

**Group Interim Report**  
as at 31 March 2009

## Schaltbau Group Key Financial Figures for the period ended 31 March

Group key financial figures		31 March 2009	31 December 2008	31 March 2008	31 December 2007
<b>Order situation</b>					
Order-intake	€ m.	79.3	281.2	82.5	271.9
Order-book	€ m.	188.7	181.6	198.3	181.3
<b>Income statement</b>					
Sales	€ m.	72.6	280.2	65.1	232.1
Total output	€ m.	71.6	282.4	66.7	236.1
Profit from operating activities (EBIT)	€ m.	6.1	21.9	5.5	14.1
EBIT margin	%	8.4	7.8	8.4	6.1
Group net profit for the period	€ m.	4.3	13.1	3.5	8.2
Profit attr. to shareholders of the AG	€ m.	3.7	11.8	3.1	7.2
Return on capital employed	%	19.0	19.4	19.5	14.0
<b>Balance Sheet</b>					
Fixed assets	€ m.	61.0	60.5	59.2	60.2
Working capital	€ m.	66.6	52.2	53.1	40.9
Capital employed	€ m.	127.6	112.6	112.3	101.0
Group equity	€ m.	11.9	8.6	-0.7	-2.1
Net bank liabilities	€ m.	43.0	37.7	45.9	41.4
Balance sheet total	€ m.	176.1	168.1	167.5	164.7
<b>Personnel</b>					
Employees at end of reporting period	Number	1,609	1,599	1,535	1,551
Personnel expense	€ m.	21.0	79.4	19.5	74.8
Personnel expense per employee	€ 000	58.2	55.8	56.7	54.5
Total output per employee	€ 000	198.5	198.2	194.2	172.1
<b>Earnings per share</b>					
Earnings per share - undiluted	€	1.96	6.35	1.68	3.85
Earnings per share - diluted	€	1.83	5.94	1.68	3.85

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*Dear shareholders,*

We are currently experiencing the worst economic crisis in over 50 years. The first signs already began to emerge at the end of 2008. However, the shattering impact which has confronted us so far in 2009 was hardly imaginable, even for the most pessimistic of economic experts. According to the OECD, world trade levels plummeted by over 20 per cent during the first quarter of the year. This has had a dramatic effect on many key industries. Order intake in the field of mechanical engineering decreased by 42 per cent in Germany and domestic carmakers were forced to cut back production by approximately 33 per cent in line with reduced export demand. The further consequences of these sharp cutbacks are extremely serious. Chrysler has been forced to go into administration. General Motors, one of the largest corporations in the world, is currently standing with its back to the wall and Opel is desperately searching for a sustainable perspective, to name but a few examples. The supply industry has already been badly hit. Demand for plants and equipment in particular is liable to remain at a low level for quite a number of months.

No company is having an easy time under these extreme market conditions, regardless of industry. We too, of course, have not been fully able to escape the impact of the crisis, although the market environment relevant for the Schaltbau Group has remained remarkably stable on the whole and we were still able to record a positive performance during the first quarter of 2009, despite the largely unfavourable situation. Overall, the companies of our Group registered first-quarter sales revenue figures approximately 12 per cent above those of the previous year. Bode showed the greatest increase in the Mobile Transportation Technology segment. In the Components segment Schaltbau GmbH was successful in maintaining its sales figures at last year's levels. Pintsch Bamag and Pintsch Bubenzer both attained a pleasingly strong level of growth in the Stationary Transportation Technology segment.

The sales vitality has enabled us to further increase the EBIT by 11 per cent. Group net profit improved by an even greater margin. Thus in balance sheet terms the foundation of the Schaltbau Group has become even more solid since our success in eliminating negative Group equity in the fiscal year 2008. At 31 March 2009 the Group equity ratio stood at 6.8 per cent. Including participation rights capital, which is similar in nature to equity, we have even surpassed the 10 per cent mark.


Without a doubt there is an immense amount of insecurity in the market at the current

point in time. Nevertheless, our forecast regarding the performance of the Schaltbau Group for the rest of the year remains optimistic. We have strongly attuned our efforts to the needs of the railways industry, our largest single market with a sales revenue share of almost 50 per cent. This sector is currently being promoted with an array of government investment programmes. We will be able to profit both from these programmes and from long-term trends in individual transportation, which is continually becoming more expensive. Energy-efficient transportation will be one of the key solutions to overcoming the challenges of the future and our main customers will be actively contributing towards accomplishing this goal.

For this reason we are convinced that Schaltbau is active in the right fields of business. We are also gaining ground in international competition in these areas due to our wide-ranging ability to innovate. Our endeavours are resulting in a great number of new products which give us the potential to boost sales volume in all key markets and give us a relatively high degree of planning reliability. From this firm basis and on the condition that markets relevant for the Schaltbau Group do not suffer a collapse in the course of the fiscal year we abide by our forecasts. We predict both order intake and sales revenues to attain a volume of approximately € 280 million respectively and earnings per share in the region of € 6.20.

If the expected level of incoming orders does not prove to be fully attainable, measures will come into force which we have already prepared to cope with any possible recession scenarios and are, in some cases, already being implemented as the need arises. On the other hand the current economic environment also presents opportunities for acquisitions. The prerequisites for any possible action, however, are companies whose products are compatible with our objectives in terms of market position, profitability and quality. Sustainable, profitable growth continues to have absolutely top priority.

Dear shareholders, we wish to thank you sincerely for the trust you have placed in our work. Both we of the Executive Board and the management boards of our subsidiaries will continue to promote the interests of the Schaltbau Group with great commitment and prudence. The prospects for our group of companies continue to be favourable.



