

## Punch Telematix grows on core business

### Restructuring and repositioning put pressure on net results

Wervik, Belgium – 29 February 2008 – Punch Telematix has come through a difficult year. The disappointing sales results from the French division and from Alturion, together with the restructuring costs, put the results under pressure. The group has decided to henceforth focus on the high-end truck & transport segment. In Belgium and the Netherlands, sales efforts were successfully concentrated on that segment. In Germany, initial contracts were concluded with a number of large transport companies.

### Consolidated key figures (IFRS)

	31/12/2007	31/12/2006	Difference %
<i>Amounts in € million</i>			
<b>Sales</b>	<b>14.4</b>	<b>18.8</b>	<b>-23</b>
<b>EBITDA<sup>1</sup></b>	<b>-2.2</b>	<b>0.2</b>	
EBIT (operating result)	-4.9	0.7	
Financial result	0.2	-0.6	
Profit before taxes	-4.7	0.1	
Taxes	0.0	0.2	
<b>Net result</b>	<b>-4.7</b>	<b>0.3</b>	
Result per share – ordinary	-1.1	0.08	
Equity capital	36.9	41.6	
Net financial debt <sup>2</sup> (negative = net cash position)	-5.9	-11.0	

### Important events

1. Punch Telematix has chosen a targeted strategy.

Its main features are:

- Focus on the high-end truck & transport market, which is less susceptible to price erosion.
- Punch Telematix aspires to a leading position in the European telematics sector by enlarging its market share in countries in which it is currently active and by means of geographic expansion (possibly through takeovers).
- The standardisation of the product portfolio will contribute to better control of operating costs.
- The offering of bundled solutions (onboard computer or tracking system, communication via GPRS, back office applications and hosting) for a fixed monthly rate and with guaranteed technical support will generate recurrent income that constitutes a healthy basis for further growth.

<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.

- Vertical growth in the truck & transport market is the basis for growth over the longer term.
- From now on, the market for fleet & assets will be approached through indirect sales channels.

2. The implemented restructuring measures had a negative impact on the net results in the second half of 2007, amounting to a € 2 million decrease.

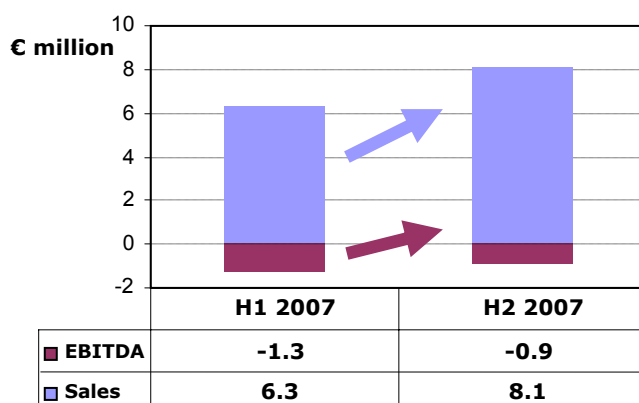
## Review of the results

### Sales and other operating income

Punch Telematix saw sales decrease by 23% over 2007 in comparison with 2006. On a comparable basis, taking into account the paging activities divested last year, sales fell by 16%:

- The market for navigation software is still characterised by strongly increased competition in combination with price erosion. As a consequence, the navigation software from Alturion was further developed primarily for professional applications.
- In France, sales decreased by 38%. The sales efforts in this market will also henceforth be focused on the high-end truck & transport segment. France achieved the first sales successes in this segment of the market in the second half of 2007.
- Germany had initial sales successes and built up a large sales pipeline as well.

**Evolution of Sales and EBITDA H1 2007 - H2 2007**



In comparison with the first six months of 2007, sales rose by 28% and EBITDA improved by 31%. The upturn indicates that the strategic repositioning and the completed restructuring had an immediately positive influence on EBITDA in the second half of 2007.

### Order portfolio

At the end of December 2007, Punch Telematix had an order portfolio of signed contracts in the amount of € 10.3 million (end of June 2007: € 7.3 million).

