



**Group Interim Report
as at 30 September 2010**

Schaltbau Group Key Financial Figures for the period ended 30 September

Group key financial figures		30 Sept. 2010	30 Sept. 2009	3rd quarter 2010	3rd quarter 2009
Order situation					
Order-intake	€ m.	224.7	193.4	71.4	53.0
Order-book	€ m.	179.9	170.1	179.9	170.1
Income statement					
Sales	€ m.	207.9	205.0	74.0	62.4
Total output	€ m.	214.2	197.4	76.4	61.3
EBITDA	€ m.	22.0	19.3	8.5	4.8
Profit from operating activities (EBIT)	€ m.	17.3	14.8	6.9	3.4
EBIT margin	%	8.3	7.2	9.4	5.5
Group net profit for the period	€ m.	11.5	9.7	4.9	1.7
Profit attr. to shareholders of the AG	€ m.	9.7	8.3	4.4	1.3
Return on capital employed	%	16.9	15.7	20.4	10.9
Balance sheet					
Fixed Assets	€ m.	62.5	60.7	62.5	60.7
Working capital	€ m.	73.3	65.2	73.3	65.2
Capital employed	€ m.	135.8	125.9	135.8	125.9
Group equity	€ m.	29.2	15.6	29.2	15.6
Net bank liabilities	€ m.	39.2	43.0	39.2	43.0
Balance sheet total	€ m.	187.2	168.3	187.2	168.3
Personnel					
Employees at end of reporting period	Number	1,614	1,608	1,614	1,608
Personnel expense	€ m.	64.7	61.2	21.2	19.8
Personnel expense per employee	€ 000	59.4	56.8	58.5	55.0
Total output per employee	€ 000	196.9	183.2	210.6	170.7
Earnings per share					
Earnings per share (undiluted)	€	5.22	4.47	2.35	0.71
Earnings per share (diluted)	€	4.88	4.20	2.19	0.69

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Dear shareholders,

We can look back at a third quarter that was pleasing for a number of reasons. From a business point of view the Schaltbau Group again performed very well throughout the period. Compared with the two preceding quarters, the three months ended 30 September 2010 were even the best of the current year so far in terms of sales, EBIT and Group net profit and we therefore now predict earnings per share of € 6.40 for the full year 2010.

Above all, however, the three-month period under report was gratifying with regard to the medium-term prospects for the Schaltbau Group, which are closely linked to those of the railway industry in many respects. In the past we have repeatedly expressed the fact that railway systems worldwide are about to experience a renaissance. We have pointed towards the rapidly increasing urbanisation worldwide, particularly in developing and emerging countries, which is going to result in greater volumes of traffic and have a correspondingly negative impact on the environment. At the same time the world's crude oil reserves are constantly shrinking, which will inevitably raise the cost of individual mobility. In order to escape from this dilemma we need global solutions, which railways and, to a growing degree, buses already provide with their key characteristics of sustainability, energy efficiency and environmental compatibility.

The market confirmed this fact at the industry's major trade fairs in September, where these topics were highlighted. The growing scarcity of fossil fuels coupled with the constantly rising demand for mobility and urban quality of life is promoting railways as a means of transport worldwide. That is how Michael Clausecker, Director-General of the Association of the European Rail Industry UNIFE, aptly described the situation at the InnoTrans, the world's leading trade fair for railway technology. Despite the vast demand from China in the high-speed trains segment, due to the global trend towards urbanisation he sees the primary opportunities for future growth in the field of light rail systems.

Firstly, the general demand will lead to an increased international expansion of railway networks. Secondly, it will have a positive impact on the development of mass transit systems. Both the rail and the bus sectors will benefit from it. These trends are definitely of great relevance for the companies of the Schaltbau Group.

An additional topic of discussion was the question of which region is likely to grow most strongly in the future. Asia, North America and the Arab region were singled out as markets that we will be closely focusing on during the planned global expansion of the

Schaltbau Group. The number of trade fair participants from these regions has increased considerably. We see this as proof of the importance of railway transportation in these countries. The potential in China is absolutely gigantic, where more than 10,000 kilometres of track are currently under construction. By 2020 the national railway network in China is to grow by 34,000 kilometres, a major part of which is to consist of high-speed lines.

The Chinese market was also the central topic at the 63rd IAA Commercial Vehicles, the world's largest trade fair for mobility, logistics and transportation. This year alone, six million new commercial vehicles and buses will be sold in China. But not only those from China, numerous high-ranking experts from South Korea, Japan and India also attended the IAA to gather information on the latest innovations in the industry. Electromobility and hybrid propulsion as well as climate protection were among the avidly discussed subjects that will also have a fundamental impact on the mass transit systems of tomorrow. We can therefore expect obsolete technologies to be increasingly replaced with state-of-the-art vehicles in the years to come. This factor will additionally improve the general business environment for the companies of the Schaltbau Group.

