Interim Report 3/2011

init

init innovation in traffic systems AG

powerfully

Pooling resources

cooperatively

synergetically

init at a glance

Municipal and regional passenger transportation should be comfortable, fast, and attractive. The systems supplied by init innovation in traffic systems AG ensure that buses and trams are able to meet these requirements, while at the same time increasing the efficiency of transportation companies.

init is the leader in innovative telematics and fare management systems that offer a suite of integrated solutions for all type of needs related to public transportation. init products are operational in over 300 transportation companies worldwide.

Key figures of init group according to IFRS

					% Change
Balance sheet	**30/09/2011**		**31/12/2010**		
Balance sheet total	EUR	94,159k	EUR	84,421k	11.5
Shareholders' equity	EUR	49,234k	EUR	46,667k	5.5
Subscribed capital	EUR	10,040k	EUR	10,040k	
Equity ratio	%	52.3	%	55.3	-5.4
Return on equity	%	16.8	%	15.3	9.7
Non-current assets	EUR	13,216k	EUR	13,484k	-2.0
Current assets	EUR	80,943k	EUR	70,937k	14.1
Income statement	**01/01–30/09/2011**		**01/01–30/09/2010**		
Revenues	EUR	55,228k	EUR	57,403k	-3.8
Gross profit	EUR	23,159k	EUR	19,830k	16.8
EBIT	EUR	11,354k	EUR	11,095k	2.3
EBITDA	EUR	13,095k	EUR	12,988k	0.8
Net profit	EUR	8,275k	EUR	7,153k	15.7
Earnings per share	EUR	0.83	EUR	0.72	15.3
Dividend	EUR	0.60	EUR	0.30	100.0
Cash flow	**01/01–30/09/2011**		**01/01–30/09/2010**		
Cash flow from operating activities	EUR	16,801k	EUR	8,403k	99.9
Share					
Issue price	EUR	5.10	EUR	5.10	
Peak share price 01/01–30/09 (Xetra)	EUR	19.99	EUR	15.70	27.3
Bottom share price 01/01–30/09 (Xetra)	EUR	13.06	EUR	9.15	42.7
Period end share price 30/09 (Xetra)	EUR	16.50	EUR	14.45	14.2

Statutory bodies of the Company

Supervisory Board

- Prof. Dr.-Ing. Dr.-Ing. E.h. Günter Girnau (Chairman)
  Consulting engineer specialising in local transportation (Chairman), member of the Advisory Board of PTM, master's degree at the University of Duisburg/Essen

- Bernd Koch (Vice-Chairman)
  (until 24/05/2011)
  Self-employed business consultant, member of the Advisory Board of the IHK (German Chamber of Industry and Commerce) Training Centre in Karlsruhe

- Hans-Joachim Rühlig, B.A.M (Vice-Chairman)
  (since 24/05/2011)
  Financial Managing Director, Ed. Züblin AG

- Fariborz Khavand
  Self-employed business consultant,
  Managing Director Elco Motores GmbH, Hagen

Managing Board

- Dr. Gottfried Greschner (Chairman), M.Sc.
  Business Development, Personnel, Legal, Purchasing, Logistics and Production

- Joachim Becker, M.Sc. in Information Science
  Business Division: Telematics Software and Services

- Wolfgang Degen, M.Sc.
  Business Division: Mobile Telematics and Fare Management Systems

- Dr. Jürgen Greschner, B.A.M.
  Sales and Marketing

- Bernhard Smolka, B.A.M.
  Finance, Controlling and Investor Relations

Directors' Holdings

Managing Board	Number of shares
Dr. Gottfried Greschner, CEO	3,480,000*
Joachim Becker, COO	330,983
Wolfgang Degen, COO	89,500
Dr. Jürgen Greschner, CSO	97,864
Bernhard Smolka, CFO	25,000

* thereof 3,450,000 shares held by Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG

Supervisory Board	Number of shares
Prof. Dr.-Ing. Dr.-Ing. E.h. Günter Girnau	-
Hans-Joachim Rühlig, B.A.M.	-
Fariborz Khavand	-

Revenues in million EUR

30/09/2011	55.2
30/09/2010	57.4

Order backlog in million EUR

30/09/2011	124
30/09/2010	119

EBIT in million EUR

30/09/2011	11.4
30/09/2010	11.1

Balance sheet total in million EUR

30/09/2011	94.2
31/12/2010	84.4

Letter to the Shareholders

Ladies and Gentlemen,
dear Shareholders,

The development of the transport infrastructure and the intelligent use of resources are a major component of the European Union's Stability and Growth Pact. Additional investments worth billions will thus be made in public transport, as the European Commission confirmed only recently. This program is one of many similar packets of measures that governments have launched in all parts of the world, in industrial nations as well as in emerging countries, in America, in Africa, Asia and Australia.

All over the world, transport systems have to be built, developed and modernised in order to guarantee and promote mobility as the engine of the economic prosperity of social systems. There is increasing awareness of the need for this to be done and greater willingness to tackle the job. This is apparent from the growing number of international invitations to tender for transport and telematic projects, and is also shown by the exceptionally good reception met with by the solutions presented at this year's World Congress of the International Association of Public Transport (UITP) in Dubai.

A sustainable growth scenario for the long term

This ensures a long-term and sustainable growth scenario in the market for our hardware and software products. This is currently reflected in an order backlog of around EUR 124m, which is more than one and a half times our forecast annual revenues, and in a tender volume of some EUR 200m on which work is currently in progress.

On the other hand, at the end of October UITP saw itself obliged to call on governments not to endanger economic recovery by cutting budgets for transport projects. This appeal was made in the light of the debt crisis and the resulting cuts in project funding, postponements of infrastructure projects and the reduction in contracts awarded.

This discrepancy between good long-term opportunities for growth and short-term restrictions due to delays in the case of some large projects and postponed acceptance dates is also evident to some degree in the business development of init in the third quarter. We also had to put up with delays and postponed acceptance dates for individual projects.

Nevertheless our quarterly turnover, at EUR 23.7m, almost reached the record set in the previous year (EUR 24.8m). It is satisfying that earnings before interest and taxes (EBIT), at EUR 5.1m, were even higher than the previous year's figure (EUR 4.8m). In the first nine months of financial year 2011 the realised figures of EUR 55.2m for revenues (30/09/2010: EUR 57.4m) were at the lower end of the target corridor while EBIT, at EUR 11.4m, (30/09/2010: EUR 11.1m) was according to plan.

Consolidated profit, amounting to EUR 8.3m at the end of September (30/09/2010: EUR 7.2m), even reached a new record. This is equivalent to earnings per share of EUR 0.83 (30/09/2010: EUR 0.72).

