



init

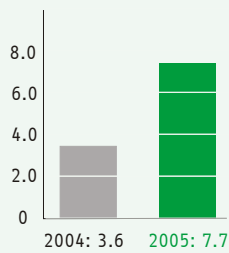
innovation in traffic systems AG

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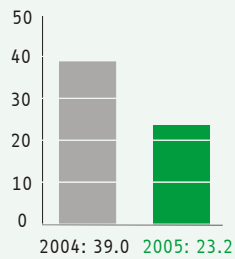


Q1 Report 2005

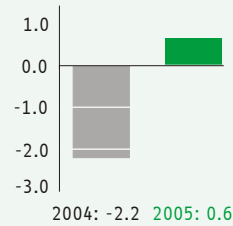
Sales Q1
in million €



Orders on hand Q1
in million €



EBIT Q1
in million €



Earnings per share
Q1 2004: -0.14 €
Q1 2005: 0.03 €

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 today, while at the same time increasing the efficiency of transportation companies. init is the leader in innovative telematics and fare management systems that offers a suite of integrated solutions for all type of needs related to public transportation. init products are operational in over 300 transportation companies worldwide.

Director's Holdings

Management Board	Number of shares
Dr. Gottfried Greschner, CEO	3.850.500
Joachim Becker, COO	420.983
Wolfgang Degen, COO	140.000
Dr. Jürgen Greschner, CSO	107.364
Bernhard Smolka, CFO	9.600

Supervisory Board	Number of shares
Prof. Dr.-Ing. Dr.-Ing. E.h. Günter Girnau	-
Bernd Koch	-
Fariborz Khavand	-

Company calendar 2005

Wk. 32/2005	Disclosure Q2 2005 Report
Wk. 46/2005	Disclosure Q3 2005 Report
Wk. 47/2005	Analyst Conference

Statutory bodies of the Company

Supervisory Board

> Prof. Dr.-Ing. Dr.-Ing. E.h. Günter Girnau
(Chairman)

Honorary member and former Managing Director of the Association of German Transport Enterprises (VDV), Honorary Vice President of the International Association for Public Transport (UITP).

> Bernd Koch (Vice-chairman)

Self-employed business consultant for strategy and organisation, Member of the Advisory Board of the IHK (German Chamber of Industry and Commerce) Training Centre in Karlsruhe.

> Fariborz Khavand

Self-employed business consultant, Managing Director, Member of the supervisory board of Rhön Residence GmbH & Co. Management KG.

Management Board

> Dr. Gottfried Greschner (Chairman), M.Sc.
Business Development, Personnel, Purchasing and Supply Management

> 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

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



Report of the Managing Board

Ladies and Gentlemen,

Having started the 2005 fiscal year successfully, init innovation in traffic systems AG is able to announce its best first quarter in company history. At 7.7 million Euro, sales as at the end of March actually more than doubled as against the previous year (Q1 2004: 3.6 million Euro).

Even more satisfactory, however, was another first in company history: Only three months into the fiscal year, init attained a distinctly positive operating result (EBIT) of 0.6 million Euro (Q1 2004: -2.2 million Euro), with a quarterly net profit of 0.3 million Euro (Q1 2004: -1.4 million Euro). The earnings per share thus stood at 0.03 Euro (Q1 2004: -0.14 Euro).

Recovering sales on the domestic market

Characterized for three years by slacking investments in the local public transportation infrastructure and thus the biggest headache for init, the German market now evidently seems to recover. The signs of an upturn in demand, perceived already by the end of 2004, increased in the first quarter of 2005 and are reflected in sales. Thus, at 1.2 million Euro, the revenues on the domestic market were up again by around 27 per cent as compared to the previous year (0.9 million Euro), in which the company had marked a low.

Three-figure increases in foreign business

The root of this trend is certainly most gratifying, as init was once again able to reap the fruits of its successful internationalization strategy in the first few months of the 2005 fiscal year. Expressed in figures, this means that sales in Europe (excluding Germany) were up by 103.4 per cent, totaling 2.7 million Euro (Q1 2004: 1.3 million Euro), while our revenues in North America virtually tripled to 3.9 million Euro as compared to the previous year (Q1 2004: 1.3 million Euro). This trend was occasioned by the substantial increase in the number of hardware deliveries for our major projects in Oslo, Stockholm, and Houston.