Dear shareholders, the InnoTrans and the IAA Commercial Vehicles are the most important trade fairs of their kind in the world. Every two years they set the trends for the future and that is how it was again this year. With our strategic orientation and range of innovative products and solutions we feel very well positioned to make the most of the opportunities resulting from these trends for the benefit of your Schaltbau Group.

Best regards

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of connected, fluid strokes that form the rest of the name.

Dr. Jürgen H. Cammann
Spokesman of the Executive Board

Group Interim Management Statement

In a continuing favourable economic environment, the Schaltbau Group again displayed a positive performance in the third quarter 2010. Growth in industrial business provided additional stimulus with a steady stream of orders from the rail sector and unbroken strong demand, especially on Asian markets. Against this background, in the three-month period ended 30 September the Schaltbau Group recorded its best quarter so far this year in terms of sales, EBIT and Group net profit and thus performed also cumulatively better than the previous year in terms of both sales and earnings. Due to the Group's unexpectedly good performance in the third quarter, earnings per share of € 6.40 are now predicted for 2010.

Major events in the first nine months of 2010

Major events occurring in the first nine months of 2010 included the signing of a consortium loan agreement for € 50 million on 19 March and the acquisition of a 67 per cent stake in Bode Corporation in the Mobile Transportation Technology segment, also finalised in March. Please see the Group interim report on the first quarter for a detailed description of both transactions.

Business environment

After the powerful expansion of the world economy throughout the first half of 2010, growth slowed somewhat in the third quarter. Although this was mainly true for the industrialised countries, the emerging economies of Asia lost little of their vitality. Demand from Asian markets is also one of the key reasons for the strong rise in order intake registered by Germany's engineering and plant construction industry. According to the German Engineering Federation (VDMA), orders in the three months ended August 2010 surpassed those recorded one year earlier by 52 per cent. Driven by exports, according to the German Association of the Automotive Industry (VDA) the production of light commercial vehicles also increased sharply by a remarkable 43 per cent in the first nine months of 2010.

The markets relevant for the Schaltbau Group performed well in this favourable environment. In the Mobile Transportation Technology segment, the Door Systems for Railway Vehicles product group benefited from the growing volume of regional traffic in Europe. After a weak first six months, Door Systems for Buses and Coaches were

boosted by surprisingly strong communal demand in the third quarter 2010. In the Fittings for Sliding Vehicle Doors product group, major customers were successful in strengthening their market positions. Rail sector business, particularly important for the Stationary Transportation Technology segment, also performed pleasingly in the third quarter. In the Brake Systems business field, demand stabilised for container crane brakes. Gradually growing industrial demand in Germany had a positive impact on the Components segment. Demand from Asian markets continued to be robust, particularly from China.

Order situation

In the wake of the favourable economic climate, the order situation for the Schaltbau Group in the third quarter 2010 showed a great improvement on that of the previous year. At € 71.4 million, incoming orders were 34.7 per cent up on the € 53.0 million posted in the third quarter 2009, which had suffered heavily, however, from the impact of the economic crisis.

In the **Mobile Transportation Technology** segment, although order intake in the third quarter fell slightly compared with the high levels of the first six months, it was still 12 per cent up on the previous year's nine-month total. All of the segment's product groups contributed to this result. In the Door Systems for Railway Vehicles product group, the strong position gained over the last few years in terms of technical expertise and innovative power is increasingly paying off. Door Systems for Buses were repeatedly in demand in the public transport sector. Industrial business had a positive impact on the Fittings for Sliding Vehicle Doors product group.

The **Stationary Transportation Technology** segment made further progress in the third quarter 2010. In the Rail Infrastructure business field the order situation improved for all product groups, primarily due to the continued steady demand for railway components. In the Brake Systems business field the turnaround seen in May was confirmed.

Order intake figures for the **Components** segment continued to grow. Apart from brisk business in the railway sector, increasing demand for industrial applications also gave the segment an additional boost in the third quarter. The growth in order volume from

China was outstanding. Business in the USA was positive, helped by the successful establishing of new fields of application in the solar industry.

In the first nine months of 2010, order intake for the Schaltbau Group totalled € 224.7 million. The figure not only surpassed the € 193.4 million recorded one year earlier by 16 per cent, it also equalled order-intake volume for the first nine months of 2008. The order book at 30 September 2010 stood at € 179.9 million, 5.8 per cent up on the € 170.1 million seen at the end of September 2009.

Sales

The Schaltbau Group generated sales of € 74.0 million from July to September 2010, an increase of 18.6 per cent on the total of € 62.4 million posted for the third quarter 2009.

In the quarter under report the **Mobile Transportation Technology** segment again generated sales revenue noticeably higher than that of the previous year. Above-average growth was achieved with the sale of Door Systems for Buses and Coaches. The excellent order situation enabled the Door Systems for Railway Vehicles product group to practically maintain the high level of sales seen in the first and second quarters. Helped by the favourable business environment, the Fittings for Sliding Vehicle Doors product group recorded slightly higher sales figures.

