

# ***Datatrak holdings plc***

25 September 2003

The Malta Stock Exchange  
Garrison Chapel  
Castille Place  
Valletta

## **COMPANY ANNOUNCEMENT**

The following is a company announcement issued by Datatrak Holdings p.l.c. pursuant to Malta Stock Exchange Bye-Law 6.05.06(i);

QUOTE

**At a meeting held on Thursday 25<sup>th</sup> September 2003, the Board of Directors of Datatrak Holdings p.l.c. met, discussed and approved the attached Interim Financial Results for the period 1<sup>st</sup> January 2003 to 30<sup>th</sup> June 2003.**

UNQUOTE

Louis de Gabriele  
Company Secretary

**Datatrak Holdings p.l.c.**

**Unaudited Interim Financial Results  
2003**

# Datatrak Holdings p.l.c.

## Unaudited Interim Financial Results

2003

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# Datatrak Holdings p.l.c.

## Profit and Loss Account

For the Period from 1 January 2003 to 30 June 2003

	The Group		The Company	
	01.01.03 to 30.06.03	01.01.02 to 30.06.02	01.01.03 to 30.06.03	01.01.02 to 30.06.02
	Lm	Lm	Lm	Lm
Turnover	502,205	478,419	30,000	12,000
Direct costs before depreciation	(331,631)	(278,357)	-	-
Local marketing costs	(30,583)	(48,709)	-	-
Administrative expenses	(167,007)	(194,094)	(3,743)	(23,088)
Other operating income	4,620	5,303	3	-
Other operating expenses	(3,126)	(738)	-	-
Amortisation of goodwill	(24,481)	(24,144)	-	-
Depreciation	(122,101)	(181,000)	-	-
<b>Operating (loss)/profit</b>	<b>(172,104)</b>	<b>(243,320)</b>	<b>26,260</b>	<b>(11,088)</b>
Pre-operating overseas marketing costs	(13,797)	(36,630)	-	-
Interest receivable and similar income	19,319	21,329	18,220	21,321
Interest payable and similar charges	(16,270)	(19,840)	-	-
<b>(Loss)/profit before taxation</b>	<b>(182,852)</b>	<b>(278,461)</b>	<b>44,480</b>	<b>10,233</b>
Taxation	(4,792)	27,208	(12,857)	(3,581)
<b>(Loss)/profit for the period</b>	<b>(187,644)</b>	<b>(251,253)</b>	<b>31,623</b>	<b>6,652</b>
Loss/(profit) attributable to minority interests	7,218	(10,122)	-	-
<b>(Loss)/profit for the period attributable to shareholders</b>	<b>(180,426)</b>	<b>(261,375)</b>	<b>31,623</b>	<b>6,652</b>
<b>(Loss)/earnings per share</b>	<b>(1c1)</b>	<b>(1c6)</b>	<b>0c2</b>	<b>0c1</b>

# Datatrak Holdings p.l.c.

## Balance Sheet

At 30 June 2003

	The Group		The Company	
	30.06.03	31.12.02	30.06.03	31.12.02
	Lm	Lm	Lm	Lm
<b>Fixed assets</b>				
Tangible assets	2,062,913	2,166,909	-	-
Intangible assets	1,075,057	1,057,882	-	-
Financial assets	515,000	515,000	2,440,449	4,718,282
	-----	-----	-----	-----
	3,652,970	3,739,791	2,440,449	4,718,282
<b>Other long-term assets</b>				
Deferred tax asset	638,405	643,197	-	-
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	4,291,375	4,382,988	2,440,449	4,718,282
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<b>Current assets</b>				
Stocks	161,521	157,911	-	-
Debtors	709,323	753,600	2,509,714	36,177
Cash at bank and in hand	34,593	216,206	25,542	202,698
	-----	-----	-----	-----
	905,437	1,127,717	2,535,256	238,875
	-----	-----	-----	-----
<b>Creditors: amounts falling due within one year</b>				
Bank borrowings	499,048	589,542	-	-
Creditors	893,881	929,636	13,233	26,308
	-----	-----	-----	-----
	1,392,929	1,519,178	13,233	26,308
	-----	-----	-----	-----
<b>Net current (liabilities)/assets</b>	(487,492)	(391,461)	2,522,023	212,567
	-----	-----	-----	-----
<b>Total assets less current liabilities</b>	3,803,883	3,991,527	4,962,472	4,930,849
<b>Minority interests</b>	(89,275)	(96,493)	-	-
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	3,714,608	3,895,034	4,962,472	4,930,849
	=====	=====	=====	=====

