



**Group Interim Report
as at 31 March 2010**

Schaltbau Group Key Financial Figures for the period ended 31 March

Group key financial figures		31 March 2010	31 December 2009	31 March 2009	31 December 2008
Order situation					
Order-intake	€ m.	78.2	251.7	79.3	281.2
Order-book	€ m.	179.4	163.4	188.7	181.6
Income statement					
Sales	€ m.	62.1	269.8	72.6	280.2
Total output	€ m.	65.7	262.1	71.6	282.4
Profit from operating activities (EBIT)	€ m.	4.2	20.3	6.1	21.9
EBIT margin	%	6.7	7.5	8.4	7.8
Group net profit for the period	€ m.	2.5	14.1	4.3	13.1
Profit attr. to shareholders of the AG	€ m.	1.9	12.3	3.7	11.8
Return on capital employed	%	13.1	17.6	19.0	19.4
Balance sheet					
Fixed Assets	€ m.	61.4	61.5	61.0	60.5
Working capital	€ m.	66.4	53.8	66.6	52.2
Capital employed	€ m.	127.7	115.3	127.6	112.6
Group equity	€ m.	21.7	20.5	11.9	8.6
Net bank liabilities	€ m.	38.6	33.9	43.0	37.7
Balance sheet total	€ m.	183.5	167.9	176.1	168.1
Personnel					
Employees at end of reporting period	Number	1,603	1,603	1,609	1,599
Personnel expense	€ m.	21.6	81.7	21.0	79.4
Personnel expense per employee	€ 000	59.8	56.9	58.2	55.8
Total output per employee	€ 000	181.8	182.3	198.5	198.2
Earnings per share					
Earnings per share (undiluted)	€	1.01	6.62	1.96	6.35
Earnings per share (diluted)	€	0.96	6.19	1.83	5.94

Contents

3	To the shareholders
5	Group Interim Management Statement
5	Major events during the first quarter 2010
5	Business environment
6	Order situation
7	Sales
7	Group earnings performance
8	Group financial and net assets position
9	Purchasing
9	Significant events occurring after 31 March 2010
9	Opportunities and risks report
9	Forecasts and other statements regarding anticipated development
10	Significant transactions with associated companies and persons
11	Condensed Interim Consolidated Financial Statements as at 30.09.2009
11	Consolidated Income Statement for the period ended 31 March 2010
12	Consolidated Cash Flow Statement
13	Consolidated Balance Sheet
14	Consolidated Statement of Changes in Equity
16	Notes and segment information
26	Disclaimer
26	Responsibility statement
26	Comment on unaudited status

Dear shareholders,

One year ago I spoke of the worst economic crisis seen in the last 50 years. The general outlook too was rather grim at that time. However, in the meantime, one year later, we can safely state that the situation has calmed down far more quickly than anyone expected. At the same time caution is still called for due to the large degree of uncertainty that still exists. Despite the brighter prospects for the global economy, a very hesitant upswing is predicted for Europe in 2010 and 2011. This is accompanied by uncertainties in the euro area triggered by the increasing state debt of several countries, which makes their refinancing very difficult and in some cases almost impossible to realise. This fact is bound to have a medium- and long-term negative impact on public investment.

For this reason it is no wonder that banks are often very reluctant to grant loans to medium-sized industrial companies. In this tense environment we needed to renegotiate our short-term credit lines for the cash pool and happily we were able to finalise a consortium loan agreement for € 50 million with three banks on 19 March. I would like to emphasise that the banks granted the financial arrangement for a three-year period on an unsecured basis. The latter aspect is outstanding in my view: the fact that the banks are prepared to provide financing for Schaltbau Holding AG on an unsecured basis is a clear sign that even the most critical of observers is ready to honour the soundness of our Group and therefore the work we are doing.

The key financial figures for the first quarter 2010 are proof of this trust, despite the fact that revenues declined, which in turn resulted in lower earnings. The causes were firstly the reduced volume of orders in the previous year, and secondly the unusually long, harsh winter, which made it very difficult to carry out work on level crossings and points heating systems. For these reasons and also due to the good volume of incoming orders in the course of the current year so far, we are convinced we will be able to catch up by the second half of the year at the latest.

