<b>21,959</b>	<b>22,568</b>
<b>Shareholders' equity</b>		
Attributable to equity holders of the parent company		
Subscribed capital	10,040	10,040
Additional paid-in capital	6,333	5,947
Treasury stock	-10	-353
Surplus reserves and consolidated unappropriated profit	47,151	52,831
Other reserves	1,599	-759
	<b>65,113</b>	<b>67,706</b>
Non-controlling interests	110	64
<b>Shareholders' equity, total</b>	<b>65,223</b>	<b>67,770</b>
<b>Liabilities and shareholders' equity, total</b>	<b>136,786</b>	<b>128,774</b>

## Consolidated Statement of Changes in Equity (IFRS) as of 30 June 2015 (unaudited)

EUR '000	Attributable to equity holders of the parent company							Non-controlling interest	Shareholders' equity total	
	Subscribed capital	Additional paid-in capital	Treasury stock	Surplus reserves and Consolidated unappropriated profit	Other reserves					Total
					Difference from pension valuation	Difference from currency translation	Stock market valuation of securities			
Status as of 01/01/2014	10,040	5,962	-763	48,785	-1,141	-855		62,028	64	62,092
Net profit				4,388				4,388	-51	4,337
Other comprehensive income						131		131		131
Total comprehensive income				4,388		131		4,519	-51	4,468
Dividend paid out				-8,022				-8,022		-8,022
Share-based payments		-28	503					475		475
<b>Status as of 30/06/2014</b>	<b>10,040</b>	<b>5,934</b>	<b>-260</b>	<b>45,151</b>	<b>-1,141</b>	<b>-724</b>	<b>0</b>	<b>59,000</b>	<b>13</b>	<b>59,013</b>
Status as of 01/01/2015	10,040	5,947	-353	52,831	-2,575	1,817	-1	67,706	64	67,770
Net profit				2,352				2,352	46	2,398
Other comprehensive income						2,358		2,358		2,358
Total comprehensive income				2,352	0	2,358	0	4,710	46	4,756
Dividend paid out				-8,032				-8,032		-8,032
Share-based payments		386	576					962		962
Acquisition of treasury stock			-233					-233		-233
<b>Status as of 30/06/2015</b>	<b>10,040</b>	<b>6,333</b>	<b>-10</b>	<b>47,151</b>	<b>-2,575</b>	<b>4,175</b>	<b>-1</b>	<b>65,113</b>	<b>110</b>	<b>65,223</b>



## Consolidated Cash Flow Statement (IFRS)

from 1 January 2015 to 30 June 2015 (unaudited)

EUR '000	01/01 to 30/06/2015	01/01 to 30/06/2014
<b>Cash flow from operating activities</b>		
Net income	2,398	4,337
Depreciation	1,560	1,434
Gains (-) / Losses (+) on the disposal of fixed assets	6	-11
Change of provisions and accruals	724	733
Change of inventories	-3,738	-4,832
Change in trade accounts receivable and future receivables from production orders (PoC)	-1,316	-901
Change in other assets, not provided by / used in investing or financing activities	-647	-183
Change in trade accounts payable	1,117	1,732
Change in advanced payments received and liabilities from PoC method	937	-2,722
Change in other liabilities, not provided by / used in investing or financing activities	-3,663	-440
Amount of other non-cash income and expenses	2,927	541
<b>Net cash from operating activities</b>	<b>305</b>	<b>-312</b>
<b>Cash flow from investing activities</b>		
Inflows from sales of tangible fixed assets	76	30
Investments in tangible fixed assets and other intangible assets	-5,156	-3,934
Investment property	0	-4
<b>Net cash flows used in investing activities</b>	<b>-5,080</b>	<b>-3,908</b>
<b>Cash flow from financing activities</b>		
Dividend paid out	-8,032	-8,022
Cash payments for the purchase of treasury stock	-233	0
Payments received from bank loans incurred	12,293	0
Redemption of bank loans	-596	-931
<b>Net cash flows used in financing activities</b>	<b>3,432</b>	<b>-8,953</b>
Net effects of currency translation and consolidation changes in cash and cash equivalents	281	81
<b>Decrease in cash and cash equivalents</b>	<b>-1,062</b>	<b>-13,092</b>
Cash and cash equivalents at the beginning of the period	9,213	25,446
<b>Cash and cash equivalents at the end of the period</b>	<b>8,151</b>	<b>12,354</b>

## Selected Explanatory Notes for Q2 2015 (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 June 2015 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 June 2015 have not been reviewed by the auditors. The interim financial statements for the second quarter were submitted to the Supervisory Board on 6 August 2015.

