WITH THE FUTURE IN MIND

Interim Report 1/2012

init

innovation in traffic systems AG

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.

GROUP KEY FIGURES
according to IFRS

EUR '000	31/03/2012	31/03/2011	Change in %
Balance Sheet			
Balance sheet total	101,691	86,702	17.3
Shareholders' equity	57,634	47,655	20.9
Subscribed capital	10,040	10,040	0.0
Equity ratio (in %)	56.7	55.0	
Return on equity (in %)	3.2	3.2	
Non-current assets	19,819	13,312	48.9
Current assets	81,872	73,390	11.6
Income Statement			
Revenues	19,632	13,963	40.6
Gross profit	5,847	5,504	6.2
EBIT	2,850	2,621	8.7
EBITDA	3,454	3,211	4.7
Annual net profit	1,821	1,503	21.2
Earnings per share (in EUR)	0.20	0.15	30.2
Dividend (in EUR)	0.80	0.60	33.3
Cash Flow			
Cash flow from operating activities	4,350	8,904	-51.1
Share			
Issue price (in EUR)	5.10	5.10	0.0
Peak share price (in EUR)	19.14	17.50	9.4
Bottom share price (in EUR)	13.60	14.00	-2.9

CORPORATE BODIES

SUPERVISORY BOARD

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

> Hans-Joachim Rühlig, B.A.M, Ostfildern (Vice-Chairman)
Financial Managing Director, Ed. Züblin AG

> Fariborz Khavand, Wuppertal (until 29/02/2012)
Self-employed business consultant,
Managing Director Elco Motores GmbH, Hagen

> Drs. Hans Rat, Schoonhoven (since 01/03/2012)
Managing Director Beaux Jardins B. V., Schoonhoven

MANAGING BOARD

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

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

> Wolfgang Degen, M.Sc.
Business Division: Mobile Telematics and Fare Collection Systems and *Production*

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

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

DIRECTORS' HOLDINGS

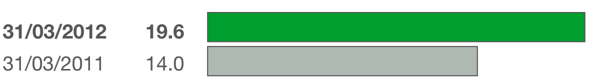
Managing Board	Number of shares
Dr. Gottfried Greschner, CEO	3,484,000*
Joachim Becker, COO	334,983
Wolfgang Degen, COO	93,500
Dr. Jürgen Greschner, CSO	97,864
Bernhard Smolka, CFO	29,000

* 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	–
Fariborz Khavand	–
Drs. Hans Rat	–

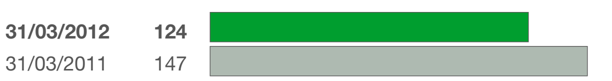
Revenues

in million EUR



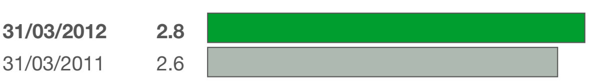
Order backlog

in million EUR



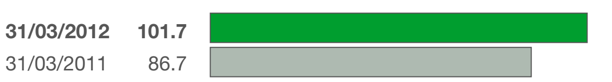
EBIT

in million EUR



Balance sheet total

in million EUR



LETTER TO THE SHAREHOLDERS

DEAR LADIES AND GENTLEMEN,
DEAR SHAREHOLDERS,

Even after the seventh record year in a row, init innovation in traffic systems AG continues on a growth course. With revenue and performance growth that exceeded expectations, the start to the new financial year 2012 has been successful. In the first quarter, income rose over 40 per cent to a new record level of EUR 19.6m, profit after taxes rose 20 per cent to EUR 1.8m.

Despite the unmistakeable general economic risks, our company is thus holding fast to a sustainable course of growth. As an established provider worldwide in the market for telematics, planning and electronic fare collection systems for local public transport, we are of course benefiting from the continued rise in demand for intelligent solutions to ensure mobility in conurbations and regions. Currently, local transport systems are having to be built, expanded and modernised worldwide. This is being expressed in an increasing number of international tenders.

Our references from over 400 successfully concluded projects and init's reliability as a partner, a quality valued in the market, are, however, only one factor that enable us to have as large a share of the tenders decided in our favour as possible. Also essential for this is that we succeed in picking up on new trends in the market and technology early on, and in integrating them into our systems.

We were again able to prove this during an international trade audience at INTERTRAFFIC, the industry trade fair that took place at the end of March in Amsterdam. init presented an innovative telematics solution there that unites all processes of ticketing, fleet management as well as real-time passenger information in a client-capable system. It is responding to current requirements in local public transport of increasing service quality through a better interlacing of offers and real-time information, while at the same time lowering the investment and operating costs for the transport operator.

In addition to our Intermodal Transport Control System MOBILE-ITCS, innovations such as the PC-based ticket printer with on-board computer function EVENDpc and the e-ticketing terminal PROXmobil also received considerable attention in Amsterdam. Their use makes it possible to accelerate boarding procedures, reduce waiting times and improve punctuality, which considerably contributes to higher customer satisfaction.

With technological innovations such as these, we intend to continue the growth course of our company into the coming years as well – for instance with special software solutions, by means of which transport operators can optimise the deployment of vehicles such that three to five vehicles can be eliminated in a fleet of 100 vehicles. This has met with great interest, particularly in Asia. Furthermore, init recently introduced apps for passenger information for all smartphone types and for real-time evaluation of statistical data for transport operators. init is also very involved in the industry-wide research project “European Bus System of the Future” (EBSF).

We are thus at the forefront when it comes to turning the future of mobility into reality. This will provide a great deal of growth potential for our company. Our orders on hand of around EUR 124m may well increase further due to a few large projects that are due for a decision soon. Further tenders are in the pipeline. We are therefore very confident of being able to grow beyond 2012 in terms of revenue and profit.

Also, we very consciously intend to set a positive tone for the future with our dividend policy for you, our shareholders. The Managing Board and the Supervisory Board therefore are proposing to the annual shareholders’ meeting an increase of the distribution to EUR 0.80 per share (previous year: EUR 0.60).

We couple the hope of being able to pave the way for the future of our company with you at our annual shareholders’ meeting in Karlsruhe on 16 May with thanks for your many years of confidence and trust.

For the Managing Board of
init innovation in traffic systems AG

Dr. Gottfried Greschner
Chairman of the Managing Board (CEO)

SHARE AND INVESTOR RELATIONS

INIT SHARE STRONG DESPITE UNCERTAIN ENVIRONMENT

Despite persistently high risk levels and new pressure factors, the world's stock markets got off to a surprisingly good start in the year 2012. Neither the continuing debt crisis in Europe and other industrialised nations nor slowing growth in developing and BRIC countries were enough to dampen the market mood of basic optimism in the first quarter. Though the recovery staged by major stock indexes lost momentum after the first two months of the year, handsome price gains remained. The German DAX stock market index gained over 17 per cent in the first quarter, and the TecDAX index of leading German technology stocks gained roughly 15 per cent.

init innovation in traffic systems AG shares (ISIN DE0005759807) thus showed particular strength in March, outperforming the rising German stock markets. The shares significantly outstripped both indexes, gaining nearly 30 per cent in total in the reporting period.

