GROUP INTERIM REPORT
as of 30 September 2008

Schaltbau Group Key Financial Figures for the period ended 30 September

Group key financial figures		30 Sept. 2008	30 Sept. 2007	3rd quarter 2008	3rd quarter 2007
Order situation					
Order-intake	€ m.	**224.0**	209.2	72.4	78.1
Order-book	€ m.	**193.7**	182.8	193.7	182.8
Income statement					
Sales	€ m.	**211.3**	167.9	71.2	58.2
Total output	€ m.	**214.8**	169.5	71.9	60.1
Profit from operating activities (EBIT)	€ m.	**18.1**	10.5	5.2	3.2
EBIT margin	%	**8.6**	6.2	7.3	5.4
Group net profit for the period	€ m.	**12.5**	6.8	3.4	1.9
Profit attr. to shareholders of the AG	€ m.	**11.6**	5.9	3.2	1.9
Return on capital employed	%	**18.9**	12.7	16.4	11.5
Balance sheet					
Fixed assets		**63.1**	58.4	63.1	58.4
Working capital	€ m.	**64.6**	51.7	64.6	51.7
Capital employed	€ m.	**127.8**	110.1	127.8	110.1
Group equity	€ m.	**9.2**	-3.6	9.2	-3.6
Net bank liabilities	€ m.	**47.6**	48.5	47.6	48.5
Balance sheet total	€ m.	**177.3**	162.5	177.3	162.5
Personnel					
Employees at end of reporting period	Number	**1,607**	1,575	1,607	1,575
Personnel expense	€ m.	**59.6**	55.7	20.2	19.3
Personnel expense per employee	€ 000	**56**	53	57	55
Total output per employee	€ 000	**201**	161	202	171
Earnings per share					
Earnings per share - undiluted	€	**6.20**	3.16	1.69	1.01
Earnings per share - diluted	€	**5.78**	3.16	1.59	1.01

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Dear shareholders,

After the commendable business performance displayed in the first six months of 2008, the companies of the Schaltbau Group were also successful in following up on these pleasing developments in the third quarter. Worldwide demand for railway components and systems continued to be high, whereas business in the industrial sector returned to a normal level. Business in bus door systems remained at the previous year's level. All in all we can be satisfied with both business performance and earnings for this quarter.

This fact and the outlook for the fourth quarter have again led us to upwardly adjust our earnings forecast for the current fiscal year to €6.20 per share. We will thus outperform the guidance of €4.50 to €4.70 per share stated in November 2007 by approximately €1.60.

The financial crisis has, without doubt, already begun to have an impact on the real economy. The currently emerging signs are likely to intensify in the months to come. The Group will be taking precautionary measures to make allowance for this situation in the fourth quarter. In view of this fact we assume that there will be no further growth in earnings per share for the remainder of the year.

Despite the recessive tendencies that already became apparent in the second quarter of the year, our wholly owned subsidiary Schaltbau GmbH acquired the UK company Machine Electrics Ltd., based in Bredbury near Manchester, England on 30 July 2008, in order to further strengthen its market position in the field of electromechanical components. We see this strategic investment as a good opportunity to further expand our European market position in the field of contactors for industrial applications. The newly acquired company will simultaneously expand its sales activities and reinforce our presence on UK markets in the future.

We foresee a downturn of up to 10% in the sale of our products in the industrial sector for the fiscal year 2009 and expect worldwide demand for railway components and systems to remain virtually unchanged. Bus doors business is also likely to range below the level of 2008, although we anticipate that the improved competitiveness of the Bode Group will lead to market shifts, thereby counteracting the trend. The negative influences of economic developments in various markets are to be combatted by the targeted product offensive strategy we have adopted in the last few years, i.e. market growth for innovative niche products is expected to compensate for lower sales in other areas.

In view of the above mentioned points, our planning for the coming year envisages practically unchanged sales volume and profits at the level of those forecast for the current fiscal year. Contrary to our practice in past years, we have announced our guidance for 2009 at an earlier date in order to provide you, as investors, with a timely basis for your decisions. If 50% of our business were not of a long-term character, it would not have been at all possible to make a forecast for 2009 in the current situation, with new negative reports appearing daily and corresponding scenarios being discussed. The forecast is based on the assumption that the world economy will not experience a massive downturn.

Dear shareholders, we wish to thank you sincerely for the trust you have placed in the Schaltbau Group. We will continue to manage and develop the Schaltbau Group in a spirit of responsibility and look forward to your ongoing support as investors.

Dr. Jürgen H. Cammann
Spokesman of the Executive Board

Group Interim Management Statement

After a strong performance throughout the first six months of 2008, the companies of the Schaltbau Group were again highly successful in the third quarter and the Group recorded a sharp improvement compared with the same quarter of the previous year, particularly in terms of earnings. Order-intake figures also continued to rise, surpassing those of the second quarter of the current year.

Business environment

In the third quarter of 2008 the companies of the Schaltbau Group again recorded the pleasing level of business performance displayed during the first six months of the year. Business activity, both within Germany and on other markets important for the Group, had not yet been affected by the financial crisis during the period under report. This had a correspondingly positive impact on the market situation of the Schaltbau Group's companies. Not only the rail sector worldwide, but business in bus door systems throughout Europe proved to be remarkably robust.

The Mobile Transportation Technology segment made a major contribution to the rising number of incoming orders for the Schaltbau Group. The rail sector in particular showed sustained demand both on the German market and internationally. Accumulated demand still needs to be met in the local public transportation sector, not only in many Eastern European countries but also in Western Europe and Asia. This fact is amply reflected in the Schaltbau Group's pleasing order situation. Product innovations from Bode are becoming increasingly established on the market for door systems for track vehicles, enabling the Schaltbau subsidiary to further expand its market position. This led to the signing of a number of significant large-scale contracts in the rail sector. Increased demand for electromechanical components manufactured by Schaltbau GmbH also had a positive impact on order-book figures in the Mobile Transportation Technology segment.

