



Group Interim Report
as at 31 March 2011

Schaltbau Group Key Financial Figures for the period ended 31 March

Group key financial figures		31 March 2011	31 December 2010	31 March 2010	31 December 2009
Order situation					
Order-intake	€ m.	101.1	288.7	78.2	251.7
Order-book	€ m.	200.7	171.5	179.4	163.4
Income statement					
Sales	€ m.	74.1	280.4	62.1	269.8
Total output	€ m.	77.1	288.6	65.7	262.1
EBITDA	€ m.	8.8	30.1	5.7	26.5
Profit from operating activities (EBIT)	€ m.	7.2	23.8	4.2	20.3
EBIT margin	%	9.7	8.5	6.7	7.5
Group net profit for the period	€ m.	7.1	14.8	2.5	14.1
Profit attr. to shareholders of the AG	€ m.	6.0	12.1	1.9	12.3
Return on capital employed	%	19.6	18.2	13.1	17.6
Balance sheet					
Fixed Assets	€ m.	69.9	64.0	61.4	61.5
Working capital	€ m.	76.9	66.8	66.4	53.8
Capital employed	€ m.	146.8	130.8	127.7	115.3
Group equity	€ m.	41.2	33.1	21.7	20.5
Net bank liabilities	€ m.	34.2	31.5	38.6	33.9
Balance sheet total	€ m.	200.8	189.6	183.5	167.9
Personnel					
Employees at end of reporting period	Number	1,649	1,610	1,603	1,603
Personnel expense	€ m.	23.0	87.3	21.6	81.7
Personnel expense per employee	€ 000	61.9	60.1	59.8	56.9
Total output per employee	€ 000	207.1	198.6	181.8	182.3
Earnings per share					
Earnings per share (undiluted)	€	3.21	6.50	1.01	6.62
Earnings per share (diluted)	€	3.03	6.09	0.96	6.19

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Dear shareholders

The first quarter signalled a good start to the fiscal year 2011 for the Schaltbau Group in a number of ways. Powered by favourable economic trends, the strong current demand for our products and solutions boosted order-intake by almost 30% to a record figure of € 101.1 million and Group sales by almost 20% to € 74.1 million. Earnings grew at an above-average rate, helped by an exceptional gain in the result from investments. Against this backdrop, key balance sheet figures for the Schaltbau Group have also continued to improve. Apart from earnings, the bonds converted up to the end of March 2011 also had a positive impact. As a result, at 20.5%, the equity ratio surpassed the previous year's final figure of 17.5% by a clear margin.

After the early termination of the convertible bond, by the final deadline on 6 May a total of € 8.3 million had been converted, additionally strengthening the Group's equity base. We therefore see good chances of achieving our goal of 25 % equity ratio by the half-way stage of the current fiscal year.

Business performance in the first quarter exceeded our expectations, thus forming the basis for raising our forecast. The upward adjustment also expresses our general confidence in business developments for the fiscal year 2011. With sales figures at around € 300 million we currently forecast EBIT of € 26.0 million and Group net profit of € 18.6 million for the Schaltbau Group this year.

At the same time we can safely state that our financial options have become considerably larger over the last few months, putting us in the position to push forward systematically with our plans to expand. Growth is absolutely essential for the long-term prosperity of the Schaltbau Group, as our traditional markets are subject to sweeping global changes. The economic risks in our core markets are considerable. In our opinion a major source of uncertainty emanates from the exorbitant level of public sector debt in a number of countries. Negative influences on infrastructure-related investments in certain countries therefore seem unavoidable, despite the continually growing need for public transportation in the face of expanding urbanisation and rising crude oil prices.

These scenarios could inhibit the growth of the Schaltbau Group, which currently still relies on the EU countries in particular for the major part of its sales revenue. For this reason we consider it necessary to increasingly diversify and internationalise our regional

business basis to an even greater degree. However, we will not make any rash decisions, but continue to forge ahead in thoughtful, measured steps.

With this intention we have undertaken numerous financial engagements during the first quarter 2011. We have acquired the remaining 50% of shares in Schaltbau North America Inc., thereby reinforcing our position on the components market in North America. Moreover, at an early stage we successfully extended the joint venture contract for Xi'an Schaltbau up to 2024, thereby securing our position on the Chinese market in the long term. We also heightened the Group's commitment in the bus and train door business in Eastern Europe by increasing our investment in the Polish company Rawag. The new investee company in South Korea forms the nucleus of our activities in a further highly promising Asian market. We will consistently continue pursuing the strategy reflected in these transactions.

In keeping with our regional diversification strategy we are setting up local production plants, which can also be regarded a type of natural hedging that accordingly helps minimise any risks arising from currency exchange rate fluctuations. In addition, we will continue supplementing our range of products with innovative solutions in new fields of application. We intend to keep our upfront expenditure at a high level in this regard.

Dear shareholders, a great many opportunities are open to us and our financial basis is strong enough to make use of them. I can assure you we will persistently continue working to increase the prosperity of our Group and sincerely hope you will continue accompanying us along this route.

Best regards

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by several sweeping, connected strokes that form a cursive signature.

Dr. Jürgen H. Cammann

Spokesman of the Executive Board

Group Interim Management Statement

The Schaltbau Group performed dynamically in the first quarter 2011 on the back of an ongoing positive market environment. Order-intake figures reached record levels and sales revenue also grew strongly. Against this background the earnings situation improved considerably, which is evident in the far greater EBIT margin. The Group equity ratio rose above 20%, partly assisted by the favourable impact of the conversion of the convertible bond issued by Schaltbau Holding AG. In view of the unexpectedly good overall performance in the first three months of the current year and the unchanged positive prospects, the forecast for the full fiscal year 2011 was upwardly adjusted in April.

