



TRAKM8 HOLDINGS PLC
("Trakm8" or "the Group")

Interim Results

Trakm8, a provider to the global telematics market place, is pleased to announce its unaudited results for the six months ended 30 September 2011:

Highlights

	Six months to 30 September 2011 Unaudited	Six months to 30 September 2010 Unaudited	Year to 31 March 2011 Audited
	£'000	£'000	£'000
Turnover	2,517	1,723	4,186
Gross Profit	1,635	1,171	2,787
Gross Profit %	65.0%	68.0%	66.6%
Other income	-	281	362
Profit before tax	18	162	323
Net cash and cash equivalents	443	399	1,119
Net assets	2,262	2,187	2,236

- Revenue increases by 46%
- Recurring revenue increases to 66.5% of underlying overheads
- Government grant projects successfully completed

Dawson Buck, Chairman, says "I am particularly pleased to present this Interim Report as it represents a significant milestone in the Group's on-going return to profitability. This is the first financial period since 2008 without any Government Project funding and profitability has been maintained despite the global economic uncertainty. We have continued a policy of investment in our portfolio of products and the expansion of our employee skill base and I would like to thank all our staff for their continuing contribution to the success of Trakm8".

For further information, please visit www.trakm8.com or contact:

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Chairman's Statement

The first six months of this financial year have seen Trakm8 continue the positive trends of the past two years. Revenues in the period increased 46% to £2.5m (2010: £1.7m) with strong growth in both hardware sales and complete solutions. This is particularly pleasing as this has been the first six month period for three years without any Government R&D funding and the Group has been able to achieve a profit before tax of £0.02m (2010: £0.16m). Despite the completion of the Government grant projects, we have continued to invest in research and development.

Operational Review

Hardware sales of telematics units have been higher than last year in both the UK and international markets. In addition, the Group has continued to deliver telematics units as part of our on-going requirements under the St Gobain and Automobile Association ("AA") contracts announced in previous years.

In January 2011, we secured an order from a new customer for 6,000 units for delivery commencing in April 2011. Unfortunately, at the request of the customer, the contract has been postponed due to their own internal issues which have required their immediate focus. We remain confident that their order will be fulfilled in the coming months and we have successfully replaced this planned business with previously un-forecasted sales. As a result of these additional sales, revenue for the period has increased by 46% compared to the equivalent period last year.

The Group has continued to make good progress by increasing the number of units in service operating on the Trakm8 Swift platform. Continuing to increase the recurring revenues from the installed base has been positive for the financial security of the Group. At the end of September the monthly recurring revenue was 66.5% of the operating costs of the business, up from 61.7% at the end of March 2011. This strategy remains the bedrock of achieving the long term profitability goals of the Group.

Both of the Group's Government-funded projects have now been completed and handed over to the Technology Strategy Board ("TSB"). The projects were a huge success and the results were well received by the TSB. They have also enabled Trakm8 to capitalise on a number of new developments from the projects and there are further exciting opportunities in the pipeline.

Despite the end of these projects, it is particularly pleasing to report that Trakm8 has maintained a high level of investment in engineering development on our hardware, firmware and server solutions. The strong year on year improvement in trading profitability has meant that this engineering spend could be maintained and it is our intention to continue with this strategic investment.

Specifically, technological developments have continued in hosted server solutions, vehicle connectivity and diagnostics, emissions and fuel economy reporting and mapping software. Trakm8 has also made excellent progress in the development of additional features for the T8 hardware platforms, including driver display devices, and radio frequency identification ("RFID") solutions.

Trakm8 has continued to provide engineering services alongside our products. The integration of telematics based solutions into the customer's enterprise management system provides value added functionality and benefit to all parties and consolidates the commercial relationship.

Outlook

The Board is confident that the Group is delivering on the potential of the excellent people, products and services within the business despite the on-going global economic challenges. Our increased product portfolio and quality of solutions offered, along with increasing marketing activity, will continue to drive the business forward.