The Stationary Transportation Technology segment continued to record a high volume of incoming orders for industrial braking systems due to sustained positive developments in world trade. Pintsch Bubenzer was awarded some notable major contracts on the Asian market. The investment behaviour of Deutsche Bahn AG (German Railways) with regard to improving its infrastructure also remained stable. The signalling and transportation technology sectors both contributed in equal measure to the good order situation.

Major events during the third quarter of 2008

With a view to improving the international positioning of the Group's companies, the Executive Board of Schaltbau Holding AG determined to change to the Prime Standard segment of the Frankfurt Stock Exchange. With this move the Group undertakes to fulfil requirements of international transparency that exceed those of the General Standard. The additional requirements to be met in fulfilling these standards of transparency include the preparing of quarterly reports, the publishing of an up-to-date corporate calendar on the Group's internet website, the holding of at least one analysts' conference per year and the publishing of all financial reports, including English-language versions. The application for a listing was approved by the German Stock Exchange and Schaltbau Holding AG has meanwhile been included in the Prime Standard segment since 2 July 2008.

On 30 July 2008 Schaltbau GmbH, a wholly owned subsidiary of Schaltbau Holding AG, announced its acquisition of the UK company Machine Electrics Ltd. which is based in Bredbury near Manchester, England. Machine Electrics was previously owned by a Dutch investment company. Machine Electrics' business activities comprise the manufacture, sale and repair of electromechanical components for industrial applications. Machine Electrics has already acted as UK distributor for Schaltbau GmbH in the industrial trucks sector in the past. The new subsidiary is to be instrumental in driving future sales and market development activities in the field of electromechanical components both in the UK and on international markets. The move gives Schaltbau a leading market position in the field of contactors for industrial trucks and emergency power systems.

Machine Electrics employs a total of 45 people at the two sites of Bredbury in England and Cwmbran in Wales and recorded sales revenues of approximately €5.9 million in the fiscal year 2007. Due to integration expenses the acquisition is not expected to make an impact on Group earnings for the current year.

The acquisition of the Bubenzer Group, which specialises in the manufacture of industrial braking systems, took economic effect as from 1 July 2007. The business figures for the fiscal year 2008 therefore also include those of the Bubenzer Group for the first six months of the year, as opposed to the same period of the previous year. As a final integration measure for the Bubenzer Group the brakes business of the companies Pintsch Bamag and Pintsch Bubenzer were amalgamated in the third quarter of 2008.

Order situation

In the third quarter 2008 the Schaltbau Group continued the positive trend seen in the first half of the year with an order-intake of €72.4 million, a figure only €5.7 million below that of the record €78.1 million achieved the previous year.

The **Mobile Transportation Technology** segment showed a sustained high level of demand during the period under report and thus experienced a sharp rise in order-intake.

The Bode Group recorded a positive level of incoming orders in the third quarter of 2008, not only for door systems for buses and track vehicles but also for sliding door gear. In addition to strong demand for doors for both buses and coaches, several noteworthy large-scale orders were also acquired in the rail sector. The establishing of the BIDS door systems on the strategically important new platforms of the major manufacturers of track vehicles continues to bear fruit and this fact will become increasingly noticeable in terms of incoming orders in the medium and long term. Bode also continued to benefit from the unbroken demand for sliding door gear on the light commercial vehicles market.

Despite a slight third-quarter decrease in demand for Schaltbau GmbH products compared to the previous year, the order situation for the period from January to September 2008 was thoroughly positive. This was characterised by sustained demand for rail components. Business activity in the industrial sector was also brisk, particularly in the field of industrial trucks and business with contactors and charging connectors both profited from this trend.

The order situation in the **Stationary Transportation Technology** segment remained stable throughout the period under report. Pintsch Bamag benefited from the consistency of investment behaviour in the infrastructure sector. German market figures remained stable in the field of warning technology. Follow-up orders for lighting systems for VW police vehicles in service in the German states of North Rhine-Westphalia and Baden-Württemberg helped to boost the good order-book figures.

In the Stationary Transportation Technology segment Pintsch Bubenzer GmbH also contributed towards the positive order situation in the third quarter of 2008. The company continued to benefit from the ongoing expansion of port capacities worldwide and the ensuing demand for braking systems for container cranes.

The high general demand for products manufactured by the Group's various companies led to a 7% rise in incoming orders to a total of €224.0 million compared to the figure of €209.2 million recorded from January to September last year. The Bubenzer Group made an additional contribution to incoming orders, which amounted to €16.7 million in the first half of 2008. At €193.7 million, the Schaltbau Group order-book continued to stand at a high level at the end of the third quarter 2008.

Sales

Due to the high demand for Schaltbau Group products, the Group's companies again recorded a sharp increase in sales revenues in the third quarter 2008. At €71.2 million, sales figures rose by €13.0 million compared to the same period in 2007.

The sales revenue increase in the **Mobile Transportation Technology** segment was primarily due to the implementation of major orders by the Bode Group. While sales figures in the bus doors and sliding door gear divisions were mainly driven by series deliveries for buses and commercial vehicles, the rail division was responsible for completing several profitable projects. Sales were principally dominated by German manufacturers that supply markets and end customers worldwide. Robust activity on German markets and the pleasing situation worldwide also enabled Schaltbau GmbH to increase its sales revenues.

The highest level of sales growth achieved in the third quarter 2008, however, was recorded in the **Stationary Transportation Technology** segment with industrial braking systems. Several major contracts were implemented for a customer in China, although the most lucrative projects completed by Pintsch Bamag came mainly from the domestic market. Further railway crossing systems were commissioned for the "Odenwaldbahn" project in the third quarter 2008. Furthermore, new systems were also commissioned for German Railways in its southeast region and on the Hoya-Syke line.

Sales totalling €211.3 million in volume were realised during the first three quarters of 2008. This figure represents growth of €43.4 million or a corresponding 26% compared with the same period of the previous year.