Major events during the first quarter 2011

On 15 February 2011 Schaltbau GmbH acquired the remaining 50% of the shares in Schaltbau North America Inc. via the newly formed Schaltbau America Limited Partnership, Delaware. The full consolidation became effective as from 1 January 2011. The company was previously accounted for in the Group Financial Statements using the equity method. The transaction will reinforce Schaltbau GmbH's position in the growing railway and industrial lines of business in North America.

A further outstanding event involved the joint venture contract relating to Xi'an Schaltbau Electric Corporation Ltd., which was extended (prior to the originally foreseen date) on 13 October 2010 through to 2024. The contract was subject to approval by the Chinese authorities and officially granted on 11 February 2011. Thus the Schaltbau Group can now make long-term plans with certainty in the Components segment in China. A growth strategy has also been approved, which will involve capital expenditure in an additional factory and office building in Xi'an, creating the basis for the further expansion of this highly successful joint venture.

With effect from 16 February 2011 Gebr. Bode & Co. Beteiligungs GmbH acquired 10% of the shares of Rawicka Fabryka Wyposazenia Wagonow Sp.z.o.o. (Rawag), Rawicz, bringing Bode's investment up to 30%. Furthermore, a purchase option has been agreed upon for further shares, giving Bode the opportunity to take over a majority interest in the Polish company. Rawag manufactures door systems for railway

vehicles, buses and trams as well as side windows for buses and trams, primarily for customers in Eastern Europe.

Bode has also jointly founded a company in South Korea together with a local industrial partner. Bode has an 80% holding in the new company, which will focus on gaining a foothold on the Korean market in future, backed up by its own sales and engineering resources. The move helps to strengthen Bode's position in an important Asian market with good growth prospects.

Schaltbau Holding AG gave notice to terminate the convertible bond 2007/2012 it originally issued with effect from 12 April 2011 in accordance with the terms and conditions of the bond. The bond, which is sub-divided into 85,000 partial bonds valued at € 100 each, had originally been issued for a total nominal amount of € 8.5 million. All partial bonds still in circulation are affected by the termination. At 31 March 2011 there were 61,221 partial bonds still in circulation. In the first quarter 2011 a total of 20,920 partial bonds were converted.

Business environment

The world economy continued its upward movement in the spring of 2011. As reported by the leading German economic research institutes in their joint diagnosis in April 2011, particularly in the emerging markets, after a phase of noticeably slower expansion in the summer half of 2010, economic momentum has meanwhile regained its previous vigour. However, in the highly developed economies too, both production and trade have recently increased perceptibly. The US economy seems to be lagging behind somewhat and the pace of expansion there is still quite moderate in comparison to upswings of the past. The eurozone presents a broadly varied picture. Particularly in Germany, but also in several of its neighbouring countries, economic output is growing at an above-average rate, whereas the Mediterranean region is suffering from stagnation. According to the economic institutes, uncertainty is being caused by the natural disaster and accompanying reactor catastrophe in Japan, the political upheavals in the Arab world and the high prices of raw materials as a result of the low interest rates.

The market environment relevant for the Schaltbau Group remained positive throughout the period under report. Industrial production in the eurozone has

continually risen since autumn 2010. Economics researchers are expecting strong economic growth for the first quarter 2011. In Germany the growth is expressed in the forecast for mechanical and plant engineering, which got off to a good start in 2011 according to the German Engineering Federation (VDMA). In January production figures were almost one quarter above those recorded one year earlier. In April 2011 the VDMA raised the production forecast for the full year after the official upward adjustment of the production index 2010 to 14 per cent, although in January a growth rate of ten per cent had been forecast.

Order situation

Against the background of favourable business conditions, the Schaltbau Group recorded a very successful first quarter 2011 in terms of order-intake. Orders received during the three-month period, at € 101.1 million, were 29% ahead of the previous year's strong performance of € 78.2 million and therefore better than forecast.

The **Mobile Transportation Technology** segment continued to record a high level of order-intake, surpassing the previous year's first-quarter figure by 13%. Incoming orders for railway vehicle doors, however, did not quite match the previous year's numbers, whereas orders received for door systems for buses were significantly up on those recorded one year earlier. The Fittings for Sliding Vehicle Doors product group recorded an order-intake that was almost 75% up on the previous year.

Incoming orders for the **Stationary Transportation Technology** segment were 36% higher than one year earlier, with growth driven particularly by the revival of markets relevant for the segment's Brake Systems business field. The Rail Infrastructure business field also made good progress, boosted by strong demand in the areas of transportation technology and point heating systems. Order-intake for level crossing systems remained stable at a high level.

The **Components** segment recorded a further increase in demand for its products, with first-quarter order-intake jumping by 49% compared to the previous year's figures. Growth was particularly strong in the fields of switches and control devices. Business levels in North America and China continued to expand sharply.

The Group's **order-book** rose from month to month throughout the period under report to stand at € 200.7 million as at 31 March 2010, well ahead of the already high level of €179.4 million recorded one year earlier.

Sales

First-quarter sales of the Schaltbau Group increased from € 62.1 million to € 74.1 million. It should be noted, however, that this performance was affected on the one hand by the strong order position, but also by fact that the long, harsh winter in 2010 had caused delays in processing orders in the first quarter of that year, with a corresponding impact on sales figures.

