



init

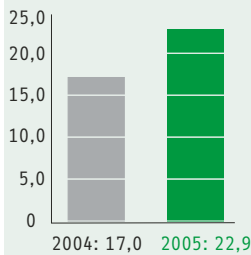
innovation
in traffic systems AG



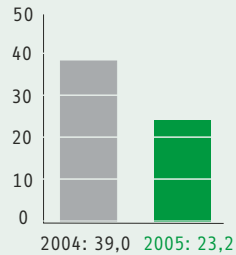
Q3 Report 2005



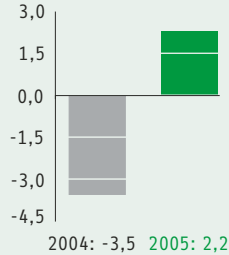
Sales Q1-Q3
in million €



Orders on hand Q1-Q3
in million €



EBIT Q1-Q3
in million €



Earnings per share
Q1-Q3 2004: -0,24 €
Q1-Q3 2005: 0,12 €

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	3.851.400
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 2005/2006

23.11.2005	Analyst Conference "Deutsches Eigenkapitalforum", Frankfurt
Wk. 13/2006	Disclosure Annual Report 2005
Wk. 19/2006	Disclosure Q1 2006 Report
Wk. 20/2006	Annual General Meeting, Karlsruhe
Wk. 32/2006	Disclosure Q2 2006 Report

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 raised the operating result forecast for fiscal 2005 as recently as in August, init innovation in traffic systems AG has now disclosed figures revealing that even these projections were exceeded as of the end of September and thus are very much evidence of a successful third quarter. Never before in its over 22 years of existence has init managed to attain sales of 22.9 million Euro (2004: 17.0 million Euro) and net earnings before interest and taxes (EBIT) of 2.2 million Euro (2004: -3.5 million Euro) in the first nine months of the fiscal year. These figures show that we have taken up our record set in 2001.

The consolidated surplus as of the end of September already aggregated 1.2 million Euro (2004: -2.3 million Euro) and thus also marked a new peak in this period. Consequently, the earnings per share stood at 0.12 Euro (2004: -0.24 Euro).

This steady improvement in our profitability not only highlights the success of the savings measures introduced in 2004; it also reveals a rise in margins in our projects. Consequently, we have once again raised our net earnings projections for 2005 and now expect the EBIT to exceed the 3-million-Euro mark by the end of this fiscal year.

Strong recovery in the German market

For init, the third quarter involved the successful conclusion of our large-scale project in Houston and a strong recovery in the German market. After a lengthy dry spell of almost two years, during which investments in the local public transportation infrastructure in Germany had been cut back to a minimum, the number of domestic tenders and contract awards finally soared again in 2005. In terms of business for init, this tendency resulted in quarterly revenues in Germany that trebled to 2.9 million Euro, after 0.9 million Euro in the previous year. In the aggregate, init reported revenues of 7.3 million Euro (2004: 8.1 million Euro) in the third quarter. At 0.6 million Euro (2004: 0.9 million Euro), the EBIT had climbed again to a positive level, despite significantly increased sales costs due to the rising number of tenders both in Germany and abroad.

Over the first nine months, sales increased by 34.7 per cent, from 17.0 million Euro in 2004 to 22.9 million Euro, with every target market of init recording two-figure growth rates. Due to the substantial business development in the third quarter, the domestic market in Germany advanced to head the list with gains of over 51 per cent. Here, sales in the first nine months of the year totaled around 5.5 million Euro (2004: 3.6 million Euro). Thus, at around 24 per cent (2004: 21.3 per cent), the share of business in Germany for the first time in two years had risen again in the breakdown of total sales according to regional markets.

Large-scale project in Houston completed on schedule and within budget

With a share of over 40 per cent (2004: 39.5 per cent), the key market for init remained North America,

where the revenue generated through its US-based subsidiary, INIT Inc., totaled around 9.3 million Euro (2004: 6.7 million Euro).