In view of the figures presented at the end of March and the company's outlook, most analyst recommendations for the init share are still “buy”, with price targets ranging from EUR 18.50 to 24.

In 2011, init innovation in traffic systems AG generated consolidated earnings of EUR 15.1 million (2010: EUR 10 million). This means earnings per share of EUR 1.51 (2010: EUR 1.00). Having recorded another record profit, at the shareholders’ meeting on 16 May 2012 the Managing and Supervisory Boards propose raising the dividend to EUR 0.80 (2010: EUR 0.60). As the company has an excellent cash position, the Managing Board considers a higher dividend to be appropriate.

One of the primary goals of our investor relations work is to further increase the liquidity in the share. The Investor Relations team is thus introducing the company to European and international investors at special roadshow events. init thus again participated in the Focus Value Forum in Vienna this year. Also, BIW AG/Silvia Quandt & Cie. AG was signed on as an additional designated sponsor, enhancing trading in the init share since 1 March 2012.

SHARE BUYBACK ONLY PARTIALLY IMPLEMENTED

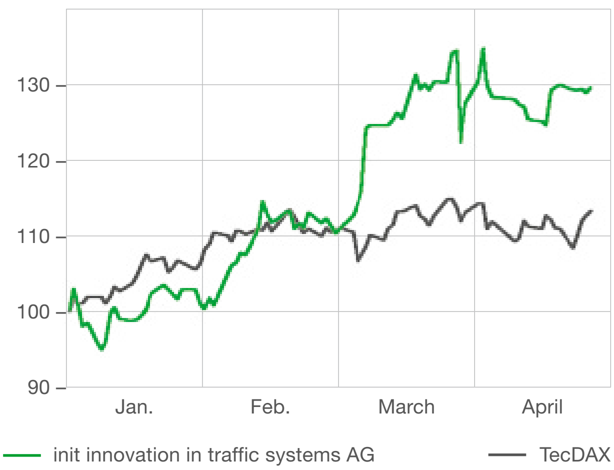
The Managing Board of init innovation in traffic systems AG takes advantage of stock market downturns to buy back its own shares, so as to ensure it has sufficient shares at

Basic share information

Exchange	Frankfurt Stock Exchange
Index / Segment	Prime Standard, Regulated Market
Class	No-par bearer shares (at EUR 1 each)
ISIN	DE0005759807
WKN	575 980
Code	IXX
Designated sponsors	Commerzbank AG Silvia Quandt & Cie, AG
Capital stock today	10,040,000 no-par bearer shares
Market capitalisation (as of 30 March 2012)	EUR 184.7m

Performance January to April 2012 (Xetra)

(indexed)



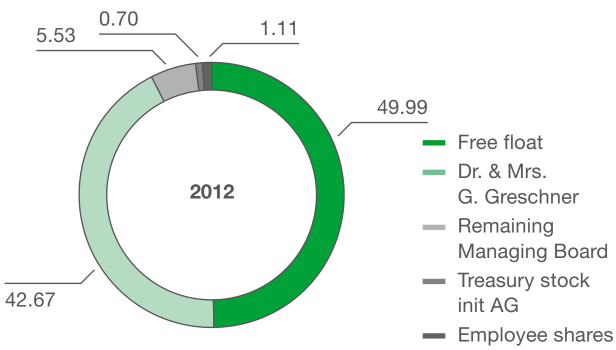
its disposal for current and future employee share ownership programmes, manager incentive programmes and/or as acquisition currency. The init AG Managing Board thus passed a resolution on 1 February 2012 to buy back up to 20,000 of the company's shares (in accordance with Section 71 paragraph 1 no. 8 of the German Stock Corporation Act/AktG). The buyback price for the shares was not to exceed EUR 14.50.

Because of the rise in init's share price however, between 1 February and 30 March 2012 only 2,200 shares could be purchased at an average price of EUR 14.4955. Thus only a portion of the shares initially planned for buyback was actually repurchased. As at 30 March 2012 init held 70,145 shares of treasury stock.

There were no significant changes in shareholder structure. Shareholdings were distributed as follows at the 31 March reporting date:

Shareholdings as at 31 March, 2012

(in %)



Current information on the init share and on our Investor Relations services is available on the Internet at ***www.initag.com.***

NUMBER OF EMPLOYEES (ANNUAL AVERAGE)

incl. temporary workers and students

	31/03/2012	31/03/2011
Employees in Germany	318	268
Employees in North America	68	59
Employees in other countries	18	11
Total	**404**	**338**

GROUP STATUS REPORT

BUSINESS TREND AND SITUATION

Economic and market environment

The sovereign debt and financial crisis in Europe and rising oil prices continue to pose a major risk to economic development in the current market environment. These factors have put a damper on the outlook for global economic growth. Nevertheless, prospects began to look brighter again towards the end of the reporting period, and the OECD and IMF are now expecting a strong recovery in the second half of 2012, with an overall increase of 3.5 per cent in global production for the year (after 4 per cent in 2011).

Initially, global economic growth slackened further in the first quarter of 2012. The slump in demand from Western industrialised nations had a knock-on effect on exports from China, India, Brazil and Russia, which have so far been engines of growth. The world's champion exporter, China, even shocked the markets by missing its growth targets. Its growth forecast was revised down from 8.4 to 8.2 per cent. Economic momentum also weakened in the other BRIC countries.

The economy was disappointing in the USA in the first quarter, growing a very modest 0.4 per cent. Many of the economic stimulus programmes passed there in 2009 are gradually coming to an end. Nevertheless, the OECD and the IMF are anticipating a robust recovery in the course of the year and are predicting an increase of over 2 per cent in US economic performance for 2012. The same goes for Canada.

In Europe, economic development is still very patchy. In the Eurozone, recovery is not expected until the third quarter, and will come even later in countries that have colossal government debt to contend with, such as Greece, Italy, Portugal and Spain. In Germany, though, an economic upturn of 0.1 per cent was seen as early as the first quarter and the pace of economic growth should continue to pick up in the course of the year, taking the overall rise in gross domestic product expected for 2012 to 0.7 per cent. For Europe as a whole, economists at the IMF and OECD are anticipating growth of only 0.2 per cent in 2012 and 1.4 per cent in the following year.

