



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

Interim Results

Trakm8 (AIM: TRAK), the designer, developer and manufacturer of GPRS based hardware and software for the vehicle placement and security market, is pleased to announce its unaudited results for the six months ended 30 September 2013:

Financial Highlights

	Six months to 30 September 2013 Unaudited	Six months to 30 September 2012 Unaudited	Year to 31 March 2013 Audited
	£'000	£'000	£'000
Revenue	2,564	2,322	4,750
Gross profit	1,924	1,737	3,417
Gross profit %	75.0	74.8	71.9
Operating profit before exceptional costs	87	75	40
Profit before tax	24	74	38
Net cash and cash equivalents	1,131	1,133	1,405
Net assets	2,579	2,431	2,523

Operating highlights

- Revenues increased by 10%
- Combined UK and International orders received increased by 28%
- Underlying annualised recurring revenues increased by 15% to £2.3m (2012: £2.0m)
- Gross Profit increased by 0.2% to 75.0% (2012: 74.8%)
- Strong cash balance maintained
- Logistics and Tacho solutions launched
- Land purchased for Shaftesbury office expansion

Current trading and post half year event

- Transformational acquisition of BOX Telematics Ltd completed in October 2013
- Stronger pipeline of new sales opportunities and enhanced engineering resource to capitalise on them

John Watkins, Executive Chairman of Trakm8 said:

"Trakm8 has continued to consolidate its trading position and profitability and has also enhanced its robust financial position. We were very pleased to have completed the transformational acquisition of BOX Telematics just after the half year end, significantly improving our market position.

“We expect to deliver on the investments in resources over the next year and to deliver strong growth in profitability on the back of the much larger Group revenues, in line with our expectations.

“Overall we are encouraged about the Group’s prospects and confident that we can deliver growth.”

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

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Executive Chairman's Statement

I am pleased to report Trakm8's unaudited results for the six months ended 30 September 2013. Trakm8 has continued to consolidate its trading position and profitability, in addition to enhancing its robust financial position. We were very pleased to have completed the transformational acquisition of BOX Telematics just after the half year end, significantly improving our market leading position.

Revenues grew by 10% to £2.6m during the first six months (2012: £2.3m). The rate at which new orders have been received during the period indicates that the expansion of our engineering and sales teams is starting to positively impact the results. Operating profit before exceptional costs increased by 16% to £87,000 (2012: £75,000). The exceptional costs related to the acquisition of BOX Telematics, which completed in October 2013.

There has been a continuing increase of 15% in the annualised recurring revenues, which are based on increased numbers of units reporting to Trakm8 servers. These revenues are the bedrock of the Group's financial future.

Gross profit margins have continued to improve, which we anticipate to increase further once BOX Telematics is fully integrated into the Group.

Our strong cash position has been maintained. In addition, during the period, we completed the purchase of a car park adjacent to our office building in Shaftesbury and this has secured our expansion options.

Product sales

Sales of products to other integrators have been below last year's level and this has been largely due to the absence of one single large order, which we have received in previous years. However the broadening of our customer base in the UK and internationally has helped mitigate the impact of not winning a major contract and we feel the group is in a more stable position as a result.

We continue to build the pipeline and expand the quantity and geographical spread of our customer base. Post period-end, Trakm8 secured its first eco^N sale in the Czech Republic, facilitated by the sales team who were established in the area during the second quarter of the year.

Solution Sales

During the period Trakm8 was pleased to introduce a major update to the eco^N Fuel Saver product and also to Trakm8 Swift. Our customer facing web based solutions are market leading. In addition, the quality of the data and the informative way it is delivered gives customers the management tools to drive costs down significantly. The eco^N product is on trial at a large number of customers. The order pipeline has been building strongly following the appointment of a Corporate Sales Director early in 2013.

In addition, we have launched our Tacho Analytics software package which provides customers with significant benefits for the legal compliance issues associated with drivers' hours legislation.

The recent trends of Solution sales continuing to increase the numbers of units reporting to our servers was maintained during the period. It was reassuring that the reduction in product sales during the period was more than compensated by the increase in our Solution sales. The annualised recurring revenues derived from our installed base as a result grew considerably in the period by 15% to £2.3m (2012: £2.0m).

Engineering Services

A number of smaller engineering projects were completed during the period and these are expected to deliver on-going increases in our recurring revenues.

Overall, there was a strong increase in revenues to £213,000 (2012: £171,000) in this segment.

Strategy and Acquisition

Trakm8 has been building from the strategy announced last year to invest in more engineering and sales resources. Although, as expected, operating costs have increased at the expense of short term profitability, the new product introductions and the order pipeline is giving confidence that this investment will pay off.

