The Future of Mobility

Interim Report 3/2015

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 %
Balance Sheet (30/09)			
Balance sheet total	138,135	118,595	16.5
Shareholders' equity	66,060	62,618	5.5
Subscribed capital	10,040	10,040	0.0
Equity ratio (in %)	47.8	52.8	
Return on equity (in %)	6.1	10.9	
Non-current assets	39,555	32,767	20.7
Current assets	98,580	85,828	14.9
Income Statement (01/01 – 30/09)			
Revenues	73,242	69,578	5.2
Gross profit	22,207	23,001	–3.5
EBIT	6,064	10,048	–39.6
EBITDA	8,536	12,244	–30.3
Consolidated net profit	4,043	6,810	–40.6
Earnings per share (in EUR)	0.40	0.68	–41.8
Dividend (in EUR)	0.80	0.80	0.0
Cash Flow			
Cash flow from operating activities	2,653	92	2,783.7
Share			
Issue price (in EUR)	5.10	5.10	
Peak share price (in EUR)	27.99	25.80	8.5
Bottom share price (in EUR)	20.00	18.62	7.4

Corporate Bodies

Supervisory Board

- Dipl.-Kfm. Hans-Joachim Rühlig, 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

- Dipl.-Ing. Dr. Gottfried Greschner
  (Chairman; CEO)
  Business Division: Mobile Telematics and Fare
  Collection Systems
  Business Development, Personnel, Legal,
  Purchasing, Logistics and Production

- Dipl.-Kfm. Dr. Jürgen Greschner (CSO)
  Sales and Marketing

- Dipl.-Inform. Joachim Becker (COO)
  Business Division: Telematics Software and Services

- Dipl.-Kfm. Bernhard Smolka (CFO)
  Finance, Controlling and Investor Relations

Directors' Holdings

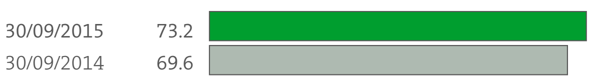
Managing Board	Number of shares
Dr. Gottfried Greschner, CEO	3,374,800*
Dr. Jürgen Greschner, CSO	98,800
Joachim Becker, COO	345,783
Bernhard Smolka, CFO	25,286

* 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.

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

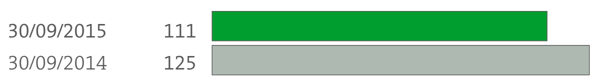
Revenues Q1–Q3

in million EUR



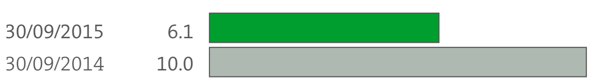
Order backlog

in million EUR



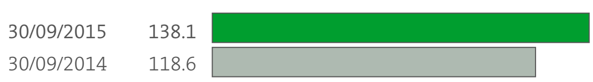
EBIT Q1–Q3

in million EUR



Balance sheet total

in million EUR



Letter to the Shareholders

Dear Ladies and Gentlemen, dear Shareholders,

The phenomenon of "globalisation" has many dimensions. The millions of people fleeing from hunger, hardship and persecution have meant that we in Germany and Europe have, in particular, got to know a new humanitarian dimension over recent weeks. The question of how our economic and social systems can and will manage the challenge of integration is one of historical significance. Our company will also face up to its responsibility in this area.

init has become a global player – thanks to its clients and employees from 25 countries spanning four continents. Our binding ethical guidelines include showing respect for and appreciating the international and cultural diversity of the people who work at our company and with our business partners. They are also a cornerstone of our success.

The benefits offered by this dimension of globalisation are not without cost, however. In order to utilise them, we need to work in a committed manner on a daily basis and make forward-looking investments. This includes creating the corresponding spatial capacities, such as at our new group head office, the "init Tower" at the headquarters in Karlsruhe, as well as for our US subsidiaries, where measures will be implemented soon.

The most important thing, however, is to invest in the expertise of those who work with and for us. During the first nine months of this year, we have not only taken on more employees to ensure that we are prepared for future growth, but have also created new trainee positions and opportunities for further education at init.

At first sight, this will result in an increase in personnel expenses and thus weigh on our results. However, we are convinced that this will lay the foundations that will allow us to continue to assert our position as a leading international provider of telematics, planning and electronic fare collection systems for buses and trains.

Globalisation is also bringing about the need for companies to prove themselves in an ever shorter space of time – in an environment of tough international competition with an ever increasing number of rivals. It is not always the best provider that wins the tendering process, but in many cases the supposed cheapest.

In many countries, price pressure is of course increasing during times of scarce public resources for investments in public transport infrastructure. This is a further dimension of globalised competition that init cannot escape. Our company also has to live with lower margins in the face of the current competitive conditions.