The steady upward trend in sales recorded by the **Mobile Transportation Technology** segment partly reflects a sharp rise in demand for products of the Fittings for Sliding Vehicle Doors product group, increases for the Door Systems for Buses and Coaches product group and a decrease in first-quarter sales of the Door Systems for Railway Vehicles product group.

The **Stationary Transportation Technology** segment recorded a steep rise in sales. Sales of the Rail Infrastructure business field grew strongly, partly reflecting the fact that first-quarter sales in the previous year had been negatively affected by delays in processing orders for level crossing and point heating systems due to unfavourable winter conditions. The perceptible improvement in the market situation of the Brake Systems business field compared to the previous year had a correspondingly positive impact on the sales volume it generated.

Sales in the **Components** segment also rose sharply in the wake of the very strong order situation. Within the individual product groups, the segment was particularly successful with the sale of contactors. Growth was registered in North America and China on the back of increased demand.

Group earnings performance

As a result of the increase in sales, the first-quarter operating profit (EBIT) of the Schaltbau Group rose from € 4.2 million in 2010 to € 7.2 million in 2011. At the same time the EBIT margin improved from 6.7% to 9.7%. Group net profit for the three months to 31 March 2011, at € 7.1 million, was approximately € 4.6 million ahead of

the previous year's corresponding figure. This improvement includes approximately € 2 million of exceptional gains arising on consolidation and in connection with measurement gains recorded in the result from investments. The group profit attributable to shareholders grew from € 1.9 million the previous year to € 6.0 million. First-quarter earnings per share amounted to € 3.21 as compared with € 1.01 one year earlier.

EBIT for the **Mobile Transportation Technology** segment decreased to € 1.7 million (first quarter 2010: € 2.4 million). The segment EBIT margin therefore fell by 2.7 percentage points to 5.7%. In this context it should be noted that the previous year's result had benefitted from the restructuring wage agreement, which expired in October 2010. The deterioration also reflects increased expenditure incurred in the first quarter 2011 in conjunction with the strategic expansion of international activities.

The **Stationary Transportation Technology** segment returned to profitability in the first quarter 2011 thanks to the sharp rise in sales, reporting a positive EBIT of € 1.1 million compared to a negative EBIT of € 1.0 million in the previous year. The EBIT margin improved accordingly from a negative 7.1% to a positive 5.4%

The **Components** segment significantly improved its first-quarter EBIT from € 3.7 million to € 5.4 million, recording an EBIT margin of 22.3% (first quarter 2010: 19.9%).

Group financial and net assets position

One significant event occurring during the first quarter 2011 was the termination of the Company's convertible bond, resulting in the issue of 45,661 new shares in the first three months of the year. In conjunction with the conversion, the Company's issued share capital increased to € 7.03 million (31 December 2010: € 6.86 million) and capital reserves rose to € 10.5 million (31 December 2010: € 8.6 million).

The group net profit also had a positive impact on equity, which climbed to total € 41.2 million (31 December 2010: € 33.1 million). The equity ratio improved to 20.5% at 31 March 2011 compared to 17.5% one year earlier, despite the fact that the balance sheet total was up by 6%. Including participation rights capital, which is similar in nature to equity, the equity ratio reached 24.0% (31 December 2010: 21.2%). Non-

current financial liabilities were accordingly reduced by € 2 million as a result of the bond conversions.

The significantly higher level of sales caused working capital to increase from € 66.8 million to € 76.9 million at the relevant period ends. Trade accounts receivable and inventory levels in particular were up as a result of the sharp rise in business volumes.

The increase in intangible assets relates to goodwill and is attributable primarily to the purchase price and valuation adjustments recorded on the acquisition of the remaining shares in Schaltbau North America Inc. Capital expenditure in property, plant and equipment and intangible assets amounted to € 1.47 million and was thus lower than the depreciation and amortisation expense of € 1.57 million.

Purchasing

The general situation on purchasing markets became more tense in the first quarter 2011. The prices of raw materials relevant to the Schaltbau Group have risen sharply in the wake of the continuing world economic upswing. After a moderate downward trend in January, the price of silver rose significantly in the further course of the period under report. Gold too increased sharply in price after a weaker January. In April the upward trend continued to climb even more steeply.

The prices of essential nonferrous metals tended to vary. Whereas aluminium prices rose significantly in the first three months of the year, the price of copper stabilised at a high level. Crude oil prices have been rising drastically since around mid-March. Overall, however, the resulting impact on the price of plastic parts was still relatively moderate and the influence was felt far more greatly in the prices of raw materials than for end components.

Apart from the difficult situation on raw materials markets, the prices of printed circuit boards also rose noticeably during the first quarter 2011. Many electronics manufacturing companies are producing at full capacity and in some cases availability is heavily limited. Delivery times are therefore becoming increasingly long.

Significant events occurring after 31 March 2011

Under the terms of the termination of the convertible bond 2007/2012, bonds could be converted up to 6 May 2011. Of the 61,221 partial bonds still in circulation at 31 March 2011, a further 59,533 partial bonds had been converted by 6 May 2011. Altogether, 98 per cent (€ 8.3 million) of the € 8.5 million were converted. The total number of shares is now 2,050,730.

Opportunity and risk report

The opportunities and risk profile of the Schaltbau Group did not change during the first three months of the fiscal year 2011 compared to that presented in the Annual Report for the year ended 31 December 2010.