Against this background we recorded a good result for the first three months of 2010, exceeding our expectations. Equity continued to rise to € 21.7 million. Furthermore, the new medium-term financing package has enabled us to considerably improve balance sheet ratios and accomplish a shift from short-term to long-term debt. We were also able to build up additional liquidity reserves. All of these factors provide us with more flexibility to achieve the objectives we have set ourselves.

Its broad range of products helped the Schaltbau Group in an unfavourable economic environment. The Group's business model based on the three pillars of railways, automotive business with bus doors and the investment goods industry with components and braking systems has proved to be remarkably resistant in times of crisis. Weaknesses in one business field were always partially compensated by good figures in another.

The exorbitant state debt of several countries within the euro area now presents us with a new challenge. A great danger is currently posed by rising interest rates and decreasing state investment. We will, and indeed we must, strategically counteract the danger by increasing our presence at a global level. At a regional level too we also require additional stable pillars on which to firmly base our business. For this reason, outside Europe we will forge ahead with our activities on the Asian and North American markets. The Schaltbau Group took an important step in this direction by acquiring a majority stake in Bode Corporation in March 2010. The move will be followed by further steps in the short and medium term, as opportunities present themselves, and will be assessed with due diligence.

In this endeavour we are supported by the solid foundation of what we have achieved in order to move ahead with our strategy of internationalisation. We see above-average potential for growth in Asian markets, particularly in China and India. In these areas we prefer to achieve organic growth based on our own strengths. The North American market is picking up and becoming increasingly attractive. We are also willing to consider strategic acquisitions within Europe. In keeping with our corporate philosophy, both the performance and the purchase price of any acquisitions have to be right and the business must be compatible with our other fields of business. Any interest in acquisitions will always be based on these factors.

Dear shareholders, we abide by our forecast for the fiscal year 2010. Prospects for the future are highly favourable for the Schaltbau Group. Both the Executive Board and the management boards of our subsidiaries wish to assure you that we will continue to make the most of existing opportunities with great commitment and prudence. We wish to thank you for the trust you have placed in us in the past.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'J. Cammann', with a stylized flourish at the end.

Dr. Jürgen H. Cammann

Spokesman of the Executive Board

Group Interim Management Statement

In a gradually improving macroeconomic environment, the Schaltbau Group performed better than expected in the first quarter 2010. Despite the fact that sales were down on the previous year due to the severe weather conditions and the lower order-book volume, incoming orders still exceeded those of the preceding quarters. The lower revenues also had a negative impact on earnings. In view of the current order-book volume, it will be possible to catch up and achieve the targets set for the year as a whole.

Major events during the first quarter 2010

On 19 March 2010 Schaltbau Holding AG signed a consortium loan agreement with Commerzbank AG, Bayern LB and DZ Bank for a total amount of € 50 million. The consortium loan enabled Schaltbau to reschedule € 45 million in the cash pool. Overall, € 20 million have been rescheduled as a loan repayable in instalments and the remaining € 30 million are available as a credit line. The financing has been committed up to 19 March 2013 and granted on an unsecured basis. The new arrangement replaces the short-term credit lines available from the cash pool that expired on 31 March 2010. The agreement not only supplies the Schaltbau Group with greater liquidity reserves, it also provides a large degree of flexibility in implementing plans for future growth.

The Group took an important step in the right direction in the USA at the end of the first quarter 2010. With effect from 1 January 2010, Bode indirectly repurchased a 67% stake in Bode Corporation. In line with its strategy of increased internationalisation, this investment is of major importance to the Schaltbau Group. With its well known structures, Bode Corporation will be the hub of business activities both on the railway market and on the highly attractive bus market in north America. Both of these fields are to be vigorously expanded in the future.

Business environment

The world economy continued along the path to recovery in spring 2010. Thus the financial and economic crisis of 2008 and 2009 is gradually being overcome. This is the conclusion reached by leading German economic research institutes in their joint diagnosis published in April 2010. However, they also mention that the rate of expansion varies greatly from one region of the world to the next. Growth is extremely high in a number of emerging countries, particularly in Asia, and certain economies are even at risk of overheating. By contrast, macroeconomic capacities are still far from being fully utilised in the industrialised countries. The economic recovery is not yet firmly established in these areas, but still primarily being supported by expansive economic policies. The high level of state debt in several countries of the euro area is a cause for concern and can quickly have a dampening effect.