A further challenge posed by globalisation is the turbulence on the international finance and credit markets. The third quarter of 2015 was extraordinary in this regard, too. The value of the currencies of many countries – and in particular the currencies of commodity-exporting countries – plummeted. Canada, which is currently a very important market for init due to the ongoing major project in Montreal and other tenders, was particularly hard hit. The direct consequence for our company was that we had to revise our earnings forecast for 2015 downwards.

The extent to which this will impact the coming year will largely depend on developments over the next few months. init traditionally books the majority of its business during the fourth quarter and several tenders will soon be decided upon.

However, we will not lower our sights in terms of meeting our requirement of being the best partner for our clients over the long term. As a leading international provider, init considers itself well positioned to benefit from the growing demand for ticketing and integrated transport control systems in North America and Europe, as well as from emerging opportunities for sustainable growth in the Asian market.

In tackling the international competition, we will continue to rely on our company's proven qualities: intelligent design, state-of-the art technology, the efficient use of resources, ecological sensitivity and, above all, investments with which new benchmarks are set.

And we want to continue putting our faith in the best minds – regardless of where they come from.

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

Stock markets see "crash quarter" – init stock also suffers

Stock markets across the world were gripped by turbulence in the third quarter. Concerns regarding the Chinese economy and the consequences of a downturn, for the European economy in particular, weighed heavily on stock market performance. Together with other crisis factors and uncertainty with regard to the future monetary policy of the US Federal Reserve, this meant significant falls in areas. Almost all relevant stock markets recorded double-digit losses, with the result that the third quarter of 2015 was the worst stock markets had seen for over four years.

The DAX shed over 12 per cent in the third quarter alone; only the TecDAX, the index of German technology stocks, managed a positive performance with an increase of 6 per cent, but only due to exceptional movements for certain stocks.

Price performance for the init stock (ISIN DE0005759807) also suffered in the wake of global turbulence. After the init share has reached a new all-time high of EUR 27.99 in July, it came as a result to profit taking. The slight downwards trend which ensued on the back of this accelerated in August after the publication of semi-annual results and also as a result of the general crisis. By the end of the first nine months, the init stock had shed the gains it had made over 2015 to that point.

The Managing Board used this period of weakness in September and October for a share buyback programme which pushed the price back towards EUR 22.

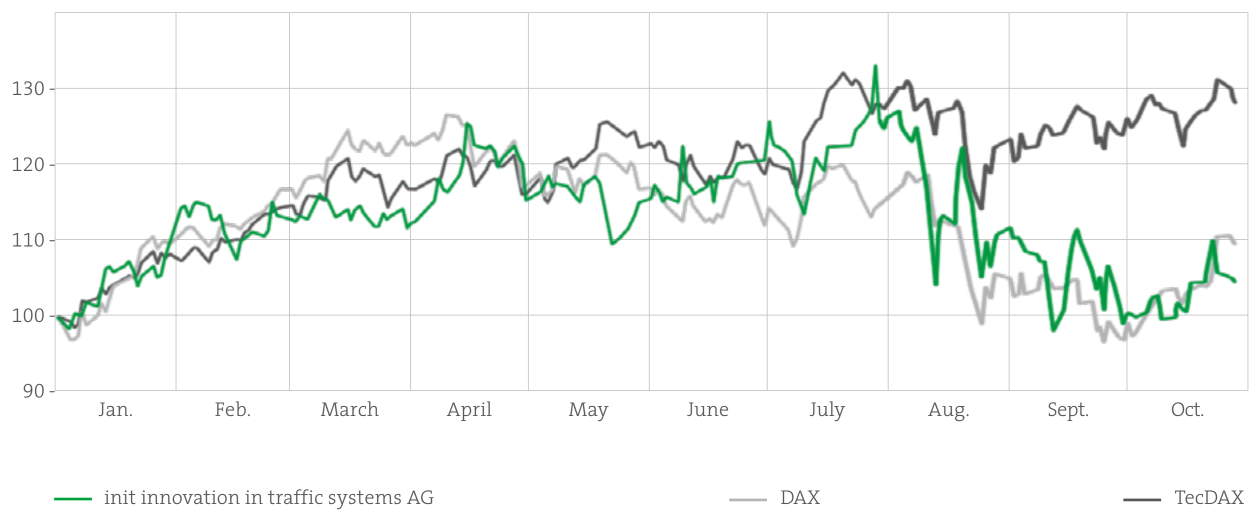
The majority of share analysts rate the init stock as a 'Buy', with fair value estimates fluctuating between EUR 23 and EUR 31. The annual analyst conference of init innovation in traffic systems AG will be held within the framework of the German Equity Forum on 23 and 24 November 2015 in Frankfurt.