Outlook and other assertions relating to future developments

The outlook for global economic development is currently overshadowed by political risks affecting oil supplies as well by the natural and nuclear catastrophe in Japan. Economic research institutes predict that these factors will have a negative impact on the global economy in the short term. Provided that the situation in Japan does not result in serious contamination in metropolitan areas, the global economic upturn should proceed with just a moderate deceleration in the rate of growth. Asia continues to provide the greatest momentum for expansion, with particularly high growth rates recorded in both China and India. The US economy is expected to grow at a marginally faster rate than it has done to date. Within Europe, Russia is turning out to be an important economic driving force. However, growth in most EU countries is lower than the rate being recorded for the global economy as a whole, although the German economy continues to grow at an above-average rate.

Regardless of the general macro-economic outlook, the long-term megatrends in sectors relevant for the Schaltbau Group continue to be positive. As the world's population continues to grow unstoppably and the level of prosperity rises, expectations for mobility and environmental compatibility of transportation will rise. At the same time, the limited availability of fossil fuels, exacerbated by the current political upheavals in North Africa and the Middle East, are forcing major changes in preferred methods of transportation. These changes are likely to have the greatest impact outside the eurozone.

The Schaltbau Group will therefore continue to broaden its international base and, as with the transactions entered into during the first quarter 2011, we will continue to move ahead in thoughtful, measured steps. The regional diversification we are striving for, based on a network of local production sites, also makes for better coordination of goods flows in each of the various currency zones, thus reducing the impact of risks from volatile exchange rate fluctuations. In addition, the upfront expenditure necessary to expand the product range with innovative solutions in new areas of application has been maintained at a high level. At least three new product lines are due to be launched during the current fiscal year.

In view of the favourable outlook and the better-than-budgeted performance in the first quarter 2011, the forecast for the full fiscal year has meanwhile been raised. Assuming underlying business conditions remain unchanged, Group revenues are now forecast to rise to approximately € 300 million in 2011 (previous forecast: € 290 million). The operating profit (EBIT) is now predicted to total € 26.0 million (previous forecast: € 23.5 million) and group net profit at € 18.6 million (previous forecast: € 15.8 million). Earnings will also be positively affected by higher exceptional gains recorded in the result from investments.

Significant related party transactions

Significant related party transactions are disclosed in the Notes section of the Interim Report.

Condensed Interim Consolidated Financial Statements as at 31.03.2011

Consolidated Income Statement for the period from 1 January to 31 March 2011

€000	1.1.-31.03.2011	1.1.-31.03.2010
1. Sales	74,112	62,100
2. Change in inventories of finished and work in progress	2,902	3,147
3. Own work capitalised	90	412
4. Total output	77,104	65,659
5. Other operating income	269	1,078
6. Cost of materials	38,085	32,789
7. Personnel expense	23,040	21,609
8. Amortisation and depreciation	1,571	1,535
9. Other operating expenses	7,466	6,618
10. Profit from operating activities	7,211	4,168
a) Result from at-equity accounted investments	311	187
b) Other results from investments	2,104	0
11. Results from investments	2,415	187
a) Interest income	3	14
b) Interest expense	1,458	1,364
12. Finance result	-1,455	-1,350
13. Profit before tax	8,171	3,023
14. Income taxes	1,106	549
15. Group net profit for the period	7,065	2,474
Analysis of group net profit		
attributable to minority shareholders	1,032	589
attributable to the shareholders of Schaltbau Holding AG	6,033	1,885
Group net profit for the period	7,065	2,474
Earnings per share – undiluted:	3.21 €	1.01 €
Earnings per share – diluted:	3.03 €	0.96 €

Statement of Income and Expenses Recognised in Equity

€000	1.1.-31.03.2011			1.1.-31.03.2010		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Group net profit for the period			7.065			2.474
Unrealised gains/losses arising on currency translations						
- from fully consolidated companies			-344			401
- from at-equity accounted companies			-195			168
Derivative financial instruments	518	-155	363	-360	108	-252
Total income and expenses recognised directly in equity			-176			317
Comprehensive income			6.889			2.791
of which:						
attributable to minority shareholders			823			717
attributable to the shareholders of Schaltbau Holding			6.066			2.074

Consolidated Cash Flow Statement for the period from 1 Jan. to 31 March 2011

	€ 000	€ 000
	1.1.-31.03.2011	1.1.-31.03.2010
Group net profit for the period	7,065	2,474
Amortisation and depreciation on non-current assets	1,971	1,533
Gain on disposal of non-current assets	-	4
Finance result	1,455	1,350
Income tax expense	1,109	549
Change in current assets	-10,385	-13,122
Change in provisions	2,106	958
Change in current liabilities	3,317	2,248
Dividends received	-	307
Interest paid	-873	-770
Interest received	3	14
Income tax paid	-546	-1,758
Other non-cash income / expenses	-3,248	-200
Cash flow from operating activities	1,974	-6,413
Payments for investments in:		
- property, plant and equipment and intangible assets	-1,473	-1,297
- other investments	-3,502	-311
Proceeds from disposal of:		
- property, plant and equipment	4	287
- at-equity accounted investments and other equity investments	-	3,279
Cash flow from investing activities	-4,971	1,958
Distribution to minority interests	-451	-
Capital increase by minorities	554	-
Amounts repaid in conjunction with refinancing	-	-36,407
Amounts borrowed in conjunction with refinancing	-	36,407
Loan repayments	-533	-534
New loans raised	100	-
Change in current financial liabilities	-1,230	9,704
Cash flow from financing activities	-1,560	9,170
Change in cash and cash equivalents due to exchange rate fluctuations	-220	73
Change in cash and cash equivalents due changes in group reporting entity	683	-
Changes in cash, cash equivalents and securities	-4,094	4,788
Cash and cash equivalents		
at the end of the period	7,437	13,294
at the beginning of the period	11,531	8,506
	-4,094	4,788