Recent order receipts and development of the pipeline for both large and small customers gives the Board confidence that the anticipated growth is based on known opportunities. Trakm8 will also benefit from the industry trend for migration to increasingly complex, integrated fleet management solutions.

**DAWSON BUCK
CHAIRMAN**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months to 30 September 2011

	<i>Note</i>	Six months to 30 September 2011 Unaudited	Six months to 30 September 2010 Unaudited	Year to 31 March 2011 Audited
Continuing operations		£'000	£'000	£'000
Revenue		2,517	1,723	4,186
Cost of sales		(882)	(552)	(1,399)
Gross profit		1,635	1,171	2,787
Other income		-	281	362
Administrative expenses		(1,615)	(1,287)	(2,820)
Profit from operations		20	165	329
Finance income		-	1	1
Finance costs		(2)	(4)	(7)
Profit before taxation		18	162	323
Income tax		-	-	(117)
Profit attributable to the owners of the parent		18	162	206
Other Comprehensive Income				
Currency translation differences		-	-	1
Total Comprehensive Income for the period attributable to owners of the parent		18	162	207
Basic profit per share (pence)	4	0.10	0.86	1.10
Diluted profit per share (pence)	4	0.10	0.85	1.07

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months to 30 September 2011

	Share Capital	Share premium	Shares to be issued	Merger Reserve	Share based payment reserve	Translation reserve	Retained earnings	Total equity attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2010	188	1,719	-	510	63	205	(666)	2,019
Comprehensive income								
Profit for the period	-	-	-	-	-	-	162	162
Total comprehensive income	-	-	-	-	-	-	162	162
Transactions with owners								
IFRS2 Share based payments	-	-	-	-	6	-	-	6
Transactions with owners	-	-	-	-	6	-	-	6
Balance as at 30 Sept 2010	188	1,719	-	510	69	205	(504)	2,187
Comprehensive income								
Profit for the period	-	-	-	-	-	-	44	44
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	-	-	1	-	1
Total comprehensive income	-	-	-	-	-	1	44	45
Transactions with owners								
Transfer share based payment reserve to Retained earnings	-	-	-	-	(69)	-	69	-
IFRS2 Share based payments	-	-	-	-	-	-	4	4
Transactions with owners	-	-	-	-	(69)	-	73	4
Balance as at 31 March 2011	188	1,719	-	510	-	206	(387)	2,236
Comprehensive income								
Profit for the period	-	-	-	-	-	-	18	18
Total comprehensive income	-	-	-	-	-	-	18	18
Transactions with owners								
Exercise of share options	1	4	-	-	-	-	-	5
IFRS2 Share based payments	-	-	-	-	-	-	3	3
Transactions with owners	1	4	-	-	-	-	3	8
Balance as at 30 Sept 2011	189	1,723	-	510	-	206	(366)	2,262

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2011

	30 September 2011 Unaudited	30 September 2010 Unaudited	31 March 2011 Audited
	£'000	£'000	£'000
Non-current assets			
Intangible assets	1,081	1,146	1,150
Plant, property and equipment	457	469	463
Deferred income tax asset	63	198	63
	1,601	1,813	1,676
Current assets			
Inventories	478	158	259
Trade and other receivables	1,318	953	893
Current tax	-	-	18
Cash and cash equivalents	443	399	1,119
	2,239	1,510	2,289
Current liabilities			
Trade and other payables	(1,338)	(932)	(1,473)
Borrowings	(21)	(33)	(27)
	(1,359)	(965)	(1,500)
Current assets less current liabilities	880	545	789
Total assets less current liabilities	2,481	2,358	2,465
Non-current liabilities			
Borrowings	(149)	(171)	(159)
Provisions	(70)	-	(70)
	(219)	(171)	(229)
Net assets	2,262	2,187	2,236
Equity			
	<i>Note</i>		
Called up share capital	4	189	188
Share premium		1,723	1,719
Merger reserve		510	510
Share based payment reserve		-	69
Translation Reserve		206	205
Retained loss		(366)	(504)
Total equity attributable to owners of the parent		2,262	2,187
		2,236	2,236