In line with the market as a whole, the upward trend that emerged towards the end of 2009 became established in markets relevant for the Schaltbau Group and largely continued into the first quarter 2010. In the Mobile Transportation Technology segment the demand for Door Systems for Railway Vehicles gained remarkably in vitality compared to the second half of 2009. The Door Systems for Buses product group continued to profit from the broad acceptance of its innovative systems and maintained the trend towards recovery shown in the last quarter of 2009, despite declining domestic bus production figures. The Fittings for Sliding Vehicle Doors product group profited from the revival in demand for small commercial vehicles, largely stimulated by improved export figures.

In the Stationary Transportation Technology segment the period under report was positively influenced by strongly growing demand for level crossing systems. In the Brake Systems business field, however, sales of braking systems for container cranes remained extremely sluggish.

In the Components segment the signs of recovery seen in the last quarter 2009 became firmly established during the period under report. Demand for railway components continued to be very stable, particularly in Asia. Business with industrial applications has also recovered noticeably.

Order situation

The order situation in the Schaltbau Group developed positively during the first quarter 2010. At € 78.2 million, incoming orders were only slightly down on the very high previous year's figure of € 79.3 million and therefore better than expected.

Overall, the **Mobile Transportation Technology** segment failed to achieve the levels seen one year earlier. However, two major contracts for railway vehicle doors were responsible for powerful growth during the same period the previous year and must be taken into account. Orders for this product group were well up on the preceding months. Order intake for Door Systems for Buses were able to match the previous year's level. The Fittings for Sliding Vehicle Doors product group won approximately 28% more orders than one year earlier.

Order intake in the **Stationary Transportation Technology** segment showed moderate improvement in the first quarter 2010. The growth was primarily attributable to the Rail Infrastructure business field and driven by increasing demand for level crossing systems. The Brake Systems business field profited for the first time on a significant scale from orders in the wind power sector, although order-intake as a whole remained down on the previous year due to the poor condition of the container terminals market.

The **Components** segment recorded an unexpectedly strong 19% rise in incoming orders compared to one year earlier. Both switches and contactors were in very high demand. The

underlying reasons for this pleasing development were good business with customers supplying the railway industry and particularly the revival in demand for industrial applications, which continued to grow both on domestic markets and abroad.

The Schaltbau Group's **order book** stood at € 179.4 million at the end of the reporting period. Despite not equalling the previous year's high figure of € 188.7 million, the performance exceeded expectations and the order book has grown by € 16.0 million since the beginning of 2010.

Sales

The Schaltbau Group's sales revenue decreased to € 62.1 million in the first quarter 2010 after recording € 72.6 million the previous year. The decline was mainly due to delays in ordering due to the long winter period and the lower order-book volume in the Brake Systems business field.

The **Mobile Transportation Technology** segment was dominated by good performance in the Door Systems for Railway Vehicles product group. Although sales in the Door Systems for Buses product group grew in the course of the first quarter, they were unable to match the high level seen the previous year. In the Fittings for Sliding Vehicle Doors product group sales were 29% up on the first quarter 2009, driven by growing demand.

The **Stationary Transportation Technology** segment had to accept a considerable drop in sales revenue. Delays in order processing for level crossings and point heating systems resulting from the severe winter led to a slump in sales in the Rail Infrastructure business field. The Brake Systems business field also reported figures well below those of the previous year due to the ongoing weak market situation for container terminals.

Altogether, sales in the **Components** segment increased on the back of strong figures for March. Performance was particularly good in the product groups Switches and Electrics for Rolling Stock.

Group earnings performance

Due to the lower sales figures, earnings from operating activities (EBIT) for the Schaltbau Group decreased to € 4.2 million for the first quarter 2010 after reporting € 6.1 million one year earlier. The EBIT margin accordingly fell from 8.3% the previous year to 6.7%. Group net profit stood at € 2.5 million on 31 March 2010, approximately € 1.8 million below the previous year's first-quarter figure. The profit attributable to shareholders decreased from € 3.7 million one year earlier to € 1.9 million. Earnings per share stood at € 1.01 compared with € 1.96 for the first quarter 2009.