Consolidated Balance Sheet as at 31 March 2011

ASSETS	€ 000	€ 000
	31.03.2011	31.12.2010
A. NON-CURRENT ASSETS		
I. Intangible assets	19,948	14,523
II. Property, plant and equipment	42,104	42,063
III. At-equity accounted investments	4,667	4,420
IV. Other investments	3,161	3,018
V. Deferred tax assets	8,923	8,961
	78,803	72,985
B. CURRENT ASSETS		
I. Inventories	57,158	51,286
II. Trade accounts receivable	50,770	46,096
III. Income tax receivables	58	67
IV. Other receivables and assets	6,601	7,587
V. Cash and cash equivalents	7,437	11,531
	122,024	116,567
Total assets	200,827	189,552
EQUITY AND LIABILITIES	€ 000	€ 000
	31.03.2011	31.12.2010
A. EQUITY		
I. Subscribed capital	7,030	6,863
II. Capital reserves	10,461	8,585
III. Statutory reserves	231	231
IV. Revenues reserves	9,988	-2,507
V. Income/expense recognised directly in equity	-119	211
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to shareholders of Schaltbau Holding AG	6,033	12,132
VIII. Equity attributable to shareholders of Schaltbau Holding AG	36,665	28,556
VIII. Minority interests	4,500	4,550
	41,165	33,106
B. NON-CURRENT LIABILITIES		
I. Participation rights capital	7,057	7,051
II. Pension provisions	18,701	18,744
III. Personnel-related accruals	4,243	4,235
IV. Other provisions	394	391
V. Financial liabilities	39,045	43,098
VI. Other liabilities	19	19
VII. Deferred tax liabilities	6,853	6,814
	76,312	80,352
C. CURRENT LIABILITIES		
I. Personnel-related accruals	5,901	4,851
II. Other provisions	19,493	17,285
III. Income taxes payable	387	124
IV. Financial liabilities	12,344	11,692
V. Trade accounts payable	17,164	18,402
VI. Advance payments received	13,831	12,182
VII. Other liabilities	14,230	11,558
	83,350	76,094
Total equity and liabilities	200,827	189,552

Consolidated Statement of Changes in Equity as at 31 March 2011

	Equity attributable to shareholders of Schaltbau Holding AG					
	Subscribed capital	Capital reserves	Statutory reserves	Revenue Other	Reserves Derivate financial Instruments	Revaluation reserve
Balance at 1.1.2010	6.850	8.443	231	-12.435	-727	3.041
Profit brought forward	0	0	0	12.349	0	0
Transfer to capital reserves	0	0	0	0	0	0
Shares issued	0	0	0	0	0	0
Dividend paid	0	0	0	0	0	0
Change in group reporting entity	0	0	0	0	0	0
Other changes	0	0	0	-266	0	0
Group net profit for the period	0	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	0	-252	0
Income and expenses recognised in equity	0	0	0	0	-252	0
Balance at 31.03.2010	6.850	8.443	231	-352	-979	3.041
Balance at 1.4.2010	6.850	8.443	231	-352	-979	3.041
Profit brought forward	0	0	0	0	0	0
Transfer to capital reserves	0	0	0	0	0	0
Shares issued	13	142	0	0	0	0
Dividend paid	0	0	0	-1.307	0	0
Change in group reporting entity	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
Group net profit for the period	0	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	0	131	0
Income and expenses recognised in equity	0	0	0	0	131	0
Balance at 31.12.2010	6.863	8.585	231	-1.659	-848	3.041
Balance at 1.1.2011	6.863	8.585	231	-1.659	-848	3.041
Profit brought forward	0	0	0	12.132	0	0
Transfer to capital reserves	0	0	0	0	0	0
Shares issued	167	1.876	0	0	0	0
Dividend paid	0	0	0	0	0	0
Change in group reporting entity	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
Group net profit for the period	0	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	0	363	0
Income and expenses recognised in equity	0	0	0	0	363	0
Balance at 31.3.2011	7.030	10.461	231	10.473	-485	3.041

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

				Minority interests in equity			Group equity
Income/expenses recognised directly in equity	Net profit for the period		Total	in capital and reserves	in net profit for the period	Total	
	from fully consolidation	from at-equity consolidation					
-345	179	12,349	17,586	1,191	1,743	2,934	20,520
0	0	-12,349	0	1,743	-1,743	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	-1,275	0	-1,275	-1,275
0	0	0	0	0	0	0	0
0	-33	0	-299	0	0	0	-299
0	0	1,885	1,885	0	589	589	2,474
274	168	0	190	128	0	128	318
274	168	1,885	2,075	128	589	717	2,792
-71	314	1,885	19,362	1,787	589	2,376	21,738
-71	314	1,885	19,362	1,787	589	2,376	21,738
0		0	0	0	0	0	0
0		0	0	0	0	0	0
0		0	155	0	0	0	155
0		0	-1,307	0	0	0	-1,307
0		0	0	0	0	0	0
0		0	0	0	0	0	0
0		10,247	10,247	0	2,032	2,032	12,279
-3	-29	0	99	142	0	142	241
-3	-29	10,247	10,346	142	2,032	2,174	12,520
-74	285	12,132	28,556	1,929	2,621	4,550	33,106
-74	285	12,132	28,556	1,929	2,621	4,550	33,106
0	0	-12,132	0	2,621	-2,621	0	0
0	0	0	0	0	0	0	0
0	0	0	2,043	554	0	554	2,597
0	0	0	0	-1,427	0	-1,427	-1,427
0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
0	0	6,033	6,033	0	1,032	1,032	7,065
-135	-195	0	33	-209	0	-209	-176
-135	-195	6,033	6,066	-209	1,032	823	6,889
-209	90	6,033	36,665	3,468	1,032	4,500	41,165