General business trend

In the reporting period, negative developments in the market environment did not have an adverse effect on the business situation of init innovation in traffic systems AG. On the contrary, the number of international tenders continued to increase considerably. In Europe, there are plans to invest billions more in local public transport. The same is true in America, Asia, Australia and Africa. This will lay the foundations for long-term and sustainable growth in the market for our hardware and software products and our telematics, planning and electronic fare collection systems. At the same time, the market is still undergoing a radical transformation, and not only in terms of technology. Two trends are becoming increasingly important: the networking of telematics systems in local and long-distance transport and the convergence of ticketing and telematics systems. init responded to both trends at an early stage and, together with its customers, has implemented sophisticated, tried and tested solutions.

The long-term growth prospects for the transport telematics market are still solid. Nearly all countries are increasingly willing to develop local public transport. Since much of init's business is made up of long-term projects of this type, our company continues to enjoy good growth prospects.

Thanks to the high level of orders and the fast progress made on some large projects, init once again by far exceeded its targets in the first quarter of 2012. Sales reached a new high of EUR 19.6m (Q1 2011: EUR 14.0m). Once again, operating earnings before interest and taxes (EBIT) were also up EUR 0.2m to EUR 2.8m. The distribution of sales within the init group is traditionally uneven: the first quarter is usually the weakest and the fourth quarter the strongest in terms of sales.

This good start has left init well equipped to achieve the growth targets set for 2012 as a whole. With the current level of orders, more than 90 per cent of sales expected for 2012 have already been covered.

Order situation

So far in the reporting period we have not had to post 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. The init group has now successfully concluded over 400 telematics projects with over 300 customers worldwide. Such projects generally result in long-term customer relationships, leading to maintenance contracts and follow-up orders. The volume of follow-up orders grew in the first quarter of 2012 as it did last year. Moreover, the company succeeded in winning new tenders too. Furthermore, init is still involved in large tenders and we are expecting decisions to be made in the coming months.

Overall, init reported new orders worth some EUR 14.9m in the first quarter, of which some EUR 5.1m came from Germany, EUR 4.7m from the rest of Europe, EUR 4.2m from North America and EUR 0.9m from other countries.

That still leaves new orders significantly below the previous year's level (Q1 2011: EUR 33.3m), but it should be taken into account that init won some relatively large tenders in North America and Europe in the first quarter with a volume at the upper end of the single-digit million range. However, these tenders are not yet reflected in the new orders because they cannot be booked until successful contract negotiations have been concluded, any objection periods have expired and the contract has a legally valid signature.

The current order backlog stands at EUR 124m, around 15.6 per cent below the record value of the previous year of EUR 147m.

In addition to several follow-up contracts in Europe and the USA, init managed to win a new tender for the "Stadtverkehr Bayern" project from the Verkehrsgesellschaft Untermain in Aschaffenburg. Overall around 150 more vehicles there are fitted with init hardware and software and integrated into the central control system.

Earnings position

init innovation in traffic systems AG got off to a good start in the new financial year and once again surpassed expectations for sales and earnings. In the first quarter of 2012, the company succeeded in generating sales of EUR 19.6m (Q1 2011: EUR 14.0m), taking sales to around 40 per cent above the previous year.

Some 79.5 per cent of sales (Q1 2011: 51.1 per cent) were booked in international business. Of that, EUR 9.8m came from North America (Q1 2011: EUR 3.7m). In Germany, sales totalled EUR 4.0m (Q1 2011: EUR 6.8m). In the rest of Europe, revenues amounted to EUR 2.9m (Q1 2011: EUR 3.1m), whereas other countries reported growth in sales to EUR 2.9m (Q1 2011: EUR 0.3m), due particularly to the timely completion of contracts in Abu Dhabi and Brisbane.

Of the group revenues of EUR 19.6m (Q1 2011: EUR 14.0m), EUR 18.2m came from the "Telematics and Electronic Fare Collection Systems" segment (Q1 2011: EUR 13.1m), which is 92.9 per cent (Q1 2011: 93.7 per cent).

The "Planning, Automotive and Personnel Assignment Systems" segment generated revenues with third parties to the tune of EUR 1.4m (Q1 2011: EUR 0.9m). That amounts to 7.1 per cent (Q1 2011: 6.3 per cent) of group sales. The increase is a result of the new area of Staff Assignment Systems, which was added in 2012 when the remaining company shares in id systeme GmbH in Hamburg were acquired.

At EUR 5.8m, gross profit on sales was higher than the previous year (EUR 5.5m) in absolute terms as of the end of March. In relative terms, the gross margin on sales is around 10 percentage points below the previous year's level, which is mainly due to the special effect of releasing risk provisions for Dubai in the first quarter of 2011. The gross margin should, however, improve in the course of the financial year.

Sales, marketing and administration costs increased to EUR 4.1m (Q1 2011: EUR 3.1m) as a result of the further internationalisation of our sales, the opening up of new markets, the increasing number of complex international tenders, the founding of new subsidiaries and the necessary staff adjustments.

At EUR 2.8m, earnings before interest and taxes (EBIT) worked out EUR 2.6m higher than in the first quarter of 2011. Of that, EUR 3.1m came from the "Telematics and Electronic Fare Collection Systems" segment (Q1 2011: EUR 2.7m) and EUR -0.3m was down to the "Planning, Automotive and Driver Dispatch Systems" segment (Q1 2011: EUR -0.1m). Exchange rate gains of EUR 1.6m are mainly the result of forward exchange transactions concluded and receivables measured in foreign currencies on the cut-off date (Q1 2011: exchange rate gains of EUR 0.4m).

Overall, that raised the consolidated net profit after tax by EUR 0.3m to EUR 1.8m (Q1 2011: EUR 1.5m). That corresponds to earnings per share of EUR 0.20 (Q1 2011: EUR 0.15).

Financial and earnings position

The financial and earnings position of the init group remains very solid and certain important elements of it improved in the reporting period. The balance sheet total was down EUR 8.1m on the previous year (31/12/2011) to EUR 101.7m. This had a positive effect on the equity ratio. The decrease was a result of a reduction in trade accounts receivable on the assets side of the balance sheet. On the liabilities side, the reduction was mainly reflected in a decrease in trade accounts payable and other liabilities.

The operating cash flow continued its positive trend in the first three months of 2012 and stood at EUR 4.4m (Q1 2011: EUR 8.9m) by the end of the reporting period.

Equity grew EUR 0.7m up to 31 March 2012 in absolute terms to EUR 57.6m (31/12/11: EUR 56.9m). The equity ratio rose from 51.9 per cent to 56.7 per cent compared with its level as of 31/12/2011.

Current liabilities to banks increased from EUR 0.1m to EUR 0.3m and mainly relate to CarMedialab GmbH and the current part of the non-current loan. The non-current liabilities to banks amounting to EUR 1.0m (31/12/2011: EUR 1.0m) relate to the loan taken out during the extension of the Karlsruhe site.

Liquid funds, including readily marketable securities and bonds, increased significantly in the reporting period to EUR 27.5m (31/12/2011: EUR 23.7m). Existing guarantee and credit lines continue to secure the financing and expansion of business activities.

