

**Datatrak Holdings p.l.c.**

**Unaudited Interim Financial Results  
2006**

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# Datatrak Holdings p.l.c.

## Income Statement

*For the Period from 1 January 2006 to 30 June 2006*

	<b>The Group</b>	
	<b>01.01.06 to 30.06.06</b>	<b>01.01.05 to 30.06.05</b>
	Lm	Lm
Revenue	708,917	653,883
Purchases and other directly attributable costs	(220,140)	(192,854)
Changes in inventory	(1,843)	5,962
Other income	-	8,579
Wages	(170,720)	(173,277)
Depreciation and amortisation	(129,537)	(170,817)
Other expenses	(107,662)	(102,414)
Marketing costs	(14,003)	(6,627)
Net financing costs	(12,615)	(7,517)
	-----	-----
Profit before tax	52,397	14,918
Tax income	7,307	23,973
	-----	-----
<b>Profit for the period</b>	<b>59,704</b>	<b>38,891</b>
	=====	=====
Profit / (Loss) attributable to:		
Equity holders of the parent	(34,174)	(20,521)
Minority interest	93,878	59,412
	-----	-----
<b>Profit for the period</b>	<b>59,704</b>	<b>38,891</b>
	=====	=====
<b>Loss per share attributable to equity holders of the parent</b>	<b>(0c2)</b>	<b>(0c1)</b>
	=====	=====

# Datatrak Holdings p.l.c.

## Balance Sheet

As at 30 June 2006

	<b>The Group</b>	
	<b>30.06.06</b>	<b>31.12.05</b>
	Lm	Lm
<b>Assets</b>		
Property, plant and equipment	1,031,870	1,546,233
Intangible assets	1,291,174	1,221,348
Other receivable	515,000	515,000
Deferred tax asset	894,248	840,744
	-----	-----
<b>Total non-current assets</b>	<b>3,732,292</b>	<b>4,123,325</b>
	-----	-----
Inventories	64,998	63,333
Trade and other receivables	806,748	712,199
Tax recoverable	3,082	13,508
Cash at bank and in hand	37,454	35,411
	-----	-----
	912,282	824,451
Non-current assets classified as held for sale	475,988	-
	-----	-----
<b>Total current assets</b>	<b>1,388,270</b>	<b>824,451</b>
	-----	-----
<b>Total assets</b>	<b>5,120,562</b>	<b>4,947,776</b>
	=====	=====

# Datatrak Holdings p.l.c.

## Balance Sheet

As at 30 June 2006

	<b>The Group</b>	
	<b>30.06.06</b>	<b>31.12.05</b>
	Lm	Lm
<b>Equity</b>		
Issued capital	1,594,950	1,594,950
Share premium	3,235,608	3,235,608
Accumulated Losses	(1,678,191)	(1,644,017)
	-----	-----
Minority Interest	3,152,367	3,186,541
	204,230	110,352
	-----	-----
<b>Total Equity</b>	<b>3,356,597</b>	<b>3,296,893</b>
	-----	-----
<b>Liabilities</b>		
Interest-bearing loans and borrowings	119,405	140,465
	-----	-----
<b>Total non-current liabilities</b>	<b>119,405</b>	<b>140,465</b>
	=====	=====
Interest-bearing loans and borrowings	610,259	522,477
Trade and other payables	988,104	987,941
Taxation	46,197	-
	-----	-----
<b>Total current liabilities</b>	<b>1,644,560</b>	<b>1,510,418</b>
	-----	-----
<b>Total liabilities</b>	<b>1,763,965</b>	<b>1,650,883</b>
	-----	-----
<b>Total equity and liabilities</b>	<b>5,120,562</b>	<b>4,947,776</b>
	=====	=====

# Datatrak Holdings p.l.c.

## Statement of Changes in Equity

For the Period from 1 January 2006 to 30 June 2006

	Attributable to equity holders of the parent				Minority Interest	Total Equity
	Ordinary Shares	Share Premium	Profit and Loss Account	Total		
	Lm	Lm	Lm	Lm	Lm	Lm
<b>The Group</b>						
At 1 January 2005	1,594,950	3,235,608	(1,609,909)	3,220,649	7,576	3,228,225
(Loss)/Profit for the period	-	-	(20,521)	(20,521)	59,412	38,891
<b>At 30 June 2005</b>	1,594,950	3,235,608	(1,630,430)	3,200,128	66,988	3,267,116
At 1 January 2006	1,594,950	3,235,608	(1,644,017)	3,186,541	110,352	3,296,893
(Loss)/Profit for the period	-	-	(34,174)	(34,174)	93,878	59,704
<b>At 30 June 2006</b>	1,594,950	3,235,608	(1,678,191)	3,152,367	204,230	3,356,597