In the third quarter 2010 the **Stationary Transportation Technology** segment showed a sharp rise in sales revenue after a poor performance in the first half of the year. As expected, the Rail Infrastructure business field with its product groups Railway Signal Technology and Rail Point Heating Systems made few sales in the first quarter due to the harsh winter, but caught up considerably in the three months from July to September 2010. Incoming orders for the Brake Systems business field, which began picking up again in May, translated increasingly to sales in the third quarter and by August the turnaround had here too been accomplished.

The **Components** segment posted stronger growth in the period under report than in the two preceding quarters when compared with last year's figures. The third quarter 2009 was, however, markedly restrained by the slump in industrial business, which

should be taken into account. Sales performance at the Chinese company Xi'an continued to be good.

Altogether the Schaltbau Group achieved sales revenue of € 207.9 million during the first nine months of 2010, exceeding the previous year's figure of € 205.0 million by 1.4 per cent.

Group earnings performance

In the first nine months of 2010 the Schaltbau Group's earnings performance was primarily influenced by strong sales growth in the third quarter and increased inventories of finished products and work in progress of € 5.2 million, compared with a reduction in inventories of € 8.3 million during the same period one year earlier. These two factors led to total output of € 214.2 million for the reporting period, 8.5 per cent above the previous year's figure of € 197.4 million.

The cost of materials ratio rose in the course of the year as a result of soaring prices on raw materials markets and the increased amount of bought-in services. Due to the savings made, the cost of materials ratio stood at 50.9 per cent of total output, only slightly above the previous year's figure, resulting in earnings € 7.5 million higher than those seen one year earlier. In line with capacity utilisation and as a consequence of strategic staff increases, personnel expenditure rose by € 3.4 million to € 64.7 million. Group EBIT totalled € 17.3 million after recording € 14.8 million for the same period the previous year. The EBIT margin improved to 8.3 per cent (2009: 7.2 per cent).

Group net profit stood at € 11.5 million on 30 September 2010, approximately € 1.8 million higher than the figure recorded one year earlier. The third quarter 2010, however, was approximately € 3.2 million up on last year's figure. The profit attributable to shareholders grew from € 8.3 million in 2009 to € 9.7 million. Earnings per share stood at € 5.22 compared with € 4.47 for the first nine months of 2009.

The **Mobile Transportation Technology** segment benefited from the dynamic sales performance, producing EBIT of € 6.6 million for the nine-month period of 2010 (2009: € 4.3 million). The EBIT margin improved from 5.2 per cent to 7.5 per cent.

The **Stationary Transportation Technology** segment continued reducing its shortfall from the first half of the year compared with the previous year. The upward trend in the Rail Infrastructure business field seen in the second quarter was maintained. EBIT totalled € 3.7 million (2009: € 6.2 million). Thus the EBIT margin stood at 6.2 per cent (2009: 8.6 per cent).

In the wake of the dynamic sales performance, EBIT for the **Components** segment grew strongly to reach € 9.7 million (2009: € 7.1 million). The EBIT margin thus increased to 16.5 per cent (2009: 13.9 per cent).

Group financial and net assets position

The refinancing arrangement achieved through the consortium loan agreement led to a shift from short-term to long-term debt as at 31 March 2010 and therefore to a structural improvement in balance sheet ratios. As a result of the steep rise in total output during the period under report and upcoming deliveries in the last quarter, working capital increased from € 53.8 million at 31 December 2009 to € 73.3 million at 30 September 2010 and therefore had the greatest impact on the rise in the balance sheet total to € 187.2 million (31 December 2009: € 167.9 million). Nevertheless, the equity ratio, including participation rights capital, which is similar in nature to equity, improved from 16.4 per cent at the end of the year to 19.3 per cent. Net bank liabilities were reduced to € 39.2 million as compared with € 43.0 million one year earlier.

Investments in property, plant and equipment and intangible assets amounted to € 4.7 million at 30 September 2010 and were therefore at a similar level to the depreciation expense.

Purchasing

The tension on purchasing markets continued to grow in the course of the third quarter. The prices of practically all materials relevant for the Schaltbau Group rose drastically. The price hikes apply to key non-ferrous metals such as aluminium and copper, but also to silver, glass and rubber. The increases have already had a negative impact on prices in a number of areas.

The situation for electronic components continues to be difficult and their availability, which was already limited during the first half of the year, took a renewed turn for the worse in the third quarter. The measures taken within the Schaltbau Group to optimise in-house purchasing processes reached the limits of feasibility and the ability to fulfil orders was, in some cases, either affected or in danger of being impaired.

Significant events occurring after 30 September 2010

No events of particular significance have taken place since the end of the third quarter 2010.

Opportunities and risks report

In the first nine months of the current fiscal year there were no significant changes to the major risks previously described in the annual financial statements for 2009.