Benefiting from good sales performance and cost-cutting measures, EBIT for the **Mobile Transportation Technology** segment again improved to reach € 2.4 million (2009: € 1.6 million). Thus the EBIT margin for the segment jumped by almost three percentage points to 8.4%.

Due to the strong decline in sales, the **Stationary Transportation Technology** segment reported an operating loss for the first three months (first quarter 2010: negative EBIT of € 1.0 million, first quarter 2009: positive EBIT of € 2.9 million). This gives rise to a negative EBIT margin of 7.1% (2009: positive EBIT margin of 11.0%).

The **Components** segment recorded strong EBIT growth from € 2.7 million the previous year to € 3.7 million for the period under report. The EBIT margin rose to 19.9% (2009: 14.9%).

Group financial and net assets position

A major event in the first quarter related to the short-term credit lines in the cash pool that expired on 31 March 2010. On 19 March 2010 Schaltbau signed a consortium loan agreement with Commerzbank AG, Bayern LB and DZ Bank for an amount of € 50 million. The consortium loan enabled Schaltbau to reschedule € 45 million in the cash pool.

Under the terms of the new agreement, € 20 million have been rescheduled as a loan repayable in instalments and the remaining € 30 million have been made available as a credit line. The financing has been committed up to 19 March 2013 and granted on an unsecured basis. These new arrangements give the Schaltbau Group a large degree of flexibility in implementing plans for growth.

The refinancing arrangements led to a shift from short-term to long-term debt and thus to a structural improvement in balance sheet ratios. It should also be taken into account that liquidity reserves have been deliberately built up through this financial arrangement, thereby accepting an increase on both sides of the balance sheet. The strong sales in February and March caused working capital to increase from € 53.8 million to € 66.4 million at the reporting date and therefore had a key impact on the balance sheet total of € 183.5 million (31 December 2009: € 167.9 million). Nevertheless, the equity ratio including participation rights, which are similar in nature to equity, remained steady at 15.7% and thus largely maintained the high level reported at the balance sheet date in 2009.

Investments in property, plant and equipment and intangible assets amounted to € 1.30 million and thereby below the depreciation of € 1.53 million.

Purchasing

The situation on procurement markets changed during the first quarter 2010. After the prices of raw materials sank considerably the previous year due to lower demand in the wake of the economic crisis, a turnaround is meanwhile indicated. On the one hand production capacities in 2009 were adjusted to suit the reduced demand, on the other hand inventories have become significantly depleted.

Both of these factors led to reduced supplies of steel and essential non-ferrous metals such as aluminium and copper and thus prices tended to rise during the period under report. Due to the existing supply agreements, the resulting impact on material costs will, however, only be noticed with a certain delay. There were no supply bottlenecks during the three-month period ended March 2010, although delivery times have become somewhat longer in some cases.

The price of crude oil has again begun to rise as a result of the recovering world economy. This in turn is causing crude-oil-dependent products such as plastic parts to become more expensive. In the field of precious metals, the price of gold is close to the all-time high seen at the end of 2009.

The supply situation for electronic components is becoming increasingly difficult. Here again, manufacturers reacted by adjusting production capacities downwards in line with the lower demand due to the crisis in 2009. In addition, adjustments were made to the product range and the availability of certain components is greatly limited, making corresponding replacement purchases necessary in some cases.

Significant events occurring after 31 March 2010

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

Opportunities and risks report

There were no changes to the fundamental risks and opportunities influencing the future development of the Schaltbau Group in the first three months of 2010 compared to those portrayed in the Group Financial Statements for the fiscal year 2009.

Forecasts and other statements regarding anticipated development

The outlook for the further development of the world economy during 2010 has successively improved in the course of the first three months. In view of this fact, in its World Economic Outlook published in April the International Monetary Fund (IMF) forecasts world economic growth of 4.2 per cent for 2010.

In the opinion of the IMF, the volume of world trade will again grow parallel to the upswing in the global economy. After a decline of almost 11 per cent in 2009, growth rates of 7 and 6 per cent are

predicted for the years 2010 and 2011 respectively. This will have a positive impact on demand for rolling stock and infrastructure and thus also on business prospects for the Schaltbau Group, whose most important source of sales revenue is still the railway sector. It is, however, safe to assume that, parallel to developments in the world economy, positive impulses for the public transportation sector are more likely to result from growth outside western Europe, particularly in Asia and the USA.

