

## Punch Telematix comes up to expectations

Wervik, Belgium – 27 February 2009 – Punch Telematix nv ('Punch Telematix') published its 2008 results today. Punch Telematix has had a good year. Despite the world financial crisis, it came fully up to expectations in growth and profitability. Sales rose by 12%, which amounted to a turnaround: the contribution margin improved by 11% and both EBITDA and net result were positive. Punch Telematix strengthened its position in the domestic market and achieved substantial growth in other countries. Its focus on the truck & transport sector bore fruit, although this sector is having a difficult period and investment decisions are being deferred.

### Consolidated key figures (IFRS)

	31-12-2008	31-12-2007	Diff. %
<i>Amounts in million euros</i>			
<b>Sales</b>	<b>16.1</b>	<b>14.4</b>	<b>+12</b>
<b>EBITDA<sup>1</sup></b>	<b>1.5</b>	<b>-2.2</b>	
EBIT (operating result)	0.2	-4.9	
Financial result	0.1	0.2	
Result before taxes	0.3	-4.7	
Taxes	-	-	
<b>Net result</b>	<b>0.3</b>	<b>-4.7</b>	
Result per share – ordinary & diluted (in EUR per share)	0.07	-1.1	
Total equity	37.1	36.8	
Net financial debt <sup>2</sup> (negative = net cash position)	0.6	-5.9	

### Important events

#### New products

In the course of 2008, Punch Telematix launched a number of new functions and solutions, including the CarCube Express and the document scanner.

With the CarCube Express, transport companies can call upon subcontractors and/or deploy hired vehicles that are then included in planning just as efficiently as their own vehicles and drivers, even if the hired vehicles are not fitted with built-in onboard computers. The CarCube Express is compact and particularly quick to fit and remove. The result is a full-blooded integrated transport management solution for the entire fleet, including subcontractors and hired vehicles.

Using the document scanner, signed waybills and other A4 documents can be read in and sent to back office applications via the CarCube. Invoicing and filing proceed more quickly and drivers no longer have to make special trips to deliver

<sup>1</sup> EBITDA is not defined by IFRS. Punch Telematix defines this term as earnings before interest and taxes, plus depreciation, amortisation and provisions booked, minus any potential reductions of those items.

<sup>2</sup> Net financial debt = long- and short- term financial debts - cash & cash equivalents.

waybills to the office. What is more, this solution limits the risk of documents being lost.

#### **New customers**

In the course of 2008 some big names once again signed up with Punch Telematix: Vervaeke Transports in Belgium, Ruploh, Greiwing, Grobe Vehne and Hammer in Germany.

#### **New partners**

Not only are more and more hauliers going for Punch Telematix solutions, more and more partners are also coming on board.

After thorough market research, GE Asset Intelligence has selected Punch Telematix as its partner for its GE VeriWise™ Truck Telematics, the integrated telematics solution for trucks and trailers. GE's choice signifies recognition of the quality and commercial appropriateness of Punch Telematix' solutions. As yet it is too early to quantify the financial impact of the partnership with GE; what is certain is that it is capable of driving organic geographic growth in the medium and long term.

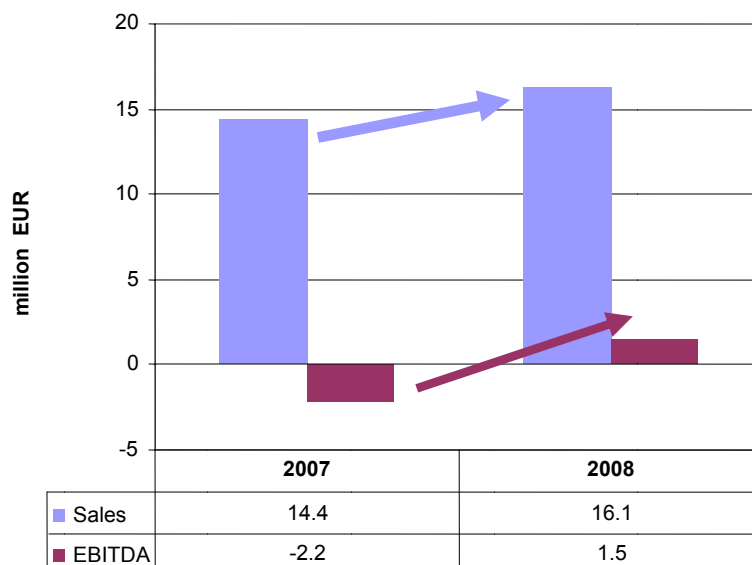
Walter Verhelst, GE's Director Asset Intelligence EMEA on the partnership: "The expansion of our range with the Punch Telematix CarCube solution fits in with our strategy of offering our customers simple and stable access to telematics solutions – for all their applications – throughout Europe. Here we have the ideal combination – the depth and quality of the CarCube and Punch Telematix plus the organisation and access to the market of GE Asset Intelligence."