# Datatrak Holdings p.l.c.

## Cash Flow Statement

For the Period from 1 January 2006 to 30 June 2006

	<b>The Group</b>	
	<b>01.01.06 to 30.06.06</b>	<b>01.01.05 to 30.06.05</b>
	Lm	Lm
<b>Cash flows from operating activities</b>		
Cash receipts from customers	525,080	804,278
Cash paid to suppliers and employees	(518,345)	(684,412)
	-----	-----
Cash generated from operations	6,735	119,866
Interest received	20,450	24,067
Interest paid	(19,085)	(17,002)
Income Tax received	-	1,662
	-----	-----
Net cash from operating activities	8,100	128,593
	-----	-----
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(39,633)	(22,296)
Proceeds from sale of property, plant and equipment	-	167
Payments for intangibles	(128,556)	(82,652)
Advances by related parties	4,792	-
Exchange gain on investing activities	764	-
	-----	-----
Net cash used in investing activities	(162,633)	(104,781)
	-----	-----
<b>Cash flows from financing activities</b>		
Advances by Government entity	54,455	45,000
Repayment of borrowings	-	(5,310)
Advances by related parties	133,532	-
Repayment of advances by related parties	(95,675)	(15,885)
	-----	-----
Net cash from financing activities	92,312	23,805
	-----	-----
Net (decrease)/increase in cash and cash equivalents	(62,221)	47,617
Cash and cash equivalents at 1 January	(490,130)	(552,312)
	-----	-----
<b>Cash and cash equivalents at end of period</b>	<b>(552,351)</b>	<b>(504,695)</b>
	=====	=====

# Datatrak Holdings p.l.c.

## Notes to the Unaudited Interim Financial Results

*For the Period from 1 January 2006 to 30 June 2006*

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### **1 Basis of preparation**

These interim results have been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" and in accordance with MFSA Listing Authority Listing Rule 9.54.

These interim financial results have been extracted from the unaudited individual and Group management accounts for the six-months period ended 30 June 2006.

The same accounting policies and methods of computation have been consistently followed in these interim financial statements as compared with the audited financial statements for the year ended 31 December 2005, except that certain property, plant and equipment were classified as assets held for sale in line with the requirements of International Financial Reporting Standard 5, *Non-current assets held for sale and discontinued operations*. Group companies have consistently applied these accounting policies.

### **2 Review of performance**

#### *Results for the period*

The Group registered a turnover of Lm708,917 (2005: Lm653,883) over the six months ended 30 June 2006. The increase in turnover has been mainly brought about by Datatrak Solutions Limited and Datatrak IT Services Limited. A profit before tax of Lm52,397 (2005: Lm14,918) was reported by the Group, after deducting depreciation and amortization costs of Lm129,537 and net finance costs of Lm12,615.

#### *New product development and significant events*

The past 6 months have seen Datatrak Mena working towards concluding the Supply and Licence Agreement with Datatrak Nigeria. Discussions have been laborious but have progressed significantly with talks still ongoing in order to iron out the fine contractual and financial detail.

Datatrak Online (DOL), Datatrak's vehicle tracking operation in the UK has continued to achieve and surpass its targets. The number of commissioned vehicles as at 30 June 2006 exceeded 5400 with prospects for the remaining 6 months of the year looking good. The increase has been primarily due to the conversion of existing Siemens clients to DOL and figures for September 2006 are already at 6500 vehicles. Work has also started on the development of an updated version of DOL. DOL 4.0 which is due to be launched in December 2006 will extend the functionality present in DOL and allow more vehicles to be migrated to the new system.

# Datatrak Holdings p.l.c.

## Notes to the Unaudited Interim Financial Results

*For the Period from 1 January 2006 to 30 June 2006*

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### **2 Review of performance (Cont.)**

The first 4 months of 2006 proved to be a busy time for the datatrak installation team. Datatrak was appointed as the official installer and calibrator of Taxi Meters by the ADT. During the period February – April 2006 over 210 taxi meters were installed in the White Taxi fleet of Malta and Gozo in order to achieve the 1st May 2006 deadline set by the Malta Transport Authority.

The first 6 months of 2006 saw the signing of the first two major DispatchIT contracts. These were with Geopost UK Limited and Ontime Limited. The initial contract with Geopost will cover a total of 2000 vehicles while the Ontime contract will cover a total of 650 vehicles. Both these contracts will yield significant recurrent revenues as they come on stream. Trials are also ongoing at a number of clients both in the UK and on the continent and prospects still appear promising that market penetration will continue to grow.

The number of vessels being monitored via the Vessel Monitoring System has continued to grow with a contract to equip a further 50 fishing vessels being signed in June 2006. This will see the number of vessels being monitored almost double. The possibilities of penetrating the international market with this product are being explored and initial contacts have been made to verify its feasibility. DServ has continued to register strong growth in turnover and profitability. The tighter internal controls which were implemented during the previous financial year have continued to bear fruit and have been further refined in order to ensure that the company's targets are met. Development on the core modules utilised by DServ is ongoing thus allowing for improved performance in various key areas.

### **3 Other explanatory notes**

- a) Development costs included within intangible assets are amortised over their expected useful life.
- b) During the normal course of its business, the Group enters into transactions with its principal shareholder Maltacom p.l.c.
- c) These unaudited interim financial statements are presented by reference to one of the alternative formats set out in the Third schedule to the Companies Act, 1995 ('the Act') and the over-riding requirements of IAS 1, *Presentation of Financial Statements*.
- d) Certain comparative figures have been reclassified in accordance with this year's presentation of the financial statements.
- e) Assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell.