

Regulated information

Half-yearly report 2010

Punch Telematix – Sales increase and strong positive cash flow despite difficult economic conditions

Ypres, Belgium – 27 August 2010 8:00 AM – Punch Telematix nv ('Punch Telematix') has today announced its results for the first half of 2010.

Highlights

- Despite continuing difficult financial and economic conditions, sales in the first half of 2010 increased slightly (4%) compared with the same period last year.
- EBITDA and the net result for the first half of 2010 are – measured on a comparable basis to that for the same period last year, and disregarding exceptional items (see commentary below) – positive at EUR 1.0 million (an increase of 67%) and EUR 0.5 million (an increase of EUR 0.4 million) respectively. The net result recorded for the first half of 2010 is affected by two exceptional cost items and a change in the capitalisation policy, which have a combined negative impact on the net result of EUR 1.05 million. This should be taken into account when comparing the results.
- Cash flow for the first half of 2010 is positive (EUR 1.0 million), mainly thanks to efficient management of working capital, solid and streamlined operational activities and the elimination of the financial debt.
- Voluntary public takeover offer for Punch Telematix by Trimble Navigation Limited.

Consolidated key figures (IFRS)

	30-06-2010	30-06-2009	Difference %
<i>Amounts in million euros</i>			
Sales	8.2	7.9	+4
EBITDA⁽¹⁾	-0.2	0.6	
EBIT (operating result)	-0.6	0.0	
Financial result	0.1	0.1	
Result before taxes	-0.5	0.1	
Taxes	0.0	0.0	
Net result	-0.5	0.1	
Result per share – ordinary & diluted (in EUR per share)	-0.12	0.02	
Total equity	36.9	37.2	
Net financial debt ⁽²⁾ (negative = net cash position)	-1.8	0.7	

(1) 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) Net financial debt = long- and short- term financial debts - cash & cash equivalents.

Important events

Over the past half year, conditions have remained difficult for the transport sector due to the financial and economic crisis. There can scarcely be said to have been any structural improvement in financial and economic market conditions. Despite this, Punch Telematix has managed to gain new customers, both in Benelux and elsewhere. The numerous sales successes in France are particularly worthy of mention. Thanks to the present experienced and focused team and the many valuable partnerships with companies such as Solid, Punch Telematix has succeeded in building up a portfolio of high-quality, satisfied customers in France. Among other things, this is demonstrated by the securing of prestigious customers such as Portmann and Sarrazain.

During the first half of 2010, Punch Telematix also organised ITT events in conjunction with its ICT partners in the Netherlands and Belgium. These events attracted more than 100 transport companies and focused on sustainable enterprise with innovative ICT. Punch Telematix again presented its innovations and new products, including the brand-new and internally developed truck navigation system and the adapted driving style analysis application. Both innovations help keep down fuel and maintenance costs and contribute to greener, more sustainable logistics.

On 1 February 2010, Punch Telematix's headquarters were relocated to Ypres Business Park. Since then, Punch Telematix has been based in the Auris building, Ter Waarde 4, 8900 Ypres.

On 15 March 2010 Punch International announced the receipt of an indicative, non-binding proposal from Transics to make a voluntary public exchange offer under certain conditions to all shareholders of Punch Telematix. On 18 March 2010 the Boards of Punch International and Punch Telematix announced that they had rejected the proposal.

On 27 April 2010, Punch Telematix announced that Trimble Navigation Limited ('Trimble') had the intent of launching a voluntary conditional public takeover offer in cash on all outstanding shares in Punch Telematix. The offer price of EUR 3.15 in cash per share represented a premium of 14.8% on the average closing price for the three months prior to the offer. The memorandum of reply, compiled by the Board of Directors of Punch Telematix, was attached to the prospectus dated 1 June 2010 and published on the Punch Telematix website.

On 2 July 2010, Trimble announced that 89.22% of the total number of shares in Punch Telematix had been tendered to Trimble in connection with the voluntary conditional public takeover offer. Trimble waived the condition of a 95% acceptance level and went ahead with the offer. The offer price was raised to EUR 3.20, without affecting the binding tender commitment given by Punch International nv, on the basis of which the latter waived the right to an increased offer price. Investors who had tendered their shares by 25 June 2010 would immediately receive the increased offer price of EUR 3.20. This increased offer price was paid out on 7 July 2010. The acceptance period for the reopening of the offer ran from Wednesday 7 July 2010 to Friday 23 July 2010.