Notes and segment information as at 31 March 2011

DESCRIPTION OF BUSINESS

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

BASIS OF PREPARATION

The Interim Financial Report of Schaltbau Holding AG, Munich, has been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB), and with those of German Accounting Standard No. 16 "Interim Reporting" issued by the Accounting Standards Committee of Germany (DRSC). The same accounting principles and policies have been applied as in the consolidated financial statements for the fiscal year ended 31 December 2009.

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

BUSINESS COMBINATIONS / GROUP REPORTING ENTITY

On 15 February 2011 Schaltbau GmbH acquired, via the newly founded and fully consolidated Schaltbau America Limited Partnership, Delaware, the remaining 50% of the shares of Schaltbau North America Inc. for a purchased consideration of US\$ 3,852,000. Schaltbau North America Inc. has been fully consolidated with effect from 1 January 2011 on the basis that control over the entity has already been attained; previously, it had been consolidated using the equity method.

Calculations relating to the first-time consolidation (recognition and measurement of goodwill or a gain on acquisition below fair value) are expected to be completed during the first half of 2011.

Compared to 31 December 2010, two fully consolidated companies have therefore been added to the group reporting entity.

With effect from 16 February 2011 Gebr. Bode & Co. Beteiligungs GmbH acquired a further 10% of the shares of Rawicka Fabryka Wyposazenia Wagonow Sp.z.o.o. (Rawag), Rawicz, for a purchase consideration of € 398,000, bringing Bode's investment up to 30%. A purchase option has also been agreed for further shares, giving Bode the opportunity to take over a majority interest in the Polish company. The company has been consolidated using the equity method since the date the shares were acquired.

Gebr. Bode & Co. Beteiligungs GmbH has also jointly founded a company in South Korea together with a locally based industrial partner. Bode holds 80% of the shares in the new company, which is not consolidated for the time being due to the low volume of business currently being conducted.

As a result of the changes in the group reporting entity, the interim report figures are not fully comparable with the previous year. The principal effects on the consolidated balance sheet at 31 March 2011 attributable to the acquisition of the remaining shares in Schaltbau North America Inc. and the foundation of Schaltbau America Limited Partnership are shown in the following balance sheet. In order to achieve better comparability, the amounts shown must be deducted from the corresponding line items in the consolidated balance sheet as at 31 March 2011.

Balance Sheet at 31 March 2011

	€000		€000
Intangible assets and property, plant and equipment	5,603	Revenue reserves including translation differences	64
Investments	-999	Retained earnings	2,147
Deferred tax assets	0	Deferred tax liabilities	0
Inventories	531	Provisions	640
Receivables from affiliated companies	-1,099	Liabilities to banks	2,745
Trade accounts receivable and other assets	885	Payables to subsidiaries	0
Cash and cash equivalents (including marketable securities)	717	Trade accounts payable and other liabilities	
	<u>5,638</u>		<u>42</u>
			5,638

The following income statement shows the impact of the transaction on earnings for the period. In order to achieve better comparability, the amounts shown must be deducted from the corresponding line items in the consolidated income statement for the period ended 31 March 2011.

Income statement 1 January – 31 March 2011

	€000
Sales	640
Change in inventories	67
Other operating income	-22
Cost of materials	52
Personnel expense	170
Amortisation and depreciation	0
Other operating expenses	49
Result on investments	1,920
Net interest result	-18
Income taxes	170
Group net profit for the period	2,147

The acquisition of the remaining shares of Schaltbau North America Inc., based on assets and liabilities at the date of full consolidation (1 January 2011) measured in accordance with US GAAP, had the following impact:

Disclosures in €000

	Carrying amounts at acquisition date	Adjust ments	Fair values at acquisitio n date
Intangible assets	92		92
Property, plant and equipment	1		1
Inventories	190		190
Receivables and other assets	376		376
Cash and cash equivalents (including marketable securities)	132		132
Total assets acquired	791		791
Other provisions	207		207
Trade accounts payable and other liabilities			
	437		437
Total liabilities acquired	644		644
Net assets acquired			147
Acquisition cost			2,852
Goodwill			2,705

The amounts shown represent 50% of the values of the items acquired (at acquisition date), based on the percentage acquired. The addition of the new shares to the 50% already held and the transitional consolidation gave rise to additional goodwill of € 2.7 million, of which approximately € 1.9 million is recorded as a gain in other results from investments. The determination of the fair value of the assets and liabilities acquired has not yet been completed.

The acquisition of shares in Rawag described above resulted in that company being accounted for for the first time using the equity method. As a result of the purchase consideration paid for the shares, the previous carrying amount of the investment was increased by € 0.6 million, which is also recorded as a gain in other results from investments.