Forecasts and other statements regarding anticipated development

For the last quarter of 2010 the International Monetary Fund (IMF) forecasts a slight weakening of economic growth worldwide in comparison to the first half of the year. The Asian countries continue to be the driving forces of the economy, particularly China and India. Performance in Germany is expected to be above the average for industrialised countries.

In view of the exceptionally good order intake over the last few months, the German Engineering Federation (VDMA) has doubled its production forecast for the full year 2010 from plus 3 per cent to plus 6 per cent. The growth in exports is emphasised, whereby the main impetus is coming from the developing and emerging countries of America and Asia.

In view of the favourable economic environment, the Schaltbau Group is expecting the fourth quarter to progress according to schedule. The unexpectedly good business performance in the third quarter will have a positive impact. Earnings per share of € 6.40 are now therefore predicted for the full year 2010.

Significant transactions with associated companies and persons
Information available in the Notes.

Condensed Interim Consolidated Financial Statements as at 30.09.2009

Consolidated Income Statement for the period ended 30 September 2010

€000	1.1.-30.09.2010	1.1.-30.09.2009
1. Sales	207,933	204,951
2. Change in inventories of finished and work in progress	5,235	-8,282
3. Own work capitalised	1,019	776
4. Total output	214,187	197,445
5. Other operating income	3,197	2,637
6. Cost of materials	108,969	99,693
7. Personnel expense	64,671	61,223
8. Amortisation and depreciation	4,729	4,461
9. Other operating expenses	21,758	19,906
Profit from operating activities	17,257	14,799
a) Result from at-equity accounted investments	841	710
b) Other results from investments	-	-
10. Results from investments	841	710
a) Interest income	58	33
b) Interest expense	4,526	4,376
11. Finance result	-4,468	-4,343
12. Profit before tax	13,630	11,166
13. Income taxes	2,180	1,473
14. Group net profit for the period	11,450	9,693
Analysis of group net profit		
attributable to minority shareholders	1,704	1,345
attributable to the shareholders of Schaltbau Holding AG	9,746	8,348
Group net profit for the period	11,450	9,693
Earnings per share – undiluted:	5.22 €	4.47 €
Earnings per share – diluted:	4.88 €	4.20 €

Statement of Income and Expenses Recognised in Equity

€000	1.1.-30.09.2010			1.1.-30.09.2009		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Group net profit for the period			11,450			9,693
Translation differences			443			-426
Derivative financial instruments	-533	160	-373	-268	80	-188
Total income and expenses recognised directly in equity			70			-614
Total income and expenses recognised in equity			11,520			9,079
of which:						
attributable to minority shareholders			100			-125
attributable to the shareholders of Schaltbau Holding AG			-30			-489
			70			-614

Consolidated Income Statement for the third quarter 2010

€000	1.7.-30.09.2010	1.7.-30.09.2009
1. Sales	74,001	62,448
2. Change in inventories of finished and work in progress	2,140	-1,439
3. Own work capitalised	225	322
4. Total output	76,366	61,331
5. Other operating income	456	868
6. Cost of materials	40,063	31,652
7. Personnel expense	21,209	19,762
8. Amortisation and depreciation	1,577	1,400
9. Other operating expenses	7,046	5,970
Profit from operating activities	6,927	3,415
a) Result from at-equity accounted investments	245	260
b) Other results from investments	-	-
10. Results from investments	245	260
a) Interest income	24	-16
b) Interest expense	1,562	1,426
11. Finance result	-1,538	-1,442
12. Profit before tax	5,634	2,233
13. Income taxes	735	557
14. Group net profit for the period	4,899	1,676
Analysis of group net profit		
attributable to minority shareholders	505	344
attributable to the shareholders of Schaltbau Holding AG	4,396	1,332
Group net profit for the period	4,901	1,676
Earnings per share – undiluted:	2.35 €	0.71 €
Earnings per share – diluted:	2.19 €	0.69 €

Statement of Income and Expenses Recognised in Equity

€000	1.7.-30.09.2010			1.7.-30.09.2009		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Group net profit for the period			4,901			1,676
Translation differences			-707			-351
Derivative financial instruments	493	-148	345	-191	57	-133
Total income and expenses recognised directly in equity			-362	-191	57	-484
Total income and expenses recognised in equity			4,539			1,192
of which:						
attributable to minority shareholders			-314			-80
attributable to the shareholders of Schaltbau Holding AG			-47			-404
			-361			-484