Share buyback

The Managing Board of init innovation in traffic systems AG decided on 14 September 2015 to acquire up to 20,000 treasury shares (in accordance with Section 71 (1) (8) of the German Stock Corporation Act (AktG)) in exercise of the authorisation granted to it by the Annual General Meeting on 13 May 2015 under agenda item 6. The purchase price of the shares was not to exceed EUR 21.10 (excluding incidental costs) per share. By the end of 7 October 2015, a total of 20,000 shares were acquired at an average price

Performance init-share January to October 2015 (Xetra)

(indexed)



of EUR 20.75 (excluding incidental costs). The shares were purchased on the stock exchange (XETRA trading) on its behalf by the authorised bank, Commerzbank AG. The number of repurchased shares corresponds to 0.2 per cent of the capital stock of init innovation in traffic systems AG. The share buyback programme pursuant to the resolution from 14 September 2015 has therefore been concluded.

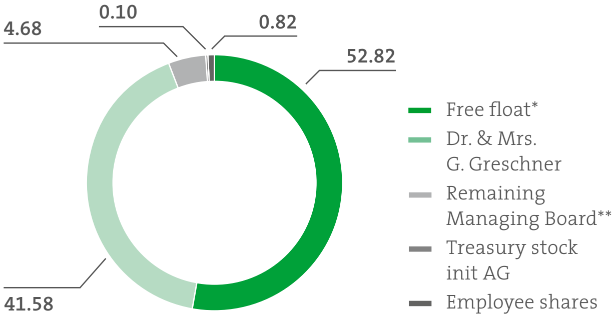
Repurchased shares are to be used for current and future employee share ownership plans, for incentive programmes for senior management, as an acquisition currency and/or to be sold to third parties in return for cash.

As per 30 September 2015, init innovation in traffic systems AG held 10,189 treasury shares. Shareholdings are as shown in the diagram.

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

Shareholder structure as of 30 September 2015

(in %)



* By definiton of the German Stock Exchange the free float of init AG is 56.90 %
** thereof 4.08 % 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 Sept. 2015)	EUR 225.7m

Group Status Report

Economic environment

The third quarter of 2015 saw both companies and countries across the globe exposed to a range of new turbulences. These were triggered by increasing geopolitical tensions, the unexpected slowdown in growth in China and growing uncertainty with regard to the evolution of demand and willingness to invest. In light of these developments and further rises in risks, economists at leading economic research institutes and organisations were again compelled to slash their growth forecasts.

In its recent Global Economic Outlook (October 2015), the International Monetary Fund (IMF) reduced its growth forecasts for 2015 and 2016 across the board. The IMF now expects the global economy to grow by only 3.1 per cent in the current year (previous estimate: 3.3 per cent), and by 3.6 per cent in 2016 (previously: 3.8 per cent).

In particular, forecasts for former global powerhouse economies such as Canada, Russia and other mainly commodity-exporting countries have again been cut drastically (by 0.4 and 0.8 percentage points respectively). These countries – like China as well – have been hit especially hard by the slump in demand, which has also put the currencies of these countries under pressure. The Chinese renminbi, for instance, depreciated by 3.5 per cent in August, and the Canadian dollar shed around 10 per cent of its value in the third quarter alone.

For Europe and North America, which are currently the most important markets for init solutions, the IMF specialists continue to expect a moderate recovery with growth rates of between 1.5 and 2.8 per cent. Expectations for Canada in particular – an important market for init at present on account of a major project in Montreal and numerous tenders – were slashed to 1.0 per cent growth this year and 1.7 per cent next year.

The IMF's assessment for Germany, init's domestic market, has been revised down only slightly. Here, growth in economic output for 2015 and 2016 is expected to stand at 1.5 and 1.6 percent respectively (-0.1 percentage point adjustment on former estimates). This is exactly in line with the average for the euro zone overall. For the United Kingdom, one of the most important markets for init systems in Europe, the IMF confirmed its positive forecast of growth rates of 2.5 (2015) and 2.2 (2016) per cent.

Economists see the low and declining global willingness to invest as a persistent problem and uncertainties triggered by currency and capital market turbulence have had a further depressing effect. Willingness to invest continued to decline, particularly in countries which had already suffering been from a sovereign debt crisis.

In light of this, the economic experts at the IMF and other institutes recommend promoting investment in infrastructure measures such as, for instance, smart solutions for public transport, like those offered by init, in order to prevent a global downturn in demand.

Incentives for more investment in new transport technologies, which is something that init innovation in traffic systems AG will benefit from in particular, should also result from the resolutions agreed at the World Climate Conference in Paris. init's solutions make a significant contribution towards the reduction of greenhouse gas emissions and also facilitate a more efficient use of resources.

