

# ANNUAL REPORT 2013

HIGHLIGHTS

MANAGEMENT REPORT

PROSPECTS

## Consolidated IFRS figures

	2009 €m*	2010 €m	2011 €m	2012 €m	2013 €m	CHANGE 2013 – 2012 in €m
Revenue	37.3	39.1	39.9	44.4	46.3	+1.9
Gross profit	27.6	29.5	30.4	31.8	34.8	+3.0
Personnel expenses	18.3	18.8	19.6	21.4	22.8	+1.4
EBIT	2.1	2.7	2.9	3.4	3.9	+0.5
EBT	1.9	2.5	2.8	3.1	3.6	+0.5
Annual profit	1.8	2.4	2.4	3.6	3.8	+0.2

\* €m = € million

## Key figures

	2009	2010	2011	2012	2013
Equity ratio (equity/balance sheet total)	54 %	58 %	61 %	60 %	55 %
Gross profit margin (EBT/Gross profit)	7.0 %	8.6 %	9.1 %	9.6 %	10.3 %
Personnel capacity as annual mean (FTE)	273	285	295	301	322
Gross profit per FTE (in k€)	101	103	103	106	108

The year-end financial statement and management report for IVU Traffic Technologies AG for the business year 2013 were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft, Berlin, and provided with an unqualified audit report.

### Supervisory Board

Klaus-Gerd Kleversaat, Berlin (Chair)  
André Neiss, Hanover  
Prof Dr Herbert Sonntag, Berlin

### Executive Board

Martin Müller-Elschner (CEO)  
Dr Helmut Bergstein  
Frank Kochanski

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# Letter to the shareholders

## Dear Shareholders, Dear Friends of IVU,

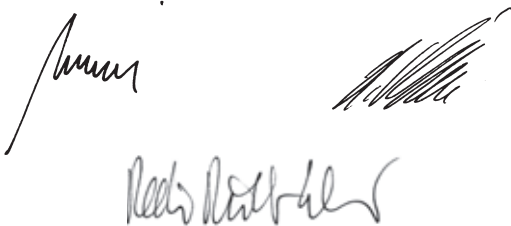
Once again, IVU has completed its financial year with excellent results. An increase in revenues of 4 % to € 46.3 million and a 9 % increase in the gross profit to € 34.8 million means that we have exceeded the planned targets for the financial year 2013. IVU is showing sound and steady growth. This is also reflected in the earnings. EBIT increased by 14 % to k€ 3,856 and EBT was up by 18 % to k€ 3,591. The development of the asset situation was also positive. The equity ratio was stable at 55 % which is still clearly above the usual market average.

Our strategy is proving successful. We have been able to implement and complete various projects and to attract numerous new ones. We are increasingly able to shorten project completion periods thanks to the high levels of standardisation of our products which require only a few individual adaptations. This is well received internationally. Successful projects, such as those in Budapest, London, and Utrecht, have given a long-term boost to our international reputation.

In order to achieve our goals, it is important that we have a strong and talented team of well-trained specialists. We make efforts to recruit and keep good new team members. The open and trusting working environment of IVU is a key attraction. Therefore we attach considerable importance to maintaining a uniform corporate culture throughout all our locations which stimulates our personnel and offers them scope for individual development. We are proud that, despite the shortage of skilled personnel on the market, we received 50 % more job applications than in the previous year. This means that we have been able to continue to expand our team as planned.

In addition to the high degree of standardisation of our IVU.suite and the expertise of our co-workers, we are able to convince potential customers with our innovative functionalities. For example, the SWMS public utility in Münster has chosen our solutions and is using them to offer its public transport passengers an intelligent e-ticketing service with flexible prices for more individuality. In our opinion this is a model for the future!

We hope that you will continue to place your trust in IVU in 2014,  
Best wishes



**The Executive Board**  
Berlin, in March 2014



Frank Kochanski   Martin Müller-Elschner   Dr Helmut Bergstein

# Management report

## IVU and the market

Public transport continues to represent a growth market all over the world. The trend towards urbanisation is pushing city infrastructures ever closer to their limits, so that by 2050 more than 70 % of the world's population will be living in urban agglomerations. As a consequence, increasing numbers of cities are having to invest in the expansion and modernisation of their infrastructure, in particular their public transport networks. There is a need for both quantitative and also qualitative improvements.

Public transport is in a phase of transformation. As the variety of technical options grows, the demands of passengers also increase. As a result of the innovations in the ICT sector, people expect public transport to offer the same levels of individual flexibility that they have become used to in other sectors. With smartphones, it is possible to access live information anywhere at any time. Users can then adapt their behaviour to suit their individual needs on the basis of this real-time data. The Difu Report 2/2013 of the German Institute for Urban Studies concludes that people are travelling "more intelligently." They are making use of the opportunities available to them, and public transport companies in particular are expected to respond with a flexibility to which they have not been accustomed. One important advance is the introduction of e-ticketing, which marks a step away from rigid tariff structures towards multimodality with a single ticket.

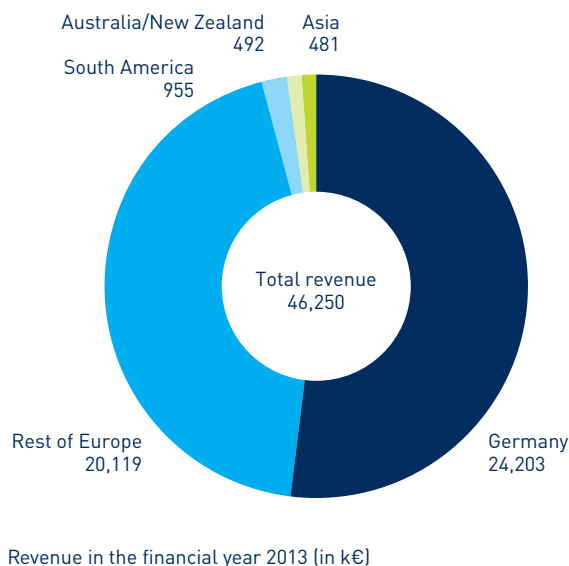
### Intelligent e-ticketing

The Münster public utility SWMS is the first public transport provider in Germany to adopt the intelligent e-ticketing solution from IVU. In June 2013, a flexible season ticket was introduced (the 'Flex-Abo') as the first season ticket in Germany to offer flexible charges. The charges depend on the time of travel. Provided all the journeys on weekdays begin after 8.00 a.m., then only the basic fee is paid. A daily surcharge is added if a journey begins before 8.00 a.m., but a cost cap

ensures that the price for the regular monthly season ticket is not exceeded. In this way, the use of public transport can be adapted to individual preferences. IVU engineers have made special adjustments so that the IVU.validator offers all the necessary functions for ticket validation and flexible fare calculations. In future, the e-ticket is to be combined with other inner-city options so that customers will be able to use a wide range of services with only one card. There is considerable potential in this field, and with its solutions IVU is one of the leading players.

### Real-time data apps

There is also further growth potential in the passenger information sector. With the development of a new online interface for the exchange of dynamic data with clients who only have limited resources, IVU has met a real need. The Unified Realtime API (URA) is to be submitted to ISO and RFC and will in future become an open standard for data transfer for all public transport companies.



This has already been implemented successfully in London, Leverkusen, and Mantua, and in 2013 also in Aachen. Here there was considerable media interest in the provision of live data for smartphone users. The newspapers in Aachen and specialist magazines included lengthy reports on the press conference at which IVU and the regional bus service operator ASEAG presented the new information service. User assessments were correspondingly very positive.

### **Inter-city bus market**

Recent liberalisation has led to a boom in inter-city bus services in Germany. Within one year, coach services have increased by 230 %, and the upward trend is still continuing. There is considerable competition between the operators. In the struggle to gain a share of the market, it is important to plan well and deploy resources efficiently. This opened up new opportunities in 2013 for the IVU systems. When ADAC Postbus appeared as a new player on the market, it chose to fit itself out completely with IVU systems. Planning and control centre operations are supported, as well as online booking, ticket sales and passenger information services. All the systems were installed in only five months, and new developments were successfully implemented. For example, IVU.ticket.shop was developed for the sale of tickets – a completely new booking system offering four separate channels for ticket purchases.

### **Operational control for the regions**

The cost pressure on public transport companies is felt particularly severely outside the urban centres. Smaller rural operators often lack the technologies required to provide live information or to operate e-ticketing systems. But nowadays such services are essential if car owners are to be attracted to use public transport. There is currently growing demand for systems with multi-client capability. These are installed by public transport organisers and then made available to the associated companies at affordable prices. In this way, resources are combined and the economic interests of the smaller companies are respected. IVU also profited from this development in 2013. Following on from the regions Bremen/Lower Saxony and Stuttgart, in 2013 Rhineland Palatinate and Westphalia also chose in favour of the multi-client ITCS solution from IVU. Further healthy demand for powerful operator models is expected for the future.

### **Logistics**

The demand for logistics solutions from IVU is also growing in the public transport sector. As a result, the products are growing closer together. For example, the Logistics Sector has supplied the new booking system for the ADAC Postbus inter-city coach company, with seat reservations, baggage control, and dynamic price control which takes the utilisation rate into account. In addition, the waterway navigation mark database developed initially for the German Waterways Administration could in future be adapted for road traffic applications.

# Highlights in 2013

## International

### High standards convince

#### Switzerland. Standard solution for all cantons

Every year, PostBus Switzerland transports some 130 million passengers to their destinations on 814 routes. In future, planning and dispatching for more than 2,000 vehicles and 3,000 drivers will be carried out using the systems of the IVU.suite. The components IVU.plan, IVU.vehicle, and IVU.crew will be implemented. In addition, the optimisation components of the IVU.suite will be used at all stages of the planning process.

The old system will be replaced step by step, and processes which in the past were carried out manually will be automated for all the Swiss regions and for Liechtenstein. The standard processes from the IVU.suite will be used as model solutions by PostBus Switzerland for their daily operations. By introducing uniform working processes in all regions, the goal is to increase the quality of performance over the entire operational area. After the Austrian ÖBB Postbus and DB Regio Germany, PostBus Switzerland is now the third major regional public transport company to place its confidence in the IVU.suite.

#### Netherlands. Largest concession and nationwide system integration

Following on from the Friesland and Groningen-Drenthe regions, Qbuzz has won a concession for the Utrecht region, which is also the largest concession nationwide. On 8 December 2013 at 2.00 a.m., the private Dutch public transport operator began its operations with the help of the IVU.suite; it will be providing its services for the next ten years.

In order to be able to transport some 200,000 passengers in the region reliably to their destinations every day, Qbuzz has introduced 168 new vehicles into the fleet. They are being equipped with the on-board computer IVU.box.touch. 133 of the new vehicles have already been fitted out and the remaining 35 will follow in the coming weeks. A particularly critical point was the integration of the existing fleet of 142 vehicles from the previous operator into the ITCS system of Qbuzz. Despite different hardware configurations, they had to be migrated into the new system within one day. Thanks to standardised interfaces this went smoothly, so that all the buses could begin operations punctually on 8 December. By June 2014, all the old vehicles will have been re-equipped with IVU's more powerful on-board computers.



## Great Britain. Real-time information for London's river buses

Since 2011, IVU realtime has been at the heart of London's passenger information system. It collects the latest departure times from 19,000 stops for the 8,500 buses of Transport for London (TfL) and makes these available on electronic displays, as text messages or for Internet displays, as well as for all external applications such as apps and websites. In order to ensure that real-time information could also be provided for journeys on the Thames, the river bus services were integrated in the passenger information system in 2013. To achieve this, TfL's engineers modelled the Thames as a broad road and included this in the transport network. The positional data for the 13 river boats is collected via the ITCS system and then processed by IVU realtime, so that it can be made available through the various media only two seconds later. Thanks to the use of modern cloud technologies, the newly generated real-time data for the river buses can also be integrated in external applications.



## Switzerland. Planning and dispatching for rail freight transport

Every year, SBB Cargo transports more than 40 million tonnes of goods by rail throughout all of Switzerland, deploying some 370 engines and more than 3,000 personnel. The operational planning and dispatching for rail vehicles and personnel is now carried out with IVU.rail. In July the subsidiary of the Swiss Federal Railways decided to introduce the integrated rail solution for personnel and resource planning. They were convinced in particular by the high degree of standardisation of the IVU system. IVU.rail combines all planning and dispatching functions for rail vehicles and personnel in one system, while integrating SBB's existing components such as the load planning tool.

The goal is to considerably reduce the complexity of the previous system and in this way also to reduce the maintenance requirements and the operating costs. From the spring of 2014, all duties and vehicle workings of SBB Cargo are to be planned with IVU.rail. With the introduction of the 2014/2015 timetable, the dispatching functions are also to be carried out with IVU.rail in place of all the old systems.



# Highlights 2013

## Germany

### New markets

#### Inter-city bus market. Complete IT system for ADAC Postbus

Since 1 November 2013, twenty-four cities across Germany have been connected by coach services provided by ADAC Postbus, a company owned jointly by Deutsche Post and the ADAC motoring association. In 2014, services are to be extended gradually to cover 30 cities. The IT systems for the operations of the new coach service company are from IVU. Components from the IVU.suite were supplied for planning and control centre operations, as well as for online booking and passenger information services – all of this running from a high-availability computer centre.

The time plan for the project was an ambitious one. In only five months, all the systems were to be installed and configured in accordance with the customer's wishes and new developments were to be implemented. For example, IVU.ticket.shop was developed as a completely new booking system offering four separate channels for ticket purchases. Passengers can now use the online shop, visit one of the many ADAC centres or post offices, phone a call centre, or buy a ticket on-board directly from the driver.

#### App development. Mobile real-time data for Aachen

In December, ASEAG (Aachener Strassenbahn und Energieversorgungs AG) presented its new passenger information app 'ASEAG mobil'. In addition to the 57 dynamic passenger information displays currently being installed in the Aachen area by the ASEAG public transport company, the iOS und Android app will in future also provide information about departure times from more than 2,000 bus stops for people on the move. The app has been developed by IVU, which is already providing this service successfully in London.

The app gives passengers in Aachen a direct link to the operational control centre and sends the real-time data for the requested bus services to the user's smartphone within seconds. If there are delays or any other operational disturbances, the background system IVU.realtime calculates the revised bus departure time to the nearest minute. With 'ASEAG mobil', IVU and ASEAG are leading the way in mobile real-time information.



# Highlights 2013

## Germany

### Solutions for the regions

#### Regio-RBL. Real-time passenger information for Rhineland-Palatinate

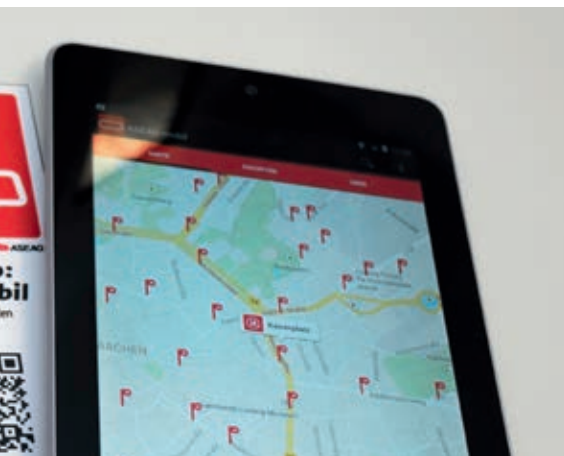
In order to further improve the quality of public transport services in the German federal state of Rhineland-Palatinate, Rhenus Veniro Süd-West is now introducing the ITCS system of IVU. In future, the system will make it possible for the five companies of the Group to locate and track their vehicles along their entire routes and to provide live passenger information. In order to be able to register the positions of the vehicles on the road in real-time, more than 220 vehicles are being equipped with on-board computers from IVU.

In addition to the new ITCS system, IVU will also supply products for fleet management (IVU.fleet), ticketing (IVU.ticket.box and IVU.fare as background system), and for passenger information services (IVU.realttime), as well as an extra component for the booking and control of on-demand services. Thanks to the new ITCS solution, passengers in the region should soon be able to access live information from all operators and authorities showing available connections, updated arrival and departure times, and any possible deviations from the timetable.

#### Multi-client operability. Operating and telematics system for Westphalia

More than 700 buses and 730 personnel are on the roads of Westphalia in Germany to provide transport services for some 57 million passengers every year. In order to ensure that they operate as efficiently as possible and to further increase the quality of the public transport services provided, WVG (Westfälische Verkehrsgesellschaft) issued a Europe-wide call for tenders for a new operating and telematics system in early 2013. The contract was awarded to IVU, which is now installing all the necessary components of its IVU.suite. These include IVU.ticket.box, the operational control system IVU.fleet, and the background system IVU.fare. By the end of 2015 all vehicles are to have been equipped with the new on-board computer technology and the companies in the WVG Group will have been integrated in the system.

The data from all the buses of the public transport companies will come together centrally at WVG. The multi-client strategy with user and group entitlements guarantees the data sovereignty of the participating companies, which also benefit from the considerably reduced workload involved in the introduction and operation of the system.



# Highlights 2013

## Logistics

### Satisfied customers

#### IVU.elect. From regional to general elections

After Bavaria voted for its new Landtag on 15 September 2013 with the support of IVU.elect, a week later the election software from IVU was being used again in the German general election. In the background, it ensured that all the processes were completed automatically and transparently, from the administration of the candidates and party lists, through the generation of all the electoral documents and ballot papers to the registration of the vote counts, the calculation of the distribution of seats, and the publication of the results. Already in the summer of 2012, the federal state administration in Munich decided that future elections would be conducted using IVU.elect. A first trial with IVU.elect was carried out successfully on 22 January 2013 in the course of preparing the election of representatives for senior citizens. While IVU.elect was being used for the first time in Bavaria, the electoral procedures for the 18th German Bundestag were almost routine for the system following the general elections in 2002, 2005, and 2009.