The outlook for industries relevant to the performance of the Schaltbau Group is positive. Accounting for 55% of sales, the railway industry was Schaltbau's most important market in 2009. In Europe, the need to contain the growth of state debt is bound to make itself felt. For this reason, demand from the European railway sector is likely to remain constant or even moderately decrease over the next few years, despite the continued high investment requirement. By contrast, investments in public transportation in other regions of the world are likely to rise or at least persist at the high level seen in 2008.

International expansion is of great strategic importance for the Schaltbau Group, which took an important step in the rapidly growing north American railway and bus market by acquiring a majority stake in Bode Corporation in March 2010. The medium-term financing package, which was also concluded in March, secured the financial basis for the further expansion of business activities in relevant markets. Apart from the targeted acceleration of existing business, further acquisitions are also planned. However, the Schaltbau Group does not see itself as being pressed for time. Any decisions of this nature will be taken with great diligence and both profitability and the ability to integrate any companies acquired will be among the primary aspects.

The Schaltbau Group abides by the forecast it made in November 2009. It presently assumes that the orders not placed in the Rail Infrastructure business field due to the harsh winter conditions will be executed in the second half of the year. Due to the pleasingly high volume of incoming orders in the first few months of 2010 and the currently well-filled order book, Group earnings are still expected to achieve the level seen the previous year. Thus EBIT of € 17.5 million and Group net profit of € 11.6 million are predicted. Earnings per share will accordingly total € 5.40.

Significant transactions with associated companies and persons

Information available in the Notes.

Condensed Interim Consolidated Financial Statements as at 31.03.2010

Consolidated Income Statement for the Period from 1 January to 31 March 2010

€000	1.1.-31.03.2010	1.1.-31.03.2009
1. Sales	62,100	72,568
2. Change in inventories of finished and work in progress	3,147	-1,197
3. Own work capitalised	412	219
4. Total output	65,659	71,590
5. Other operating income	1,078	812
6. Cost of materials	32,789	36,629
7. Personnel expense	21,609	20,980
8. Amortisation and depreciation	1,535	1,519
9. Other operating expenses	6,618	7,216
Profit from operating activities	4,168	6,058
a) Result from at-equity accounted investments	187	161
b) Other results from investments	0	0
10. Results from investments	187	161
a) Interest income	14	12
b) Interest expense	1,364	1,453
11. Finance result	-1,350	-1,441
12. Profit before tax	3,023	4,778
13. Income taxes	549	500
14. Group net profit for the period	2,474	4,278
Analysis of group net profit		
attributable to minority shareholders	589	619
attributable to the shareholders of Schaltbau Holding AG	1,885	3,659
Group net profit for the period	2,474	4,278
Earnings per share – undiluted:	1.01	1.96 €
Earnings per share – diluted:	0.96	1.83 €

Transition from Group net profit to comprehensive income

€000	1.1.-31.03.2010			1.1.-31.03.2009		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Group net profit for the period			2,474			4,278
Translation differences			569			296
Derivative financial instruments	-360	108	-252	-240	72	-168
Total income and expenses recognised directly in equity	-360	108	317	-240	72	128
Comprehensive income			2,791			4,406
of which:						
attributable to minority shareholders			128			81
attributable to the shareholders of Schaltbau Holding AG			189			47
			317			128

Consolidated Cash Flow Statement for the period from 1 Jan. to 31 March 2010

	€ 000	€ 000
	1.1.-31.03.2010	1.1.-31.03.2009
Group net profit for the period	2,474	4,278
Amortisation and depreciation on non-current assets	1,533	1,517
Gain on disposal of non-current assets	4	27
Finance result	1,350	1,442
Income tax expense	549	500
Change in current assets	-13,122	-8,422
Change in provisions	958	2,749
Change in current liabilities	2,248	-4,591
Dividends received	307	261
Interest paid	-770	-826
Interest received	14	12
Income tax paid	-1,758	-267
Other non-cash income / expenses	-200	-206
Cash flow from operating activities	-6,413	-3,526
Payments for investments in:		
- property, plant and equipment and intangible assets	-1,297	-1,758
- other investments	-311	-250
Proceeds from disposal of:		
- property, plant and equipment	287	60
- at-equity accounted investments and other equity investments	3,279	-
Cash flow from investing activities	1,958	-1,948
Dividend payment	-	-
Payments to minority interests	-	-
Repayment of / proceeds from financial liabilities	9,170	3,873
Cash flow from financing activities	9,170	3,873
Change in cash and cash equivalents due to exchange rate fluctuations	73	89
Change in cash and cash equivalents due changes in group reporting entity	-	-
Changes to cash, cash equivalents and securities	4,788	-1,512
at the end of the period	13,294	3,820
at the beginning of the period	8,506	5,332
	4,788	-1,512

