COMPANY ANNOUNCEMENT

Loqus Holdings p.l.c. (the "Company")

Announces approval of half-yearly report

Date of Announcement	12th April 2013
Reference	125/2013

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

QUOTE

The Company announces that the directors have approved the half-yearly report of the Company for the six months ended 31st December 2012. A copy of the half-yearly report is attached to this announcement, and may also be downloaded from the Company's website www.loqusgroup.com

UNQUOTE

Adrian Mallia
Company Secretary

Loqus Holdings p.l.c.

Unaudited Half-Yearly Report

31 December 2012

Loqus Holdings p.l.c.

31 December 2012

Contents

Directors' Report pursuant to Listing Rule 5.75.2

For the six-months ended 31 December 2012

The Directors present their report in accordance with the requirements of MFSA Listing Rule 5.74. This report, which shall be read in conjunction with the Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2012, including the Notes thereto, forms part of the Half-Yearly Report of Loqus Holdings p.l.c., drawn up in terms of the requirements of Listing Rules 5.74 to 5.75.

Principal Activities

The Company holds investments in subsidiaries engaged in the provision of fleet management, back-office processing, consulting and ICT solutions.

Review of Performance

	01.07.2012 to 31.12.2012	01.07.2011 to 31.12.2011	% change
Revenue	**€1,648,959**	€2,081,398	-21%
Costs	**€1,531,478**	€1,951,003	-22%
EBITDA	**€117,481**	€130,395	-10%
Loss before interest & tax	**€124,929**	€184,334	-32%
Loss for the period	**€282,998**	€293,310	-4%

The Group registered a turnover of €1,648,959 (2011: €2,081,398) over the six months ended 31 December 2012. A loss before tax of €282,998 (2011: Loss before tax of €293,270) was reported by the Group. Overall performance of the Group saw a turnover of €1.65million, compared to €2.08million for the previous six-months. The decrease in revenue is due to on-time hardware sales in the prior period. Earnings before interest, tax, depreciation amounted to €117,481 (2011: €130,395). During the period under review, the Group also incurred an increase in financing costs which was netted of by a decrease in amortisation.

During the period under review the search for suitable business partners that can help Loqus grow by acquiring components of Loqus' business has continued in earnest. Due to the delay in the finalisation of the sale, the Fleet Management assets including IPR and current contracts, which were previously classified as assets held for sale, were included back as long-term assets.

Even though economic growth in Europe remains weak, the Group has not diminished its sales and marketing efforts. Over the past year the Group's efforts to attract sales outside of Europe is helping to improve results. The UK, which has traditionally been our primary market, has remained relatively stagnant and this has meant that we did not manage to close any significant new clients, however we have leveraged our reputation for cost savings with our current clients and managed to increase our business coming from them. Furthermore, local Government projects, which pose a severe negative effect on our cash flow, are on target to be completed before the end of 2013.

The immediate priority for the Group, as it has been for the last few years, is to achieve profitability and maintain our cash flow. This is being done through tight cost management and added effort for revenue enhancement.

Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the six-months ended 31 December 2012

Finally, we would like to stress that even though we have encountered an extremely difficult period in terms of cash flow we have always managed to keep to our scheduled repayment programmes with our bankers, ensuring that all relevant loans and excess facilities were repaid on time.

Way forward

We envisage the months until June 2013 will continue to be demanding. The nature of the projects we are currently undertaking, coupled with the current global financial situation, leads us to be cautious in our predictions, though we remain committed to deliver our projects on time and within budget.

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.

Whilst recognising these difficulties, we remain focused on improving our results and actively seeking new opportunities both in Malta and overseas.

Approved by the Board on 12 April 2013 and signed on its behalf by:

Mr Walter Bonnici
Chairman

Mr Joe Fenech Conti
Director

Condensed Consolidated Interim Statement of Comprehensive Income
For the six-months ended 31 December 2012

	01.07.2012 to 31.12.2012	01.07.2011 to 31.12.2011 *As restated**
	€	€
Revenue	**1,648,959**	2,081,398
Other income	67,555	70,632
Purchases and other directly attributable costs	(332,096)	(793,565)
Personnel expenses	(990,000)	(955,179)
Professional and consultancy fees	(38,161)	(32,518)
Travelling and accommodation	(25,963)	(63,629)
Marketing expenses	(30,691)	(8,278)
Other administrative expenses	(182,122)	(168,466)
Operating profit before depreciation and amortisation	**117,481**	130,395
Depreciation and amortisation	(242,410)	(314,729)
Finance income	731	590
Finance costs	(158,800)	(109,526)
Loss before tax	**(282,998)**	(293,270)
Income tax expense	-	(40)
Loss for the period	**(282,998)**	(293,310)
Other comprehensive income	-	-
Total comprehensive income for the period net of tax	**(282,998)**	(293,310)
Attributable to:		
Owners of the parent	(282,693)	(288, 056)
Non-controlling interest	(305)	(5,254)
	(282,998)	(293,310)
Loss per share basic	(0c1)	(0c1)