Substantial gain in incoming orders – specifically in Germany

The lasting effect of the recovery of business is documented by a number of positive trends in the inflow of orders. Thus, at 7.7 million Euro in the first quarter of 2005, init managed not only to record a gain in new orders of over 20 per cent as compared to the previous year (6.4 million Euro). This figure also matched the high level of sales in the first quarter of 2005. The trend in Germany is particularly remarkable here, as the number of incoming orders in this country actually rose by 73 per cent.

Along with the general trend toward recovery from a rather low level, the 2006 Football World Cup has already produced initial special effects, as its venues prepare for the expected large crowds of visitors by modernizing their local public transportation systems.

In this connection, init received a major contract from the second-largest regional transportation company in Germany, Münchner Stadtwerke, in early May for the supply of a computer-aided dispatch and vehicle location system (CAD/AVL) for the operating center of Münchner Verkehrsgesellschaft (MVG). In addition, all new buses of MVG will gradually be equipped with the on-board computer COPILOTpc from init. The CAD/AVL is scheduled for operation even before the start of the Football World Cup in April 2006. The order volume in this phase amounts to around 4 million Euro.

Further momentum expected from the 2006 Football World Cup

In terms of accelerating and modernizing its systems for the 2006 Football World Cup, MVG has proven to be a first mover in Germany. As the opening venue of the 2006 World Cup, Munich is a key benchmark project for init. In our estimation, the chances of receiving further contracts from tenders in other cities are good.

Due to the contract from Munich alone, the new orders in Germany have already reached a level that exceeds the figure for the whole of 2004 (7.9 million Euro). Irrespective of this, init was also able in the period under review to credit itself with two substantial follow-up orders in European business. Thus, init is scheduled to implement a new control system in the Swedish capital, Stockholm, for around 2 million Euro and fit around 200 more vehicles with hardware. In addition, Oslo und Akershus Trafikkservice AS (OATS), for which init had set up a new telematics system in 2004, placed another order for the equipment of 71 vehicles.

Furthermore, the offers prepared and tenders in progress, which have yet to be decided, currently aggregate in excess of 80 million Euro, with a volume of over 60 million US dollar attributable to the North American market.

First quarterly profit by end of March and positive cash flow

Owing to the decidedly positive sales trend, on the one hand, and, on the other, to a stringent cost management, init was able for the first time after only three months into the fiscal year to post a profit in March 2005. At 0.6 million Euro (2004: -2.2 million Euro), the company reported a positive figure for the operating result.

A further considerable turnaround was achieved in the operating cash flow. As of the end of March 2005, it stood at +2.3 million Euro, compared to -0.8 million Euro in the previous year. As a result, the liquid funds (incl. securities) increased by 44.4 per cent as compared to December 31, 2004 to 4.9 million Euro. At the same time, the equity ratio improved from 49.5 (Dec. 31, 2004) to 54.0 per cent.

Prospects

Since midyear 2004, init innovation in traffic systems AG has been back on a good track. As also evidenced by the operating result for the first quarter, the structural measures now completed and our stringent cost management have considerably improved the earnings situation of init. Irrespective of this, we will continue to work on further cost savings, both in production and procurement.

Yet even more crucial for our business development in 2005 is the regained growth dynamism of the market for telematics and electronic fare management systems. Along with the continued positive trend in Europe and North America, Germany now also shows a sustained pickup in economic activity. The new momentum gained here comes from the additional investments anticipated in the course of the required reduction of the particulate matter pollution in cities and for the improvement of the local public transportation infrastructure prompted by the 2006 Football World Cup.

Consequently, we are confident that init will be able to reach its targets set for 2005.

A risk factor for our business continues to be the US dollar. The majority of our existing orders is secured by options and forward exchange transactions, but future projects in the USA will most likely see lower margins, as the unfavorable Euro exchange rate can be passed on only in part through increased prices.

Karlsruhe, May 2, 2005
for the Managing Board



Dr. Gottfried Greschner
Chairman

Your contact for Investor Relations

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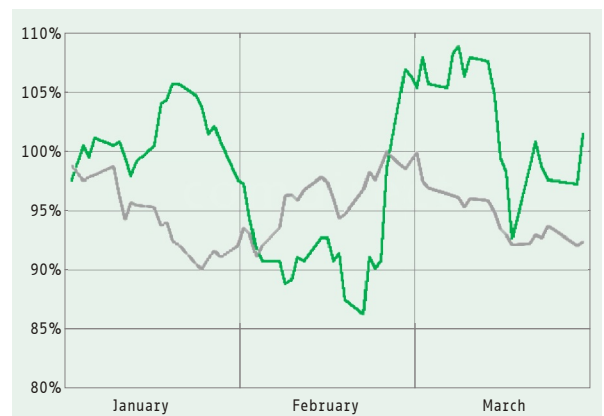
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init share on the up again

The share of init innovation in traffic systems AG confirmed the turnaround in the period under review and continued its rising trend. On disclosure of the business figures for 2004, the confidence of the market operators in the init share returned after a temporary period of weakness, with the price establishing itself effectively above the 3-Euro-mark.