This figure corresponds to an increase of 38.5 per cent and predominantly results from hardware deliveries relating to our large-scale project in Houston. Here, init had been commissioned with the installation of an Integrated Vehicle Operations Management System (IVOMS), which connects around 1,300 vehicles and is a groundbreaking telematics system for local public transportation in the USA. After a period of only two years, this project was now completed on schedule and within budget. The total sales volume for init amounted to around 20 million US dollar.

On the European market, the deliveries for large-scale projects in Oslo and Stockholm continued in the third quarter. In this regional market, the company gained 22 per cent to 8.1 million Euro over the past nine months (2004: 6.7 million Euro). Thus, as of the end of September, over 35 per cent of the init revenue (2004: 39.2 per cent) were attributable to Europe (excluding Germany).

Incoming orders in Germany all but trebled

A further positive trend for init was evident in its rate of new orders. With economic activity on the German market continuing to improve, init enjoyed benefits in the form of both new customer contracts and follow-up business. Over the nine-month period to the end of September, this led to an inflow of new orders that all but trebled from 4.4 million Euro in the previous year to 12.5 million Euro.

In international business, init was successful in winning a further prestigious tender in July. After Stockholm and Oslo, the list of Scandinavian capitals opting for init systems for greater efficiency and appeal of their local public transportation service now also includes Copenhagen. Over the next two years, the suburban rail network of the Danish state railway will be modernized by init to include an integrated on-board information system.

On the whole, the inflow of new orders totaled 21.4 million Euro as of the end of September and thus was slightly up on the prior-year level of 20.6 million Euro. The volume of orders as of September 30 aggregated 23.2 million Euro to top the figure recorded at the end of 2004 (22.7 million Euro), despite an extraordinarily high volume of sales in the first nine month of 2005.

Init Inc. wins project in New York City

One of the most notable successes of init in competitive bidding was achieved subsequent to the period under review. Early in November, the Metropolitan Transportation Authority of New York City opted for our US subsidiary, INIT Inc., to equip its 1,329 paratransit vehicles with an intelligent management system, which was to optimize the day-to-day service of the company and ensure a more efficient control of operations. The project has a volume of 16 million US dollar. In New York City, "paratransit" is a special, demand-based transportation service for those who are not able to use

regular buses or trains. Each day, it ferries in excess of 14,000 from door to door.

Decisions on further offers and tenders submitted are expected in the near future, the volume of these totaling around 60 million Euro.

Cash flow and earnings at record level

The cash flow and earnings trend in the third quarter continued at record level. In addition to the persistently positive business trend, this also reflected lasting effects from the savings measures implemented in 2004, foreign exchange earnings in US business, and improved project margins. Consequently, the gross operating result from sales as of the end of September more than quadrupled from 1.6 million Euro in the previous year to 6.8 million Euro. The successful completion of the large-scale project in Houston in the third quarter further boosted our cash flow. The influx of funds from operating activities thus reached the highest level to date, increasing from -0.4 million Euro in 2004 to 4.6 million Euro as of the end of September.

At the same time, the short-term liabilities in the current fiscal year could be reduced by around 4 million Euro to 9.8 million Euro as of the end of September (2004: 13.2 million Euro). Consequently, the liquidity situation of init as of the balance sheet date proved to be very satisfactory, despite necessary provisions and advance payments for the year-end business. The liquid funds (incl. securities) in the same period reached a figure of 6.6 million Euro (2004: 2.5 million Euro).

The equity ratio increased to 59.0 per cent, compared with 49.5 per cent as at the end of 2004.

Prospects

In the latter half of the fiscal year, init innovation in traffic systems AG is set to keep up its record course with almost every relevant company ratio showing an upward trend. In the fourth quarter traditionally the period in the fiscal cycle recording the highest sales we anticipate a continuation of our growth dynamism.

Simultaneously, init will continue to pursue its cost management policy with single-minded determination to produce further economies on the purchase and production side. Expenditure for research and development will concentrate in the main on the further development of already successful products such as our on-board computer COPILOTpc or our planning software MOBILE-PLAN. This is expected to result in a quick return on capital employed.