Group earnings performance

The Group earnings situation again improved as a result of the pleasing sales performance in the third quarter of the year.

Earnings before interest and taxes (EBIT) in the third quarter climbed by 63% compared to the previous year's figure from €3.2 million to a current total of €5.2 million. The EBIT margin also grew to 7.3% (previous year: 5.4%).

In the third quarter Group net profit of €3.4 million was 79% higher than last year's figure of €1.9 million. The profit attributable to shareholders also rose from €1.9 million last year to €3.2 million this year. Third-quarter earnings per share rose correspondingly from €1.01 in 2007 to €1.69 (undiluted) this year.

Earnings figures for the months from January to September 2008 showed a continual upward trend, thanks to the renewed positive performance seen in the third quarter. At €18.1 million, the EBIT stood €7.6 million higher than the figure of €10.5 million recorded one year earlier. Group net profit grew to €12.5 million (last year: €6.8 million) and the profit attributable to shareholders rose to €11.6 million (previous year: €5.9 million).

In the period under report from 1 January to 30 September 2008 the EBIT of the Mobile Transportation Technology segment increased to €11.4 million as opposed to last year's figure of €7.2 million. The EBIT margin rose to 8.7% (previous year: 6.2%) on the back of positive business performance in components as well as other lucrative projects, but also partially due to the successful implementation of a number of measures designed to optimise production processes at Bode.

The Stationary Transportation Technology segment again proved highly profitable in the third quarter of 2008. Based on an improvement in sales figures, partly resulting from the first-time consolidation of the Bubenzer Group for the full year, the EBIT climbed to €9.9 million (last year: €5.5 million), thus raising the EBIT margin to 12.3% (previous year: 10.7%).

Group financial and net assets position

The increased business volume and the earnings for the period are best reflected in working capital and equity in the Schaltbau Group balance sheet at 30 September 2008.

Working capital has increased by €23.8 million since the end of last year. The rise was caused by an increase in receivables (€6.5 million) and inventories (€7.9 million) as well as a simultaneous seasonal reduction in advance payments received.

These factors have caused the amount of capital employed to rise from €101 million to €127.8 million. The return on capital employed (ROCE) currently stands at 18.9% (2007: 12.7% per annum).

Largely influenced by the increase in working capital, net bank liabilities totalled €47.6 million at 30 September 2008 (31 December 2007: €41.4 million). The debt/equity ratio thus improved from 2.5 for the corresponding period of 2007 to 1.6 for the period under report, due to the above-average rise in the EBITDA from €14.4 million for the same period of last year to €22.3 million.

Short-term credit lines totalling €32.7 million were available to the Group at the end of the reporting period. These lines, which also include guarantee lines, were utilised as at 30 September 2008 totalling €15.2 million (31 December 2007: €7.6 million). These amounts are stated net of liquid assets. Loans payable as at 30 September 2008 amounted to €36.6 million (31 December 2007: €38.8 million). Repayments were made according to schedule. In the third quarter a new loan of €1.9 million was raised in order to finance the acquisition of Machine Electrics.

Group equity at 30 September 2008 amounted to €9.2 million. The negative amount of Group equity of €2.1 million recorded at 31 December 2007 was eliminated as a result of the high profit for the period. In the IFRS opening balance sheet the Group began with a negative equity of €32.1 million. Including participation rights capital of €7.0 million, which is similar in nature to equity, Group equity amounted to €16.2 million at the end of the third quarter of the current fiscal year.

Purchasing

The situation on procurement markets proceeded to stabilise at a very high level during the third quarter after massive price increases during the first six months of 2008.

Crude-oil-dependent products such as rubber or plastic parts could be spared from further price increases in the short term if the economic downturn currently indicated actually takes place, thereby causing prices for crude oil to continue falling. The prices of goods that require increased use of energy in order to produce them were not immediately affected due to the extended duration of many contracts. Delivery periods for metals remain very long and are still subject to occasional capacity bottlenecks. If, however, the feared global economic slowdown does occur, the prices of raw materials will also see a downward trend in the medium term.

In order to avoid price hikes and capacity bottlenecks, the Schaltbau Group generally endeavours to counteract volatility on raw materials markets by concluding long-term agreements, while always taking the high quality requirements of all products manufactured by the Group's companies duly into consideration.

Significant events occurring after 30 September 2008

The price of Schaltbau Holding AG stock also suffered from the fluctuations on international capital markets that had already led to a short-term slide in market prices in the middle of July 2008. In the wake of the general slump on stock markets, the price of Schaltbau stock fell from its highest level for the year of €55 in August to around €28 at the beginning of October. Although the share price recovered somewhat with the announcement of the new forecast for 2008 and the publication of the quarterly figures as at 30 September, it was unable to completely escape the impact of the turbulence on financial markets.

Opportunities and risks report

The opportunities and risks confronting the Schaltbau Group are very similar to those portrayed in the Management Report for the fiscal year 2007. They will be briefly described below and any changes that have occurred in the meantime will be explicitly referred to:

Macroeconomic and industry-related risks

The first signs of an economic downturn are becoming increasingly apparent as a result of the general crisis on capital markets. Its impact, however, will vary from one industry to the next. In the industrial sector both the automotive and the logistics industries are already beginning to feel the pinch, with the resulting consequences for business with electromechanical components manufactured by Schaltbau GmbH.

Ongoing major projects to expand port capacities have not yet been subject to cutbacks. Any further decline in the volume of world trade could, however, lead to a medium-term downturn in business with the industrial braking systems made by Pintsch Bubenzer. This risk is being met by increased international activity on the market for wind power braking systems.

The market for bus door systems is currently stable, although it has proved to be highly volatile over the last few years and the ordering behaviour of bus manufacturers has shown an increasing degree of fluctuation. Production planning for the supply industry continues to present difficulties.

The international rail market is mostly influenced by the political parameters that prevail in each country and therefore less susceptible to short-term market fluctuations. The expansion of railway networks and infrastructure is a matter of long-term planning, which makes it easier to predict the demand behaviour of the supply industry. We assume that the situation will remain stable on all of our markets.