Dr. Jürgen Cammann

Spokesman of the Executive Board

## **Group Interim Management Report**

Despite the financial crisis and the heavy negative impact it had on many parts of the real economy, the Schaltbau Group's business performance remained in line with expectations during the first three months of 2009. Sales revenues rose sharply on the back of a very good order situation. The pleasing performance was also reflected in first-quarter earnings, which again improved on those of the previous year.

### **Major events during the first quarter 2009**

In order to meet the growing market need for transparency, segment reporting within the Schaltbau Group has now been restructured with effect from 1 January 2009. The Group is therefore also taking IFRS 8 requirements into account at the same time. The interim report for the first quarter 2009 now divides the Group's business operations into three segments for the first time, one for each of the operational companies respectively.

The change only affects the segment Mobile Transportation Technology, which has now been divided into two separate segments. The business field Components has been detached from the segment and will be reported on as a separate segment with immediate effect. The business field Door Systems, represented by the Bode Group, remains within the Mobile Transportation Technology segment. It consists of the product groups Door Systems for Railway Vehicles, Door Systems for Buses and Fittings for Sliding Vehicle Doors. The new Components segment comprises the business field Electromechanical Components, the products of which are manufactured and sold by the Schaltbau GmbH Group. The product groups within this business field are Connectors, Switches, Contactors and Electrics for Rolling Stock.

The Stationary Transportation Technology segment continues to consist of the two business fields Rail Infrastructure (Pintsch Bamag) and Brake Systems (Pintsch Bubenzer). Restructuring has also been carried out within this segment. The integration of the Pintsch Bamag brakes business in Pintsch Bubenzer GmbH was largely completed last year and the organisation of this business field has now been fully assigned to Pintsch Bubenzer as of 1 January 2009.

### **Business environment**

The situation of the world economy continued to deteriorate in the first quarter 2009. The member states of the Organisation for Economic Cooperation and Development (OECD) currently find themselves in the deepest and most drawn-out depression for over 50 years, according to the Economic Outlook of the OECD from March 2009. The report states that world trade in the six-month period up to the end of March 2009 contracted by more than 20% seen on a yearly basis and constitutes the greatest decline in forty years. According to the OECD, industrial production has been unusually badly hit. German carmakers recorded a great fall in

demand from foreign markets, which led to them cutting back production by 33 per cent during the first three months of 2009, according to preliminary figures. Order-intake figures in the field of mechanical engineering within Germany even sank by 42 per cent in the three-month period up to the end of March 2009.

However, markets relevant for the Schaltbau Group were still largely able to detach from the unfavourable macroeconomic conditions during the period under report. The Mobile Transportation Technology segment is influenced by the railways sector by approximately 50%. Bode continues to benefit from long-term projects in this sector. The manufacturers' order-books were well filled. Furthermore, the spare parts business showed an unusual degree of vitality. In contrast, however, domestic bus production decreased by 10 per cent during the period under report although a sharp rise was recorded in March, according to early estimates.

In the Stationary Transportation Technology segment, ongoing project delays caused weaker demand in the business field Rail Infrastructure operated by Pintsch Bamag. The economic stimulus packages adopted by the German federal government in 2008, which include comprehensive measures for maintaining and improving the country's railway infrastructure, have not yet been implemented due to the amount of advance project planning necessary. Demand in the fields of railway vehicle equipment and warning technology remained largely stable. Markets in the business field Brake Systems served by Pintsch Bubenzer displayed pleasing trends at a high level and remained firm throughout the period under report.

Based on growth at a high level in 2008, the Components segment profited from projects in the fields of Railway Products and Rolling Stock that were implemented in the first quarter 2009. In view of this fact, the customer segment continued to perform very positively. In line with the market as a whole, business with industrial applications came heavily under pressure. The launching of new products in the industrial trucks market important for Schaltbau GmbH was, however, partly able to compensate.

### **Order situation**

The order situation in the Schaltbau Group developed as expected during the first quarter 2009. Order intake stood at € 79.3 million, comparing well with the very high figure of € 82.5 million from the previous year.

In the **Mobile Transportation Technology** segment Bode continued to display the pleasing performance seen in 2008. Demand for the new, standardised drive concepts in the field of Door Systems for Railway Vehicles remained unbroken. In January and February two major orders were received, which were responsible for strong growth in the field of Door Systems for Railway Vehicles and easily compensated for reductions in other areas. The bus market, which was weak

at the beginning of 2009, has caused a decline in incoming orders for door systems for both city buses and travel coaches. Order figures for the product group Fittings for Sliding Vehicle Doors were impaired by the currently poor state of the German automotive industry.

The order situation in the **Stationary Transportation Technology** segment did not change significantly in the first quarter 2009. In the business field Rail Infrastructure operated by Pintsch Bamag, the level of incoming orders is still being held down by ongoing delays in the implementation of scheduled railway projects. Business with Pintsch Bubenzer brake systems, however, continued to perform very well.

In the **Components** segment Schaltbau GmbH continued to register a stable level of incoming orders from the railways industry, which compared well with the good figures of the previous year. Industrial business, however, was forced to accept a sharp decline in incoming orders as a result of the ongoing economic crisis. The market introduction of new models in the field of industrial trucks, the manufacturers of which decided for components made by Schaltbau GmbH, did manage to provide a certain degree of compensation.

The high Group **order-book** figures totalling € 188.7 million underline the stable order situation of the companies of the Schaltbau Group (2008: € 198.3 million).

## **Sales**

Due to the high order-book level at the beginning of the year, Schaltbau Group sales revenues grew strongly in the first quarter 2009, registering a total of € 72.6 million after € 65.1 million for the same period the previous year. All of the Group's companies contributed as expected to the good result.