#### IVU.locate. National navigation mark database

Waterways have stop signs, speed limits, and parking restrictions just like roads and railways, and fixed or floating marks are installed to ensure that internal waterways and coastal waters can be navigated safely. In Germany's capital city Berlin alone there are more than 1,700 of these navigation marks. In order to simplify their administration, the Federal Waterways and Shipping Administration (WSV) and the Federal Ministry of Transport and Digital Infrastructure (BMVI) commissioned the development of a modern database with catalogue administration system. IVU submitted the winning tender. On the basis of IVU.locate, a database web application has been developed to register and administer all navigation marks on Germany's inland waterways. In future, 39 water and shipping offices and the seven waterway construction authorities will be able to work together using the Web application. Pilot operations began in October 2013.

#### Marketing. New logistics brochures

In October 2013, two new brochures were published to support the marketing of logistics products. The 16-page publications provide an overview of strategic location optimisation with IVU.locate, and the efficient deployment of field workers with IVU.workforce. The two logistics products can be used for a wide range of applications. For example, IVU.locate can support retail companies in all sectors, whether they are planning their future expansion or organising marketing and logistics. For dependable results, the geoinformation system analyses external market data in combination with population data and details of local purchasing power. On this basis, companies can develop commercial strategies and decide on goal-oriented measures. IVU.workforce also assists with planning and optimisation. The software solution can help power companies and transmission network operators to significantly reduce the work involved in preparing jobs, standardising procedures, and transferring information. It ensures efficient operations at all stages from deployment through to completion of assignments and the formulation of reports.



# Highlights 2013

## Events

### Tomorrow's topics

#### User forum. The focus on intermodality

'Mobility for the future' was the title of the speech given at the opening of IVU's User Forum 2013 by the key-note speaker Volker Sparmann, Mobility Officer of the Federal State Government of Hesse. And at the same time this represented the focus of the lecture series. Providing mobility in the future will call for rethinking on the part of public transport operators and policy makers, according to Volker Sparmann. In changing societal conditions, the demands on public transport are constantly growing. As people become more and more intermodal, they do not want to be restricted to only one form of transport, but are interested in using all available possibilities in order to arrive at their destination quickly and conveniently. This presents new challenges both for transport companies and system houses. The demand is for integrated transport concepts. This topic and the future development of public transport worldwide were discussed by some 400 participants in the Estrel Hotel, Berlin on 18 and 19 February. Guests from 18 countries travelled to the international sector meeting in order to meet and exchange views about new strategies and IT solutions, with a series of lectures and an accompanying exhibition.

#### UITP. Award for London solution

More than 240 companies from 40 countries submitted applications for the 'Grow with Public Transport' International Awards of the International Association of Public Transport (UITP). The winners were announced in May 2013 at the UITP World Congress in Geneva. The awards are given to innovative public transport projects which contribute to the sustainable improvement of the quality and quantity of public transport. The introduction of the dynamic passenger information 'IVU realtime' in London is one such project. IVU received the award in the category 'Information technologies'.

The jury honoured in particular the integration of cloud technology, with which the updated departure times of 8,500 London buses at 19,000 stops can also be made available for external applications via an open programming interface. With this, IVU and Transport for London (TfL) have introduced a new approach to passenger information. Thanks to IVU realtime.cloud, the dynamic passenger information can now be integrated into websites and all sorts of smartphone apps. The data is obtained directly from the operator TfL via an online interface and is then integrated into the services.



**More than 500 customers**

**In over 30 countries**

**With 9 locations**





#### GERMANY

ADAC Postbus started its inter-city coach services in 2013. The complete IT system for planning, operational control and online booking with dynamic price control has been provided by IVU.

#### VIETNAM

In order to ensure successful implementation of its project with Vietnam Railways, IVU opened a new branch office in Hanoi in 2013.

#### SWITZERLAND

SBB Cargo is another major rail company to choose IVU.rail for its freight operations. The integrated rail solution now plans and controls the deployment of 370 trains and 3,000 personnel.

- IVU locations
- IVU references

## Research and development

Product development is of vital importance to IVU and it is entrusted to a special department with highly-qualified software engineers, mathematicians and transport scientists. They ensure that products are closely linked to the demands of the market and the needs of customers, while always keeping an eye on the profitability of IVU. In the period covered by this report, expenditures for research and development amounted to € 863. The success of product developments depends on three key factors: continual monitoring of technical advances, an intimate knowledge of the needs of public transport operators, and good timing when it comes to launching innovative products on the market. This is why IVU works together closely with universities and research institutions such as RWTH Aachen, the Technische Universität Berlin, and the Konrad Zuse Institute in Berlin (ZIB).

## Development

Once again in 2013, IVU has steadily proceeded with its product development in all core sectors. For example, programming languages which are beginning to show their age are being converted into updated source code with modern software development concepts. New

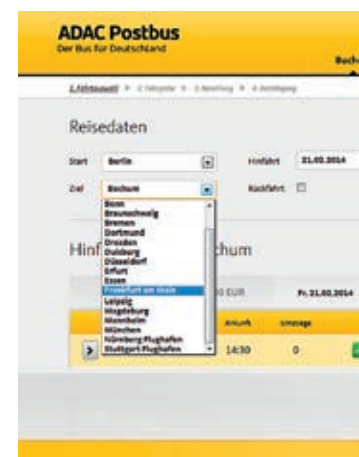
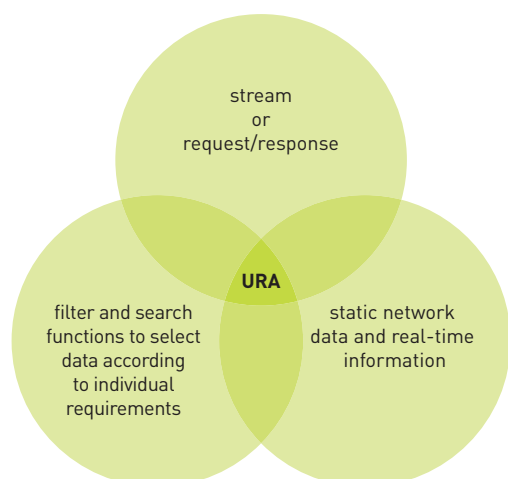
functionalities and modules are being added to existing products, and the hardware components are being upgraded to the latest technical standards.

## The new IVU.ticket.box

The hardware range of IVU will now be extended by the new IVU.ticket.box with high-resolution display. With 1024 x 768 pixels it combines modern operating options with an attractive new design. In addition, the new on-board computer has been fitted with a Quad Core processor. Offering the same level of performance as a smartphone, it is able to operate at temperatures ranging from -25° to 70° Celsius. The prototypes were developed by IVU engineers in Aachen. The first customers will begin testing the new units in pilot operations in Spring 2014.

## Online ticket shop and yield management

IVU has developed a variety of innovations for its customers in the inter-city coach market. One of these is IVU.ticket.shop. This is a completely new booking system providing four separate channels for ticket purchases. Passengers can now use the online shop, visit one of the many ADAC centres or post offices, contact a call centre, or buy a ticket on-board directly from the driver. It is also possible to reserve a preferred seat.



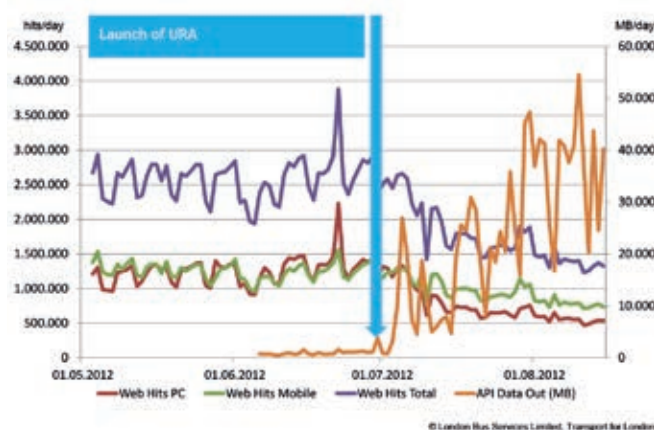
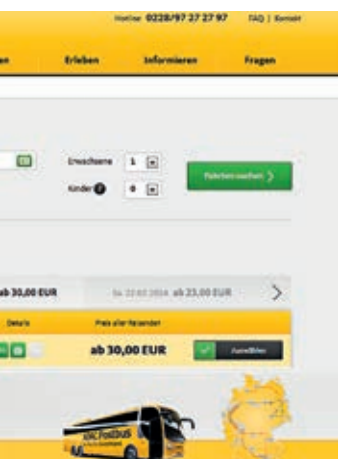
A special feature of the system is the flexible price control (yield management). As central background system, IVU.fare.inventory ensures that the ticket prices for all vending channels take the utilisation rate into account, ensuring optimum profitability.

### The Unified Realtime API (URA)

The URA as applied in IVU.realtime.cloud is a newly-developed interface specification for the provision of dynamic transport data. It was developed specially to meet the needs of clients with only limited resources, such as smartphone users. On the basis of HTTP and JSON, the interface is easy to implement and offers all clients access to static and dynamic data. In London it is used to provide real-time transport data for web applications and apps and it received an award at the UITP World Congress 2013 in Geneva.

## Research

In October 2013 the start signal was given for the 'Mobility Broker' research project funded by the Federal Ministry for Economics and Technology. The aim of the project is to bring together all regional mobility options in a single marketplace. The passengers can be offered both unimodal and also multimodal travel options in accordance with their preferences (travel time, changing time, price, modes of transport). The platform for the marketplace will be a mobile app, so that access will be possible on a mobile medium anywhere and at any time. The users will always be able to find the mobility option that suits them best – whether bus, train, pedelecs, electric cars, taxi, or rideshares. The 'Mobility Broker' is based on an integrated mobility concept for flexible intermodality, with the goal of improving in particular the first and last mile of the journey chain. The new platform is to be tested first in the Aachen region. The project is being coordinated by ASEAG (Aachener Strassenbahn und Energieversorgungs-AG). Research partners in addition to IVU include RWTH Aachen University, Stadtwerke Osnabrück, and regio iT gesellschaft für informationstechnologie mbH.



### THE UNIFIED REALTIME API

The URA is a newly developed online interface intended especially to meet the needs of mobile passenger information services. It is to be submitted to ISO and RFC and will in future become an open standard for data transfer for all public transport companies.

# Personnel

## Personnel development

	2013	2012	CHANGE
No. of Personnel as of: 31 December	397	365	+ 9 %
Personnel capacity <sup>1</sup> as annual mean	322	301	+ 7 %

<sup>1</sup> Personnel capacity denotes the equivalent number of full-time employees (Full-time equivalent = FTE).

## About us

The IVU team has continued to grow steadily, because success depends above all on one thing: a powerful team which is able to carry out many projects in Germany and internationally. Thanks to intensive activities in recent years, IVU has been able to recruit a number of highly-qualified colleagues. As of 31 December 2013, IVU employed a total of 397 employees (2012: 365) – including part-time employees and student co-workers. Personnel capacity increased by 7 % to 322 FTE (2012: 301).

As planned, personnel expenditure in the financial year covered by the report increased 7 % to € 22.8 million (2012: € 21.4 million). The personnel capacity and personnel expenses therefore increased proportionately. In view of the demand for computer scientists, IVU generally has to offer high salaries for well-trained specialists. A positive factor is the high proportion of employees with higher education qualifications: at 83 % this is an important indicator of the strength of IVU's team. This is also shown by the gross profit per employee. This was k€ 108, following on from the good value for the previous financial year (2012: k€ 106).



### Plurality

The promotion of individual variety and strengths continues to be a guiding principle of human resources management at IVU. In particular, a strategic goal is the establishment of female managers. Once again in 2013 many women were recruited to the talent pool. However, in the period covered by this report it wasn't possible to develop additional female managers. The gap can only be closed gradually. One reason for this is the limited numbers of women studying and graduating in the fields of computer science and public transport. Therefore the encouragement of women in STEM professions remains an important topic for the coming years. One measure in the period covered by this report was the participation in the national 'Girls' Day', which is intended to motivate girls to pursue careers in technology or science.

IVU has successfully continued to build up its international potential. With employees from 16 countries it is in a good position to tackle projects anywhere in the world.

### Corporate culture

Finding good co-workers and then keeping them is a core element of corporate success. Co-workers and applicants appreciate not only the multinational flair and the friendly corporate culture offered by IVU but also the challenging nature of the work and the scope for individual development. This is also reflected in the numbers of applications. In 2013, IVU received 50% more applications than in the previous year. The fluctuation rate of 5% is also positive in comparison with the general figures for the sector.

### Further training

Investments were made in 2013 to enhance the quality of the IVU team. A total of 65 employees had the opportunity to gain practical experience in railway operations in five railway training courses organised in cooperation with the Technische Universität Berlin. 45 co-workers took part in a developers' conference for Java development and object-oriented programming. A course in Aachen marked the introduction of scrum software development methods. In addition, the further development of the IVU team was promoted by specialist seminars and language courses. A total of 236 co-workers made use of the various continuous training opportunities.



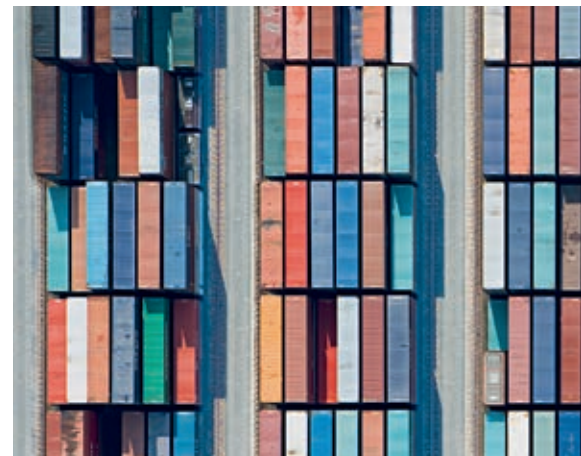
# Results, assets, and financial situation

In the financial year 2013, IVU once again maintained its upward momentum. Revenues and gross profits exceeded the targets of € 45 million revenue and € 33 million gross profit planned for the period covered by this report. The revenue increased by 4 % to € 46.3 million (2012: € 44.4 million), the gross profit increased by 9 % to € 34.8 million (2012: € 31.8 million). The higher percentage increase in the gross profit is due to a decrease in material expenditure. The reasons for this are the increased maintenance revenues and a lower hardware input for the ITCS and ticketing projects following advanced payments in the previous financial year. The development of earnings before interest and taxes was particularly pleasing. With an increase of 14 % to k€ 3,856 (2012: k€ 3,381) IVU has once again returned an improved EBIT.

## Internationalisation

With 52 % of revenues generated from the German market and 48 % from export business the two are virtually in balance. In 2013, a number of projects in Germany could be completed and invoices submitted. At the same time, it was possible to establish a new niche market with the multi-client ITCS solution for regional operators. Following on from Stuttgart, in 2013 both Rhineland-Palatinate and Westphalia decided to introduce the IVU system.

Internationally, the focus was placed on marketing activities in individual promising countries in Asia and South America. Setting priorities in this way proved successful. Follow-up orders are expected from Colombia and Israel. This strategy is also backed up by new branch offices in promising regions. IVU has added to its international representation with branches in Budapest and Hanoi. At the same time, the branch office in Dubai was closed down, because the market there has been exhausted.



New products and further developments continue to be realised primarily for the domestic market. For example, IVU was able to install the full range of its e-ticketing solution in Münster, and completely new online ticketing and administration solutions were developed for the inter-city bus market. The revenue from the German market for the financial year totalled € 24.2 million (2012: € 23.7 million).

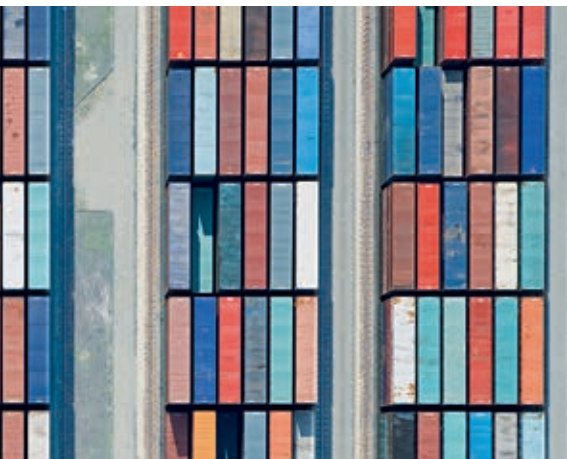
IVU is also in demand internationally when it comes to providing solutions for logistical problems. Many cities all over the world see projects such as Cali and London as models for the future modernisation of their own infrastructure. Other important projects entered their implementation phase in 2013, e.g. in Vietnam. Foreign revenue increased in the financial year 2013 to € 22.1 million (2012: € 20.7 million).

## Costs and amortisation

The 7 % increase in personnel expenditure in the financial year 2013 to € 22.8 million (2012: € 21.4 million) was in accordance with plans, and is nearly proportional to the increase in personnel capacity. In view of the demand for computer scientists, IVU generally has to offer high salaries for well-trained specialists. The large number of new graduate and doctorate recruits is therefore all the more positive when considered against an acceptable increase in personnel expenditure.

It is only possible to develop tomorrow's products using state-of-the-art technologies. Therefore, IVU continued to invest in the modernisation of its in-house IT infrastructure in 2013. Due to good cost management, depreciation of non-current assets remained at € 1.0 million, the same level as for the previous financial year (2012: € 1.0 million).