Consequently, we are confident that init will reach its target of a profitable increase in sales and earnings (EBIT) exceeding 3.0 million Euro before interest and taxes in the 2005 fiscal year.

The init share: "Please buy your ticket before the rise"

In the third quarter of 2005, a number of investors cashed in on the high, two-figure price gain of the init share over the course of the year to date.

Consequently, its official price as of the end of August temporarily fell below the 5-Euro mark again. This consolidation, however, was the signal for a trend reversal, which stabilized after the elections for the Bundestag on September 18, so that the init share maintained a price of 5 Euro as at the end of September. This trend was subsequently supported by buy recommendations from analysts and investor magazines advising its readers to "buy your ticket before the rise."

Karlsruhe, November 3, 2005

for the Managing Board

Dr. Gottfried Greschner

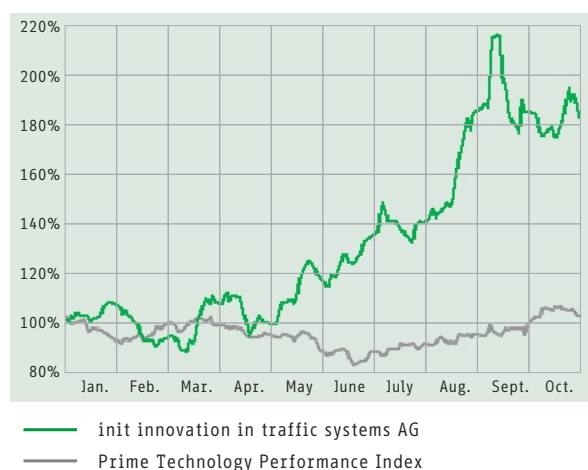
Chairman

Your contact for Investor Relations

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Performance January - October 2005



Explanatory notes to the interim financial statements

Notes to the reconciliations

The quarterly financial statements as of September 30, 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 (22 TEuro short-term and 53 TEuro long-term) were released. The balance of these adjustments (119 TEuro) reduced the net profit as of January 1, 2004, without affecting the operating result. The same procedure was applied in the transition to the IFRS quarterly financial statements as of September 30, 2004. In so doing, the elimination of interest capitalized after the date of transition as of January 1, 2004 and the reduction in depreciation 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 the first nine months 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, Karlsruhe, init telematik gmbh, Karlsruhe, and INIT Inc., Chesapeake, 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 of December 31, 2004, there were no contingent liabilities/claims in the init group. Replacement investments were made in tangible fixed assets in the amount of 194 TEuro. The sale of two vehicles generated revenue of 7 TEuro.

Of the five legal disputes pending as at the end of 2004, all 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 15 TEuro and relate to accounts receivable from sales and services to iris GmbH, Berlin, to the amount of 13 TEuro and to CarMedialab GmbH, Bruchsal, of 2 TEuro. The accounts payable to affiliated companies amount to 49 TEuro and are a result of trade accounts payable to iris GmbH.

Based on the resolution passed at the shareholders' meeting on May 15, 2003, replaced by the resolutions of May 3, 2004 and of May 11, 2005 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 in 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 908,000 Euro (previous year: 711,000 Euro) and openly deducted from the equity capital. Of the current treasury stock of 268,000 shares with an imputed share of 268,000 Euro (2.67%) in the capital stock, 3,474 resulted from the capital increase in 2002 and 264,526 from the company's stock repurchasing programs. The shares were repurchased at an average price of Euro 3.37 per share. In the first nine months of 2005, the company purchased a total of 31,000 shares at an average price of Euro 3.14.

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, or to participate the employees.