As of the end of the period under review, the share stood at 3.25 Euro, corresponding to an appreciation of around 11 per cent over the course of the year to date. Due to the satisfactory business trend in the first quarter of 2005, which was disclosed at the end of April, the price persistently strengthened to near the 4-Euro-mark. In view of the positive trend in sales and in incoming orders, we expect this price rally to continue over the next few months.

Performance Q1 2005



— init innovation in traffic systems AG
— Prime Technology Performance Index



Explanatory notes to the interim financial statements

Notes to the reconciliations

For the first time, the quarterly financial statements as at March 31, 2005 and the benchmark figures were prepared in compliance with the International Financial Reporting Standards (IFRS). The financial statements are in keeping with IAS 34. Compared with previous financial statements prepared in conformity with US-GAAP, the changes in the accounting and valuation methods are but minor:

Interest on software development was capitalized in the financial statements in compliance with US-GAAP. init did not avail itself of the option under IAS 23 of capitalizing borrowing costs even in financial statements under IFRS. Therefore, exercising this option retrospectively as at the date of transition on January 1, 2004, the interest (194 TEuro) capitalized on long-term assets (balance sheet item 2. Internally generated software and other intangible assets) was eliminated in the financial statements under IFRS in accordance with IFRS 1. The deferred tax liabilities attributable to this (TEuro 22 short-term and TEuro 53 long-term) were released. The balance of these adjustments (TEuro 119) reduced the net profit as at January 1, 2004, without affecting the operating result. The same procedure was applied in the transition to the IFRS financial statements as at December 31, 2004 and the quarterly financial statements as at March 31, 2004. In so doing, the elimination of interest capitalized after the date of transition as at January 1, 2004 and the reduction in depreciations as a consequential effect were taken into account in the consolidated statement of operations (items 8. Interest income and expenses, 2. Cost of revenues and 4. General administrative expenses, 11. Income tax) with due regard to the deferred taxes, and affected the current-period operating result. These activities are also reflected in the transition of the cash flow statement for 2004.

As in previous financial statements in compliance with US-GAAP, scheduled amortizations of goodwill are not effected under IFRS 3. According to IAS 36 (revised in 2004), goodwill is examined each year for its value. Exercising the option under IFRS 1, IFRS 3 is applied prospectively in conjunction with IAS 36 (revised in 2004), so that the book value under US-GAAP was transferred to the financial statements under IFRS as it stood on the date of transition on January 1, 2004.

Other explanatory notes

The consolidated group of init AG includes INIT GmbH, init telematik gmbh, Karlsruhe, and INIT Inc., USA, all of which are fully owned by init AG. INIT GmbH holds 43% of the shares in iris GmbH, Berlin, and init AG 44% of the shares in id systeme GmbH, Hamburg, along with 45% in CarMedialab GmbH,

Bruchsal, all of which are included "at equity" in the consolidated financial statements.

As at December 31, 2004, there were no contingent liabilities/claims in the init group. Replacement investments were made in tangible fixed assets to the amount of TEuro 74. The sale of a vehicle generated revenue of TEuro 5. Of the five legal disputes pending as at the end of 2004, two have now been brought to an end. These have not had a significant effect on the company's assets, liabilities, financial position and profit and loss. The accounts receivable from affiliated companies amount to TEuro 76 and relate to accounts receivable from sales and services to iris GmbH, Berlin, to the amount of TEuro 51 and to CarMedialab GmbH, Bruchsal, of TEuro 25. The accounts payable to affiliated companies amount to TEuro 138 and are a result of the obligation to pay into the capital reserve of CarMedialab GmbH to the amount of TEuro 130 and of trade accounts payable to iris GmbH of TEuro 8.