CONSOLIDATED CASH FLOW STATEMENT

for the six months to 30 September 2011

		Six months to 30 September 2011 Unaudited	Six months to 30 September 2010 Unaudited	Year to 31 March 2011 Audited
	<i>Note</i>	£'000	£'000	£'000
Net cash (outflow) / inflow from operating activities	5	(614)	(169)	610
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Cash flows from investing activities				
Purchase of intangible assets		(43)	(65)	(96)
Purchases of property, plant and equipment		(11)	(40)	(50)
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Net cash used in investing activities		(54)	(105)	(146)
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Cash flows from financing activities				
Proceeds from share issue		5	-	-
Repayment of obligations under hire purchase contracts		(4)	(9)	(17)
Repayment of loans		(10)	(10)	(20)
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Net cash used in financing activities		(9)	(19)	(37)
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Net (decrease) / increase in cash and cash equivalents		(676)	(293)	427
Cash and cash equivalents at beginning of period		1,119	692	692
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Cash and cash equivalents at end of period		443	399	1,119
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Notes to the financial information (unaudited)

1. The financial information contained in this interim statement has not been audited or reviewed by the Group's auditor and does not constitute statutory accounts as defined Section 434 of the Companies Act 2006. The Directors approved and authorised this interim statement on 1 December 2011. The financial information for the preceding full year is extracted from the statutory accounts for the financial year ended 31 March 2011. Those accounts, upon which the auditor issued an unqualified opinion and did not include a statement under Section 498(2) or (3) of the Companies Act 2006, have been delivered to the Registrar of Companies.
2. Trakm8 Holdings PLC is a public limited company incorporated in the United Kingdom under the Companies Act 2006. Trakm8 is domiciled in the United Kingdom and its ordinary shares are traded on AIM, the market operated by the London Stock Exchange plc.
3. As permitted this Interim Report has been prepared in accordance with UK AIM Rules for Companies and not in accordance with IAS 34 "Interim Financial Reporting" and therefore is not fully in compliance with IFRS. The Interim results have been prepared in a manner consistent with the accounting policies set out in the statutory accounts for the financial year ending 31 March 2011.
4. Profit per ordinary share attributable to the owners of the parent

	Six months to 30 September 2011 Unaudited	Six months to 30 September 2010 Unaudited	Year to 31 March 2011 Audited
	£'000	£'000	£'000
Profit attributable to the owners of the parent	18	162	206

Weighted average number of ordinary shares in issue

	Six months to 30 September 2011 Unaudited	Six months to 30 September 2010 Unaudited	Year to 31 March 2011 Audited
	No. '000	No. '000	No. '000
Basic	18,777	18,764	18,764
Diluted	19,225	19,115	19,181

5. Reconciliation of cash flows from operating activities:

	Six months to 30 September 2011 Unaudited £'000	Six months to 30 September 2010 Unaudited £'000	Year to 31 March 2011 Audited £'000
Net profit before taxation	18	162	323
Adjustments for:			
Depreciation	17	15	31
Bank and other interest charges	2	3	5
Amortisation of intangible assets	113	121	234
Capitalised development costs	-	(88)	(103)
Share based payment expense	3	6	10
Operating cashflows before movement in working capital	153	219	500
Retranslation of overseas operations	-	-	1
Movement in inventories	(219)	(51)	(153)
Movement in trade and other receivables	(424)	(252)	(192)
Movement in trade and other payables	(139)	(166)	375
Cash (used in) / generated from operations	(629)	(250)	531
Interest paid	(3)	(4)	(6)
Interest received	-	1	1
Income taxes received	18	84	84
Net cash (used in) / generated from operating activities	(614)	(169)	610

6. Copies of the report are available at the Group's website www.trakm8.com and also from the registered office of Trakm8 Holdings PLC. The address of the registered office is: Lydden House, Wincombe Business Park, Shaftesbury, Dorset, SP7 9QJ.