# Datatrak Holdings p.l.c.

## Balance Sheet

At 30 June 2003

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	<b>The Group</b>		<b>The Company</b>	
	<b>30.06.03</b>	<b>31.12.02</b>	<b>30.06.03</b>	<b>31.12.02</b>
	Lm	Lm	Lm	Lm
<b>Capital and reserves</b>				
Called up issued share capital	1,594,950	1,594,950	1,594,950	1,594,950
Share premium	3,235,608	3,235,608	3,235,608	3,235,608
Profit and loss account	(1,115,950)	(935,524)	131,914	100,291
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	3,714,608	3,895,034	4,962,472	4,930,849
	=====	=====	=====	=====

# Datatrak Holdings p.l.c.

## Statement of Changes in Equity

For the Period from 1 January 2003 to 30 June 2003

	<b>Total</b>	<b>Ordinary Shares</b>	<b>Share Premium</b>	<b>Profit and Loss Account</b>
	Lm	Lm	Lm	Lm
<b>The Group</b>				
At 1 January 2002	4,268,146	1,594,950	3,235,608	(562,412)
Loss attributable to shareholders	(261,375)	-	-	(261,375)
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<b>At 30 June 2002</b>	<b>4,006,771</b>	<b>1,594,950</b>	<b>3,235,608</b>	<b>(823,787)</b>
	=====	=====	=====	=====
At 1 January 2003	3,895,034	1,594,950	3,235,608	(935,524)
Loss attributable to shareholders	(180,426)	-	-	(180,426)
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<b>At 30 June 2003</b>	<b>3,714,608</b>	<b>1,594,950</b>	<b>3,235,608</b>	<b>(1,115,950)</b>
	=====	=====	=====	=====
<b>The Company</b>				
At 1 January 2002	4,866,089	1,594,950	3,235,608	35,531
Profit attributable to shareholders	6,652	-	-	6,652
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<b>At 30 June 2002</b>	<b>4,872,741</b>	<b>1,594,950</b>	<b>3,235,608</b>	<b>42,183</b>
	=====	=====	=====	=====
At 1 January 2003	4,930,849	1,594,950	3,235,608	100,291
Profit attributable to shareholders	31,623	-	-	31,623
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<b>At 30 June 2003</b>	<b>4,962,472</b>	<b>1,594,950</b>	<b>3,235,608</b>	<b>131,914</b>
	=====	=====	=====	=====

# Datatrak Holdings p.l.c.

## Cash Flow Statement

For the Period from 1 January 2002 to 30 June 2002

	The Group		The Company	
	01.01.03 to 30.06.03	01.01.02 to 30.06.02	01.01.03 to 30.06.03	01.01.02 to 30.06.02
	Lm	Lm	Lm	Lm
<b>Cash flows from operating activities</b>				
Cash receipts from customers	501,564	395,417	-	-
Cash paid to suppliers and employees	(546,829)	(532,835)	(16,303)	(26,793)
	-----	-----	-----	-----
Cash absorbed by operations	(45,265)	(137,418)	(16,303)	(26,793)
Interest received	36,510	33,931	35,411	33,931
Interest paid	(16,966)	(19,390)	-	-
	-----	-----	-----	-----
<b>Net cash (used in)/from operating activities</b>	<b>(25,721)</b>	<b>(122,877)</b>	<b>19,108</b>	<b>7,138</b>
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<b>Cash flows from investing activities</b>				
Payments for tangible fixed assets	(18,239)	(53,632)	-	-
Payments for financial assets	-	(215,020)	-	(215,020)
Proceeds from maturity of financial assets	175,000	-	175,000	-
Advances to group undertakings	-	-	(196,264)	(125,961)
Development expenditure	(58,110)	(20,262)	-	-
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<b>Net cash from/(used in) investing activities</b>	<b>98,651</b>	<b>(288,914)</b>	<b>(21,264)</b>	<b>(340,981)</b>
	-----	-----	-----	-----
<b>Cash flows from financing activities</b>				
Advances by minority interests	48	5,000	-	-
Advances by related parties	11,097	-	-	-
Interest paid on finance lease liabilities	(194)	(502)	-	-
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<b>Net cash from financing activities</b>	<b>10,951</b>	<b>4,498</b>	<b>-</b>	<b>-</b>
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Net increase/(decrease) in cash and cash equivalents	83,881	(407,293)	(2,156)	(333,843)
Cash and cash equivalents at beginning of period	(573,336)	(115,083)	2,698	387,106
	-----	-----	-----	-----
<b>Cash and cash equivalents at end of period</b>	<b>(489,455)</b>	<b>(522,376)</b>	<b>542</b>	<b>53,263</b>
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# Datatrak Holdings p.l.c.

