



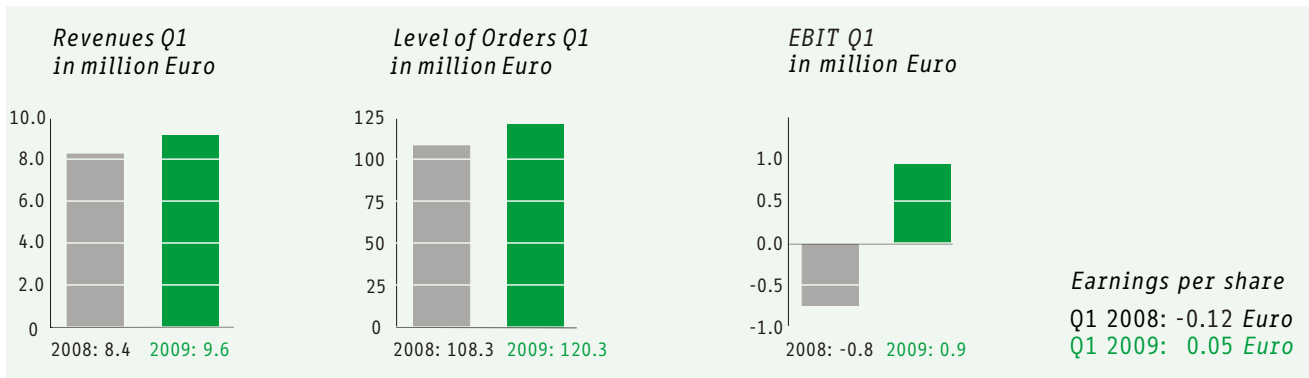
init

innovation in
traffic systems AG



Q1 Report 2009





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 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.

Director's Holdings

Management Board	Number of shares
Dr. Gottfried Greschner, CEO*	3,595,000
Joachim Becker, COO	340,983
Wolfgang Degen, COO	94,000
Dr. Jürgen Greschner, CSO	97,364
Bernhard Smolka, CFO	19,600

* thereof 3,560,000 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	-
Bernd Koch	-
Fariborz Khavand	-

Company calendar 2009

May 20, 2009	Shareholders' Meeting, Karlsruhe
August 14, 2009	Disclosure Q2 2009 Report
Sept. 2009	Small and Mid Cap Conference of Baader Wertpapierhandelsbank, Unterschleißheim
Nov. 9-11, 2009	Deutsches Eigenkapitalforum, Frankfurt - Analyst Conference
Nov. 13, 2009	Disclosure Q3 2009 Report

Statutory bodies of the Company

Supervisory Board

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

Consulting engineer specializing in local public transportation (Chairman), member of the Supervisory Board of Berliner Verkehrsbetriebe, member of the Supervisory Board of BT Berlin Transport GmbH, Berlin, member of the Advisory Board of PTM, master's degree at the University of Duisburg/Essen.

> Bernd Koch (Vice-Chairman)

Self-employed business consultant, 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 Elco Motores GmbH, Hagen.

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*



Letter to the Shareholders

*Ladies and Gentlemen,
dear Shareholders,*

In the first quarter of 2009, the global economy was thrown into the worst crisis since World War Two. Hardly a day passed without more bad news that would stir up further uncertainty and shake our confidence in the future. This confidence, however, is one of the key motivating forces behind all economic activities, and the basis for economic success.

We are therefore delighted to see that our customers have continued to place their trust in us despite the currently difficult circumstances; customers that have already implemented one of our telematics solutions and those that have confidence in the efficiency of our systems based on the experience of others.

This double sign of confidence is characteristic for the success of init innovation in traffic systems AG in the first quarter of 2009. In San Francisco and Rotterdam, for example, we were able to gain major transportation companies as new customers and also received follow-up contracts for system extensions in Dallas, Oslo and The Hague.

Success despite global crisis

Despite the continuing crisis in the global financial markets, and despite an historically unprecedented economic downturn at the global level, our company started rather well into fiscal 2009. With revenues of EUR 9.6m, we managed an increase of over 14% from the previous year at (EUR 8.4m). This meant that we were able in the first three months of the year not only to achieve, but to exceed, the sales target which we had set for ourselves. Since the first quarter is usually the weakest for init in terms of sales, the positive trend in the first three months of 2009 means that we have laid the foundations for continued above-average growth in the current fiscal year.

A particularly satisfactory aspect is the fact that this growth is also reflected in our operating result. As of the end of March 2009, the gross profit on sales of EUR 2.8m had doubled from the previous year (EUR 1.4m), so that init was able as early as in the first quarter to generate a positive result in terms of earnings before interest and taxes (EBIT), of EUR 0.9m compared to EUR -0.8m last year. This results in net profit for the period of EUR 0.5m (2008: EUR -1.2m), which corresponds to earnings per share of EUR 0.05 (2008: EUR -0.12).

International recognition secures positive trend beyond 2009

A characteristic feature of our business, and the confidence now placed in init at global levels is evident by the fact that over 70% of our sales were

generated from customers in foreign countries. While other sectors of the industry lamented the decline in exports, our international business and customer contacts are highly robust even in the current exceptional situation.