Other operational expenses for the financial year increased by 20 % to € 7.2 million (2012: € 6.0 million). This was due to investments in the modernisation of the ERP system as well as necessary individual impairment adjustments on foreign customer receivables amounting to k€ 873. Excluding these two special effects, other operational expenses were slightly below the value for the previous financial year.



# Results, assets, and financial situation

## EBIT increased by 14 %

The growth in the financial year 2013 was reflected gratifyingly in earnings before interest and taxes. EBIT increased by 14 % to k€ 3,856 (2012: k€ 3,381) and is evidence of the good profitability of IVU. The performance of the company can therefore be rated as positive. The EBIT margin increased from 7.6 % to 8.3 %.

In order to be able to guarantee good productivity for the future, IVU pays attention to appropriate cost management, thorough quality management in accordance with ISO 9001, and forward-looking, intelligent product development to ensure high system quality.

## Good financial strength

With the marked increase in liquidity, the equity ratio for the financial year 2013 was 55 %, which is slightly below the level for the previous year (2012: 60 %). This is due to high one-off payments by customers in the period covered by the report for projects which have yet to be implemented. However, at 55 % the equity ratio of IVU remains well above the market average. The asset situation of the company is stable and the overall financial strength is good. Equity in the financial year covered by the report increased by € 3.0 million to € 32.6 million (2012: € 29.6 million).

## Liquidity

With € 10.7 million in cash and cash equivalent funds as of 31 December 2013, the asset situation of IVU is very good (2012: € 5.2 million). The increase in liquidity is due to high customer down-payments for international projects which have yet to be implemented. IVU was in the position to meet its financial obligations at all times throughout the financial year covered by the report. Lines of credit were not used. The creditworthiness of IVU is assessed positively by contract awarders. The upward trend continued in the 2014 financial year. The good order book situation, together with cash from recoverable account receivables and a comfortable line of credit amounting to € 3.2 million also ensure continued good liquidity.

The marked increase in down payment levels and the increased numbers of projects completed and invoiced for in the financial year 2013 have resulted in a positive development in operative cash flow. At € 5.8 million it is some € 0.4 million higher than in the previous financial year (2012: € 5.4 million). IVU can once again finance the necessary expenditure for research and development in 2014 using funds it has generated.

## Order book situation

Long-term business relationships with more than 500 customers and partners in more than 30 countries ensure that IVU continues to have a high level of orders on its books. As of 28 February 2014, the order-book situation for the current financial year, defined in terms of contracts signed, amounted to some € 36.0 million. Firm commitments to place orders have a volume of € 0.7 million. In addition there are offers under consideration and on-going negotiations which are conservatively valued at € 4.4 million. This means that the planned goals for 2014 are already covered to a considerable extent by the order books.

## 2013 in brief

In the financial year 2013, IVU once again maintained its upwards momentum. With revenue of € 46.3 million (2012: € 44.4 million) and gross profits of € 34.8 million (2012: € 31.8 million) it has continued to show steady growth. The domestic and international customer base could be further expanded in the period covered by this report. Long-term customer relationships ensure a sound basis for follow-up and maintenance contracts. The planned targets for the financial year 2013 were exceeded and the prospects for the following years are also very promising. With EBIT of k€ 3,856 (2012: k€ 3,381) the performance of the company improved by 14%. The asset situation with an equity ratio of 55% also continues to be good. Further growth can be financed from the funds the company generates itself. The core market of Public Transport accounted for revenue of € 40.4 million in the financial year 2013, (2012: € 39.3 million). The Logistics Sector contributed revenue of € 5.8 million (2012: € 5.1 million).

At 10.3% the EBT/gross profit ratio reached double figures for the first time (2012: 9.6%), reflecting the improving performance of IVU. The high degree of standardisation of IVU products means that projects can be completed more quickly than is usual, affording higher profit margins. The domestic market continues to provide the impulses for further standardisation. In the future, product development will still be mainly carried out in Germany. As a well-developed and demanding market with complex structures it defines the future demands on IT systems. The domestic and export markets contributed equally to revenues through until 31 December 2013. However, the international markets showed a greater increase in turnover for the financial year 2013. The expenditure for research and development could be financed by company funds. At no time was the financial potential of the company overstretched. Overall, there has been a very positive development of the results, assets and financial situation of IVU AG in comparison with the previous financial year.

## Prospects

The public transport sector remains a growth market. The continued migration from the countryside is placing burdens on urban infrastructures, so that cities are calling for modern new solutions. IVU further enhanced its reputation in this market in the financial year 2013 and is in demand as a consultation partner. In particular, it has attracted attention with the successful project implementation in London. The UITP Award received by IVU in May 2013 gave additional impulses to this development and had a positive effect on acquisitions. New orders are expected from the target markets in Asia and South America for 2014. The market opportunities in these regions continue to be good. Marketing activities in Europe, Asia, and South America will be strengthened correspondingly in the coming years. However, IVU will focus on particularly promising countries. New branch offices in Hanoi and Budapest will support this approach.

IVU also continues to see good opportunities in rail transport. With its integrated rail solution IVU.rail, it was able to strengthen its market position in the period covered by this report and secured a significant competitive advantage. After seven state railways, SBB Cargo is now a further large state company to choose the IVU system – this time for rail freight operations. As the standard product for the entire rail sector (main-line, regional and freight transport), the prospects for the IVU rail product continue to be very promising for 2014.

The logistics sector has also developed positively. Customer ties are strong, and repeatedly lead to follow-up orders.

On the basis of our order planning system, business in 2014 is expected to continue to develop positively with sound growth. Consolidated annual revenue of € 48 million is planned, with a gross profit of € 36 million.

# Opportunities and risks

## Risk management

In order to secure the long-term success of the company, we aim to identify, analyse and control risks as quickly as possible. Risk management includes all regulations for recognising and dealing with risks. The internal control system is embedded in the risk management system and operates in accordance with the four eyes principle. The Executive Board bears the overall responsibility for the internal financial control and risk management system with respect to the accounting processes in the company. This includes all factors which could significantly affect the accounts and the overall assessment of the annual results, including the Management Report.

The risk management is based on the monthly reporting system (Financial Controlling Report), which covers key parameters and compares the company's monthly plan with the actual figures. These also include the budgets for the individual projects. The subsidiaries are included in the reporting system. The analysis of deviations serves the management as an instrument for business control.

Targets and reported figures are discussed regularly with those responsible for revenue and cost development and those responsible for meeting deadlines in order to provide the Executive Board with timely information about critical developments and to make it possible to take any necessary corrective measures.

In order to ensure that the available liquidity and the credit lines are adequate, liquidity is planned on a rolling basis, and the development of the available liquidity is monitored daily.

Risk management is a fixed item on the agenda of every meeting of the Supervisory Board, and is discussed at length at every meeting. The relevance of the risks is evaluated in accordance with the possible level of damages arising. Overall, we see a moderate risk of damage.

The company has identified the following main risks and assessed these in terms of the estimated likelihood of their occurrence and the levels of the resultant damages:

## Risks

### Export business

The opportunities offered by internationalisation have to be weighted against the costs of opening up new markets, which always represent an investment with an uncertain outcome. In addition, IVU is subject to the general political and economic conditions in the countries in which it is active. There is naturally a risk of project delays or even non-payment. The probability of an event and the extent of possible harm are assessed as medium. In order to lower these risks, we attempt to limit the costs of opening up new markets by focussing strategically on promising countries in target markets, and thus to deploy resources in the best way possible. The company uses various payment security instruments to protect itself against payment defaults, such as letters of credit, advances, or instalment payments

### Delayed payments

Delayed payments are a potential risk in all large projects, in particular international ones, because experience shows that the political and economic conditions can change quickly. In particular, changes in decision-making representatives can have an effect on payment behaviour. The probability of an event and the extent of possible harm are assessed as medium. Measures to reduce these risks are delivery-oriented payment plans and efficient project management. Furthermore, the payment behaviour of our customers is in general good, because the majority of orders are from the public sector.

### Project business

The project business of IVU is based almost exclusively on contract work. This naturally brings with it the risk that the workload involved turns out to be more than was planned. Any resultant delivery delays may result in claims being made for compensation. The probability of an event is medium and the extent of possible harm is assessed as low. These risks can be reduced by efficient project management in order to avoid compensation claims, as well as by punctual completion and compliance with quality standards.

## Quality deficits

If delivered software is found to have deficits, these can lead to delays in the acceptance and thus to the payment of invoices, so that a project-related liquidity bottleneck can result. The probability of an event is low and the extent of possible harm is assessed as medium. This risk can be limited by thorough quality management in accordance with ISO 9001. In addition, the steadily increasing degree of standardisation of the IVU systems is reducing the risk of quality deficits, because instead of special developments it is only necessary to carry out customer-specific adaptations, and all products can be subjected to intensive tests.

## Foreign currency risks

Since IVU conducts part of its business outside the euro area, exchange rate fluctuations can affect the results. Foreign currency risks exist for receivables, liabilities, cash in hand, and equivalent forms of liquidity where these do not correspond to the functional currency used by the company. The probability of an event is high and the extent of possible harm is assessed as low. Measures to reduce these risks are the systematic monitoring and analysis of exchange rate risks arising from operative dealings, as well as providing security against exchange rate risks, for example by cross-currency swaps.

## Shortage of expert personnel

A specialised software company like IVU achieves its market position because highly-qualified specialists execute demanding projects and satisfy special customer requirements. Risks arise from the possible loss of employees with expertise. The probability of an event and the extent of possible harm are assessed as low. Measures adopted to reduce these risks are a long-term human resources policy in order to ensure low rates of fluctuation, as well as an open and trusting corporate culture which promotes a high level of employee loyalty.

## Opportunities

The marketing strategy aims to further expand the good position on the German market and to make full use of the opportunities presented by internationalisation. IVU is one of only a few system houses offering IT solutions for the full range of processes of transport companies – from planning, through operational control to settlement. Our systems have grown more closely together and with our IVU.suite for public transport we are a market leader for integrated solutions.

We are also winning customers with our integrated solution for the rail market. The specially developed planning and operational control system IVU.rail is the only standard product to offer support for the entire operational process in all rail sectors, whether for main-line, regional, commuter or freight transport. This lead over competitors in rail transport offers considerable opportunities for the coming years. Seven state railways are already relying on our solutions, which we are constantly refining in cooperation with leading railway companies and adapting in accordance with the developing state of the art.

Overall, we rate the opportunities for IVU as very good. We are benefiting from the ongoing trend to urbanisation, which is causing cities to make increasingly high investments in the expansion and modernisation of their infrastructures. As a result of its successful projects, IVU is in demand as a potential partner. We will continue to use this good reputation and enhance our profile with targeted activities in promising markets.

## Follow-up report

Since 31 December 2013 there have been no events of significance which have affected the situation regarding earnings, finances or assets.

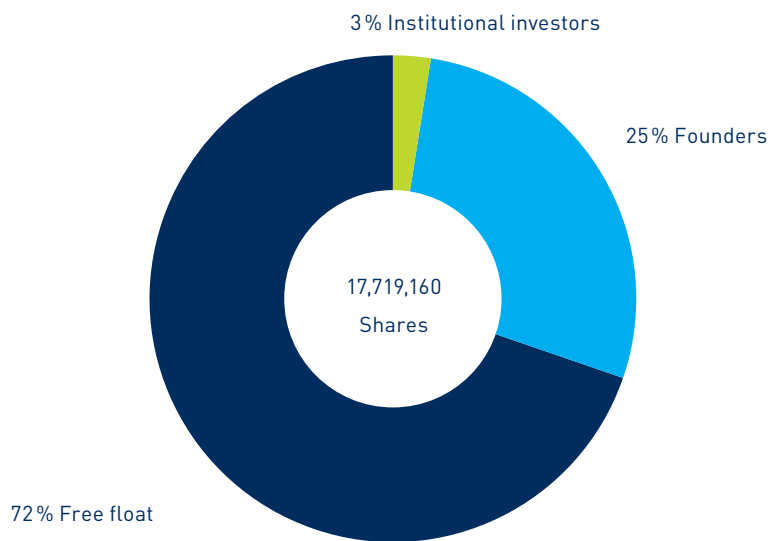
## IVU shares

### IVU share price in comparison with the TecDAX index



### Shareholder structure

As of 31 December 2013



## Shares held by Board members as of 31.12.2013

	No. of shares
<b>Executive Board</b>	
Martin Müller-Elschner	140,000
Dr Helmut Bergstein	30,000
Frank Kochanski	30,000
<b>TOTAL, EXECUTIVE BOARD</b>	<b>200,000</b>
<b>Supervisory Board</b>	
Prof Dr Herbert Sonntag	866,000
Klaus-Gerd Kleversaat	312,590
<b>TOTAL, SUPERVISORY BOARD</b>	<b>1,178,590</b>
<b>TOTAL, BOARD MEMBERS</b>	<b>1,378,590</b>

## Obligation to report

In the financial year 2013, Martin Müller-Elschner, Chair of IVU's Executive Board, acquired 48,200 IVU shares. He now holds 140,000 IVU shares. Frank Kochanski, Member of the Executive Board, acquired 10,000 IVU shares in the period covered by the report and now holds 30,000 IVU shares. Klaus-Gerd Kleversaat, Chair of the Supervisory Board, acquired 50,000 IVU shares in the period covered by the report and now holds 312,590 IVU shares. Prof Herbert Sonntag, Member of the Supervisory Board, transferred 300,000 shares by way of donation in the period covered by the report and now holds 866,000 shares.

# Consolidated financial statement

## Consolidated profit and loss account in accordance with IFRS for the financial year 2013

	2013 k€	2012 k€
<b>REVENUES</b>	<b>46,250</b>	<b>44,440</b>
Other operating revenues	675	520
Material costs	-12,165	-13,157
<b>GROSS PROFIT</b>	<b>34,760</b>	<b>31,803</b>
Personnel expenses	-22,765	-21,419
Depreciation of non-current assets	-989	-955
Other operating expenses	-7,150	-6,048
<b>EBIT</b>	<b>3,856</b>	<b>3,381</b>
Financial income	27	14
Financial expenses	-292	-344
<b>EARNING BEFORE TAXES (EBT)</b>	<b>3,591</b>	<b>3,051</b>
Taxes on income and earnings	236	538
<b>GROUP ANNUAL PROFIT</b>	<b>3,827</b>	<b>3,589</b>
	<b>€</b>	<b>€</b>
Earnings per share (undiluted and diluted)	0.22	0.20
Average number of shares in circulation (in thousands)	17,719	17,719

## Consolidated cash flow statement in accordance with IFRS for the financial year 2013

	2013 k€	2012 k€
<b>1. BUSINESS ACTIVITIES</b>		
Consolidated earnings before income and taxes of the period	3,591	3,051
Depreciation of fixed assets	989	955
Changes to provisions	-76	332
Earnings from interest	265	330
Other non-cash income and expenses	-55	62
	<b>4,714</b>	<b>4,730</b>
Change of items of current assets and current borrowed funds		
Inventories	-502	-628
Receivables and other assets	-2,860	-2,219
Liabilities (without provisions)	5,087	4,090
	<b>6,439</b>	<b>5,973</b>
Interest payments	-292	-344
Tax payments on revenues	-356	-237
Cash flow from current business activities	<b>5,791</b>	<b>5,392</b>
<b>2. INVESTMENT ACTIVITIES</b>		
Payments for investments in property, plant and equipment <sup>1</sup>	-386	-807
Interest received	27	14
Cash flow from investment activities	<b>-359</b>	<b>-793</b>
<b>3. FINANCING ACTIVITIES</b>		
Repayment of liabilities from sale & leaseback transactions <sup>2</sup>	0	-9
Cash repayments for repayment of current financial liabilities	0	-6
Cash flow from financing activities	<b>0</b>	<b>-15</b>
<b>4. LIQUID FUNDS</b>		
Effective change in liquid funds	5,432	4,584
Liquid funds at the beginning of the period	5,236	652
Liquid funds at the end of the period	<b>10,668</b>	<b>5,236</b>

<sup>1</sup> The presentation of payments for investments in PPE for 2013 and 2012 differs from the additions to the fixed assets given in the developments of assets. The difference results from the acquisition of property, plant and equipment under finance leasing arrangements, so that here only the repayments of the relevant liabilities are shown as payments for investments in PPE. Please refer to Annex 5, Point C. 1.

<sup>2</sup> The company has entered into Sale & Leaseback transactions with subsequent financial leasing for reasons of finance. Therefore the transaction is presented as a financing activity. Please refer to the statements in Annex 5, Point C. 1.