### **Other operating income**

Other operating income declined from € 1.1 million in 2006 to € 0.6 million in 2007.

### **EBITDA**

EBITDA fell from € 0.2 million in 2006 to € -2.2 million in 2007. The most prominent reasons for this decline were:

- Decrease in sales: € -3 million
- France yielded a negative EBITDA of € -2.1 million
- One-off expense for the replacement of hardware: € -0.8 million
- Alturion and the final settlement of a number of old ICS cases put pressure on EBITDA: together totalling € -0.1 million

However, a positive factor was the structural reduction of fixed costs by € 1.4 million (12%).

### **Operating result (EBIT)**

The operating result in 2007 amounted to € -4.9 million (2006: € 0.7 million). The most prominent reasons for the decline were:

- Restructuring provisions in 2007: € 2 million
- Decrease in depreciation by € 0.2 million

### **Financial result**

The financial result in 2007 amounted to € 0.2 million (2006: € -0.6 million). Since the stock market flotation in December 2006, the group has had a net cash position rather than financial debts, as a result of which interest is now being received instead of being paid.

### **Result before tax**

The result before tax for 2007 amounted to € -4.7 million (2006: € 0.1 million).

### **Taxes**

No taxes were reported for 2007.

### **Net consolidated result**

The net result for 2007 amounted to € -4.7 million compared to € 0.3 million in 2006. Result per share fell from € 0.08 to € -1.10.

## Balance sheet and cash flow analysis

	31/12/2007	31/12/2006	Difference
<i>Amounts in € million</i>			%
Non-current assets	30.9	30.2	2
Current assets	7.3	11.6	-37
Cash and cash equivalents	5.9	11.0	-46
<b>Total assets</b>	<b>44.1</b>	<b>52.8</b>	<b>-16</b>
Shareholders' equity	36.9	41.6	-11
Financial debts	0.0	0.0	0
Other liabilities	7.2	11.2	-36
<b>Total liabilities</b>	<b>44.1</b>	<b>52.8</b>	<b>-16</b>
Solvency	84%	79%	
Cash flow – result	-2.0	-0.4	
Cash flow – working capital	-1.4	-2.5	
Cash flow – investments	-1.6	-3.3	
Cash flow – financing	-0.1	16.8	
<b>Net cash flow</b>	<b>-5.1</b>	<b>10.5</b>	

As a result of the negative net result, equity capital decreased by € 4.7 million to € 36.9 million.

The net cash position fell by € 5.1 million, a decrease that is primarily attributable to the negative operational cash flow of € -2.0 million, changes in operating capital (€ -1.4 million) and investments made during the financial year (€ -1.6 million).

## 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 2007 condensed consolidated income statement, balance sheet, or statement of cashflows and Group Shareholders' equity included in this press release."

## Prospects

The positive changes in EBITDA and sales for the second half as compared to the first half of 2007 indicate that the repositioning of Punch Telematix and the implemented restructuring has favourably influenced results. The group expects to be profitable in 2008.

**Financial calendar**

29 February 2008: publication of annual results for 2007  
14 May 2008: Annual report available (digitally)  
30 May 2008: General Meeting 2008  
29 August 2008: Publication of interim results for 2008  
27 February 2009: publication of annual results for 2008

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

1. Consolidated income statement
2. Consolidated balance sheet
3. Consolidated cash flow statement
4. Reconciliation of equity
5. Segment information – Income statement
6. Segment information – Balance sheet

**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. 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).

**More information**

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**1. Consolidated income statement**

