

Regulated information

Punch Telematix holds steady in difficult market

Wervik, Belgium – 28 August 2009 8:00 AM – Punch Telematix nv ('Punch Telematix') has today announced its results for the first half of 2009. Due to the global recession, which has hit the transport sector particularly hard, sales in the first half of 2009 fell compared with the same period last year. However, the fall was confined to 10%. Moreover, Punch Telematix has succeeded in maintaining its cash flow at break-even point despite the difficult market conditions. A new external credit line of EUR 1 million has also been obtained – proof of confidence in the company.

Consolidated key figures (IFRS)

	30-06-2009	30-06-2008	Diff.
<i>Amounts in million euros</i>			<i>%</i>
Sales	7.9	8.8	-10
EBITDA¹	0.6	1.3	
EBIT (operating result)	0.0	0.0	
Financial result	0.1	0.1	
Result before taxes	0.1	0.1	
Taxes	0.0	0.0	
Net result	0.1	0.1	
Result per share – ordinary & diluted (in EUR per share)	0.02	0.02	
Total equity	37.2	36.9	
Net financial debt ² (negative = net cash position)	0.7	-1.3	

Important events

Over the past half year, the transport sector has been severely affected by the global recession. Although the market remains difficult, it is not deteriorating. Despite the economic malaise, Punch Telematix has succeeded in gaining new customers, both in Benelux and elsewhere. The addition of Miratrans (130 vehicles) to its clientele marks its entry into the Polish market.

After the success of the first ITT event in 2008, Punch Telematix organised a follow-up event in conjunction with its ICT partners. More than 100 carriers attended the event, which was held at Houten in the Netherlands on 28 May and at Groot-Bijgaarden in Belgium on 4 June. In the light of economic developments, its foremost theme, even more than last year, was that of sustainable efficiency improvements and cost-savings through a streamlined ICT infrastructure with a transport management solution as an integral component. Punch Telematix again

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.

presented its innovations and new products, including the driving style analysis application which helps keep down fuel and maintenance costs.

Discussion of the results

Sales

As a consequence of the financial and economic crisis, sales in the first half of 2009 fell compared with the same period last year. However, the drop was confined to 10%.

The vast majority of sales was, like last year, generated in the truck and transport segment. The drop in sales in Belgium and the Netherlands was partly offset by sales growth in other countries, especially Germany, France and Poland.

Order book

At the end of June 2009, Punch Telematix had an order portfolio of signed contracts worth EUR 15.1 million (end of June 2008: EUR 13.2 million).

Other operating income

Other operating income over the first half of 2009 amounted to EUR 0.2 million, down on the same period last year (EUR 0.5 million). In 2008, other operating income was still reflecting the positive impact of a judicial decision in favour of Punch Telematix.

EBITDA

EBITDA for the first six months of 2009 came to EUR 0.6 million; for the same period last year it was EUR 1.3 million. The main reasons for this drop are as follows:

- the EUR 0.9 million fall in sales
- the EUR 0.4 million decrease in the contribution margin, mainly due to the fall in sales. In percentage terms, the contribution margin rose, thanks to optimisation of variable costs (H1-2009: 59%, H1-2008: 58%).
- the EUR 0.3 million drop in other operating income

Operating result (EBIT)

Punch Telematix recorded a break-even operating result for the first half of 2009, as it did for the same period last year:

- EBITDA is positive at EUR 0.6 million.
- Depreciation of intangible non-current assets increased by EUR 0.1 million.
- Impairments of current assets were no longer present in 2009. In the first half of 2008 this item was EUR 0.7 million, mainly due to the devaluation of inventory (old ICS products) and debtors (ICS and Alturion).
- In 2009, a write-back took place on a provision (EUR 0.1 million); the amount was recorded under fixed costs.

Finance income/cost

The financial result for the first half of 2009 amounted to EUR 0.1 million (H1-2008: EUR 0.1 million). The main elements of the financial result are exchange-rate results and interest received and paid.

Result before taxes

The result before taxes for the first six months of 2009 was EUR 0.1 million (H1-2008: EUR 0.1 million).

Taxes

No taxes were reported during the first half of 2009.

Net consolidated result

The net result for the first half of 2009 was positive, amounting to EUR 0.1 million, the same as for the first half of last year. The result per share thus remained the same at EUR 0.02.

Balance sheet and cash flow statement

Balance sheet

	30-06-2009	31-12-2008	Diff. %
<i>Amounts in million euros</i>			
Non-current assets	32.9	33.2	-1
Current assets	9.6	9.8	-2
Cash and cash equivalents	0.4	0.5	-20
Total assets	42.9	43.5	-1
Shareholders' equity	37.2	37.1	-
Financial debts	1.0	1.0	-
Other liabilities	4.7	5.4	-13
Total liabilities	42.9	43.5	-1
Solvency	87%	85%	

Due to the positive net result, shareholders' equity rose slightly to EUR 37.2 million, an increase of EUR 0.1 million. Solvency increased by 2% to 87%.