Operational risks

From a business point of view, operational risks to Schaltbau companies exist in the areas of development and design, procurement and production. Risks can, however, also arise as a result of unforeseeable, short-term price increases or supply bottlenecks, particularly for metals. The financial crisis could lead to an increased number of insolvencies among suppliers and thus to delays in the delivery of Schaltbau products due to the necessity of changing suppliers. This would result in penalties and the delayed recording of sales.

Legal risks

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 2007.

Financial and economic risks

Due to the expansion of the Schaltbau Group in the 90s, which was driven by acquisitions paid for with borrowed funds, the Group has a relatively high degree of debt, even after successful restructuring. The level of debt has, however, been continually reduced over the past years. Large parts of the bank loans have been rescheduled over longer terms, leading to a high level of interest repayment obligation. The Group was successful in reducing the amount of interest to be paid by one third for 2007 and 2008. The current account credit lines are still relatively high and therefore correspondingly subject to risk. Non-compliance with covenants can jeopardise the maintenance of loans. The scope of liquidity was, however, further increased through the issue of convertible bonds in 2007. The short-term credit lines for the Group's companies run until December 2008. Due to the good business performance in 2008 and the resulting improvement in the Schaltbau Group's business figures it can be assumed that the banks will extend the credit lines for an additional year as scheduled.

Forecasts and other statements regarding anticipated development

On the basis of the profit made in the first three quarters and the current order-book figures the Schaltbau Group views the last quarter of 2008 with optimism. For this reason the management has upwardly adjusted the sales and earnings forecast for 2008, despite the financial crisis, which has meanwhile begun to have an impact on the real economy. The companies of the Group are thus accordingly predicted to record order-intake figures of €280 million instead of the previously expected total of €260 million (2007: €271.9 million). Sales revenues are now forecast to grow to €280 million, exceeding the previously estimated €263 million (last year: €232.1 million). The Group now expects a corresponding further increase in earnings before interest and taxes (EBIT) to an amount of €19.7 million instead of the previously forecasted €17.7 million (last year: €14.1 million) and growth in Group net profit to total €12.6 million for 2008. The previous forecast in June was one of €11.5 million (2007: €8.2 million). This will raise the profit attributable to shareholders to €11.6 million, surpassing the previous forecast of €10.3 million (last year: €7.2 million).

Due to the current price of Schaltbau stock, which has experienced a considerable decline as a result of the turbulence on the world's financial markets, the management is not expecting any further conversion of convertible bonds into shares this year and thus no dilution of the earnings per share, which are thus forecast to rise to €6.20 (previous forecast: €5.50 to €5.70 - last year: €3.85).

According to the assessment of the management, the damage done by the financial crisis is likely to worsen in the months to come. In the fourth quarter the Group will take precautionary measures to safeguard against any cash losses from customers and possible supplier insolvencies. The supply with qualitatively high-grade products is of essential importance to the Group in order to fulfil its delivery obligations. Group profit in the fourth quarter will be influenced by the precautionary measures taken.

Group planning for 2009 makes allowance for an economic downturn in the industrial sector. This trend, however, is contrary to the strategic positioning of the Group on the international rail market and the market potential it has through product innovation. According to the assessment of experts to date, the rail sector worldwide will remain largely unaffected by the turbulence on financial markets. The demand for both railway infrastructure and rolling stock will continue to be high in the coming year. Government programmes designed to stimulate the economy will also benefit the rail industry, regardless of regional anomalies. For this reason, assuming the world economy does not experience a massive slump, the Group forecasts stable sales performance and expects to achieve the same level of earnings in the fiscal year 2009.

Significant transactions with associated companies and persons

Information available in the Notes.

Consolidated Income Statement for the period ended 30 September 2008

	€ 000	€ 000
	1.1.-30.09.2008	1.1.-30.09.2007
1. Sales	211,343	167,896
2. Change in inventories of finished goods and work in progress	2,915	610
3. Other company-produced assets	546	952
4. Total output	**214,804**	**169,458**
5. Other operating income	976	1,304
6. Cost of materials	113,902	85,825
7. Personnel expense	59,614	55,671
8. Amortisation and depreciation	4,252	3,906
9. Other operating expenses	19,930	14,867
Profit from operating activities	**18,082**	**10,493**
a) Result from at-equity accounted investments	1,269	1,213
b) Other results from investments	-2	120
10. Results from investments	**1,267**	1,333
a) Interest expense	4,961	4,011
b) Interest income	143	149
11. Finance result	**-4,818**	-3,862
12. Profit before tax	**14,531**	**7,964**
13. Income taxes	1,986	1,167
14. Group net profit for the period	**12,545**	**6,797**
Allocation of group net profit for the period		
attributable to minority shareholders	947	883
attributable to the shareholders of Schaltbau Holding AG	11,598	5,914
Group net profit for the period	**12,545**	**6,797**
Earnings per share - undiluted:	**6.20**	**3.16**
Earnings per share - diluted:	**5.78**	**3.16**

Consolidated Income Statement for the third quarter 2008

	€ 000	€ 000
	1.7.-30.09.2008	1.7.-30.09.2007
1. Sales	71,204	58,231
2. Change in inventories of finished goods and work in progress	524	1,519
3. Other company-produced assets	169	323
4. Total output	**71,897**	**60,073**
5. Other operating income	429	351
6. Cost of materials	39,035	31,229
7. Personnel expense	20,160	19,325
8. Amortisation and depreciation	1,468	1,329
9. Other operating expenses	6,434	5,375
Profit from operating activities	**5,229**	**3,166**
a) Result from at-equity accounted investments	489	419
b) Other results from investments	-2	120
10. Results from investments	**487**	**539**
a) Interest expense	1,752	1,543
b) Interest income	49	38
11. Finance result	**-1,703**	-1,505
12. Profit before tax	**4,013**	**2,200**
13. Income taxes	615	265
14. Group net profit	**3,398**	**1,935**
Analysis of group net profit		
attributable to minority shareholders	234	40
attributable to the shareholders of Schaltbau Holding AG	3,164	1,895
Group net profit	**3,398**	**1,935**
Earnings per share (undiluted)	**1.69**	**1.01**
Earnings per share (diluted)	**1.59**	**1.01**