Bode showed the greatest progress in the **Mobile Transportation Technology** segment. Bode's positive performance was underlined by the high level of sales in the product group Door Systems for Railway Vehicles. Sales in the product group Door Systems for Buses were slightly up on those of the first quarter 2008. The pronounced weakness throughout the automotive industry was responsible for noticeably lower sales revenues in the product group Fittings for Sliding Vehicle Doors, which were, however, more than compensated for by very good sales performance, particularly in the field of Door Systems for Railway Vehicles.

The **Stationary Transportation Technology** segment recorded strong growth in sales revenues. In the first three months of 2009 Pintsch Bamag registered a rise in the sale of level crossing systems compared with the previous year's first-quarter figures. Pintsch Bubenzer continued to display the good performance seen throughout 2008.

In the **Components** segment Schaltbau GmbH was successful in maintaining its sales revenue figures at last year's levels. Sales grew in the product groups Electrics for Rolling Stock and Contactors. The Chinese company XI'AN continued its upward trend with high single-digit growth in the national currency.

### **Group earnings performance**

The Group earnings situation in the first quarter 2009 again improved on that of the previous year. In keeping with sales figures, earnings from operating activities (EBIT) improved from € 5.5 million last year to € 6.1 million, thereby maintaining the good EBIT margin of 8.4% from 2008. Group net profit stood at € 4.3 million on 31 March 2009, approximately € 0.8 million higher than the previous year's first-quarter figure. The profit attributable to shareholders grew from € 3.1 million last year to € 3.7 million for the first three months of 2009. Earnings per share again improved from last year's high level of € 1.68 to reach € 1.96.

Benefiting from the positive order-book and sales revenue situation, the EBIT for the Mobile Transportation Technology segment more than doubled to reach a figure of € 1.6 million (2008: € 0.6 million). Thus the EBIT margin for the segment improved considerably by three percentage points to achieve 5.6%.

In the Stationary Transportation Technology segment the EBIT for the first quarter 2009 reached € 2.9 million and thus maintained the previous year's level. That is equivalent to an EBIT margin of 11.0% (2008: 11.8%).

The Components segment achieved an EBIT of € 2.7 million (2008: € 2.8 million). Despite the greatly reduced volume of industrial business in the wake of the financial crisis, the EBIT margin of 14.9% (2008: 16.6%) remained above average.

### **Group financial and net assets position**

There was no significant change in the assets and liabilities structure of the Schaltbau Group, with non-current assets (excluding deferred tax assets) accounting for 34.6% of the balance sheet total (31 Dec. 2008: 36.0%). The significant growth in sales revenues and an orders-related reduction in advance payments led to an increase in working capital of € 52.2 million compared with 31 Dec. 2008 to total € 66.6 million. Group net bank liabilities amounted to € 43.0 million at 31 March 2009 and have thus increased by € 5.3 million in connection with the working capital to be financed since the end of 2008. Investments in property, plant and equipment and intangible assets amounted to € 1.76 million, thereby exceeding depreciation of € 1.52 million.

Group equity again grew from € 8.6 million at 31 Dec. 2008 to € 11.9 million at 31 March 2009. Thus the equity ratio rose from 5.1% on 31 Dec. 2008 to 6.8% at the end of the period under

report. Including participation rights capital of €7.0 million, which is similar in nature to equity, Group equity amounted to € 18.9 million or 10.8% at the end of the first quarter of the current fiscal year.

### **Purchasing**

The situation on purchasing markets eased noticeably in the first quarter 2009. In the wake of the sales crisis in key sections of the economy, falling demand has led to some heavy reductions in the prices of many raw materials.

The lower steel and NE metal prices were partly agreed to by contract during the period under report. The resulting positive impact on material costs will, however, only be noticed gradually, whereas the prices of products containing precious metals and crude-oil-dependent products such as plastic parts already became cheaper in the first quarter 2009.

There were no supply bottlenecks during the three-month period ended March 2009. Delivery times, however, have not yet become noticeably shorter. In some cases, manufacturers have compensated for the reduced demand caused by the recessive economic environment by reducing their production capacities.

### **Significant events occurring after 31 March 2009**

No events of particular significance have taken place since the end of the first quarter 2009.

### **Opportunities and risks report**

There were no changes to the fundamental risks and opportunities influencing the future development of the Schaltbau Group in the first three months of 2009 compared to those portrayed in the Group Financial Statements for the fiscal year 2008.

### **Forecasts and other statements regarding anticipated development**

The outlook for industries relevant to the performance of the Schaltbau Group is varied. In the Mobile Transportation Technology segment the outlook for Bode is favourable in view of the currently high order backlog in the field of Door Systems for Railway Vehicles. There is no reason to suppose that the current demand trend will fundamentally change. Business in Door Systems for Buses, however, is likely to diminish in the course of the year. Depending on its extent, the business field Door Systems for Railway Vehicles may be able to at least partly compensate for the reduced sale of Door Systems for Buses and the demand for Fittings for Sliding Vehicle Doors, which has been declining since the fourth quarter 2008.

Business performance in the Rail Infrastructure field of the Stationary Transportation Technology segment is fundamentally dependent on demand from the railways sector, which is largely driven

by long-term projects and governmental investment programmes. The service and financing agreement (LuFV) made between Deutsche Bahn AG and the German Federal Ministry of Transport is highly relevant for the German market. According to its terms, the existing railway structure throughout Germany is to be modernised at an annual cost of €2.5 billion up to and including the year 2013. The planning necessary prior to making these investments is expected to be successively concluded, which should mean that the current delay in the awarding of orders dissolves gradually.