Some EUR 0.6m (Q1 2011: EUR 0.7m) were invested in tangible and intangible assets (not including software development) in the first three months. These were mainly replacement and rationalisation investments.

Production

The value-added chain in the init group includes the development, production management, quality assurance, implementation, servicing and maintenance of integrated hardware and software solutions for key aspects of a transport company.

The production of hardware is mainly outsourced to qualified producers as subcontractors who work closely with our init engineers. The quality that we require is assured by having our own staff assist in each stage of the production process, from prototyping to the test series all the way to serial production.

In order to comply with “Buy America” requirements, init set up a production firm (SQM LLC.) in the USA together with one of its producers. The company assembles various items of equipment from the init product range. Some years ago a cable manufacturing operation (TQA LLC.) was developed in conjunction with a supplier for the same reasons. It is now a very successful producer of cables for the American market.

There are no dependencies on individual suppliers. This gives us the flexibility to switch suppliers should one of our business partners be unavailable. We managed to extend our pool of suppliers and negotiate new framework contracts for the 2012 financial year.

Personnel

Against the background of an anticipated general shortage of specialist staff in the coming years, keeping qualified employees with us in the long term is one of the most important objectives of init’s personnel policy. For that purpose, init has developed a variety of benefits and measures on its own initiative designed to ensure that employees have a direct share in the company’s profits. Just about every employee received performance-based pay in addition to their regular salary for 2011.

A whole package of incentives for personal development and a pleasant workplace helped the init group to attract the necessary staff to go on growing the company in the reporting period. The init group made further moderate adjustments to its overall staff numbers in order to complete existing contracts in time and put itself in the position to make the most of new growth opportunities in the market. Since we are expecting more major projects for the next few months, this trend looks set to continue in the coming months.

As of 31 March 2012, the init group employed a total of 404 staff (Q1 2011: 338) including temporary workers, research assistants and diploma candidates. A further 16 employees were in apprenticeships.

Over 65 per cent of permanent init employees have a university degree in information technology, e-technology, HF technology, physics, mathematics or industrial engineering.

Environmental protection

The reduction of carbon dioxide emissions and conservation of natural resources are vital to avoid an imminent climatic disaster. Efficient public transport systems are playing an increasingly important part in this.

Since its establishment almost 30 years ago, init has had a special obligation to protect the environment and conserve resources. init’s products have a long history of helping transport companies to provide faster, more competitive and energy-saving mobility, thus also reducing the environmental impact of fine dust and exhaust gases. Within the company as well, init actively implements these basic ecological principles along the entire value chain and in the individual corporate divisions, from procurement and production through to distribution. The init group has thus invested in a wide range of energy-saving measures and steadily improved its eco credentials over the years. It has purchased two electric cars, for example, which are used for short distances. Environmental protection and resource conservation are also firmly anchored in init's corporate guidelines.

Research and development

In the first quarter of 2012, init's hardware and software developers were working both on developing existing products and on key innovations.

The init group spent a total of EUR 1.0m (Q1 2011: EUR 0.7m) on developing new products and software in the first three months. We haven't carried out any software capitalisations since 2009. Depreciation on previously capitalised software therefore fell to EUR 0.1m (Q1 2011: EUR 0.2m).

In addition, the group made some customer-funded new and further developments within the scope of projects adding up to around five times the identified research and development expenditure again.

Risks and risk management

The risks involved in the future development of the init group are mainly dictated by the risks in the group's operating companies. There are currently no risks that might endanger the init group's existence.

Our risk management system is an integral part of our business processes and corporate decisions. Before any radical decisions are made on important measures, these are discussed in detail at regular board meetings where the opportunities and risks involved are weighed against each other. Both the Managing Board and the Supervisory Board are kept informed of imminent risks. Alternative measures are discussed with the Supervisory Board.

The crucial success factor for the init group is project management. Successful project management depends on projects being completed on time, the scope of an individual project, the contractual terms, the willingness of the customer to make a constructive contribution to project implementation and country-specific laws and regulations. Apart from unforeseeable technical and customer-specific difficulties, the punctual completion of projects also depends on whether the company has adequately qualified personnel available.

The global financial crisis has also increased the risk of bad debt losses. Although over 95 per cent of init's customers are state-subsidised transport companies, the financial crisis has tipped various states (e.g. Greece, Dubai and Ireland) into financial difficulties so bad that debt losses cannot be ruled out in future. The init group has posted the relevant impairments for loss of interest to take account of the risk on receivables in Dubai. The payments received in 2011 reduced the risk significantly. The days payable outstanding have, however, increased with the result that we are now faced with cash flow predictability and liquidity risks.

The high level of government debt in some countries and the rescue packages and austerity measures under discussion could mean significantly reduced investment in local public transport, which could have an impact on init's business.

In connection with an international cooperation agreement claims have been raised against us. We consider these claims to be unjustified. The provisions which have been constituted in 2011 were kept.

Contracts concluded in a foreign currency involve exchange risks that can affect sales, purchase prices, the measurement of receivables, currency reserves, liabilities, and hence the result. The init group is tackling these exchange risks with active exchange rate management, making use of forward exchange dealings and currency options. Since init is also trying to keep its options open here and focus on active management, it may consequently incur losses.

Capital investments at init are in shares, bonds, fixed-interest securities and fixed deposits, and losses may occur here due to changes in prices, exchange rates and interest rates. 25 kg of gold was purchased in 2011 for risk diversification purposes. This investment is subject to market price fluctuations.

Opportunities

init is currently involved in numerous public tenders in Germany and abroad. Decisions are due to be made on many of these tenders in the coming months, so we can expect large volumes of high-value new orders before the end of 2012.

Funds running into the billions have already been released for the development of local public transport and 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. Not only there, but also in Germany, the rest of Europe and Asia-Pacific, we have noticed an increasing tendency for new tenders.

The tenders won in the area of ticketing in the USA in 2010 and an integrated control and passenger information system in Brisbane, Australia, are at the implementation stage. These projects are of great strategic importance to init, because it has only implemented control system orders in the USA and ticketing orders in Australia 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.

Starting active market developement in France and the Asia-Pacific region could also produce additional potential. That is why we have strengthened our sales team.

We also see the growing interest of transport companies in integrated systems as a great advantage. In this area, init is ideally equipped to combine ticketing and ITCS with its electronic ticket printer with on-board computer function EVENDpc. Our international references will stand us in good stead here, acting as a signal to many new potential customers from all over the world, and should be an advantage when it comes to additional infrastructure investments.

EVENTS AFTER THE REPORTING DATE

There were no significant events after the cut-off date.

RELATED PARTY TRANSACTIONS

Related party transactions are shown in the notes under "Other Disclosures".

