

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 8.7:

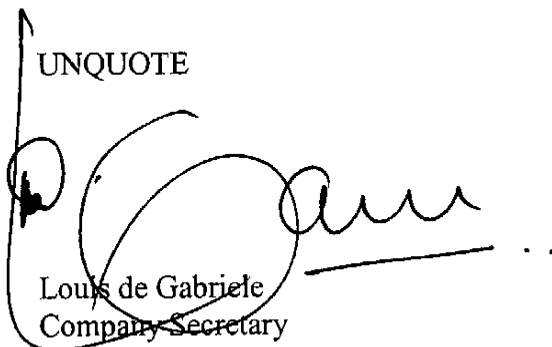
QUOTE

At a meeting of the Board of Directors of the Company held on the 24th April 2007, the Board of Directors resolved:

- (a) not to declare a dividend for the period ending on the 31st December 2006;**
- (b) to approve the Financial Statements of the Company for the period ending on the 31st December 2006.**

The Board is furthermore hereby announcing the preliminary statement of annual results for the financial year ended 31st December 2006. A copy of the said statement is attached hereto.

UNQUOTE



Louis de Gabriele
Company Secretary

24th April 2007

Datatrak Holdings p.l.c. – Preliminary Statement of Operations

For the Year ended 31 December 2006

(Published in terms of Article 8.7 of the MFSA Listing Authority Listing Rules)

	2006	2005
	Lm	Lm
<u>Consolidated condensed income statement</u>		
Revenue	1,398,133	1,408,042
	-----	-----
Profit / (Loss) before tax	57,416	(7,948)
Tax income	50,440	11,335
	-----	-----
Profit for the year	107,856	3,387
	=====	=====
Profit / (Loss) attributable to:		
Equity holders of the parent	(75,152)	(73,898)
Minority Interest	183,008	77,285
	-----	-----
Profit for the year	107,856	3,387
	=====	=====
Loss per share - basic	(0c5)	(0c5)
	=====	=====
Loss per share - diluted	(0c5)	(0c3)
	=====	=====
<u>Consolidated condensed balance sheet</u>		
Assets		
Total non-current assets	3,178,239	4,123,325
Total current assets	1,975,420	824,451
	-----	-----
Total assets	5,153,659	4,947,776
	-----	-----
Equity		
Issued capital	1,594,950	1,594,950
Share premium	988,590	3,235,608
Accumulated losses	528,546	(1,644,017)
	-----	-----
Total equity attributable to equity holders of the parent	3,112,086	3,186,541
Minority Interest	240,084	110,352
	-----	-----
Total Equity	3,352,170	3,296,893
	-----	-----
Liabilities		
Total non-current liabilities	217,738	140,465
Total current liabilities	1,583,751	1,510,418
	-----	-----
Total liabilities	1,801,489	1,650,883
	-----	-----
Total equity and liabilities	5,153,659	4,947,776
	=====	=====
<u>Consolidated condensed cash flow statement</u>		
Net cash from operating activities	96,469	196,511
Net cash used in investing activities	(321,599)	(254,523)
Net cash from financing activities	175,065	120,194
	-----	-----
Net increase in cash and cash equivalents	(50,065)	62,182
Cash and cash equivalents at 1 January	(490,130)	(552,312)
	-----	-----
Cash and cash equivalents at 31 December	(540,195)	(490,130)
	=====	=====

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Attributable to Equity holders of the parent

	Share capital	Share premium	Accumulated Losses	Total	Minority Interest	Total equity
	Lm	Lm	Lm	Lm	Lm	Lm
Balance at 1 January 2005	1,594,950	3,235,608	(1,609,909)	3,220,649	7,576	3,228,225
(Loss)/profit for the year	-	-	(73,898)	(73,898)	77,285	3,387
Disposal of subsidiary undertakings	-	-	19,555	19,555	17,991	37,546
Increase in share capital of subsidiary	-	-	-	-	32,500	32,500
Dividends paid by subsidiary	-	-	-	-	(25,000)	(25,000)
Equity settled transactions	-	-	20,235	20,235	-	20,235
Balance at 31 December 2005	1,594,950	3,235,608	(1,644,017)	3,186,541	110,352	3,296,893
Balance at 1 January 2006	1,594,950	3,235,608	(1,644,017)	3,186,541	110,352	3,296,893
(Loss)/profit for the year	-	-	(75,152)	(75,152)	183,008	107,856
Capitalisation of share premium	(2,247,018)	(2,247,018)	-	-	-	-
Reduction of share capital in terms of Article 83 (5) of the Companies Act, 1995 (note 20.2)	-	-	-	-	-	-
Dividends paid by subsidiary	(2,247,018)	-	2,247,018	-	(53,276)	(53,276)
Equity settled transactions	-	-	697	697	-	697
Balance at 31 December 2006	1,594,950	988,590	528,546	3,112,086	240,084	3,352,170

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Review of group performance

Overall performance for the Group was excellent. Revenue has marginally fallen by 1% (this was caused primarily by the disposal of subsidiaries that are no longer considered to be part of the group) while costs have decreased by 8%. This improvement occurred notwithstanding further restructuring costs of Lm58K.

Other explanatory notes

The preliminary statement has been extracted from the Company's audited financial statements for the year ended 31 December 2006, which were approved by the board of directors on 24 April 2007.

The financial statements have been prepared and presented in accordance with the provisions of the Companies Act, 1995 enacted in Malta as limited below.

Article 4 of Regulation 1606/2002/EC ('the Regulation') requires that, for each financial year, companies that at balance sheet date have their securities trading on a regulated market of any EU Member State shall prepare consolidated financial statements in accordance with International Finance Reporting Standards as adopted by the EU.

The IAS Regulation prevails over the relevant provision of the Companies Act, 1995 to the extent that the said provisions are incompatible with the requirements of the Regulation.

The Group has reassessed the useful lives of its other intangible assets in accordance with the provisions of IAS 38 (revised 2004). No adjustment resulted from this reassessment.

The financial statements are presented in Maltese Liri and are prepared on the historical cost basis.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in the notes to the financial statements.

Except as disclosed in the Statement of Compliance, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

On the basis of progress made by the Group, as disclosed in note 28 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 as these fall due. Accordingly, the going concern basis in the preparation of these financial statements is deemed appropriate.

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Current period events and events after balance sheet date (note 28)

During 2006 Datatrak Mena Limited, a group company, has continued its negotiations with its Nigerian Partners on the supply and licence agreement for the provision of Networks in a number of regions. This has now reached its final stages. In particular a number of activities which are crucial in the progress towards the conclusion of the negotiations were completed. These achievements included, the granting of a frequency and operating licence for the area by the Ministry of Communications of Nigeria, and the granting of exclusivity to market a datatrak network in West, Central and East Africa by Siemens VDO Trading Limited. The company is in the process of reviewing alternatives in financing arrangements in relation to the project.

Extract from report of the independent auditors to the shareholders of the company

In our opinion, the financial statements give a true and fair view of:

- the financial position of the group as at 31 December 2006, and of its financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- the financial position of the Company as at 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Also in our opinion, the financial statements have been properly prepared in accordance with the provisions of the Companies Act, 1995 enacted in Malta.

Without qualifying our opinion we draw attention to note 2.1 to the financial statements, which indicates that the appropriateness of the going concern basis is dependant on the successful outcome of the projects referred to in note 28 and to the basis of recognition and measurement of non-current assets in notes 13, 16 and 19 to the financial statements.

Issued by Datatrak Holdings p.l.c.