Consolidated Cash Flow Statement for the period from 1 Jan. to 30 Sept. 2010

	€ 000	€ 000
	1.1.-30.09.2010	1.1.-30.09.2009
Group net profit for the period	11,450	9,693
Amortisation and depreciation on non-current assets	4,727	4,456
Gain on disposal of non-current assets	44	5
Finance result	4,468	4,343
Income tax expense	2,180	1,473
Change in current assets	-21,828	-141
Change in provisions	1,082	472
Change in current liabilities	4,573	-13,234
Dividends received	823	1,441
Interest paid	-3,881	-3,657
Interest received	58	33
Income tax paid	-3,077	-1,427
Other non-cash income / expenses	-909	-847
Cash flow from operating activities	-290	2,610
Payments for investments in:		
- property, plant and equipment and intangible assets	-4,735	-5,159
- other investments	-915	-362
Proceeds from disposal of:		
- property, plant and equipment	288	114
- at-equity accounted investments and other equity investments	3,279	-
Cash flow from investing activities	-2,083	-5,407
Dividend payment	-1,307	-933
Payments to minority interests	-428	-880
Repayment of / proceeds from financial liabilities	1,758	4,751
Cash flow from financing activities	23	2,938
Change in cash and cash equivalents due to exchange rate fluctuations	140	-34
Change in cash and cash equivalents due changes in group reporting entity	-	-
Changes in cash, cash equivalents and securities	-2,210	107
Cash and cash equivalents		
at the end of the period	6,296	5,439
at the beginning of the period	8,506	5,332
	-2,210	107

Consolidated Balance Sheet as at 30 September 2010

ASSETS	€ 000	€ 000
	30.09.2010	31.12.2009
A. NON-CURRENT ASSETS		
I. Intangible assets	14,245	13,622
II. Property, plant and equipment	40,719	41,337
III. At-equity accounted investments	4,246	4,217
IV. Other investments	3,261	2,346
V. Deferred tax assets	9,201	8,886
	71,672	70,408
B. CURRENT ASSETS		
I. Inventories	49,740	41,116
II. Trade accounts receivable	51,107	37,814
III. Income tax receivables	9	97
IV. Other receivables and assets	8,385	9,947
V. Cash and cash equivalents	6,296	8,506
	115,537	97,480
Total assets	187,209	167,888
EQUITY AND LIABILITIES	€ 000	€ 000
	30.09.2010	31.12.2009
A. EQUITY		
I. Subscribed capital	6,850	6,850
II. Capital reserves	8,443	8,443
III. Statutory reserves	231	231
IV. Revenues reserves	-2,759	-13,162
V. Income/expense recognised directly in equity	144	-166
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to shareholders of Schaltbau Holding AG	9,746	12,349
VIII. Equity attributable to shareholders of Schaltbau Holding AG	25,696	17,586
VIII. Minority interests	3,462	2,934
	29,158	20,520
B. NON-CURRENT LIABILITIES		
I. Participation rights capital	7,045	7,026
II. Pension provisions	18,731	18,856
III. Personnel-related accruals	4,562	4,593
IV. Other provisions	360	355
V. Financial liabilities	49,363	29,452
VI. Other liabilities	40	40
VII. Deferred tax liabilities	6,992	6,549
	87,093	66,871
C. CURRENT LIABILITIES		
I. Personnel-related accruals	4,312	4,618
II. Other provisions	16,607	15,835
III. Income taxes payable	180	96
IV. Financial liabilities	7,964	24,779
V. Trade accounts payable	17,939	15,152
VI. Advance payments received	9,568	9,964
VII. Other liabilities	14,388	10,053
	70,958	80,497
Total equity and liabilities	187,209	167,888

Consolidated Statement of Changes in Equity as at 30 September 2010

	Equity attributable to shareholders of Schaltbau Holding AG				
	Subscribed capital	Capital reserves	Statutory reserves	Revenue reserves	Revaluation reserve
Balance at 1.1.2009	6,850	8,443	231	-23,908	3,041
Profit brought forward	0	0	0	11,843	0
Transfer to capital reserves	0	0	0	0	0
Shares issued	0	0	0	0	0
Dividend paid	0	0	0	-933	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	0	0	0	0
Group net profit for the period	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	-188	0
Income and expenses recognised in equity	0	0	0	-188	0
Balance at 30.09.2009	6,850	8,443	231	-13,186	3,041
Balance at 1.10.2009	6,850	8,443	231	-13,186	3,041
Profit brought forward	0	0	0	0	0
Transfer to capital reserves	0	0	0	0	0
Shares issued	0	0	0	0	0
Dividend paid	0	0	0	0	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	0	0	0	0
Group net profit for the period	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	24	0
Income and expenses recognised in equity	0	0	0	24	0
Balance at 31.12.2009	6,850	8,443	231	-13,162	3,041
Balance at 1.1.2010	6,850	8,443	231	-13,162	3,041
Profit brought forward	0	0	0	12,349	0
Transfer to capital reserves	0	0	0	0	0
Shares issued	0	0	0	0	0
Dividend paid	0	0	0	-1,307	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	0	0	-266	0
Group net profit for the period	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	-373	0
Income and expenses recognised in equity	0	0	0	-373	0
Balance at 30.9.2010	6,850	8,443	231	-2,759	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	
-286	11,843	6,214	1,166	1,229	2,395	8,609
0	-11,843	0	1,229	-1,229	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	-933	-1,139	0	-1,139	-2,072
0	0	0	0	0	0	0
0	0	2	0	0	0	2
0	8,348	8,348	0	1,345	1,345	9,693
-301	0	-489	-125	0	-125	-614
-301	8,348	7,859	-125	1,345	1,220	9,079
-587	8,348	13,140	1,131	1,345	2,476	15,616
-587	8,348	13,140	1,131	1,345	2,476	15,616
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	4,001	4,001	0	399	399	4,400
421	0	445	60	0	60	505
421	4,001	4,446	60	399	459	4,905
-166	12,349	17,586	1,191	1,743	2,934	20,520
-166	12,349	17,586	1,191	1,743	2,934	20,520
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	-1,307	-1,276	0	-1,276	-2,583
0	0	0	0	0	0	0
-33	0	-299	0	0	0	-299
0	9,746	9,746	0	1,704	1,704	11,450
343	0	-30	100	0	100	70
343	9,746	-9,716	100	1,704	1,804	11,520
144	9,746	25,696	1,758	1,704	3,462	29,158