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

	30.09.2005	30.09.2004
Germany	139	152
USA	29	32
Total	168	184

Consolidated balance sheet according to IFRS at September 30, 2005

Assets	IFRS 30.09.2005 T€	IFRS 30.09.2004 T€	IFRS 31.12.2004 T€
Current assets			
1. Cash and cash equivalents	5,956	1,061	1,894
2. Marketable securities	648	1,471	1,466
3. Trade accounts receivable, net	9,337	10,633	14,519
4. Accounts receivable from related parties	15	20	81
5. Inventories	2,972	4,082	2,931
6. Deferred tax assets	205	1,699	604
7. Prepaid expenses and other current assets	1,083	1,595	849
Current assets, total	20,216	20,561	22,344
Non-current assets			
1. Tangible fixed assets, net	735	1,159	1,039
2. Internally generated software and other intangible assets, net	3,987	5,433	4,565
3. Goodwill, net	1,877	1,877	1,877
4. Financial investments	1,532	1,027	1,537
5. Loans	188	68	68
6. Deferred tax assets	42	61	42
7. Other assets	676	407	567
Non-current assets, total	9,037	10,032	9,695
Assets, total	29,253	30,593	32,039



Liabilities and shareholders' equity	IFRS	IFRS	IFRS
	30.09.2005 T€	30.09.2004 T€	31.12.2004 T€
Current liabilities			
1. Short-term debt and current portion of long-term debt	70	1,684	1,299
2. Dormant partners' capital	350	50	50
3. Trade accounts payable	2,740	2,843	4,356
4. Accounts payable due to related parties	49	399	717
5. Advance payments received	506	3,558	2,281
6. Accrued expenses	2,073	1,288	1,927
7. Accrued taxes	474	0	0
8. Deferred tax liabilities	899	1,261	948
9. Prepaid expenses and other current liabilities	2,637	2,155	2,184
Current liabilities, total	9,798	13,238	13,762
Non-current liabilities			
1. Deferred tax liabilities	969	1,358	1,009
2. Dormant partners' capital	0	350	350
3. Pension accrued and similar obligations	1,104	1,029	1,019
4. Other non-current liabilities	119	0	26
Non-current liabilities, total	2,192	2,737	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)	10,040	10,040	10,040
2. Additional paid-in capital	3,141	3,141	3,141
3. Treasury stock	-908	-711	-810
4. Consolidated unappropriated profit	5,320	2,500	4,132
5. Other comprehensive income	-330	-352	-630
Shareholders' equity, total	17,263	14,618	15,873
Liabilities and shareholders' equity, total	29,253	30,593	32,039

Consolidated balance sheet adjustments from US-GAAP to IFRS at September 30, 2004

Assets	IFRS	Adjustment to IFRS	US GAAP
	30.09.2004 T€	30.09.2004 T€	30.09.2004 T€
Current assets			
1. Cash and cash equivalents	1,061	0	1,061
2. Marketable securities	1,471	0	1,471
3. Trade accounts receivable, net	10,633	0	10,633
4. Accounts receivable from related parties	20	0	20
5. Inventories	4,082	0	4,082
6. Deferred tax assets	1,699	0	1,699
7. Prepaid expenses and other current assets	1,595	0	1,595
Current assets, total	20,561	0	20,561
Non-current assets			
1. Tangible fixed assets, net	1,159	0	1,159
2. Internally generated software and other intangible assets, net	5,433	-216	5,649
3. Goodwill, net	1,877	0	1,877
4. Financial investments	1,027	0	1,027
5. Loans	68	0	68
6. Deferred tax assets	61	0	61
7. Other assets	407	0	407
Non-current assets, total	10,032	-216	10,248
Assets. total	30,593	-216	30,809



	IFRS 30.09.2004 T€	Adjustment to IFRS 30.09.2004 T€	US GAAP 30.09.2004 T€
Liabilities and shareholders' equity			
Current liabilities			
1. Short-term debt and current portion of long-term debt	1,684	0	1,684
2. Dormant partners' capital	50	0	50
3. Trade accounts payable	2,843	0	2,843
4. Accounts payable due to related parties	399	0	399
5. Advance payments received	3,558	0	3,558
6. Accrued expenses	1,288	0	1,288
7. Deferred tax liabilities	1,261	-22	1,283
8. Prepaid expenses and other current liabilities	2,155	0	2,155
Current liabilities, total	13,238	-22	13,260
Non-current liabilities			
1. Deferred tax liabilities	1,358	-62	1,420
2. Dormant partners' capital	350	0	350
3. Pension accrued and similar obligations	1,029	0	1,029
4. Other non-current liabilities	0	0	0
Non-current liabilities, total	2,737	-62	2,799
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)	10,040	0	10,040
2. Additional paid-in capital	3,141	0	3,141
3. Treasury stock	-711	0	-711
4. Consolidated unappropriated profit	2,500	-132	2,632
5. Other comprehensive income	-352	0	-352
Shareholders' equity, total	14,618	-132	14,750
Liabilities and shareholders' equity, total	30,593	-216	30,809