PROSPECTS REPORT AND OUTLOOK

The predictions made in this prospects report and outlook for the future business development of the init group are based on the information available to us and assumptions about the development of markets and sectors that are considered realistic by the Managing Board. However, actual outcomes may differ considerably from these forecasts of likely developments if the underlying assumptions prove incorrect or new factors bringing uncertainty arise, affecting macroeconomic development.

According to institutions like the IMF and the OECD, global economic risks are still immense. In the long term, rising energy and oil prices, in particular, and austerity plans in individual industrialised nations look set to hamper the expected recovery.

However, some indicators have improved somewhat lately, leading economists to revise their estimates upwards slightly. The OECD and IMF are currently expecting a strong recovery in the second half of the year and a 3.5 per cent increase in global production overall for 2012 (after 4 per cent in 2011).

For North America, one of the init group's most important markets, both the OECD and the IMF are anticipating a robust recovery in the course of the year and are predicting a boost of over 2 per cent in economic performance for 2012. In Europe, economic development is still very patchy. The Eurozone is not expected to rally until the third quarter. In Germany, the pace of economic growth should increase further in the course of the year, taking the overall rise in gross domestic product expected for 2012 to 0.7 per cent. For Europe as a whole, economists at the IMF and OECD are predicting an increase of only 0.2 per cent in 2012 and 1.4 per cent in the following year. Experts are also forecasting strong growth of over 4 per cent in the global economy as a whole again in 2013.

It still remains to be seen to what extent the austerity plans in industrialised nations will translate into lower subsidies for local transport schemes and in future lead to a reduction in project tenders, including in the market for transport telematics. General projections suggest that the industrialised nations in Europe and North America in particular will step up their fiscal consolidation measures in 2012 and subsequent years. Cuts in investment and state subsidies cannot be ruled out against this background. We have not yet seen any sign that savings and budgetary cuts as a result of the euro crisis are having a negative impact on init's growth opportunities.

With passenger numbers set to double by 2025, there is, however, still a pressing need to expand and modernise local transport systems worldwide. This need offers init the prospect of sustainable growth as a supplier of systems and components that are essential for qualitative and quantitative improvements in the transport sector.

With innovative products, individual customer solutions and a wide range of international reference projects, init is well equipped to defend its position on the market for transport telematics and to benefit from this sustainable growth trend. Based on the high order volume and the large number of public tenders that init is currently involved in, we believe that our company's prospects for further growth in sales and earnings in 2012 and 2013 are good. Provided there are no unexpected developments, we should meet the target we set ourselves for 2012 of sales of more than EUR 95m and operating earnings (EBIT) of around EUR 19m.

One risk factor for earnings development is a strong devaluation of foreign currencies, which could have an effect on sales and earnings and hence lead to lower margins in the medium term, because only some of the currency effects could be passed on through higher prices.

Further growth can only be achieved through forward-looking investment, including in the much-needed extension of our headquarters in Karlsruhe. In 2011 we outgrew the available space and so we need to extend the premises by erecting a new building.

Karlsruhe, 10 May 2012

The Managing Board

Dr. Gottfried Greschner

Joachim Becker

Wolfgang Degen

Dr. Jürgen Greschner

Bernhard Smolka

CONSOLIDATED INCOME STATEMENT (IFRS)
from January 1, 2012 to March 31, 2012 (unaudited)

EUR '000	1/1 to 31/03/2012	1/1 to 31/03/2011
Revenues	19,632	13,963
Cost of revenues	-13,785	-8,459
Gross profit	**5,847**	**5,504**
Sales and marketing expenses	-2,703	-2,148
General administrative expenses	-1,387	-962
Research and development expenses	-1,009	-707
Other operating income	347	432
Other operating expenses	-9	-32
Foreign currency gains and losses	1,631	404
Operating profit	**2,717**	**2,491**
Income from associated companies	65	78
Other income and expenses	68	52
Earnings before interest and taxes (EBIT)	**2,850**	**2,621**
Interest income	39	12
Interest expenses	-87	-71
Earnings before taxes (EBT)	**2,802**	**2,562**
Income taxes	-981	-1,059
Net profit	**1,821**	**1,503**
thereof attributable to equity holders of parent company	1,965	1,510
thereof minority interests	-144	-7
Net profit and diluted net profit per share in EUR	0.20	0.15
Average number of floating shares (undiluted)	9,946,300	9,954,333
Average number of floating shares (diluted)	9,946,300	9,954,333

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)
from January 1, 2012 to March 31, 2012 (unaudited)

EUR '000	1/1 to 31/03/2012	1/1 to 31/03/2011
Net profit	**1,821**	**1,503**
Net gains (+)/net losses (-) on currency translation	**-1,057**	**-573**
Unrealised gains/losses	-1,057	-573
Reclassification to the income statement	0	0
Actuarial losses on defined benefit obligations for pensions, recognised in the shareholders' equity	**0**	**0**
Net gain (+)/net losses (-) in available-for-sale financial assets	**0**	**-6**
Unrealised gains/losses	0	-6
Reclassification to the income statement	0	0
Other comprehensive income	**-1,057**	**-579**
Total comprehensive income	**764**	**924**
thereof attributable to equity holders of the parent company	908	931
thereof minority interests	-144	-7

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2012 (IFRS)
(unaudited)

ASSETS

EUR '000	31/03/2012	31/12/2011
Current assets		
Cash and cash equivalents	26,846	23,524
Marketable securities and bonds	692	154
Trade accounts receivable	14,436	29,015
Future receivables from production orders ("Percentage-of-Completion-Method")	20,221	20,590
Accounts receivable from related parties	2	2
Inventories	16,608	14,850
Income tax receivable	347	105
Other current assets	2,720	1,710
Current assets, total	**81,872**	**89,950**
Non-current assets		
Tangible fixed assets	6,062	5,925
Goodwill	4,388	4,388
Other intangible assets	4,076	4,259
Interest in associated companies	1,682	1,618
Accounts receivable from related parties	68	68
Deferred tax assets	1,382	1,345
Other assets	2,161	2,203
Non-current assets, total	**19,819**	**19,806**
Assets, total	**101,691**	**109,756**

LIABILITIES AND SHAREHOLDERS' EQUITY

EUR '000	31/03/2012	31/12/2011
Current liabilities		
Bank loans	278	71
Trade accounts payable	3,812	7,582
Accounts payable of "Percentage-of-Completion-Method"	7,135	8,939
Accounts payable due to related parties	150	280
Advance payments received	513	664
Income tax payable	5,918	6,723
Provisions	9,402	9,535
Other current liabilities	6,615	9,212
Current liabilities, total	**33,823**	**43,006**
Non-current liabilities		
Long-term debt less current portion	988	988
Deferred tax liabilities	4,141	3,699
Pensions accrued and similar obligations	3,894	3,754
Other non-current liabilities	1,211	1,371
Non-current liabilities, total	**10,234**	**9,812**
Shareholders' equity		
Attributable to equity holders of the parent company		
Subscribed capital	10,040	10,040
Additional paid-in capital	4,688	5,122
Treasury stock	-830	-1,196
Surplus reserves and consolidated unappropriated profit	43,555	41,590
Other reserves	14	1,071
	57,467	**56,627**
Minority interests	167	311
Shareholders' equity, total	**57,634**	**56,938**
Liabilities and shareholders' equity, total	**101,691**	**109,756**