Notes and segment information as at 30 September 2010

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

In the first quarter Gebr. Bode & Co. Beteiligungs GmbH of Kassel, Germany acquired a 67% stake in Bode Corporation of Spartanburg, South Carolina, USA with effect from 1 January 2010. The company now operates under the name of Bode North America, Inc.

Please see the Management Report for further information. The new company is not consolidated due to the low volume of business. Thus the Group reporting entity has not changed since 31 December 2009.

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	
	30.09.2010	31.12.2009	1.1. bis 30.09.2010	1.1. bis 30.09.2009
Chinese renminbi yuan	9.1174	9.8000	8.9771	9.3526
US dollar	1.3612	1.4333	2.3170	1.3669
British pound	0.8613	0.9000	0.8585	0.8872
New Turkish lire	1.9842	2.1687	2.0045	2.1528

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 2010, 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 2009 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. – 30.09.	2010	2009
Wages and salaries		53,962	51,276
Social security, pension and welfare expenses		10,709	9,947
		64,671	61,223

EMPLOYEES

	2010	2009
Employees	1,451	1,437

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

FINANCE RESULT

in € 000	1.1. – 30.09.	2010	2009
Other interest and similar income (of which from affiliated companies)		58 (15)	33 (18)
Interest and similar expenses (of which to affiliated companies)		- 4,526 (- 4)	- 4,376 (-7)
		- 4,468	- 4,343

Interest expenses include € 724,000 (1.1. – 30.09.2009: € 741,000) relating to the interest component of the allocation to the pension provision.

INCOME TAXES

in € 000	1.1. – 30.09.	2010	2009
Income tax expense		1,880	1,466
Deferred tax expense		300	7
		2,180	1,473

Compared with the financial statements as at 31 December 2009, 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	30.09.2010	31.12.2009
Raw materials, consumables and supplies	23,482	20,721
Work in progress	19,197	14,357
Finished products, goods for resale	6,933	5,693
Advance payments to suppliers	128	345
	49,740	41,116

RECEIVABLES AND OTHER ASSETS

in € 000	30.09.2010	31.12.2009
Trade accounts receivable	51,107	37,814
Receivables from affiliated companies	2,755	1,930
Receivables from associated companies	1,049	850
Receivables from companies with which an investment relationship exists	728	0
Income tax receivables	9	97
Positive fair values of derivative instruments	415	385
Other assets	3,438	6,782
	59,501	47,858

Allowances on trade accounts receivable amount to € 2,945,000 (30.09.2009: € 3,002,000).

CASH AND CASH EQUIVALENTS

in € 000	30.09.2010	31.12.2009
Cheques and cash on hand	82	30
Cash at bank	6,214	8,476
	6,296	8,506

CHANGES IN GROUP EQUITY

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

PROVISIONS

in € 000	30.09.2010	31.12.2009
Non-current provisions		
Pension provision	18,731	18,856
Personnel-related accruals	4,562	4,593
Warranties	360	355
Other non-current provisions	4,922	4,948
	23,653	23,804
Current provisions		
Personnel-related accruals	4,312	4,618
Current tax	1,246	2,613
Warranties	6,155	6,507
Outstanding costs and material	5,586	3,741
Other provisions	3,620	2,974
Other current provisions	20,919	20,453
Total provisions	44,572	44,257

LIABILITIES

in € 000	30.09.2010	31.12.2009
Non-current liabilities		
Liabilities to banks	37,627	17,757
Other financial liabilities	<u>11,736</u>	<u>11,695</u>
Financial liabilities	49,363	<u>29,452</u>
Other liabilities	40	40
	<u>49,403</u>	<u>29,492</u>
Current liabilities		
Current income tax liabilities	180	96
Liabilities to banks	7,826	24,647
Other financial liabilities	<u>138</u>	<u>132</u>
Financial liabilities	7,964	<u>24,779</u>
Trade accounts payable	17,939	15,152
Advance payments received	9,568	9,964
Payables to affiliated companies	263	299
Liabilities to other group entities	309	409
Negative fair values of derivatives	1,779	1,046
Sundry other liabilities	<u>12,037</u>	<u>8,299</u>
Other liabilities	14,388	<u>10,053</u>
	<u>50,039</u>	<u>60,044</u>
Total liabilities	<u>99,442</u>	<u>89,536</u>

PRODUCT-BASED SEGMENT INFORMATION

Disclosures in € 000

1.1. – 30.09.