Consolidated statement of operations according to IFRS at January 1, 2005 to Sept. 30, 2005

	Q3 2005 01.07.2005- 30.09.2005	Q3 2004 01.07.2004- 30.09.2004	Q1-Q3 2005 01.01.2005- 30.09.2005	Q1-Q3 2004 01.01.2004- 30.09.2004
	T€	T€	T€	T€
1. Revenues	7,279	8,060	22,876	16,979
2. Cost of revenues	-4,663	-5,640	-16,068	-15,390
Gross profit	2,616	2,420	6,808	1,589
3. Sales and marketing expenses	-1,233	-810	-3,366	-3,031
4. General administrative expenses	-405	-427	-1,305	-1,529
5. Research and development expenses	-320	-272	-889	-892
6. Other operating income and expenses	-254	-137	-188	252
7. Foreign currency exchange gains/losses	8	121	1,003	-52
Operating income (+) / loss (-)	412	895	2,063	-3,663
8. Interest income and expenses	-10	-34	-83	-112
9. Income from investments accounted for by the equity method	17	28	29	84
10. Other income/expenses	185	12	153	30
Profit (+) / loss (-) before income tax	604	901	2,162	-3,661
11. Income tax	-319	-247	-974	1,328
Net income (+) / loss (-)	285	654	1,188	-2,333
Earnings per share (undiluted) in Euro	0,03	0,07	0,12	-0,24
Earnings per share (diluted) in Euro	0,03	0,07	0,12	-0,24
Average number of floating shares (undiluted)	9,772,000	9,851,986	9,781,292	9,884,218
Average number of floating shares (diluted)	9,772,000	9,851,986	9,781,292	9,884,218

Consolidated statement of operations adjustments from US-GAAP to IFRS

	IFRS 01.01.2004- 30.09.2004 T€	Adjustment to IFRS Q1-Q3 2004 T€	US GAAP 01.01.2004- 30.09.2004 T€	IFRS 01.07.2004- 30.09.2004 T€	Adjustment to IFRS Q3 2004 T€	US GAAP 01.07.2004- 30.09.2004 T€
1. Revenues	16,979	0	16,979	8,060	0	8,060
2. Cost of revenues	-15,390	37	-15,427	-5,640	15	-5,655
Gross profit	1,589	37	1,552	2,420	15	2,405
3. Sales and marketing expenses	-3,031	0	-3,031	-810	0	-810
4. General administrative expenses	-1,529	2	-1,531	-427	1	-428
5. Research and development expenses	-892	0	-892	-272	0	-272
6. Other operating income and expenses	252	0	252	-137	0	-137
7. Foreign currency exchange gains/losses	-52	0	-52	121	0	121
Operating income (+) / loss (-)	-3,663	39	-3,702	895	16	879
8. Interest income and expenses	-112	-60	-52	-34	-10	-24
9. Income from investments accounted for by the equity method	84	0	84	28	0	28
10. Other income/expenses	30	0	30	12	0	12
Profit (+) / loss (-) before income tax	-3,661	-21	-3,640	901	6	895
11. Income tax	1,328	8	1,320	-247	-3	-244
Net income (+) / loss (-)	-2,333	-13	-2,320	654	3	651
Earnings per share (undiluted) in Euro	-0,24	0	-0,23	0,07	0	0,07
Earnings per share (diluted) in Euro	-0,24	0	-0,23	0,07	0	0,07
Average number of floating shares (undiluted)	9,884,218		9,884,218	9,851,986		9,851,986
Average number of floating shares (diluted)	9,884,218		9,884,218	9,851,986		9,851,986