USE OF ESTIMATES

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

FOREIGN CURRENCY TRANSLATION

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

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

	Closing rate		Average rate	
	31.03.2011	31.12.2010	1.1. bis 31.03.2011	1.1. bis 31.03.2010
Chinese renminbi yuan	9.2488	8.7626	9.0031	9.4719
US dollar	1.4099	1.3253	1.3670	1.3856
British pound	0.8794	0.8568	0.8539	0.8879
New Turkish lire	2.1928	2.0610	2.1589	2.0938

ACCOUNTING PRINCIPLES AND POLICIES

Deferred taxes

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

Income taxes

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

Provisions

Pension provisions are measured on the basis of values stated in the relevant actuarial reports for 2011, taking into account pensions paid during the period under report. The provision for obligations for early retirement part-time working arrangements is based on management estimates, unlike in the financial statements for the year ended 31 December 2010 when the provision was based on actuarial reports.

Contingent liabilities

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

Consolidated cash flow statement

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

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

ANALYSIS OF SELECTED ITEMS REPORTED IN THE FINANCIAL STATEMENTS

PERSONNEL EXPENSE / EMPLOYEES

in € 000	1.1. – 31.03.	2011	2010
Wages and salaries		19,316	18,085
Social security, pension and welfare expenses		3,724	3,524
		23,040	21,609

EMPLOYEES

	2011	2010
Employees	1,490	1,445

These employee figures show the weighted average for the period under report (including trainees, executives and board members).

RESULT FROM INVESTMENTS

Other results from investments include the impact of items described in the section “BUSINESS COMBINATIONS / GROUP REPORTING ENTITY” as well as impairment losses on investments of non-consolidated foreign subsidiaries.

FINANCIAL RESULT

in € 000	1.1. – 31.03.	2010	2009
Other interest and similar income (of which from affiliated companies)		3 (0)	14 (5)
Interest and similar expenses (of which to affiliated companies)		- 1,458 (-2)	- 1,364 (- 1)
		- 1,455	- 1,350

Interest expenses include € 254,000 (1.1. – 31.03.2010: € 241,000) relating to the interest component of the allocation to the pension provision.

INCOME TAXES

in € 000	1.1. – 31.03.	2010	2009
Income tax expense		- 1,197	- 508
Deferred tax expense		91	- 41
		- 1,106	- 549

Compared with the financial statements as at 31 December 2010, no adjustments were made to deferred taxes on tax losses available for carryforward for companies operating within Germany.

NOTES TO THE CONSOLIDATED BALANCE SHEET

INTANGIBLE ASSETS, PLANT PROPERTY AND EQUIPMENT AND INVESTMENTS

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

INVENTORIES

in € 000	31.03.2011	31.12.2010
Raw materials, consumables and supplies	27,090	23,000
Work in progress	20,466	18,788
Finished products, goods for resale	9,575	8,982
Advance payments to suppliers	27	516
	57,158	51,286

RECEIVABLES AND OTHER ASSETS

in € 000	31.03.2011	31.12.2010
Trade accounts receivable	50,770	46,096
Receivables from affiliated companies	2,514	2,352
Receivables from associated companies	120	849
Receivables from companies with which an investment relationship exists	0	260
Income tax receivables	58	67
Positive fair values of derivative instruments	546	236
Other assets	3,421	3,890
	57,429	53,750

Allowances on trade accounts receivable amount to € 2,234,000 (31.03.2010: € 2,118,000).

CASH AND CASH EQUIVALENTS

in € 000	31.03.2011	31.12.2010
Cheques and cash on hand	67	3,197
Cash at bank	7,370	8,334
	7,437	11,531

CHANGES IN GROUP EQUITY

The conversion of convertible bonds has raised share capital as at 31 March 2011 by € 167,000 and the capital reserve by € 1.876 million. These and further details relating to balance sheet items are available in the **Statement of Changes in Equity**.

PROVISIONS

in € 000	31.03.2011	31.12.2010
Non-current provisions		
Pension provision	18,701	18,744
Personnel-related accruals	4,243	4,235
Warranties	394	391
Other non-current provisions	4,637	4,626
	23,338	23,370
Current provisions		
Personnel-related accruals	5,901	4,851
Current tax	2,023	1,643
Warranties	6,633	6,614
Outstanding costs and material	8,867	8,039
Other provisions	1,970	989
Other current provisions	25,394	22,136
Total provisions	48,732	45,506

LIABILITIES

in € 000	31.03.2011	31.12.2010
Non-current liabilities		
Liabilities to banks	29,457	31,502
Other financial liabilities	<u>9,588</u>	<u>11,596</u>
Financial liabilities	39,045	<u>43,098</u>
Other liabilities	19	19
	<u>39,064</u>	<u>43,117</u>
Current liabilities		
Current income tax liabilities	387	124
Liabilities to banks	12,201	11,551
Other financial liabilities	<u>143</u>	<u>141</u>
Financial liabilities	12,344	<u>11,692</u>
Trade accounts payable	17,164	18,402
Advance payments received	13,831	12,182
Payables to affiliated companies	242	252
Liabilities to other group entities	291	381
Negative fair values of derivatives	882	1,350
Sundry other liabilities	<u>12,815</u>	<u>9,575</u>
Other liabilities	14,230	<u>11,558</u>
	<u>57,956</u>	<u>53,958</u>
Total liabilities	97,020	97,075

PRODUCT-BASED SEGMENT INFORMATION

Disclosures in € 000

1.1. – 31.03.

