

# ***Datatrak holdings plc***

## **COMPANY ANNOUNCEMENT**

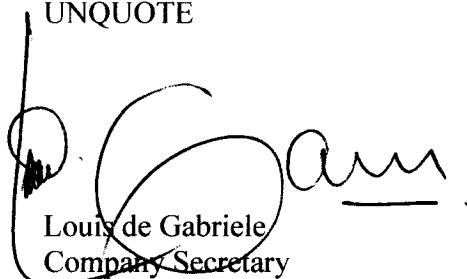
The following is a company announcement issued by Datatrak Holdings p.l.c. pursuant to Malta Stock Exchange Bye-Law 5.03.02 and the MFSA Listing Authority Listing Rule 8.6.19:

QUOTE

**At a meeting held on the 14<sup>th</sup> June 2005, the Board of Directors of Datatrak Holdings p.l.c discussed and approved the Financial Statements of the Company. The Board is hereby announcing the preliminary statement of operations for the financial year ended 31<sup>st</sup> December 2004.**

**A copy of the said statement is attached**

UNQUOTE



Louis de Gabriele  
Company Secretary

Tuesday 14<sup>th</sup> June 2005

***Datatrak Holdings p.l.c. – Preliminary Statement of Operations***  
***For the Year ended 31 December 2004***

*(Published in terms of Article 9.53 of the MFSA Listing Authority Listing Rules)*

	The Group		The Company	
	2004	2003	2004	2003
	Lm	Lm	Lm	Lm
<b><u>Condensed profit and loss account</u></b>				
Turnover	1,204,660	920,262	22,453	39,206
(Loss)/profit before taxation	(359,127)	(574,142)	14,183	10,530
Taxation	118,510	76,915	-	(163)
(Loss)/profit for the year	(240,617)	(497,227)	14,183	10,367
(Profit)/loss attributable to minority interests	(8,990)	72,449	-	-
<b>(Loss)/profit for the year attributable to shareholders</b>	<b>(249,607)</b>	<b>(424,778)</b>	<b>14,183</b>	<b>10,367</b>
<b>(Loss)/earnings per share</b>	<b>(1c6)</b>	<b>(2c6)</b>	<b>0c1</b>	<b>0c1</b>
<b><u>Condensed balance sheet</u></b>				
Non-current assets	4,277,574	4,357,892	2,465,450	2,465,450
Net current (liabilities)/assets	(936,531)	(762,784)	2,489,949	2,475,766
Total assets less current liabilities	3,341,043	3,595,108	4,955,399	4,941,216
Non-current liabilities	(60,818)	(74,266)	-	-
Minority interests	(59,576)	(50,586)	-	-
<b>Shareholders' funds</b>	<b>3,220,649</b>	<b>3,470,256</b>	<b>4,955,399</b>	<b>4,941,216</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	(1,609,909)	(1,360,302)	124,841	110,658
<b>Capital and reserves</b>	<b>3,220,649</b>	<b>3,470,256</b>	<b>4,955,399</b>	<b>4,941,216</b>
<b><u>Condensed cash flow statement</u></b>				
Net cash from/(used in) operating activities	72,363	(105,123)	21,171	10,987
Net cash used in investing activities	(40,619)	(20,119)	(40,058)	(35,435)
Net cash from financing activities	7,687	106,835	15,679	25,001
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>39,431</b>	<b>(18,407)</b>	<b>(3,208)</b>	<b>553</b>
Cash and cash equivalents at beginning of year	(591,743)	(573,336)	3,251	2,698
<b>Cash and cash equivalents at end of year</b>	<b>(552,312)</b>	<b>(591,743)</b>	<b>43</b>	<b>3,251</b>

***Datatrak Holdings p.l.c. – Preliminary Statement of Operations  
For the Year ended 31 December 2004 (Cont.)***

**Statement of changes in equity**

	<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 01.01.03	3,895,034	1,594,950	3,235,608	(935,524)
Loss attributable to shareholders	(424,778)	-	-	(424,778)
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At 01.01.04	3,470,256	1,594,950	3,235,608	(1,360,302)
Loss attributable to shareholders	(249,607)	-	-	(249,607)
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At 31.12.04	3,220,649	1,594,950	3,235,608	(1,609,909)
	=====	=====	=====	=====
<b>The Company</b>				
At 01.01.03	4,930,849	1,594,950	3,235,608	100,291
Profit for the year	10,367	-	-	10,367
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At 01.01.04	4,941,216	1,594,950	3,235,608	110,658
Profit for the year	14,183	-	-	14,183
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At 31.12.04	4,955,399	1,594,950	3,235,608	124,841
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**Review of group performance**

During the year, the Group continued with its extensive marketing exercise to obtain long-term contracts. It is presently in various stages of negotiation with customers in Africa for the provision of nationwide data tracking systems.

The Group sustained a loss on ordinary activities before taxation and minority interests amounting to Lm359,127. After accounting for the recognition of a net tax credit of Lm118,510 and profits attributable to minority interests of Lm8,990, the Group's loss for the year amounted to Lm249,607. The loss per share amounted to 1c6 (2003: 2c6). No dividends are proposed for distribution.