+ = cash inflow

- = cash outflow

## Consolidated balance sheet in accordance with IFRS as of 31 December 2013

Assets	31.12.2013 k€	31.12.2012 k€
<b>A. CURRENT ASSETS</b>	<b>42,473</b>	<b>34,932</b>
1. Liquid funds	10,668	5,236
2. Current trade receivables	17,867	16,010
3. Current receivables from construction contracts	7,135	7,996
4. Inventories	2,553	2,051
5. Other current assets	4,250	3,639
<b>B. NON-CURRENT ASSETS</b>	<b>16,522</b>	<b>14,626</b>
1. Fixed assets (PPE)	1,477	1,722
2. Intangible assets	11,593	11,805
3. Non-current trade receivables	1,252	0
4. Deferred tax assets	2,200	1,099
<b>ASSETS</b>	<b>58,995</b>	<b>49,558</b>
<b>Liabilities</b>	<b>31.12.2013 k€</b>	<b>31.12.2012 k€</b>
<b>A. CURRENT LIABILITIES</b>	<b>22,238</b>	<b>16,297</b>
1. Current trade payables	2,588	3,246
2. Obligations arising from construction contracts	10,625	5,481
3. Provisions	1,101	1,159
4. Tax accruals	1,259	546
5. Other current liabilities	6,665	5,865
<b>B. NON-CURRENT LIABILITIES</b>	<b>4,116</b>	<b>3,676</b>
1. Pension provisions	3,755	3,150
2. Others	361	526
<b>C. EQUITY</b>	<b>32,641</b>	<b>29,585</b>
1. Subscribed capital	17,719	17,719
2. Capital reserves	3,696	46,456
3. Retained earnings	-450	0
4. Balance sheet profit (previous year -loss)	11,630	-34,690
5. Currency translation	46	100
<b>LIABILITIES</b>	<b>58,995</b>	<b>49,558</b>

## Consolidated group assets in accordance with IFRS as of 31 December 2013

	As of 1.1.2013 k€	Additions k€	Transfer k€	Disposals k€	As of 31.12.2013 k€
<b>Historical costs of purchase / costs of conversion</b>					
<b>A. Intangible assets</b>					
1. Commercial copyrights, licenses, software	6,183	78	0	0	6,261
2. Goodwill	14,626	0	0	0	14,626
3. Original intangible assets	15,505	0	0	0	15,505
	<b>36,314</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>36,392</b>
<b>B. Fixed assets</b>					
1. Technical plant and machinery	2,830	0	0	23	2,807
2. Other equipment, factory and office equipment	6,677	439	0	44	7,072
3. Advanced payments and assets under construction	4	15	0	0	19
	<b>9,511</b>	<b>454</b>	<b>0</b>	<b>67</b>	<b>9,898</b>
<b>TOTAL</b>	<b>45,825</b>	<b>532</b>	<b>0</b>	<b>67</b>	<b>46,290</b>
<b>Depreciation</b>					
	As of 1.1.2013 k€	Additions k€		Disposals k€	As of 31.12.2013 k€
<b>A. Intangible assets</b>					
1. Commercial copyrights, licenses, software	5,727	290		0	6,017
2. Goodwill	3,277	0		0	3,277
3. Original intangible assets	15,505	0		0	15,505
	<b>24,509</b>	<b>290</b>		<b>0</b>	<b>24,799</b>
<b>B. Fixed assets</b>					
1. Technical plant and machinery	2,423	55		23	2,455
2. Other equipment, factory and office equipment	5,366	644		44	5,966
3. Advanced payments and assets under construction	0	0		0	0
	<b>7,789</b>	<b>699</b>		<b>67</b>	<b>8,421</b>
<b>TOTAL</b>	<b>32,298</b>	<b>989</b>		<b>67</b>	<b>33,220</b>
<b>Residual value</b>					
	As of 31.12.2013 k€				As of 31.12.2012 k€
<b>A. Intangible assets</b>					
1. Commercial copyrights, licenses, software	244				456
2. Goodwill	11,349				11,349
3. Original intangible assets	0				0
	<b>11,593</b>				<b>11,805</b>
<b>B. Fixed assets</b>					
1. Technical plant and machinery	352				407
2. Other equipment, factory and office equipment	1,106				1,311
3. Advanced payments and assets under construction	19				4
	<b>1,477</b>				<b>1,722</b>
<b>TOTAL</b>	<b>13,070</b>				<b>13,527</b>

## Consolidated companies

	Shareholding %
IVU – Gesellschaft für Informatik, Verkehrs- und Umweltplanung mbH, Berlin ('IVU GmbH')	100
IVU Traffic Technologies Italia S.r.l., Rom, Italien ('IVU Italia')	100
IVU Traffic Technologies UK Ltd., Birmingham, Großbritannien ('IVU UK')	100
IVU Benelux B.V., Veenendaal, Niederlande ('IVU Benelux')	100
IVU Chile LTDA., Santiago de Chile, Chile ('IVU Chile')	100

## Group equity change account in accordance with IFRS for the financial years 2012 and 2013

	Subscribed capital k€	Capital reserves k€	Retained earnings k€	Foreign exchange rate changes k€	Balance sheet loss k€	Total k€
<b>As of 1.1.2012</b>	<b>17,719</b>	<b>46,456</b>	<b>0</b>	<b>51</b>	<b>-38,279</b>	<b>25,947</b>
Consolidated profit 2012	0	0	0	0	3,589	3,589
Other income after taxes	0	0	0	49	0	49
Total consolidated profit/loss after taxes	<b>0</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>3,589</b>	<b>3,638</b>
<b>AS OF 31.12.2012</b>	<b>17,719</b>	<b>46,456</b>	<b>0</b>	<b>100</b>	<b>-34,690</b>	<b>29,585</b>
<b>ADAPTATION TO IAS 19<sup>1</sup></b>						
<b>As of 1.1.2013</b>	<b>17,719</b>	<b>46,456</b>	<b>-608</b>	<b>100</b>	<b>-34,957</b>	<b>28,710</b>
Consolidated profit 2013	0	0	0	0	3,827	3,827
Other income after taxes	0	0	158	-54	0	104
Offsetting	0	-42,760	0	0	42,760	0
Total consolidated profit/loss after taxes	<b>0</b>	<b>-42,760</b>	<b>158</b>	<b>-54</b>	<b>46,587</b>	<b>3,931</b>
<b>AS OF 31.12.2013</b>	<b>17,719</b>	<b>3,696</b>	<b>-450</b>	<b>46</b>	<b>11,630</b>	<b>32,641</b>

<sup>1</sup> IAS 19 Employee benefits (revised 2011)

## Unabridged Notes to the 2013 Consolidated Financial Statements

This annual report, which is intentionally clear and concise, contains all important details about the company's position and outlook. As in previous years we have not produced a print version of the 40-page Unabridged Notes to the Consolidated Financial Statement. This can be downloaded from our Website: **www.ivu.com**. A copy is available on request.

## Auditors' certificate

The complete annual financial statement and the management report for IVU Traffic Technologies AG for the financial year 2013 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Berlin, and provided with an unqualified audit report.

## Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the 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.

The Executive Board, March 2014

# Report of the Supervisory Board

## Dear Shareholders,

In the financial year 2013 the Supervisory Board continually monitored the work of the Executive Board in accordance with law and the company statutes and offered appropriate advice. The Supervisory Board obtained detailed information about the commercial and financial development, important business events, and about the strategy and planning of the company. The Executive Board informed the Supervisory Board regularly and in a timely fashion. The Supervisory Board received all documents in good time which were important for decisions about to be taken. Between meetings, the members of the Supervisory Board were in regular contact with The Executive Board.

Important points in the meetings were:

- Scrutiny and approval of the planning for the financial year 2013
- Approval of the Consolidated Annual Report of IVU and the individual report of IVU AG
- Liquidity planning
- Discussion of the results at the end of each quarter
- Personnel developments
- Risk management
- Major projects and their economic impact on the company
- Preparation of the general meeting
- The internationalisation strategy

## Meetings

Four regular meetings were held in the financial year 2013: on 20 March, 3 June, 21 August, and 20 November 2013.

An additional strategy meeting was held on 20 November after the Supervisory Board meeting.

The Supervisory Board did not form any sub-committees and all the matters put before it were decided on jointly.

## Focus of consultations

Consultations focussed on the economic situation of the company, the future prospects, and the future orientation in the international field of competition.

## Corporate governance

Corporate responsibility and sustainable value creation are of great importance for IVU Traffic Technologies AG. In the financial year 2013, the Supervisory Board and the Executive Board have therefore again discussed the recommendations and proposals of the German Corporate Governance Code, and submitted the compliance declaration in accordance with Section 161 AktG.

## Annual financial statement

At our meeting on 20 March 2014, we considered in detail the annual accounts of IVU Traffic Technologies AG and the consolidated annual financial statement for the financial year ending 31 December 2013 as well as the management report in each case. The auditors, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft were available during the meeting to answer questions. After detailed examination and discussion we have approved both the consolidated annual financial statement and the annual financial statement of IVU AG.

The auditors have reached an unqualified assessment in their report. This concludes:

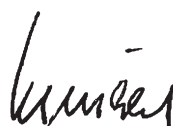
“Our audit did not give rise to any reservations. According to our assessment on the basis of the results of our audit, the consolidated financial statement is in accordance with the EU-adopted IFRS, and the additional applicable commercial requirements in accordance with Section 315a Para. 1 German Commercial Code (HGB), and it provides in accordance with these requirements a true and accurate picture of the Group’s position regarding assets, finances and profits.

The consolidated management report is concordant with the consolidated financial statement, provides overall an accurate picture of the position of Group’s

position, and accurately presents the opportunities and risks of future developments.”

The full text of the auditors’ report is available on the IVU Website ([www.ivu.com](http://www.ivu.com)).

Berlin, in March 2014



For the Supervisory Board

**Klaus-Gerd Kleversaat**

Chair of the Supervisory Board



André Neiß

Prof Dr Herbert Sonntag

Klaus-Gerd Kleversaat

# Supervisory Board

## Supervisory Board

### **Klaus-Gerd Kleversaat, Berlin** (Chair)

- Director of quirin bank AG, Berlin
- Management Board member of Tradegate Wertpapierhandelsbank AG, Berlin
- Supervisory Board member of Stream Films AG, Berlin

### **André Neiss, Hanover**

- Management Board Chair of üstra Hannoversche Verkehrsbetriebe AG, Hanover
- Managing Director of Versorgungs- und Verkehrsgesellschaft Hannover mbH, Hanover
- Advisory Board member of Hannover Region Grundstücksgesellschaft mbH HRG & Co. Passerelle KG, Hanover
- Chair of Haftpflichtgemeinschaft Deutscher Nahverkehrs- und Versorgungsunternehmen (HDN), Bochum
- Supervisory Board member of Einkaufs- und Wirtschaftsgesellschaft für Verkehrsunternehmen beka GmbH, Cologne

### **Prof Herbert Sonntag, Berlin**

- Professor for Transport Logistics and Head of Transport Logistics Research Group at TH Wildau
- Management Board Chair of Logistiknetz Berlin Brandenburg e.V., Berlin-Potsdam
- Board member of Allianz pro Schiene e.V., Berlin

The emoluments of the Supervisory Board in the financial year 2013 amounted to k€ 37.5 (2012: k€ 37.5).

## Executive Board

### **Martin Müller-Elschner** (Chair)

### **Dr Helmut Bergstein**

### **Frank Kochanski**

In the financial year 2013, the members of the Executive Board received emoluments amounting to k€ 952 (2012: k€ 819). The emoluments of the Executive Board consist of a fixed and a variable portion. In the financial year covered by this report, the variable portion accounted for approx. 33 % (2012: 25 %) of the total emoluments.

## Advisory Board

### **Prof Manfred Boltze, Darmstadt**

- Head of the Section for Traffic Planning and Transport Engineering at the Technical University of Darmstadt

### **Prof Adolf Müller-Hellmann, Cologne**

- Managing director of the VDV Industrial Forum
- Honorary Professor at ISEA – Institute for Power Electronics and Electrical Drives at Rheinisch-Westfälische Technische Hochschule (RWTH)

### **Volker Sparmann, Hofheim am Taunus**

- Mobility Officer of the Hesse Ministry of Economics, Transport, and Spatial Development
- Chair of House of Logistics and Mobility (HOLM) e.V.

## Financial calendar 2014

### Thursday, 20 March 2014

Publication of the annual financial statement 2013

### Friday, 30 May 2014

Three-monthly report up to 31.3.

### Tuesday, 3 June 2014

General meeting

### Wednesday, 27 August 2014

Six-monthly report up to 30.6.

### Friday, 28 November 2014

Nine-monthly report up to 30.9.

#### Imprint

##### Publisher

IVU Traffic Technologies AG

The 2013 Annual Report and Unabridged Notes to the Financial Statement can be downloaded from [www.ivu.com](http://www.ivu.com) as a PDF file in German or English.

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Transport for London

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<u>Assets</u>		31.12.2013 k€	adapted * 31.12.2012 k€	adapted * 01.01.2012 k€
		Annex note		
<b>A.</b>	<b><u>Current assets</u></b>			
1.	Liquid funds	C. 6	10,668	5,236
2.	Current trade receivables	C. 3	17,867	16,010
3.	Current receivables from construction contracts	C. 4	7,135	7,996
4.	Inventories	C. 2	2,553	2,051
5.	Other current assets	C. 5	4,250	3,639
	Total current assets		42,473	34,932
<b>B.</b>	<b><u>Non-current assets</u></b>			
1.	Fixed assets (PPE)	C. 1	1,477	1,722
2.	Intangible assets	C. 1	11,593	11,805
3.	Non-current trade receivables	C. 3	1,252	0
4.	Deferred tax assets	C. 12	2,200	1,099
	Total non-current assets		16,522	14,626
			<b>58,995</b>	<b>49,558</b>
<u>Liabilities</u>				
<b>A.</b>	<b><u>Current liabilities</u></b>			
1.	Current loans and liabilities		0	0
2.	Current trade payables		2,588	3,246
3.	Obligations arising from construction contracts	C. 4	10,625	5,481
4.	Provisions	C. 10	1,101	1,159
5.	Tax accruals	C. 12	1,259	546
6.	Other current liabilities	C. 11	6,665	5,865
	Total current liabilities		22,238	16,297
<b>B.</b>	<b><u>Non-current liabilities</u></b>			
1.	Deferred tax liabilities	C. 12	0	0
2.	Pension provisions	C. 8	3,755	4,025
3.	Others		361	526
	Total non-current liabilities		4,116	4,551
<b>C.</b>	<b><u>Equity</u></b>			
1.	Subscribed capital	C. 7	17,719	17,719
2.	Capital reserves	C. 7	3,696	46,456
3.	Retained earnings		-450	-608
4.	Balance sheet profit (previous year -loss)	C. 7	11,630	-34,957
5.	Currency translation		46	100
	Total equity		32,641	28,710
			<b>58,995</b>	<b>49,558</b>
			<b>40,708</b>	

\* see Annex B. (14)

**IVU Traffic Technologies AG, Berlin**  
**Consolidated income statement for the financial year 2013**

Annex 2-1

	Annex	2013 k€	adapted 2012 k€
1. Revenues	D. 13	46,250	44,440
2. Other operating revenues	D. 14	675	520
3. Material costs	D. 15	-12,165	-13,157
<b>Gross profit</b>		<b>34,760</b>	<b>31,803</b>
4. Personnel expenses	D. 16	-22,765	-21,419
5. Depreciation of non-current assets	D. 17	-989	-955
6. Other operating expenses	D. 18	-7,150	-6,048
<b>EBIT</b>		<b>3,856</b>	<b>3,381</b>
7. Financial revenues		27	14
8. Financial expenses		-292	-344
<b>EBT</b>		<b>3,591</b>	<b>3,051</b>
9. Taxes on income and revenues	C. 12	236	320
<b>10. Consolidated annual profit</b>		<b>3,827</b>	<b>3,371</b>
		2013 €	2012 €
Earnings per share (undiluted and diluted):	D. 19	0.00	0.00
<b>Average number of shares in circulation</b> (in thousands)	D. 19	17,719	17,719

**IVU Traffic Technologies AG, Berlin**  
**Statement of comprehensive income**  
**for the period from 1 January to 31 December 2013**

Annex 2-2

	2013 k€	adapted 2012 k€
<b>Consolidated annual profit</b>	<b>3,827</b>	<b>3,371</b>
Foreign currency translations	-54	49
<b>Other earnings to be reclassified in the consolidated income statement for the following annual period</b>	<b>-54</b>	<b>49</b>
Actuarial gains / (losses) from the evaluation of pension obligation	227	-715
Income tax effect	-69	218
	<b>158</b>	<b>-497</b>
<b>Other earnings not to be reclassified in the consolidated income statement for the following annual period</b>	<b>158</b>	<b>-497</b>
<b>Other income after taxes</b>	<b>104</b>	<b>-448</b>
<b>Consolidated profit/loss after taxes</b>	<b>3,931</b>	<b>2,923</b>

**IVU Traffic Technologies AG, Berlin**  
**Group equity change account for the financial years 2012 and 2013**

Annex 3

	Share capital k€	Capital reserves k€	Retained earnings k€	Foreign exchange rate changes k€	Balance sheet profit/loss k€	Total k€
Annex note	C. 7	C. 7				
<b>As of 1 January 2012 (not adapted)</b>	<b>17,719</b>	<b>46,456</b>	<b>0</b>	<b>51</b>	<b>-38,279</b>	<b>25,947</b>
Change in accounting policy	0	0	-111	0	-49	-160
<b>As of 1 January 2012 (adapted)</b>	<b>17,719</b>	<b>46,456</b>	<b>-111</b>	<b>51</b>	<b>-38,328</b>	<b>25,787</b>
Consolidated profit 2012	0	0	0	0	3,371	3,371
Other income after taxes	0	0	-497	49	0	-448
<b>Total consolidated profit/loss after taxes</b>	<b>0</b>	<b>0</b>	<b>-497</b>	<b>49</b>	<b>3,371</b>	<b>2,923</b>
<b>As os 31 December 2012 (adapted)</b>	<b>17,719</b>	<b>46,456</b>	<b>-608</b>	<b>100</b>	<b>-34,957</b>	<b>28,710</b>
<b>As of 1 January 2013 (adapted)</b>	<b>17,719</b>	<b>46,456</b>	<b>-608</b>	<b>100</b>	<b>-34,957</b>	<b>28,710</b>
Consolidated profit 2013	0	0	0	0	3,827	3,827
Other income after taxes	0	0	158	-54	0	104
Offsetting	0	-42,760	0	0	42,760	0
<b>Total consolidated profit/loss after taxes</b>	<b>0</b>	<b>-42,760</b>	<b>158</b>	<b>-54</b>	<b>46,587</b>	<b>3,931</b>
<b>As of 31 December 2013</b>	<b>17,719</b>	<b>3,696</b>	<b>-450</b>	<b>46</b>	<b>11,630</b>	<b>32,641</b>

	Annex note	2013 k€	2012 k€
<b>1. Business activities</b>			
Consolidated earnings before income and taxes of the period		<u>3,591</u>	<u>3,051</u>
Depreciation of fixed assets	D. 17	989	955
Changes to provisions		-76	332
Earnings from interest		265	330
Other non-cash income and expenses		<u>-55</u>	<u>62</u>
		<u>4,714</u>	<u>4,730</u>
Changes of items of current assets and current borrowed funds			
Inventories		-502	-628
Receivables and other assets		-2,860	-2,219
Liabilities (without provisions)		<u>5,087</u>	<u>4,090</u>
		<u>6,439</u>	<u>5,973</u>
Interest payments		-292	-344
Tax payments on revenues		<u>-356</u>	<u>-237</u>
<b>Cash flow from current business activities</b>		<u>5,791</u>	<u>5,392</u>
<b>2. Investment activities</b>			
Payments for investments in property, plant and equipment *)		-386	-807
Interest received		<u>27</u>	<u>14</u>
<b>Cash flow from investment activities</b>		<u>-359</u>	<u>-793</u>
<b>3. Financing activities</b>			
Repayment of liabilities from sale & leaseback transactions **)		0	-9
Cash repayments for repayment of current financial liabilities		<u>0</u>	<u>-6</u>
<b>Cash flow from investment activities</b>		<u>0</u>	<u>-15</u>
<b>4. Liquid funds</b>			
Effective change in liquid funds		5,432	4,584
Liquid funds at the beginning of period		5,236	652
<b>Liquid funds at the end of period</b>	C. 6	<u>10,668</u>	<u>5,236</u>

(+ = Cash inflow / - = Cash outflow)

\*) The presentation of payments for investments in PPE for 2013 and 2012 differs from the additions to the fixed assets given in the development of assets. The difference results from the acquisition of property, plant and equipment under finance leasing arrangements, so that here only the repayments of the relevant liabilities are shown as payments for investments in PPE. Please refer to Annex 5, Point C. 1.