Based on the resolution passed at the shareholders' meeting on May 15, 2003, replaced by the resolution of May 13, 2004, the company is authorized to purchase treasury stock. On December 23, 2003, the Managing Board decided on a stock repurchase of up to 60,000 shares. A further stock repurchase was decided on August 26, 2004 to the amount of up to 60,000 shares and on March 21, 2005 of up to 50,000 shares. The company's treasury stock was valued at cost at Euro 863,000 (previous year: Euro 560,000) and openly deducted from the equity capital. Of the current treasury stock of 256,150 shares with an imputed share of Euro 256,150 (2.46%) in the capital stock, 3,474 resulted from the capital increase in 2002 and 252,676 from the company's stock repurchasing programs. The shares were repurchased at an average price of Euro 3.36 per share. In the first quarter of 2005, the company purchased a total of 19,150 shares at an average price of Euro 2.79. The treasury stock was purchased for use as consideration within the scope of mergers or to acquire other companies or parts of companies or participations, or, where required, for the opening up of additional capital market sectors.

Number of Employees

Thereof 75% with an academical degree (Dipl.-Ing., Dipl.-Math., Dipl.-Inform., ...) without technical assistants, trainees, temporary workers and students at the end of period

	31.03.2005	31.03.2004
Germany	135	177
USA	25	35
Total	160	212

Consolidated balance sheet according to IFRS at March 31. 2005

Assets	IFRS 31.03.2005 T€	IFRS 31.03.2004 T€	IFRS 31.12.2004 T€
Current assets			
1. Cash and cash equivalents	3,181	2,591	1,894
2. Marketable securities	1,671	981	1,466
3. Trade accounts receivable	11,679	10,207	14,519
4. Accounts receivable from related parties	76	50	81
5. Inventories	2,890	3,278	2,931
6. Deferred tax asset	501	1,357	604
7. Prepaid expenses and other current assets	1,027	1,747	849
Current assets, total	21,025	20,211	22,344
Non-current assets			
1. Tangible fixed assets	981	1,426	1,039
2. Internally generated software and other intangible assets	4,382	5,559	4,565
3. Goodwill	1,877	1,877	1,877
4. Financial investments	1,543	971	1,537
5. Loans	68	68	68
6. Deferred tax asset	42	61	42
7. Other assets	617	342	567
Non-current assets, total	9,510	10,304	9,695
Assets, total	30,535	30,515	32,039



Liabilities and shareholders' equity	IFRS 31.03.2005 T€	IFRS 31.03.2004 T€	IFRS 31.12.2004 T€
Current liabilities			
1. Short-term debt and current portion of long-term debt	412	2,148	1,299
2. Dormant partners' capital	50	50	50
3. Trade accounts payable	3,088	2,248	4,356
4. Accounts payable due to related parties and persons	138	113	717
5. Advance payments received	2,548	2,980	2,281
6. Accrued expenses	1,806	886	1,927
7. Deferred tax liabilities	787	1,379	948
8. Prepaid expenses and other current liabilities	2,607	2,168	2,184
Current assets, total	11,436	11,972	13,762
Current liabilities, total			
1. Deferred tax liabilities	1,063	1,389	1,009
2. Dormant partners' capital	350	400	350
3. Pension accrued and similar obligations	1,047	973	1,019
4. Other current liabilities	151	0	26
Non-current liabilities, total	2,611	2,762	2,404
Shareholders' equity			
1. Subscribed capital (shares without nominal value) Allowed: 3,960,000 shares Issued and floating: 10,040,000 shares (previous year 10,040,000 shares)	10,040	10,040	10,040
2. Additional paid-in capital	3,141	3,141	3,141
3. Treasury stock	-863	-560	-810
4. Consolidated unappropriated profit	4,443	3,470	4,132
5. Other comprehensive income	-273	-310	-630
Shareholders' equity, total	16,488	15,781	15,873
Liabilities and shareholders' equity, total	30,535	30,515	32,039

Consolidated balance sheet adjustments from US-GAAP to IFRS at March 31, 2004

Assets	IFRS	Adjustment to IFRS	US GAAP
	31.03.2004 T€	31.03.2004 T€	31.03.2004 T€
Current assets			
1. Cash and cash equivalents	2,591	0	2,591
2. Marketable securities	981	0	981
3. Trade accounts receivable	10,207	0	10,207
4. Accounts receivable from related parties	50	0	50
5. Inventories	3,278	0	3,278
6. Deferred tax asset	1,357	0	1,357
7. Prepaid expenses and other current assets	1,747	0	1,747
Current assets, total	20,211	0	20,211
Non-current assets			
1. Tangible fixed assets	1,426	0	1,426
2. Internally generated software and other intangible assets	5,559	-208	5,767
3. Goodwill	1,877	0	1,877
4. Financial investments	971	0	971
5. Loans	68	0	68
6. Deferred tax asset	61	0	61
7. Other assets	342	0	342
Non-current assets, total	10,304	-208	10,512
Assets. total	30,515	-208	30,723



