

Punch Telematix experiences difficult first half of the year

Wervik, Belgium – 31 August 2007 – After its successful introduction to the stock exchange at the end of the previous year, Punch Telematix, a growing, innovative telematics company listed on the stock exchange, is experiencing a difficult period. The commercialisation of the portable product portfolio has sustained a delay, Alturion has had to deal with heightened competition and in France too it has not as yet proved possible to realise the targeted growth in sales. Sales fell by 23% and the results are therefore below the company's own expectations.

It is, however, positive that the autonomous growth of the applications that have already been commercialised in Belgium and the Netherlands is exceeding 30%, a figure that is somewhat higher than anticipated.

Due to the limited 'visibility', it is difficult to look ahead. The group does not wish to announce any new targets for 2007, although for 2008 it is expecting a positive net result.

Consolidated key figures (IFRS)

| | 30 June 2007 | 30 June 2006 | Difference % |
|--|--------------|--------------|-----------------|
| <i>Amounts in millions of euros</i> | | | |
| Sales | 6.4 | 8.3 | -23 |
| EBITDA¹ | -1.3 | -0.8 | |
| EBIT (operating result) | -1.7 | -0.1 | |
| Financial result | 0.1 | -0.4 | |
| Profit before taxes | -1.6 | -0.5 | |
| Taxes | 0.0 | 0.2 | |
| Net profit | -1.6 | -0.3 | |
| Result per share – ordinary | -0.38 | -0.12 | |
| Equity capital | 39.9 | 21.0 | |
| Net Financial debt ² (negative = net cash position) | -6.9 | -0.2 | |

¹ EBITDA: is a not defined term according to IFRS. Punch Telematix defines this term as earnings before interest and taxes, plus depreciation, amortisation and provisions booked, minus any potential reductions of those items.

² Net financial debt = long- and short- term financial debts - cash & cash equivalents.

Review of the results

Sales and other operating income

Punch Telematix saw sales decrease by 23% over the first half of 2007. On a comparable basis, taking into account the paging activities divested last year, sales fell by 12%. The most significant reasons for this drop in sales are as follows:

- With a view to launching the portable application, the commercialisation of the FieldBox was discontinued in the Field segment. The impact of this on sales amounted to approximately € 1.5 million.
- Alturion, supplier of navigation software, was able to realise virtually no sales during the first 6 months of 2007. The Board of Directors are investigating different strategic options.
- In France, sales fell by 45%. In contrast to the previous year, the group is now only offering its own applications here. Furthermore, the focus was shifted to the high-end range (CarCube), which, due to the higher prices, is characterised by longer sales cycles. The first CarCube applications have now been sold.
- The commercial launch of the portable product portfolio was delayed by technical production problems.

The autonomous growth of the CarCube and the CarBox in Belgium and the Netherlands amounts to 32%.

| | 30 June 2007 | 30 June 2006 | Difference |
|-------------------------------------|--------------|--------------|------------|
| <i>Amounts in millions of euros</i> | | | <i>%</i> |
| Sales | 6.4 | 8.3 | -23 |
| 'Paging' activities | 0.0 | 1.2 | |
| Sales on a comparable basis | 6.4 | 7.2 | -12 |
| - FieldBox applications | 0.0 | 0.6 | -100 |
| - Alturion | 0.0 | 1.1 | -100 |
| - France | 0.6 | 1.1 | -45 |
| - Sales Other applications (BE+NL) | 5.8 | 4.4 | +32 |

Order portfolio

At the end of June 2007, Punch Telematix had an order portfolio of signed contracts in the amount of € 7.3 million (end of 2006: € 5.7 million), for which the incoming payments will be spread over time.

Other operating income

Other operating income fell from € 1.0 million for the first half of 2006 to € 0.3 million for 2007. This fall can be attributed almost entirely to the discontinuation rental income from a leased building.