\*\*) The company has entered into sale & leaseback transactions with subsequent financial leasing for reasons of finance. Therefore the transaction is presented as a financing activity. Please refer to Annex 5, Point C. 1.

## Notes to the consolidated financial statements

### IVU Traffic Technologies AG, Berlin For the period ended 31 December 2013

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#### A. General Company Information

- (1) The parent company of the IVU Group is IVU Traffic Technologies AG (IVU AG) with its head office at Bundesallee 88, 12161 Berlin, Germany. It was founded on 4 August 1998 and is entered in the Commercial Register Berlin-Charlottenburg under the number HRB 69310.
- (2) The Executive Board approved the consolidated financial statements for the period ended 31 December 2013 and the Group management report for the financial year 2013 on 5 March 2014, and then presented them to the Supervisory Board for approval. It is expected that this will be passed by the Supervisory Board at its meeting on 20 March 2014.
- (3) The business operations of the IVU Group involve the development, production and marketing of software for planning, organisation and information processing for public administrations, transport companies and other public and private sector service providers. The activities include research, the formulation of expert reports, consultancy, further training in these areas, as well as the management of and participation in companies in the technology sector. The average number of employees in the Group was 389 in 2013, compared with 355 in 2012.
- (4) The IVU Group is structured in two main segments: Public Transport and Logistics.
- (5) The main customers of the IVU Group are operators of public transport services in Germany and Europe. The IVU Group is represented in the locations Berlin, Aachen, Birmingham (Great Britain), Bogotá (Colombia), Rome (Italy), Santiago de Chile (Chile), and Veenendaal (the Netherlands).
- (6) The company is listed in the Prime Standard (Deutsche Börse AG) at the Frankfurt Stock Exchange.

## **B. The accounting principles**

### **Basis for the preparation of the financial statements**

- (7) The financial statements of the IVU Group were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, as well as with the provisions of Section 315a Paragraph 1 of the German Commercial Code (HGB). The financial statements were prepared in euro. The abbreviation k€ denotes that these sums are expressed as multiples of one thousand (1,000) euro.
- (8) The financial statements of the IVU Group are prepared on the basis of the cost of purchase principle. Exceptions are financial assets which are available for sale, which are booked at the current fair value.

### **Changes to accounting policies**

- (9) With the following exceptions, the accounting policies used in 2013 correspond to those applied in the previous year.

### **Effects of new standards**

- (10) The IVU Group has for the first time applied the following standards and amendments: IAS 19 *Employee Benefits* (amended 2011), IFRS 13 *Fair value measurement* and the amendments to IAS 1 *Presentation of Financial Statements*. Other amendments are also applicable for the first time in the financial year 2013. However, these have no impact on the consolidated financial statement. The nature and effects of the individual new standards and amendments are described in the following:
- (11) IFRS 13 *Fair value measurement* defines fair value and sets out a framework for its measurement. The standard does not regulate when assets and liabilities are to be evaluated at fair value but solely how fair value is to be determined. IFRS 13 defines fair value as the exit price. In accordance with the guidelines of IFRS 13, the Group has examined its accounting methods for fair value measurement. IFRS 13 also defines further disclosure obligations. The application of IFRS 13 had no material effects on the fair value measurement of the Group. Required details are provided in the annex notes for the individual assets and liabilities whose fair value has been determined.
- (12) In order to eliminate unintended consequences of IFRS 13 for the disclosure requirements under IAS 36, changes have been introduced for the disclosure requirements in IAS 36 regarding the recoverable amount for non-financial assets and the recoverable amount of assets or cash-generating units, for impairments or recoveries recognised at some stage during the annual period. The change is to be applied at the latest for the annual period beginning on or after 1 January 2014. An earlier application is permissible. The Group has applied this change of IAS 36 prematurely for the current reporting period because the amended/additional disclosures as intended by IASB provide useful information. The first application of IFRS 13 led to no significant effects for the Group.

- (13) IAS 1 Presentation of Financial Statements – Presentation of items of other comprehensive income: The change to IAS 1 requires a new grouping of items of other income, which in subsequent annual periods will be reclassified in the income statement and presented separately from items which will not be reclassified. The changes only alter the presentation and do not affect the assets, liabilities, financial position and profit or loss of the Group.
- (14) In accordance with the transitional regulation in the amended standard, the Group has applied IAS 19 (amended 2011) retrospectively in the current annual period. Corresponding adaptations have been made to the opening balance sheet for the earliest comparison period (1 January 2012) and the comparisons figures.

IAS 19 (amended 2011) changes the accounting requirements, including for post-employment benefits. The following key changes had effects for the Group:

- The amendments lead to the elimination of the corridor method and require that the actuarial gains and losses be recognised directly in other comprehensive income. The following table shows the resultant effects for the consolidated balance sheet:

In k€	Pension provisions	Retained earnings
<b>As of 01.01.2012 (not adapted)</b>	<b>3,025</b>	<b>0</b>
Effects of changing an accounting policy	160	-111
<b>As of 01.01.2012 (adapted)</b>	<b>3,185</b>	<b>-111</b>
As of 31.12.2012 (not adapted)	3,150	0
Effects of changing an accounting policy as of 01.01.2012	160	-111
Effects of changing an accounting policy in the financial year 2012	715	-497
<b>As of 31.12.2012 (adapted)</b>	<b>4,025</b>	<b>-608</b>

- The deferred tax assets in the financial period 2012 before amendment were k€ 1,308, and after amendment were k€ 1,090.
- Furthermore, the rate of interest used for discounting pension provisions will in future determine the expected rate of interest for plan assets.

IAS 19 (amended 2011) also requires detailed information, which is provided under C.8.

IAS 19 (amended 2011) was applied retrospectively taking into account the following simplifications:

- The carrying amount of other assets were not amended to take into account the change in costs for performances to employees recognised before 1 January 2012.
- No sensitivity reports for defined benefit obligations were included in the Annex for the comparison period (annual period ending 31 December 2012).

**The following are IFRS Standards which have already been published but which have not yet been applied**

- (15) In the course of the IASB project for the revision of the accounting of financial instruments, IFRS 9 "Financial instruments" was published by IASB in November 2009. Initially, this only regulates the classification and evaluation of financial assets. Depending on their characteristics and taking into account the business model for their administration, financial assets are to be booked either at net book value or at fair value through profit or loss. Equity instruments are always to be booked at fair value. But changes in value of equity instruments may be recorded in other comprehensive income so far as this option was established upon their acquisition.
- (16) In October 2010, IASB published the second part of IFRS 9 with the new provisions for the classification and assessment of financial liabilities. The new regulations change in particular the accounting of financial liabilities with the fair-value option. In November 2013, IASB issued amendments to IFRS 9 containing new regulations for hedge accounting which replace the equivalent regulations in IAS 39. The additions introduce a new general model for hedge accounting into the standard and extend the range of hedging measures and instruments covered. However, the additions to IFRS 9 offer the choice of presenting all hedging measures in accordance either with the existing regulations of IAS 39 or the new provisions of IFRS 9. IASB deferred the mandatory date of 1 January 2015 for the application of IFRS 9. A new required date for first application will be introduced when the standard has been fully formulated. It has not yet been integrated into European law. The application of the new standard will lead to changes in the presentation and accounting of financial assets and liabilities.
- (17) In May 2011, IASB published IFRS 10 "Consolidated financial statements", IFRS 11 "Joint arrangements", IFRS 12 "Disclosure of interests in other entities", amendments to IAS 27 "Separate financial statements" and amendments to IAS 28 "Investments in associates and joint ventures". IFRS 10 replaces the previous regulations of consolidated financial statements (parts of IAS 27 "Consolidated and separate financial statements") and special purpose entities (SIC-12 "Con-

solidation – Special purpose entities”) and specifies a single model based on the control principle. In addition the standard includes application guidance regarding situations in which control is difficult to assess. Currently valid regulations on accounting for interests in joint ventures (IAS 31 “Interests in joint ventures” and SIC-13 “Jointly controlled entities – Non-monetary contributions by venturers”) are in future to be replaced by IFRS 11. The disclosure obligations previously contained in IAS 27, IAS 28 and IAS 31 will be combined and expanded in IFRS 12. As a result of these changes, IAS 27 only includes provisions on accounting for subsidiaries, associates, and joint ventures in the separate financial statement of the parent company. IAS 28 is to include provisions on the accounting policies for holdings in joint ventures, and specifies the equity method for associates and joint ventures. The amendments are required to be applied in financial periods beginning on or after 1 January 2014. In June 2012 IASB published amendments to IFRS 10, IFRS 11 and IFRS 12 which have not yet been integrated into European law. On the basis of our analysis, we assume that the new or amended standards will have no significant effects on the presentation of the Group’s net assets, financial position and results of operations.

- (18) Other provisions issued by IASB and IFRS IC in the financial year are not expected to significantly influence the consolidated financial statement of the IVU Group.

### Key management judgements

- (19) In the completion of the consolidated financial statement, the Management has made discretionary decisions, estimates and assumptions which have effects on the levels of the balanced revenues, expenditures, assets, liabilities, and the relevant statements as well as the statement of contingent liabilities.
- (20) In the following, the key assumptions are explained relating to the future and other major causes of uncertainties on the balance sheet date due to which an appreciable risk exists that a significant alteration might be necessary to the carrying amounts of assets or liabilities within the subsequent financial year. The assumptions and estimates of the Group are based on parameters available at the time of completing the consolidated financial statement. However, these conditions and the assumptions about future developments may be subject to changes as a result of market fluctuations and market conditions which are beyond the influence of the Group. Any such changes will be taken into consideration in the assumptions as and when they arise.
- (21) *Impairment of non-current assets:* The IVU Group tests non-current assets for impairment on the basis of the provisions of IAS 36. The basis for the impairment test is the future excess cash which could be obtained for an individual asset or a group of assets in a cash generating unit.

Further details on the impairment test are provided in Annex C.1. The carrying amount of the tested non-current assets as of 31 December 2013 was k€ 13,070 (previous year: k€ 13,527).

- (22) *Project evaluation:* The IVU Group recognises revenues on the basis of the estimated performance in the projects. Performance is estimated on the basis

of an estimated quantity of hours or on the basis of contractually agreed milestones, and regularly updated. Further details on revenues from projects which have been recognised but not yet invoiced are provided in Annex C.4. Recognised revenues for the financial year, which ended 31 December 2013, amounted to k€ 4,829 (previous year: k€ 4,233).

- (23) *Deferred tax assets:* Deferred tax assets are recognised for all unused tax losses carried forward and for temporary differences to the extent that it is probable that or if there is substantial evidence that the taxable income will be available so that the loss carried forward can indeed be used. The level of the deferred tax asset depends on the estimate by the company management on the basis of the expected time of inflow and the level of the future taxable income and the future tax planning strategy (timing of tax events, allowances for tax risks, etc.). As of 31 December 2013, the delimited deferred tax assets on losses carried forward amounted to k€ 1,673 (2012: k€ 1.563) and the unused tax losses not set against deferred tax assets were € 33.0 million (2012: € 38.0 million). The unused trade tax losses amounted to € 28.5 million (2012: € 33.6 million). The deferred tax assets relating to temporary differences in accounting amounted as of 31 December 2013 to k€ 2,200 (2012: k€ 1,099); while the tax liabilities amounted to k€ 0 (2012: k€ 0). Further details are provided in Annex C.12.
- (24) *Pensions and other benefits after termination of the working relationship:* The expenses for defined benefit plans on retirement are established on the basis of actuarial calculations. The actuarial evaluation is based on assumptions regarding the discounting rates, expected age of retirement, future wage and salary developments, mortality and future increases in pensions. As a result of the long-term nature of these plans, such estimates are subject to considerable uncertainties. The provisions for pensions and similar obligations as of 31 December 2013 amounted to k€ 3,755 (2012: k€ 4,025). Further details are provided in Annex C.8.

## Principles of consolidation

### a) Subsidiary companies

- (25) The financial statements of the Group cover IVU AG and the companies controlled by it. This control is presumed to exist when IVU AG (the parent) owns, directly or indirectly, more than one half of the voting power of an enterprise and can influence the financial and business policies of the enterprise so that IVU AG profits from the activities.
- (26) For the accounting of the acquisition of enterprises, the purchase method is used in accordance with IFRS 3. Companies which are purchased or sold in the course of the financial year are included in the consolidated financial statements from the date of purchase, or until the date of sale, respectively.
- (27) The excess of the costs of purchase of an enterprise over the acquirer's interest in the fair value of the identifiable assets and liabilities acquired as at the date of the acquisition transaction is described as goodwill and recognised as an asset. The booked identifiable assets and liabilities are valued at their fair

value at the acquisition date.

- (28) The following companies are included in the financial statements as fully consolidated subsidiaries. The proportions of the holdings of IVU AG correspond exactly to the existing voting rights.

	Holding %
IVU - Gesellschaft für Informatik, Verkehrs- und Umweltplanung mbH, Berlin ('IVU GmbH')	100,0
IVU Traffic Technologies Italia S.r.l., Rome, Italy ('IVU Italia')	100,0
IVU Traffic Technologies UK Ltd., Birmingham, Great Britain ('IVU UK')	100,0
IVU Benelux B.V., Veenendaal, Netherlands ('IVU Benelux')	100,0
IVU Chile LTDA., Santiago de Chile, Chile ('IVU Chile')	100,0

- (29) In the financial year 2013 there were no changes relating to the fully-consolidated companies.

b) Consolidation measures and uniform Group measurement

- (30) The financial statements of the subsidiaries integrated in the consolidated financial statements are based on uniform accounting standards, reporting periods and balance sheet dates.

Intragroup balances and transactions and resulting intragroup gains and unrecognised gains and losses between consolidated companies and associated enterprises have been eliminated in full. Unrecognised losses were only eliminated to the extent that the transactions gave no substantial indication of an impairment of the transferred asset.

### Foreign currency translations

- (31) The financial statements of IVU AG are reported in Euro, the operating and reporting currency of the Group. Every company within the Group determines its own operating currency. The items contained in the financial statements of each company are valued in that operating currency. Foreign currency transactions are initially booked at the spot exchange rate on the day of the transaction between the operating currency and the foreign currency. Monetary assets and debts in a foreign currency are translated into the operating currency using the exchange rate on the balance sheet date. All currency differences are recognised in the net profit or loss for the period.

The operating currency of IVU UK, Great Britain is the national currency (pounds sterling). On the balance sheet date, the assets and liabilities of this subsidiary are converted into the reporting currency of IVU AG (euro) at the exchange rate on the balance sheet date (EUR/GBP = 0.835, previous year 0.818). Income and expense items are translated at the weighted average exchange rate for the financial year (EUR/GBP = 0.849, previous year: 0.818). Exchange differences arising from the translation are recognised as a separate element of the equity.

The operating currency of the foreign subsidiary IVU Chile is the national currency (Chilean Peso). On the balance sheet date, the assets and liabilities of this subsidiary are converted into the reporting currency of IVU AG (euro) at the exchange rate on the balance sheet date (EUR/CLP = 0.0014, previous year 0.0016). Income and expense items are translated at the weighted average exchange rate for the financial year (EUR/CLP = 0.0014, previous year 0.0016). Exchange differences arising from the translation are recognised as a separate element of the equity.