	IFRS 31.03.2004 T€	Adjustment to IFRS 31.03.2004 T€	US GAAP 31.03.2004 T€
Liabilities and shareholders' equity			
Current liabilities			
1. Short-term debt and current portion of long-term debt	2,148	0	2,148
2. Dormant partners' capital	50	0	50
3. Trade accounts payable	2,248	0	2,248
4. Accounts payable due to related parties and persons	113	0	113
5. Advance payments received	2,980	0	2,980
6. Accrued expenses	886	0	886
7. Deferred tax liabilities	1,379	-22	1,401
8. Prepaid expenses and other current liabilities	2,168	0	2,168
Current assets, total	11,972	-22	11,994
Current liabilities, total			
1. Deferred tax liabilities	1,389	-59	1,448
2. Dormant partners' capital	400	0	400
3. Pension accrued and similar obligations	973	0	973
4. Other current liabilities	0	0	0
Non-current liabilities, total	2,762	-59	2,821
Shareholders' equity			
1. Subscribed capital (shares without nominal value) Allowed: 3,960,000 shares Issued and floating: 10,040,000 shares (previous year 10,040,000 shares)	10,040	0	10,040
2. Additional paid-in capital	3,141	0	3,141
3. Treasury stock	-560	0	-560
4. Consolidated unappropriated profit	3,470	-127	3,597
5. Other comprehensive income	-310	0	-310
Shareholders' equity, total	15,781	-127	15,908
Liabilities and shareholders' equity, total	30,515	-208	30,723

Consolidated balance sheet adjustments from US-GAAP to IFRS at December 31, 2004

Assets	IFRS	Adjustment to IFRS	US GAAP
	31.12.2004 T€	31.12.2004 T€	31.12.2004 T€
Current assets			
1. Cash and cash equivalents	1,894	0	1,894
2. Marketable securities	1,466	0	1,466
3. Trade accounts receivable	14,519	0	14,519
4. Accounts receivable from related parties	81	0	81
5. Inventories	2,931	0	2,931
6. Deferred tax asset	604	0	604
7. Prepaid expenses and other current assets	849	0	849
Current assets, total	22,344	0	22,344
Non-current assets			
1. Tangible fixed assets	1,039	0	1,039
2. Internally generated software and other intangible assets	4,565	-173	4,738
3. Goodwill	1,877	0	1,877
4. Financial investments	1,537	0	1,537
5. Loans	68	0	68
6. Deferred tax asset	42	0	42
7. Other assets	567	0	567
Non-current assets, total	9,695	-173	9,868
Assets, total	32,039	-173	32,212



Liabilities and shareholders' equity	IFRS 31.12.2004 T€	Adjustment to IFRS 31.12.2004 T€	US GAAP 31.12.2004 T€
Current liabilities			
1. Short-term debt and current portion of long-term debt	1,299	0	1,299
2. Dormant partners' capital	50	0	50
3. Trade accounts payable	4,356	0	4,356
4. Accounts payable due to related parties and persons	717	0	717
5. Advance payments received	2,281	0	2,281
6. Accrued expenses	1,927	0	1,927
7. Deferred tax liabilities	948	88	860
8. Prepaid expenses and other current liabilities	2,184	0	2,184
Current assets, total	13,762	88	13,674
Current liabilities, total			
1. Deferred tax liabilities	1,009	-155	1,164
2. Dormant partners' capital	350	0	350
3. Pension accrued and similar obligations	1,019	0	1,019
4. Other current liabilities	26	0	26
Non-current liabilities, total	2,404	-155	2,559
Shareholders' equity			
1. Subscribed capital (shares without nominal value) Allowed: 3,960,000 shares Issued and floating: 10,040,000 shares (previous year 10,040,000 shares)	10,040	0	10,040
2. Additional paid-in capital	3,141	0	3,141
3. Treasury stock	-810	0	-810
4. Consolidated unappropriated profit	4,132	-106	4,238
5. Other comprehensive income	-630	0	-630
Shareholders' equity, total	15,873	-106	15,979
Liabilities and shareholders' equity, total	32,039	-173	32,212