<i>Amounts in € thousand</i>	<b>31 December 2007</b>	<b>31 December 2006</b>
<i>(IFRS)</i>		
Sales	14,392	18,750
Other operating income	605	1,069
<b>Total revenues</b>	<b>14,997</b>	<b>19,819</b>
Change in inventories	1,301	336
Cost of goods & services sold	-7,895	-7,827
Salaries & employee benefits	-4,579	-5,256
Depreciation, amortisation & impairment	-932	-1,134
Impairment losses on current assets	-1,433	309
Other operating charges	-6,383	-5,562
<b>Total operating expenses</b>	<b>19,921</b>	<b>19,135</b>
<b>Operating result</b>	<b>-4,924</b>	<b>684</b>
Finance income / (cost)	203	-611
<b>Result before tax</b>	<b>-4,721</b>	<b>73</b>
Taxes	-11	262
<b>Net result</b>	<b>-4,732</b>	<b>335</b>
Net result - Equity interest	-4,732	335
Net result - Minority interest	0	0
<b>EBITDA (°)</b>	<b>-2,244</b>	<b>248</b>
<b>Weighted average number of shares (*)</b>	<b>4,282,901</b>	<b>4,282,901</b>
<b>Earnings per share - basic &amp; diluted (*)</b>	<b>-1.10</b>	<b>0.08</b>
<b>(*) taking into account the 4:1 reverse stock split</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>Amounts in € thousand (IFRS)</i>	31 December 2007	31 December 2006
<b>Non-current assets</b>	<b>30,945</b>	<b>30,225</b>
Intangible assets	22,858	24,584
PPE: Property, Plant & Equipment	351	219
Receivables (non-current)	3,870	1,556
Deferred tax assets	3,865	3,865
<b>Current assets</b>	<b>13,119</b>	<b>22,592</b>
Inventories	1,083	1,093
Contracts in progress	0	0
Trade debtors	5,530	7,932
Other amounts receivable	375	1,870
Deferred charges and accruals	231	673
Cash and cash equivalents	5,900	11,024
<b>Assets held for sale</b>	<b>0</b>	<b>0</b>
<b>Total assets</b>	<b>44,064</b>	<b>52,817</b>
<b>Shareholders' equity</b>	<b>36,833</b>	<b>41,602</b>
Ordinary shares	35,325	35,325
Share premium account	960	960
Consolidated reserves	5,280	4,982
Result of the year	-4,732	335
<b>Minority interests</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>36,833</b>	<b>41,602</b>
<b>Non-current liabilities</b>	<b>1,075</b>	<b>532</b>
Interest bearing loans & borrowings (non-current)	0	0
Provisions - non-current	1,075	532
Other liabilities	0	0
<b>Current liabilities</b>	<b>6,156</b>	<b>10,684</b>
Trade payables	2,931	4,030
Other current payables	2,905	5,812
Current tax liabilities	320	804
Borrowings	0	37
<b>Total liabilities and equity</b>	<b>44,064</b>	<b>52,817</b>
<b>Net financial debt (*)</b>	<b>-5,900</b>	<b>-10,987</b>
<b>Total equity / Total assets</b>	<b>84%</b>	<b>79%</b>

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

### 3. Consolidated cash flow statement

<i>Amounts in € thousand</i>	<b>31 December 2007</b>	<b>31 December 2006</b>
<i>(IFRS)</i>		
<b>Cash flow from operating activities</b>		
Result before tax	-4,721	73
<u>Adjustments for:</u>		
Depreciations, amortisations & impairment	2,365	825
Provisions	314	-1,261
Gains/losses on realisation PPE	0	0
Foreign exchange loss/gain	0	0
Derivatives	0	-38
Warrants	0	0
<b>Subtotal</b>	<b>-2,041</b>	<b>-400</b>
Movement trade & other receivables	593	-6,738
Movement inventories	10	1,403
Movement trade & other payables	-4,251	8,903
Movement other payables: earn-out to be paid	2,250	-4,500
Other movements (related to acquisition of new participations)	0	-1,605
Cash generated from operations	-3,440	-2,938
Income taxes	0	0
<b>Net cash flow from operating activities</b>	<b>-3,440</b>	<b>-2,938</b>
<b>Investment flow</b>		
Acquisitions	-1,611	-7,088
- Non-current assets other than financial	-1,611	-1,718
- Participations	0	-9,870
- Participations: earn outs not yet paid	0	4,500
Sales	0	3,746
<b>Net cash flow from investing activities</b>	<b>-1,611</b>	<b>-3,342</b>
<b>Cash flow from financing activities</b>		
Net proceeds IPO	-36	19,981
Loan repayments	-37	-3,206
<b>Net cash flow from financing activities</b>	<b>-73</b>	<b>16,775</b>
<b>Net cash flow</b>	<b>-5,123</b>	<b>10,495</b>
<b>Cash &amp; cash equivalents</b>		
Cash and cash equivalent at beginning of period	11,024	528
Cash and cash equivalent at end of period	5,900	11,024
<b>Net cash flow</b>	<b>-5,123</b>	<b>10,496</b>