Sector-specific performance

The development and maintenance of functioning public transport systems is 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 public transport. Added to this is the increasingly urgent need to protect the climate and environment. New technologies and sharing systems require and allow closer links to be established between all transport providers. 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 comes with a price tag though. Current funding from public finances scarcely covers this, particularly in those countries in which the funds required to expand the necessary infrastructure are not or are no longer available as a result of their weak economic position. The management and structuring of further growth in 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 becoming ever greater 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 nine months of 2015, the init group managed to increase revenues by around 5.2 per cent year-on-year. The rise in revenues was primarily the result of work completed in major projects. Although a further increase in EBIT was able to be secured in the third quarter, on the nine-month view, the figure was around 40 percent lower (EUR 6.1m) than it was in the previous year and below our expectations. The reason for this essentially comes down to an increase in personnel expenses and to foreign exchange losses on the Canadian dollar. In addition, profit margins declined partly.

On 23 September 2015, init AG established the subsidiary GO-1, LLC in Chesapeake in the US. The purpose of this company is to set up and lease premises for the operational US subsidiaries (INIT Inc., SQM LLC and TQA LLC).

Orders

All in all, init managed to acquire new orders to the value of EUR 15.0m in the third quarter (Q3 2014: EUR 12.1m). Incoming orders are comprised of maintenance contracts, significant follow-up orders as well as numerous new projects. We won several smaller tenders in the third quarter. Of incoming orders, EUR 13.9m (Q3 2014: EUR 11.1m) is attributable to the Telematics and Electronic Fare Collection Systems segment and EUR 1.1m (Q3 2014: EUR 1.0m) to the Other segment, which comprises the Planning Systems, Driver Dispatch Systems and Automotive business segments.

Incoming orders for the first nine months totalled EUR 56.4m (Q1–Q3 2014: EUR 55.6m) and therefore fell short of our expectations.

We still believe our target for incoming orders in 2015 is achievable. However, this depends on whether the larger tenders in which we are currently participating are decided in init's favour this year and whether the resulting order is placed by the end of the year.

The order backlog as of 30 September 2015 stands at around EUR 111m and is therefore below the EUR 125m achieved on the previous year's balance sheet date. However, it remains at a high level and covers one year's revenues.

Earnings position

In the third quarter 2015, revenues of EUR 26.1m (Q3 2014: EUR 25.7m) were generated.

Breakdown of revenues by region for the first nine months:

in million EUR	01/01–30/09/2015	%	01/01–30/09/2014	%
Germany	19.4	26.5	16.8	24.2
Rest of Europe	15.2	20.8	17.4	24.9
North America	35.5	48.4	32.2	46.3
Other countries (Australia, UAE)	3.1	4.3	3.2	4.6
Group total	**73.2**	**100.0**	**69.6**	**100.0**

Revenues based on customer's location.

Group revenues came in at EUR 73.2m in the first nine months (Q1–Q3 2014: EUR 69.6m), EUR 68.6m of which were generated by the Telematics and Electronic Fare Collection Systems segment (Q1–Q3 2014: EUR 65.9m), roughly 94 per cent (Q1–Q3 2014: around 95 per cent). The Other segment generated revenues with third parties amounting to EUR 4.6m (Q1–Q3 2014: EUR 3.7m). This equates to around 6 per cent (Q1–Q3 2014: around 5 per cent) of group revenues. As per the end of September 2015, group revenues were therefore above expectations for the first nine months of the year. The increase in revenues is largely accounted for by work completed on our major projects, especially in North America.

Gross profit fell on the previous year to EUR 22.2m (Q3 2014: EUR 23.0m). The reason for this is primarily attributable to foreign exchange losses on the Canadian dollar and partly declined profit margins. Furthermore an increase in personnel expenses was recorded.

Sales and administrative expenses came in approximately EUR 0.7m above the previous year's level. The increase in expenses resulted from salary increases and the rise in the number of employees.

Research and development expenses increased by EUR 0.5m due to new developments.

The **foreign currency losses** position was lower due to appreciation-related losses on the Canadian dollar as well as from the valuation of forward exchange transactions, and came in at EUR -1.2m (Q1–Q3 2014: EUR 0.9m).

Earnings before interest and taxes (EBIT), at EUR 6.1m compared with the prior-year period 2014 (EUR 10.0m), are significantly lower and are on the whole below our 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 6.2m (Q1–Q3 2014: EUR 10.5m) and the Other segment contributed EUR -0.1m (Q1–Q3 2014: EUR -0.5m).

Net interest income (balance of interest income and interest expenses) stands at EUR -401k (Q1–Q3 2014: EUR -320k). Interest expenses are incurred primarily from interest for real estate finance at the Karlsruhe site as well as from the utilisation of euro loans.

As a result of the abovementioned effects, overall **net profit** declined as at 30 September 2015 year-on-year to around EUR 4.0m (Q1–Q3 2014: EUR 6.8m). This corresponds to earnings per share of EUR 0.40 (Q1–Q3 2014: EUR 0.68).

However, taking into account the increase in unrealised profits from currency translation, **total comprehensive income** as at 30 September 2015 rose to EUR 5.8m (Q1–Q3 2014: EUR 8.5m).