In the period under review, init was once again able to win key international contracts. This has contributed quite significantly to our current record level of orders of around EUR 120m. Further tenders are pending a decision, while the number of invitations to tender continues at a high level.

We therefore expect to receive further new and follow-up orders in the near future, from such places as Germany, Europe, North America and the Middle East, which already now will secure the continued growth of init beyond 2009.

Customer relations grow with good experiences

The European market in particular is developing rather well for init. One of the decisive factors here is the significant level of confidence placed in the efficiency of our systems based on good experience but also on our references. Characteristic of this are our customer relations such as those developed with the transportation service provider in the Norwegian capital of Oslo. Here, init has cooperated with the local public transportation provider Trafikanten since 2004 to set up in several stages one of the most modern management systems in local public transportation in Europe. For the past few years, some 1,000 buses and trams of Trafikanten Oslo have operated much faster using our telematics systems and provided a far more punctual and efficient service.


The system set up by Trafikanten and init, however, is not only impressive above ground, but last year, the Norwegian success story continued below the ground. Kollektivtransportproduksjon AS, the organization responsible for local public transportation in Oslo, and the parent company of Oslo T-banedrift the operator of Oslo's subway (T-bane), is currently modernizing a majority of its stations and has opted for PIDstation type LED displays from init.

We have now also received another follow-up order from Trafikanten. In addition to the 1,000 vehicles already equipped, init has been commissioned to provide around 180 buses with the COPILOTpc on-board computer and the PIDvisio multimedia display. The PIDvisio is designed to provide passengers with details regarding the next stop or transfer options.

Reference projects with substantial signal effect

The example of Oslo shows how init continues to develop intensive customer relations over the years. In addition to individual cities and transportation networks, our commitment has also increasingly been evident at regional and even national levels.





This is proven by our trend of business in the Netherlands. As early as 2006, we provided around 50 bi-directional trams of the tram operator HTM (Haagsche Tramweg-Maatschappij) in The Hague with our COPILOTpc on-board computers and the touch screen panel TOUCHit. They are now integrated into the computer-aided operating control system which we have installed in the city which is the seat of the Netherlands government. HTM has now exercised the option to extend its existing system to include its bus network in the city.

In the first quarter of 2009, our reference project in The Hague gained us a further major customer with the Rotterdam transportation operator. We are currently scheduled to integrate some 400 vehicles of RET (Rotterdamse Elektrische Tram), the transportation company owned by the city with the largest seaport in Europe, into an init operating control system. After the transportation operator in The Hague and the private transportation company Syntus, this is now the third project which we will implement in the Netherlands.

Rotterdam and the follow-up contract from The Hague, however, are not only significant for the Benelux region, but amongst other things, HTM also actively consults transportation companies in Egypt, China and Russia. This opens the door for init to new markets without having to spend significant amounts for marketing or sales.

Additional potential through state aid programs

In order to secure the mobility of the public and to create appropriate energy-efficient and climate-friendly transportation systems, billions are currently being made available worldwide for the setup and development of the necessary infrastructure. In addition, the governments of all major industrialized nations have now devised state aid programs to combat the economic crisis. These also involve investments in intelligent infrastructures and could thus become a further growth driver for init.

In Germany and Europe, we therefore expect to see a significant rise in incoming orders in the general crisis year of 2009; the USA should follow by 2010 at the latest. Even outside these key markets, the dynamics continue to be promising. In the United Arab Emirates and in Australia/New Zealand, we are anticipating projects in the amount of several million euro.

As a consequence, we see good reason to continue trusting in the sustainable growth of init in the future. As a token of our confidence, the Managing Board and the Supervisory Board are proposing an increase in dividends. Subject to approval at the

shareholders' meeting convened for May 20, 2009, our proposal suggests a dividend of EUR 0.16 per dividend-bearing no-par share (previous year: EUR 0.14).

With this step we intend to show you, our shareholders, that your confidence in init and the future of our company, especially in these difficult times on the stock market is more than warranted.

For the Managing Board:



Dr. Gottfried Greschner

Chairman



Share and Investor Relations

The init share – Steady upward tendency against general trend

In the first quarter of 2009, the stock markets around the world were affected by the intensifying global economic crisis. A glut of negative data and projections for 2009 nursed the uncertainty in the capital markets and, on balance, resulted in a further substantial decline in prices. In the period under review, the German share index DAX lost some 15% in value, while the index of leading technology shares, TecDax, dropped a further 8%.

After a good start into the new year, the share of init innovation in traffic systems AG (ISIN DE0005759807) initially followed the TecDax trend. From mid-February, however, it managed to break away from the generally negative course. The price has since move up steadily to finish at EUR 6.12 as of the end of March. In the first quarter, the init share thus gained over 11% in value to contrast the general trend. The steady upward tendency continued even after the reporting date.

Due to this exceptional position based on excellent company news and a record order level of around double the annual sales init innovation in traffic systems AG also generated new interest among institutional investors at several Investor Relations activities.

While the valuations for the majority of the companies were adjusted downward as a result of the global economic crisis, a number of analysts have raised their upward targets for init due to solid key data. The price currently ranges between 8 and 11 EUR.