CONSOLIDATED CASH FLOW STATEMENT (IFRS)
from January 1, 2012 to March 31, 2012 (unaudited)

EUR '000	1/1 to 31/03/2012	1/1 to 31/03/2011
Cash flow from operating activities		
Net income	1,821	1,503
Depreciation	604	590
Losses on the disposal of fixed assets	12	10
Change of provisions and accruals	7	81
Change of inventories	-1,758	-155
Change in trade accounts receivable and future receivables from production orders (POC)	14,948	7,965
Change in other assets, not provided by/used in investing or financing activities	-1,210	-1,380
Change in trade accounts payable	-3,770	408
Change in advanced payments received and liabilities from POC method	-1,955	653
Change in other liabilities, not provided by/used in investing or financing activities	-3,692	-943
Change in investment book value (not affecting cash flow)	-64	-78
Amount of other non-cash income and expenses	-593	250
Net cash from operating activities	**4,350**	**8,904**
Cash flow from investing activities		
Inflows from sales of tangible fixed assets	15	3
Investments in tangible fixed assets and other intangible assets	-604	-726
Investments in marketable securities as part of short-term cash management	-500	0
Net cash flows used in investing activities	**-1,089**	**-723**
Cash flow from financing activities		
Cash payments for the purchase of treasury stock	-32	0
Proceeds of bank loans	207	433
Net cash flows used in financing activities	**175**	**433**
Net effects of currency translation and consolidation changes in cash and cash equivalents	-114	-126
Increase in cash and cash equivalents	**3,322**	**8,488**
Cash and cash equivalents at the beginning of the period	23,524	18,380
Cash and cash equivalents at the end of the period	**26,846**	**26,868**

SELECTED EXPLANATORY NOTES FOR Q1 2012 (IFRS)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

The init group is an internationally active traffic telematics solution provider (telecommunications and IT, also known internationally as *Intelligent Transportation Systems* or *ITS).* The company's divisions are *Telematics and Electronic Fare Collection Systems, Planning Systems, Automotive* and *Driver Dispatch Systems.*

The quarterly financial statements for the period ended 31 March 2012 were prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements conform with IAS 34. The principles of accounting and valuation as well as the calculation methods used in preparing the consolidated financial statements dated 31 December 2011 were applied.

The interim consolidated financial statements are denominated in euros. Unless otherwise indicated, all figures are rounded up to a full thousand (EUR k).

init AG is a publicly listed company (ISIN DE0005759807) whose shares have traded on the Regulated Market subject to heightened requirements (Prime Standard) since 1 January 2003.

The interim group management report and consolidated financial statements dated 31 March 2012 were not audited. The interim financial statements for the first quarter were submitted to the Supervisory Board on 27 April 2012.

CONSOLIDATED GROUP

Name	Registered office	Stake 31/03/2012	Stake 31/12/2011
INIT Innovative Informatikanwendungen in Transport-, Verkehrs- und Leitsystemen GmbH (“INIT GmbH”)	Karlsruhe	100 %	100 %
INIT Innovations in Transportation Inc. (“INIT Inc.”)	Chesapeake/Virginia, USA	100 %	100 %
INIT Innovations in Transportation (Eastern Canada) Inc./INIT Innovations en Transport (Canada Est) Inc. (“Eastern Canada Inc.”)	Montréal, Canada	100 %	100 %
INIT Innovations in Transportation (Western Canada) Inc. (“Western Canada Inc.”)	Vancouver, Canada	100 %	100 %
INIT PTY LTD (“INIT PTY”)	Brisbane, Queensland, Australia	100 %	100 %
Init Innovation in Traffic Systems FZE (“Init FZE”)	Dubai, United Arab Emirates	100 %	100 %
initplan GmbH (“initplan”)	Karlsruhe	100 %	100 %
INIT Innovations in Transportation Oy (“INIT Oy”)	Helsinki, Finland	100 %	100 %
INIT Innovations in Transportation Limited (“INIT Ltd”)	Nottingham, UK	100 %	100 %
INIT Swiss AG (“INIT Swiss”)	Neuhausen, Switzerland	100 %	100 %
id systeme GmbH (“id systeme”)	Hamburg	100 %	100 %
CarMedialab GmbH (“CML”)	Bruchsal	58.1 %	58.1 %
CarMedialab Corp. (“CML Corp.”)	Marina del Rey/California, USA	58.1 % via CML	58.1 % via CML
TQA Total Quality Assembly LLC (“TQA”)	Chesapeake/Virginia, USA	60 % via INIT Inc.	60 % via INIT Inc.
SQM Superior Quality Manufacturing LLC (“SQM”)	Chesapeake/Virginia, USA	85.7 % via INIT Inc.	85.7 % via INIT Inc.
iris-GmbH infrared & intelligent sensors (“iris”)	Berlin	43 % via INIT GmbH	43 % via INIT GmbH

Principles of Accounting and Valuation

The interim financial report was prepared taking into account the same accounting policies that were also the basis of the consolidated financial statements as of 31 December 2011 and are explained in detail in its notes.

Application of new accounting standards

The accounting standards to be used for the first time in the first three months of 2012 had no material influence on our consolidated financial statements.

Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets

The amendment to IAS 12 aims to simplify the accounting. It (refutably) assumes that the book value realised in full by its sale is always decisive for the measurement of deferred tax relating to investment property reported at the current market value. The standard applies for the first time to financial years commencing after 1 January 2012.

Amendment to IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters

The standard applies for the first time to financial years commencing after 1 July 2011. The amendment removes the fixed adoption dates for elimination of financial assets and liabilities. In addition, the amendment also clarifies how presentation of financial statements should be resumed in accordance with IFRS after a period where the company was unable to comply fully with IFRS due to severe hyperinflation of its functional currency.

Amendment to IFRS 7 – Disclosures of the Transfer of Financial Assets

The revision outlines extensive new qualitative and quantitative requirements for transfers of financial assets that have not been derecognised, and for residual exposure as of the reporting date for transferred financial assets. The standard is applicable for the first time in the financial year starting after 1 July 2011.

INVENTORIES

Inventories were written down by EUR 351k. The expense is included under “Cost of revenues” on the income statement. A write-up of EUR 179k was recorded as “Other operating income” on 31/03/2011.