#### 4. Reconciliation of equity

<i>Amounts in € thousand</i>	Ordinary shares	Share premium account	Consolidated reserves	Result of the Year	Shareholders' equity
<b>31 December 2005</b>	<b>8,123</b>	<b>0</b>	<b>1,885</b>	<b>-6,619</b>	<b>3,388</b>
Transfer			-6,619	6,619	
Result of the year				335	335
Capital increase Punch International	17,898				17,898
Capital decrease	-11,020		11,020		
Capital increase IPO	20,325	960			21,285
IPO costs through equity			-1,304		-1,304
<b>31 December 2006</b>	<b>35,325</b>	<b>960</b>	<b>4,982</b>	<b>335</b>	<b>41,602</b>
Transfer			335	-335	
Result of the year				-4,732	-4,732
Capital increase Punch International					
Capital decrease					
Capital increase IPO					
IPO costs through equity			-37		-37
<b>31 December 2007</b>	<b>35,325</b>	<b>960</b>	<b>5,280</b>	<b>-4,732</b>	<b>36,833</b>

**5. Segment information – Income statement**

<i>Amounts in € thousand (IFRS)</i>	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	
	2007	2006	2007	2006	2007	2006	2007	
	Consolidated		Belgium		Netherlands		Other	
Sales	14,392	18,750	5,099	10,308	7,869	6,580	1,424	1,863
Other operating income	605	1,069	5,833	2,784	-4,437	-1,032	-790	-683
-- Other operating income	605	1,069	260	840	249	206	95	22
-- Intercompany transactions	0	0	5,572	1,943	-4,687	-1,238	-886	-705
<b>Total revenues</b>	<b>14,997</b>	<b>19,819</b>	<b>10,932</b>	<b>13,092</b>	<b>3,432</b>	<b>5,548</b>	<b>633</b>	<b>1,179</b>
Change in inventories	1,301	336	1,452	1,092	0	-826	-151	69
Cost of goods & services sold	-7,895	-7,827	-6,180	-6,566	-1,132	-447	-583	-814
Salaries & employee benefits	-4,579	-5,256	-2,348	-2,047	-1,276	-1,526	-955	-1,683
Depreciation, amortisation & impairment	-932	-1,134	-883	-1,059	-17	-31	-33	-44
Impairment losses on current assets	-1,433	309	-1,187	378	-203	-69	-44	0
Other operating charges	-6,383	-5,562	-4,089	-4,470	-900	144	-1,394	-1,236
<b>Total operating expenses</b>	<b>19,921</b>	<b>19,135</b>	<b>13,234</b>	<b>12,672</b>	<b>3,528</b>	<b>2,755</b>	<b>3,159</b>	<b>3,708</b>
<b>Operating result</b>	<b>-4,924</b>	<b>684</b>	<b>-2,302</b>	<b>420</b>	<b>-96</b>	<b>2,793</b>	<b>-2,526</b>	<b>-2,528</b>
Finance income / (cost)	203	-611	217	-556	-1	-13	-13	-42
<b>Result before tax</b>	<b>-4,721</b>	<b>73</b>	<b>-2,085</b>	<b>-136</b>	<b>-97</b>	<b>2,780</b>	<b>-2,539</b>	<b>-2,570</b>
Taxes	-11	262	-11	262	0	0	0	0
<b>Net result</b>	<b>-4,732</b>	<b>335</b>	<b>-2,096</b>	<b>126</b>	<b>-97</b>	<b>2,780</b>	<b>-2,539</b>	<b>-2,570</b>
Net result - Equity interest	-4,732	335	-2,096	126	-97	2,780	-2,539	-2,570
Net result - Minority interest	0	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>-2,244</b>	<b>248</b>	<b>-233</b>	<b>1,101</b>	<b>124</b>	<b>1,393</b>	<b>-2,136</b>	<b>-2,245</b>