Net assets and financial position

The **balance sheet total** increased by EUR 9.4m to EUR 138.1m compared with 31 December 2014 and is therefore EUR 19.5m higher year-on-year.

Cash and cash equivalents, including short-term securities and bonds, stood at EUR 8.3m in the reporting period (31/12/2014: EUR 9.2m).

The future receivables from production orders in the amount of EUR 43.6m (31/12/2014: EUR 43.8m) primarily result from payment plans in the projects and should fall by the year end through invoicing.

Compared with 31 December 2014, **inventories** rose by EUR 2.8m to EUR 22.6m. The reason for this is imminent hardware deliveries, which will cause stock to fall again in the months to come.

Tangible fixed assets increased to EUR 20.8m due to the administration building at Kaeppelestrasse 4a in Karlsruhe (new building).

Current and non-current liabilities to banks in the amount of EUR 21.3m (31/12/2014: EUR 9.1m) mainly concern real estate financing as well as short-term euro loans taken out to stabilise liquidity. These were required as a result of delayed payment receipts and payment plans for major projects which require considerable advance finance.

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

Total equity stands at EUR 66.1m and is therefore higher than in the previous year (Q1–Q3 2014: EUR 62.6m). The **equity ratio** is therefore 47.8 per cent (Q1–Q3 2014: 52.8 per cent).

Cash flow from operating activities stands at EUR 2.7m (Q1–Q3 2014: EUR 0.1m) and improved on the previous year, essentially as a result of the rise in liabilities from POC and the considerably lower rise in inventories and in accounts receivables compared to the prior-year period. This contrasts with the lower net profit and the change in other liabilities which are not recorded under investment and financing activities. 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 -7.4m (Q1–Q3 2014: EUR -5.9m) and results primarily from disbursements for the new building in Käppelestrasse in Karlsruhe as well as from replacement and expansion investments.

Cash flow from financing activities stands at EUR 3.7m (Q1–Q3 2014: EUR -9.7m) and is mainly attributable to the utilisation of euro loans. This is offset by the dividend payment, the purchase of own shares and the redemption of bank liabilities.

Personnel

The init group employed 521 staff as at 30 September 2015 (Q3 2014: 478) including temporary workers, research assistants and diploma candidates. There are a further 20 (Q3 2014: 18) employees in apprenticeships.

Number of employees by region:

	30/09/2015	30/09/2014
Employees in Germany	408	371
Employees in the rest of Europe	8	10
Employees in North America	88	80
Employees in other countries	17	17
Total	**521**	**478**

Opportunities and risks

The opportunities and risks described in the group status report 2014 (p. 45 et seq.) remain 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 failed to pass on to us 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. Currently the court reviews the arbitration in order to obtain an official copy. However, 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 out a signal for future tenders in these countries and improve growth prospects there. We continue to expect our activities in the Asia/Pacific region to stimulate growth.

In the US, we have won our third ticketing project with Vancouver, State of Washington. 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

Effective as per 1 October 2015, initperdis GmbH in Hamburg acquired the customer base and employees of LC Consultant S.A.R.L. in Saint-Cloud, France. The init group has therefore acquired new customers in France and intends to expand business in France further.

Related party transactions

Transactions with related parties are set down in Notes under "Other Disclosures" on page 24.

Forecast and outlook

Performance of init innovation in traffic systems AG in the third quarter of 2015 revealed two diverging trends. Firstly, progress in on-going major projects again meant that revenues growth was above target at 5.2 per cent. Secondly, however, earnings performance fell considerably short of expectations.

As a result of exchange rate volatility – in particular the collapse of the Canadian dollar – and expenses incurred for activities in the Asian market as well as high personnel costs meant operating earnings before interest and taxes (EBIT) came in at only EUR 2.4m in the third quarter (Q3 2014: EUR 3.7m). For the first nine months, this means EBIT has fallen relative to the previous year to EUR 6.1m (2014: EUR 10.1m).

While our company remains on track to achieve its full-year revenue target of between EUR 104 and 110m, the risks for earnings performance for 2015 have sharply increased. Taking all factors into account, the Management Board must therefore assume that the previous estimate for an operating result (EBIT) for 2015 of between EUR 17 and 19m will no longer be achieved. Based on currently available data, EBIT in the order of EUR 10-12m appears to be the most likely value. The actual development may still change however, because the fourth quarter is traditionally the strongest in terms of revenues and earnings for init, and the assumptions on which the forecast was based could prove to be incorrect in retrospect.

The order backlog of around EUR 111m remains higher than annual revenues. We believe our target for incoming orders of EUR 112m in 2015 is still achievable. However, this depends on whether the larger tenders in which we are currently participating are decided in init's favour this year and whether the resulting orders are placed by the end of the year. This will also crucially determine init's expectations for 2016.

The longer-term growth trend in the market for init solutions remains intact, however. Across the globe, a range of tenders for public transport infrastructure measures and telematics and ticketing systems are underway or planned, although competition here is increasingly a matter of price.