MARKETABLE SECURITIES AND BONDS

Securities and bonds were written down by a total of EUR 2k due to a lasting impairment (Q1 2011: EUR 3k).

RECEIVABLES

Receivables were written down by EUR 414k (Q1 2011: EUR 71k). The expense of EUR 238k incurred in the first quarter was charged against income (Q1 2011: EUR 32k).

PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment consists mainly of the administration building at Käppelestrasse 4, two residential buildings, and office and technical equipment. Capital expenditures for replacement were made in the amount of EUR 513k (31/12/2011: EUR 1,543k). Sales of property, plant and equipment generated income of EUR 15k (Q1 2011: EUR 3k).

The software activated within the context of the purchase price allocation of id systeme (financial year 2011) in the amount of EUR 3.3m will be depreciated over a period of five years. The depreciation was undertaken the first time and as scheduled in the first quarter of 2012 and is contained under the cost of revenues, sales costs and administration costs on the income statement.

LIABILITIES

Liabilities are carried at amortised acquisition cost. Liabilities to related parties totalled EUR 150k (31/12/2011: EUR 280k), representing trade payables to iris.

SHAREHOLDERS’ EQUITY

Subscribed Capital

The capital stock consists of 10,040,000 no-par bearer shares with an imputed nominal value of EUR 1.00 per share. The shares have been issued and are fully paid up.

Authorised Capital

At the annual shareholders' meeting on 24 May 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 23 May 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 over by credit institutions that are 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 rights to

> issue up to 1,004,000 new shares at a price not substantially lower than the stock market value of the company shares at the time the issue price is specified,

> balance out peak amounts,

> enter additional capital markets,

> acquire investments and acquire or merge with other companies or parts of companies by way of contribution as an investment in kind, and

> transform up to 250,000 new shares into employee stock.

Additional Paid-In Capital

On 31 March 2012 additional paid-in capital totalled EUR 4,688k, EUR 3,141k of which results from the premium on shares sold in the IPO share offering and capital increase conducted in financial year 2002. EUR 1,467k was allocated for share-based remuneration expenses recorded for the years 2005 to 2011. Upon transfer of shares for Managing Board members, EUR 434k was reversed from additional paid-in capital in 2012. Additional paid-in capital increased by EUR 514k through the sale of treasury stock in 2007.

Treasury Stock

The treasury stock as of 1 January 2012 totalled 101,537 shares. Based on the resolution passed at the annual shareholders' meeting on 12 May 2010, the company is authorised to purchase treasury stock. The share buyback resolution for up to 20,000 shares was passed on 1 February 2012. In Q1 2012 2,200 shares were purchased at an average price of EUR 14.4955. The share buyback programme ended on 30 March 2012. In the course of the motivation scheme for directors, managing directors and high achievers, 32,592 shares with a qualifying period of five years were transferred in the first quarter of 2012. A further 1,000 shares were issued to employees within the scope of a bonus agreement without qualifying period. The treasury stock therefore totalled 70,145 shares as per 31 March 2012.

Treasury shares are carried at acquisition cost (cost method), at EUR 830k (31/12/2011: EUR 1,196k), and deducted from equity. Of the 70,145 shares with an imputed share in capital stock of EUR 70,145 (0.70%) held on 31 March 2012, 1,139 shares stemmed from the share offering in 2002, and 69,006 were purchased in stock buyback programmes. The shares were repurchased at an average price of EUR 11.84. The treasury stock was repurchased for use as consideration within the scope of mergers with companies or to acquire other companies or parts of companies or participations or, where required, to open up additional capital markets or to issue them to employees and / or members of the Managing Board.

PAID AND PROPOSED DIVIDENDS

EUR '000	
Dividend for 2010: 60 cents per share, distributed on 26 May 2011	5,990
Dividend on ordinary shares for 2011 proposed for approval at the 2012 shareholders' meeting: 80 cents per share	7,956

CONTINGENT LIABILITIES/ASSETS

On 31 March 2012 the init group has no contingent liabilities or assets, as on 31 December 2011.

LEGAL DISPUTES

init AG and other group companies are involved in legal disputes connected with ongoing business operations that may have an impact on the group's financial situation. Litigation is subject to many uncertainties, and the outcome of individual lawsuits cannot be reliably predicted.

The respective group companies have recognised provisions on the balance sheet for risks connected with litigation where events occurring prior to the balance sheet date are concerned that probably will result in a liability, the amount of which can be estimated with sufficient reliability.

Based on our assessment, no other negative impact is to be expected that would have a sustained effect on the init group's balance sheet or earnings.

SEGMENT REPORTING

Segment reporting is provided on page 22 of the interim group report.

OTHER DISCLOSURES

Related Party Transactions

The associated companies included in the consolidated financial statements are listed in the section entitled “Consolidated group".

Associated Companies

Amounts owed by related parties include loans totalling EUR 68k (31/12/2011: EUR 68k) to iris. These are reported on the balance sheet as non-current assets.

The other amount of EUR 2k concerns trade receivables from iris (31/12/2011: EUR 2k). As these are due in less than one year, they are reported as current assets on the balance sheet.

Amounts owed to related parties represent trade payables and are due in less than one year. The amount of EUR 150k concerns iris (31/12/2011: EUR 280k). These are reported on the balance sheet as current liabilities.

Other Transactions with Related Parties

INIT GmbH rents its office building in Karlsruhe from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG. Monthly rent payments total approximately EUR 40k

EUR ‘000	Associated companies		Other related parties and persons	
	31/03/2012	31/03/2011	**31/03/2012**	31/03/2011
Trade accounts receivable and other income	0	0	0	0
Trade accounts payable and other expenses	390	381	119	92
	31/03/2012	31/12/2011	**31/03/2012**	31/12/2011
Receivables	70	70	61	61
Payables	150	280	0	0

(annual payments of EUR 475k). The rent amount is contractually fixed until 30 June 2026. Up to 30 June 2011 the annual rent amount was EUR 366k. A security deposit of EUR 61k has also been provided for the office building in Karlsruhe. Remuneration of EUR 22k for family members of a Managing Board member was recorded as personnel expenses.

Pricing in Transactions with Related Parties

Sales to and purchases from related parties are transacted at market prices. No guarantees are in place for receivables from or liabilities to related parties. For the year ended 31 March 2012 the group recognised no valuation allowances for receivables from related parties.

Karlsruhe, 10 May 2012

The Managing Board

Dr. Gottfried Greschner

Joachim Becker

Wolfgang Degen

Dr. Jürgen Greschner

Bernhard Smolka

SEGMENT REPORTING

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

1. The “Telematics and Electronic Fare Collection Systems” covers integrated systems for controlling personnel transport, fare collection systems, passenger information systems and passenger counting systems.
2. The category entitled “Other” encompasses planning systems (planning and data management systems), automotive (analysis systems for the car industry) and driver dispatch systems.