Your investor relations contact

init
innovation in traffic systems AG

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Performance Q1 2009



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



Group Status Report

General business trend

2009 can be seen as a year of challenges of previously unknown magnitude. For in the overwhelming view of the experts, the worldwide economic slump in 2008 resulting from the global financial crisis will be followed this year by a further dramatic crash. According to the latest forecasts by leading economic institutions such as the German government, for example, a further decline in gross domestic product of up to six percent is expected in Germany for 2009. Exports, traditionally the driving force of economic growth until now, will be particularly affected by this negative development. A tentative reversal in the international downturn is not expected before mid-2010. It is, however, difficult to judge from the current perspective the effect that the state aid programs of the individual countries will have, and the extent to which the recession can be moderated in both the short and the long term by means of the scheduled billions of investment in the public sector, because most of these economic packages will probably not take effect until the second half of 2009.

Despite these extremely negative overall economic conditions, the growth prospects for init remain positive in the medium term. On the basis of the continuing international tenders as well as the current record level of orders amounting to around EUR 120m, we expect to be able to maintain our successful growth trend in the crisis year of 2009. In addition to which we expect to receive new and follow-up orders in the near future, from such places as Germany, Europe and North America, which already now will secure the continued growth of init in 2010.

The distribution of sales over the course of the fiscal year is traditionally uneven for the init group, with the first quarter normally having the lowest sales figures and the fourth quarter delivering the strongest sales. In the first quarter of 2009, we actually slightly exceeded the sales target set. The result was considerably above our forecast, which is essentially attributable to the improved currency exchange rates compared with the previous year. With the positive trend in the first quarter of 2009, we have laid the foundations for another successful fiscal year.

Order situation

The order situation of the init group remains very pleasing. Orders received in the first quarter from Germany amounted to EUR 3.5m, and EUR 9m from Europe. A further USD 4.3m worth of new orders were acquired in North America.

The European market in particular is currently performing very well for init. init's third major customer in the Netherlands, the RET (Rotterdamse Elektrische Tram) public transportation operator, for

example, has commissioned an ITCS (Intermodal Transport Control System). A total of around 400 vehicles of the public transportation operator are to be equipped with the system. The order volume amounts to several million euros. init has also received follow-up orders running into the millions from Norway and Sweden.

In the US, init also managed to acquire an order at the start of the year for the equipment of more Siemens streetcars for Salt Lake City. In this case, over 70 streetcars will be equipped with the COPILOTpc on-board computer and a passenger counting system.

The init group currently has an order book amounting to around EUR 120m (previous year: EUR 108m).

Earnings position

Consolidated sales amounting to EUR 9.6m were achieved as of March 31, 2009 (previous year: EUR 8.4m). Around 70.8% of this (previous year: 78.1%) was due to foreign sales. In order to be able to meet order deadlines and at the same time to exploit new growth opportunities in the market, init has moderately adjusted its personnel capacity in the current fiscal year to 272 employees (previous year: 251). Gross profit on sales, amounting to EUR 2.8m as of the end of March, is considerably above the prior-year figure (EUR 1.4m), which is essentially attributable to the improved exchange rates in the US dollar and for the United Arab Emirates dirham.

In the first quarter, init achieved earnings before interest and taxes (EBIT) amounting to EUR 0.9m (previous year: EUR -0.8m). This produces a result for the period of EUR 0.5m (previous year: EUR -1.2m), which corresponds to earnings per share of EUR 0.05 (Q1 2008: loss of EUR 0.12).

Financial and net worth position

Total assets rose by EUR 10.3m in the reporting period compared to the previous year (March 31, 2008), to reach EUR 58.2m. On the asset side of the balance sheet, this rise results primarily from the higher level of cash and cash equivalents, the rise in receivables, inventories and non-current assets, as well as the increase in other assets. On the liabilities side of the balance sheet, the increase is for the most part reflected in the rise in provisions and in the liabilities arising from the "Percentage of Completion" method to be applied according to the International Financial Reporting Standards (IFRS).

Operating cash flow was balanced in the first quarter and up on the previous year by around EUR 0.1m. Cash flow will, however, improve significantly over the course of the year, as we expect to receive some sizeable payments from various major projects.

Equity amounted to EUR 32.4m as of March 31, 2009 (March 31, 2008: EUR 25.3m). The equity ratio increased to 55.7%, from 52.8% in the previous year.



Current liabilities to banks amounted to EUR 0.6m as of the end of March (previous year: EUR 2.1m) and primarily relate to the American subsidiary INIT Inc. The non-current bank liabilities amounting to EUR 1.2m (previous year: EUR 1.2m) concern a loan for the extension of the Karlsruhe location.

Liquid resources including short-term securities amounted to EUR 5.9m on March 31, 2009 (previous year: EUR 3.2m). The rise in cash items is a result of payments received in the major projects. The existing guarantee and credit lines also continue to secure the financing of our business activities.

In the first three months of 2009, EUR 0.2m (previous year: EUR 0.8m) were used for capital expenditure and intangible assets (not including software development). These were essentially replacement and rationalization investments.

Production

init has no production facilities of its own, concentrating instead on production management and quality assurance.

We are not dependent on individual suppliers. This allows us to switch suppliers should one of our business partners be unavailable. For fiscal 2009, we have extended the group of suppliers and negotiated new framework agreements. The economic crisis also offers the opportunity to enhance quality while at the same time reducing cost of conversion.