Consolidated Cash Flow Statement for the period from 1 Jan. to 30 Sept. 2008

	€ 000	€ 000
	1.1.-30.09.2008	1.1.-30.09.2007
Group net profit for the period	**12,545**	**6,797**
Amortisation and depreciation on non-current assets	4,605	3,905
Gain on disposal of non-current assets	6	3
Finance result	4,818	3,861
Income tax expense	1,986	1,168
Change in current assets	-10,795	-6,385
Change in provisions	1,750	456
Change in current liabilities	-8,551	-1,981
Dividends received	505	324
Interest paid	-4,271	-3,319
Interest received	143	149
Income tax paid	-1,034	-447
Other non-cash income / expenses	-1,102	-1,340
Cash flow from operating activities	**605**	**3,191**
Payments for investments in:		
- property, plant and equipment and intangible assets	-3,992	-4,831
- other investments	-2,093	5,223
Proceeds from disposal of:		
- property, plant and equipment	26	67
- at-equity accounted investments and other equity investments	-	60
Cash flow from investing activities	**-6,059**	**-9,927**
Share buyback	-195	-
Dividend payment	-559	-280
Payments to minority interests	-278	-551
Repayment of / proceeds from financial liabilities	1,824	7,126
Cash flow from financing activities	**792**	**6,295**
Change in cash and cash equivalents due to exchange rate fluctuations	**81**	**-32**
Change in cash and cash equivalents due to changes in group reporting entity	193	190
Changes to cash, cash equivalents and securities	**-4,388**	**-283**
at the end of the period	3,496	4,327
at the beginning of the period	7,884	4,610
	-4,388	**-283**

Consolidated Balance Sheet as of 30 September 2008

ASSETS	€ 000	€ 000
	30.09.2008	31.12.2007
A. NON-CURRENT ASSETS		
I. Intangible assets	11,903	11,413
II. Property, plant and equipment	40,226	40,350
III. At-equity accounted investments	7,743	6,916
VI. Other investments	3,263	1,484
V. Deferred tax assets	8,894	8,725
	72,029	**68,888**
B. CURRENT ASSETS		
I. Inventories	54,353	46,406
II. Trade accounts receivable	40,333	33,784
III. Income tax receivables	224	218
VI. Other receivables and assets	6,847	7,546
V. Cash and cash equivalents	3,496	7,884
	105,253	**95,838**
Total assets	**177,282**	**164,726**

EQUITY AND LIABILITIES	€ 000	€ 000
	30.06.2008	31.12.2007
A. EQUITY		
I. Subscribed capital	6,850	6,840
II. Capital reserves	8,443	8,335
III. Statutory reserves	231	231
VI. Revenue reserves	-23,280	-29,658
V. Income/expense recognised directly in equity	253	-176
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to the shareholders of Schaltbau Holding AG	11,598	7,198
VIII. Minority interests	2,082	2,079
	9,218	**-2,110**
B. NON-CURRENT LIABILITIES		
I. Participation rights capital	6,996	6,978
II. Pension provisions	19,033	19,143
III. Other provisions	5,859	5,804
VI. Financial liabilities	43,068	45,673
V. Other liabilities	0	1,139
VI. Deferred tax liabilities	6,066	6,030
	81,022	**84,767**
C. CURRENT LIABILITIES		
I. Other provisions	21,234	17,371
II. Income taxes payable	116	66
III. Financial liabilities	20,256	15,729
VI. Trade accounts payable	19,127	21,725
V. Advance payments from customers	10,910	17,587
VI. Other liabilities	15,399	9,591
	87,042	**82,069**
Total equity and liabilities	**177,282**	**164,726**

Consolidated Statement of Changes in Equity as of 30 September 2008

	Equity attributable to the shareholders of the parent company				
	Subscribed capital	Capital reserve	Statutory reserves	Revenue reserves	Revaluation reserve
Balance at 01.01.2007	**6,840**	**7,740**	**231**	**-34,522**	**2,606**
Profit brought forward	0	0	0	4,984	0
Transfer to capital reserves	0	0	0	0	0
Shares issued	0	0	0	0	0
Dividend paid	0	0	0	-280	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	596	0	-57	562
Group net profit for the period	0	0	0	0	0
Balance at 30.06.2007	**6,840**	**8,336**	**231**	**-29,875**	**3,168**
Balance at 01.07.2007	**6,840**	**8,336**	**231**	**-29,875**	**3,168**
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	-1	0	217	-127
Group net profit for the period	0	0	0	0	0
Balance at 31.12.2007	**6,840**	**8,335**	**231**	**-29,658**	**3,041**
Balance at 01.01.2008	**6,840**	**8,335**	**231**	**-29,658**	**3,041**
Profit brought forward	0	0	0	7,198	0
Transfer to capital reserves	0	0	0	0	0
Shares issued	10	108	0	0	0
Dividend paid	0	0	0	-559	0
Changes in group reporting entity	0	0	0	0	0
Other changes	0	0	0	-261	0
Group net profit for the period	0	0	0	0	0
Balance at 30.06.2008	**6,850**	**8,443**	**231**	**-23,280**	**3,041**

Note: Owing to the use of electronic calculation aids rounding-off differences may occur.