### Non-current assets

#### a) Intangible assets

- (32) Intangible assets are measured initially at cost of purchase or conversion. Intangible assets are recognised if it is probable that the future economic benefit from the asset will flow to the company and the costs of purchase or costs of conversion of the asset can be measured reliably. For the purposes of subsequent evaluation, intangible assets are recognised at their cost of purchase or cost of conversion minus accumulated depreciation and accumulated impairment losses (reported under depreciation). Intangible assets (with the exception of goodwill) are amortised on a straight-line basis over their estimated useful life. The amortisation period and amortisation method are examined at the end of every financial year. With the exception of goodwill there are no intangible assets in the company with indefinite useful life.

- (33) The intangible assets include:

*Goodwill*

- (34) Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the interest of the IVU Group in the net fair value of the identifiable assets, assets and liabilities and contingent liabilities. If the fair value of the net assets acquired is greater than the transferred total consideration, then the difference is recognised in the income statement. After initial recognition the goodwill is carried at cost less any accumulated impairment losses. For the purposes of testing whether there is impairment, the goodwill acquired with a business combination is assigned to the cash-generating unit expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to the unit. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

*Commercial copyrights and licences, software*

- (35) Payments for the acquisition of commercial rights and licences are recognised and then written down on a straight-line basis over their foreseeable useful life.
- (36) The costs of purchase of new software are recognised and treated as intangible assets, to the extent that these costs are not an integral element of the associated hardware. Software is amortised on a straight-line basis over a period of three or five years.
- (37) Costs which have been incurred in order to restore or preserve the future economic benefits which the company had originally anticipated are booked as expenses.

*Recognised development costs for internally generated software*

- (38) Research costs are recognised as costs in the period in which they are incurred. An intangible asset which is developed within the framework of an individual project is only recognised when the IVU Group can demonstrate both the technical feasibility of the completion of the intangible asset, so that this is available for internal use or for sale, and also the intention to complete the intangible asset and to use or sell this. Furthermore, the Group must demonstrate the generation of a future economic benefit by the asset, the availability of resources for the completion of the asset, and the ability to determine reliably the expenditures relating to the intangible asset during its development. After recognising the development costs for the first time, the costs of purchase model will be applied according to which the asset value will be as-

sessed as costs of purchase minus accumulated amortisation and accumulated impairment losses. The sums recognised in previous years are written off over the period during which the sales revenues from the project in question are expected (straight-line depreciation over a period of three to five years). The recognised development cost is examined once annually for impairment if the asset is not yet being used, or whenever there are signs within the year that there has been impairment.

- (39) No development costs were recognised in the financial years 2013 and 2012.

b) Fixed assets

- (40) Fixed assets are recognised at their cost of purchase, less accumulated depreciation and accumulated impairment losses. If fixed asset items are sold or disposed of, the corresponding costs of purchase and the accumulated depreciations are derecognised; a recognised gain or loss from the disposal is booked in the income statement.

- (41) The cost of purchase or conversion of a fixed asset consists of the purchase price including import duties and other associated non-recoverable taxes as well as all other costs directly attributable to bringing the asset to its present place and operating condition. Subsequent costs such as maintenance and servicing costs which are incurred after the asset has been included in the inventory of the company are recognised as expenses in the period in which they are incurred. If it is probable that expenditure will result in future economic benefits flowing to the company in excess of the originally assessed standard of performance of the existing asset, such subsequent expenditure is recognised as additional costs of the asset.

- (42) Depreciation is calculated on a straight-line basis over the estimated useful life assuming a residual carrying amount of € 0. If an asset consists of several components which have useful lives of different lengths, then depreciation charges will be made separately for these components over their useful lives. For the various asset groups, the following estimates of the useful life are assumed:

- (43)
- |                         |               |
|-------------------------|---------------|
| Hardware:               | 3 years       |
| Other office equipment: | 3 to 15 years |

- (44) The useful life and the depreciation methods for fixed assets are examined periodically in order to ensure that the depreciation methods and the depreciation periods are in agreement with the expected useful life of the fixed asset items

c) Impairment of non-current assets

- (45) Non-current assets are examined for impairment if events or changes in circumstances indicate that the carrying amount of an asset could not be recovered. For the impairment testing, as a first step the recoverable amount

should be determined for the individual asset item/the cash generating unit. This is defined as the greater of either fair value minus the costs to sell or the value in use. The fair value minus the costs to sell is defined as the price which could be obtained in a sale at arm's-length of the asset or the cash generating unit between two knowledgeable and willing parties minus the costs of the sale itself. The value in use of an asset or a cash generating unit is determined by the cash value within the framework of the current use on the basis of the expected cash flow. In the financial years 2013 and 2012 no impairments of non-current assets were registered.

d) Financial assets

(46) Financial assets are classed in the following categories:

- Loans and receivables,
- Financial instruments held to maturity,
- Financial assets held for trading purposes and
- Financial assets available for sale.

As of 31 December 2013 and 31 December 2012, the IVU Group only held receivables.

- (47) Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at cost using the effective interest method. Profits and losses are recognised in the net profit or loss for the period if the loans and receivables are written off or impaired as well as within the framework of amortisation.
- (48) Financial assets are examined on every balance sheet date for impairment. If it is probable that if financial assets are carried forward at their cost of acquisition the company will not be able to bring in all contractually due sums from loans, receivables or financial instruments to be held until maturity then an impairment loss will be recognised. The impairment loss is defined as the difference between the carrying amount of the financial asset and the cash value of the future cash flow evaluated using the effective interest method. The carrying amount of the asset is reduced using an absorption account. The impairment loss is recognised in the income statement. A previously recognised impairment is corrected in the income statement if the subsequent partial recovery of value can be objectively attributed to an event arising after the original impairment. An increase in value is however only recognised to an extent which does not exceed the cost which would have been carried forward had the impairment not taken place. A financial asset is written off if this is classified as being irrecoverable.
- (49) The carrying amounts of the financial assets and liabilities essentially correspond to the fair value, as in the previous annual period.

## Goals and methods of financial risk management

- (50) The key financial instruments of the company in addition to trade receivables consist of liquid funds and bank liabilities. The purpose of these financial instruments is to finance the operating business. The key risks have the form of credit risk and liquidity risks. Exchange rate risks only have a minor significance because of the subordinate role of foreign currency assets and liabilities. Current value risks arise solely in connection with financial assets available for sale and also have a minor significance.

### Credit and liquidity risks

- (51) Credit risks, or the risks that a contractual partner will not meet obligations to pay, are controlled by means of the use of lines of credit and control measures. Where appropriate, the company obtains collateral. The IVU Group does not experience a considerable concentration of credit risks with one single contractual partner or a group of contractual partners with similar characteristics. The maximum credit risk is at the level of the recognised carrying amounts of the financial assets.
- (52) Liquidity risks arise from the fact that the customer may not be in a position to fulfil their obligations towards the company within the agreed framework conditions.
- (53) In general, the IVU Group endeavours to have available sufficient cash and cash equivalents or corresponding lines of credit in order to be able to fulfil its own future obligations.

As of 31 December 2013, financial liabilities were due as follows:

	Due now	Due in up to 1 year	Due in more than 1 year	Total
	k€	k€	k€	k€
Trade payables	414	2,174	357	2,945
Other liabilities	0	6,665	4	6,669
	<u>414</u>	<u>8,839</u>	<u>361</u>	<u>9,614</u>

Due to the short-term nature of the financial liabilities, through until 31 December 2013 there were no significant differences between the carrying amounts shown on the balance sheet and the undiscounted cash flows.

(54) As of 31 December 2012 financial liabilities were due as follows:

	Due now	Due in up to 1 year	Due in more than 1 year	Total
	k€	k€	k€	k€
Trade payables	1,219	2,027	19	3,265
Other liabilities	0	5,865	507	6,372
	<u>1,219</u>	<u>7,892</u>	<u>526</u>	<u>9,637</u>

Due to the short-term nature of the financial liabilities, through until 31 December 2012 there were no significant differences between the carrying amounts shown on the balance sheet and the undiscounted cash flows.

### **Current assets**

a) Inventories

(55) Inventories are measured at the lower of cost or net realisable value.

b) Liquid assets

(56) Liquid assets consist of cash assets, fixed-term deposits and sight deposits. The liquid assets in the consolidated cash flow statement are recognised in accordance with the definition above.

### **Equity**

(57) The equity consists of the subscribed capital, the capital reserves, the accumulated profit or loss, and the reserves for currency translations.

(58) Capital reserves are made up of the premium payments made in the course of the flotation of IVU AG less the stock exchange admission fees and the value of non-cash shares in IVU-Gesellschaft für Informatik, Verkehrs- und Umweltplanung mbH, Berlin (k€ 10,363) which were also introduced.

(59) In the retained earnings the actuarial gains and losses from the valuation of pension obligations are recognised.

(60) In the reserves for currency translations, the unrealised gains and losses from currency translations are recognised.

### **Pension provisions**

(61) The IVU Group has three defined benefit pension plans. The net pension obligations (pension obligations minus plan assets) are evaluated annually by certified, independent actuaries. The expenses for the provisions under each plan are determined using the projected unit credit method. New evaluations, including actuarial gains and losses, asset ceiling effects excluding net interest (not applicable for the Group), and the revenue from plan assets excluding net interest are immediately recognised on the balance sheet and included under other earnings in the retained earnings for the annual period in which they arise. New evaluations may not be reallocated in the income statement in the following annual period. The amount recognised as a defined benefit asset or liability comprises the cash value of the defined benefit obligation less the unrecognised past service cost and the fair value of the plan assets immediately available to fulfil obligations. The plan assets are made up of liquid funds and reinsurance policies. Plan assets are protected from access by the Group's creditors. The fair value is based on information regarding the market price.

## **Current liabilities**

### **a) Other provisions**

- (62) A provision (reserve) is only recognised if the company has a present (legal or constructive) obligation as a result of past events which make it probable that the fulfilment of the obligation will lead to an outflow of resources embodying economic benefits, and when a reliable estimate can be made of the amount of the obligation. Provisions are examined annually on the balance sheet date and adapted to the current best estimate. If the corresponding interest effect is significant, the provision sum corresponds to the cash value of the expenditures probably required to fulfil the obligation. In the event of discounting, the increase in the provision reflecting the time schedule is recognised as borrowing costs.

### **b) Financial liabilities**

- (63) Financial liabilities are categorised as follows:

- Financial liabilities held for trading
- Other financial liabilities

The financial liabilities recognised in the financial statements of the IVU Group were classified as other financial liabilities.

- (64) A financial liability is initially recognised at cost, which corresponds to the fair value of the consideration; transaction costs are included. Financial liabilities from usual sales and purchases are recognised as of the day of trading
- (65) Financial liabilities are no longer recognised when the obligations specified in the contract have been settled, set aside, or have expired.

## **Contingent liabilities and assets**

- (66) Contingent liabilities are not itemised in the financial statements. They are included in the notes to the financial statements, except if the possibility of an outflow of resources of economic benefit is very unlikely.
- (67) Contingent assets are not itemised in the financial statements. However, they are included in the notes to the financial statements if the inflow of economic benefit is probable.

## **Government grants**

- (68) Government grants are recognised only when there is reasonable assurance that the company will comply with the conditions attached to them. Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic

basis. Grants received for the acquisition of property, plant, and equipment are recognised as deferred income under other liabilities. The income realised in connection with the grant is recognised as other operating income in the income statement.

- (69) The grants received by the company from various bodies as investment supplements are contingent on future conditions being met. The investment subsidies received from the tax office are linked to a guarantee that the subsidised economic goods in question will remain in place. On the basis of its planning, the IVU Group presumes that these conditions will be met in full.
- (70) In 2013 IVU AG received government grants within the framework of various projects of the German federal government for the further development of software applications amounting to k€474 and recognised these as revenues (previous year: k€80). These sums are recognised under other operating income.

### **Borrowing costs**

- (71) The Group capitalises borrowing costs for all qualifying assets whose production commenced on or after 01 January 2011. In the 2013 financial year, as in the previous year, no borrowing costs arose for qualifying assets.

### **Research and development costs**

- (72) Research and development costs in the financial year 2013 amounted to k€ 863 (2012: k€ 832).

### **Leasing**

- (73) Whether an agreement constitutes or contains a lease is determined on the basis of the substance of the contract and involves estimating whether the completion of the contractual agreement is dependent on the use of an asset or assets and whether the agreement conveys the right to use the asset.
- (74) A lease is classified as an operating lease for which basically all risks and opportunities associated with the property remain with the lessor. Leasing payments within an operating lease agreement are recognised as expenses linearly over the duration of the lease agreement.
- (75) The IVU Group has primarily entered into leasing agreements for motor vehicles. The leasing duration of these operating lease agreements is as a rule three to four years.
- (76) Finance leasing agreements, under which basically all risks and opportunities associated with ownership of the leased asset are transferred to the Group, lead to the capitalisation of the leased asset at the beginning of the duration of the lease agreement. The leased asset is recognised at fair value or at the

cash value of the minimum lease payments if this value is lower. Leased assets are written down over their useful life. However, if it is not sufficiently certain that ownership will be transferred to the Group at the end of the duration of the lease agreement, then the leased asset is written off in full over the expected useful life or the duration of the lease agreement, whichever is shorter.

- (77) In 2013 investments amounting to k€ 466 (previous year k€ 468) were made within the framework of hire-purchase agreements. These related primarily to hardware (work stations, servers and infrastructure). The leasing duration of the finance leasing agreements is four years.

### **Conclusion of sales and realisation of revenues**

- (78) The IVU Group generates most of its sales from project business. It enters into contracts with its customers on the development/production of software and its adaptation. Revenues are also generated by the sale of hardware and services, e.g. installation, consultancy, training, maintenance, and the sale of licences.

#### **a) Project business**

- (79) For long-term project contracts which fulfil the preconditions for the application of the percentage of completion method, the revenues from the development and marketing of software products are determined and recognised in accordance with their percentage of completion. The stage of completion is calculated on the basis of the ratio of the costs incurred to the overall planned costs. Payments received from the customer are recognised directly in equity against the corresponding receivables. Alterations in the project conditions can lead to adaptations of the originally recognised costs and sales for individual projects. The changes are recognised in the period in which these changes are established, which is the case when follow-up agreements are reached between the company and its customers. In addition, provisions for potential losses from pending deals are formed in the period in which these losses are determined, and offset against the receivables from the project.

#### **b) Sales of licences**

- (80) The IVU Group recognises its revenues on the basis of a corresponding contract as soon as a licence has been delivered, the sale price is agreed or can be determined, and no significant obligations exist towards the customer, and it is viewed as probable that the sum in question will be received.

#### **c) Maintenance, consultancy and training**

- (81) Revenues from maintenance contracts are recognised linearly on the basis of past experience over the contract period. Revenues from consultancy and training are recognised as soon as the service has been provided.

d) Delivery of hardware

- (82) Revenue from the sale of goods (project-related hardware deliveries) is recognised as soon as the delivery has been made and the risks and opportunities have been transferred to the purchaser. The corresponding revenues are included in D.13 under revenues for deliveries/services/work contracts.

e) Recognition of interest revenues

- (83) Interest is recognised on a time proportion basis, taking into account the effective rate of interest for the asset.

**Income taxes**

- (84) The current tax assets and tax liabilities for the current and prior periods should be recognised in the level of the refund expected from or the payment due to the tax authority. The calculation of the sum is based on the taxation tariffs and law valid on the balance sheet date or soon to become valid.
- (85) The deferred taxes are recognised using the liability method through to the balance sheet date for all deductible temporary differences between the carrying amount of an asset or liability in the balance sheet and the tax base. Deferred tax liabilities are recognised for all taxable temporary differences. There are the following exceptions:
- The deferred tax liability arising from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and which at the time of the transaction affects neither the accounting profit nor the taxable profit shall not be recognised.
  - The deferred tax liability from deductible temporary differences which are related to holdings in subsidiaries, associated companies, and interests in joint ventures may not be recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- (86) Deferred tax assets are to be recognised for all deductible temporary differences, tax losses that can be carried forward, or unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, tax losses that can be carried forward, or unused tax credits can be utilised.
- (87) There are the following exceptions:
- Deferred tax assets from deductible temporary differences arising from the initial recognition of an asset or liability in a transaction which is not a business combination and which at the time of the transaction affects neither the accounting profit nor taxable profit or loss shall not be recognised.

- Deferred tax assets from deductible temporary differences which are associated with investments in subsidiaries, associated companies, and interests in joint ventures shall be recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of the deferred tax assets is reassessed on the balance sheet date and written off to the extent that it is no longer probable that sufficient taxable income will be available against which the deferred tax asset can be at least partially recovered. Non-recognised deferred tax assets are checked on the balance sheet date and recognised to the extent that it has become probable that future taxable income will allow the recovery of the deferred tax asset.

- (88) Deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. This shall be based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date. Income taxes that apply to the items that are directly recognised in equity are recognised as such and not in the income statement.
- (89) Deferred tax assets and liabilities are offset if the enterprise has a legally enforceable right to set off the current tax assets against current tax liabilities and these relate to income tax for the same taxable entity levied by the same taxation authority.
- (90) *Value-added tax*

Sales revenues, expenses and assets are recognised net of value-added tax, with the following exceptions:

- If the value-added tax incurred during the purchase of an asset or service cannot be claimed from the tax authorities, then the value-added tax is recognised as part of the cost of production of the asset or as part of the expenses.
- Receivables and debts are recognised together with the sum of value-added tax contained.

The value-added tax which is refunded by the tax authorities or which is paid to them is included in the consolidated financial statements under receivables or debts, respectively.

## Segment reporting

### a) Operating segments

(91) For operational purposes the IVU Group is organised in two main segments:

- Public Transport
- Logistics

(92) These segments form the basis on which the IVU Group presents its segment information. The financial information about the operating segments and geographical segments are presented in Annex F and in a special Annex to these Notes.

### b) Transactions between the operating segments

(93) Segment revenue and costs and the segment results contain only negligible transfers between operating segments. Such transfers are recognised at market prices as charged to non-associated customers for similar services. These transfers are eliminated on consolidation.

## C. Details concerning the consolidated balance sheet

### Non-current assets

#### 1 Intangible assets and fixed assets

- (94) Concerning the development of the non-current assets in the financial year ending 31. December 2013 reference is made to the Notes on the Development of intangible assets and fixed assets (property, plant and equipment).
- (95) The IVU Group carried out impairment tests on 31 December 2013 and 31 December 2012 for non-current assets. The impairment test is based on the following cash generating units and their carrying amounts for the goodwill:

Cash generating unit	31.12.2013 k€	31.12.2012 k€
Public Transport	8,980	8,980
Logistics	2,369	2,369
	<u>11,349</u>	<u>11,349</u>

- (96) The impairment test was based on the cash flow plans for the individual cash generating units over a period of five years. Beyond the planning horizon, further cash flows were included on the assumption of 1.0% growth (2012: 1.0 %). The Management is also planning for the detailed planning period with a growth of gross profits of 2 % - 3 %. The recognised cash flows were derived from past information and contracted orders for the financial year 2013. The assumptions made by the management about the business development trends in the software sector correspond to the expectation of experts and market observers. The software sector is expected to experience a moderate growth rate. In order to achieve long-term growth, further new investments are necessary. A discounting rate of 6.51 % was used after taxes and 7.43 % before taxes (previous year: 5.88 % after taxes and 6.29 % before taxes). The adjustment of the interest rate reflects the current economic climate (economic developments and financing conditions). Since against the background of current economic climate there are considerable insecurities concerning planned cash flow and the financing conditions, the Executive Board of the IVU Group carried out the impairment test on the basis of a worst case assumption of 20% lower cash flow and a discount rate of 10% after taxes. Again in this case there was no need to recognise an impairment loss.
- (97) IVU AG entered into finance leasing contracts for hardware and software in the financial year under review with a volume of k€ 170 (2012: k€ 520). The contracts have a duration of four years. The present value of the leasing liabilities at the date of the balance sheet was k€ 695 (2012: k€ 1,021).

**Current assets****2 Inventories**

	2013 k€	2012 k€
Goods (valued at the lower of cost of purchase and net realisable value)	1,541	1,681
Down payments	1,012	370
	<u>2,553</u>	<u>2,051</u>

(98) In the financial year, there were impairments of goods amounting to k€44 (2012: k€72).

**3 Trade receivables**

	2013 k€	2012 k€
Trade receivables	20,092	16,182
Individual value adjustments	-973	-172
	<u>19,119</u>	<u>16,010</u>

(99) Trade receivables are not interest-bearing and are due within 0 – 90 days. The individual value adjustments have developed as follows:

	2013 k€	2012 k€
As of 1 January	172	241
Allocation recognised as expense	917	0
Utilisation	-105	-29
Dissolution recognised as earnings	-11	-40
As of 31 December	<u>973</u>	<u>172</u>

- (100) As of 31 December the age structure of the receivables from deliveries and performances was as follows:

	2013 k€	2012 k€
Neither overdue nor impaired	13,093	8,492
Overdue, not impaired		
< 30 days	2,686	1,721
31 – 60 days	827	898
61 – 90 days	958	659
> 90 days*	1,555	4,240
	6,026	7,518
As of 31 December	19,119	16,010
of which current receivables	17,867	16,010
of which non-current receivables	1,252	0

\* of which paid by 28 February 2014: k€ 2 (previous year : k€ 403).

#### 4 Current receivables/liabilities from construction orders

- (101) Receivables in accordance with the percentage-of-completion method accrue when sales revenue is recognised but this could not yet be invoiced due to the conditions of the contract. These sums are measured on the basis of various performance criteria, e.g. reaching a specific milestone, and the ratio of the incurred costs to the overall planned costs (cost-to-cost method). Directly attributable individual costs are included (personnel costs and third-party performances) as well as overheads to an appropriate extent.
- (102) Receivables measured in accordance with the percentage-of-completion method consist of:

	2013 k€	2012 k€
Costs arising	8,197	9,199
Profit share	4,829	4,233
Contract revenue	13,026	13,432
Advances received	-16,516	-10,917
of which set off against contract revenue	-5,891	-5,436
Current receivable from construction orders	7,135	7,996
Expenses from construction contracts	10,625	5,481

Advance payments received under construction contracts are recognised as expenses to the extent that they exceed the corresponding receivables from on-going contract work.

- (103) Warranty obligations exist for completed construction works within the usual terms of business.

## 5 Other current assets

	2013 k€	2012 k€
Overnight money to secure sureties	3,061	2,506
Receivables from tax credits	771	831
Receivables from government grants and allowances	203	32
Receivables from personnel	0	10
Others	215	260
	<u>4,250</u>	<u>3,639</u>

- (104) The overnight money is deposited to secure guarantees and is not freely available.

## 6 Liquid assets

	2013 k€	2012 k€
Deposits at financial institutions	10,663	5,231
Cash in hand	<u>5</u>	<u>5</u>
	<u>10,668</u>	<u>5,236</u>

## 7 Equity

- (105) With regard to the development of the equity situation, attention is drawn to the details relating to the changes in Group equity.

### Subscribed and authorised capital

- (106) The fully paid-in share capital entered in the Commercial Register as of the balance sheet date amounted to € 17,719,160 (2012: € 17,719,160). The share capital is divided into a total of 17,719,160 no-par shares (2012: 17,719,160).
- (107) By resolution of the General Meeting on 19 May 2010, the authorised capital 2002/I was rescinded and the Executive Board was authorised, with the approval of the Supervisory Board, to increase the company's share capital by up to € 1,000,000 on one or several occasions until 18 May 2015 in exchange for cash and/or non-cash contributions by issuing up to 1,000,000 new registered share (authorised capital 2010/I). As of 31 December 2013 no use had been made of the authorisation.
- (108) In the financial year, the Executive Board withdrew k€ 42,760 from the capital reserves in the course of drawing up the consolidated financial statement and booked this against the balance sheet loss.

### Non-current liabilities

## 8 Pension provisions

- (109) Pension provisions are formed to meet obligations (retirement and disability pensions, and surviving dependent undertaking (widows and orphans)) from accrued benefits and current payments to active and former co-workers of the IVU Group or their surviving dependents.
- (110) The level of the pension obligations (cash value of the accrued benefits) was calculated using actuarial methods on the basis of the following assumptions:

	2013	2012
	%	%
Discounting rate factor	3.50	3.40
Incomes trend	2.50	2.50
Pensions trend	2.00	2.00
Fluctuation	3.00	3.00

- (111) The incomes trend includes expected future income increases, which are estimated annually taking into account inflation and the length of service in the company, among other things.

The net pension expenses are as follows:

	2013 T€	adapted 2012 k€
Service cost	9	7
Interest cost	133	164
Period expenses	<u>142</u>	<u>171</u>

(112) The following overview shows the composition of the pension obligations:

	2013 k€	adapted 2012 k€
Cash value of the pension obligations, 31.12.	4,835	5,129
Fair value of plan assets	<u>-1,080</u>	<u>-1,104</u>
Pension provisions	<u>3,755</u>	<u>4,025</u>

(113) The following overview shows the development of the pension obligations:

	2013 T€	2012 k€
Cash value of the pension obligations, 1.1.	5,129	4,410
Service cost	9	7
Interest cost	171	213
Pension payments	-203	-169
Actuarial profits and losses recognised in equity arising from changes in financial assumptions	-62	899
Actuarial profits and losses recognised in equity arising from changes based on experience	<u>-209</u>	<u>-231</u>
Cash value of the pension obligation, 31.12.	<u>4,835</u>	<u>5,129</u>

(114) The following overview shows the development of the plan assets:

	2013 k€	adapted 2012 k€
Fair value of plan assets, 1.1.	1,104	1,225
Net- revenue from plan assets	38	49
Additions to the plan assets	123	0
Payments out of the plan assets	-141	-123
Actuarial profits and losses recognised in equity	<u>-44</u>	<u>-47</u>
Plan assets, 31.12.	<u>1,080</u>	<u>1,104</u>

- (115) The following shows a quantitative sensitivity analysis of the most important assumptions as of 31 December 2013.

Assumption  Scenario	Interest sensitivity		Pension dynamic sensitivity
	Increase by 0,50 %	Decrease by 0,50 %	Increase by 1,00 %
Effects on the defined benefit obligation (in k€)	-291	322	601

This sensitivity analysis was carried out using a method which extrapolates the effects of realistic changes to the key assumptions on the defined benefit obligation to the end of annual period.

- (116) The average duration of the defined benefit obligations at the end of the annual period is 12.89 years (2012: 13.89 years).
- (117) The anticipated revenues from the plan assets are based on the expected return of 3.5 % (2012: 3.4 %). In the next twelve months no payments will be made to the plan.
- (118) The plan assets consist solely of cash and cash equivalents.
- (119) The anticipated payment structure for the years 2014 to 2018 is as follows:

	k€
Pension payments made	
2012	169
2013	203
Anticipated pension payments	
2014	215
2015	233
2016	237
2017	242
2018	253

- (120) Defined contribution obligations exist only for the obligatory contributions of IVU AG to the state pension scheme. The employer's contributions in the financial year amounted to k€ 1,423 (2012: k€ 1,390).

**Current liabilities****9 Financial liabilities**

(121) The IVU AG has the following lines of credit:

	Utilisation 31.12. 2013 k€	Utilisation 31.12. 2012 k€	Line of credit k€
Landesbank Bank AG	0	0	1.500
Deutsche Bank AG	0	0	1.500
Monte del Paschi di Siena	0	0	150

(122) Revocable lines of credit with Deutsche Bank AG and Landesbank Berlin AG, each of k€ 1,500, are secured as in the previous financial year by the blanket assignment of receivables from goods delivered and licences issued.

(123) The expenses for interest in the financial year 2013 amounted to €292 (2012: k€ 344).

**10 Provisions**

(124) The provisions have developed as follows:

	As of 1 Jan. 2013 k€	Availment k€	Dissolved k€	Addition k€	As of 31 Dec. 2013 k€
Performances outstanding	1,159	370	589	901	1,101
	<u>1,159</u>	<u>370</u>	<u>589</u>	<u>901</u>	<u>1,101</u>
of which current	1,159				1,101

(125) The provisions for performances outstanding (product warranty) relate to work still required on projects which have mostly already been concluded. The provisions do not contain any interest.

## 11 Other current liabilities

	2013 k€	2012 k€
Personnel-related liabilities	2,580	2,156
Liabilities from contract risks	500	768
Liabilities from taxes (VAT, tax on salaries and wages)	1,210	550
Liabilities from social security	10	10
Liabilities from outstanding invoices	1,196	1,336
Others	1,169	1,045
	<u>6,665</u>	<u>5,865</u>

(126) The personnel-related liabilities consist mainly of outstanding holiday, overtime, and special payments.

## 12 Deferred taxes/Income taxes

(127) The German trade income tax is levied on the taxable trade income. The effective rate of trade income tax depends on the locality from which the IVU Group is operating. The average rate of trade income tax for 2013 was 14.7 % (2012: 14.7%). The rate of corporation income tax in the financial years 2012 and 2013 was 15%. An additional solidarity charge of 5.5 % is levied on the corporation income tax paid. Correspondingly, for the calculation of the current income taxes for the financial year 2013 the effective tax rate was 30.56 % and for the financial year 2012 the effective tax rate was 30.56 %.

(128) The income tax expenses for the financial year were as follows:

	2013 k€	adapted 2012 k€
<u>Current tax expense /income</u>		
• Financial year	-934	-770
<u>Deferred tax income/expense</u>		
• Change to the tax losses carried forward	159	-49
• Tax-deductible goodwill amortisation	-136	-139
• Changes to non-current order completion	19	245
• Liabilities from order completion IVU Italy	1,101	1,099
• Changes to pension provisions	-2	0
• Changes to other assets	30	-64
• Changes to other provisions	-1	-2
	<u>1,170</u>	<u>1,090</u>
Ertrag aus Ertragsteuern	<u>236</u>	<u>320</u>

(129) A reconciliation of the tax expense is provided by the following overview:

	2013 k€	adapted 2012 k€
Earnings before taxes	3,591	3,051
Theoretical income tax expense (30.56 %; previous year: 30.56 %)	-1,097	-932
Different tax treatment of specific expenses		
use of tax loss carried forward	-137	20
Nutzung steuerlicher Verlustvorträge	1,383	1,134
Re-evaluation of German tax losses carried forward	159	-49
Effects from tax rate differences	61	225
Others	-134	-78
Current tax income	<u>236</u>	<u>320</u>

(130) The deferred taxes recognised in the IVU Group balance sheet are made up of the following:

	Change		adapted		
	2013		2012		2011
	k€	k€	k€	k€	k€
<u>Deferred tax assets</u>					
• Tax loss carried forward	1,673	159	1,514	-49	1,563
• Pension provision	557	-71	628	218	410
• Liabilities from order completion IVU Italy	2,200	1,101	1,099	1,099	0
• Other provisions	0	-1	1	-2	3
	<u>4,430</u>	<u>1,188</u>	<u>3,242</u>	<u>1,266</u>	<u>1,976</u>
<u>Deferred tax liabilities</u>					
• Receivables from non-current construction contracts	-887	19	-906	245	-1,151
• Tax-deductible goodwill amortisation	-1,309	-136	-1,173	-139	-1,034
• Other assets	-34	30	-64	-64	0
	<u>-2,230</u>	<u>-87</u>	<u>-2,143</u>	<u>42</u>	<u>-2,185</u>
<u>Deferred tax liabilities, net</u>	<u>2,200</u>	<u>1,101</u>	<u>1,099</u>	<u>1,308</u>	<u>-209</u>
<u>- of which affecting the income situation</u>		1,170		1,090	
<u>- of which equity changes</u>		-69		218	
<u>Summary</u>					
• Deferred tax assets	2,200		1,099		0
• Deferred tax liabilities	<u>0</u>		<u>0</u>		<u>209</u>

(131) The IVU Group carries the following tax losses forward:

	2013	2012
	€ million	€ million
Loss carried forward – domestic trade tax	34.0	38.5
Loss carried forward – domestic corporation income tax	38.5	43.0

No foreign losses were carried forward. The domestic losses carried forward do not lapse.

**D. Notes of the Group income statement**

(132) The income statement is drawn up using the expense method.

**13 Sales earnings**

	2013 k€	2012 k€
Deliveries/Services/Works contracts	27,442	26,391
Licences	6,483	7,008
Maintenance	12,325	11,041
	<u>46,250</u>	<u>44,440</u>

**14 Other operational earnings**

	2013 k€	2012 k€
Income from the reversal of write-downs	11	40
Foreign exchange gains; gains from the sale of securities	6	46
Government grants	474	80
Reimbursements	0	117
Others	184	237
	<u>675</u>	<u>520</u>

**15 Material expenses**

	2013 k€	2012 k€
Cost of goods purchased	7,962	8,617
Cost of purchased services	4,203	4,540
	<u>12,165</u>	<u>13,157</u>

**16 Personnel expenses**

	2013 k€	2012 k€
Wages and salaries	19,115	18,090
Social security payments and expenses for pensions and support	3,650	3,329
	<u>22,765</u>	<u>21,419</u>

**17 Depreciation of non-current assets**

	2013 k€	2012 k€
Of intangible assets	290	283
Of property, plant and equipment	699	672
	<u>989</u>	<u>955</u>

**18 Other operating expenses**

	2013 k€	2012 k€
Marketing	2,535	2,183
Operational costs	1,636	1,648
Administration	1,131	987
Others	1,848	1,230
	<u>7,150</u>	<u>6,048</u>

## 19 Earnings per share

- (133) In accordance with IAS 33, the undiluted earnings per share were determined by dividing the Group earnings by the weighted number of shares.

	2013	adapted 2012
Period result (k€)	3,827	3,371
No. of ordinary shares as of 1 January	17,719	17,719
No. of ordinary shares as of 31 December	17,719	17,719
No. of weighted shares (x 1000)	17,719	17,719
Undiluted earnings per share (euro/share)	<u>0.22</u>	<u>0.19</u>

- (134) To calculate the diluted earnings per share, the net profit attributable to ordinary shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares originating through the exercise of stock rights. For this purpose the number of ordinary shares to be taken into account corresponds to the weighted average number of ordinary shares plus the weighted average number of ordinary shares which would have been issued assuming the conversion of all dilutive potential ordinary shares into ordinary shares. The conversion of share options into ordinary shares is valid on the day of issue. As of 31 December 2013 and 2012 there were no dilutive effects from issued share options.

### E. Notes on the Group cash flow statement

The recognised liquidity is not subject to any limiting control by third parties. Interest payments and income tax payments are recognised, and no dividend was paid. The composition of the cash funds is shown in C.6.

### F. Notes on segment reporting

- (135) The IVU Group reports in accordance with IFRS 8 "Operating Segments". This standard requires disclosure of information on the operating segments of the Group. The IVU Group is organised in two operative segments – Public Transport, and Logistics.

- (136) The segment reporting is attached as an annex to these Notes.

