

## COMPANY ANNOUNCEMENT

Loqus Holdings p.l.c. (the “Company”)

Interim Directors’ Statement

Date of Announcement	29 <sup>th</sup> November 2012
Reference	119/2012

This is a company announcement made by the Company in compliance with Chapter 5 of the Listing Rules:

### QUOTE

#### Interim Directors’ Statement

The following interim statement is being issued in view of the suspension of trading imposed by the Listing Authority due to the late filing of the Audited Financial Statements covering the period 30 June 2012. The Directors would like to inform the shareholders that this situation is due to the knock-on effect inherited from the late submission of the audited financial statements for the year ended 30 June 2011. Apart from this, the Group is also seeking shareholders’ approval for a change in auditors in view of achieving cost savings when compared to the size of the Group. The only time that a change in auditors can be sanctioned is during an AGM, which will take place on 3rd December 2012. The change in Auditors needs to pass as a resolution approved by the shareholders of the company. As a result of the above, the audit of the period in question is scheduled to commence later in January 2013, subject to the shareholders’ appointment of the auditors; suspension should be lifted when the audited figures for the year ended 30 June 2012 are published.

The Group registered a significant improvement in its operating performance during the period from 1 July 2011 to 30 June 2012, achieving a break-even status on operations as compared to an operating loss of €353k reported in the same period last year. This was mainly due to the provision on customer balances which had been taken during the previous year. The overall performance of the Group for 2011/2012 saw turnover settle at €3.76million compared to €4.1million recorded for the year ended 30 June 2011. This decrease in revenue was mainly due to a decrease in hardware sales related to projects. This is detailed below.

Key figures for July 2011 to June 2012 compared to July 2010 to June 2011	Year ended 30 June 2012	Year ended 30 June 2011	Movement
Revenue	€3,760,613	€4,106,455	-€345,842
Operating profit/(loss) (EBITDA)	€34,753	(€353,508)	€388,261

Though the Group is still making a loss after depreciation and amortisation, we are still aiming for a more sustained recovery by June 2013. The Group is moving in the right direction. Our position of investing in strategic projects which we feel can turn into products over time has been further validated over the last year. Even though we are being cautious in our predictions, the results for the first quarter of this financial year already show an improvement over the same period last year. Furthermore, government projects are on target to be completed before the end of June 2013. During the first quarter of this financial year, the Group continued to improve both in terms of maintaining a positive

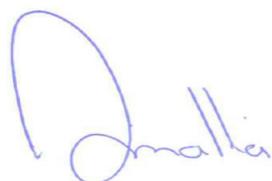
cash flow and operating profit. This was mainly due to the decrease in personnel expenses on non-performing activities.

Key figures for July 2012 to September 2012 compared to July 2011 to September 2011	Period ended 30 Sep 2012	Period ended 30 Sep 2011	Movement
Revenue	€776,865	€1,119,126	-€342,261
Operating profit/(loss) (EBITDA)	€77,312	(€3,263)	€80,575

As previously reported, the Bank continued to support the Group through temporary excess facilities which the Group has not needed to utilise for the last 3 months.

The Group continues to focus on discussions with potential partners, in order to obtain a deal for the sale in full or in part of the fleet management arm of the Group that will enable the group to increase its revenues and international reach. To date, the sale has not yet materialised, although the Group is still committed to completing the transaction as negotiations are ongoing.

## UNQUOTE



Adrian Mallia  
Company Secretary