An agreement has also been concluded with the French software company Solid. Working closely with the French Ministry of Transport, Solid has developed software for reading, archiving and processing tachograph discs, driver cards and data taken straight off the tachograph. In France wages are calculated from tachograph data – so reading, archiving and processing are subject to special statutory rules and Solid is one of the market leaders in the sector. The partnership offers both parties opportunities and benefits: in France there can be a joint approach to potential customers with an all-in total transport management package that meets all the legal requirements. Outside France Solid's solutions provide an excellent complement to the CarCube solution bundle.

#### **Discussion of the results**

Sales rose by 12% in comparison with 2007 and EBITDA was positive (see below). Concentrating closely on the truck & transport segment has enabled Punch Telematix to offer its solutions to this segment of the market with ever-greater success, although the sector is going through a difficult period and investment decisions are being put off – as was apparent during the fourth quarter. Thanks to an efficient policy on variable costs and the creation of greater added value, the contribution margin rose by 11% (see below).

Evolution of Sales and EBITDA 2007 - 2008



**Sales and other operating income**

During 2008 Punch Telematix saw sales increase by 12% in comparison with 2007. Other operating income rose from 0.6 million EUR in 2007 to 0.9 million EUR in 2008:

- In the course of 2008 Punch Telematix consolidated its position in the domestic market in Belgium and in the Netherlands. In the fourth quarter of 2008 sales fell off slightly because of the economic and financial developments in the market.
- Outside Benelux Punch Telematix achieved a growth in sales of 178% in comparison with the previous year.
- Other operating income rose by 48%. This increase is mainly attributable to a judicial decision in Punch Telematix’s favour.

**Order book**

At the end of December 2008 Punch Telematix had an order book of signed orders worth 13.5 million EUR (end of December 2007: 10.3 million EUR).

**EBITDA**

EBITDA rose from -2.2 million EUR in 2007 to 1.5 million EUR in 2008. The chief reasons for this increase are:

- the 2 million EUR increase in total income
- the 11% improvement in the contribution margin
- the further structural cut of fixed costs by 0.8 million EUR (8%)

### Operating result (EBIT)

In 2008 Punch Telematix posted a positive operating result of 0.2 million EUR. In 2007 the operating result was still negative (-4.9 million EUR); this improvement may be explained as follows:

- EBITDA rose by 3.7 million EUR.
- The cost of impairments and provisions fell by 1.6 million EUR.
- Amortisation of intangible non-current assets rose by 0.2 million EUR.

### Finance income/cost

Net finance income for 2008 amount to 0.1 million EUR (2007: 0.2 million EUR).

### Result before taxes

The pre-tax profit for 2008 was 0.3 million EUR (2007: -4.7 million EUR).

### Taxes

No taxes were reported in 2008.

### Net consolidated result

The net result for 2008 is positive and amounts to 0.3 million EUR (2007: -4.7 million EUR). Hence result per share rose from -1.10 EUR to 0.07 EUR.

## Balance sheet and cash flow statement

### Balance sheet

	<b>31-12-2008</b>	<b>31-12-2007</b>	<b>Diff.</b>
<i>Amounts in million euros</i>			<b>%</b>
Non-current assets	33.2	31.0	+7
Current assets	9.8	7.2	+36
Cash and cash equivalents	0.5	5.9	-92
<b>Total assets</b>	<b>43.5</b>	<b>44.1</b>	<b>-1</b>
Shareholders' equity	37.1	36.8	+1
Financial debts	1.0	-	-
Other liabilities	5.4	7.3	-26
<b>Total liabilities</b>	<b>43.5</b>	<b>44.1</b>	<b>-1</b>
Solvency	85%	84%	

As a result of the positive net result, the shareholders' equity rose by 0.3 million EUR to 37.1 million EUR.

**Cash flow statement**

	<b>31-12-2008</b>	<b>31-12-2007</b>
<i>Amounts in million euros</i>		
Cash flow – result	1.6	-2.0
Cash flow – working capital	-6.4	-1.4
Cash flow – investments	-1.7	-1.6
Cash flow – financing	1.1	-0.1
<b>Net cash flow</b>	<b>-5.4</b>	<b>-5.1</b>

The net cash position fell by 5.4 million EUR relative to the previous year, which is chiefly attributable to the negative operating cash flow of -4.8 million EUR. In 2008 many customers opted to finance their CarCube total solution through Punch Telematix, and this demanded a great deal of liquidity. The negative operating cash flow in 2008 and the complete take-up of a fixed loan of 1 million EUR largely explains the change from a positive net cash position at the end of 2007 to a net debt of 0.6 million EUR at the end of 2008.