			Minority interests			Group equity
Income/expense recognised directly in equity	Net profit for period	Total	In capital and reserves	In net profit for period	Total	
-169	**4,984**	**-12,290**	**1,174**	**1,052**	**2,226**	**-10,064**
0	-4,984	0	1,052	-1,052	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	-280	-1,066	0	-1,066	-1,346
0	0	0	0	0	0	0
3	0	1,104	-44	0	-44	1,060
0	5,914	5,914	0	883	883	6,797
-166	**5,914**	**-5,552**	**1,116**	**883**	**1,999**	**-3,553**
-166	**5,914**	**-5,552**	**1,116**	**883**	**1,999**	**-3,553**
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
-10	0	79	-4	0	-4	75
0	1,284	1,284	0	84	84	1,368
-176	**7,198**	**-4,189**	**1,112**	**967**	**2,079**	**-2,110**
-176	**7,198**	**-4,189**	**1,112**	**967**	**2,079**	**-2,110**
0	-7,198	0	967	-967	0	0
0	0	0	0	0	0	0
0	0	118	0	0	0	118
0	0	-559	-1,044	0	-1,044	-1,603
0	0	0	0	0	0	0
429	0	168	100	0	100	268
0	11,598	11,598	0	947	947	12,545
253	**11,598**	**7,136**	**1,135**	**947**	**2,082**	**9,218**

Notes and segment information as of 30 September 2008

DESCRIPTION OF BUSINESS

The Schaltbau Group is a leading supplier of components and systems for traffic technology and industry. The Group supplies electro-mechanical components and equipment, door systems for buses and trains, safety systems for level crossings, equipment for railway vehicles, point heating systems, maritime aids to navigation and industrial braking systems. Its innovative and future-oriented products make Schaltbau a key business partner in the fields of traffic technology and specific industrial applications.

BASIS OF PREPARATION

The Group Interim Report of Schaltbau Holding AG, Munich, has been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting", issued by the International Financial Reporting Standards (IFRS), and with those of German Accounting Standard No. 16 "Interim Reporting" issued by the Accounting Standards Committee of Germany. The same accounting principles and policies have been applied as in the consolidated financial statements for the financial year ended 31 December 2007.

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

Schaltbau Machine Electrics Ltd., based in Bredbury near Manchester, was founded on 30 May 2008. With effect from 30 July 2008 it acquired the Machine Electrics group of companies, which is based in the United Kingdom and comprises the following entities:

Company	Registered office	Shareholding
Machine Electrics Ltd.	Bredbury	100%
Truckaids Ltd.	Bredbury	100%
Direct Contact Ltd.	Bredbury	100%
Electrical Spare Parts and Accessories Ltd.	Bredbury	100%
Fabricon Ltd.	Bredbury	100%

All of Machine Electrics Ltd’s assets and liabilities were transferred to Schaltbau Machine Electrics Ltd with effect from 30 July 2008. As a result, Machine Electrics Ltd. and its four subsidiaries no longer have any active operations. The equity remaining in each of these entities will be reduced in each case to GBP 1 by the end of the year in conjunction with distributions and capital repayments to Schaltbau Machine Electrics Ltd. The purchased companies are not consolidated. Schaltbau Machine Electrics Ltd. was fully consolidated with effect from 1 August 2008.

As a result of the changes in the group reporting entity, the interim report figures are not fully comparable with the previous year.

The main effects of the purchase of the Machine Electrics Group on the consolidated balance sheet are disclosed in the table below. In order to achieve better comparability, the amounts shown must be deducted from the corresponding line items in the consolidated balance sheet as at 30 September 2008.

Balance Sheet 2008

	€000		€000
Intangible assets and property, plant and equipment	586	Income/expense recognised directly in equity	-4
Investments	1,780	Retained earnings	-58
Deferred tax assets	-	Deferred tax liabilities	2
Inventories	1,443	Provisions	45
Receivables and other assets	697	Liabilities to banks	2,325
Cash and cash equivalents (including marketable securities)	361	Liabilities to affiliated companies	1,953
		Trade accounts payable and other liabilities	604

In addition to the acquisition of Machine Electrics Ltd., income statement comparability is also affected by the first-time consolidation of the Bubenzer Group in the previous year. In 2008 the Bubenzer Group was consolidated for the first time for the full nine-month interim period (from 1 January to 30 September 2008), whereas in the previous year it was only included for the third quarter (based on the acquisition date).

The following table shows the aggregated income statement figures for the Bubenzer Group for the six-month period from 1 January to 30 June 2008 and for Schaltbau Machine Electrics. In order to achieve better comparability, the amounts shown below must be deducted from the corresponding items in the consolidated income statement for the nine-month period to 30 September 2008.

Income Statement 1 January – 30 September 2008

	€000
Sales	19,406
Cost of materials	13,350
Personnel expense	2,758
Amortization and depreciation	176
Other operating expenses	3,287
Interest expense	244

Sales of the Schaltbau Group in 2008 would have been T€3,384 higher if the Machine Electrics transaction had been completed on 1 January 2008. It is not possible to measure the impact on group earnings since Machine Electrics did not prepare financial statements in accordance with IFRS prior to the acquisition.

Based on figures drawn up at the date of acquisition (30 July 2008) in accordance with accounting principles applied in the United Kingdom (UK GAAP), the acquisition of the Machine Electrics Group had the following impact:

Disclosures in €000

	Carrying amounts at acquisition date	Adjust ments	Zeitwerte zum Erwerbs-zeitpunkt Fair values at acquisitio n date
Intangible assets	60		60
Property, plant and equipment	566		566
Investments	2,156		2,156
Inventories	1,411		1,411
Receivables and other assets	837		837
Cash and cash equivalents (including marketable securities)	192		192
Total assets acquired	**5,222**		**5,222**
Deferred tax liabilities	2		2
Sundry other provisions	75		75
Trade accounts payable and other liabilities	3,053		3,053
Total liabilities acquired	**3,130**		**3,130**
Net assets acquired			2,092
Credit difference on consolidation recognised as income			1
Acquisition cost		2,033	
Transaction costs		60	
Total acquisition cost			**2,093**
			0

All of the amounts disclosed for Schaltbau Machine Electric are derived from unaudited, provisional UK GAAP figures. The accounting treatment of this business combination is therefore still provisional. Adjustments pursuant to IFRS 3.62 may still be necessary.