Higher result despite increased risks

It is not possible to give a reliable estimate at the moment of the extent to which cost-cutting and consolidation measures in the public sector may negatively impact on the business position of init in the future. We currently estimate that the measures which were deferred in Q3 will be largely implemented in the fourth quarter, traditionally the time when the most customer billing takes place and init therefore generates its highest revenues.

There can be no doubt that the general economic risks have noticeably increased in recent months. In many European countries, and also in North America, necessary measures taken for budget consolidation leave fiscal policy with limited scope for investments in the future, such as in the transport infrastructure. On the other hand, there is a great need to develop and modernise transport systems. After all, such investments are essential to guarantee mobility and are therefore indispensable for a society's economic efficiency.

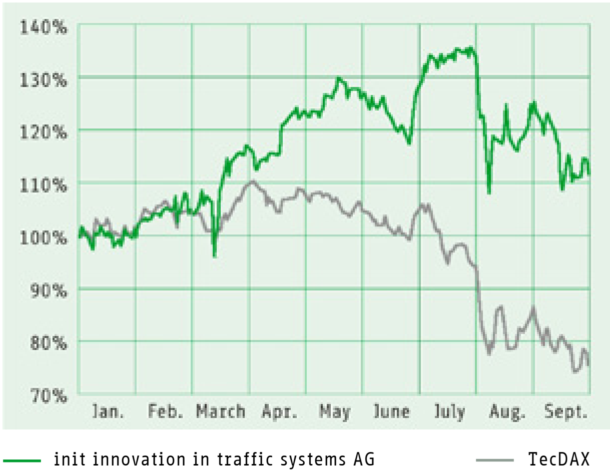
This need for investment creates a sustainable growth perspective for init as an innovative supplier of systems and components and a leading player worldwide. We therefore think that our company can be confident that it can stand its ground even in a gloomier economic climate. Based on a high order backlog of approximately one-and-a-half times the forecast annual revenues and the large number of tenders which init is currently involved in, we see good growth opportunities for our company beyond 2011.

We hope that you, our shareholders, will stay with us in using these opportunities and thank you for the trust and confidence you have placed in us.

For the Managing Board
of init innovation in traffic systems AG

Dr. Gottfried Greschner
Chief Executive Officer

Performance January – September 2011 (Xetra)



Share and Investor Relations

init share holds up well amid market turbulence

Capital markets went on a turbulent ride in the third quarter as government debt crises hit Europe and North America and euro zone member Greece teetered on the brink of insolvency. As the potential consequences of the crisis for the financial sector and real economy loomed larger, investors began selling off their stock holdings. The market fell and was not stopped until governments and central banks intervened. Stock markets still remain nervous and volatile.

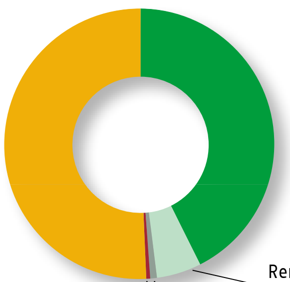
In this environment, the init share (ISIN DE0005759807) was unable to maintain its all-time high of near EUR 20 from the second quarter; however, it outperformed its benchmark indexes by a wide margin. While the DAX stock index and TecDAX tech index plummeted into loss territory in the third quarter, the init share held on to at least part of its 2011 gains. As of the reporting date of September 30, the TecDAX and DAX had given up over 22 and 21 per cent of their value, respectively, in the first nine months of 2011. init, by contrast, gained 10.8 per cent during the same time period. At the end of September, the init share was trading at EUR 16.50 and subsequently maintained this level. The init Managing Board used this weak phase to buy back shares.

Analysts continued to issue "buy" recommendations for the init share based on its intact, sustainable growth prospects.

Shareholder structure as of September 30, 2011

The shareholder structure of init innovation in traffic systems AG remained steady in the reporting period.

The shares are held as follows:



Basic share information

Exchange	Frankfurt Stock Exchange
Index/Segment	Prime Standard, Regulated Market, GEX (German Entrepreneurial Index)
Class	No-par bearer shares (at EUR 1 each)
ISIN	DE0005759807
WKN	575 980
Code	IXX
Designated sponsors	Commerzbank AG Close Brothers Seydler Bank AG (until 30/09/2011)
Capital stock today	10,040,000 no-par bearer shares
Market capitalisation (as of Sept. 30, 2011)	EUR 165,7m

Share buyback

In response to the price declines in the third quarter, the init Managing Board decided to exercise the authorisation granted by the annual general meeting on May 12, 2010 in Agenda Item 6, and buy back up to 20,000 treasury shares (in accordance with Section 71 (1) (8) of the German Stock Corporation Act (AktG)) to use them for current and future employee share ownership programs, manager incentive programs or as an acquisition currency. The price paid for the shares was not to exceed EUR 17.50 per share.

Thus, between August 10 and August 22, 2011, a total of 20,000 shares were purchased at an average price of EUR 17.3692.

Since the share price continued to favor share buybacks, the Managing Board decided on September 19, 2011 to exercise the authorisation granted by the annual general meeting on May 12, 2010 and acquire up to 20,000 additional shares (in accordance with Section 71 (1) (8) of the German Stock Corporation Act). This time, the price paid for the shares was not to exceed EUR 16.50 per share. As of the balance sheet date, the second share buyback program had purchased 4,290 shares at an average price of EUR 16.4410.

Group Status Report

General business trend

The growth momentum of the global economy slowed considerably in Q3 2011. Following the powerful growth in the first half of the year, economic development stagnated in the western industrialised countries in particularly, while the economic performance of the emerging countries grew further. Countries such as Brazil, Russia, India and China are currently the engine for growth, which is estimated at 4 per cent for 2011 and 2012 by the International Monetary Fund (IMF). In contrast, it will be less than 2 per cent in the traditional industrialised countries in North America and Europe, although the trend in individual countries is very different. Germany is still above the average in this respect, although both the government and the Institute for the World Economy (IfW) have revised their expectations for the coming year and are only anticipating modest growth of 0.8 to 1.0 per cent.

In the opinion of the IfW the recession is unlikely to continue through to 2012, but the mood and confidence indicators signal a marked decline in growth prospects. This is mainly the result of the continuing unresolved sovereign debt crisis on both sides of the Atlantic, which is causing instability on the financial markets and having a negative impact on the real economy. Thus, governments in Europe and North America must cut expenditure and investments under the constraint of fiscal consolidation and at the same time support the financial sector. This is resulting in growing social conflicts and in a reluctance to purchase and invest by consumers and companies. Overall, the risk factors for economic development have increased significantly.