## Public Transport

- (137) This segment develops software solutions for customers from transport utilities and companies (bus, train and ferry services) and the associations and local or regional authorities who order their services, with the goal of supporting and optimising the planning and operation of transport services with intelligent IT systems. In the financial year there were no transactions in which an individual customer reached a volume of more than 10 % of the overall sales.

## Logistics

- (138) For the market segments waste service and supply logistics and building materials, software products are employed to provide integrated presentations of business processes and to optimise transport procedures. The products developed for our customer groups comprising Deutsche Post, retail chains and other public administrations included Internet-based products. In the financial year there were no transactions in which an individual customer reached a volume of more than 10 % of the overall sales.

## Reconciliation of segment assets

- (139) The segment assets are reconciled as follows with the gross assets:

	2013 k€	adapted 2012 k€
Gross assets according to the balance sheet	58,995	49,558
- Deferred tax assets	-2,200	-1,099
Segment assets	<u>56,795</u>	<u>48,459</u>

**G. Other disclosures****Other financial obligations and contingent liabilities**Rental and leasing contracts

(140) Within the framework of operating-leasing contracts, vehicles, office equipment and other equipment was leased. Leasing and maintenance costs in 2013 amounted to k€ 384 (2012: k€ 323).

(141) Within the framework of finance leasing agreements, leasing fees in 2013 amounted to k€ 296 for hardware (2012: k€ 221) and k€ 34 for office equipment (2012: k€ 99). Liabilities from finance leasing agreements are included in the trade payables item.

(142) On the balance sheet date, there were the following present values and residual periods for the liabilities for finance leasing arrangements:

Residual period	up to 1 year k€	1 to 5 years k€	Total k€
Liabilities	308	340	648
Interest portion	30	17	47
Present value	338	357	695

(143) As of 31 December 2012, there were the following present values and residual periods for the liabilities for finance leasing arrangements:

Residual period	up to 1 year k€	1 to 5 years k€	Total k€
Liabilities	460	484	944
Interest portion	46	31	77
Present value	506	515	1,021

(144) The following payments result from rental and leasing contracts:

	2013 k€	2012 k€
Residual period up to one year		
Rent payments	1,096	983
Leasing payments	586	613
Sub-total	1,682	1,596
Residual period of one to five years		
Rent payments	2,976	3,185
Leasing payments	674	981
Sub-total	3,650	4,166
Total	5,332	5,762

The leasing payments with a residual period up to one year include hire-purchase payments amount to k€ 301, and k€ 364 respectively.

#### Guarantees of bills of exchange

(145) At the balance sheet date, various financial institutions had taken on guarantees of bills of exchange for IVU AG amounting to k€ 11,372, of which k€ 240 was in foreign currency (2012: k€ 12,318, of which k€ 240 was in foreign currency).

#### **Personnel**

(146) The average number of personnel in the IVU Group in the financial year was 389 (2012: 355 personnel). The distribution of personnel in terms of function was as follows:

	2013	2012
Production/Software development	149	133
Administration	39	36
Project work/Sales	201	186
Total	389	355

#### **Auditing fees**

(147) The fees of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft for auditing the IVU AG financial statements and the IVU consolidated financial statements for the financial year 2013 amount to k€ 95 (2012: k€ 95). In addition, tax consultancy services provided by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft in the financial year amounted to k€ 108 (2012: k€ 24).

The expense for other services amounted to k€ 15 (2012: k€ 45).

### **Relationships to related parties (enterprises and individuals)**

- (148) Related parties are enterprises or individuals which have the ability to control the IVU Group or exercise significant influence over its financial and operating decisions. When determining significant influence exerted by the party related to the IVU Group over the financial and operating decisions, the existence of fiduciary relationships are also taken into consideration in addition to relationships of control.

#### Related enterprises

- (149) The associated enterprises included in the consolidated financial statements are to be regarded as related enterprises. There are no further related enterprises.
- (150) Between IVU AG and its subsidiaries there were performance relationships within the framework of passing on licence revenues, which were eliminated in the course of consolidation.

#### Related individuals

- (151) The following persons are to be regarded as related parties:

##### *Members of the Executive Board of IVU AG*

Martin Müller-Elschner (CEO)  
Frank Kochanski  
Dr Helmut Bergstein

##### *Members of the Supervisory Board of IVU AG*

Klaus-Gerd Kleversaat, Berlin (Chairman)  
Chairman of quirin bank AG, Berlin,  
Chairman of Tradegate Wertpapierhandelsbank AG, Berlin,  
Supervisory Board member of Stream Films AG, Berlin

André Neiss, Hanover  
CEO of üstra Hannoversche Verkehrsbetriebe AG, Hanover,  
MD of Versorgungs- und Verkehrsgesellschaft Hannover mbH, Hanover,  
Member of the Advisory Board of Hannover Region Grundstücksgesellschaft mbH HRG & Co. Passerelle KG, Hanover,  
Chairman of Haftpflichtgemeinschaft Deutscher Nahverkehrs- und Versorgungsunternehmen (HDN), Bochum,  
Supervisory Board Member, Einkaufs- Wirtschaftsgesellschaft für Verkehrsunternehmen beka GmbH, Cologne

Prof Herbert Sonntag, Berlin

Chairman of the Management Board of Logistiknetz Berlin Brandenburg  
e.V., Berlin- Potsdam,  
Member of the Management Board of Allianz pro Schiene e.V., Berlin,  
Professor for Transport Logistics and Head of Transport Logistics Research  
Group at TH Wildau

#### Transactions with related individuals

(152) In the reporting period, as in the previous year, there were no further business transactions between related individuals and the IVU Group, with the exception of those noted below.

(153) In the financial year 2013. The Executive Board and the Supervisory Board of IVU AG acquired or disposed of (-) the following shares:

Klaus Gerd Kleversaat	50,000 shares
Martin Müller-Elschner	48,200 shares
Frank Kochanski	10,000 shares
Prof Herbert Sonntag	-300,000 shares

(155) In the financial year 2012, the Executives and Supervisory Board Members of IVU AG acquired the following shares:

Martin Müller-Elschner	16,800 shares
Frank Kochanski	15,000 shares
Dr Helmut Bergstein	3,590 shares

### Emoluments for Executive Board and Supervisory Board members

- (155) The Executive Board of IVU AG received emoluments totalling k€ 952 in the financial year 2013 (2012: k€ 819). These emoluments consisted of a fixed and a variable portion. In the reporting period the variable portion was 33 % (2012: 25 %) of the total emoluments. The General Meeting on 25 May 2011 resolved to free the company of the obligation to publish the emoluments of individual members of the Executive Board.
- (156) Pension provisions are set aside for former office holders in the amount of k€ 2,575 (2012: k€ 2,834). In addition, pension payments were made for retired members of the Executive Board amounting to k€ 141 (2012: k€ 130).
- (157) The Supervisory Board received emoluments of k€ 37.5 in the financial year 2013 (2012: k€ 37.5).
- (158) The following shares are held by the members of the Executive Board and the Supervisory Board:

	No. of shares 31.12.2013	No. of shares 31.12.2012
<u>Executive Board</u>		
Martin Müller-Elschner (CEO)	140,000	91,800
Frank Kochanski	30,000	20,000
Dr Helmut Bergstein	30,000	30.000
<u>Supervisory Board</u>		
Klaus-Gerd Kleversaat (Chair)	312,590	262,590
Prof Herbert Sonntag	866,000	1,166,000

### Note on the German “Corporate Governance Code”

- (159) The declaration of compliance was made by the Executive Board and the Supervisory Board on 14 June 2013 and is permanently available to shareholders on the website of IVU AG ([www.ivu.com](http://www.ivu.com)) under the menu item *Investor Relations*.

Berlin, 5 March 2014

Frank Kochanski

Martin Müller-Elschner

Dr Helmut Bergstein

**IVU Traffic Technologies AG, Berlin**  
**Development of intangible assets and fixed assets 2013 (IFRS)**

**Assets analysis**

	<u>Historical costs of purchases/costs of conversion</u>					<u>Write-offs</u>				<u>Residual value</u>	
	As of 1.1.2013 k€	Addition k€	Rebooking k€	Disposals k€	As of 31.12.2013 k€	As of 1.1.2013 k€	Addition k€	Disposals k€	As of 31.12.2013 k€	As of 31.12.2013 k€	As of 31.12.2012 k€
I. <u>Intangible assets</u>											
1. Commercial copyrights and licenses, software	6,183	78	0	0	6,261	5,727	290	0	6,017	244	456
2. Goodwill	14,626	0	0	0	14,626	3,277	0	0	3,277	11,349	11,349
3. Original intangible assets	15,505	0	0	0	15,505	15,505	0	0	15,505	0	0
	36,314	78	0	0	36,392	24,509	290	0	24,799	11,593	11,805
II. <u>Fixed assets</u>											
1. Technical plant and machinery	2,830	0	0	23	2,807	2,423	55	23	2,455	352	407
2. Other equipment, factory and office equipment	6,677	439	0	44	7,072	5,366	644	44	5,966	1,106	1,311
3. Down payments and assets under construction	4	15	0	0	19	0	0	0	0	19	4
	9,511	454	0	67	9,898	7,789	699	67	8,421	1,477	1,722
	45,825	532	0	67	46,290	32,298	989	67	33,220	13,070	13,527

**IVU Traffic Technologies AG, Berlin**  
**Development of intangible assets and fixed assets 2012 (IFRS)**

**Assets analysis**

	<u>Historical costs of purchase/costs of conversion</u>					<u>Write-offs</u>				<u>Residual value</u>	
	As of 1.1.2012 k€	Addition k€	Rebooking k€	Disposals k€	As of 31.12.2012 k€	As of 1.1.2012 k€	Addition k€	Disposals k€	As of 31.12.2012 k€	As of 31.12.2012 k€	As of 31.12.2011 k€
I. <u>Intangible assets</u>											
1. Commercial copyrights and licences, software	5,924	259	0	0	6,183	5,444	283	0	5,727	456	480
2. Goodwill	14,626	0	0	0	14,626	3,277	0	0	3,277	11,349	11,349
3. Original intangible assets	15,505	0	0	0	15,505	15,505	0	0	15,505	0	0
	36,055	259	0	0	36,314	24,226	283	0	24,509	11,805	11,829
II. <u>Fixed assets</u>											
1. Technical plant and machinery	2,681	74	124	49	2,830	2,415	57	49	2,423	407	266
2. Other equipment, factory and office equipment	5,854	939	31	147	6,677	4,898	615	147	5,366	1,311	956
3. Down payments and assets under construction	156	3	-155	0	4	0	0	0	0	4	156
	8,691	1,016	0	196	9,511	7,313	672	196	7,789	1,722	1,378
	44,746	1,275	0	196	45,825	31,539	955	196	32,298	13,527	13,207

## Consolidated segment reporting for the financial year 2013 according to IFRS

<b>Operating segments</b> in k€	Public Transport		Logistics		Central sectors		<b>Consolidated</b>	
	2013	2012	2013	2012	2013	2012	2013	2012
Total revenues	42,142	43,469	5,831	5,275	2,550	54	<b>50,523</b>	<b>102,744</b>
Revenues from transactions with other segments	-1,740	-4,144	-35	-214	-2,498	0	<b>-39,238</b>	<b>-218</b>
<b>Revenues from external customers</b>	<b>40,402</b>	<b>39,325</b>	<b>5,796</b>	<b>5,061</b>	<b>52</b>	<b>54</b>	<b>46,250</b>	<b>44,440</b>
<b>Segment gross profit</b>	<b>29,575</b>	<b>26,508</b>	<b>5,071</b>	<b>4,906</b>	<b>114</b>	<b>389</b>	<b>34,760</b>	<b>31,803</b>
Expenses	-18,931	-17,013	-3,396	-5,031	-8,577	-6,378	<b>-30,904</b>	<b>-28,422</b>
<b>EBIT</b>	<b>10,644</b>	<b>9,495</b>	<b>1,675</b>	<b>-125</b>	<b>-8,463</b>	<b>-5,989</b>	<b>3,856</b>	<b>3,381</b>
Financial expenses, net					-265	-330	<b>-265</b>	<b>-330</b>
<b>Earnings before taxes</b>							<b>3,591</b>	<b>3,051</b>
Taxes on income and earnings					236	320*	<b>236</b>	<b>320*</b>
<b>Group annual profit</b>							<b>3,827</b>	<b>3,371*</b>
Note							F.140	F.140
<b>Segment assets</b>	<b>47,465</b>	<b>40,705</b>	<b>6,820</b>	<b>5,251</b>	<b>2,510</b>	<b>2,503</b>	<b>56,795</b>	<b>48,459</b>
Investment expenditure	394	929	71	189	65	157	<b>530</b>	<b>1,275</b>
Impairments	735	696	132	141	122	118	<b>989</b>	<b>955</b>
<b>Geographic segment data</b> in k€	Germany		Europe		Others		<b>Consolidated</b>	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues from business with external customers	24,202	23,712	20,119	17,913	1,929	2,815	<b>46,250</b>	<b>44,440</b>
Segment assets	49,578	41,242	7,121	7,121	96	96	<b>56,795</b>	<b>48,459</b>
Investment expenditure	507	1,030	23	245	0	0	<b>530</b>	<b>1,275</b>
Impairments	906	888	83	67	0	0	<b>989</b>	<b>955</b>

\* adapted

## **Auditor's certificate**

The auditors, the Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, have drawn up the following auditors' report for the consolidated financial statements and consolidated management report:

"We have audited the consolidated financial statements of IVU Traffic Technologies AG, Berlin, consisting of the balance sheet, profit and loss statement, and statement of comprehensive income, statement of changes of equity, cash flow statement, annexed notes, and the consolidated management report for the financial year from 1 January to 31 December 2013. The accounting and preparation of the consolidated financial statements and the management report in accordance with the EU adopted IFRS standards, and additionally in accordance with the commercial regulations applicable under Section 315a Para.1 of the German Commercial Code (HGB), are the responsibility of the legal representatives of the company. Our remit is to provide an assessment of the consolidated financial statements and the consolidated management report based on the audit that we have performed.

We have conducted our audit in accordance with Section 317 HGB taking into account the accepted German principles for the auditing of financial statements established by the Institut der Wirtschaftsprüfer (IDW). These standards require that the audit shall be so planned and conducted that inaccuracies and contraventions which have substantial effects on the consolidated financial statements in the light of the applicable accounting regulations and on the presentation of the situation of the group regarding assets, finances and revenues would be identified with reasonable assurance. When determining the auditing procedures, the knowledge of the line of business and the economic and legal situation of the group, as well as the expectation of possible errors are taken into account. Within the framework of the audit, the effectiveness of the internal control system relating to accounting and the documentation of the figures in the consolidated financial statements and the consolidated management report are generally examined on the basis of random samples. The audit includes an assessment of the financial statements of the companies covered by the consolidated financial statement, the limitation of the scope of consolidation, the principles of accounting and consolidation applied, and the key estimates made by the legal representatives as well as an evaluation of the overall presentation of the consolidated financial statement and the consolidated management report. In our opinion, our audit provides a sufficiently reliable basis for our assessment.

Our audit did not give rise to any reservations.

According to our assessment on the basis of the results of our audit, the consolidated financial statement is in accordance with the EU-adopted IFRS, and the additional applicable commercial requirements in accordance with Section 315a Para. 1 German Commercial Code (HGB), and it provides in accordance with these requirements a true and accurate picture of the Group's position regarding assets, finances and profits. The consolidated financial statement is concordant with the consolidated management report, provides overall an accurate picture of the Group's position, and accurately presents the opportunities and risks of future developments."

Berlin, 20 March 2014

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Canzler  
Auditor

Weiß  
Auditor

## **ADDITIONAL COMMENTS IN ACCORDANCE WITH SECTION 315 PARA. 2.4 AND PARA. 4 OF THE GERMAN COMMERCIAL CODE**

In the financial year 2013, the Executive Board of IVU AG has received emoluments totalling k€ 952. The emoluments of the Executive Board consisted of a fixed and a variable portion. In the reporting period the variable portion amounted to approx. 33 % (2012: 25 %) of the total emoluments. The variable portion is calculated on the basis of the earnings before taxes in the IFRS financial statements.

The emoluments of the Supervisory Board do not contain a success-oriented component and consist solely of a fixed basic emolument. No attendance fee has been agreed for meetings.

The share capital of the company totalling € 17,719,160 is divided into a total of 17,719,160 no-par shares, each with a nominal value of € 1. There is authorised capital up to € 1,000,000 until 18 May 2015.

There are no restrictions on voting rights or the transfer of shares. The Executive Board is unaware of any agreements of this nature between individual shareholders. Furthermore, no substantial agreements have been concluded which contain regulations for a change of control following a takeover offer.

In accordance with Section 7 of the company articles of association, the Supervisory Board nominates the members of the Executive Board and determines their number. Further details concerning appointment and dismissal are regulated by Sections 84 and following of the German Company Law (AktG).

The Supervisory Board is entitled in accordance with Section 17 of the articles of association to make changes to the articles affecting only its own composition. Otherwise, the articles are decided on in accordance with Section 179 AktG by the General Meeting with a majority of at least three-quarters of the share capital represented.

Berlin, 5 March 2014

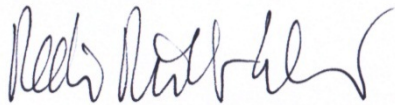
The Executive Board

## Responsibility Statement

(in accordance with section 264 Para. 2 and 3, and section 289 Para. 1.5 of the German Commercial Code)

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Group management report includes a fair view 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.

Berlin, March 2014



**Martin Müller-Elschner**



**Dr. Helmut Bergstein**



**Frank Kochanski**