USE OF ESTIMATES

In order to draw 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 date and the amounts of earnings and expense recognised in the period under report. Due to changes in the existing business situation and other circumstances or events, the actual results can differ from the estimates made.

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	
	30.9.2008	31.12.2007	1.1. to 30.9.2008	1.1. to 30.9.2007
Chinese Renminbi Yuan	9.9047	10.7726	10.6541	10.3181
US Dollar	1.4449	1.4729	1.5225	1.3445
British Pound	0.7951	0.7379	0.7817	0.6768
Turkish Lira	1.8189	1.7347	1.8707	1.8151

ACCOUNTING PRINCIPLES AND POLICIES

Deferred tax assets and liabilities

A corporation tax 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 were calculated in accordance with IAS 12. 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 2008, 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 at 30 September 2008, unlike in the financial statements for the year ended 31 December 2007 when the provision was based on actuarial reports.

Contingent liabilities

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

Cash flow statement

This statement shows the changes in the Schaltbau Group´s cash and cash equivalents, these including checks, cash on hand, as well as cash in banks.

Prepared in accordance with IAS 7, the cash flow statement breaks down the change in cash and cash equivalents into the cash flow from operating, investing and financing activities. The cash flow from operating activities is determined according to the indirect method.

ANALYSIS OF SELECTED ITEMS REPORTED IN THE FINANCIAL STATEMENTS

PERSONNEL EXPENSE / EMPLOYEES

in € 000 1.1. – 30.9.	2008	2007
Wages and salaries	**49,860**	**46,406**
Social security, pension and welfare expenses	**9,754**	**9,265**
	59,614	**55,671**

EMPLOYEES

	2008	2007
Employees	**1,423**	**1,402**

These employee figures show the weighted average for the nine-month period (including trainees, executives and board members). An average of 45 employees is included in 2008 for Schaltbau Machine Electrics.

FINANCE RESULT

in € 000 1.1. – 30.9.	2008	2007
Other interest and similar income (of which from affiliated companies)	**143** **(22)**	**149** **(16)**
Interest and similar expenses (of which to affiliated companies)	**- 4,961** **(-11)**	**- 4,011** **(-11)**
	- 4,818	**- 3,862**

Interest expenses include €719,000 (2007: €664,000) relating to the interest component of the allocation to the pension provision.

INCOME TAXES

in € 000	1.1. – 30.9.	2008	2007
Income tax expense		**2,070**	**1,128**
Deferred tax expense		**-84**	**39**
		1,986	**1,167**

Compared with the financial statements as at 31 December 2007, 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

Goodwill totalling T€ 5,254 rose by T€ 54 compared with the previous year. The increase related primarily to the purchase of Machine Electrics Ltd. (T€45). The remainder of the increase related to retrospective transaction costs incurred in conjunction with the acquisition of the Bubenzer Group in the previous year.

Measurement at fair value has only been applied to land and did not change during the period under report.

INVENTORIES

in € 000	30.9.2008	31.12.2007
Raw materials and supplies	22,422	18,693
Work in progress	24,507	22,605
Finished products, goods for resale	7,365	5,020
Advance payments to suppliers	59	88
	54,353	46,406

TRADE ACCOUNTS RECEIVABLE, OTHER RECEIVABLES AND ASSETS

in € 000	30.9.2008	31.12.2007
Trade accounts receivable	40,333	33,784
Receivables from affiliated companies	1,226	1,291
Receivables from associated companies	1,207	1,138
Receivables from companies with which an investment relationship exists	246	460
Income tax receivables	224	218
Other assets	4,168	4,657
	47,404	41,548

Allowances totalling €2,920,000 (previous year: €2,555,000) were recognised on trade accounts receivable.

CASH AND CASH EQUIVALENTS

in € 000	30.9.2008	31.12.2007
Cheques and cash on hand	**50**	**26**
Cash at bank	**3,446**	**7,858**
	3,496	**7,884**

CHANGES IN GROUP EQUITY

The proposal for the appropriation of profit for the fiscal year 2007 was approved at the Annual General Meeting of Schaltbau Holding AG held on 12 June 2008. Since then, holders of convertible bonds have exercised their conversion rights. As a result, an additional 2,732 shares have been issued, bringing the total number of shares to 1,871,668 shares as at 30 September 2008.

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

PROVISIONS

in € 000	30.9.2008	31.12.2007
Non-current provisions		
Pensions	**19,033**	**19,143**
Warranties	**223**	**226**
Personnel	**5,636**	**5,578**
Other non-current provisions	**5,859**	**5,804**
	24,892	**24,947**
Current provisions		
Taxes	**1,955**	**931**
Warranties	**4,152**	**4,046**
Outstanding costs and materials	**4,175**	**2,872**
Personnel	**5,414**	**5,972**
Sundry other provisions	**5,538**	**3,550**
Other current provisions	**21,234**	**17,371**
Total provisions	**46,126**	**42,318**

LIABILITIES

in € 000	30.9.2008	31.12.2007
Non-current liabilities		
Liabilities to banks	**31,186**	**33,707**
Other financial liabilities	**11,882**	**11,966**
Financial liabilities	**43,068**	**45,673**
Other liabilities	**0**	**1,139**
	43,068	**46,812**
Current liabilities		
Current income tax liabilities	**116**	**66**
Liabilities to banks	**19,928**	**15,602**
Other financial liabilities	**328**	**127**
Financial liabilities	**20,256**	**15,729**
Trade accounts payable	**19,127**	**21,725**
Advance payments received	**10,910**	**17,587**
Liabilities to affiliated companies	**2,384**	**460**
Liabilities to companies in which in investment is held	**155**	**17**
Interest rate derivates	**102**	**52**
Sundry other liabilities	**12,758**	**9,062**
Other liabilities	**15,399**	**9,591**
	65,808	**64,698**
Total liabilities	**108,876**	**111,510**