It is not currently possible to give a reliable estimate of the extent to which this is affecting the business position of init. The sustained growth trend in the market for transportation telematics remains intact. In virtually all countries the willingness to expand public transport is growing, which is documented in a further increasing number of international public tenders. The bulk of init's business is in comparatively long-term projects, which is why we still see good growth opportunities for our company in the long run.

Nevertheless, delays with individual major projects, for instance, due to deferred acceptance dates or new technical specifications, were registered in the third quarter. At present, we can assume that this will largely be cancelled out in Q4, traditionally a time when the most customer billing takes place and init therefore generates its highest revenues, unless unexpected events occur. As a result of this sales revenues in Q3 2011 at EUR 23.7m were down on last year's figure (EUR 24.8m). In contrast, earnings before interest and taxes (EBIT) rose by EUR 0.3m to EUR 5.1m. Based on the first nine months of the financial year, the realised figures therefore stand at EUR 55.2m in revenues and EUR 11.4m in EBIT.

In addition, the current order backlog already covers the majority of the revenues expected for 2012.

Order situation

So far we have not registered any negative effects on init's order situation from the sovereign debt crisis in industrialised countries, which is associated with drastic cuts in national budgets. Internationally, our market is still characterised by a large number of new public tenders. Our long-term customer relationships from the over 400 projects successfully concluded worldwide with over 300 transport companies will secure a stable business base for init, as they normally lead to follow-up orders and maintenance contracts. They therefore also demonstrated a growth in volume in the first nine months of 2011.

In total, init posted new orders to the value of EUR 6.4m from follow-up orders in Q3 2011. EUR 2.3m came from Germany, EUR 1.5m from the rest of Europe and EUR 2.6m from North America.

Incoming orders are thus clearly below those of the same quarter last year (Q3 2010: EUR 15.6m), but it is important to bear in mind that init won a large tender in North America with a volume in the upper single-digit million range in the third quarter. This tender is not yet reflected in the order intake, as it will only be registered once negotiations have been successfully conducted and a contract has been sealed with a legally binding signature. Over the year as a whole, incoming orders at EUR 55.5m are however around 62.3 per cent up from the previous year's figure of EUR 34.2m as of the end of September and confirm init's sustained growth trend.

The current order backlog is around EUR 124m and therefore exceeds the high preceding year's figure (EUR 119m) by some 4.2 per cent.

Earnings position

Despite new technical requirements in several ongoing major projects and therefore accompanying shifts in sales revenue, the init group posted revenues of EUR 23.7m (Q3 2010: EUR 24.8m) in Q3 2011. Revenues as of September 30, 2011 thus totalled EUR 55.2m (30/09/2010: EUR 57.4m). They are therefore around 3.8 per cent under those of the previous year and slightly under budget.

63.5 per cent of revenues (30/09/2010: 60.6 per cent) were posted in the international business, of which EUR 21.5m was attributable to North America (30/09/2010: EUR 19.8m). In Germany revenues amounted to EUR 20.2m (30/09/2010: EUR 22.6m). In the rest of Europe revenues amounted to EUR 11.5m (30/09/2010: EUR 9.7m), whereas in other countries a fall in revenues to EUR 2.0m was posted (30/09/2010: EUR 5.3m), which is in particular due to the well-advanced status of major projects in Dubai. The new large-scale project in Abu Dhabi is only in the conception stage. It is important to mention that the distribution of revenues by region generally corresponds very closely to the progress of the individual major projects.

Out of the group revenues of EUR 55.2m (30/09/2010: EUR 57.4m) EUR 52.4m (30/09/2010: EUR 55.4m) was attributable to the “Telematics and Electronic Fare Collection Systems” segment, which is 94.9 per cent (30/09/2010: 96.5 per cent).

The “Planning Systems and Automotive” segment generated sales revenues with third parties of EUR 2.8m (30/09/2010: EUR 2.0m). This is 5.1 per cent (30/09/2010: 3.5 per cent) of group revenues.

Gross profit at EUR 23.2m in absolute terms as of the end of September is higher than the previous year (30/09/2010: EUR 19.8m). Relatively speaking, the gross margin of 41.9 per cent in relation to revenues has therefore risen by 21.4 per cent compared to the previous year (30/09/2010: 34.5 per cent). The reason for this is the risk provision made in financial year 2010 for the projects in Dubai as a result of the financial crisis, which was reduced considerably in the first nine months due to payments received. Cost savings could also be achieved in the projects.

As a result of the further internationalisation of our distribution, the development of new markets and the increasing number of complex international public tenders distribution and administration costs increased to EUR 10.6m (30/09/2010: EUR 9.0m). Earnings before interest and taxes (EBIT) at EUR 11.4m were EUR 0.3m higher compared to September 30, 2010, of which EUR 11.5m was attributable to the “Telematics and Electronic Fare Collection Systems” segment (30/09/2010: EUR 11.2m) and EUR -0.1m (30/09/2010: EUR -0.1m) to the “Planning Systems and Automotive” segment.

In addition, the price gains from the forward exchange transactions concluded for currency hedging and the price effects from the conversion of receivables and liabilities due to the dollar price trend fell compared to the previous year by EUR 0.9m to EUR 0.1m.

Overall, after-tax group earnings therefore increased by EUR 1.1m to EUR 8.3m (30/09/2010: EUR 7.2m), which corresponds to earnings per share of EUR 0.83 (30/09/2010: EUR 0.72).

Financial and earnings position

The balance sheet total rose compared to the previous year (31/12/2010) in the period under review by EUR 9.7m to EUR 94.2m. On the assets side of the balance sheet, this increase is mainly due to the increase in cash and the future receivables from production orders. On the liabilities side, the increase is largely reflected in the increase in liabilities to suppliers, provisions as well as liabilities from prepayments received, other debts and the rise in equity.

Operating cash flow also continued to develop positively in the first nine months of 2011 and increased to EUR 16.8m (30/09/2010: EUR 8.4m) by the end of the period under review.

Equity grew as of September 30, 2011 in absolute terms by EUR 2.6m to EUR 49.2m (31.12.2010: EUR 46.6m) and the equity ratio compared to December 31, 2010 fell from 55.3 per cent to 52.3 per cent.

Short-term liabilities to banks increased from EUR 0.5m to EUR 0.6m and mainly affect INIT Inc., USA, as well as the short-term portion of the long-term loan. The long-term bank liabilities of EUR 1.0m (31/12/2010: EUR 1.1m) relate to a loan for extending the Karlsruhe plant.

Liquid funds, including short-term saleable securities and loans, rose significantly in the period under review to EUR 27.4m (31/12/2010: EUR 18.7m). The existing guarantee and credit lines also continue to protect the financing of business activities and their expansion.