## Notes to the Unaudited Interim Financial Results

*For the Period from 1 January 2003 to 30 June 2003*

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### **1 Basis of preparation**

These interim results have been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" and in accordance with Malta Stock Exchange Bye-Law 6.05.06(i).

These interim financial results have been extracted from the unaudited individual and group management accounts for the six-months period ended 30 June 2003.

The same accounting policies and methods of computation have been consistently followed in these interim financial statements as compared with the audited financial statements for the year ended 31 December 2002. Group companies have consistently applied these accounting policies.

### **2 Review of performance**

#### *Results for the period*

Turnover for the six months was Lm502,205 (2002 Lm478,419). Datatrak Systems Limited, Datatrak IT Services Ltd and the newly formed Datatrak Security Systems Limited triggered this increase in turnover over the comparative period.

Loss before taxation for the period amounted to Lm182,852 as compared to Lm278,461 in the first six months 2002. The Group contained costs by 10% on the comparative period.

The Group has signed up Lm1.8 million worth of contracts (inclusive of VAT) spread over a five-year period.

#### *New product development and significant events*

During the current period, the Group's IT subsidiary Datatrak IT Services Ltd (DITSL) concluded the development and testing of new tracking web-based software and launched the product in the UK in June 2003. Marketing activity is currently being undertaken in the UK to introduce the new web-based services to Siemens VDO clients.

In this regard, it is relevant to note that during the second quarter of the period under review, Siemens Datatrak has merged with Siemens VDO. Siemens VDO is the leader in the automotive industry and conducts its business activity in 134 countries worldwide. It employs 240,000 people and has a market penetration of about 55% with an annual turnover of USD5 billion.

DITSL have also been contracted to develop other software applications for Siemens VDO that would ultimately be sold to other Datatrak network operators. DITSL has invested in research and development expenses amounting to Lm250,000. The major investment in such development was absorbed by the company during 2002. DITSL expects an annual turnover of Lm200,000 within two years' time from this investment alone.

# Datatrak Holdings p.l.c.

## Notes to the Unaudited Interim Financial Results

*For the Period from 1 January 2003 to 30 June 2003*

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### **2 Review of performance (Cont.)**

#### *Overseas markets*

Libya remains on top of the Group's priority list. During the period under review, more meetings have taken place between Datatrak and Libyan officials, whereby most of the pending issues arising during the period were resolved. We are informed that there will be some delay for the issue of the invitation to Datatrak to hold the next meeting with the Libyan Administration in view of the Lockerbie negotiations that have taken place recently.

The marketing activities in Algeria have continued during the period. An Algerian delegation has visited our premises and shown a high level of interest, arising from the communication reliability that the datatrak system offers which allows the coordination of mobile resources during national disasters. A business plan is currently being compiled between Datatrak and the Algerian delegation. A final presentation will be given to the interested investors by the end of November of this year. On the meeting's agenda is also an in-country survey contract.

Further meetings have taken place with reputable Nigerian investors during the period under review. Following the meeting of June 2003 held in the UK, it was agreed that a promoters' company would be formed between Datatrak and potential investors. The newly formed company will be committed to undertake the compilation of the business plan for Nigeria and to establish the local resources required to undertake an in-country survey.

### **3 Other explanatory notes**

- a) Intangible assets comprise purchased goodwill on acquisition of subsidiaries and development costs. Intangible assets are amortised over their expected useful life.
- b) Subsequent to the end of the interim reporting period, the Company acquired 50% plus 1 share of the ordinary share capital of Datatrak Solutions International Limited, for a total cost of Lm25,001. The subsidiary was set up for the purposes of divesting the foreign operations from DITSL.
- c) The deferred tax asset of the Group has been recognised in these financial statements to the extent that sufficient future taxable income is expected to become available, against which this asset would crystallise. The Directors expect such future taxable income to become available through planned expansion in operations.
- d) During the normal course of its business, the Group enters into transactions with its principal shareholder Maltacom p.l.c. These transactions are carried out on an arm's length basis.