On 4 August 2010 Trimble announced that by 30 July 2010 it had acquired 93.26% of the total number of shares in Punch Telematix (see transparency

statement on the website of Punch Telematix). Investors who still held Punch Telematix shares at that point had from Monday 2 August 2010 until Friday 20 August 2010 to sell them to Trimble at the price of EUR 3.20 per share.

On 18 August 2010, the Board of Directors of Punch Telematix, following the resignation of Creafim bvba, whose permanent representative is Wim Deblauwe, decided to co-opt Andrew Yeoman as director in order to provisionally fill the vacancy. Andrew Yeoman has more than 25 years' international experience in commercial and management functions in the software industry. Since March 2007, as managing director, he has been responsible for the EMEA activities of Trimble MRM (Trimble Mobile Resource Management), formerly @Road, which was taken over by Trimble in March 2007.

On 25 August 2010 Trimble announced that, pursuant to its tender offer, it now holds 95.20% of the shares in Punch Telematix and will launch a follow-on buy-out to acquire the remaining minority interests. At the end of the buy-out, Trimble will hold 100% of the shares in the company. Further, Trimble will also apply with Euronext Brussels to delist the company's shares and take it private. It is expected that both processes will be completed by the end of September.

Discussion of the results

Sales

Sales in the first half of 2010 rose by 4% compared with the same period last year. This slight increase is a good result in view of the still difficult market conditions.

The vast majority of sales was, like last year, generated in the truck and transport segment. The slight drop in sales in Belgium and the Netherlands (7%) was more than offset by sales growth in other countries, especially France (137%).

Order book

At the end of June 2010 Punch Telematix had an order portfolio of signed contracts worth EUR 16.0 million (end of June 2009: EUR 15.1 million).

Other operating income

Other operating income over the first half of 2010 amounted to EUR 0.2 million, as it did in the same period last year. During this period, it mainly consisted of a subsidy received for the internally developed truck navigation system (EUR 0.03 million), income from the sale of real-time positioning data (EUR 0.08 million) and the retirement of a number of older items on the balance sheet.

EBITDA

EBITDA for the first six months of 2010 came to EUR -0.2 million; for the same period last year it was EUR 0.6 million. The main reasons for this drop are as follows:

- Despite the EUR 0.4 million increase in sales and other income, the contribution margin fell by EUR 0.2 million, mainly due to internal R&D spending no longer being capitalised (EUR 0.6 million for the first half of 2009).
- Due to the bankruptcy of some small customers, a number of contracts were written off (EUR 0.2 million). However, this non-recurring write-off was offset by a fall in air time costs due to tariff changes and the more efficient use of air time.
- Other operating costs rose by EUR 0.6 million, mainly due to
 - the payment to Inilex of a claim for EUR 0.4 million
 - a rise in fee costs.

Operating result (EBIT)

Punch Telematix recorded a negative operating result of EUR 0.6 million for the first half of 2010. The fall of EUR 0.7 million compared with the same period last year is mainly explained by the following factors:

- EBITDA fell by EUR 0.8 million.
- Depreciation of intangible non-current assets increased by EUR 0.1 million.
- In 2010, a write-back took place on a provision (EUR 0.15 million) in connection with the payment of the Inilex claim.

Finance income/cost

The financial result for the first half of 2010 amounted to EUR 0.1 million (H1-2009: EUR 0.1 million). The main elements of the financial result are exchange-rate results, interest received and paid and the financial income generated from the portfolio of signed bundle contracts.

Result before taxes

The result before taxes for the first six months of 2010 was EUR - 0.5 million (H1-2009: EUR 0.1 million).

Taxes

No taxes were reported during the first half of 2010.

Net consolidated result

The net result for the first half of 2010 was negative, amounting to EUR -0.5 million. The result per share was EUR -0.12.

Balance sheet and cash flow statement

Balance sheet

	30-06-2010	31-12-2009	Difference
<i>Amounts in million euros</i>			%
Non-current assets	31.0	31.7	-2
Current assets	8.2	9.7	-15
Cash and cash equivalents	1.8	0.8	125
Total assets	41.0	42.2	-3
Shareholders' equity	36.9	37.4	-1
Financial debts	0.0	0.2	-100
Other liabilities	4.1	4.6	-11
Total liabilities	41.0	42.2	-3
Solvency	90%	89%	1

Due to the negative net result, shareholders' equity fell by EUR 0.5 million to EUR 36.9 million. Solvency increased by 1% to 90%.