Consolidated Balance Sheet as at 31 March 2010

ASSETS	€ 000	€ 000
	31.03.2010	31.12.2009
A. NON-CURRENT ASSETS		
I. Intangible assets	13,814	13,622
II. Property, plant and equipment	40,926	41,337
III. At-equity accounted investments	3,979	4,217
IV. Other investments	2,657	2,346
V. Deferred tax assets	9,208	8,886
	70,584	70,408
B. CURRENT ASSETS		
I. Inventories	46,513	41,116
II. Trade accounts receivable	46,424	37,814
III. Income tax receivables	97	97
IV. Other receivables and assets	6,614	9,947
V. Cash and cash equivalents	13,294	8,506
	112,942	97,480
Total assets	183,526	167,888
EQUITY AND LIABILITIES		
	€ 000	€ 000
	31.03.2010	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	-1,331	-13,162
V. Income/expense recognised directly in equity	243	-166
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to shareholders of Schaltbau Holding AG	1,885	12,349
VIII. Equity attributable to shareholders of Schaltbau Holding AG	19,362	17,586
VIII. Minority interests	2,375	2,934
	21,737	20,520
B. NON-CURRENT LIABILITIES		
I. Participation rights capital	7,032	7,026
II. Pension provisions	18,814	18,856
III. Personnel-related accruals	4,619	4,593
IV. Other provisions	356	355
V. Financial liabilities	55,780	29,452
VI. Other liabilities	40	40
VII. Deferred tax liabilities	6,791	6,549
	93,432	66,871
C. CURRENT LIABILITIES		
I. Personnel-related accruals	5,445	4,618
II. Other provisions	15,061	15,835
III. Income taxes payable	321	96
IV. Financial liabilities	7,988	24,779
V. Trade accounts payable	16,391	15,152
VI. Advance payments received	10,185	9,964
VII. Other liabilities	12,966	10,053
	68,375	80,497
Total equity and liabilities	183,526	167,888

Consolidated Statement of Changes in Equity as at 31 March 2010

	Equity attributable to shareholders of Schaltbau Holding AG				
	Subscribed capital	Capital reserves	Statutory reserves	Revenue reserves	Revaluation reserve
Balance at 01.01.2009	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	0	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	0	0	50	0
Group net profit for the period	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	-168	0
Income and expenses recognised in equity	0	0	0	-168	0
Balance at 31.03.2009	6,850	8,443	231	-12,183	3,041
Balance at 01 .04.2009	6,850	8,443	231	-12,183	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	-933	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	0	0	50	0
Group net profit for the period	0	0	0	0	0
Income and expenses recognised directly in equity	0	0	0	4	0
Income and expenses recognised in equity	0	0	0	4	0
Balance at 31.12.2009	6,850	8,443	231	-13,162	3,041
Balance at 01.01.2010	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	0	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	-252	0
Income and expenses recognised in equity	0	0	0	-252	0
Balance at 31.03.2010	6,850	8,443	231	-1,331	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	0	-1,140	0	-1,140	-1,140
0	0	0	0	0	0	0
0	0	50	0	0	0	50
0	3,659	3,659	0	619	619	4,278
215	0	47	81	0	81	128
215	3,659	3,706	81	619	700	4,406
-71	3,659	9,970	1,336	619	1,955	11,925
-71	3,659	9,970	1,336	619	1,955	11,925
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	-933	2	0	2	-931
0	0	0	0	0	0	0
0	0	-50	0	0	0	-50
0	8,690	8,690	0	1,124	1,124	9,814
-95	0	-91	-147	0	-147	-238
-95	8,690	8,599	-147	1,124	977	9,576
-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	0	-1,276	0	-1,276	-1,276
0	0	0	0	0	0	0
-33	0	-299	0	0	0	-299
0	1,885	1,885	0	589	589	2,474
442	0	190	128	0	128	318
442	1,885	2,075	128	589	717	2,792
243	1,885	19,362	1,786	589	2,375	21,737