The business field Brake Systems will benefit from the maintenance and modernisation of container terminals. Any possible slackening of demand in the second half of 2009 should be at least partially compensated for by orders from the wind power industry. After having completed the development projects, Pintsch Bubenzer showed an increased presence for the first time at this year's Hanover Trade Fair to win orders in this promising field of business. The activity is designed to help boost the sale of products for wind power plants during the current year.

Sales revenues in the Components segment are divided 60% to 40% between railways products and the investment goods market. Demand for railway components is expected to remain stable. In the investment goods industry, however, particularly the automotive, logistics and telecommunications sectors are being most severely affected by the impact of the recession. Schaltbau GmbH is combating the resulting impact on its business by developing innovative new products. In view of the extremely insecure business environment it is not currently possible to assess to which extent the effects of the business downturn can be compensated for. This sector, however, constitutes less than 10% of the entire business volume of the Schaltbau Group and for this reason grave consequences are not expected.

On balance the Schaltbau Group is well equipped to deal with the further course of 2009. With their products the Group's subsidiaries are well positioned in all of their relevant markets. The railways sector continues to be of outstanding significance and this area is predicted to benefit from the numerous investment programmes designed to stimulate the economy. Internationally the level of investment remains high for both railway infrastructure and trains. In China the Schaltbau Group is already deriving profit from the high speed at which economic stimulus programmes are being implemented.

Despite the higher degree of uncertainty, the Schaltbau Group is still largely expected to maintain its levels of order intake and sales revenue at the previous year's volume of approximately €280 million respectively for the fiscal year 2009. Based on current knowledge, the Group abides by the earnings forecast made in October 2008, which predicted earnings per share in the region of €6.20 assuming that markets relevant for the Schaltbau Group do not suffer a massive collapse in the course of the fiscal year.

**Significant transactions with associated companies and persons**

Information available in the Notes.

# Condensed Interim Consolidated Financial Statements as at 31 March 2009

## Consolidated Income Statement for the Period from 1 January to 31 March 2009

€000	1.1.-31.03.2009	1.1.-31.03.2008
1. Sales	72,568	65,118
2. Change in inventories of finished and work in progress	-1,197	1,403
3. Own work capitalised	219	162
<b>4. Total output</b>	<b>71,590</b>	<b>66,683</b>
5. Other operating income	812	256
6. Cost of materials	36,629	34,371
7. Personnel expense	20,980	19,460
8. Amortisation and depreciation	1,519	1,405
9. Other operating expenses	7,216	6,226
<b>Profit from operating activities</b>	<b>6,058</b>	<b>5,477</b>
a) Result from at-equity accounted investments	161	150
b) Other results from investments	0	0
10. Results from investments	161	150
a) Interest income	12	54
b) Interest expense	1,453	1,561
11. Finance result	-1,441	-1,507
<b>12. Profit before tax</b>	<b>4,778</b>	<b>4,120</b>
13. Income taxes	500	605
<b>14. Group net profit</b>	<b>4,278</b>	<b>3,515</b>
<b>Analysis of group net profit</b>		
attributable to minority shareholders	619	382
attributable to the shareholders of Schaltbau Holding AG	3,659	3,133
Group net profit	<b>4,278</b>	<b>3,515</b>
<b>Earnings per share – undiluted:</b>	<b>1.96 €</b>	<b>1.68 €</b>
<b>Earnings per share – diluted:</b>	<b>1.83 €</b>	<b>1.68 €</b>

## Statement of Income and Expenses Recognised in Equity

€000	1.1.-31.03.2009			1.1.-31.03.2008		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
<b>Group net profit</b>			<b>4,278</b>			<b>3,515</b>
Translation differences			296			-706
Derivative financial instruments	-240	72	-168	-247	75	-172
<b>Total income and expenses recognised directly in equity</b>	<b>-240</b>	<b>72</b>	<b>128</b>	<b>-247</b>	<b>75</b>	<b>-878</b>
<b>Total income and expenses recognised in equity</b>			<b>4,406</b>			<b>2,637</b>
<b>of which:</b>						
attributable to minority shareholders			81			-33
attributable to the shareholders of Schaltbau Holding AG			47			-845
			<b>128</b>			<b>-878</b>

## Consolidated Cash Flow Statement for the Period from 1 Jan. to 31 March 2009

	<b>€000</b>	<b>€000</b>
	1.1.-31.03.2009	1.1.-31.03.2008
<b>Group net profit</b>	<b>4,278</b>	<b>3,515</b>
Amortisation, depreciation and impairment losses on non-current assets	1,517	1,405
Gains on disposal of non-current assets	27	-
Finance result	1,442	1,508
Income tax expense	500	604
Change in current assets	-8,422	-7,825
Change in provisions	2,749	819
Change in current liabilities	-4,591	-2,160
Dividends received	261	-
Interest paid	-826	-916
Interest received	12	54
Income taxes paid	-267	-280
Other non-cash income/ expenses	-206	-124
<b>Cash flow from operating activities</b>	<b>-3,526</b>	<b>-3,400</b>
<b>Payments for investments in:</b>		
- property, plant and equipment and intangible assets	-1,758	-908
- financial investments	-250	-
<b>Proceeds from disposals of:</b>		
- property, plant and equipment	60	-
- at-equity accounted investments and other equity investments	-	-
<b>Cash flow from investing activities</b>	<b>-1,948</b>	<b>-908</b>
Share buyback	-	-195
Dividend payment	-	-
Distributions to minority interests	-	-
Repayment of / proceeds from financial liabilities	3,873	603
<b>Cash flow from financing activities</b>	<b>3,873</b>	<b>408</b>
Change in cash and cash equivalents due to exchange rate fluctuations	<b>89</b>	<b>-7</b>
Change in cash and cash equivalents due changes in group reporting entity	-	-
<b>Changes to cash, cash equivalents and securities</b>	<b>-1,512</b>	<b>-3,907</b>
Cash and cash equivalents at the end of the period	3,820	3,977
Cash and cash equivalents at the beginning of the period	5,332	7,884
	<b>-1,512</b>	<b>-3,907</b>