**6. Segment information – Balance sheet**

<i>Amounts in € thousand (IFRS)</i>	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
	Consolidated		Belgium		Netherlands		Other	
<b>Non-current assets</b>	<b>30,945</b>	<b>30,225</b>	<b>19,766</b>	<b>20,775</b>	<b>8,548</b>	<b>7,189</b>	<b>2,632</b>	<b>2,262</b>
Intangible assets	22,858	24,584	14,218	15,940	6,443	6,443	2,197	2,200
PPE: Property, Plant & Equipment	351	219	308	175	39	30	3	14
Receivables (non current)	3,870	1,556	1,374	794	2,065	715	431	47
Deferred tax assets	3,865	3,865	3,865	3,865	0	0	0	0
<b>Current assets</b>	<b>13,119</b>	<b>22,592</b>	<b>14,018</b>	<b>19,208</b>	<b>705</b>	<b>2,683</b>	<b>-1,603</b>	<b>701</b>
Inventories	1,083	1,093	1,083	942	0	0	0	151
Contracts in progress	0	0	0	0	0	0	0	0
Trade debtors	5,530	7,932	2,684	4,702	2,015	2,899	831	331
Other amounts receivable	375	1,870	5,099	2,627	-1,839	-908	-2,885	152
Deffered charges and accruals	231	673	84	323	114	344	33	6
Cash and cash equivalents	5,900	11,024	5,067	10,614	415	348	417	61
<b>Assets held for sale</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total assets</b>	<b>44,064</b>	<b>52,817</b>	<b>33,783</b>	<b>39,983</b>	<b>9,252</b>	<b>9,872</b>	<b>1,028</b>	<b>2,962</b>
<b>Shareholders' equity</b>	<b>36,833</b>	<b>41,602</b>	<b>29,215</b>	<b>31,673</b>	<b>8,282</b>	<b>8,379</b>	<b>-664</b>	<b>1,550</b>
Ordinary shares	35,325	35,325	35,325	35,325	0	0	0	0
Share premium account	960	960	960	960	0	0	0	0
Consolidated reserves	5,280	4,982	-4,974	-4,738	8,379	5,599	1,875	4,120
Result of the year	-4,732	335	-2,096	126	-97	2,780	-2,539	-2,570
<b>Minority interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>36,833</b>	<b>41,602</b>	<b>29,215</b>	<b>31,673</b>	<b>8,282</b>	<b>8,379</b>	<b>-664</b>	<b>1,550</b>
<b>Non-current liabilities</b>	<b>1,075</b>	<b>532</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>975</b>	<b>532</b>
Interest bearing loans & borrowings (non current)	0	0	0	0	0	0	0	0
Provisions - non current	1,075	532	0	0	100	0	975	532
Other liabilities	0	0	0	0	0	0	0	0
<b>Current liabilities</b>	<b>6,156</b>	<b>10,684</b>	<b>4,568</b>	<b>8,310</b>	<b>870</b>	<b>1,493</b>	<b>718</b>	<b>881</b>
Trade payables	2,931	4,030	2,174	2,917	329	549	428	564
Other current payables	2,905	5,812	2,203	5,032	426	500	275	281
Current tax Liabilities	320	804	191	361	115	444	14	0
Borrowings	0	37	0	1	0	0	0	35
<b>Total liabilities and equity</b>	<b>44,064</b>	<b>52,817</b>	<b>33,783</b>	<b>39,983</b>	<b>9,252</b>	<b>9,872</b>	<b>1,028</b>	<b>2,962</b>