### 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 2014, which are described in detail in the notes to the consolidated financial statements. The new accounting standards adopted in the first six months of 2015 did not have a material impact on the consolidated financial statements.

### Consolidated group

There were no changes to the consolidated group as at 31 December 2014.

### Inventories

Inventory write-downs amounted to EUR 116k (30/06/2014: EUR 600k). The charge is included under cost of revenues in the income statement.

### Marketable Securities and Bonds

As in the previous year no write-downs on securities and bonds were made.

### Trade accounts receivable

Write-downs on receivables came to EUR 2,635k (30/06/2014: EUR 993k). EUR 226k was booked to the income statement in the current financial year (30/06/2014: EUR 99k).

### 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 1,250k (30/06/2014: EUR 650k). The scheduled depreciation totalled EUR 1,517k (30/06/2014: EUR 1,390k). Sales of property, plant and equipment generated profit of EUR 51k (30/06/2014: EUR 30k). Payments totalling EUR 3,465k (30/06/2014: EUR 3,076k) were made towards the new building during the first two quarters 2015.

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 137k as at 30 June 2015 (30/06/2014: EUR 160k). The scheduled depreciation was EUR 44k (30/06/2014: EUR 44k).

Meanwhile there is a new leaseholder for the free space starting from middle of April.

### Liabilities

Liabilities are carried at amortised acquisition cost. The current liabilities to banks of EUR 13.5m (31/12/2014: EUR 1.2m) mainly concern the short-term part of the real estate financing of Kaeppelestrasse 4, 8/8a, 10 and of the new-build project in Karlsruhe as well as short-term loans to stabilise the liquidity due to delayed payments and payment plans for major projects, which require a high pre-financing. The long-term liabilities to banks of EUR 7.3m (31/12/2014: EUR 7.9m) 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 totaling 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 June 2015, additional paid-in capital was EUR 6,333k, comprising EUR 3.141k from the premium on shares sold in the IPO and the 2002 capital increase. A further EUR 2,292k was allocated for employee share scheme expenses for the years 2005 to 2014 and EUR 973k in 2015. EUR 587k was reversed following the share transfer to members of the Managing Board and key personnel in 2015. Additional paid-in capital was increased by EUR 514k through the sale of treasury stock in 2007.

### Treasury Stock

As at 1 January 2015, treasury stock comprised 16.904 shares.

Based on a resolution passed at the shareholders' meeting of 12 May 2010, the company is authorised to purchase treasury shares. On 2 March 2015, a decision was made to repurchase up to 10,000 shares. 10,000 shares were repurchased from 2 to 13 March at an average price of EUR 23.29.

In the first quarter of 2015, 26,426 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. Consequently, treasury stock totalled 478 shares as at 30 June 2015.

Treasury stock is valued at acquisition cost (cost method) at EUR 10k (31/12/2014: EUR 353k) and deducted from shareholders' equity. As at 30 June 2015 the 478 shares have an imputed share in capital stock of EUR 478 (0.005 per cent). The average repurchase price was EUR 21.78 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 2014: 80 cents per share, distributed on 15 May 2015	8,032
Dividend for 2013: 80 cents per share, distributed on 19 May 2014	8,022

### Contingent Liabilities/Assets

The init group had no contingent liabilities or assets as at 30 June 2015 or 31 December 2014.

### 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 June 2015 compared to 31 December 2014 and shows their classification in appropriate measurement categories according to IAS 39.