As a leading international provider of appropriate solutions for buses and trains, init's numerous references make it a preferred partner.

Furthermore, with its innovative technologies and integrated solution packages, init innovation in traffic systems AG 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 November 2015

The Managing Board

Dr. Gottfried Greschner

Joachim Becker

Dr. Jürgen Greschner

Bernhard Smolka

Consolidated Income Statement (IFRS)
from 1 January 2015 to 30 September 2015 (unaudited)

EUR '000	01/07 to 30/09/2015	01/07 to 30/09/2014	01/01 to 30/09/2015	01/01 to 30/09/2014
Revenues	26,099	25,717	73,242	69,578
Cost of revenues	–17,410	–18,022	–51,035	–46,577
Gross profit	**8,689**	**7,695**	**22,207**	**23,001**
Sales and marketing expenses	–2,466	–2,697	–8,156	–7,937
General administrative expenses	–1,516	–1,573	–5,072	–4,573
Research and development expenses	–1,218	–754	–2,885	–2,394
Other operating income	378	294	1,345	990
Other operating expenses	–75	–45	–492	–256
Foreign currency gains and losses	–1,545	519	–1,205	878
Income from associated companies	161	219	322	339
Earnings before interest and taxes (EBIT)	**2,408**	**3,658**	**6,064**	**10,048**
Interest income	7	12	22	40
Interest expenses	–177	–137	–423	–360
Earnings before taxes (EBT)	**2,238**	**3,533**	**5,663**	**9,728**
Income taxes	–593	–1,060	–1,620	–2,918
Net profit	**1,645**	**2,473**	**4,043**	**6,810**
thereof attributable to equity holders of parent company	1,616	2,445	3,968	6,833
thereof non-controlling interests	29	28	75	–23
Net profit and diluted net profit per share in EUR	0.16	0.24	0.40	0.68
Average number of floating shares	10,028,362	10,023,659	10,034,028	10,018,158

Consolidated Statement of Comprehensive Income (IFRS)
from 1 January 2015 to 30 September 2015 (unaudited)

EUR '000	01/07 to 30/09/2015	01/07 to 30/09/2014	01/01 to 30/09/2015	01/01 to 30/09/2014
Net profit	**1,645**	**2,473**	**4,043**	**6,810**
Items to be reclassified to the income statement				
Changes on currency translation	–605	1,526	1,753	1,657
Total Other comprehensive income	**–605**	**1,526**	**1,753**	**1,657**
Total comprehensive income	**1,040**	**3,999**	**5,796**	**8,467**
thereof attributable to equity holders of the parent company	1,011	3,971	5,721	8,490
thereof non-controlling interests	29	28	75	–23

Consolidated Balance Sheet (IFRS)
as of 30 September 2015 (unaudited)

Assets

EUR '000	30/09/2015	31/12/2014
Current assets		
Cash and cash equivalents	8,290	9,213
Marketable securities and bonds	32	30
Trade accounts receivable	20,348	19,606
Future receivables from production orders ("Percentage-of-Completion-Method")	43,563	43,758
Inventories	22,615	19,775
Income tax receivable	129	0
Other current assets	3,603	1,855
Current assets, total	98,580	94,237
Non-current assets		
Tangible fixed assets	20,842	15,034
Investment property	6,108	6,173
Goodwill	4,388	4,388
Other intangible assets	1,350	1,925
Interest in associated companies	2,345	2,023
Deferred tax assets	2,327	2,857
Other assets	2,195	2,137
Non-current assets, total	39,555	34,537
Assets, total	**138,135**	**128,774**

Liabilities and shareholders’ equity

EUR ‘000	30/09/2015	31/12/2014
Current liabilities		
Bank loans	14,220	1,197
Trade accounts payable	10,082	10,894
Accounts payable of “Percentage-of-Completion-Method”	4,196	2,950
Accounts payable due to related parties	585	888
Advance payments received	657	775
Income tax payable	0	2,015
Provisions	8,736	8,212
Other current liabilities	11,956	11,505
Current liabilities, total	50,432	38,436
Non-current liabilities		
Bank loans	7,030	7,900
Deferred tax liabilities	5,556	5,965
Pensions accrued and similar obligations	8,657	8,303
Other non-current liabilities	400	400
Non-current liabilities, total	21,643	22,568
Shareholders’ equity		
Attributable to equity holders of the parent company		
Subscribed capital	10,040	10,040
Additional paid-in capital	6,333	5,947
Treasury stock	–213	–353
Surplus reserves and consolidated unappropriated profit	48,767	52,831
Other reserves	994	–759
	65,921	67,706
Non-controlling interests	139	64
Shareholders’ equity, total	66,060	67,770
Liabilities and shareholders’ equity, total	**138,135**	**128,774**

Consolidated Statement of Changes in Equity (IFRS)

as of 30 September 2015 (unaudited)