	Mobile Transportation Technology		Stationary Transportation Technology	
	2011	2010	2011	2010
Order-intake (external)	38,762	34,445	28,800	21,218
Sales	29,149	28,837	20,944	14,890
- of which external	29,149	28,837	20,624	14,671
- of which with other segment	0	0	320	219
External order-book	99,059	94,881	52,470	47,044
EBITDA	2,040	2,752	1,533	-646
Result from operating activities (EBIT)	1,654	2,425	1,106	-1,046
Result from at-equity accounted investments	311	82	0	0
Other results from investments	584	0	-400	0
Interest income	44	8	55	6
Interest expense	-184	-211	-374	-274
Income taxes	-58	-30	40	-95
Segment result / Group result ¹⁾	2,351	2,274	427	-1,409
Changes in group reporting entity	0	0	0	0
Capital expenditure on investments	652	150	433	150
Impairment losses on investments	0	0	-400	0
Capital expenditure ²⁾	375	154	731	807
Amortisation and depreciation ²⁾	-386	-327	-427	-400
Impairment losses	0	0	0	0
Reversal of impairment losses	0	0	0	0
Other significant non-cash expenses	-1,573	-1,523	-2,419	-1,048
Segment assets ³⁾	58,773	59,878	69,166	59,040
Investments accounted for at-equity	4,667	3,422	0	0
Capital employed ⁴⁾	45,555	43,504	45,136	41,817
Segment liabilities ⁵⁾	31,881	37,771	51,590	45,061
Employees (average as per HGB)	477	464	470	463
EBIT margin ⁶⁾	5.7%	8.4%	5.4%	-7.1%
Return on capital employed ⁷⁾	14.5%	22.3%	9.8%	-10.0%

¹⁾ = transfers in conjunction with profit and loss transfer agreements are added back to the segment result

²⁾ = in / on intangible assets and property, plant and equipment

³⁾ = Balance sheet total

⁴⁾ = Working capital (inventories + trade accounts receivable – advance payments received – trade accounts payable) plus non-current assets excluding deferred tax assets

⁵⁾ = Liabilities

⁶⁾ = EBIT / external sales

⁷⁾ = EBIT / capital employed (EBIT extrapolated to annual amount)

Components		Sub-total		Holding, Reconciling items		Schaltbau Group	
2011	2010	2011	2010	2011	2010	2011	2010
33,513	22,535	101,075	78,198	29	29	101,104	78,227
24,418	18,641	74,511	62,368	-399	268		
24,311	18,563	74,084	62,071	28	29	74,112	62,100
107	78	427	297	-427	-297		
49,150	37,442	200,679	179,367			200,679	179,367
6,055	4,396	9,628	6,502	-847	-781	8,781	5,721
5,418	3,702	8,178	5,081	-968	-895	7,210	4,186
0	105	311	187	0	0	311	187
1,920	0	2,104	0	0	0	2,104	0
3	6	102	20	-99	-6	3	14
-445	-314	-1,003	-799	-455	-565	-1,458	-1,364
-713	-357	-731	-482	-374	-67	-1,105	-549
6,183	3,142	8,961	4,007	-1,896	-1,533	7,065	2,474
4,601	0	4,601	0	0	0	4,601	0
0	11	1,085	311	1	0	1,086	311
0	0	-400	0	0		-400	0
359	259	1,465	1,220	9	75	1,474	1,295
-637	-692	-1,450	-1,419	-121	-114	-1,571	-1,533
-241	-107	-241	-107	0	0	-241	-107
7	36	7	36	0	0	7	36
-4,345	-1,156	-8,337	-3,727	-1,502	-759	-9,839	-4,486
84,537	67,882	212,476	186,800	-11,649	-3,274	200,827	183,526
0	558	4,667	3,980	0	-1	4,667	3,979
69,306	54,835	159,997	140,156	-13,184	-12,419	146,813	127,737
56,423	46,117	139,894	128,949	19,769	32,841	159,663	161,790
525	502	1,472	1,429	18	16	1,490	1,445
22.3%	19.9%					9.7%	6.7%
31.3%	27.0%					19.6%	13.1%

OTHER DISCLOSURES

Contingent liabilities and other financial commitments

in € 000	31.03.2011	31.12.2010
Other financial obligations		
Rental and lease expenses	9,320	9,502
Other commitments	1,214	1,280

There are no **contingent liabilities**.

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

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

Related party relationships

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

	Volume of services performed		Volume of services received	
	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010
	€ 000	€ 000	€ 000	€ 000
Associated companies				
goods and services	662	493	1012	106
other relationships	-	-	-	13
Non-consolidated companies				
goods and services	1,116	1,043	495	855
other relationships	-	-	14	12

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

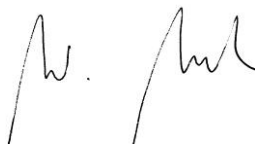
	Receivables		Payables	
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
	€ 000	€ 000	€ 000	€ 000
Associated companies	120	849	291	381
Non-consolidated companies	2,514	2,612	242	252

Munich, 6 May 2011

Schaltbau Holding AG
The Executive Board



Dr. Jürgen Cammann



Waltraud Hertreiter

Disclaimer

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

Responsibility statement

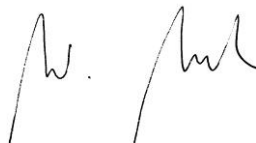
“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.”

Munich, 6 May 2011

Schaltbau Holding AG
The Executive Board



Dr. Jürgen Cammann



Waltraud Hertreiter

Comment on unaudited status

The Interim Consolidated Financial Statements and Interim Group Management Report as at 31 March 2011 have neither been audited in accordance with § 317 HGB nor subject to a limited review by the group auditor.

Schaltbau Holding AG

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