EUR '000	30/06/2015	31/12/2014
<b>ASSETS</b>		
<b>Loans and receivables</b>	<b>73,320</b>	<b>75,521</b>
Cash and cash equivalents	8,151	9,213
Trade accounts receivable	18,095	19,606
Future receivables from production orders	46,585	43,758
Other assets (current)	228	569
Other assets (non-current)	261	375
<b>Financial assets available for sale</b>	<b>31</b>	<b>30</b>
Securities and bond issues	31	30
<b>Financial assets reported at fair value through profit or loss</b>	<b>415</b>	<b>0</b>
Derivative financial assets	415	0
<b>LIABILITIES</b>		
<b>Financial liabilities recognised at cost</b>	<b>35,691</b>	<b>22,826</b>
Bank loans (current and non-current)	20,795	9,097
Trade accounts payable	12,011	10,894
Liabilities to related parties	266	888
Other liabilities (current)	2,234	1,561
Other liabilities (non-current)	385	385
<b>Financial liabilities reported at fair value through profit or loss</b>	<b>731</b>	<b>726</b>
Derivative financial liabilities	731	726

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	30/06/2015			31/12/2014				
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
<b>Financial assets available for sale</b>								
Securities and bond issues	31	31			30	30		
<b>Financial assets reported at fair value through profit or loss</b>								
Derivative financial assets	415		415		0		0	
<b>Financial liabilities reported at fair value through profit or loss</b>								
Derivative financial liabilities	731		731		726		726	

In the reporting period ending 30 June 2015 and the reporting period ending 31 December 2014, 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

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)

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 2015 to 30 June 2015	Telematics and Electronic Fare Collection Sys.	Other	Eliminations	Consolidated
EUR '000				
<b>Revenues</b>				
With third parties	44,326	2,817	0	47,143
With other segments	468	1,309	-1,777	0
<b>Total revenues</b>	<b>44,794</b>	<b>4,126</b>	<b>-1,777</b>	<b>47,143</b>
<b>EBIT</b>	<b>3,966</b>	<b>-308</b>	<b>-2</b>	<b>3,656</b>
Segment assets	131,544	8,506	-3,264	136,786
Segment liabilities	70,822	3,984	-3,243	71,563
Interest income	24	0	-9	15
Interest expenses	241	14	-9	246
Scheduled depreciation	1,160	400	0	1,560
Cost of revenues	32,574	2,856	-1,805	33,625
R&D costs	906	761	0	1,667
Foreign currency gains (+) and losses (-)	277	63	0	340
Share in profit of associated companies	161	0	0	161
Income tax	992	35	0	1,027
Value impairments	109	38	0	147
Share in associated companies	2,184	0	0	2,184
Investments in tangible and intangible assets, and investment property	5,123	33	0	5,156
<b>31/12/2014</b>				
Segment assets	122,752	8,436	-2,414	128,774
Segment liabilities	59,714	3,685	-2,395	61,004
Share in associated companies	2,023	0	0	2,023

1 January 2014 to 30 June 2014	Telematics and Electronic Fare Collection Sys.	Other	Eliminations	Consolidated
EUR '000				
<b>Revenues</b>				
With third parties	41,697	2,164	0	43,861
With other segments	312	837	-1,149	0
<b>Total revenues</b>	<b>42,009</b>	<b>3,001</b>	<b>-1,149</b>	<b>43,861</b>
<b>EBIT</b>	<b>7,265</b>	<b>-881</b>	<b>6</b>	<b>6,390</b>
Segment assets	108,402	8,791	-3,314	113,879
Segment liabilities	53,782	4,374	-3,290	54,866
Interest income	36	1	-9	28
Interest expenses	217	15	-9	223
Scheduled depreciation	1,006	428	0	1,434
Cost of revenues	27,315	2,414	-1,174	28,555
R & D costs	1,021	619	0	1,640
Foreign currency gains (+) and losses (-)	362	-3	0	359
Share in profit of associated companies	120	0	0	120
Income tax	1,858	0	0	1,858
Value impairments	775	48	0	823
Share in associated companies	2,008	0	0	2,008
Investments in tangible and intangible assets, and investment property	3,902	36	0	3,938
<b>31/12/2013</b>				
Segment assets	110,833	10,760	-3,280	118,313
Segment liabilities	54,769	4,711	-3,259	56,221
Share in associated companies	1,888	0	0	1,888