EUR '000	Attributable to equity holders of the parent company				Other reserves				Non-controlling interest	Shareholders' equity total
	Subscribed capital	Additional paid-in capital	Treasury stock	Surplus reserves and Consolidated unappropriated profit	Difference from pension valuation	Difference from currency translation	Stock market valuation of securities	Total		
Status as of 01/01/2014	10,040	5,962	–763	48,785	–1,141	–855		62,028	64	62,092
Net profit				6,833				6,833	–23	6,810
Other comprehensive income						1,657		1,657		1,657
Total comprehensive income				6,833		1,657		8,490	–23	8,467
Dividend paid out				–8,021				–8,021		–8,021
Share-based payments		18	504					522		522
Acquisition of treasury stock			–442					–442		–442
Status as of 30/09/2014	**10,040**	**5,980**	**–701**	**47,597**	**–1,141**	**802**	**0**	**62,577**	**41**	**62,618**
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				3,968				3,968	75	4,043
Other comprehensive income						1,753		1,753		1,753
Total comprehensive income				3,968		1,753		5,721	75	5,796
Dividend paid out				–8,032				–8,032		–8,032
Share-based payments		386	576					962		962
Acquisition of treasury stock			–436					–436		–436
Status as of 30/09/2015	**10,040**	**6,333**	**–213**	**48,767**	**–2,575**	**3,570**	**–1**	**65,921**	**139**	**66,060**

Consolidated Cash Flow Statement (IFRS)
from 1 January 2015 to 30 September 2015 (unaudited)

EUR '000	01/01 to 30/09/2015	01/01 to 30/09/2014
Cash flow from operating activities		
Net income	4,043	6,810
Depreciation	2,472	2,196
Gains (-) / Losses (+) on the disposal of fixed assets	–28	–37
Change of provisions and accruals	878	1,167
Change of inventories	–2,840	–6,388
Change in trade accounts receivable and future receivables from production orders (PoC)	–547	–4,167
Change in other assets, not provided by / used in investing or financing activities	–1,935	–605
Change in trade accounts payable	–812	–400
Change in advanced payments received and liabilities from PoC method	1,128	–3,581
Change in other liabilities, not provided by / used in investing or financing activities	–1,867	3,129
Amount of other non-cash income and expenses	2,161	1,968
Net cash from operating activities	**2,653**	**92**
Cash flow from investing activities		
Inflows from sales of tangible fixed assets	133	65
Investments in tangible fixed assets and other intangible assets	–7,568	–5,919
Investment property	0	–4
Net cash flows used in investing activities	**–7,435**	**–5,858**
Cash flow from financing activities		
Dividend paid out	–8,032	–8,022
Cash payments for the purchase of treasury stock	–436	–442
Payments received from bank loans incurred	13,023	0
Redemption of bank loans	–870	–1,257
Net cash flows used in financing activities	**3,685**	**–9,721**
Net effects of currency translation and consolidation changes in cash and cash equivalents	174	235
Decrease in cash and cash equivalents	**–923**	**–15,252**
Cash and cash equivalents at the beginning of the period	9,213	25,446
Cash and cash equivalents at the end of the period	**8,290**	**10,194**

Selected Explanatory Notes for Q3 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 September 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 September 2015 have not been reviewed by the auditors. The interim financial statements for the third quarter were submitted to the Supervisory Board on 30 October 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 nine months of 2015 did not have a material impact on the consolidated financial statements.

Consolidated group

Within the consolidated group as at 31 December 2014 the following change resulted:

On 23 September 2015, init AG established the subsidiary GO-1, LLC in Chesapeake in the US. The purpose of this company is to set up and lease premises for the operational US subsidiaries (INIT Inc., SQM LLC and TQA LLC).

Inventories

Inventory write-downs amounted to EUR 127k (30/09/2014: EUR 823k). The charge is included under cost of revenues in the income statement.

Marketable securities and bonds

Securities and bonds were written down by EUR 3k (30/09/2014: EUR 5k).

Receivables

Write-downs on receivables came to EUR 2,664k (30/09/2014: EUR 991k). EUR 255k was booked to the income statement in the current financial year (30/09/2014: EUR 97k).

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. In third quarter the administration building at Kaeppelestrasse 4a (new building) was completed and reclassified from facilities under contstruction in land and buildings (EUR 12,144k).Capital expenditure for replacement stood at EUR 1,755k (30/09/2014: EUR 982k). The scheduled depreciation totalled EUR 2,407k (30/09/2014: EUR 2,130k). Sales of property, plant and equipment generated profit of EUR 110k (30/09/2014: EUR 60k).

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 213k as at 30 September 2015 (30/09/2014: EUR 240k). The scheduled depreciation was EUR 65k (30/09/2014: EUR 65k).