We have previously stated that the Group's strong financial business model, its cash generation and robust balance sheet would enable Trakm8 to consider selective acquisitions alongside our strategy for organic growth. The acquisition of BOX Telematics, which we completed on 25 October 2013, fitted the tight criteria we set of being in a closely allied market space and earnings enhancing. The platform established by the combined business gives greater opportunity to increase our customer base as we apply Trakm8 technology to the BOX products, and implement a range of synergy savings. Specifically we believe that the acquisition is transformational and brings the following financial and strategic benefits for the enlarged Group:

- Increased installed base of customers offers cross selling opportunities, new routes to market and new relationships
- Benefit from inherent scale advantage of a larger group
- Access to manufacturing and assembly facilities provides opportunity to enhance margins
- Substantial synergy opportunity arising from the similar operations of the two businesses being combined
- Strong recurring revenues from the installed customer bases and an encouraging sales pipeline for 2013/14

We have made good progress integrating the two companies in the seven weeks since the completion of the acquisition. The Group's new colleagues and customers have received the change in ownership positively and we have started to achieve some of the integration benefits that we identified when we announced the transaction. Supplier savings have been made and the first production of Trakm8 hardware is underway this month. Quick product improvements have been identified and engineering work is underway to introduce new features onto the BOX product line.

We will consider further complementary acquisitions once we have fully integrated BOX into the Trakm8 Group.

Outlook

The Group has a much stronger pipeline of new sales opportunities than at any time in its history and has the recently enhanced engineering resource to capitalise on them.

We expect to deliver on the investments in resources over the next year and to deliver strong growth in profitability on the back of the much larger Group revenues, in line with our expectations.

The Board believes that the investment in resources and the acquisition was timely both in terms of the improving general economic climate and the tipping point in mass market adoption of telematics that appears to have been reached.

Overall we are encouraged about the Group's prospects and confident that we can deliver growth.

JOHN WATKINS
Executive Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months to 30 September 2013

	<i>Note</i>	Six months to 30 September 2013 Unaudited	Six months to 30 September 2012 Unaudited	Year to 31 March 2013 Audited
		£'000	£'000	£'000
Continuing operations				
Revenue		2,564	2,322	4,750
Cost of sales		(640)	(585)	(1,333)
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Gross profit		1,924	1,737	3,417
Administrative expenses		(1,837)	(1,662)	(3,377)
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Operating Profit before exceptional items		87	75	40
Exceptional items	5	(63)	-	-
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Operating Profit		24	75	40
Finance income		2	1	2
Finance costs		(2)	(2)	(4)
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Profit before taxation		24	74	38
Income tax		11	-	112
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Profit attributable to the owners of the parent		35	74	150
Other Comprehensive Income				
Currency translation differences		-	-	(2)
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Total Comprehensive Income for the period attributable to owners of the parent		35	74	148
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Basic earnings per share (pence)	6	0.19	0.39	0.79
Diluted earnings per share (pence)	6	0.18	0.39	0.78

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months to 30 September 2013

	Share Capital	Share premium	Merger Reserve	Translation reserve	Retained earnings	Total equity attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2012	189	1,723	510	205	(247)	2,380
Comprehensive income						
Profit for the period	-	-	-	-	74	74
Total comprehensive income	-	-	-	-	74	74
Transactions with owners						
Purchase of own shares	-	-	-	-	(58)	(58)
Exercise of share options	5	28	-	-	-	33
IFRS2 Share based payments	-	-	-	-	2	2
Transactions with owners	5	28	-	-	(56)	(23)
Balance as at 30 Sept 2012	194	1,751	510	205	(229)	2,431
Comprehensive income						
Profit for the period	-	-	-	-	76	76
Other comprehensive income						
Exchange differences on translation of overseas operations	-	-	-	(2)	-	(2)
Total comprehensive income	-	-	-	(2)	-	74
Transactions with owners						
IFRS2 Share based payments	-	-	-	-	18	18
Transactions with owners	-	-	-	-	18	18
Balance as at 31 March 2013	194	1,751	510	203	(135)	2,523
Comprehensive income						
Profit for the period	-	-	-	-	35	35
Total comprehensive income	-	-	-	-	35	35
Transactions with owners						
IFRS2 Share based payments	-	-	-	-	21	21
Transactions with owners	-	-	-	-	21	21
Balance as at 30 Sept 2013	194	1,751	510	203	(79)	2,579