Cash flow statement

	30-06-2009	30-06-2008
<i>Amounts in million euros</i>		
Cash flow – result	0.7	1.4
Cash flow – working capital	-0.1	-5.2
Cash flow – investments	-0.7	-0.8
Cash flow – financing	0.0	0.0
Net cash flow	-0.1	-4.6

The changes in the working capital (EUR -0.1 million), result (EUR 0.7 million) and investments (EUR -0.7 million) recorded during the first half of 2009 resulted in a net cash flow around the break-even point.

The negative operational cash flow during 2008 was transformed in 2009 to a positive operational cash flow of EUR 0.6 million, mainly thanks to efficient cost management and the continuing shift in the ratio of CarCube solutions financed by Punch Telematix to CarCube solutions financed by external parties.

Punch Telematix also obtained an extra credit line of EUR 1 million from a financial partner. This has not yet been taken up. There is also an agreement regarding the continued availability of the credit facility of EUR 1 million which existed in 2008.

Change of management and expansion of management team

With effect from 1 October 2009, Wim Maes will be replaced as CEO of Punch Telematix by Michel Van Maercke, currently the CFO and COO of the company. Wim Maes will become CEO of Punch Graphix. They will start preparing for their new roles in September.

Peter Op de Beeck, chairman of the Board of Directors: “We would like to thank Wim Maes for the valuable contribution he has made to the growth and success of our company. Together with Michel Van Maercke he has achieved a successful turnaround and put the company on a sound basis. As Wim’s right-hand man, Michel has a thorough knowledge of the company and the sector. That makes him the right man to ensure continuity for our customers, suppliers and other stakeholders. We wish Wim and Michel every success in their new positions.”

Carsten Holtrup, currently Country Manager Punch Telematix Germany, has also been appointed as VP Sales and Product Management. Carsten Holtrup (°1970) studied economics (BA, specialising in sales & marketing) at the Warendorf Business School in Germany, and has over ten years’ experience in various commercial functions in the transport sector (LIS AG, Qualcomm, Punch Telematix).

Wim Maes, CEO: “We are delighted that Carsten is joining the team. As well as extensive sales experience, he also has expertise in the field of business and product strategy, and is of course familiar with our products and services. Carsten is the perfect person to help ensure the further growth and development of our business.”

Forecasts

Although Punch Telematix does not expect the market to deteriorate, 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 2009	13 November 2009
Publication of full-year results 2009	26 February 2010
Annual Report 2009 available	30 April 2010
Trading update first quarter 2010	14 May 2010
Annual General Meeting	28 May 2010
Publication of half-year results 2010	27 August 2010

Purchase of treasury shares

Punch Telematix did not buy any treasury shares in the course of the first half of 2009.

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

Corci bvba,
represented by Carmen Cordier, Director

Creafim bvba,
represented by Wim Deblauwe, Director

Fram bvba,
represented by Wim Maes, Director

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

Appendices – also available on www.punchtelematix.com

1. Consolidated income statement
2. Consolidated balance sheet
3. Consolidated cash flow statement
4. Reconciliation of equity
5. Selected information in the half-yearly report

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 (unaudited)

<i>in thousand euros</i> <i>(IFRS)</i>	30 June 2009	30 June 2008	Diff.
Sales	7,863	8,750	-887
Other operating income	162	521	-360
Total revenues	8,025	9,272	-1,247
Change in inventories	563	1,017	-454
Cost of goods & services sold	-3,165	-4,091	926
Salaries & employee benefits	-2,365	-2,177	-189
Depreciation, amortisation & impairment	-656	-569	-87
Impairment losses on current assets	10	-739	749
Other operating charges	-2,347	-2,722	375
Total operating expenses	7,961	9,281	-1,320
Operating result	64	-9	73
Finance income / cost	85	81	4
Result before taxes	149	72	77
Taxes	-	-	-
Net result	149	72	77
EBITDA	608	1,320	-711

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 (unaudited)