Cash flow statement

	30-06-2010	30-06-2009
<i>Amounts in million euros</i>		
Cash flow – result	-0.1	0.7
Cash flow – working capital	1.6	-0.1
Cash flow – investments	-0.3	-0.7
Cash flow – financing	-0.2	0.0
Net cash flow	1.0	-0.1

The changes in the working capital (EUR 1.6 million), result (EUR -0.1 million) and investments (EUR -0.3 million) and the almost complete repayment of the financial debts (EUR -0.2 million) during the first half of 2010 resulted in a positive net cash flow of EUR 1.0 million.

The decrease in trade receivables compared with the end of 2009 is explained by the fact that more deliveries were made and invoiced in the final weeks of 2009 than at the end of June 2010 and by better collection of outstanding trade receivables.

Punch Telematix also has an unused credit line of EUR 2 million, obtained from external financial partners.

Forecasts

Although Punch Telematix expects a slight improvement in the market, the future is not clear enough in the current economic climate for concrete long-term objectives to be formulated. Punch Telematix therefore does not wish to make any forecasts.

Financial calendar

Trading update third quarter 2010	12 November 2010
Publication of annual results 2010	25 February 2011
Annual Report 2010 available	29 April 2011
Trading update first quarter 2011	13 May 2011
Annual General Meeting	27 May 2011
Publication of half-year results 2011	26 August 2011

Purchase of treasury shares

Punch Telematix did not buy any treasury shares in the course of the first half of 2010.

Declaration regarding the information provided in this half-yearly report

We, the undersigned, declare that to the best of our knowledge

- the annual accounts, which have been drawn up in accordance with the applicable standards for financial statements, give a true and fair picture of the assets, financial position and results of Punch Telematix and the companies included in the scope of the consolidation;
- the half-yearly report offers a true and fair overview of the information that should be included in it.

Peter Op de Beeck bvba, represented by Peter Op de Beeck, Chairman of the Board of Directors

Andrew Yeoman, Director

Corci bvba, represented by Carmen Cordier, Director

Van Maercke Management Services bvba, represented by Michel Van Maercke, Director

vdb management bvba, represented by Michel Van den Broeck, Director

Appendices – also available on www.punchtelematix.com

1. Consolidated income statement (abridged)
2. Consolidated balance sheet (abridged)
3. Consolidated cash flow statement (abridged)
4. Reconciliation of equity (abridged)
5. Selected notes to the half-yearly report (abridged)

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, scalable architecture, they are simple to integrate, and can grow with the changing needs of your business. 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 Euronext Brussels (PTX).

For more information

Michel Van Maercke, CEO Punch Telematix – michel.vanmaercke@punchtelematix.com – Ter Waarde 4 – 8900 Ieper – Belgium - Tel.: +32 57 223 911 – Fax: +32 57 223 999 – www.punchtelematix.com

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 (abridged, unaudited)

<i>in thousand euros</i>	30 June 2010	30 June 2009	Difference
<i>(IFRS)</i>			
Sales	8,176	7,863	313
Other operating income	235	162	73
Total revenues	8,411	8,025	386
Change in inventories	-106	563	669
Cost of goods & services sold	-3,101	-3,165	-64
Salaries & employee benefits	-2,367	-2,365	2
Depreciation, amortisation & impairment	-624	-656	-32
Impairment losses on current assets	-93	10	103
Other operating charges	-2,739	-2,347	392
Total operating expenses	9,031	7,961	1,070
Operating result	-619	64	-683
Finance cost	68	38	30
Finance income	181	122	59
Result before taxes	-507	149	-656
Taxes	-	-	-
Net result	-507	149	-656
EBITDA ⁽¹⁾	-171	608	-779

(1) 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.

There are no unrealised results to be reported over the first six months of 2010.

There are no minority interests.

IAS 34.16 (i) and (j) are not applicable.

