

Quarterly report for the first three months of the financial year 2006

Berlin, 10 May 2006

Q1 performance figures

	1st quarter 2006	1st quarter 2005
	€ million	€ million
Revenue	6.1	5.2
<i>of which performances not yet invoiced</i>	2.6	0.9
Gross profit	5.4	4.8
Personnel costs	3.9	3.9
EBIT	-0.1	-0.7
Consolidated annual profit/loss	-0.2	-0.6
Operating result	0.2	-0.8

Report on the Q1 situation

In the first three months of the current financial year, IVU Traffic Technologies AG has achieved revenues of some €6.1 million. This represents an increase of 17% over the same period in the previous year. The gross first quarter profit of €5.4 million is also considerably higher than last year – it has increased by 13%.

One reason for the strong growth in revenue lies in the satisfyingly buoyant sales of the i.box family of on-board computer systems for operational control and ticketing systems. This resulted in increased material costs (purchase of i.box-hardware).

The situation regarding earnings before interest and taxes (EBIT) showed considerable year-on-year improvements for the first quarter, from - €0.7 million to - €0.1 million. At the same time the consolidated group loss for Q1 was improved by €400 000 to - €0.2 million. The year-on-year operating result* also increased markedly for the quarter: by about €1 million from - €0.8 million to €0.2 million.

Our experience shows that less than a quarter of the annual revenues are booked at the start of the year; but at the same time the costs are distributed more or less equally throughout the year. It is therefore not unusual for IVU to have a negative value for EBIT in the first quarter and to return a consolidated group loss. A marked seasonal distribution of revenues, with a peak in the fourth quarter, is a characteristic of the sectors which IVU serves, and in particular of the public transport sector.

IVU's order books are in very good condition. With the performances already completed in the current financial year and the work which is outstanding, at the beginning of the second quarter at least 80% of the planned revenue and the gross profits for 2006 are covered.

The improved figures and the very good order situation are an indication that the measures introduced in recent years have led to a considerable improvement in productivity. The team has been strengthened by specific changes, and efficiency has increased in particular in development and project implementation. This process will be continued in 2006: IVU is currently appointing further highly-qualified computer scientists and software engineers.

* As defined on p. 12 of the Management Report 2005

The personnel development has been as follows:

Personnel development	2006	2005	Change
No. of employees as of 31.3.	286	260	+ 10%
Personnel capacity* (1.1.-31.3.)	236	220	+ 7%

* = equivalent number of full-time employees

The goal of the group for 2006 is to achieve revenue in excess of €30 million and gross profits of €25 million, and associated with this a considerable increase in EBIT.

Quarterly financial statement in accordance with IFRS – 1 January – 31 March 2006

Income statement

	1st quarter 2006	1st quarter 2005
	T€	T€
1. Earnings	6 110	5 239
<i>of which performances not yet registered</i>	2 576	937
2. Other operating revenues	210	226
3. Material costs	-877	-684
Gross profit	5 442	4 781
4. Personnel expenses	-3 934	-3 861
5. Depreciation of non-current assets	-378	-561
6. Other operating expenses	-1 218	-1 045
EBIT	-88	-686
7. Interest revenues	7	36
8. Interest payments	-106	-124
9. Earnings before taxes	-187	-774
10. Taxes on income and earnings	0	201
11. Group annual deficit	-187	-574
	€	€
Earnings per share (undiluted and diluted)	-0.01	-0.11

T€ or TEUR = thousands of euros

Balance sheet according to IFRS as of 31 March 2006

	31.03.06	31.12.05
	T€	T€
Assets		
A. Current assets		
1. Liquid funds	1 476	542
2. Trade receivables	5 971	9 666
3. Current receivables from construction contracts	4 597	2 220
4. Inventories	913	870
5. Other current assets	1 688	2 345
Total current assets	14 645	15 643
B. Non-current assets		
1. Fixed assets (PPE)	1 163	1 212
2. Intangible assets	13 088	13 275
3. Financial instruments held for trading purposes		24
4. Deferred tax assets	1 079	1 079
Total non-current assets	15 330	15 590
	29 975	31 233
Liabilities		
A. Current liabilities		
1. Short-term loans and current portions of long-term loans	2 410	2 625
2. Trade payables	726	1 347
3. Obligations arising from construction contracts	1 454	1 967
4. Provisions	85	833
5. Tax provisions	343	343
6. Other current liabilities	4 546	3 945
Total current liabilities	9 564	11 060
B. Non-current liabilities		
1. Long-term debt	2 335	2 035
2. Deferred tax liabilities	1 088	1 079
3. Pension provisions	2 200	2 154
4. Additional line items investment grants and investment subsidies	120	133
5. Other non-current assets	0	16
Total non-current liabilities	5 743	5 417
C. Equity		
1. Subscribed capital	17 669	17 669
2. Capital reserves	46 456	46 456
3. Consolidated balance sheet loss	-49 637	-49 450
4. Currency translation	180	81
Total equity	14 668	14 756
	29 975	31 233

Q1 cash flow statement (y-o-y comparison)

	1.1. - 31.3.2006	1.1. - 31.3.2005
	T€	T€
1. Business activity		
Consolidated earnings before income taxes of the period	-187	-774
Depreciation of tangible assets	378	561
Changes to provisions	-702	-395
Differences from currency translation	99	-5
Earnings from dissolved special positions	-13	-13
Earnings from interest	99	88
Revenue from disposal of property, plant and equipment	-10	-5
	-336	-543
Changes to items of current assets and current borrowed funds		
Inventories	-42	-246
Receivables and other assets	1 977	2 175
Liabilities (without provisions)	-540	-591
	1 059	795
Interest payments	-106	-124
Income tax refunds	0	201
Cash flow from current business activities	953	872
2. Investment activities		
Payments for investments in property, plant and equipment	-130	-55
Receipts from disposal of property, plant and equipment	20	17
Interest received	7	36
Cash flow from investment activities	-103	-2
3. Financing activities		
Repayment of short-term financial liabilities		-655
Receipts from taking up financial loans	300	0
Repayment of financial liabilities	-215	0
Cash flow from financing activities	85	-655
4. Liquid funds at the end of the period		
Effective change in liquid funds	934	215
Liquid funds at the beginning of the period	542	1 619
Liquid funds at the end of the period	1 476	1 835

Group equity change account

	Share capital	Capital reserves	Foreign exchange rate changes	Balance sheet loss	Total
	T€	T€	T€	T€	T€
As of 1 January 2005	16 169	46 456	83	-51 611	11 097
Increase in equity with Commercial Register entry 22 July 2005	1 500				1 500
Differences from currency translations (losses not included in consolidated income statement)			-2		-2
Consolidated annual profit				2 161	2 161
As of 31 December 2005	17 669	46 456	81	-49 450	14 756
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)			99		99
Consolidated loss 1.1. - 31.3.2006				-187	-187
As of 31 March 2006	17 669	46 456	180	-49 637	14 668

Financial calendar 2006

Wednesday, 24 May 2006	Annual General Meeting
Wednesday, 26 July 2006	Meeting of the Supervisory Board and Quarterly Report as of 30. June
Wednesday, 8 November 2006	Meeting of the Supervisory Board and Quarterly Report as of 30. September
Monday, 27 November 2006	Analysts' conference

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