EUR 1.7m (30/09/2010: EUR 1.0m) was used for investments in tangible and intangible assets (excluding software development) in the first nine months. These were mainly replacement and rationalisation investments.

Production

init does not have any of its own production facilities and concentrates instead on production management and quality assurance.

There are no dependencies on individual suppliers. This means we can flexibly switch to other producers if one business partner is no longer available. In financial year 2011 we were able to further extend the group of sub-suppliers and negotiate new framework agreements, which led, for example, to a reduction in the cost of materials.

Personnel

Further moderate adjustments were made to the number of personnel in the init group to ensure that existing orders were completed on time and also to be able to exploit new growth opportunities in the market. As we are expecting other large contracts in the coming months, this trend is set to continue.

As of September 30, 2011, the init group employed 372 staff (30/09/2010: 323) including temporary workers, research assistants and diploma candidates. In addition, 17 employees are in apprenticeships.

Over 65 per cent of permanent members of staff at init have academic training in the areas of information technology, e-technology, HF technology, physics, mathematics and industrial engineering.

Ensuring that qualified staff remain loyal to the company in the long term is one of the key objectives of init in terms of its personnel policy given the expected general shortage of skilled workers in the coming years. A large number of voluntary benefits and measures are used to give employees a direct share in the company's success. Thus, in 2010 each employee received a profit-sharing payment in addition to their regular salary. Employee profit-sharing is also planned for 2011 and is shown in the balance sheet as a liability.

Environmental protection

The reduction of carbon dioxide emissions is essential to prevent an imminent climatic disaster. Efficient public transportation systems are making an increasingly important contribution.

As a driver of energy-saving technological developments for public transport, init has a special obligation to protect the environment. init's products help transport companies to provide faster, more competitive and energy-saving mobility, thus also reducing the environmental impact of fine dust and exhaust gases. init actively implements these basic ecological principles along the entire valued added chain and in the individual corporate divisions, starting from procurement and production through to distribution. The init group has thus, for example, purchased two electric cars, which are used for short distances.

Research and development

init's hardware and software developers worked on both the further development of existing products and on fundamental innovations in Q3 2011.

In total EUR 2.2m (30/09/2010: EUR 1.8m) was spent on developing new products in the init group in the first nine months. No more software capitalisations have been carried out since 2009. The depreciation of previously activated software amounts to EUR 0.7m (30/09/2010: EUR 0.9m).

In addition, customer-funded new and further developments were carried out within the scope of projects, adding up to at least five times the reported research and development expenditure again.

Risks and risk management

The risks for the future development of the init group are essentially determined by the risks in the operative group companies. At present no risks exist within the init group that might endanger the company's existence.

A risk management system is an integral part of our business processes and corporate decisions. Before fundamental decisions are taken on important measures, they are discussed in detail at regular Managing Board meetings and the opportunities and risks are weighed up. Imminent risks are reported on a regular basis at Managing Board and Supervisory Board meetings. Alternative measures are discussed with the Supervisory Board.

A crucial success factor for the init group is project management. The successful handling of projects depends on their completion as scheduled, the size of each individual project, the contractual terms, the readiness of the customer to be constructively involved in the project implementation as well as specific national laws and regulations. Apart from unforeseeable technical and customer-specific difficulties, the punctual completion of projects also depends on whether the company has sufficiently qualified personnel available.

As a result of the global financial crisis there is also a higher risk of bad debt losses. More than 95 per cent of init's customers are state-subsidised transport companies. However, due to the financial crisis various countries have displayed payment difficulties (such as Greece, Dubai, Iceland, for example), so that bad debt losses cannot be ruled out in future. init has taken account of the risk on receivables in Dubai with corresponding value reductions for interest lost. Since init posted incoming payments from Dubai in the first nine months of 2011 with a volume of around EUR 7.1m, the risk has reduced considerably. On the other hand, the days payable outstanding has increased, so there are risks due to cash flow predictability and liquidity risks.

The high level of public debt of some countries as well as discussed rescue packages and austerity measures could lead to investments being sharply reduced in the area of public transport, which could affect init's business.

Contracts concluded in foreign currency involve exchange risks that can have affect revenues, the purchase prices, the valuation of claims, currency reserves, liabilities and with it the result. init meets these exchange risks with active exchange rate management, making use of forward exchange dealings and currency options. Since init also tries to keep its options open here and focus on active currency management, it may consequently incur losses.

The investments of init include stocks, bonds, fixed-interest securities and fixed-term deposits. Losses can occur here due to price value, exchange rate and interest rate changes.

Opportunities

init is currently involved in numerous public tenders in Germany and abroad. Many of these tenders will be decided in the next few months, so we can still expect high volumes of new incoming orders in terms of amount in 2011.

Large amounts of funds released for the expansion of public transport are still available in the USA. As a result, we are still expecting a large number of new public tenders in the USA in the current financial year.

The tenders won in the area of ticketing in the USA and for an integrated control and passenger information system in Brisbane/Australia have a high strategic importance for init, as in the USA only control system orders and in Australia only ticketing orders have been implemented so far. init has therefore obtained two important references which lead us to expect that further orders will be generated in these areas in future.

Additional opportunities result from the start of our active market development in France and the Asia-Pacific region. The sales staff was increased accordingly.

We also see a great advantage in the growing interest of transport companies in integrated systems. In this case, init is ideally equipped with its electronic ticket printer with on-board computer function EVENDpc for combining ticketing and ITCS. In this connection, we will benefit from our international references, which have a signal effect for many new potential customers from all over the world and should be an advantage when it comes to additional infrastructure investments.

Supplementary report

No important events took place after the balance sheet date.

Transactions with related parties and persons

Transactions with related parties and persons are listed in the notes under "Other Disclosures".

Prospects report and outlook

The general economic risks increased perceptibly in Q3 2011. In some European countries, especially in those particularly hit by the sovereign debt crisis, recessive tendencies are already apparent and in others, such as Germany, growth momentum is slowing. Necessary measures for fiscal consolidation and for the provision of funds for rescue packages are restricting the scope of fiscal policy for future investments, such as in the transport infrastructure, in Europe and in North America. It is not possible to predict at present to what extent this will lead to a reduction in project tenders in the market for transport telematics. At the moment, we are not yet registering any indications that savings and budgetary cuts due to the euro crisis will have a negative impact on init's growth opportunities.