## Consolidated Balance Sheet as at 31 March 2009

ASSETS	TEUR	TEUR
	31.03.2009	31.12.2008
<b>A. NON-CURRENT ASSETS</b>		
I. Intangible assets	12,536	12,222
II. Property, plant and equipment	40,158	40,270
III. At-equity accounted investments	6,514	6,484
IV. Other investments	1,752	1,506
V. Deferred tax assets	9,005	9,000
	<b>69,965</b>	<b>69,482</b>
<b>B. CURRENT ASSETS</b>		
I. Inventories	54,158	53,343
II. Trade accounts receivable	42,128	33,241
III. Income tax receivables	154	40
IV. Other receivables and assets	5,862	6,686
V. Cash and cash equivalents	3,820	5,332
	<b>106,122</b>	<b>98,642</b>
<b>Total assets</b>	<b>176,087</b>	<b>168,124</b>
<b>EQUITY AND LIABILITIES</b>	<b>TEUR</b>	<b>TEUR</b>
	31.03.2009	31.12.2008
<b>A. EQUITY</b>		
I. Subscribed capital	6,850	6,850
II. Capital reserves	8,443	8,443
III. Statutory reserves	231	231
IV. Revenues reserves	-12,183	-23,908
V. Income/expense recognised directly in equity	-71	-286
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to shareholders of Schaltbau Holding AG	3,659	11,843
VIII. Equity attributable to shareholders of Schaltbau Holding AG	9,970	6,214
VIII. Minority interests	1,955	2,395
	<b>11,925</b>	<b>8,609</b>
<b>B. NON-CURRENT LIABILITIES</b>		
I. Participation rights capital	7,008	7,002
II. Pension provisions	18,966	18,987
III. Personnel-related accruals	4,823	4,738
IV. Other provisions	361	348
V. Financial liabilities	41,883	41,516
VI. Other liabilities	-	9
VII. Deferred tax liabilities	6,292	6,281
	<b>79,333</b>	<b>78,881</b>
<b>C. CURRENT LIABILITIES</b>		
I. Personnel-related accruals	6,171	5,048
II. Other provisions	16,890	14,440
III. Income taxes payable	17	152
IV. Financial liabilities	16,718	13,415
V. Trade accounts payable	18,963	19,830
VI. Advance payments received	10,700	14,592
VII. Other liabilities	15,370	13,157
	<b>84,829</b>	<b>80,634</b>
<b>Total equity and liabilities</b>	<b>176,087</b>	<b>168,124</b>

## Statement of Changes in Equity of the Schaltbau Group

	Attributable to shareholders of Schaltbau Holding AG				
	Subscribed capital	Capital reserves	Statutory reserves	Revenue reserves	Revaluation reserve
<b>Balance at 1.1 2008</b>	<b>6,840</b>	<b>8,335</b>	<b>231</b>	<b>-29,658</b>	<b>3,041</b>
Profit brought forward	0	0	0	7,198	0
Transfer to capital reserves	0	0	0	0	0
Shares issued	0	0	0	0	0
Dividend paid	0	0	0	0	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	0	0	-195	0
Group net profit	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	-173	0
Income and expenses recognised in equity	0	0	0	-173	0
<b>Balance at 31.3 2008</b>	<b>6,840</b>	<b>8,335</b>	<b>231</b>	<b>-22,828</b>	<b>3,041</b>
<b>Balance at 1.1. 2008</b>	<b>6,840</b>	<b>8,335</b>	<b>231</b>	<b>-22,828</b>	<b>3,041</b>
Profit brought forward	0	0	0	0	0
Transfer to capital reserves	0	0	0	0	0
Shares issued	10	108	0	0	0
Dividend paid	0	0	0	-559	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	-1	0		0
Group net profit	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	-521	0
Income and expenses recognised in equity	0	0	0	-521	0
<b>Balance at 31.12.2008</b>	<b>6,850</b>	<b>8,443</b>	<b>231</b>	<b>-23,908</b>	<b>3,041</b>
<b>Balance at 1.1.2009</b>	<b>6,850</b>	<b>8,443</b>	<b>231</b>	<b>-23,908</b>	<b>3,041</b>
Profit brought forward	0	0	0	11,843	0
Transfer to capital reserves	0	0	0	0	0
Shares issued	0	0	0	0	0
Dividend paid	0	0	0	0	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	0	0	50	0
Group net profit	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	-168	0
Income and expenses recognised in equity	0	0	0	-168	0
<b>Balance at 31.3.2009</b>	<b>6,850</b>	<b>8,443</b>	<b>231</b>	<b>-12,183</b>	<b>3,041</b>

Note: rounding differences may arise due to the use of electronic rounding aids.