Notes and segment information as at 31 March 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. 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	
	31.3.2010	31.12.2009	1.1. bis 31.3.2010	1.1. bis 31.3.2009
Chinese renminbi yuan	9.1982	9.8000	9.4719	8.9552
US dollar	1.3455	1.4333	1.3856	1.3080
British pound	0.8930	0.9000	0.8879	0.9101
New Turkish lire	2.0588	2.1687	2.0938	2.1675

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. – 31.3.	2010	2009
Wages and salaries		18,085	17,515
Social security, pension and welfare expenses		3,524	3,465
		21,609	20,980

EMPLOYEES

	2010	2009
Employees	1,445	1,443

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

FINANCE RESULT

in € 000	1.1. – 31.3.	2010	2009
Other interest and similar income (of which from affiliated companies)		14 (5)	12 (8)
Interest and similar expenses (of which to affiliated companies)		- 1,364 (-1)	- 1,453 (-3)
		- 1,350	- 1,441

Interest expenses include € 241,000 (1.1. – 31.3.2009: € 250,000) relating to the interest component of the allocation to the pension provision.

INCOME TAXES

in € 000	1.1. – 31.3.	2010	2009
Income tax expense		508	376
Deferred tax expense		41	124
		549	500

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	31.3.2010	31.12.2009
Raw materials, consumables and supplies	22,991	20,721
Work in progress	16,726	14,357
Finished products, goods for resale	6,557	5,693
Advance payments to suppliers	239	345
	46,513	41,116

RECEIVABLES AND OTHER ASSETS

in € 000	31.3.2010	31.12.2009
Trade accounts receivable	46,424	37,814
Receivables from affiliated companies	2,000	1,930
Receivables from associated companies	924	850
Receivables from companies with which an investment relationship exists	0	0
Income tax receivables	97	97
Positive fair values of derivative instruments	248	385
Other assets	3,442	6,782
	53,135	47,858

Allowances on trade accounts receivable amount to € 3,149,000 (31.3.2009: € 3,002,000).

CASH AND CASH EQUIVALENTS

in € 000	31.3.2010	31.12.2009
Cheques and cash on hand	45	30
Cash at bank	13,249	8,476
	13,294	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	31.3.2010	31.12.2009
Non-current provisions		
Pension provision	18,814	18,856
Personnel-related accruals	4,619	4,593
Warranties	356	355
Other non-current provisions	4,975	4,948
	23,789	23,804
Current provisions		
Personnel-related accruals	5,445	4,618
Current tax	1,139	2,613
Warranties	6,102	6,507
Outstanding costs and material	4,083	3,741
Other provisions	3,737	2,974
Other current provisions	20,506	20,453
Total provisions	44,295	44,257

LIABILITIES

in €000	31.3.2010	31.12.2009
Non-current liabilities		
Liabilities to banks	44,071	17,757
Other financial liabilities	<u>11,709</u>	<u>11,695</u>
Financial liabilities	55,780	<u>29,452</u>
Other liabilities	40	40
	<u>55,820</u>	<u>29,492</u>
Current liabilities		
Current income tax liabilities	321	96
Liabilities to banks	7,854	24,647
Other financial liabilities	<u>134</u>	<u>132</u>
Financial liabilities	7,988	<u>24,779</u>
Trade accounts payable	16,391	15,152
Advance payments received	10,185	9,964
Payables to affiliated companies	284	299
Liabilities to other group entities	390	409
Negative fair values of derivatives	1,535	1,046
Sundry other liabilities	<u>10,757</u>	<u>8,299</u>
Other liabilities	12,966	<u>10,053</u>
	<u>47,851</u>	<u>60,044</u>
Total liabilities	103,671	89,536

PRODUCT-BASED SEGMENT INFORMATION

Disclosures in €000

1.1. – 31.03.