Punch Telematix can continue to count on the support of its parent company Punch International for its financial resources. Furthermore, discussions have begun with financial partners with a view to financing further growth.

During the closing months of 2008 the cash flow was positive because of a shift in the ratio of 'CarCube solutions financed by Punch Telematix' to 'CarCube solutions financed by external parties'. In 2009 a close eye will be kept on the split so that the cash flow generated by existing and new contracts remains sufficient to maintain a positive net cash flow.

**Forecasts**

Although Punch Telematix's cost-saving and efficiency increasing solutions have great added value for the transport market, the current economic recession has raised the investment threshold greatly. Accordingly Punch Telematix does not wish to make any forecasts for 2009.

**Dividend**

The Board of Directors does not propose paying a dividend on the results for 2008.

**Auditor's report**

"The statutory auditors of Punch Telematix nv, BDO Atrio Bedrijfsrevisoren Burg. Ven. CVBA, represented by Koen De Brabander, have confirmed that their audit work, which is substantially complete, has not revealed any significant matters requiring adjustments of the 2008 condensed consolidated income statement, balance sheet, or statement of cashflows and Group Shareholders' equity included in this press release."

**Financial calendar**

Annual Report 2009 available	30 April 2009
Trading update first quarter 2009	15 May 2009
Annual General Meeting	29 May 2009
Publication of half-year results 2009	28 August 2009
Trading update third quarter 2009	13 November 2009
Publication of full-year results 2009	26 February 2010

**Purchase of treasury shares**

Punch Telematix did not buy any treasury shares in the course of 2008.

**Appendices – also available on [www.punchtelematix.com](http://www.punchtelematix.com)**

1. Consolidated income statement
2. Consolidated balance sheet
3. Consolidated cash flow statement
4. Reconciliation of equity

**About Punch Telematix**

Punch Telematix develops and markets transport management solutions for large and small firms in the truck & transport sector. These innovative and user-friendly total solutions consist of on-board computers, wireless communication services and web-based back-office applications. Thanks to their open standards and modular, scaleable architecture, they are simple to integrate, and can grow with the changing needs of your business. Because they require no investment, they are easy to adopt: the leasing arrangement spreads the cost over the total contract term. Within a short period, Punch Telematix has established a sound reputation as an IT reference in Western Europe. The head office and R&D department are based in Belgium, and sales and service are supported by offices in the Netherlands, France, Germany and Spain as well as value-added resellers. Since November 2006, Punch Telematix has been on the Eurolist by Euronext Brussels (PTX).

**For more information**

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**Cautionary statement regarding forward-looking statements**

This press release contains certain forward-looking statements. Any forward-looking statement applies only on the date of this press release. Such statements are based on current expectations and convictions and, by their nature, are subject to a number of known and unknown risks and uncertainties as a result of which the actual results and performance may differ substantially from expected future results or performance expressed or implied in the forward-looking statements. The information and views contained in this press release may change without prior notice, and Punch Telematix nv has neither the intention nor the obligation to update forward-looking statements in this communication, except insofar as it is obliged to do so by any applicable legislation or by the rules of any stock exchange on which its shares may be traded.

**1. Consolidated income statement**

<i>in thousand euros (IFRS)</i>	31 Dec 2008	31 Dec 2007	Diff.
Sales	16,143	14,392	1,751
Other operating income	894	605	289
<b>Total revenues</b>	<b>17,037</b>	<b>14,997</b>	<b>2,040</b>
Change in inventories	1,469	1,301	168
Cost of goods & services sold	-7,176	-7,895	719
Salaries & employee benefits	-4,061	-4,579	518
Depreciation, amortisation & impairment	-1,150	-932	-217
Impairment losses on current assets	-494	-1,433	939
Other operating charges	-5,439	-6,383	943
<b>Total operating expenses</b>	<b>16,851</b>	<b>19,921</b>	<b>-3,069</b>
<b>Operating result</b>	<b>186</b>	<b>-4,924</b>	<b>5,110</b>
Finance income / cost	82	203	-121
<b>Result before taxes</b>	<b>268</b>	<b>-4,721</b>	<b>4,989</b>
Taxes	11	-11	22
<b>Net result</b>	<b>279</b>	<b>-4,732</b>	<b>5,011</b>
<b>EBITDA</b>	<b>1,484</b>	<b>-2,244</b>	<b>3,728</b>

*EBITDA: is not defined by IFRS. Punch Telematix defines this term as earnings before interest and taxes, plus depreciation, amortisation and provisions booked, minus any potential reductions of those items.*