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2013

	30 September 2013 Unaudited	30 September 2012 Unaudited	31 March 2013 Audited
	£'000	£'000	£'000
Non-current assets			
Intangible assets	937	878	869
Plant, property and equipment	624	496	560
Deferred income tax asset	110	99	110
	1,671	1,473	1,539
Current assets			
Inventories	354	566	548
Trade and other receivables	864	648	643
Current tax	-	-	101
Cash and cash equivalents	1,131	1,133	1,405
	2,349	2,347	2,697
Current liabilities			
Trade and other payables	(1,286)	(1,135)	(1,532)
Borrowings	(34)	(48)	(47)
	(1,320)	(1,183)	(1,579)
Current assets less current liabilities	1,029	1,164	1,118
Total assets less current liabilities	2,700	2,637	2,657
Non-current liabilities			
Borrowings	(105)	(140)	(116)
Provisions	(16)	(66)	(18)
	(121)	(206)	(134)
Net assets	2,579	2,431	2,523
Equity			
	<i>Note</i>		
Called up share capital	6	194	194
Share premium		1,751	1,751
Merger reserve		510	510
Translation Reserve		205	203
Retained loss		(79)	(135)
Total equity attributable to owners of the parent		2,579	2,523

CONSOLIDATED CASH FLOW STATEMENT

for the six months to 30 September 2013

		Six months to 30 September 2013 Unaudited	Six months to 30 September 2012 Unaudited	Year to 31 March 2013 Audited
	<i>Note</i>	£'000	£'000	£'000
Net cash inflow / (outflow) from operating activities	7	(151)	107	496
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Cash flows from investing activities				
Purchases of property, plant and equipment		(99)	(5)	(97)
Net cash used in investing activities		(99)	(5)	(97)
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Cash flows from financing activities				
Proceeds from exercise of share options		-	33	33
Repayment of obligations under hire purchase contracts		(13)	(21)	(35)
Repayment of loans		(11)	(10)	(21)
Purchase of own shares		-	(58)	(58)
Net cash used in financing activities		(24)	(56)	(81)
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Net increase / (decrease) in cash and cash equivalents		(274)	46	318
Cash and cash equivalents at beginning of period		1,405	1,087	1,087
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Cash and cash equivalents at end of period		1,131	1,133	1,405
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Notes to the financial information (unaudited)

- 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 16 December 2013. The financial information for the preceding full year is extracted from the statutory accounts for the financial year ended 31 March 2013. 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.
- 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.
- 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 2013.
- Profit per ordinary share attributable to the owners of the parent

	Six months to 30 September 2013 Unaudited	Six months to 30 September 2012 Unaudited	Year to 31 March 2013 Audited
	£'000	£'000	£'000
Profit attributable to the owners of the parent	35	74	150

- Exceptional costs

	Six months to 30 September 2013 Unaudited	Six months to 30 September 2012 Unaudited	Year to 31 March 2013 Audited
	£'000	£'000	£'000
Exceptional costs	63	-	-

On 25th October 2013 Trakm8 Holdings Plc completed the acquisition of BOX Telematics and the readmission of its Ordinary Shares to trading on AIM. The exceptional costs related to fees incurred in connection with the acquisition and the readmission of its shares to AIM.

- Shares in Issue

Weighted average number of ordinary shares in issue

	Six months to 30 September 2013 Unaudited	Six months to 30 September 2012 Unaudited	Year to 31 March 2013 Audited
	No. '000	No. '000	No. '000
Basic	19,045	18,999	18,999
Diluted	19,447	19,064	19,208

On 25 September 2012 Trakm8 Holdings PLC purchased 370,000 of its own ordinary shares at a price of 15.5 pence each. These shares are being held in treasury and have been excluded from the weighted average number of shares used for calculating basic and diluted earnings per share.

7. Reconciliation of cash flows from operating activities:

	Six months to 30 September 2013 Unaudited £'000	Six months to 30 September 2012 Unaudited £'000	Year to 31 March 2013 Audited £'000
Net profit before taxation	24	74	38
Adjustments for:			
Depreciation	35	25	54
Bank and other interest charges	-	1	2
Amortisation of intangible assets	118	130	219
Capitalised development costs	(185)	(2)	(126)
Share based payment expense	20	2	20
Operating cashflows before movement in working capital	12	230	207
Retranslation of overseas operations		-	(1)
Movement in inventories	194	(156)	(138)
Movement in trade and other receivables	(220)	135	139
Movement in trade and other payables	(249)	(116)	276
Cash generated from / (used in) operations	(263)	93	483
Interest paid	(2)	(2)	(4)
Interest received	2	1	2
Income taxes received	112	15	15
Net cash generated from / (used in) operating activities	(151)	107	496

8. 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.