Consolidated balance sheet adjustments from US-GAAP to IFRS at January 1, 2004

Assets	IFRS	Adjustment to IFRS	US GAAP
	01.01.2004 T€	01.01.2004 T€	01.01.2004 T€
Current assets			
1. Cash and cash equivalents	2,261	0	2,261
2. Marketable securities	1,980	0	1,980
3. Trade accounts receivable	12,111	0	12,111
4. Accounts receivable from related parties	47	0	47
5. Inventories	2,948	0	2,948
6. Deferred tax asset	689	0	689
7. Prepaid expenses and other current assets	2,263	0	2,263
Current assets, total	22,299	0	22,299
Non-current assets			
1. Tangible fixed assets	1,466	0	1,466
2. Internally generated software and other intangible assets	5,542	-194	5,736
3. Goodwill	1,877	0	1,877
4. Financial investments	943	0	943
5. Loans	68	0	68
6. Deferred tax asset	61	0	61
7. Other assets	333	0	333
Non-current assets, total	10,290	-194	10,484
Assets, total	32,589	-194	32,783



	IFRS 01.01.2004 T€	Adjustment to IFRS 01.01.2004 T€	US GAAP 01.01.2004 T€
Liabilities and shareholders' equity			
Current liabilities			
1. Short-term debt and current portion of long-term debt	1,547	0	1,547
2. Dormant partners' capital	50	0	50
3. Trade accounts payable	4,264	0	4,264
4. Accounts payable due to related parties and persons	2	0	2
5. Advance payments received	2,021	0	2,021
6. Accrued expenses	945	0	945
7. Deferred tax liabilities	1,397	-22	1,419
8. Prepaid expenses and other current liabilities	2,418	0	2,418
Current assets, total	12,644	-22	12,666
Current liabilities, total			
1. Deferred tax liabilities	1,518	-53	1,571
2. Dormant partners' capital	400	0	400
3. Pension accrued and similar obligations	945	0	945
4. Other current liabilities	0	0	0
Non-current liabilities, total	2,863	-53	2,916
Shareholders' equity			
1. Subscribed capital (shares without nominal value) Allowed: 3,960,000 shares Issued and floating: 10,040,000 shares (previous year 10,040,000 shares)	10,040	0	10,040
2. Additional paid-in capital	3,141	0	3,141
3. Treasury stock	-561	0	-561
4. Consolidated unappropriated profit	4,833	-119	4,925
5. Other comprehensive income	-371	0	-371
Shareholders' equity, total	17,082	-119	17,201
Liabilities and shareholders' equity, total	32,589	-194	32,783

Consolidated statement of operations according to IFRS at January 1, 2005 to March 31, 2005

	IFRS 01.01.2005- 31.03.2005 T€	IFRS 01.01.2004- 31.03.2004 T€
1. Revenues	7,712	3,575
2. Cost of revenues	-6,031	-3,920
Gross profit	1,681	-345
3. Sales and marketing expenses	-1,020	-1,049
4. General administrative expenses	-349	-551
5. Research and development expenses	-214	-314
6. Other operating income and expenses	141	-14
7. Foreign currency exchange gains/losses	365	62
Operating income (+) / loss (-)	604	-2,211
8. Interest income and expenses	-47	-38
9. Income from investments accounted for by the equity method	6	28
10. Other income/expenses	-32	10
Profit (+) / loss (-) before income tax	531	-2,211
11. Income tax	-220	848
Net income (+) / loss (-)	311	-1,363
Earnings per share (undiluted) in Euro	0,03	-0,14
Earnings per share (diluted) in Euro	0,03	-0,14
Average number of floating shares (undiluted)	9,786,796	9,896,828
Average number of floating shares (diluted)	9,786,796	9,896,828