Cash flow statement for the consolidated financial statement from January 1, 2005 to September 30, 2005 (IFRS)

	IFRS 01.01.2005- 30.09.2005	IFRS 01.01.2004- 30.09.2004
	T€	T€
Cash flow from operating activities:		
1. Net income (+) / Net loss (-)	1,188	-2,333
2. Depreciation and amortization	1,527	1,697
3. Profit (-)/Loss (+) on the disposal of fixed assets	-7	28
4. Profit from the sale of securities	-1	0
5. Change in accrued liabilities and cumulative value adjustments	705	427
6. Change in inventories, trade accounts receivable and other assets, not provided by/used in investing or financing activities	4,864	965
7. Change in trade accounts payable and other liabilities, not provided by/used in investing or financing activities	-3,514	250
8. Other non-cash income	-494	-84
9. Change in deferred taxes	311	-1,306
Net cash provided by operating activities	4,579	-356
Cash flow from investment activities:		
1. Inflows from sales of tangible fixed assets	7	1
2. Investments in tangible fixed assets and other intangible assets	-215	-410
3. Investments in software development	-374	-862
4. Investments in financial assets	-29	0
5. Inflows from financial investments	34	0
6. Inflows from the sale of marketable securities as part of short-term cash management	1,424	1,000
7. Investments in marketable securities as part of short-term cash management	-566	-504
Net cash provided/used in investment activities	281	-775
Cash flow from financing activities:		
1. Cash payments for the purchase of treasury stock	-98	-150
2. Cash payments for loans to associated companies	-120	0
3. Cash payments for dormant partners' capital	-50	-50
4. Inflows from taking up loans	0	137
5. Cash payments from redemption of loans	-1,229	0
6. Other adjustments made directly to shareholders' equity	681	-6
Cash flow from financing activities	-816	-69
Net effect of currency translation in cash and cash equivalents	18	0
Change in cash and cash equivalents	4,062	-1,200
Cash and cash equivalents at the beginning of period	1,894	2,261
Cash and cash equivalents at the end of period	5,956	1,061

Consolidated statement of operations adjustment from US-GAAP to IFRS January 1, 2004 - September 30, 2004

	IFRS 01.01.2004- 30.09.2004 T€	Adjustment to IFRS Q1-Q3 2004 T€	US GAAP 01.01.2004- 30.09.2004 T€
Cashflow from operating activities:			
1. Net income (+) / Net loss (-)	-2,333	-13	-2,320
2. Depreciation and amortization	1,697	-37	1,734
3. Profit (-)/Loss (+) on the disposal of fixed assets	28	0	28
4. Profit from the sale of securities	0	0	0
5. Change in accrued liabilities and cumulative value adjustments	427	0	427
6. Change in inventories, trade accounts receivable and other assets, not provided by/used in investing or financing activities	965	0	965
7. Change in trade accounts payable and other liabilities, not provided by/used in investing or financing activities	250	0	250
8. Other non-cash income	-84	0	-84
9. Change in deferred taxes	-1,306	-9	-1,297
Net cash provided by operating activities	-356	-59	-297
Cash flow from investment activities:			
1. Inflows from sales of tangible fixed assets	1	0	1
2. Investments in tangible fixed assets and other intangible assets	-410	0	-410
3. Investments in software development	-862	59	-921
4. Investments in financial assets	0	0	0
5. Inflows from financial investments	0	0	0
6. Inflows from the sale of marketable securities as part of short-term cash management	1,000	0	1,000
7. Investments in marketable securities as part of short-term cash management	-504	0	-504
Net cash used in investment activities	-775	59	-834
Cash flow from financing activities:			
1. Cash payments for the purchase of treasury stock	-150	0	-150
2. Cash payments for loans to associated companies	0	0	0
3. Cash payments for dormant partners' capital	-50	0	-50
4. Inflows from taking up loans	137	0	137
5. Cash payments from redemption of loans	0	0	0
6. Other adjustments made directly to shareholders' equity	-6	0	-6
Cash flow used in financing activities	-69	0	-69
Net effect of currency translation in cash and cash equivalents	0	0	0
Change in cash and cash equivalents	-1,200	0	-1,200
Cash and cash equivalents at the beginning of period	2,261	0	2,261
Cash and cash equivalents at the end of period	1,061	0	1,061