## Geographical Information

### Non-current assets

EUR '000	30/06/2015	%	31/12/2014	%
Germany	26,427	90.9	22,750	90.4
Rest of Europe	257	0.9	230	0.9
North America	2,214	7.6	2,000	8.0
Other countries (Australia, UAE)	160	0.6	175	0.7
<b>Group total</b>	<b>29,058</b>	<b>100.0</b>	<b>25,155</b>	<b>100.0</b>

The non-current assets consist of tangible assets, investment property, intangible assets and interests in associated companies.

## 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 2014.

EUR '000	Associated companies		Other related parties and persons	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Trade accounts receivable and other income	0	0	0	0
Trade accounts payable and other expenses	1,708	1,692	260	269
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Receivables	0	0	0	0
Payables	266	888	0	0

### Associated Companies

Payables totalling EUR 266k (31/12/2014: EUR 888k) 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

Since November 2014 init AG rents an office building in Karlsruhe with 67.39per cent from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, Karlsruhe and with 32.61per cent from Eila Greschner (previously renting 100per cent from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, 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 22k (30/06/2014: EUR 32k) made to family members of a Managing Board member were recognised under personnel expenses in the first six 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 June 2015, the group had not set aside any valuation allowances for receivables from related parties.

### 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 27 March 2015, Swisscanto Holding AG, Bern, Switzerland 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 25 March 2015 and on that day amounted to 4.24 per cent (this corresponds to 425,626 Voting Rights). 4.24 per cent of Voting Rights (this corresponds to 425,626 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).

On 27 March 2015, Züricher Kantonalbank, Zurich, Switzerland 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 25 March 2015 and on that day amounted to 4.31 per cent (this corresponds to 432,382 Voting Rights). 4.24 per cent of Voting Rights (this corresponds to 425,626 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 shareholders, whose share of the Voting Rights in init innovation in traffic systems AG amounts to 3 per cent or more: Swisscanto Holding AG.

Karlsruhe, 11 August 2015

The Managing Board



Dr. Gottfried Greschner



Joachim Becker



Dr. Jürgen Greschner



Bernhard Smolka

## Financial calendar and imprint

Date	Event
11 November 2015	Publication Q3 Report 2015
23 – 25 November 2015	Analyst conference, German Equity Forum, Frankfurt

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## Five-year financial summary of the init group

IFRS

EUR '000	2014	2013	2012	2011	2010
<b>Balance Sheet (31/12)</b>					
Balance sheet total	128,774	118,313	110,452	109,756	84,421
Shareholders' equity	67,770	62,092	57,757	56,938	46,667
Subscribed capital	10,040	10,040	10,040	10,040	10,040
Equity ratio (in %)	52.6	52.5	52.3	51.9	55.3
Return on equity (in %)	17.8	19.4	18.8	26.4	21.5
Non-current assets	34,537	28,198	27,603	19,806	13,484
Current assets	94,237	90,115	82,849	89,950	70,937
<b>Income Statement (01/01–31/12)</b>					
Revenues	102,993	100,120	97,297	88,736	80,913
Gross profit	36,581	37,456	34,006	36,294	27,292
EBIT	18,685	17,725	17,318	20,430	15,085
EBITDA	21,690	20,501	19,895	22,891	17,592
Consolidated net profit	12,067	12,068	10,872	15,057	10,014
Earnings per share (in EUR)	1.20	1.21	1.11	1.51	1.00
Dividend (in EUR)	0.80	0.80	0.80	0.80	0.60
<b>Cash Flow</b>					
Cash flow from operating activities	502	11,435	11,332	17,433	14,615
<b>Share</b>					
Issue price (in EUR)	5.10	5.10	5.10	5.10	5.10
Peak share price (in EUR)	25.80	26.89	25.70	19.99	15.89
Bottom share price (in EUR)	18.50	21.15	13.60	13.06	9.15

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