There is still a great need to develop or modernise transport systems in both growing emerging countries and in established industrialised ones. Corresponding investments are ultimately essential to guarantee mobility and thus ensure the economic efficiency of a society. This need creates a sustained growth perspective for init as a supplier of systems and components which are essential for qualitative and quantitative improvements in the transport sector.

init is therefore well equipped to continue holding its own in a gloomy economic climate. Based on the high order backlog of approximately one-and-a-half times the forecast annual revenues and the large number of public tenders which init is currently involved in, we still see good growth opportunities for our company beyond 2012. Unless any unexpected influences arise, we should achieve our aspired to goal with revenues of EUR 82m and an operating result (EBIT) of EUR 15m in 2011.

Actual results can however differ considerably from expectations of probable developments if uncertainties arise or basic assumptions turn out to be inaccurate.

One of the risk factors for earnings development is strong devaluations of the US dollar and the Arabian dirham. This affects the size of revenues and results and leads in the medium term to lower margins, as the currency influences can only be passed on via higher prices to a limited extent.

Karlsruhe, November 10, 2011

The Managing Board

Dr. Gottfried Greschner
Chief Executive Officer

Dr. Jürgen Greschner
Chief Sales Officer

Wolfgang Degen
Chief Operating Officer

Bernhard Smolka
Chief Financial Officer

Joachim Becker
Chief Operating Officer

Consolidated Income Statement

from January 1, 2011 to September 30, 2011 (IFRS) (unaudited)

EUR '000	01/07–30/09/2011	01/07–30/09/2010	01/01–30/09/2011	01/01–30/09/2010
Revenues	23,673	24,824	55,228	57,403
Cost of revenues	-13,955	-15,716	-32,069	-37,572
Gross profit	**9,718**	**9,107**	**23,159**	**19,830**
Sales and marketing expenses	-2,268	-2,271	-6,999	-5,729
General administrative expenses	-1,240	-1,087	-3,606	-3,261
Research and development expenses	-792	-739	-2,192	-1,828
Other operating income	129	216	611	747
Other operating expenses	59	-1	-67	-2
Foreign currency gains and losses	-676	-595	86	978
Operating profit	**4,930**	**4,631**	**10,992**	**10,736**
Income from associated companies	112	136	236	201
Other income and expenses	30	53	126	158
Earnings before interest and taxes (EBIT)	**5,072**	**4,820**	**11,354**	**11,095**
Interest income	54	37	155	67
Interest expenses	-53	-55	-188	-142
Earnings before taxes (EBT)	**5,073**	**4,802**	**11,321**	**11,020**
Income taxes	-1,739	-1,343	-3,046	-3,866
Net profit	**3,334**	**3,458**	**8,275**	**7,153**
thereof attributable to equity holders of parent company	3,310	3,358	8,253	7,104
thereof minority interests	24	100	22	49
Net profit and diluted net profit per share in EUR	0.33	0.34	0.83	0.72
Average number of floating shares (undiluted) in EUR	9,979,844	9,920,781	9,970,825	9,935,864
Average number of floating shares (diluted) in EUR	9,979,844	9,920,781	9,970,825	9,935,864

Interim Consolidated Statement of Comprehensive Income

from January 1, 2011 to September 30, 2011 (IFRS) (unaudited)

EUR '000	01/07–30/09/2011	01/07–30/09/2010	01/01–30/09/2011	01/01–30/09/2010
Net profit	**3,334**	**3,458**	**8,275**	**7,153**
Net gains (+)/net losses (-) on currency translation	**1,190**	**-1,779**	**529**	**-897**
Unrealized gains/losses	1,190	-1,779	529	-897
Net gains (+)/net losses (-) in available-for-sale financial assets	**-87**	**12**	**-167**	**13**
Unrealized gains/losses	-87	12	-129	13
Reclassifications to the income statement	0	0	-38	0
Other comprehensive income	**1,103**	**-1,767**	**362**	**-884**
Total comprehensive income	**4,437**	**1,692**	**8,637**	**6,269**
thereof attributable to equity holders of the parent company	4,413	1,592	8,615	6,220
thereof minority interests	24	100	22	49

Consolidated Balance Sheet as of September 30, 2011 (IFRS)
(unaudited)

Assets

EUR '000	30/09/2011	31/12/2010
Current assets		
Cash and cash equivalents	27,195	18,380
Marketable securities and bonds	201	324
Trade accounts receivable	5,657	15,243
Future receivables from production orders (percentage of completion method)	29,851	19,295
Accounts receivable from related parties	8	9
Inventories	15,321	15,444
Income tax receivable	108	0
Other current assets	2,602	2,242
Current assets, total	**80,943**	**70,937**
Non-current assets		
Tangible fixed assets	5,619	5,182
Goodwill	2,081	2,081
Other intangible assets	1,200	1,687
Interest in associated companies	2,241	2,221
Accounts receivable from related parties	68	68
Deferred tax assets	678	661
Other assets	1,329	1,584
Non-current assets, total	**13,216**	**13,484**
Assets, total	**94,159**	**84,421**

Liabilities and shareholders' equity

EUR '000	30/09/2011	31/12/2010
Current liabilities		
Bank loans	634	471
Trade accounts payable	3,669	2,908
Accounts payable of percentage of completion method	6,376	6,345
Accounts payable due to related parties	45	94
Advance payments received	7,331	4,665
Income tax payable	2,265	2,514
Provisions	7,582	5,617
Other current liabilities	8,170	7,320
Current liabilities, total	**36,072**	**29,934**
Non-current liabilities		
Long-term debt less current portion	1,024	1,059
Deferred tax liabilities	4,966	4,067
Pensions accrued and similar obligations	2,863	2,652
Other non-current liabilities	0	42
Non-current liabilities, total	**8,853**	**7,820**
Shareholders' equity		
Attributable to equity holders of the parent company		
Subscribed capital	10,040	10,040
Additional paid-in capital	4,864	4,793
Treasury stock	-810	-660
Surplus reserves and consolidated unappropriated profit	34,828	32,565
Other reserves	21	-341
	48,943	**46,397**
Minority interests	291	270
Shareholders' equity, total	**49,234**	**46,667**
Liabilities and shareholders' equity, total	**94,159**	**84,421**

Consolidated Cash Flow Statement (IFRS)

from January 1, 2011 to September 30, 2011 (unaudited)