Personnel

The increased volume of orders has made it necessary to adjust the size of the workforce within the init group. This trend will also continue to a moderate degree in the coming months, as we anticipate further major orders shortly.

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

As of March 31, 2009, init employed 272 staff (previous year: 251) including temporary staff, scientific assistants, and graduate students. There are another 16 employees undertaking an apprenticeship.

Against the background of the expected general shortage of skilled personnel in the next few years, one of our key personnel policy objectives is to retain qualified employees within the company over the long term.

Environmental protection

As a catalyst of resource-saving technological developments for local public transportation, init is particularly committed to the protection of the environment. Our products help transportation

companies provide faster and more competitive public transport, in order to increase its attractiveness in comparison with private transport. The transportation companies can thus optimize their transport services and deliver them in a more eco-friendly way. As a result, the environment is subjected to fewer exhaust gas and particulate matter.

Research and development

In 2009, our software and hardware development teams worked on the further development of existing and various new products and innovations.

In the first quarter, a total of EUR 0.5m (previous year: EUR 0.8m) were spent within the init group on the development of new products. Of these, software developments amounting to EUR 0.3m (previous year: EUR 0.4m) were capitalized. The amortization applied to capitalized software amounted to EUR 0.2m (previous year: EUR 0.1m).

In addition, customer-funded new and further developments were carried out in the course of projects, amounting to at least five times as much again.

Risks and risk management

The risks for the future development of the init group depend essentially on the risks in the group's operating companies. There are currently no risks within the init group that are a threat to survival.

In that context, a risk management system is an integral part of our business and decision-making processes. Prior to making a decision on important measures, these are discussed in detail in regular meetings of the Managing Board, and their prospects and risks weighed against each other. There are regular reports relating to any imminent risks in the meetings of the Managing Board and the Supervisory Board. Alternative measures are discussed with the Supervisory Board.

One of the crucial success factors for the init group is project management. The successful handling of projects depends on their completion as scheduled, the scope of each individual project, the enforceability of contractual terms, the readiness of the customer to be involved in the project implementation through productive contributions, and the specific national laws and regulations. Apart from unforeseeable technical and customer-specific difficulties, the punctual completion of projects also depends to a degree on the availability of sufficiently qualified personnel.

Contracts concluded in foreign currency involve exchange risks that can affect sales, the purchase prices, the valuation of claims, currency reserves, liabilities, and with it, the financial result. init meets these exchange risks with active exchange rate management, making use of switch deposits, forward

exchange dealings and currency options. Since init also tries to keep its options open here and focuses on active management, it may consequently incur losses. Due to our risk policy, however, we consider this risk of loss to be minimal.

The investments of init include stocks, fixed-interest securities and fixed-term deposits. Exchange and interest change risks can therefore reduce the financial result of the group.

Opportunities

With international reference projects in such places as Dubai, Oslo, Stockholm, The Hague, Copenhagen, New York City, Houston, and Vancouver (Canada), init has an excellent starting basis for future invitations to tender. These projects have a signal effect and demonstrate that init is capable of completing jobs worldwide. The projects in Dubai and Tasmania in particular are of great significance for further tenders in the Middle East and in Australia/New Zealand. In the United Arab Emirates alone, the intention is to invest billions more in local public transportation in the next few years, with the result that follow-up orders can be expected from this region.

In Germany, too, an excellent starting position has been achieved for further tenders as a result of the major projects of Stadtverkehr Bayern (Urban Public Transport, Bavaria), Nuremberg, and Dresden Regional Public Transportation.

We are currently involved in several tenders worldwide on four continents.

Prospects

init innovation in traffic systems AG finished the first quarter with sales and earnings in excess of the forecast figures, thus laying the foundations for another successful fiscal year. On the basis of the good state of the order book, we anticipate continuing rising sales and earnings for the remaining quarters of 2009. We are aiming to achieve sales revenues for fiscal year 2009 amounting to EUR 60m, with an EBIT figure of EUR 8.6m.

The rise in the US dollar in relation to the euro is also having a positive effect, as a result of which our margins have once again improved in relation to the previous year. However, a damper is put on our fundamentally optimistic forecasts by the financial crisis, the effects of which are currently not clear even to the experts, either in the short or long term. But we are working diligently to emerge from this crisis stronger than ever. We are primarily concentrating on the ever more intensive international efforts for climate protection, even in regions that have to date been rather reluctant to act on this topic. Similarly, the demand for infra-

structure investment in the transportation sector and for intelligent concepts to satisfy growing mobility needs will increase worldwide, and finally, the internationally imposed economic packages will also have a stimulating effect.

The prospects for sustainable growth at init are thus still valid in the medium and long term. In any case, the events of the first quarter of 2009 reinforce our confidence that we remain entirely on course for success, despite any possible setbacks resulting from the general economic conditions.

