

Consolidated report for the first six months of the financial year 2007 in accordance with IFRS

Berlin, 25 July 2007

Performance figures

	1st half year 2007	1st half year 2006	Change
	€ million	€ million	
Revenue	13.4	12.8	+ 4.5 %
<i>of which performances not yet registered</i>	3.5	3.4	
Gross profit	11.7	10.7	+ 10 %
Personnel costs	8.6	8.0	
EBIT	0.2	-0.7	+ € 879 000
Consolidated profit / loss	0.1	-0.9	+ € 914 000

Report on the situation

IVU Traffic Technologies AG has again achieved good results for the first half of the financial year 2007. The continuing success is clearly shown by comparison with the first half of 2006. All performance figures have positive values and trends (see the table of performance figures): Revenue increased by 4.5 % and – particularly important – the gross profit increased by 10 %. As in the first three months, earnings before interest and taxes (EBIT) and consolidated performance were positive, and nearly EUR 1 million above the results for the first half of the previous year.

The comparison of quarters shows that roughly the same gross profits and EBIT were achieved in the first and second quarters of 2007, for approximately the same revenues. The second quarter of 2007 was markedly better than the same period in 2006.

With a strong first quarter and a good second quarter, IVU Traffic Technologies AG has therefore further continued to stabilize the positive trend and has established the foundations for profitable growth. A contribution to this has been made by the order book situation, which continues to be very good. At the start of the third quarter, 86% of the planned turnover and 82% of the projected gross profits for 2007 are already covered.

Important projects in the first half-year 2007

The development and project work in the first six months of 2007 was characterised by work on a number of large projects which had already been started in 2006 or earlier, including work for Berlin's BVG public transport utility, *Wiener Linien* in Austria and *üstra*, Hanover.

But new customers have also been gained:

- The Hungarian State Railways MÁV will in future plan and manage its trains using MICROBUS;
- Dublin Bus in Ireland will in future use *infopool*;
- Trenitalia, the largest bus transport company in Italy, has ordered *infopool* and *fahrinfo* to improve its timetable information services on the Internet;
- two other DB companies in Germany – *SüdOstbayernbahn* and the S-Bahn urban railway service in Frankfurt/Main – will in future plan and manage their rolling stock with MICROBUS;



- the buses of ASEAG in Aachen will be fitted out with the new on-board ticketing-computer from the i.box printer series;
- following on from the Zurich public transport group ZVV, the Lucerne Transport Group (ITV PP) has also ordered the new i.box printer with touchscreen;
- in the Netherlands, there is a new customer in the waste management logistics sector.

In addition, at the UITP trade fair “Mobility & City Transport” at the end of May in Helsinki we were able to establish important contacts with potential customers from other countries. The IVU exhibition stand was very well visited.

Regarding software development, the new Release 8.2 of MICROBUS has been completed and was delivered on schedule. Further developments are on-going.

Personnel

The personnel development through until the end of the first half of 2007 was as follows:

Personnel development	2007	2006	Change
No. of employees as of 30.6.	293	289	1%
Personnel capacity* (1.1.-30.6.)	246	240	2%

* = equivalent number of full-time employees

The employment market for highly-qualified computer scientists, software engineers and project leaders has been very tight for some time now, so that it is harder to recruit good people. The consequence is that the team is growing more slowly than the order book situation would actually require.

Prospects

The objectives of the company for 2007 are to achieve revenues of something more than EUR 30 million, a gross annual profit of EUR 25 million and in conjunction with this a further improvement of the EBIT. These goals could be exceeded if the positive first half-year 2007 is followed by a good second half-year, when experience shows that figures are usually enhanced by seasonal effects.



Risks

The risks are described in the Annual Report 2006 (page 14). No new risks have arisen, and neither have there been any alterations regarding risk management/controlling.

Transactions with related parties

In the period covered by the report and in the previous year there were no business transactions of parties related to IVU with the IVU Group.

Declaration in accordance with Security Trading Act (WpHG) Section 37w, Paragraph 5

The six-monthly report was not subjected to auditory inspection.

Consolidated half-yearly financial statement in accordance with IFRS as of 30.6.2007

	Q2 2007	Q2 2006	1st half year 2007	1st half year 2006
	T€	T€	T€	T€
1. Earnings	7 059	6 670	13 354	12 780
<i>of which performances not yet registered</i>	<i>1 472</i>	<i>778</i>	<i>3 513</i>	<i>3 354</i>
2. Other operating revenues	306	43	450	253
3. Material costs	-1 356	-1 492	-2 076	-2 370
Gross profit	6 009	5 221	11 728	10 663
4. Personnel expenses	-4 230	-4 109	-8 571	-8 043
5. Depreciation of non-current assets	-221	-337	-462	-715
6. Other operating expenses	-1 485	-1 362	-2 491	-2 580
EBIT	73	-587	204	-675
7. Interest revenues	3	3	7	10
8. Interest payments	-72	-86	-154	-192
9. Earnings before taxes	4	-670	57	-857
10. Taxes from income and from revenues	0	0	0	0
11. Group profit/loss	4	-670	57	-857
			€	€
Earnings per share (undiluted and diluted) (expressed for one thousand shares)			0.00	-0.05