EUR '000	01/01–30/09/2011	01/01–30/09/2010
Cash flow from operating activities:		
Net income	8,275	7,153
Depreciation	1,741	1,893
Losses on the disposal of fixed assets	11	8
Change of provisions and accruals	2,176	1,763
Change of inventories	123	-1,335
Change in trade accounts receivable and future receivables from production orders (POC)	-970	-1,838
Change in other assets, not provided by/used in investing or financing activities	-212	-1,589
Change in trade accounts payable	761	-283
Change in advanced payments received and liabilities from POC method	2,697	820
Change in other liabilities, not provided by/used in investing or financing activities	510	961
Change in investment book value (not affecting cash flow)	-236	-200
Amount of other non-cash income and expenses	1,925	1,050
Net cash from operating activities	**16,801**	**8,403**
Cash flow from investing activities:		
Inflows from sales of tangible fixed assets	7	0
Investments in tangible fixed assets and other intangible assets	-1,733	-982
Inflows from associated companies and loans receivable	217	0
Investments in marketable securities as part of short-term cash management	-82	-107
Net cash flows used in investing activities	**-1,591**	**-1,089**
Cash flow from financing activities:		
Dividend paid out	-5,990	-2,986
Cash payments for the purchase of treasury stock	-418	-547
Proceeds (+)/Redemption (-) of bank loans	128	-728
Net cash flows used in financing activities	**-6,280**	**-4,261**
Net effects of currency translation and consolidation changes in cash and cash equivalents	-115	72
Increase in cash and cash equivalents	**8,815**	**3,125**
Cash and cash equivalents at the beginning of the period	18,380	9,327
Cash and cash equivalents at the end of the period	**27,195**	**12,452**

Selected Explanatory Notes for Q1–Q3 2011 (IFRS)

General Disclosure

The init group is an internationally operating system supplier of transportation telematics (telecommunications and informatics, also known internationally as "Intelligent Transportation Systems" or ITS). The business activities are subdivided into the following segments: Telematics and Electronic Fare Collection Systems, Planning Systems and Automotive.

The quarterly report as of September 30, 2011, was prepared in compliance with the International Financial Reporting Standards (IFRS) and is consistent with IAS 34. The accounting and valuation methods applied to the consolidated financial statements dated December 31, 2010 were retained.

The consolidated interim financial statement has been prepared in Euro. Unless otherwise stated, all figures were rounded to full thousand (EUR k).

init AG is a listed company, ISIN: DE0005759807, and has been in the segment of the regulated market with further post-admission requirements (Prime Standard) since January 1, 2003.

The consolidated interim report and the consolidated financial statement as of September 30, 2011, were not subject to a review.

The interim report of the third quarter was communicated to the supervisory board on October 28, 2011.

Accounting Principles and Valuation Methods

In principle, the accounting practices and valuation methods applied in this interim financial statement are consistent with the methods applied in the financial statements 2010. Amendments to the accounting principles and valuation methods and also amendments concerning the presentation and explanation of the financial statements have been caused by applying the following new or revised standards:

IAS 24 "Related Party Disclosures"
The revised standard IAS 24 was published in November 2009 and applies for the first time to financial years commencing on or after January 1, 2011. On the one hand, this revises the definition of related parties in order to make it easier to identify the relationship to a related party. On the other hand, it partly exempts the party related to a public sector entity from disclosure requirements that pertain to transactions with said public sector entity and other business entities related to that public sector entity. The standard specifies retrospective application. This expansion of the definition will foreseeably lead to further details arising in future about who is included in the parties related to the group. The adoption of the amendment did not have any impact on the assets, liabilities, financial position and earnings situation of the consolidated financial statements.

Amendment to IAS 32 "Classification of Right Issues"
The amendment to IAS 32 was published in October 2009 and applies for the first time to financial years commencing on or after February 1, 2010. It alters the definition of a financial liability such that rights issues and certain options may be classified as equity instruments. This applies specifically if a company offers the rights pro rata to all of the existing owners of the same class of its own non-derivative equity instruments in order to acquire a fixed number of the company's own equity instruments for a fixed amount in any currency. The standard specifies retrospective application. The adoption of the amendment did not have any impact on the assets, liabilities, financial position and earnings situation of the consolidated financial statements.

Amendment to IFRIC 14 "Prepayments of a Minimum Funding Requirement"
The amendment to IFRIC 14 was published in November 2009 and applies for the first time to financial years commencing on or after January 1, 2011. The application of IFRIC 14, published in July 2007 for the purpose of limiting a defined benefit asset to its achievable amount, had some unintended consequences for companies in certain countries. The amendment is aimed to permit companies to recognise as an asset voluntary prepayments of minimum funding contributions. The amendment specifies retrospective application. The initial application did not lead to any reporting of an asset resulting from the excess of the plan asset above the values of the defined benefit obligation.

"Improvements to International Financial Reporting Standards 2010"
This general standard, published in May 2010, contains a series of amendments to various IFRS standards. The times of application and the transitional rulings are specified for each standard. The adoption of the amendments did not have any impact on the financial position or performance of the group.

IFRIC 19 regulates the treatment of extinguishing of financial liabilities by issuing equity instruments. The interpretation is to be applied retrospectively and does not have any impact on the assets, liabilities, financial position and earnings situation of the consolidated financial statements.

Consolidated Group

Fully Consolidated Companies

The group of consolidated companies of init AG comprises the subsidiaries INIT GmbH, Karlsruhe, Germany ("INIT GmbH"), INIT Innovations in Transportation Inc., Chesapeake/Virginia, USA ("INIT Inc."), INIT Innovations in Transportation (Eastern Canada) Inc./INIT Innovations en Transport (Canada Est) Inc., Montréal, Canada ("Eastern Canada Inc."), INIT Innovations in Transportation (Western Canada) Inc., Vancouver, Canada ("Western Canada Inc."), INIT PTY LTD, Queensland, Australia ("INIT PTY"), INIT Innovation in Traffic Systems FZE, Dubai ("INIT FZE"), initplan GmbH, Karlsruhe ("initplan"), INIT Innovations in Transportation Oy, Finland ("INIT Oy"), INIT Innovations in Transportation Limited, Nottingham, UK ("INIT Ltd") and INIT Swiss AG, Neuhausen ("INIT Swiss"), founded on July 7, 2011. In each of the above, init AG holds a 100% shareholding. In addition, the following are also fully consolidated: CarMedialab GmbH, Bruchsal, Germany ("CarMedialab"), in which init AG holds a 58.1% of the shares, TQA Total Quality Assembly LLC, Chesapeake/Virginia, USA ("TQA"), in which INIT Inc. holds 60% of the shares and SQM Superior Manufacturing LLC, Chesapeake/Virginia, USA ("SQM"), founded on May 23, 2011, in which INIT Inc. holds 100% of the shares.

Associated Companies

init AG holds 44% of the shares in id systeme GmbH, Hamburg ("id systeme") and INIT GmbH holds 43% of the shares in iris-GmbH infrared & intelligent sensors, Berlin ("iris"). The associated companies are included at equity in the consolidated financial statement.