	Mobile Transportation Technology		Stationary Transportation Technology	
	2010	2009	2010	2009
Order-intake (external)	92,648	82,378	69,665	58,776
Sales	88,837	82,020	60,763	72,646
- of which external	88,837	82,020	60,082	72,007
- of which with other segment	0	0	681	639
External order-book	93,140	96,630	49,963	41,453
EBITDA	7,686	5,441	4,984	7,352
Result from operating activities (EBIT)	6,645	4,293	3,741	6,196
Result from at-equity accounted investments	443	509	0	0
Other results from investments	0	0	0	0
Interest income	36	1	17	60
Interest expense	-604	-671	-918	-828
Income taxes	-406	-58	-199	-166
Segment result / Group result ¹⁾	6,114	4,074	2,641	5,262
Capital expenditure in investments	389	12	512	350
Capital expenditure ²⁾	748	686	2,407	3,247
Amortisation and depreciation ²⁾	-1,041	-1,148	-1,243	-1,156
Impairment losses	0	0	0	-34
Reversal of impairment losses	12	87	103	41
Other significant non-cash expenses	-2,552	-1,775	-5,178	-963
Segment assets ³⁾	59,445	53,769	67,653	58,572
Investments accounted for at-equity	3,397	4,994	0	0
Capital employed ⁴⁾	43,023	42,858	49,065	44,330
Segment liabilities ⁵⁾	33,423	37,849	49,414	38,134
Employees (average as per HGB)	466	456	462	463
EBIT margin ⁶⁾	7.5 %	5.2 %	6.2 %	8.6 %
Return on capital employed ⁷⁾	20.6 %	13.4 %	10.2 %	18.6 %

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	
2010	2009	2010	2009	2010	2009	2010	2009
62,317	52,217	224,630	193,371	76	58	224,706	193,429
59,212	51,122	208,812	205,788	879	837		
58,937	50,866	207,856	204,893	77	58	207,933	204,951
275	256	956	895	-956	-895		
36,812	32,008	179,915	170,091			179,915	170,091
11,806	9,201	24,476	21,994	-2,490	-2,734	21,986	19,260
9,709	7,066	20,095	17,555	-2,838	-2,756	17,257	14,799
398	201	841	710	0	0	841	710
0	0	0	0	0	0	0	0
23	31	76	92	-18	-59	58	33
-953	-1,043	-2,475	-2,542	-2,051	-1,834	-4,526	-4,376
-814	-376	-1,419	-600	-761	-873	-2,180	-1,473
8,363	5,879	17,118	15,215	-5,668	-5,522	11,450	9,693
14	0	915	362	0	0	915	362
1,352	621	4,507	4,554	228	605	4,735	5,159
-2,095	-2,129	-4,379	-4,433	-348	-23	-4,727	-4,456
-621	-607	-621	-641	0	0	-621	-641
108	25	223	153	67	0	290	153
-1,440	-1,073	-9,170	-3,811	-2,942	-970	-12,112	-4,781
69,879	62,626	196,977	174,967	-9,768	-6,649	187,209	168,318
849	645	4,246	5,639	0	-1	4,246	5,638
56,361	50,641	148,449	137,829	-12,638	-11,948	135,811	125,881
43,085	39,294	125,922	115,277	32,129	37,425	158,051	152,702
506	506	1,434	1,425	17	12	1,451	1,437
16.5 %	13.9 %					8.3 %	7.2 %
23.0 %	18.6 %					16.9 %	15.7 %

Disclosures in € 000

1.7. – 30.09.