Consolidated statement of operations adjustments from US-GAAP to IFRS

	IFRS 01.01.2004- 31.03.2004	Adjustment to IFRS Q1 2004	US GAAP 01.01.2004- 31.03.2004	IFRS 01.01.2004- 31.12.2004	Adjustment to IFRS 2004	US GAAP 01.01.2004- 31.12.2004
	T€	T€	T€	T€	T€	T€
1. Revenues	3,575	0	3,575	32,511	0	32,511
2. Cost of revenues	-3,920	11	-3,931	-26,367	92	-26,459
Gross profit	-345	11	-356	6,144	92	6,052
3. Sales and marketing expenses	-1,049	0	-1,049	-4,205	0	-4,205
4. General administrative expenses	-551	0	-551	-1,932	2	-1,934
5. Research and development expenses	-314	0	-314	-1,290	0	-1,290
6. Other operating income and expenses	-14	0	-14	315	0	315
7. Foreign currency exchange gains/losses	62	0	62	-574	0	-574
Operating income (+) / loss (-)	-2,211	11	-2,222	-1,542	94	-1,636
8. Interest income and expenses	-38	-24	-14	-169	-73	-96
9. Income from investments accounted for by the equity method	28	0	28	244	0	244
10. Other income/expenses	10	0	10	159	0	159
Profit (+) / loss (-) before income tax	-2,211	-13	-2,198	-1,308	21	-1,329
11. Income tax	848	5	843	607	-8	615
Net income (+) / loss (-)	-1,363	-8	-1,355	-701	13	-714
Earnings per share (undiluted) in Euro	-0,14	0	-0,14	-0,07	0	-0,07
Earnings per share (diluted) in Euro	-0,14	0	-0,14	-0,07	0	-0,07
Average number of floating shares (undiluted)	9,896,828		9,896,828	9,870,706		9,870,706
Average number of floating shares (diluted)	9,896,828		9,896,828	9,870,706		9,870,706

Cash flow statement for the consolidated financial statement from January 1, 2005 to March 31, 2005

	IFRS 01.01.2005- 31.03.2005	IFRS 01.01.2004- 31.03.2004
	T€	T€
Cash flow from operating activities:		
1. Net profit (+) / Net loss (-)	311	-1,363
2. Depreciation and amortization	490	559
3. Profit (-)/Loss (+) on the disposal of fixed assets	-4	0
4. Appreciation on fixed interest-bearing securities	-5	0
5. Profit on the disposal of interest-bearing securities	0	0
6. Change in accrued liabilities and cumulative value adjustments	-93	-31
7. Change in inventories, trade accounts receivable and other assets, not provided by/used in investing or financing activities	2,658	2,078
8. Change in trade accounts payable and other liabilities, not provided by/used in investing or financing activities	-1,033	-1,196
9. Other non-cash income	-6	-28
10. Change in deferred taxes	-3	-815
Net cash used in operating activities	2,315	-796
Cash flow from investment activities:		
1. Proceeds from sales of tangible fixed assets	5	22
2. Investments in tangible fixed assets and other intangible assets	-84	-204
3. Investments in software development	-134	-323
4. Investments in financial assets	0	0
5. Inflows from the sale of fixed interest-bearing securities as part of short-term cash management	250	1,000
6. Investments fixed interest-bearing securities as part of short-term cash management	-450	0
Net cash used in investment activities	-413	495
Cash flow from financing activities:		
1. Cash payments for the purchase of treasury stock	-53	0
2. Cash repayments of dormant partners' capital	0	0
3. Proceeds from taking up loans	0	601
4. Cash payments from amortization of loans	-887	0
5. Other adjustments made directly to shareholders' equity	294	38
Cash flow from financing activities	-646	639
Net effect of currency translation in cash and cash equivalents	31	-8
Change in cash and cash equivalents	1,287	330
Cash and cash equivalents at the beginning of period	1,894	2,261
Cash and cash equivalents at the end of period	3,181	2,591

Consolidated statement of operations adjustment from US-GAAP to IFRS January 1, 2004 - December 31, 2004