Karlsruhe, May 14, 2009

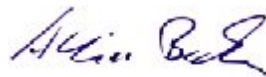
The Managing Board



Dr. Gottfried Greschner



Bernhard Smolka



Achim Becker



Wolfgang Degen



Dr. Jürgen Greschner

Number of Employees (annual average)

(incl. temporary workers and students)

	03/31/2009	03/31/2008
Germany	215	194
North America	52	55
Other Countries	5	2
Total	272	251



*Consolidated Income Statement according to IFRS from January 1, 2009 to March 31, 2009
(unaudited)*

	01/01/2009- 03/31/2009	01/01/2008- 03/31/2008
	kEUR	kEUR
Revenues	9,648	8,441
Cost of revenues	-6,802	-7,047
Gross Profit	2,846	1,394
Sales and marketing expenses	1,468	-1,479
General administrative expenses	-823	-734
Research and development expenses	-252	-387
Other operating income	297	164
Other operating expenses	-6	0
Foreign currency gains/ losses	219	179
Operating loss/profit	813	-863
Income from associated companies	40	50
Other income and expenses	14	46
Loss/profit before interest and income tax (EBIT)	867	-767
Interest income	50	62
Interest expenses	-39	-70
Loss/profit before income tax (EBT)	878	-775
Income tax	-413	-452
Net loss/profit	465	-1,227
thereof attributable to equity holders of the parent company	527	-1,169
Minority interests	-62	-58
Net loss/profit and diluted net profit per share in EUR	0,05	-0,12
Average number of floating shares (undiluted)	9,876,206	9,844,278
Average number of floating shares (diluted)	9,876,206	9,844,278

*Consolidated Balance Sheet according to IFRS as of March 31, 2009
(unaudited)*

Assets	03/31/2009 kEUR	12/31/2008 kEUR
Current assets		
Cash and cash equivalents	5,876	6,806
Marketable securities	96	14
Trade accounts receivable	23,922	26,389
Accounts receivable from related parties	3	4
Inventories	10,889	7,685
Income tax receivable	2	51
Other current assets	2,248	1,816
Current assets, total	43,036	42,765
Non-current assets		
Tangible fixed assets	4,945	4,955
Goodwill	2,081	2,081
Other intangible assets	3,707	3,695
Interest in associated companies	1,892	1,852
Accounts receivable from related parties	68	68
Deferred tax assets	1,061	1,062
Other assets	1,377	1,473
Non-current assets, total	15,131	15,186
Assets, total	58,167	57,951



Liabilities and shareholders' equity	03/31/2009 kEUR	12/31/2008 kEUR
Current liabilities		
Bank loans	635	1,129
Trade accounts payable	3,494	2,672
Amounts payable of percentage of completion method	6,097	5,262
Accounts payable due to related parties	37	170
Advance payments received	884	2,249
Income tax payable	1,187	1,060
Provisions	3,663	3,907
Other current liabilities	4,202	4,482
Current liabilities, total	20,199	20,931
Non-current liabilities		
Long-term debt less current portion	1,200	1,200
Deferred tax liabilities	2,123	2,037
Pensions accrued and similar obligations	2,123	2,082
Other non-current liabilities	102	105
Non-current liabilities, total	5,548	5,424
Shareholders' equity		
Attributable to the equity holders of the parent company		
Subscribed capital	10,040	10,040
Additional paid-in capital	3,948	3,950
Treasury stock	-785	-789
Consolidated unappropriated profit	19,408	18,881
Other reserves	-323	-680
	32,288	31,402
Minority interests	132	194
Shareholders' equity, total	32,420	31,596
Liabilities and shareholders' equity, total	58,167	57,951

*Cash Flow Statement for the Consolidated Financial Statement
from January 1, 2009 to March 31, 2009 (IFRS)
(unaudited)*

	01/01/2009- 03/31/2009	01/01/2008- 03/31/2008
Cash flow from operating activities:	kEUR	kEUR
Net income/loss	465	-1,227
Depreciation and amortization	501	384
Losses on the disposal of fixed assets	11	88
Changes in provisions and accruals	-203	259
Changes in inventories	-3,204	-1,920
Changes in trade accounts receivable	2,467	-167
Changes in other assets, not provided by/used in investing or financing activities	-286	-1,240
Changes in trade accounts payable	822	844
Changes in advanced payments received and amounts payable of POC	-530	3,347
Changes in other liabilities, not provided by/used in investing or financing activities	-289	-733
Amount of other non-cash income and expense	286	273
Net cash from operating activities	40	-92
Cash flow from investing activities:		
Investments in tangible fixed assets and other intangible assets	-183	-753
Investments in software development	-256	-357
Inflows from associated companies	0	189
Investments in securities as part of short-term cash management	-72	-5
Net cash flows used in investing activities	-511	-926
Cash flow from financing activities:		
Redemption/Inflows from bank loans	-494	725
Net cash flows used in financing activities	-494	725
Net effect of currency translation changes in cash and cash equivalents	35	-242
Increase/Decrease in cash and cash equivalents	-930	-535
Cash and cash equivalents at the beginning of the period	6,806	3,748
Cash and cash equivalents at the end of the period	5,876	3,213

Selected explanatory notes for Q1 2009 (IFRS)

General disclosure

The init group is an internationally operating system supplier of transportation telematics (telecommunications and informatics, also known internationally as "Intelligent Transportation Systems" or ITS). The business activities are subdivided into the following segments: Telematics and Electronic Fare Collection Systems, Planning Systems and Automotive Engineering.