2. Consolidated balance sheet (abridged, unaudited)

<i>in thousand euros</i> <i>(IFRS)</i>	30 June 2010	31 Dec 2009	Difference
Non-current assets	30,964	31,673	-709
Intangible assets	22,978	23,431	-453
PPE: Property, Plant & Equipment	547	416	131
Receivables (non-current)	3,574	3,960	-386
Deferred tax assets	3,865	3,865	-
Current assets	10,075	10,529	-454
Inventories	658	824	-166
Contracts in progress	-	-	-
Trade debtors	7,303	8,572	-1,269
Other amounts receivable	279	288	-9
Deferred charges and accruals	16	75	-59
Cash and cash equivalents	1,820	770	1,050
Assets held for sale	-	-	-
Total assets	41,040	42,201	-1,161
Shareholders' equity	36,901	37,408	-507
Ordinary shares	35,325	35,325	-
Share Premium Account	960	960	-
Consolidated reserves	1,123	827	296
Result of the year	-507	296	-803
Minority interests	-	-	-
Total equity	36,901	37,408	-507
Non-current liabilities	491	769	-278
Interest bearing loans & borrowings	25	34	-9
Provisions	466	735	-269
Other liabilities	-	-	-
Current liabilities	3,648	4,025	-377
Trade payables	1,747	1,976	-229
Other current payables	1,571	1,489	82
Current tax liabilities	329	378	-49
Borrowings	-	182	-182
Total liabilities and equity	41,040	42,201	-1,161
Net financial debt	-1,794	-555	
Net financial debt / EBITDA	10.46	-0.40	
Net financial debt / Equity	-0.05	-0.01	
Equity / Total assets	90%	89%	

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

3. Consolidated cash flow statement (abridged, unaudited)

<i>in thousand euros</i> <i>(IFRS)</i>	30 June 2010	30 June 2009
Cash flow from operating activities		
Result before taxes	-507	149
<u>Adjustments for:</u>		
Depreciations, amortisations & impairment	718	646
Provisions	-270	-101
Subtotal	-59	694
Movement trade & other receivables	1,629	628
Movement inventories	166	-103
Movement trade & other payables	-195	-643
Cash generated from operations	1,541	576
Net cash from operating activities	1,541	576
Cash flow from investing activities		
Acquisitions	-318	-688
- Non-current assets other than financial	-318	-688
Sales	16	-
Net cash from investing activities	-302	-688
Cash flow from financing activities		
Loan repayments	-190	-14
Net cash flow from financing activities	-190	-14
Net cash flow	1,050	-126
Cash & cash equivalents		
Cash and cash equivalent at beginning of period	770	463
Cash and cash equivalent at end of period	1,820	338
Net cash flow	1,050	-126

4. Reconciliation of equity (abridged, unaudited)

<i>in thousand euros</i>	Ordinary shares	Share premium account	Consolidated reserves	Result of the year	Shareholders' equity
31 December 2008	35,325	960	548	279	37,112
Transfer			279	-279	-
Result of the year				149	149
30 June 2009	35,325	960	827	149	37,261
Transfer			279	-279	-
Result of the year				296	296
31 December 2009	35,325	960	827	296	37,408
Transfer			296	-296	-
Result of the year				-507	-507
30 June 2010	35,325	960	1,123	-507	36,901

5. Selected notes to the half-yearly report

5.1 Principles of interim financial reporting

The interim summary financial report was drawn up in accordance with International Accounting Standard IAS 34 Interim Financial Reporting, as accepted by the European Union.

The interim financial statements were approved by the members of the Board of Directors on 18 August 2010.

The interim financial statements were not audited. However, the auditor discussed them with the management of Punch Telematix. An analytical check was conducted by the auditor, together with the management of Punch Telematix.

5.2 Accounting principles

For the compilation of the interim financial report, the same IFRS principles were applied for recognition and measurement as for the consolidated annual accounts for the year ended 31 December 2009, except where new IFRS and improved IAS standards have entered into force since 1 January 2010, as described below, and except for new internal development costs, which have ceased to be capitalised from 2010 onwards.

IFRS 3 - Business combinations (revised) and IAS 27 – Consolidated and separate financial statements (amended). IFRS 3 (revised) and IAS 27 (amended) are applicable to business combinations where the acquisition date falls on or after the beginning of the first annual period to start on or after 1 July 2009. IFRS 3 (revised) introduces substantial changes to the administrative treatment of business combinations which take place after this date. The changes affect the valuation of a minority interest, the administrative treatment of transaction costs, the initial recognition and subsequent valuation of a contingent consideration and business combinations which are carried out in phases. These changes will have an impact on the amount of goodwill that is recognised, the reported results in the period in which an acquisition takes place and future reported results.