Order-intake (external)

Sales

- of which external

- of which with other segment

External order-book

EBITDA

Result from operating activities (EBIT)

Result from at-equity accounted investments

Other results from investments

Interest income

Interest expense

Income taxes

Segment result / Group result ¹⁾

Capital expenditure in investments

Capital expenditure ²⁾

Amortisation and depreciation ²⁾

Impairment losses

Reveersal of impairment losses

Other significant non-cash expenses

Segment assets ³⁾

Investments accounted for at-equity

Capital employed ⁴⁾

Segment liabilities ⁵⁾

Employees (average as per HGB)

EBIT margin ⁶⁾

Return on capital employed ⁷⁾

	Mobile Transportation Technology		Stationary Transportation Technology	
	2010	2009	2010	2009
Order-intake (external)	27,503	18,893	25,117	19,083
Sales	29,532	27,046	24,862	20,195
- of which external	29,532	27,046	24,666	20,038
- of which with other segment	0	0	196	157
External order-book	93,140	96,630	49,963	41,453
EBITDA	2,376	1,885	3,588	1,091
Result from operating activities (EBIT)	2,043	1,541	3,160	728
Result from at-equity accounted investments	104	191	0	0
Other results from investments	0	0	0	0
Interest income	20	0	9	-12
Interest expense	-193	-215	-327	-247
Income taxes	-189	-24	34	-43
Segment result / Group result ¹⁾	1,785	1,493	2,876	426
Capital expenditure in investments	239	12	332	100
Capital expenditure ²⁾	291	290	622	1,318
Amortisation and depreciation ²⁾	-333	-344	-428	-363
Impairment losses	0	0	0	-31
Reveersal of impairment losses	12	0	0	0
Other significant non-cash expenses	-537	-775	-2,384	-85
Segment assets ³⁾	59,445	53,769	67,653	58,572
Investments accounted for at-equity	3,397	4,994	0	0
Capital employed ⁴⁾	43,023	42,858	49,065	44,330
Segment liabilities ⁵⁾	33,423	37,849	49,414	38,134
Employees (average as per HGB)	466	456	462	463
EBIT margin ⁶⁾	6.9 %	5.7%	12.8 %	3.6 %
Return on capital employed ⁷⁾	19.0 %	14.4 %	25.8 %	6.6 %

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	
2010	2009	2010	2009	2010	2009	2010	2009
18,740	15,032	71,360	53,008	23	18	71,383	53,026
19,972	15,446	74,366	62,687	365	239		
19,896	15,346	74,094	62,430	-93	18	74,001	62,448
76	100	272	257	-272	-257		
36,812	32,008	179,915	170,091			179,915	170,091
3,514	2,764	9,478	5,740	-972	-924	8,506	4,816
2,814	2,082	8,017	4,351	-1,088	-935	6,929	3,416
141	69	245	260	0	0	245	260
0	0	0	0	0	0	0	0
5	9	34	-3	-10	-13	24	-16
-310	-303	-830	-765	-732	-661	-1,562	-1,426
-251	-235	-406	-302	-329	-256	-735	-558
2,399	1,622	7,060	3,541	-2,159	-1,865	4,901	1,676
0	0	571	112	0	0	571	112
565	242	1,478	1,850	143	101	1,621	1,951
-700	-682	-1,461	-1,389	-115	-11	-1,576	-1,400
-122	-112	-122	-143	0	0	-122	-143
33	24	45	24	0	0	45	24
-230	-46	-3,151	-906	-1,327	-414	-4,478	-1,320
69,879	62,626	196,977	174,967	-9,768	-6,649	187,209	168,318
849	645	4,246	5,639	0	-1	4,246	5,638
56,361	50,641	148,449	137,829	-12,638	-11,948	135,811	125,881
43,085	39,294	125,922	115,277	32,129	37,425	158,051	152,702
506	506	1,434	1,425	17	12	1,451	1,437
14.1 %	13.6 %					9.4 %	5.5 %
20.0 %	16.4 %					20.4 %	10.9 %

OTHER DISCLOSURES

Contingent liabilities and other financial commitments

in € 000	30.09.2010	31.12.2009
Contingent liabilities		
Obligations under guarantees and other guarantee agreements (of which to affiliated companies)	14,233 (0)	14,936 (0)
Other financial obligations		
Rental and lease expenses	9,154	10,413
Other commitments	1,779	2,231

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:

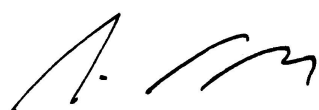
	Volume of services performed		Volume of services received	
	1.1.- 30.09.2010	1.1.- 30.09.2009	1.1.- 30.09.2010	1.1.- 30.09.2009
	€ 000	€ 000	€ 000	€ 000
Associated companies				
goods and services	1,939	2,514	1,143	637
other relationships	-	-	79	23
Non-consolidated companies				
goods and services	5,291	3,000	3,290	2,580
other relationships	40	0	53	99

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).

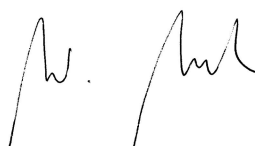
	Receivables		Payables	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
	€ 000	€ 000	€ 000	€ 000
Associated companies	1,049	850	309	141
Non-consolidated companies	3,483	1,930	263	566

Munich, 22 October 2010

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

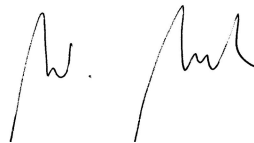
“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management 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, 22 October 2010

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 30 September 2010 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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