The quarterly report as of March 31, 2009, and the benchmark figures were prepared in compliance with the International Financial Reporting Standards (IFRS) and are consistent with IAS 34. The accounting and valuation methods applied to the consolidated financial statements dated December 31, 2008 were retained except for the new IFRS standards.

The consolidated interim financial statement has been prepared in Euro. Unless otherwise stated, all figures are rounded to the nearest thousand (KEUR).

init AG is listed on the stock exchange (ISIN No.: DE0005759807) and, since the January 1, 2003, has been in the sub-area of the regulated market with further, subsequent obligations arising from admission (Prime Standard).

The consolidated interim report and the consolidated financial statement as of March 31, 2009, were not subject to a review.

The interim report of the first quarter was communicated to the supervisory board on May 5, 2009.

New accounting standards

IFRS 8 Operating Segments: use of the standard is mandatory for reporting periods beginning on or after January 1, 2009. An early adoption for previous reporting years is possible. init started using this standard as of January 1, 2008. IFRS 8 requires that the amounts indicated for each operating segment item must be the same as those amounts internally reported to the chief operating decision maker, even if these figures were not calculated according to the company's IFRS accounting and valuation methods. Compared with the previously applicable standard, the IAS 14, this leads to deviations between the segment information details at init.

This results in three segments at init:

1. Telematics and Electronic Fare Collection Systems
2. Planning Systems
3. Automotive Engineering

The Telematics and Electronic Fare Collection Systems segment currently accounts for over 90% of the total volume. This implies that the Planning Systems and Automotive Engineering do not currently have to be reported separately but are combined under "other segments".

IAS23R replaces IAS 23 "borrowing costs". The main difference is that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form shall be capitalised as part of the cost of this asset. IAS 23R is effective for annual periods beginning on or after January 1, 2009. The application of the revised standard has currently no significantly effect on the group's assets, liabilities, financial position and earnings situation.

IAS1 "Presentation of Financial Statements" (revised). This standard prescribes the basis for presentation of general purpose to ensure comparability both with entity's financial statements of previous periods and with the financial statements of other entities. This standard sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. The latter comprises the profit or loss of the reporting period as well as equity changes other than those changes resulting from transactions with owners in their capacity as owners that are not recognized in profit or loss (other comprehensive income or loss).

Consolidated group

Fully consolidated companies

The group of consolidated companies of init AG comprises the subsidiaries INIT GmbH, Karlsruhe, Germany ("INIT GmbH"), INIT Innovations in Transportation Inc., Chesapeake/Virginia, USA ("INIT Inc."), INIT Innovations in Transportation (Eastern Canada) Inc./INIT Innovations en Transport (Canada Est) Inc., Montréal, Canada ("Eastern Canada Inc."), INIT Innovations in Transportation (Western Canada) Inc., Vancouver, Canada ("Western Canada Inc."), INIT PTY LTD, Queensland, Australia ("INIT PTY"), Init Innovation in Traffic Systems FZE, Dubai ("Init FZE") and initplan GmbH, Karlsruhe ("initplan"). In each of the above init AG holds a 100% shareholding. In addition, the following are also fully consolidated: CarMedialab GmbH, Bruchsal, Germany ("Car-Medialab"), in which init AG holds a 58.1% of the shares, and the TQA Total Quality Assembly LLC, Chesapeake/Virginia, USA ("TQA"), in which INIT Inc. holds a 60% share.

Associated companies

init AG has a 44% share in id systeme GmbH, Hamburg ("id systeme") and INIT GmbH holds 43% of the stock of iris GmbH infrared & intelligent sensors, Berlin ("iris"). The associated companies are included at equity in the consolidated financial statement.

Inventories

A total of 202 kEUR (previous year: 140 kEUR) for inventory impairment losses was recorded as expenses. This expenditure is included in the income statement under "Cost of revenues".

Accounts receivable

A total of 1 kEUR (previous year: 0 kEUR) for impairment losses in accounts receivable was recorded as expenses. This expenditure is included in the income statement under "Other operating expenses".

Tangible fixed assets

The tangible (fixed) assets essentially concern the administration building at Kaeppelestr. 4, two residential houses, office furnishings and technical equipment. Replacement investments totalling 132 kEUR were made (previous year: 195 kEUR). The sale of certain tangible (fixed) assets generated 0 kEUR (previous year: 0 kEUR).

Liabilities

Debts are carried on the liabilities side of the balance sheet at their net book value. The liabilities due to affiliated companies totalled 37 kEUR (previous year: 1 kEUR) and relate to trade accounts payable to iris GmbH, Berlin.

Shareholders' equity

Subscribed capital

The capital stock is divided into 10,040,000 individual no-par stock certificates made out to the owner with an imputed share of the capital stock of 1.00 EUR each. The stock has been issued and fully paid in.

Authorized capital

An approved capital of 5,020,000 EUR was created by the resolution passed at the company's ordinary shareholders' meeting on the July 13, 2006. With the approval of the Supervisory Board, this will empower the Management Board to increase the capital stock of the company by up to 5,020,000 EUR by July 13, 2011,

by way of a single or repeated issue of up to 5,020,000 individual stock certificates against contributions in cash or kind. The new shares are to be taken up by banks under the obligation that they will offer them for sale to shareholders. However, with the approval of the Supervisory Board, the Management Board is authorized to withdraw the stock option in order to: issue up to 1,004,000 new shares at a price not substantially lower than the stock market value of the company's stock at the time of specifying the issue price; balance out peak amounts; open up additional capital markets; facilitate the acquisition of shareholdings and the acquisition of, or merger with, other companies or parts of companies by way of contribution as investment in kind and to convert up to 250,000 new shares into employee stocks.