<i>in thousand euros</i> <i>(IFRS)</i>	30 June 2009	31 Dec 2008	Diff.
Non-current assets	32,940	33,218	-279
Intangible assets	23,344	23,231	113
PPE: Property, Plant & Equipment	461	542	-81
Receivables (non-current)	5,269	5,580	-311
Deferred tax assets	3,865	3,865	-
Current assets	9,968	10,298	-330
Inventories	1,328	1,225	103
Contracts in progress	-	-	-
Trade debtors	7,289	7,220	70
Other amounts receivable	920	1,290	-370
Deferred charges and accruals	94	101	-7
Cash and cash equivalents	338	463	-126
Assets held for sale	-	-	-
Total assets	42,908	43,517	-609
Shareholders' equity	37,261	37,112	149
Ordinary shares	35,325	35,325	-
Share Premium Account	960	960	-
Consolidated reserves	827	548	279
Result of the year	149	279	-130
Minority interests	-	-	-
Total equity	37,261	37,112	149
Non-current liabilities	672	773	-101
Interest bearing loans & borrowings	44	44	-
Provisions	628	730	-101
Other liabilities	-	-	-
Current liabilities	4,975	5,632	-657
Trade payables	2,519	2,853	-334
Other current payables	1,178	1,413	-235
Current tax liabilities	270	345	-74
Borrowings	1,008	1,022	-13
Total liabilities and equity	42,908	43,517	-609
Net financial debt	714	602	112
Net financial debt / EBITDA	1.17	0.41	0.77
Net financial debt / Equity	0.02	0.02	-
Equity / Total assets	87%	85%	

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

3. Consolidated cash flow table (unaudited)

<i>in thousand euros</i>	30 June 2009	30 June 2008
<i>(IFRS)</i>		
Cash flow from operating activities		
Result before taxes	149	72
<u>Adjustments for:</u>		
Depreciations, amortisations & impairment	646	1,308
Provisions	-101	21
Gains/losses on realisation MVA	-	-
Foreign exchange loss/gain	-	-
Derivatives	-	-
Warrants	-	-
Subtotal	694	1,401
Movement trade & other receivables	628	-2,829
Movement inventories	-103	-319
Movement trade & other payables	-643	-1,617
Movement Other payables: earnout not paid	-	-
Increase in provisions	-	-378
Cash generated from operations	576	-3,742
Income taxes	-	-
Net cash from operating activities	576	-3,742
Cash flow from investing activities		
Acquisitions	-688	-817
- non-current assets other than financial	-688	-817
- participations	-	-
- participations: earnouts not paid	-	-
Sales	-	-
Net cash from investing activities	-688	-817
Cash flow from financing activities		
Net IPO proceeds	-	-
New loans	-	-
Loan repayments	-14	-
Financing from Punch International	-	-
Treasury shares	-	-
Dividends	-	-
Net cash flow from financing activities	-14	-
Net cash flow	-126	-4,559
Cash & cash equivalents		
Cash and cash equivalent at beginning of period	463	5,900
Cash and cash equivalent at end of period	338	1,341
Net cash flow	-126	-4,559

4. Reconciliation of equity (unaudited)

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

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. This interim financial report also satisfies the requirements set by the CBFA and Euronext.

The interim financial statements were approved by the members of the Board of Directors on 26 August 2009.

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 2008, except where new IFRS and improved IAS standards have entered into force since 1 January 2009, as described below.

IAS 1 Presentation of financial statements (applicable to financial years from 1 January 2009 onwards).

This standard replaces IAS 1 Presentation of financial statements (revised in 2003 and adapted in 2005). The application of this revised standard has led to a number of changes in the presentation of the accounts and the notes, but has no effect on the group's results or financial position.

IFRS 8 Operating segments (applicable to financial years from 1 January 2009 onwards).

This standard replaces IAS 14 Segment reporting. The application of this standard has no effect on the group's results or financial position.

Improvements to IFRS (2008) (applicable to financial years from 1 January 2009 onwards).

These include numerous improvements to various standards. These changes have no material impact on the group's principles for financial reporting and calculation methods.

Adaptation to IAS 23 Borrowing costs (applicable to financial years from 1 January 2009 onwards).

This standard states that borrowing costs directly attributable to the acquisition, construction or production of an asset that is only ready for its intended use or for sale after a considerable period of time constitute a component of the cost price of that asset. The application of this standard has no effect on the group's results or financial position. The group has not opted for the early application of any standards or interpretations which have been issued but are not yet applicable.

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 Changes in the group

There were no changes to the scope of consolidation since 31-12-2008.

5.5 Investments

Investment spending for the first half of 2009 was EUR 0.7 million, compared with EUR 0.8 million for the same period in 2008. The investments in intangible non-current assets consist almost exclusively of capitalised development costs, as they did last year.

5.6 Extraordinary items

The income statement for the first half of the year includes approximately EUR 0.2 million of one-off items. These costs mainly relate to the impairment of inventory and amounts receivable.

5.7 Dividends

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

5.8 Significant post-balance-sheet events

No events necessitating the adjustment of the annual accounts took place between the balance-sheet date and the date on which the interim abbreviated consolidated reports were approved for publication.

With effect from 1 October 2009, Wim Maes will be replaced as CEO of Punch Telematix by Michel Van Maercke, currently the CFO and COO of the company. Wim Maes will become CEO of Punch Graphix. They will start preparing for their new roles in September.

5.9 Seasonal character of operational activities

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