	Mobile Transportation Technology		Stationary Transportation Technology	
	2010	2009	2010	2009
Order-intake (external)	34,445	39,602	21,218	20,799
Sales	28,837	28,158	14,890	26,802
- of which external	28,837	28,158	14,671	26,560
- of which with other segment	0	0	219	242
External order-book	94,881	107,698	47,044	49,219
Profit from operating activities (EBIT)	2,425	1,574	-1,046	2,926
Result from equity accounted investments	82	72	0	0
Other results from investments	0	0	0	0
Interest income	0	0	6	23
Interest expense	-211	-233	-274	-273
Income taxes	-30	-17	-95	-109
Group net profit for the period ¹⁾	2,274	1,396	-1,409	2,567
Capital expenditure	304	157	957	1,330
Amortisation and depreciation	-327	-377	-400	-405
Impairment losses	0	0	0	0
Other significant non-cash expenses	-1,523	-1,373	-1,048	-765
EBIT margin ²⁾	8.4%	5.6 %	-7.1	11.0 %
Return on capital employed ³⁾	22.3%	14.6 %	-10.0	27.5 %

¹⁾ = profit transfers relating to profit and loss transfer agreements are added back for the purposes of segment information

²⁾ = EBIT / external sales

³⁾ = EBIT / capital employed (EBIT extrapolated to annual amount)

Components		Sub-total		Holding, Reconciling items		Schaltbau Group	
2010	2009	2010	2009	2010	2009	2010	2009
22,535	18,889	78,198	79,289	29	23	78,227	79,312
18,641	17,901	62,368	72,861	268	293		
18,563	17,828	62,071	72,546	29	22	62,100	72,568
78	73	297	315	-297	-315		
37,442	31,735	179,367	188,652			179,367	188,652
3,702	2,652	5,081	7,152	-895	-1,093	4,186	6,059
105	90	187	162	0	-1	187	161
0	0	0	0	0	0	0	0
6	12	20	35	-6	-23	14	12
-314	-391	-799	-897	-565	-557	-1,364	-1,454
-357	25	-482	-101	-67	-399	-549	-500
3,142	2,388	4,007	6,351	-1,533	-2,073	2,474	4,278
270	197	1,531	1,684	75	323	1,606	2,007
-692	-732	-1,419	-1,514	-114	-3	-1,533	-1,517
-107	-430	-107	-430	0	0	-107	-430
-1,156	-1,155	-3,727	-3,293	-759	-629	-4,486	-3,922
19.9 %	14.9 %					6.7 %	8.3 %
27.0 %	19.5 %					13.1 %	19.0 %

OTHER DISCLOSURES

Contingent liabilities and other financial commitments

in € 000	31.3.2010	31.12.2009
Contingent liabilities		
Obligations under guarantees and other guarantee agreements (of which to affiliated companies)	14,692 (-)	14,936 (128)
Other financial obligations		
Rental and lease expenses	10,021	10,413
Other commitments	1,960	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.-31.3.2010	1.1.-31.3.2009	1.1.-31.3.2010	1.1.-31.3.2009
	€ 000	€ 000	€ 000	€ 000
Associated companies				
goods and services	493	648	106	201
other relationships	-	-	13	-
Non-consolidated companies				
goods and services	1,043	1,003	855	735
other relationships	-	-	12	28

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

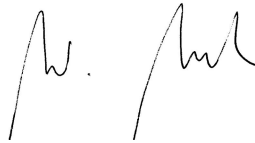
	Receivables		Payables	
	31.3.2010	31.12.2009	31.3.2010	31.12.2009
	€ 000	€ 000	€ 000	€ 000
Associated companies	924	850	68	141
Non-consolidated companies	2,000	1,930	606	566

Munich, 30 April 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

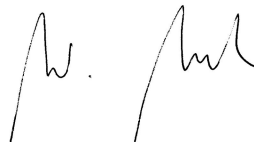
“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management 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, 30 April 2009

Schaltbau Holding AG
The Executive Board



Dr. Jürgen Cammann



Waltraud Hertreiter

Comment on unaudited status

The Interim Consolidated Financial Statements and Interim Group Management Report as at 30 March 2010 have neither been audited in accordance with § 317 HGB nor subject to a limited review by the group auditor.

Schaltbau Holding AG

Hollerithstr. 5

D-81829 München

Tel.: +49 (0) 89 / 930 05 – 0

Fax: +49 (0) 89 / 930 05 – 350

www.schaltbau.de

schaltbau@schaltbau.de