Capital reserves

On March 31, 2009 the capital reserves totalled 3,948 kEUR, with 3,141 kEUR of this coming from the premium of the shares sold for stock market floatation and from the capital increase in the 2002 financial year. 295 kEUR were allocated in the context of recording the expenditure from the share-based remuneration from 2005 to 2008 and 0 kEUR in the first quarter 2009. The transfer of shares in the context of the share bonus agreement for a subsidiary released for 2 kEUR in 2009. The sale of own shares in 2007 increased the capital reserves by 514 kEUR.

Treasury stock

On January 1, 2009 the treasury stock totalled 164,655 shares. Based on the resolution passed at the shareholders' meeting on May 16, 2007, replaced by the resolution of the shareholders' meeting on May 27, 2008, the company was authorized to purchase treasury stock.

In the course of share bonus agreement 2008, 994 shares were transferred after the fact with a qualifying period of two years. This means that the treasury stock on March 31, 2009 totalled 163,661 shares.

The company's treasury stock is valued at cost at 785 kEUR (March 31, 2008: 977 kEUR) and openly deducted from the shareholders' equity. Of the treasury stock of 163,661 shares on March 31, 2009, with an imputed share of 163,661 EUR (1.63%) in the capital stock, 1,139 shares come as a result of the capital increase in 2002 and 162,522 shares from the company's stock repurchasing program. The stock was repurchased at an average price of 4.79 EUR per share. The treasury stock was repurchased for use as consideration in the context of mergers or the context of buying other companies, parts thereof or interests therein, or, where required, for tapping into additional capital markets or for issue to employees and Management Board members.



Paid and proposed dividends

	kEUR
Dividend for 2007: 0.14 EUR per share, paid out on May 28, 2008	1,387
Ordinary dividends for 2008 proposed for approval at the shareholder's meeting: 16 cents per share	1,580

Contingent liabilities/claims

As of December 31, 2008, the init group had no contingent liabilities.

Legal disputes

Currently no lawsuits being pursued through the courts. The provision of the previous year in the amount of 6 kEUR were released in the first quarter 2009.

Segment reporting

The segment reporting is provided on page 15 of the group interim report.

Other Disclosures

Related Party Transactions

The companies included in the consolidated financial statement and the associated companies are listed in the section on the consolidated group.

	Associated companies		Other related party transactions	
	2009	2008	2009	2008
Proceeds from sales to related parties and persons as of 3/31 kEUR	2	0	0	0
Earnings from related parties and persons as of 3/31 kEUR	172	52	92	92
Due from related parties and persons as of 3/31 kEUR	71	179	61	61
Due to related parties and persons as of 3/31 kEUR	37	1	0	0

Associated companies

The amount due from related parties includes loans amounting to 68 kEUR (previous year: 168 kEUR) and

concerns iris GmbH. This is indicated in the balance sheet under non-current assets.

The remaining amount of 3 kEUR also concerns iris GmbH (previous year: 11 kEUR). These accounts receivable are for goods and services and have less than a year left to run. They are indicated in the balance sheet under current assets.

The accounts payable to related parties are for goods and services and have less than a year left to run. These are due to iris GmbH and amount to 37 kEUR (previous year: 1 kEUR). They are indicated in the balance sheet under current liabilities.

Other related party transactions

INIT GmbH rents its office building in Karlsruhe from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG. The monthly rental payments are currently running at 30 kEUR (rounded) (annual payment: 367 kEUR). The rental price is contractually fixed until June 30, 2011 and will then increase to 475 kEUR per year, every year from July 1, 2011 until June 30, 2026. In addition, a rent deposit of 61 kEUR has been paid for the office building in Karlsruhe.

Terms of the business transactions with related parties and persons

Sales to and purchases from related parties (affiliated companies and persons) shall be made to the normal market terms and conditions. There are no guarantees whatsoever for accounts receivable from or payable to related parties. The group has not made any value adjustments on accounts receivable from related parties for the financial year as of March 31, 2009.

Karlsruhe, May 14, 2009

Dr. Gottfried Greschner

Bernhard Smolka

Achim Becker

Wolfgang Regen

Dr. Jürgen Greschner

Segment Reporting

The group comprises the following reportable segments:

1. The "Telematics and Electronic Fare Collection Systems" segment includes integrated systems for the management of public transport services, fare management systems, passenger information as well as passenger counting systems.
2. The category "Others" consists of the segments Planning Systems (planning and data management systems) and Automotive Engineering (analysis systems for the automotive industry).

For the purpose of corporate management the group is divided into three business segments (Telematics and Electronic Fare Management Systems, Planning Systems, Automotive Engineering) based on the products and services on offer. The business units Planning Systems and Automotive Engineering were combined into the category "Others".