1 January 2012 to 31 March 2012 EUR ‘000	Telematics and Electronic Fare Collection Sys.	Other	Eliminations and adjustments	Consolidated
Revenues				
With third parties	18,253	1,379	0	19,632
With other segments	195	365	-560	0
Total revenues	**18,448**	**1,744**	**-560**	**19,632**
EBIT	**3,238**	**-348**	**-40**	**2,850**
Segment assets	100,288	8,058	-6,655	101,691
Segment liabilities	42,592	4,464	-2,999	44,057
Interest income	42	0	-3	39
Interest expenses	85	5	-3	87
Scheduled depreciation	389	215	0	604
Cost of revenues	12,976	1,237	-428	13,785
R&D costs	652	357	0	1,009
Foreign currency gains (+) and losses (-)	1,646	-15	0	1,631
Share in profit of associated companies	65	0	0	65
Income tax	981	0	0	981
Value impairments	525	0	0	525
Share in associated companies	1,682	0	0	1,682
Investments in tangible and intangible assets	562	42	0	604
31/12/2011				
Segment assets	102,516	10,733	-3,493	109,756
Segment liabilities	51,389	3,957	-2,528	52,818
Share in associated companies	1,618	0	0	1,618

Based on the products and services offered by the segments and for the purpose of managing the corporation, the corporate group is subdivided into the following four divisions: “Telematics and Electronic Fare Collection Systems”, “Planning Systems”, “Automotive” and “Driver Dispatch Systems”. The “Planning Systems”, “Automotive” and “Driver Dispatch Systems” divisions have been subsumed under the segment entitled “Other”.

The management monitors the operating results separately for each division in order to make decisions on the distribution of resources and to estimate the profitability. The profitability is determined based on the operational result, which corresponds to the result indicated in the consolidated financial statements.

1 January 2011 to 31 March 2011 EUR ‘000	Telematics and Electronic Fare Collection Sys.	Other	Eliminations and adjustments	Consolidated
Revenues				
With third parties	13,085	878	0	13,963
With other segments	347	390	-737	0
Total revenues	**13,432**	**1,268**	**-737**	**13,963**
EBIT	**2,872**	**-147**	**-104**	**2,621**
Segment assets	85,835	2,990	-2,123	86,702
Segment liabilities	38,373	1,752	-1,078	39,047
Interest income	14	0	-2	12
Interest expenses	62	7	2	71
Scheduled depreciation	551	39	0	590
Cost of revenues	8,298	876	-715	8,459
R&D costs	423	284	0	707
Foreign currency gains (+) and losses (-)	423	-19	0	404
Share in profit of associated companies	78	0	0	78
Income tax	1,052	7	0	1,059
Value impairments	71	0	0	71
Share in associated companies	2,300	0	0	2,300
Investments in tangible and intangible assets	657	69	0	726
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

GEOGRAPHICAL INFORMATION
based on customer's location

Sales revenues

EUR '000	01/01–31/03/2012	%	01/01–31/03/2011	%
Germany	4,021	20.5	6,821	48.9
Rest of Europe	2,921	14.9	3,092	22.1
North America	9,759	49.7	3,704	26.5
Other countries (Australia, UAE)	2,931	14.9	346	2.5
Group total	**19,632**	**100.0**	**13,963**	**100.0**

Non-current assets

EUR '000	31/03/2012	%	31/12/2011	%
Germany	10,279	87.0	10,406	88.2
Rest of Europe	261	2.2	196	1.6
North America	1,134	9.6	1,084	9.2
Other countries (Australia, UAE)	146	1.2	116	1.0
Group total	**11,820**	**100.0**	**11,802**	**100.0**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)
as of March 31, 2012 (unaudited)

	Attributable to equity holders			
EUR '000	Subscribed capital	Additional paid-in capital	Surplus reserves and Consolidated unappropriated profit	Treasury stock
Status as of 31/12/2010	10,040	4,793	32,565	-660
Net profit			1,510	
Other comprehensive income				
Total comprehensive income			**1,510**	
Share-based payments		-204		268
Status as of 31/03/2011	**10,040**	**4,589**	**34,075**	**-392**
Status as of 31/12/2011	10,040	5,122	41,590	-1,196
Net profit			1,965	
Other comprehensive income				
Total comprehensive income			**1,965**	
Share-based payments		-434		398
Acquisition of treasury stock				-32
Status as of 31/03/2012	**10,040**	**4,688**	**43,555**	**-830**

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		
-146	-233	38	46,397	270	46,667
			1,510	-7	1,503
	-573	-6	-579		-579
	-573	-6	931	-7	924
			64		64
-146	-806	32	47,392	263	47,655
-229	1,300	0	56,627	311	56,938
			1,965	-144	1,821
	-1,057	0	-1,057		-1,057
	-1,057	0	908	-144	764
			-36		-36
			-32		-32
-229	243	0	57,467	167	57,634

FINANCIAL CALENDAR AND IMPRINT

Date	Event
May 16, 2012	General Annual Meeting 2012, Kongresszentrum / Konzerthaus Karlsruhe
Aug 9, 2012	Publication Q2 Report 2012
Nov 9, 2012	Publication Q3 Report 2012
Nov 2012	Analyst conference, German Equity Forum, Frankfurt

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FIVE-YEAR FINANCIAL SUMMARY OF THE INIT GROUP
IFRS

EUR ‘000	**2011**	2010	2009	2008	2007
Balance Sheet					
Balance sheet total	109,756	84,421	71,610	57,951	44,475
Shareholders’ equity	56,938	46,667	38,977	31,596	26,688
Subscribed capital	10,040	10,040	10,040	10,040	10,040
Equity ratio (in %)	51.9	55.3	54.4	54.5	60.0
Return on equity (in %)	26.4	21.5	21.3	18.7	20.0
Non-current assets	19,806	13,484	14,297	15,186	13,424
Current assets	89,950	70,937	57,313	42,765	31,051
Income Statement					
Revenues	88,736	80,913	64,955	55,993	46,767
Gross profit	36,294	27,292	23,037	17,224	16,542
EBIT	20,430	15,085	11,754	8,597	7,228
EBITDA	22,891	17,592	14,157	10,169	8,543
Annual net profit	15,057	10,014	8,314	5,912	5,326
Earnings per share (in EUR)	1.51	1.00	0.84	0.60	0.54
Dividend (in EUR)	0.80	0.60	0.30	0.16	0.14
Cash Flow					
Cash flow from operating activities	17,433	14,615	5,570	7,146	-2,617
Share					
Issue price (in EUR)	5.10	5.10	5.10	5.10	5.10
Peak share price (in EUR)	19.99	15.89	11.30	8.80	9.40
Bottom share price (in EUR)	13.06	9.15	4.75	4.45	6.83

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