Notes on the Consolidated Balance Sheet and Income Statement

Inventories

A total of EUR 320k (30/09/2010: EUR 102k) for decreases in values was recorded. The income or expense is included in the consolidated income statement under "Cost of revenues".

Securities and Bonds

A total of EUR 62k (30/09/2010: EUR 22k) was impaired because of a permanent depreciation in securities and bonds.

Trade Accounts Receivable

A total of EUR 87k (30/09/2010: EUR 91k, including decreasing in values for losses in interest in Dubai) for decrease in value for accounts receivable was recorded as expenses. This expenditure is included in the income statement under "Other operating expenses".

Tangible Fixed Assets

The tangible (fixed) assets essentially concern the administration building at Kaeppelestr. 4, two residential houses, office furnishings and technical equipment. Replacement investments totalling EUR 1,035k were made (31/12/2010: EUR 1,213k). The sale of certain tangible assets generated EUR 7k (31/12/2010: EUR 0k).

Liabilities

Debts are carried on the liabilities side of the balance sheet at their net book value. The liabilities due to affiliated companies totalled EUR 45k (31/12/2010: EUR 94k) and relate to trade accounts payable to iris (EUR 3k) and id systeme (EUR 42k) (31/12/2010: iris EUR 85k and id systeme EUR 9k))

Shareholders' Equity

Subscribed Capital

The capital stock is divided into 10,040,000 individual no-par bearer shares with an imputed share in the capital stock of EUR 1.00. The shares has been issued and fully paid up.

Authorised Capital

At the annual shareholders' meeting on May 24, 2011, a resolution was passed to create capital to the amount of EUR 5,020,000. With the approval of the Supervisory Board, the Managing Board is authorised to increase the company's capital stock by up to EUR 5,020,000 by May 23, 2016 through a single or repeated issuing of up to 5,020,000 ordinary shares against contributions in cash or in kind. The new shares are to be taken up by credit institutions that will be obliged to offer them to investors for sale. However, with the approval of the Supervisory Board, the Managing Board is authorised to withdraw the pre-emptive right, so that up to 1,004,000 new shares can be issued at a price not substantially lower than the stock market value of the company shares at the time of specifying the issue price. The aim is to balance peak amounts, to open up additional capital markets, to acquire or merge with other companies or parts of companies by way of contribution as investment in kind, and to convert up to 250,000 new shares into employee stocks.

Capital Reserves

On September 30, 2011 the capital reserves totalled EUR 4,864k, with EUR 3,141k result from the premium of the shares sold at the time of the initial public offering and the increase of capital stock in 2002. EUR 1,138k were transferred from 2005 to 2010 as part of the recognised expenses from the share-based remuneration and EUR 275k in 2011. The transfer of shares in the context of the share bonus agreement for the Managing Board and employees released the capital reserves for EUR 204k in 2011. Due to the sale of treasury stock in 2007, the capital reserves increased by EUR 514k.

Treasury Stock

The treasury stock on January 1, 2011 totalled 94,186 shares. Based on the resolution passed at the annual shareholders' meeting on May 12, 2010, the company is authorised to purchase treasury stock. A share buyback up to 20,000 shares was passed on August 10, 2011 and a further share buyback up to 20,000 shares was passed on September 19, 2011. As of September 30, 2011 20,000 shares were repurchased at an average price of EUR 17.3692 per share and 4,290 shares were repurchased at an average price of EUR 16.4410. Within the scope of the incentive scheme for members of the Managing Board, managing directors and high performer in the first quarter of 2011, a total of 37,337 shares were transferred with a qualifying period of five years. A further 1,000 shares were transferred to employees within the scope of a bonus agreement without qualifying period. On September 30, 2011 the number of treasury stock thus decreased to 80,139.

The company's treasury stock was valued at acquisition cost at EUR 810k (31/12/2010: EUR 660k) and openly deducted from the equity capital. Of the treasury stock as of September 30, 2011 of 80,139 shares with an imputed share of EUR 80,139 (0.80 %) in the capital stock, 1,139 shares resulted from the capital increase in 2002 and 79,000 shares from the company's stock repurchasing programme. The shares were repurchased at an average price of EUR 10.11 per share. The treasury stock was repurchased for use as consideration within the scope of mergers and to acquire other companies or parts of companies or participations, or, where required, for opening up of additional capital markets or to issue them to employees and members of the Managing Board.

Paid Dividends

EUR '000	
Dividends for 2009: EUR 0.30 per share, paid out on May 14, 2010	2,986
Dividends for 2010: 0.45 per share plus an one-off bonus dividend of EUR 0.15 per share, paid out on May 25, 2011	5,990

Contingent Liabilities/Claims

Just as of December 31, 2010, the init group had no contingent liabilities and claims as of September 30, 2011.

Legal Disputes

Currently no lawsuits being pursued through the courts.

Segment Reporting

The segment reporting can be found on page 22 of the consolidated interim report.

Other Disclosures

Related Party Transactions

The companies included in the consolidated financial statement and the associated companies are listed in the section on the consolidated group.

Associated Companies

The amount due from related parties and persons include loans amounting to EUR 68k (31/12/2010: EUR 68k) and relates to iris. These amounts are shown in the balance sheet under non-current assets.

The other amounts of EUR 8k relate to iris EUR 2k (31/12/2010: EUR 3k) and id systeme EUR 6k (31/12/2010: EUR 6k). These are trade accounts receivable with

	Associated companies		**Other related party transactions**	
EUR '000	**30/09/2011**	**30/09/2010**	**30/09/2011**	**30/09/2010**
Income from sales to related parties and persons	0	0	0	0
Goods and services from related parties and persons	983	1,714	302	275
	30/09/2011	**31/12/2010**	**30/09/2011**	**31/12/2010**
Due from related parties and persons	76	77	61	61
Due to related parties and persons	45	94	0	0

a remaining maturity of less than one year. These amounts are shown in the balance sheet under current assets.

The amounts due to related parties and persons relate to trade accounts payable and have a remaining maturity of less than one year. The amounts of EUR 45k are attributable to iris at EUR 3k (31/12/2010: EUR 85k) and id systeme EUR 42k (31/12/2010: EUR 9k). The amounts are shown in the balance sheet under current liabilities.

Other Related Party Transactions

INIT GmbH rents its office building in Karlsruhe from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG. The rounded monthly rent payments amount to EUR 40k (EUR 475k annually). The rental price is contractually fixed until June 30, 2026. Until June 30, 2011 the rent payments amount to EUR 366k annually. Furthermore, a rent deposit of EUR 61k was paid for the office building in Karlsruhe.