Management monitors the operative results separately for each business segment to decide on the allocation of resources and assess profitability. Profitability is decided based on operational performance which equates to the total declared in the group's consolidated financial statement.

01/01/2009-03/31/2009	Telematics and Electronic Fare Collection Systems	Others	Eliminations and adjustments	Consolidated
	kEUR	kEUR	kEUR	kEUR
Revenues				
with third parties	9,357	291	0	9,648
with other segments	61	316	-377	0
Revenues, total	9,418	607	-377	9,648
EBIT	1,120	-306	53	867
Segment assets	57,587	1,997	-1,417	58,167
Segment liabilities	25,212	1,447	-912	25,747
Interest income	54	1	-5	50
Interest expenses	34	10	-5	39
Scheduled depreciation	442	59	0	501
Cost of revenues	6,534	703	-435	6,802
Research and development expenses	203	49	0	252
Foreign currency gains (+)/losses (-)	202	17	0	219
Income from associated companies	40	0	0	40
Income tax	410	3	0	413
Impairments	202	0	0	202
Shares in associated companies	1,892	0	0	1,892
Investments in tangible fixed assets and intangible assets	596	43	-200	439
12/31/2008				
Segment assets	57,081	2,717	-1,847	57,951
Segment liabilities	25,905	1,827	-1,377	26,355
Shares in associated companies	1,852	0	0	1,852



01/01/2008-03/31/2008	Telematics and Electronic Fare Collection Systems	Others	Eliminations and adjustments	Consolidated
	kEUR	kEUR	kEUR	kEUR
Revenues				
with third parties	8,076	365	0	8,441
with other segments	65	120	-185	0
Revenues, total	8,141	485	-185	8,441
EBIT	-350	-257	-160	-767
Segment assets	47,603	2,161	-1,944	47,820
Segment liabilities	21,878	1,610	-922	22,566
Interest income	63	1	-2	62
Interest expenses	68	4	-2	70
Scheduled depreciation	336	56	-8	384
Cost of revenues	6,687	529	-169	7,047
Research and development expenses	387	0	0	387
Foreign currency gains (+)/losses (-)	179	0	0	179
Income from associated companies	50	0	0	50
Income tax	404	48	0	452
Impairments	140	0	0	140
Shares in associated companies	1,748	0	0	1,748
Investments in tangible fixed assets and intangible assets	828	482	-200	1,110
12/31/2007				
Segment assets	43,806	1,926	-1,257	44,475
Segment liabilities	17,143	1,267	-623	17,787
Shares in associated companies	1,887	0	0	1,887

Geographical Information

	01/01/2009- 03/31/2009		01/01/2008- 03/31/2008	
	kEUR	%	kEUR	%
Revenues with external customers				
Germany	2,816	29.2	1,847	21.9
Rest of Europe	2,124	22.0	2,122	25.1
North America	2,190	22.7	3,844	45.6
Other Countries (Australia, UAE)	2,518	26.1	628	7.4
Group total	9,648	100.0	8,441	100.0

The above information about the sales revenue is based on the customer's location.

	03/31/2009		12/31/2008	
	kEUR	%	kEUR	%
Non-current assets				
Germany	9,379	89.0	9,387	89.4
North America	1,014	9.6	976	9.3
Other Countries (Australia, UAE)	151	1.4	139	1.3
Group total	10,544	100.0	10,502	100.0

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

Consolidated Statements of Changes in Equity as of March 31, 2009 (IFRS) (unaudited)

	Subscribed capital	Additional paid-in capital	Consolidated unappropriated profit
	kEUR	kEUR	kEUR
Status as of December 31, 2007	10,040	3,973	14,347
Profit for the period			-1,169
Other comprehensive income			
Total comprehensive income			-1,169
Share-based payments		92	
Status as of March 31, 2008	10,040	4,065	13,178
Status as of December 31, 2008	10,040	3,950	18,881
Profit for the period			527
Other comprehensive income			
Total comprehensive income			527
Share-based payments		-2	
Status as of March 31, 2009	10,040	3,948	19,408

*Interim Consolidated Statement of Comprehensive Income
from January 1, 2009 to March 31, 2009 (IFRS)
(unaudited)*

	01/01/2009- 03/31/2009	01/01/2008- 03/31/2008
	kEUR	kEUR
Profit for the period	465	-1,227
Exchange differences on translation of foreign operations	348	-279
Net gain on available-for-sale financial assets	9	-20
Other comprehensive income for the period, net of tax	357	-299
Total comprehensive income	822	-1,526
thereof attributable to equity holders of the parent company	884	-1,468
thereof minority interests	-62	-58

Attributable to equity holders of the parent

Attributable to equity holders of the parent					Minority interest	Total Shareholders' equity
Treasury stock	Difference from pension valuation	Other reserves Difference from currency translation	Stock market valuation of securities	Total		
kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
-977	98	-983	-4	26,494	194	26,688
				-1,169	-58	-1,227
		-279	-20	-299		-299
		-279	-20	-1,468	-58	-1,526
				92		92
-977	98	-1,262	-24	25,118	136	25,254
-789	187	-841	-26	31,402	194	31,596
				527	-62	465
		348	9	357		357
		348	9	884	-62	822
4				2		2
-785	187	-493	-17	32,288	132	32,420

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