## 2. Consolidated balance sheet

<i>in thousand euros (IFRS)</i>	31 Dec 2008	31 Dec 2007	Diff.
<b>Non-current assets</b>	<b>33,218</b>	<b>30,945</b>	<b>2,273</b>
Intangible assets	23,231	22,858	373
PPE: Property, Plant & Equipment	542	351	191
Receivables (non-current)	5,580	3,870	1,709
Deferred tax assets	3,865	3,865	-
<b>Current assets</b>	<b>10,298</b>	<b>13,119</b>	<b>-2,821</b>
Inventories	1,225	1,083	143
Contracts in progress	-	-	-
Trade debtors	7,220	5,530	1,690
Other amounts receivable	1,290	375	915
Deferred charges and accruals	101	231	-131
Cash and cash equivalents	463	5,900	-5,437
<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>43,517</b>	<b>44,064</b>	<b>-547</b>
<b>Shareholders' equity</b>	<b>37,112</b>	<b>36,833</b>	<b>279</b>
Ordinary shares	35,325	35,325	-
Share Premium Account	960	960	-
Consolidated reserves	548	5,280	-4,732
Result of the year	279	-4,732	5,011
<b>Minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>37,112</b>	<b>36,833</b>	<b>279</b>
<b>Non-current liabilities</b>	<b>773</b>	<b>1,075</b>	<b>-302</b>
Interest bearing loans & borrowings (non-current)	44	-	44
Provisions	730	1,075	-345
Other liabilities	-	-	-
<b>Current liabilities</b>	<b>5,632</b>	<b>6,156</b>	<b>-524</b>
Trade payables	2,853	2,931	-78
Other current payables	1,413	2,905	-1,492
Current tax liabilities	345	320	24
Borrowings	1,022	-	1,022
<b>Total liabilities and equity</b>	<b>43,517</b>	<b>44,064</b>	<b>-547</b>
<b>Net financial debt</b>	<b>602</b>	<b>-5,900</b>	<b>6,502</b>
<b>Net financial debt / EBITDA</b>	<b>0.41</b>	<b>2.63</b>	<b>-2.22</b>
<b>Net financial debt / Equity</b>	<b>0.02</b>	<b>-0.16</b>	<b>0.18</b>
<b>Equity / Total assets</b>	<b>85%</b>	<b>84%</b>	

*Net financial debt = long- and short- term financial debts - cash & cash equivalents*

### 3. Consolidated cash flow table

<i>in thousand euros</i> <i>(IFRS)</i>	31 Dec 2008	31 Dec 2007
<b>Cash flow from operating activities</b>		
Result before taxes	268	-4,721
<u>Adjustments for:</u>		
Depreciations, amortisations & impairment	1,643	2,365
Provisions	-345	314
Gains/losses on realisation PPE	-	-
Foreign exchange loss/gain	-	-
Derivatives	-	-
Warrants	-	-
<b>Subtotal</b>	<b>1,566</b>	<b>-2,041</b>
Movement trade & other receivables	-4,545	593
Movement inventories	-276	10
Movement trade & other payables	-1,546	-4,251
Movement other payables: earnout to be paid	-	2,250
Other movements	-	-
Cash generated from operations	-4,800	-3,440
Income taxes	11	-
<b>Net cash from operating activities</b>	<b>-4,789</b>	<b>-3,440</b>
<b>Cash flow from investing activities</b>		
Acquisitions	-1,713	-1,611
- non-current assets other than financial	-1,713	-1,611
- participations	-	-
- participations: earnouts not paid	-	-
Divestments	-	-
<b>Net cash from investing activities</b>	<b>-1,713</b>	<b>-1,611</b>
<b>Cash flow from financing activities</b>		
Net IPO proceeds	-	-36
New loans	1,068	-
Loan repayments	-3	-37
<b>Net cash flow from financing activities</b>	<b>1,065</b>	<b>-73</b>
<b>Net cash flow</b>	<b>-5,437</b>	<b>-5,123</b>
<b>Cash &amp; cash equivalents</b>		
Cash and cash equivalent at beginning of period	5,900	11,024
Cash and cash equivalent at end of period	463	5,900
<b>Net cash flow</b>	<b>-5,437</b>	<b>-5,123</b>

**4. Reconciliation of equity**

<i>in thousand euros</i>	Ordinary shares	Share premium account	Consolidated reserves	Result of the year	Shareholders' equity
<b>31 December 2007</b>	<b>35,325</b>	<b>960</b>	<b>5,280</b>	<b>-4,732</b>	<b>36,833</b>
Transfer	-	-	-4,732	4,732	-
Result of the year	-	-	-	279	279
<b>31 December 2008</b>	<b>35,325</b>	<b>960</b>	<b>548</b>	<b>279</b>	<b>37,112</b>