**Events occurring after balance sheet date**

Following balance sheet date, the Group commenced arrangements for the acquisition of equity interest in Datatrak East Africa Ltd. to be formed in Sudan.

The Group through Datatrak MENA Ltd. is finalising the execution of the In-Country Survey in Nigeria. Final reporting is expected to be completed by July 2005.

Following balance sheet date, the Group has started the implementation of the first restructuring phase on its local network operations through Datatrak Systems Limited to meet current technology standards in the tracking business.

The Group is also expected to have significantly increased turnover from European Union markets through Datatrak Solutions International Limited during 2005.

**Other explanatory notes**

1. The preliminary statement has been extracted from the Company's audited financial statements for the year ended 31 December 2004, which were approved by the Board of Directors on 14 June 2005. These results have been prepared in accordance with MFSA Listing Authority Listing Rule 9.53.

## ***Datatrak Holdings p.l.c. – Preliminary Statement of Operations*** ***For the Year ended 31 December 2004 (Cont.)***

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2. The same accounting policies and methods of computation have been consistently followed in this statement as compared with the audited financial statements for the year ended 31 December 2003. Group companies have consistently applied these accounting policies.
3. The Group's turnover represents local sales amounting to Lm967,868 (2003: Lm896,963), sales in other European Union countries amounting to Lm26,388 (2003: Lm23,299) and sales in Africa amounting to Lm210,404 (2003: Nil).
4. During the normal course of its business, the Group enters into transactions with related parties, which have been accounted for at fair and reasonable prices.

### **Extract from the notes to the financial statements**

#### ***1 Basis of preparation***

The financial statements have been prepared in accordance with the provisions of the Companies Act, 1995 (the "Act") enacted in Malta, which requires adherence to International Financial Reporting Standards (IFRSs) and their interpretations adopted by the International Accounting Standards Board (IASB).

The Act specifies that in the event that any one of its provisions is in conflict or not compatible with IFRSs or its application is incompatible with the obligation for the financial statements to give a true and fair view, that provision shall be departed from in order to give a true and fair view.

The accounting policies have been consistently applied by the Group and are consistent with those used in the prior years.

On the basis of progress made by the Group as disclosed in note 24 to the financial statements, the directors are of the opinion that profits and cash flows expected from the successful outcome of these projects are sufficient to meet present and future commitments and liabilities of the Company and the Group as these fall due. Accordingly, the going concern basis in the preparation of these financial statements is deemed appropriate.

#### ***2 Current period and events occurring after balance sheet date***

On 22 December 2003, the Group signed a Memorandum of Understanding with investors from the Federal Republic of Nigeria, whereby it was established that Datatrak MENA Ltd. ('DML') was to provide Datatrak Nigeria Limited ('DNL') with the required technology and know-how for the installation and management of fully integrated secure location, tracking and security system infrastructures. Continued forceful marketing by DML has made it possible to close and undertake the first In-Country-Survey contract in Nigeria. The agreement with respected Nigerian investors plans to roll-out the first Datatrak network in Abuja closely followed by networks in the Delta region and Lagos. DML is finalising the execution of the In-Country Survey in Nigeria. Final reporting is expected to be completed by July 2005. Following the conclusion of the In-Country Survey, the Group will be in a position to negotiate the Supply & License Agreement with Datatrak Nigeria Limited for the roll-out of the first network in Abuja, followed by other networks in the Delta region and Lagos.

Following balance sheet date, the Group commenced arrangements for the subscription of equity interest in Datatrak East Africa Ltd. to be formed in Sudan. The formation of Datatrak East Africa Ltd. will enable the Group to tap into the Sudanese market for the introduction of tracking technology using different systems such as the GPS-GSM, GPS-UHF and satellites systems.

Following balance sheet date, the Group has also started the implementation of the first restructuring phase on its local network operations through Datatrak Systems Limited to meet current technology standards in the tracking business.

In 2004, the Group signed a three-year contract with Siemens VDO Trading Limited (UK) through Datatrak Solutions International Limited (DSol) for the marketing of *Datatrak On-Line*, a web-based fleet tracking software. DispatchIT, the dynamic job management and dispatch system, is being marketed and sold independently by DSol through various UK distributors. While during the first period of operations, the subsidiary reported losses, the forecasts for the year ending 31 December 2005 show that Datatrak Solutions International Limited should be able to report a break-even position primarily as a result of significantly increased turnover levels. During the first quarter ended 31 March 2005, the subsidiary reported a profit of Lm24,240.

***Datatrak Holdings p.l.c. – Preliminary Statement of Operations***  
***For the Year ended 31 December 2004 (Cont.)***

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***Extract from report of the auditors to the members***

In our opinion, the financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2004 and of its operating results and its cash flows for the year then ended in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board and have been properly prepared in accordance with the Companies Act, 1995 enacted in Malta.

Without qualifying our opinion, we draw attention to note 1 to the financial statements, which indicates that the appropriateness of the going concern basis is dependent on the successful outcome of projects referred to in note 24 and to the basis of recognition and measurement of non-current assets disclosed in notes 9 and 11 to the financial statements.

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*Issued by Datatrak Holdings p.l.c.*