IAS 27 (amended) requires changes in the ownership interest of a subsidiary (without loss of control) to be accounted for as equity transactions. In consequence, such transactions will no longer give rise to goodwill, nor to a profit or loss.

The introduction of the following new or amended standards and interpretations with effect from 1 January 2010 had no effect on the principles of the group's financial reporting, financial position and performance:

- IFRS 1: First application
- IFRS 2: Share-based payments – Group cash-settled share-based payment transactions
- IAS 39: Financial instruments: recognition and measurement – Eligible hedged items
- IFRIC 12: Service concession arrangements
- IFRIC 15: Agreements for the construction of real estate
- IFRIC 16: Hedges of a net investment in a foreign operation
- IFRIC 17: Distributions of non-cash assets to owners

5.3 Segment information

In accordance with IFRS 8 Operating segments, the management approach for financial reporting of segment information has been applied. This standard states that the segment information to be reported should be reconciled with the internal reports used by the main operational decision-making officers, on the basis of which the internal performance of Punch Telematix's operational segments are assessed and funds are allocated to the different segments.

Punch Telematix targets large and small businesses in the truck and transport market. Many transport companies have a mixed vehicle fleet. Smaller vehicles and those that are less frequently used are usually fitted with the basic CarBox solution, and the rest of the fleet with the advanced CarCube onboard computer solution, supplemented with the CarCube Express if required. Providing segmentation data by activity or product would not add any value to the information provided, since the CarCube and CarBox solutions usually together form the total solution for a transport company. CarBox and CarCube(Express) thus complement one another and cannot be treated separately.

5.4 Risks and uncertainties for the next six months of the financial year

The main risk relates to the collection of trade receivables, in view of the financial and economic crisis. Smaller transport companies in particular are experiencing difficulties. This risk is being addressed by Punch Telematix by means of an efficient dunning procedure and regular customer visits.

5.5 Transactions with related parties

Punch International nv

During the first half of 2010 Punch Telematix paid management fees to Punch International (EUR 0.1 million).

Point IT

During the first half of 2010 Punch Telematix paid EUR 0.1 million for internal IT support.

SpaceChecker

Punch Telematix charged SpaceChecker EUR 0.02 million for R&D support provided by a Punch Telematix employee.

Statutory auditor

In the first six months of 2010, BDO Bedrijfsrevisoren was paid a total of EUR 0.02 million to audit the statutory and consolidated accounts and reports of Punch Telematix.

Directors

The independent directors receive a remuneration of EUR 1,500 per meeting of the Board, apart from the chairman of the Board of Directors who receives an annual remuneration of EUR 20,000. For the executive director (VMMS bvba, represented by Michel Van Maercke) and for Creafim bvba, represented Wim Deblauwe, no additional remuneration is allocated for the directorship. No shares or options were allocated to the executive and independent directors.

Executive Management

The remuneration of the executive management (Nabusaur nv, represented by Frédéric Boes, VMMS bvba, represented by Michel Van Maercke and Carsten Holtrup) was EUR 0.30 million for the first half of 2010. In the same period no shares or options were allocated to the executive management.

5.6 Changes in the group

There were no changes to the scope of consolidation since 31 December 2009.

5.7 Investments

Investment spending for the first half of 2010 was EUR 0.3 million, compared with EUR 0.7 million for the same period in 2009. From 2010 onwards, internal development costs have ceased to be capitalised.

5.8 Extraordinary items

The income statement for the first half of the year includes approximately EUR 0.5 million of one-off costs. These costs mainly relate to the payment of the claim to Inilex and the write-off of bundles as a result of the bankruptcies of a number of small customers.

5.9 Dividends

In accordance with the decision of the annual general meeting, no dividends have been paid.

5.10 Significant post-balance-sheet events

On 2 July 2010, Trimble announced that 89.22% of the total number of shares in Punch Telematix had been tendered to Trimble in connection with the voluntary conditional public takeover offer. Trimble waived the condition of a 95% acceptance level and went ahead with the offer. The offer price was raised to EUR 3.20, without affecting the binding tender commitment given by Punch International nv, on the basis of which the latter waived the right to an increased offer price. Investors who had tendered their shares by 25 June 2010 would immediately receive the increased offer price of EUR 3.20. This increased offer price was paid out on 7 July 2010. The acceptance period for the reopening of the offer ran from Wednesday 7 July 2010 to Friday 23 July 2010.

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5.11 Seasonal character of operational activities

The group has no activities which have a significant seasonal impact on the operating results.