Income/expenses recognised directly in equity	Net profit for the period	Total	Minority interests			Group equity
			in capital and reserves	in net profit for the period	Total	
<b>-176</b>	<b>7,198</b>	<b>-4,189</b>	<b>1,112</b>	<b>967</b>	<b>2,079</b>	<b>-2,110</b>
0	-7,198	0	967	-967	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	-1,044	0	-1,044	-1,044
0	0	0	0	0	0	0
0	0	-195	0	0	0	-195
0	3,133	3,133	0	382	382	3,515
-673	0	-846	-33	0	-33	-879
-673	3,133	2,287	-33	382	349	2,636
<b>-849</b>	<b>3,133</b>	<b>-2,097</b>	<b>1,002</b>	<b>382</b>	<b>1,384</b>	<b>-713</b>
<b>-849</b>	<b>3,133</b>	<b>-2,097</b>	<b>1,002</b>	<b>382</b>	<b>1,384</b>	<b>-713</b>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	118	0	0	0	118
0	0	-559	0	0	0	-559
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	8,710	8,710	0	847	847	9,557
563	0	42	164	0	164	206
563	8,710	8,752	164	847	1,011	9,763
<b>-286</b>	<b>11,843</b>	<b>6,214</b>	<b>1,166</b>	<b>1,229</b>	<b>2,395</b>	<b>8,609</b>
<b>-286</b>	<b>11,843</b>	<b>6,214</b>	<b>1,166</b>	<b>1,229</b>	<b>2,395</b>	<b>8,609</b>
0	-11,843	0	1,229	-1,229	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	-1,140	0	-1,140	-1,140
0	0	0	0	0	0	0
0	0	50	0	0	0	50
0	3,659	3,659	0	619	619	4,278
215	0	47	81	0	81	128
215	3,659	3,706	81	619	700	4,406
<b>-71</b>	<b>3,659</b>	<b>9,970</b>	<b>1,336</b>	<b>619</b>	<b>1,955</b>	<b>11,925</b>

## **Notes and Segment Information as at 31 March 2009**

### **DESCRIPTION OF BUSINESS**

The Schaltbau Group is one of the leading manufacturers of components and equipment for traffic technology and industry. In addition to electro-mechanical components and equipment, the Group supplies door systems for buses and trains, safety systems for level crossings, equipment for railway vehicles, point heating systems, maritime aids and industrial braking systems. Its innovative and future-oriented products make Schaltbau a highly influential business partner in the area of traffic technology.

### **BASIS OF PREPARATION**

The Interim Financial Report of Schaltbau Holding AG, Munich, has been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB), and with those of German Accounting Standard No. 16 "Interim Reporting" issued by the Accounting Standards Committee of Germany (DRSC). The same accounting principles and policies have been applied as in the consolidated financial statements for the fiscal year ended 31 December 2008. In accordance with the revised version of IAS 1, published by the IASB in September 2007, income and expenses recognised directly in equity ("other comprehensive income") are required to be presented for the first time from 1 January 2009 onwards in the statement of changes in equity separately after the group net profit for the period and then in an aggregated total of income and expenses recognised directly in equity ("total comprehensive income"). The required reconciliation of the net profit for period to total comprehensive income is presented in a separate statement below the consolidated income statement.

In addition, segment information is reported for the first time in accordance with the requirements of IFRS 8. The Components division has been carved out of the Mobile Transportation Technology segment and is now presented as a separate segment. As a result, the Mobile Transportation Technology segment now covers only door systems business (see also comments in the Interim Group Management Report in the section "Major events during the third quarter 2009"). The Stationary Transportation Technology segment is unchanged. The previous year's presentation has been adjusted accordingly.

In addition to the figures reported in the financial statements, the interim report also includes explanatory notes to selected financial statement items.

### **BUSINESS COMBINATIONS / GROUP REPORTING ENTITY**

The group reporting entity is unchanged compared to 31 December 2008. Compared to the first quarter 2008, the inclusion of the fully consolidated entity, Machine Electrics Ltd. since 1 August 2008 has an impact on the income statement. In the first quarter 2009, this company recorded a negative EBIT of € 139,000 on sales of € 802,000. In order to achieve better comparability, the

amounts shown must be deducted or added as appropriate from the items in the consolidated financial statements as at 31 March 2009.

First-quarter sales of the Schaltbau Group in 2008 would have been € 1,450,000 higher if the Machine Electrics transaction had been completed on 1 January 2008. EBIT would have been € 82,000 higher.

### **USE OF ESTIMATES**

For the purposes of drawing up the consolidated financial statements, it is necessary to make estimates and assumptions which affect the carrying amounts of assets, liabilities and contingent liabilities at the balance sheet and the amounts of income and expense recognised in the period under report. Actual results can differ from estimates as a result of changes in the economic situation and due to other circumstances.

### **FOREIGN CURRENCY TRANSLATION**

The financial statements of consolidated companies whose functional currency is not the euro are drawn up in accordance with the modified closing rate method.

Exchange rates relevant for foreign currency translation into Euro changed as follows:

	<b>Closing rate</b>		<b>Average rate</b>	
	<b>31.3.2009</b>	<b>31.12.2008</b>	<b>1.1. to 31.3.2009</b>	<b>1.1. to 31.3.2008</b>
Chinese renminbi yuan	9.0414	9.6626	8.9552	10.7449
US dollar	1.3208	1.4097	1.3080	1.4978
British pound	0.9296	0.9740	0.9101	0.7573
New Turkish lire	2.2446	2.1472	2.1675	1.8090

## **ACCOUNTING PRINCIPLES AND POLICIES**

### **Deferred taxes**

A corporation rate of 16 % and a trade municipal tax rate of 14 % have been used to measure deferred taxes for the Group's German companies. Deferred taxes for the Group's foreign companies are based on the tax rates applicable in the countries concerned.

### **Income taxes**

Income taxes payable for German companies are based on a tax rate of approximately 30%. Income taxes for the Group's foreign companies are based on the tax rates applicable in the countries concerned.