**Certain figures shown do not correspond to the 2011 interim statement and reflect adjustments made as detailed in the notes.*

Condensed Consolidated Statement of Financial Position

As at 31 December 2012

	The Group	
	31.12.2012	30.06.2012
	€	€
Assets		
Property, plant and equipment	171,282	229,245
Intangible assets	5,204,125	5,342,580
Total non-current assets	5,375,407	5,571,825
Inventories	3,667	8,580
Trade and other receivables	1,945,083	2,025,341
Cash at bank and in hand	81,870	60,455
Total current assets	2,030,620	2,094,376
Total assets	7,406,027	7,666,201
Equity and Liabilities		
Issued capital	7,430,457	7,430,457
Share premium	847,101	847,101
Capital Redemption Reserve	121,554	121,554
Accumulated losses	(6,824,111)	(6,541,420)
Total equity attributable to equity holders of the parent	1,575,001	1,857,692
Non-controlling interests	641	16,089
Total Equity	1,575,642	1,873,781
Non-current liabilities		
Interest-bearing loans and borrowings	596,110	584,849
Trade and other payables	-	-
Total non-current liabilities	596,110	584,849
Interest-bearing loans and borrowings	773,323	952,711
Trade and other payables	4,460,952	4,254,860
Total current liabilities	5,234,275	5,207,571
Total liabilities	5,830,385	5,792,420
Total equity and liabilities	7,406,027	7,666,201

The Condensed Consolidated interim financial statements set out on pages 3 to 11 were approved by the Board of Directors on 12 April 2013 and were signed on its behalf by:

Mr Walter Bonnici
Chairman

Mr Joe Fenech Conti
Director

Condensed Consolidated Interim Statements of Changes in Equity

For the six-months ended 31 December 2012

	Attributable to equity holders of the parent						
	Issued capital	Share premium	Capital redemption reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	€	€	€	€	€	€	€
At 1 July 2011	7,430,457	847,101	121,554	(5,705,571)	2,693,541	21,028	2,714,569
Loss for the period *(as restated)*	-	-	-	(288, 056)	(288, 056)	(5,254)	(293,310)
Other comprehensive income	-	-	-	-	-	-	-
At 31 December 2011	7,430,457	847,101	121,554	(5,993,627)	2,405,485	15,774	2,421,259
At 1 July 2012	7,430,457	847,101	121,554	(6,541,420)	1,857,692	16,089	1,873,781
(Loss)/Profit for the period	-	-	-	(282,693)	(282,693)	(305)	(282,998)
Dividends	-	-	-	-	-	(15,143)	(15,143)
Other comprehensive income	-	-	-	-	-	-	-
At 31 December 2012	7,430,457	847,101	121,554	(6,824,113)	1,574,999	641	1,575,640

**Certain figures shown do not correspond to the 2011 interim statement and reflect adjustments made as detailed in the notes.*

Condensed Consolidated Interim Statement of Cash Flows

For the six-months ended 31 December 2012

	The Group	
	01.07.2012 to 31.12.2012	01.07.2011 to 31.12.2011 *As restated**
	€	€
Operating Activities		
Loss before Tax	(282,998)	(293,270)
Adjustments to reconcile loss before tax to net cash flows:		
Non-Cash:		
Gain on sale of property, plant and equipment	-	-
Depreciation, amortisation and impairment	242,410	314,729
Provision for impairment of receivables	1,056	(21,852)
Bad debts	-	9,624
Interest expense	158,800	109,526
Interest income	(731)	(590)
Provision for exchange losses	-	-
Provision for obsolete inventory	1,090	1,571
Working capital adjustments:		
Decrease/(Increase) in inventories	3,826	(14,173)
Decrease in trade and other receivables	79,194	1,019,339
Increase/(decrease) in trade and other payables	97,131	(890,998)
Interest paid	(49,842)	(72,596)
Interest received	731	590
Income tax paid	-	(40)
Net cash flows generated from operating activities	250,667	161,860
Investing activities		
Proceeds from sale of property, plant and equipment	-	498
Payment to acquire property, plant and equipment	-	-
Payments to acquire intangible assets	(45,993)	(58,067)
Dividends paid to non-controlling interest	(15,143)	-
Net cash flows used in investing activities	(61,136)	(57,569)
Financing activities		
Repayment of interest-bearing borrowings	(81,106)	(146,800)
Net cash flows used in financing activities	(81,106)	(146,800)
Net movement in cash and cash equivalents	108,425	(42,509)
Cash and cash equivalents at beginning of period	(270,045)	(280,004)
Cash and cash equivalents at end of period	(161,620)	(322,513)

**Certain figures shown do not correspond to the 2011 interim statement and reflect adjustments made as detailed in the notes.*

Notes to the Condensed Consolidated Interim Financial Statements

For the six-months ended 31 December 2012

Reporting entity

Loqus Holdings p.l.c. (“the Company”), is a limited liability company incorporated in Malta on 23 October 2000. The condensed consolidated interim financial statements of the Group as at and for the six months ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associated company.