Consolidated statements of changes in shareholders' equity (IFRS)

	Ordinary shares Number	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. Purchase of treasury stock in 2004				
2. Net loss Q1 - Q3 2004				-2,333
3. Adjustment item for currency translation Q1 - Q3 2004 after deduction of T€ 0 tax				
4. Change in value of the marketable securities Q1 - Q3 2004 (available for sale) after deduction of T€ 2 tax				
Status at September 30, 2004	10,040,000	10,040	3,141	2,500
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 - Q3 2005				1,188
3. Adjustment item for currency translation Q1 - Q3 2005 after deduction of T€ 0 tax				
4. Change in value of the marketable securities Q1 - Q3 2005 (available for sale) after deduction of T€ 16 tax				
Status at September 30, 2005	10,040,000	10,040	3,141	5,320

Division reporting

	Q3 2005		Q3 2004		Q1-Q3 2005		Q1-Q3 2004	
	01.07.2005- 30.09.2005		01.07.2004- 30.09.2004		01.01.2005- 30.09.2005		01.01.2004- 30.09.2004	
	T€	%	T€	%	T€	%	T€	%
Revenues								
Mobile Telematics and Fare Management Systems	4,405	60.5	5,248	65.1	14,109	61.7	11,043	65.0
Telematics Software and Services	2,874	39.5	2,812	34.9	8,767	38.3	5,936	35.0
Total	7,279	100.0	8,060	100.0	22,876	100.0	16,979	100.0
Operating profit/loss								
Mobile Telematics and Fare Management Systems	179	43.4	734	82.0	1,297	62.9	-1,433	39.1
Telematics Software and Services	233	56.6	161	18.0	766	37.1	-2,230	60.9
Total	412	100.0	895	100.0	2,063	100.0	-3,663	100.0
Amortization								
Mobile Telematics and Fare Management Systems	227	41.1	221	36.7	628	41.1	573	33.8
Telematics Software and Services	325	58.9	382	63.3	899	58.9	1,124	66.2
Total	552	100.0	603	100.0	1,527	100.0	1,697	100.0
Long-lived tangible fixed assets								
Mobile Telematics and Fare Management Systems	397	54.0	597	51.5	397	54.0	597	51.5
Telematics Software and Services	338	46.0	562	48.5	338	46.0	562	48.5
Total	735	100.0	1,159	100.0	735	100.0	1,159	100.0
Investments in tangible fixed assets and intangible assets exclusive software development								
Mobile Telematics and Fare Management Systems	50	51.5	44	44.9	115	53.5	216	52.7
Telematics Software and Services	47	48.5	54	55.1	100	46.5	194	47.3
Total	97	100.0	98	100.0	215	100.0	410	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
			-150	-150
				-2,333
	30			30
		-11		-11
-95	-257	0	-711	14,618
-67	-562	-1	-810	15,873
			-98	-98
				1,188
	275			275
		25		25
-67	-287	24	-908	17,263

Geographical arrangement

	Q3 2005		Q3 2004		Q1-Q3 2005		Q1-Q3 2004	
	01.07.2005-30.09.2005		01.07.2004-30.09.2004		01.01.2005-30.09.2005		01.01.2004-30.09.2004	
	T€	%	T€	%	T€	%	T€	%
Revenues								
Germany	2,875	39.5	914	11.3	5,464	23.9	3,616	21.3
Europe	1,999	27.5	3,178	39.5	8,131	35.5	6,663	39.2
North America	2,405	33.0	3,968	49.2	9,281	40.6	6,700	39.5
Total	7,279	100.0	8,060	100.0	22,876	100.0	16,979	100.0
Long-lived tangible fixed assets								
Germany	519	70.6	868	74.9	519	70.6	868	74.9
North America	216	29.4	291	25.1	216	29.4	291	25.1
Total	735	100.0	1,159	100.0	735	100.0	1,159	100.0

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