### **Provisions**

Pension provisions are measured on the basis of values stated in the relevant actuarial reports for 2009, taking into account pensions paid during the period under report. The provision for obligations for early retirement part-time working arrangements is based on management estimates, unlike in the financial statements for the year ended 31 December 2008 when the provision was based on actuarial reports.

### **Contingent liabilities**

Contingent liabilities correspond to contingent obligations existing at the balance sheet date.

### **Consolidated cash flow statement**

The cash flow statement shows changes in the Schaltbau Group's cash and cash equivalents during the period under report. Cash and cash equivalents comprise cheques, cash in hand and cash at bank.

The cash flow statement has been prepared in accordance with IAS 7, with cash flows classified into cash flows from operating, investing and financing activities. The cash flow from operating activities is determined using the indirect method.

## ANALYSIS OF SELECTED ITEMS REPORTED IN THE FINANCIAL STATEMENTS

### PERSONNEL EXPENSE / EMPLOYEES

in €000	1.1. – 31.3.	2009	2008
Wages and salaries		17,515	16,311
Social security, pension and welfare expenses		3,465	3,149
		20,980	19,460

### EMPLOYEES

	2009	2008
Employees	1,443	1,374

These employee figures show the weighted average for the period under report (excluding trainees, executives and board members). An average of 44 employees is included in 2009 for Schaltbau Machine Electrics.

### FINANCE RESULT

in €000	1.1. – 31.3.	2009	2008
Other interest and similar income (of which from affiliated companies)		12 (8)	54 (7)
Interest and similar expenses (of which to affiliated companies)		-1,453 (-3)	- 1,561 (-3)
		-1,441	- 1,507

Interest expenses include € 250,000 (first quarter 2008: € 240,000) relating to the interest component of the allocation to the pension provision.

## INCOME TAXES

<b>in €000</b>	<b>1.1. – 31.3.</b>	<b>2009</b>	<b>2008</b>
Income tax expense		<b>376</b>	<b>687</b>
Deferred tax expense (first quarter 2008: income)		<b>124</b>	<b>-82</b>
		<b>500</b>	<b>605</b>

Compared with the financial statements as at 31 December 2008, no adjustments were made to deferred taxes on tax losses available for carryforward for companies operating within Germany.

## NOTES TO THE CONSOLIDATED BALANCE SHEET

### INTANGIBLE ASSETS, PLANT PROPERTY AND EQUIPMENT AND INVESTMENTS

The **revaluation method** has only been applied for land. The revaluation reserve did not change during the period under report.

### INVENTORIES

<b>in €000</b>	<b>31.3.2009</b>	<b>31.12.2008</b>
Raw materials, consumables and supplies	<b>23,592</b>	<b>22,886</b>
Work in progress	<b>23,539</b>	<b>24,319</b>
Finished products, goods for resale	<b>6,874</b>	<b>6,004</b>
Advance payments to suppliers	<b>153</b>	<b>134</b>
	<b>54,158</b>	<b>53,343</b>

### TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES AND ASSETS

<b>in €000</b>	<b>31.3.2009</b>	<b>31.12.2008</b>
Trade accounts receivable	<b>42,128</b>	<b>33,241</b>
Receivables from affiliated companies	<b>1,017</b>	<b>1,379</b>
Receivables from associated companies	<b>647</b>	<b>874</b>
Receivables from companies with which an investment relationship exists	<b>0</b>	<b>60</b>
Income tax receivables	<b>154</b>	<b>40</b>
Other assets	<b>4,198</b>	<b>4,373</b>
	<b>48,144</b>	<b>39,967</b>

Allowances on trade accounts receivable amount to €3,319,000 (31 .3.2008: €3,123,000).

## CASH AND CASH EQUIVALENTS

in €000	31.3.2009	31.12.2008
Cheques and cash on hand	39	32
Cash at bank	3,781	5,300
	<b>3,820</b>	<b>5,332</b>

## CHANGES IN GROUP EQUITY

Details relating to the line items presented in the balance sheet are shown in the **Statement of Changes in Group Equity**.

## PROVISIONS

in €000	31.3.2009	31.12.2008
<b>Non-current provisions</b>		
Pension provision	18,966	18,987
Warranties	361	348
Personnel-related accruals	4,823	4,738
Other non-current provisions	5,184	5,086
	<b>24,150</b>	<b>24,073</b>
<b>Current provisions</b>		
Current tax	2,434	2,075
Warranties	6,256	6,266
Outstanding costs and material	3,888	2,934
Personnel-related accruals	6,171	5,047
Other provisions	4,312	3,166
Other current provisions	23,061	19,488
Total provisions	<b>47,211</b>	<b>43,561</b>

## LIABILITIES

in €000	31.3.2009	31.12.2008
<b>Non-current liabilities</b>		
Liabilities to banks	30,237	29,881
Other financial liabilities	11,646	11,635
Financial liabilities	41,883	41,516
Other liabilities	0	9
	41,883	41,525
<b>Current liabilities</b>		
Current income tax liabilities	17	152
Liabilities to banks	16,541	13,154
Other financial liabilities	177	261
Financial liabilities	16,718	13,415
Trade accounts payable	18,963	19,830
Advance payments received	10,700	14,592
Payables to affiliated companies	329	505
Liabilities to other group entities	230	298
Negative fair values of derivatives	1,174	1,399
Sundry other liabilities	13,637	10,955
Other liabilities	15,370	13,157
	61,768	61,146
<b>Total liabilities</b>	<b>103,651</b>	<b>102,671</b>

## OTHER DISCLOSURES

### Contingent liabilities and other financial commitments

in €000	31.3.2009	31.12.2008
Contingent liabilities		
Obligations under guarantees and other guarantee agreements (of which to affiliated companies)	7,871 (-)	7,873 (-)
<b>Other financial obligations</b>		
Rental and lease expenses	7,071	7,486
Other commitments	2,335	2,719

The rental and leasing expenses shown under **other financial obligations** have been calculated on the basis of the earliest possible cancellation dates.