Contingent liabilities and other financial obligations

in € 000	30.9.2008	31.12.2007
Contingent liabilities		
Obligations under guarantees and other guarantee agreements (of which to affiliated companies)	13,580 (-)	11,883 (-)
Other financial obligations		
Rental and lease expenses	5,290	3,552
Other obligations	2,546	3,611

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 affiliated and associated companies are shown below (from the perspective of affiliated companies):

	Volume of services performed		Volume of services received	
	I-III quarter 2008 € 000	I-III quarter 2007 € 000	I-III quarter 2008 € 000	I-III quarter 2007 € 000
Goods and services	3,169	1,900	516	399
Other relationships	9	6	29	-

PRODUCT-ORIENTED SEGMENTATION

Disclosures in € 000 **1.1. – 30.09.**	Stationary Transportation Technology **2008**	 **2007**	Mobile Transportation Technology **2008**	 **2007**
Order-intake (external)	76,105	65,375	147,880	143,784
Sales	80,392	51,727	131,467	116,570
- of which external	79,868	51,283	131,416	116,546
- of which with other segments	524	444	51	24
Order-book (external)	58,080	61,970	135,572	120,876
Result from operating activities (EBIT)	9,853	5,498	11,438	7,171
Result from at-equity accounted companies	0	0	1,269	1,213
Other result from investments	0	0	-2	120
Finance result	-733	-192	-1,737	-1,745
Income taxes	-6	72	-801	-291
Group net profit for the period	9,114	5,378	10,167	6,468
Capital expenditure	1,728	2,182	2,260	2,650
Amortisation and depreciation	-1,070	796	-3,165	3,098
EBIT margin	12.3%	10.7%	8.7%	6.2%
Return on capital employed	30.7%	21.5%	15.6%	10.8%

Disclosures in €000 **3rd quarter**	Stationary Transportation Technology **2008**	 **2007**	Mobile Transportation Technology **2008**	 **2007**
Order-intake (external)	25,948	25,814	46,469	52,315
Sales	26,464	20,347	44,985	37,998
- of which external	26,209	20,217	44,980	37,994
- of which with other segments	255	130	5	4
Order-book (external)	58,080	61,970	135,572	120,876
Result from operating activities (EBIT)	3,000	2,025	3,520	1,850
Result from at-equity accounted companies	0	0	489	420
Other result from investments	0	0	-2	120
Finance result	-267	-218	-583	-606
Income taxes	-27	152	-260	-65
Group net profit for the period [*1)]	2,706	1,959	3,164	1,719
Capital expenditure [*2)]	665	1,340	1,007	716
Amortisation and depreciation [*2)]	-377	304	-1,087	1,022
EBIT margin [*3)]	11.4%	10.0%	7.8%	4.9%
Return on capital employed [*4)]	28.0%	23.8%	14.4%	8.3%

[*1)] = profit transfers relating to profit and loss transfer agreements are added back to the segment information
[*2)] = in / on intangible assets and property, plant and equipment
[*3)] = EBIT / external sales
[*4)] = EBIT / capital employed (EBIT extrapolated to annual amount)

Sub-total 2008	Sub-total 2007	Holding, other consolidations 2008	Holding, other consolidations 2007	Schaltbau Group 2008	Schaltbau Group 2007
223,985	209,159	60	63	224,045	209,222
211,859	168,297	516	401		
211,284	167,829	59	67	211,343	167,896
575	468	-575	-468		
193,652	182,846		0	193,652	182,846
21,291	12,669	-3,209	-2,176	18,082	10,493
1,269	1,213	0	0	1,269	1,213
-2	120	0	0	-2	120
-2,470	-1,937	-2,348	-1,925	-4,818	-3,862
-807	-219	-1,179	-948	-1,986	-1,167
19,281	11,846	-6,736	-5,049	12,545	6,797
3,988	4,832	4	6	3,992	4,838
-4,235	3,894	-10	11	-4,245	3,905
				8.6%	6.2%
				18.9%	12.7%

Sub-total 2008	Sub-total 2007	Holding, other consolidations 2008	Holding, other consolidations 2007	Schaltbau Group 2008	Schaltbau Group 2007
72,417	78,129	18	19	72,435	78,148
71,449	58,345	245	114		
71,189	58,211	15	20	71,204	58,231
260	134	-260	-134		
193,652	182,846		0	193,652	182,846
6,520	3,875	-1,291	-710	5,229	3,165
489	420	0	0	489	420
-2	120	0	0	-2	120
-850	-824	-853	-681	-1,703	-1,505
-287	87	-328	-352	-615	-265
5,870	3,678	-2,472	-1,743	3,398	1,935
1,672	2,056	2	0	1,674	2,056
-1,464	1,326	-3	3	-1,467	1,329
				7.3%	5.4%
				16.4%	11.5%

Munich, 29 October 2008

Schaltbau Holding AG
The Executive Board

Dr. Jürgen Cammann   Waltraud Hertreiter

Disclaimer

Several of the statements made here either take the form of forecasts or could be interpreted as such. They have been made according to the best of our knowledge and are, by their very nature, only valid under the premise that no unforeseeable worsening of the economic and specific market situation occurs for the companies of the Group operating in the various corporate sectors, and that the principles of planning and forecasts prove to be accurate in terms of amount and timeliness as predicted. The company does not undertake any obligation to update any of its stated forecasts.

Responsibility statement by the company's legal representatives

"To the best of our knowledge, and in accordance with the accounting principles applicable for interim reporting, the Group interim financial statements give a true and fair view of the assets, liabilities, financial position and profit of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining part of the fiscal year."

Munich, 29 October 2008

Schaltbau Holding AG
The Executive Board

Dr. Jürgen Cammann

Waltraud Hertreiter

Audit information

The interim Group financial statements and the interim Group management report for the Schaltbau Group as of 30 September 2008 have neither been audited in accordance with § 317 of the German Commercial Code (HGB) nor have they been reviewed by the Group auditors.

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