Basis of preparation and statement of compliance

The condensed consolidated interim financial statements have been prepared on a historical cost basis. The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 *Interim Financial Reporting*).

These condensed consolidated interim financial statements have been extracted from the unaudited and unreviewed group management accounts for the six months ended 31 December 2012.

The interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Loqus Holdings p.l.c. as at and for the period ended 30 June 2012.

The condensed consolidated interim financial statements were approved by the Board of Directors on 12 April 2013.

Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Group will continue in existence for the foreseeable future.

The directors have reasonable expectation that the Group has adequate resources to improve its liquidity and to take the necessary decisions to continue in operational existence for the foreseeable future.

The consolidated financial statements of the Group as at and for the period ended 30 June 2012 are available upon request from the Company’s registered office at F26, Mosta Technopark, Mosta, Malta.

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its financial statements as at and for the period ended 30 June 2012.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six-months ended 31 December 2012

Restatement

At the end of June 2011, the Board of Directors had taken a decision to actively pursue the sale of its existing fleet management operations, including software and existing business relationships, to an established international strategic partner, who may be better placed to exploit the full potential of the said assets on the international market. As a result, part of the Group's assets, relating to fleet management were classified as assets held for sale in the prior period.

To-date the sale has not yet materialised due to circumstances that were previously considered unlikely, although the Group is still committed to completing the transaction. However until a sale is materialised the assets were re-classified to intangibles and property, plant and equipment and the prior year figures were restated accordingly.

Segment information

For management purposes, the group is organised into business units based on their products and services as follows:

- Fleet management - Vehicle and Marine Tracking Systems and On the Move Logistics Solutions including tailor made solutions as well as off the shelf packages.
- Back-office processing - variety of high level, off site services to support entities.
- Projects - assist clients in selecting appropriate ICT solutions and in implementing them.
- Consulting services - work with governments and entities, assisting them to plan and manage institutional reform.

Management monitors revenue and directly attributable costs of its business units separately. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit and loss in the consolidated financial statements. Corporate expenses are allocated based on the segmental revenues. However, the Group assets and liabilities are managed on a Group basis and are not allocated to operating segments.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six-months ended 31 December 2012

01/07/2012 to 31/12/2012	Fleet management	Back-office processing	Projects	Consulting Services	Consolidated
	€	€	€	€	€
Revenue	795,219	603,989	249,751	-	1,648,959
Purchases and other directly attributable costs	(202,181)	(75,036)	(54,879)	-	(332,096)
Personnel expenses	(368,648)	(390,415)	(230,937)	-	(990,000)
Other expenses	(77,969)	(82,571)	(48,842)	-	(209,382)
Operating profit before depreciation and amortisation	146,421	55,967	(84,907)	-	117,481
Depreciation and amortisation	(198,571)	(33,890)	(9,949)	-	(242,410)
Finance income	352	268	111	-	731
Finance cost	(76,582)	(58,166)	(24,052)	-	(158,800)
Profit/(loss) before tax	(128,380)	(35,821)	(118,797)	-	(282,998)

01/07/2011 to 31/12/2011	Fleet management	Back-office processing	Projects	Consulting Services	Consolidated
	€	€	€	€	€
Revenue	794,005	651,128	601,342	34,923	2,081,398
Purchases and other directly attributable costs	(153,689)	(69,265)	(564,072)	(6,539)	(793,565)
Personnel expenses	(344,352)	(329,863)	(234,637)	(46,327)	(955,179)
Other expenses	(33,469)	(85,369)	(78,842)	(4,579)	(202,259)
Operating profit before depreciation and amortisation	262,495	166,631	(276,209)	(22,522)	130,395
Depreciation and amortisation	(265,766)	(37,607)	(10,613)	(743)	(314,729)
Finance income	225	185	170	10	590
Finance cost	(41,782)	(34,263)	(31,643)	(1,838)	(109,526)
Profit/(loss) before tax	(44,828)	94,946	(318,295)	(25,093)	(293,270)

Revenue by geographical markets	Local	Europe	Africa	Total
	€	€	€	€
01.07.2012 to 31.12.2012	1,121,404	504,555	23,000	1,648,959
01.07.2011 to 31.12.2011	1,514,459	519,700	47,239	2,081,398

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six-months ended 31 December 2012

Significant accounting judgements, estimates and assumptions

The preparation of consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Actual results in the future may differ from such estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 30 June 2012.

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

For the six-months ended 31 December 2012

I hereby confirm that to the best of my knowledge:

- the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 31 December 2012, as well as of the financial performance and cash flows for the said period, fully in compliance with the accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, *Interim Financial Reporting*); and
- the Interim Directors' report includes a fair review of the information required in terms of Listing Rule 5.81 to 5.84.

Mr Walter Bonnici
Chairman