Other financial obligations are all of a nature and amount customary for the business.

### Related party relationships

Transactions between fully consolidated companies on the one hand and associated and non-consolidated companies on the other are disclosed below from the perspective of the fully consolidated companies:

	Volume of services performed		Volume of services received	
	1.1.-31.3.2009	1.1.-31.3.2008	1.1.-31.3.2009	1.1.-31.3.2008
	€000	€000	€000	€000
Associated companies				
goods and services	648	1,025	201	176
other relationships	-	3	-	-
Non-consolidated companies				
goods and services	1,003	989	735	699
other relationships	-	-	28	3

The following receivables and payables existed at the balance sheet date from the perspective of the fully consolidated companies (mostly relating to the supply of goods).

	Receivables		Payables	
	31.3.2009	31.12.2008	31.3.2009	31.12.2008
	€000	€000	€000	€000
Associated companies	647	874	169	298
Non-consolidated companies	1,017	1,439	390	505

## PRODUCT-BASED SEGMENT INFORMATION

Disclosures in €000

1.1. – 31.03.

	Mobile Transportation Technology		Stationary Transportation Technology	
	2009	2008	2009	2008
Order-intake (external)	39,602	32,563	20,799	26,936
Sales	28,158	23,915	26,802	24,695
- of which external	28,158	23,915	26,560	24,576
- of which with other segment	0	0	242	119
External order-book	107,698	99,572	49,219	64,742
Profit from operating activities (EBIT)	1,574	632	2,926	2,896
Result from equity accounted investments	72	104	0	0
Other results from investments	0	0	0	0
Interest income	0	0	23	53
Interest expense	-233	-259	-273	-277
Income taxes	-17	-10	-109	36
Group net profit	1,396	467	2,567	2,708
Capital expenditure	157	162	1,330	514
Amortisation and depreciation	-377	-388	-405	-351
Other significant non-cash expenses	-1,373	-183	-765	-823
EBIT margin	5.6 %	2.6 %	11.0 %	11.8 %
Return on capital employed	14.6 %	6.2 %	27.5 %	32.3 %

<sup>\*1)</sup> = profit transfers relating to profit and loss transfer agreements are added back for the purposes of segment information

<sup>\*2)</sup> = in / on intangible assets and property, plant and equipment

<sup>\*3)</sup> = EBIT / external sales

<sup>\*4)</sup> = EBIT / capital employed (EBIT extrapolated to annual amount)

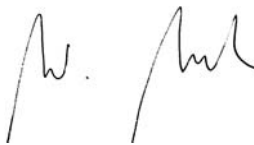
Components		Sub-total		Holding, Reconciling items		Schaltbau Group	
2009	2008	2009	2008	2009	2008	2009	2008
18,889	22,979	79,289	82,477	23	24	79,312	82,501
17,901	16,695	72,861	65,305	293	187		
17,828	16,599	72,546	65,090	22	28	72,568	65,118
73	96	315	215	-315	-215		
31,735	34,014	188,652	198,329			188,652	198,329
2,652	2,757	7,152	6,285	-1,093	-808	6,059	5,477
90	46	162	150	-1	0	161	150
0	0	0	0	0	0	0	0
12	17	35	70	-23	-16	12	54
-391	-348	-897	-884	-557	-677	-1,454	-1,561
25	-264	-101	-238	-399	-367	-500	-605
2,388	2,208	6,351	5,383	-2,073	-1,868	4,278	3,515
197	231	1,684	907	323	1	2,007	908
-732	-663	-1,514	-1,402	-3	-3	-1,517	-1,405
-1,585	-729	-3,723	-1,735	-629	-393	-4,352	-2,128
14.9 %	16.6 %					8.3 %	8.4 %
19.5 %	22.7 %					19.0 %	19.5 %

Munich, April 30, 2009

Schaltbau Holding AG  
The Executive Board

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a final flourish.

Dr. Jürgen Cammann

A handwritten signature in black ink, starting with a large 'W' followed by several loops and a final flourish.

Waltraud Hertreiter

## Disclaimer

Some of the assertions made in this report may be similar in character to forecasts or may be interpreted as such. The assertions are made to the best of the knowledge and belief of management and apply, in accordance with the nature of such asserts, on the condition that there are no massive contraction of the markets relevant for the Schaltbau Group and in the specific market position of the individual group entities and that the forecasting assumptions turn out to be appropriate, both in terms of scale and timing. The Company does not assume any responsibility for updating forward-looking assertions.

## Responsibility statement

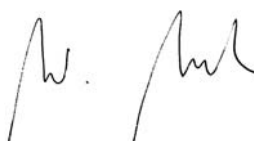
“To the best of our knowledge, and in accordance with the applicable principles for interim financial reporting, the Interim Group Financial Statements give a true and fair view of the net assets, financial position and results of operation of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.”

Munich, 30 April 2009

Schaltbau Holding AG  
The Executive Board



Dr. Jürgen Cammann



Waltraud Hertreiter

## Comment on unaudited status

The Interim Consolidated Financial Statements and Interim Group Management Report as at 31 March 2009 have neither been audited in accordance with § 317 HGB nor subject to a limited review by the group auditor.

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