	IFRS 01.01.2004- 31.12.2004 T€	Adjustment to IFRS 2004 T€	US GAAP 01.01.2004- 31.12.2004 T€
Cashflow from operating activities:			
1. Net profit (+) / Net loss (-)	-701	13	-714
2. Depreciation and amortization	3,067	-94	3,161
3. Profit (-)/Loss (+) on the disposal of fixed assets	36	0	36
4. Appreciation on fixed interest-bearing securities	0	0	0
5. Profit on the disposal of interest-bearing securities	-1	0	-1
6. Change in accrued liabilities and cumulative value adjustments	1,056	0	1,056
7. Change in inventories, trade accounts receivable and other assets, not provided by/used in investing or financing activities	-1,245	0	-1,245
8. Change in trade accounts payable and other liabilities, not provided by/used in investing or financing activities	859	0	859
9. Other non-cash income	-244	0	-244
10. Change in deferred taxes	-854	8	-862
Net cash used in operating activities	1,973	-73	2,046
Cash flow from investment activities:			
1. Proceeds from sales of tangible fixed assets	6	0	6
2. Investments in tangible fixed assets and other intangible assets	-538	0	-538
3. Investments in software development	-1,182	73	-1,255
4. Investments in financial assets	-350	0	-350
5. Inflows from the sale of fixed interest-bearing securities as part of short-term cash management	1,000	0	1,000
6. Investments fixed interest-bearing securities as part of short-term cash management	-504	0	-504
Net cash used in investment activities	-1,568	73	-1,641
Cash flow from financing activities:			
1. Cash payments for the purchase of treasury stock	-249	0	-249
2. Cash repayments of dormant partners' capital	-50	0	-50
3. Proceeds from taking up loans	0	0	0
4. Cash payments from amortization of loans	-248	0	-248
5. Other adjustments made directly to shareholders' equity	-177	0	-177
Cash flow from financing activities	-724	0	-724
Net effect of currency translation in cash and cash equivalents	-48	0	-48
Change in cash and cash equivalents	-367	0	-367
Cash and cash equivalents at the beginning of period	2,261	0	2,261
Cash and cash equivalents at the end of period	1,894	0	1,894

Consolidated statements of changes in shareholders' equity (IFRS)

	Ordinary shares Amount	Subscribed capital T€	Additional paid-in capital T€	Ordinary unappropri- ated profit T€
Status at December 31, 2003	10,040,000	10,040	3,141	4,833
1. Change in value of treasury stock by exchange rate differences				
2. Net loss Q1 2004				-1,363
3. Adjustment item for currency translation Q1 2004 after deduction of T€ 0 tax				
4. Change in value of the marketable securities Q1 2004 (available for sale) after deduction of T€ 0 tax				
Status at March 31, 2004	10,040,000	10,040	3,141	3,470
Status at December 31, 2004	10,040,000	10,040	3,141	4,132
1. Purchase of treasury stock in 2005				
2. Net income Q1 2005				311
3. Adjustment item for currency translation Q1 2005 after deduction of T€ 0 tax				
4. Change in value of the marketable securities Q1 2005 (available for sale) after deduction of T€ 2 tax				
Status at March 31, 2005	10,040,000	10,040	3,141	4,443

Division reporting

	01.01.2005-31.03.2005		01.01.2004-31.03.2004	
	T€	%	T€	%
Revenues				
Mobile Telematics and Fare Management Systems	5,025	65.2	2,084	58.3
Telematics Software and Services	2,687	34.8	1,491	41.7
Total	7,712	100.0	3,575	100.0
Operating profit/loss				
Mobile Telematics and Fare Management Systems	417	72.9	-1,079	48.8
Telematics Software and Services	155	27.1	-1,132	51.2
Total	572	100.0	-2,211	100.0
Amortization				
Mobile Telematics and Fare Management Systems	207	42.2	184	32.9
Telematics Software and Services	283	57.8	375	67.1
Total	490	100.0	559	100.0
Long-lived tangible fixed assets				
Mobile Telematics and Fare Management Systems	558	56.9	758	53.2
Telematics Software and Services	423	43.1	668	46.8
Total	981	100.0	1,426	100.0
Investments in tangible fixed assets and intan- gible assets exclusive software development				
Mobile Telematics and Fare Management Systems	47	56.0	113	55.4
Telematics Software and Services	37	44.0	91	44.6
Total	84	100.0	204	100.0



Other changes in shareholders' equity without effects on profit

Difference from pension evaluation T€	Difference from currency translation T€	Stock market valuation of securities T€	Treasury stock at cost T€	Total T€
-95	-287	11	-561	17,082
			1	1
				-1,363
	60			60
		1		1
-95	-227	12	-560	15,781
-67	-562	-1	-810	15,873
			-53	-53
				311
	354			354
		3		3
-67	-208	2	-863	16,488

Geographical arrangement

	01.01.2005 - 31.03.2005		01.01.2004 - 31.03.2004	
	T€	%	T€	%
Revenues				
Germany	1,167	15.1	921	25.8
Europe	2,660	34.5	1,308	36.6
North America	3,885	50.4	1,346	37.7
Total	7,712	100.0	3,575	100.0
Long-lived tangible fixed assets				
Germany	746	76.0	1,016	71.2
North America	235	24.0	410	28.8
Total	981	100.0	1,426	100.0

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