T€ = x EUR 1000

Consolidated balance sheet in accordance with IFRS as of 30.06.2007

	30.06.07	31.12.06
	T€	T€
ASSETS		
A. Current assets		
1. Liquid funds	1 369	943
2. Trade receivables	6 284	11 981
3. Current receivables from construction contracts	6 048	3 004
4. Inventories	869	718
5. Other current assets	1 801	1 734
Total current assets	16 371	18 380
B. Non-current assets		
1. Fixed assets (PPE)	900	955
2. Intangible assets	12 353	12 581
3. Financial instruments held for trading purposes	54	54
4. Deferred tax assets	1 165	1 165
Total non-current assets	14 472	14 755
	30 843	33 135
LIABILITIES		
A. Current liabilities		
1. Short-term loans and current portions of long-term loans	3 114	3 578
2. Trade payables	815	1 827
3. Obligations arising from construction contracts	294	475
4. Provisions	471	560
5. Tax provisions	549	549
6. Other current liabilities	4 206	4 335
Total current liabilities	9 449	11 324
B. Non-current liabilities		
1. Long-term debt	1 235	1 835
2. Deferred tax liabilities	1 165	1 165
3. Pension provisions	2 396	2 316
4. Additional line items investment grants and investment subsidies	74	90
5. Other non-current assets	193	180
Total non-current assets	5 063	5 586
C. Equity		
1. Subscribed capital	17 719	17 669
2. Capital reserves	46 456	46 456
3. Consolidated balance sheet loss	-47 950	-48 007
4. Currency translation	107	107
Total equity	16 332	16 225
	30 843	33 135

Consolidated cash flow statement in accordance with IFRS as of 30.06.2007

	1.1. - 30.06.2007	1.1. - 30.06.2006
	T€	T€
1. Business activity		
Consolidated earnings before income taxes of the period	57	-857
Depreciation of tangible assets	462	715
Changes to provisions	-9	-320
Differences from currency translation	0	109
Earnings from dissolved special positions	-16	-26
Earnings from interest	147	182
Earnings from disposal of plant, property and equipment	13	59
	654	-138
Changes to items of current assets and current borrowed funds		
Inventories	-151	-122
Receivables and other assets	2 533	2 915
Liabilities (without provisions)	-1 582	-2 452
	1 454	204
Interest payments	-154	-192
Cash flow from current business activities	1 300	12
2. Investment activities		
Payments for investments in property, plant, and equipment	-129	-272
Receipts from disposal of property, plant and equipment	0	52
Interest received	7	10
Cash flow from investment activities	-122	-210
3. Financing activities		
Repayment of liabilities from sale- & leaseback dealings	-21	0
Receipts/expenditures from taking up financial loans	364	1 103
Repayment of financial liabilities	-1 095	-500
Cash flow from financing activities	-752	603
4. Liquid funds at the end of the period		
Effective change in liquid funds	426	405
Liquid funds at the beginning of the period	943	542
Liquid funds at the end of the period	1 369	947

(+ = cash inflow / - = cash outflow)

Group equity change account in accordance with IFRS

	Share capital	Capital- reserves	Foreign exchange rate changes	Balance sheet loss	Total
	T€	T€	T€	T€	T€
As of 1 January 2006	17 669	46 456	81	-49 450	14 756
Differences from currency translations (profits not included in consolidated income statement)			26		26
Consolidate annual profit 2006				1 443	1 443
As of 31 December 2006	17 669	46 456	107	-48 007	16 225
As of 1 January 2007	17 669	46 456	107	-48 007	16 225
Increase in equity with the Commercial Register entry 31 January 2007	50				50
Differences from currency translations (profits not included in consolidated income statement)					0
Consolidated profit 1.1. - 30.6.2007				57	57
As of 30 June 2007	17 719	46 456	107	-47 950	16 332



Balance sheet oath

We assure that, to the best of our knowledge and in accordance with the applied principles for correct interim consolidated reporting, this interim consolidated report provides an accurate presentation of the situation of the company relating to assets, finances and revenues, that the consolidated interim report presents the course of business including the business results and the situation of the company in a way which corresponds to the actual conditions, and that the key opportunities and risks of the probable development of the company over the rest of the financial year are described.

Berlin, in July 2007

Prof. Ernst Denert

Dr. Olaf Schemczyk



Financial calendar 2007

Wednesday, 7 November 2007 Nine-month report through until 30 September

Wednesday, 14 November 2007 Analysts' conference

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