Liabilities

Liabilities are carried at amortised acquisition cost. The current liabilities to banks of EUR 14.2m (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 7.0m (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 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 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.

Based on a resolution passed at the shareholders' meeting of 13 May 2015, the company is authorised to purchase treasury shares. On 14 September 2015, a decision was made to repurchase up to 20,000 shares. 9,711 shares were repurchased from 15 to 30 September at an average price of EUR 20.93. Consequently, treasury stock totalled 10,189 shares as at 30 September 2015

Treasury stock is valued at acquisition cost (cost method) at EUR 213k (31/12/2014: EUR 353k) and deducted from shareholders' equity. As at 30 September 2015 the 10,189 shares have an imputed share in capital stock of EUR 10,189 (0.101 per cent). The average repurchase price was EUR 20.96 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 September 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 September 2015 compared to 31 December 2014 and shows their classification in appropriate measurement categories according to IAS 39.

EUR '000	**30/09/2015**	**31/12/2014**
ASSETS		
Loans and receivables	**72,830**	**73,521**
Cash and cash equivalents	8,290	9,213
Trade accounts receivable	20,348	19,606
Future receivables from production orders	43,563	43,758
Other assets (current)	419	569
Other assets (non-current)	210	375
Financial assets available for sale	**32**	**30**
Securities and bond issues	32	30
Financial assets reported at fair value through profit or loss	**709**	**0**
Derivative financial assets	709	0
LIABILITIES		
Financial liabilities recognised at cost	**35,002**	**22,826**
Bank loans (current and non-current)	21,250	9,097
Trade accounts payable	10,082	10,894
Liabilities to related parties	585	888
Other liabilities (current)	2,700	1,561
Other liabilities (non-current)	385	385
Financial liabilities reported at fair value through profit or loss	**564**	**726**
Derivative financial liabilities	564	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	30/09/2015				31/12/2014			
		Level				Level		
	Total	1	2	3	Total	1	2	3
Financial assets available for sale								
Securities and bond issues	**32**	32			**30**	30		
Financial assets reported at fair value through profit or loss								
Derivative financial assets	**709**		709		**0**		0	
Financial liabilities reported at fair value through profit or loss								
Derivative financial liabilities	**564**		564		**726**		726	

In the reporting period ending 30 September 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 September 2015 EUR '000	**Telematics and Electronic Fare Collection Sys.**	**Other**	**Eliminations**	**Consolidated**
Revenues				
With third parties	68,610	4,632	0	73,242
With other segments	712	2,082	–2,794	0
Total revenues	**69,322**	**6,714**	**–2,794**	**73,242**
EBIT	**6,217**	**–157**	**4**	**6,064**
Segment assets	133,024	8,935	–3,824	138,135
Segment liabilities	71,637	4,247	–3,809	72,075
Interest income	35	0	–13	22
Interest expenses	415	21	–13	423
Scheduled depreciation	1,862	610	0	2,472
Cost of revenues	49,461	4,392	–2,818	51,035
R & D costs	1,706	1,179	0	2,885
Foreign currency gains (+) and losses (-)	–1,208	3	0	–1,205
Share in profit of associated companies	322	0	0	322
Income tax	1,566	54	0	1,620
Value impairments	347	38	0	385
Share in associated companies	2,345	0	0	2,345
Investments in tangible and intangible assets, and investement property	7,491	77	0	7,568
31/12/2014				
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 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
Share in profit of associated companies	339	0	0	339
Income tax	2,914	4	0	2,918
Value impairments	934	56	0	990
Share 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
Share in associated companies	1,888	0	0	1,888

Geographical information

Non-current assets

EUR '000	30/09/2015	%	31/12/2014	%
Germany	27,861	90.9	22,750	90.4
Rest of Europe	469	1.5	230	0.9
North America	2,160	7.1	2,000	8.0
Other countries (Australia, UAE)	155	0.5	175	0.7
Group total	**30,645**	**100.0**	**25,155**	**100.0**

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	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Trade accounts receivable and other income	0	0	0	0
Trade accounts payable and other expenses	2,350	2,726	381	403
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
Receivables	0	0	0	0
Payables	585	888	0	0

Associated companies

Payables totalling EUR 585k (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 67.39 per cent from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, Karslruhe and with 32.61 per cent from Eila Greschner (previously renting 100 per 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 25k (30/09/2014: EUR 47k) 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 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 deceeded 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 November 2015

The Managing Board

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

Financial calendar and imprint

Date	Event
23 – 25 November 2015	Analyst conference, German Equity Forum, Frankfurt
23 March 2016	Publication Annual Report 2015 / Press Conference Frankfurt

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Five-year financial summary of the init group

IFRS

EUR '000	2014	2013	2012	2011	2010
Balance Sheet (31/12)					
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
Income Statement (01/01–31/12)					
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
Cash Flow					
Cash flow from operating activities	502	11,435	11,332	17,433	14,615
Share					
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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