Terms and Conditions of Business Transactions with Related Parties and Persons

Sales to, and purchases from, related parties and persons are made to generally accepted market terms. There are no guarantees at all for accounts receivable or payable in regard to related parties and persons. The group did not accrue any cumulative value adjustments for accounts receivable from related parties and persons for the financial year as of September 30, 2011.

Karlsruhe, November 10, 2011

The Managing Board

Dr. Gottfried Greschner
Chief Executive Officer

Dr. Jürgen Greschner
Chief Sales Officer

Wolfgang Degen
Chief Operating Officer

Bernhard Smolka
Chief Financial Officer

Joachim Becker
Chief Operating Officer

Segment Reporting

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

1. The segment "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) 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 three divisions: "Telematics and Electronic Fare Collection Systems",

01/01/2011–30/09/2011

EUR '000	Telematics and Electronic Fare Collection Systems	Other	Eliminations and adjustments	Consolidated
Revenues				
With third parties	52,377	2,851	0	55,228
With other segments	1,187	1,098	-2,285	0
Total revenues	**53,564**	**3,949**	**-2,285**	**55,228**
EBIT	**11,399**	**112**	**-157**	**11,354**
Segment assets	93,530	3,854	-3,225	94,159
Segment liabilities	44,494	2,365	-1,934	44,925
Interest income	158	2	-5	155
Interest expenses	168	15	5	188
Scheduled depreciation	1,633	108	0	1,741
Cost of revenues	31,749	2,303	-1,983	32,069
R&D costs	1,351	841	0	2,192
Foreign currency gains (+) and losses (-)	107	-21	0	86
Share in profit of associated companies	236	0	0	236
Income taxes	3,051	-5	0	3,046
Value impairments	453	0	0	453
Share in associated companies	2,241	0	0	2,241
Investments in tangible and intangible assets	1,519	214	0	1,733
31/12/2010				
Segment assets	83,355	3,586	-2,520	84,421
Segment liabilities	37,224	2,006	-1,476	37,754
Share in associated companies	2,221	0	0	2,221

"Planning Systems" and "Automotive". The "Planning 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.

01/01/2010–30/09/2010

EUR '000	Telematics and Electronic Fare Collection Systems	Other	Eliminations and adjustments	Consolidated
Revenues				
With third parties	55,379	2,024	0	57,403
With other segments	663	1,100	-1,763	0
Total revenues	**56,042**	**3,124**	**-1,763**	**57,403**
EBIT	**11,205**	**-87**	**-23**	**11,095**
Segment assets	77,917	2,932	-1,906	78,943
Segment liabilities	35,909	1,848	-861	36,896
Interest income	75	1	-9	67
Interest expenses	132	19	-9	142
Scheduled depreciation	1,706	187	0	1,893
Cost of revenues	37,102	2,099	-1,629	37,572
R&D costs	1,183	645	0	1,828
Foreign currency gains (+) and losses (-)	980	-2	0	978
Share in profit of associated companies	201	0	0	201
Income taxes	3,838	28	0	3,866
Value impairments	1,819	0	-19	1,800
Share in associated companies	2,259	0	0	2,259
Investments in tangible and intangible assets	874	108	0	982
31/12/2009				
Segment assets	70,952	2,733	-2,075	71,610
Segment liabilities	31,987	1,705	-1,059	32,633
Share in associated companies	2,059	0	0	2,059

Consolidated Statement of Changes in Equity as of September 30, 2011 (IFRS) (unaudited)

			Attributable to equity holders	
EUR '000	Subscribed capital	Additional paid-in capital	Surplus reserves, consolidated unappropriated profit	Treasury stock
Status as of December 31, 2009	**10,040**	**4,377**	**25,626**	**-477**
Net profit			7,104	
Other comprehensive income				
Total comprehensive income			**7,104**	
Dividend paid out			-2,986	
Share-based payments		146		188
Acquisition of treasury stock				-547
Rounding difference			-1	
Status as of September 30, 2010	**10,040**	**4,523**	**29,743**	**-836**
Status as of December 31, 2010	**10,040**	**4,793**	**32,565**	**-660**
Net profit			8,253	
Other comprehensive income				
Total comprehensive income			**8,253**	
Dividend paid out			-5,990	
Share-based payments		71		268
Acquisition of treasury stock				-418
Rounding difference				
Status as of September 30, 2011	**10,040**	**4,864**	**34,828**	**-810**

of the parent company				Minority interest	Shareholders' equity, total
Other reserves					
Difference from pension valuation	Difference from currency translation	Stock market valuation of securities	Total		
-81	**-741**	**51**	**38,795**	**182**	**38,977**
			7,104	49	7,153
	-897	13	-884		-884
	-897	**13**	**6,220**	**49**	**6,269**
			-2,986		-2,986
			334		334
			-547		-547
-81	**-1,638**	**64**	**41,816**	**231**	**42,047**
-146	**-233**	**38**	**46,397**	**270**	**46,667**
			8,253	22	8,275
	529	-167	362		362
	529	**-167**	**8,615**	**22**	**8,637**
			-5,990		-5,990
			339		339
			-418		-418
				-1	-1
-146	**296**	**-129**	**48,943**	**291**	**49,234**

Geographical Information

	01/01/2011–30/09/2011		01/01/2010–30/09/2010	
	EUR '000	%	EUR '000	%
Revenues with external clients				
Germany	20,158	36.5	22,599	39.4
Rest of Europe	11,509	20.8	9,728	16.9
North America	21,529	39.0	19,821	34.5
Other Countries (Australia, UAE)	2,032	3.7	5,255	9.2
Group total	**55,228**	100.0	**57,403**	100.0

The above information about the sales revenue is based on the customer's location.

	30/09/2011		31/12/2010	
	EUR '000	%	EUR '000	%
Non-current assets				
Germany	7,812	86.2	7,863	86.5
Rest of Europe	170	1.9	177	2.0
North America	952	10.5	892	9.8
Other Countries (Australia, UAE)	126	1.4	158	1.7
Group total	**9,060**	100.0	**9,090**	100.0

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

Number of Employees (annual average)

(incl. temporary workers and students)

	30/09/2011	30/09/2010
Germany	294	253
North America	64	59
Other Countries	14	11
Total	**372**	**323**

Company Calendar 2011/2012

Date	Event
Nov 21/22, 2011	German Equity Forum, Frankfurt - Analyst Conference
March 2012	Disclosure Annual Report 2011
May 16, 2012	Annual Meeting, Karlsruhe

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

P.O. Box 3380
76019 Karlsruhe, Germany

Tel. +49.721.6100.0
Fax +49.721.6100.399

postmaster@initag.com
www.initag.com

www.initag.com