EBITDA

EBITDA fell from € -0.8 million to € -1.3 million over the first six months of 2007. This can be attributed to the lower sales, which were responsible for a drop in EBITDA of approximately € -0.9 million, intensified by a one-off expense in the amount of € -0.7 million. Thanks to an efficient cost policy it was possible to reduce the operating expenses for the first half of the year, in comparison with the same period of the previous year, by € 1.1 million. In France, EBITDA of € -0.8 million was realised and in Belgium and the Netherlands EBITDA of € -0.5 million was achieved, of which € -0.7 million can be attributed to the above-mentioned one-off expense.

Operating profit (EBIT)

The operating profit for the first six months of the year amounts to € -1.7 million (first half of 2006: € -0.1 million), while depreciation for the same period stands at € 0.5 million (first half of 2006: € 0.7 million). This decrease can be fully attributed to the discontinuation of depreciation on the leased building that was rented out until June 2006. The impairment and provisions posted come to € -0.05 million (this amount concerns a reversal. For the first half of 2006, a reversal of € 1.4 million was posted).

Financial result

The financial result for the first six months of the year amounts to € 0.1 million (first half of 2006: € -0.4 million). Since the stock market flotation in December 2006, the group has had a net cash position rather than a financial debt position, as a result of which interest is being received instead of being paid.

Result before tax

The result before tax amounts to € -1.6 million (first half of 2006: € -0.5 million).

Taxes

No taxes are reported for the first six months of the year. In 2006, deferred tax assets on tax losses carried forward were recognised in the first half of the year in the amount of € 0.2 million, with a positive effect of € 0.2 million under the tax heading as a result.

Net consolidated result

The net result for the first half of 2007 amounts to € -1.6 million, compared to € -0.3 million in 2006. Earnings per share have fallen from € -0.12 to € -0.38 per share.

Balance sheet and cash flow analysis

| | 30 June 2007 | 31 Dec 2006 | Difference |
|-------------------------------------|--------------|-------------|-------------|
| <i>Amounts in millions of euros</i> | | | % |
| Fixed assets | 31.4 | 30.2 | 1.2 |
| Current assets | 9.2 | 11.6 | -2.4 |
| Cash and cash equivalents | 6.9 | 11.0 | -4.1 |
| Total assets | 47.5 | 52.8 | -5.3 |
| Shareholders' equity | 39.9 | 41.6 | -1.7 |
| Financial debts | 0.0 | 0.0 | 0.0 |
| Other liabilities | 7.6 | 11.2 | -3.6 |
| Total liabilities | 47.5 | 52.8 | -5.3 |
| Solvency | 84% | 79% | |

| | 30 June 2007 | 30 June 2006 | Difference |
|-------------------------------------|--------------|--------------|-------------|
| <i>Amounts in millions of euros</i> | | | % |
| Cash flow – result | -1.1 | -1.3 | +0.2 |
| Cash flow – working capital | -0.5 | +1.8 | -2.3 |
| Cash flow – investments | -2.5 | 0.5 | -3.0 |
| Cash flow – financing | -0.0 | -1.2 | +1.2 |
| Net cash flow | -4.1 | -0.2 | -3.9 |

As a consequence of the negative result for the financial year, shareholders' equity fell by € 1.6 million to € 39.9 million.

The net cash position fell by € 4.1 million from € 11 million at the end of the previous year to € 6.9 million at the end of June 2007. This decrease can be attributed to the negative operating cash flow for the financial year (€ -1.1 million), the changes in operating capital (€ -0.5 million) and the investments for the financial year (€ -2.5 million). This last heading includes a partial payment of an *earn out* in the amount of € 2.2 million, which was posted as a debt at the end of the previous year.

Prospects

The group does not wish to give a forecast for 2007. In 2008, the group must succeed in becoming profitable.

Financial calendar

- 31 August 2007: publication of interim results for 2007
- 29 February 2008: publication of full-year results for 2007
- 23 May 2008: General Meeting 2008
- 29 August 2008: publication of interim results for 2008



Annexes – also available at www.punchtelematix.com

1. Consolidated income statement
2. Consolidated balance sheet
3. Consolidated cash flow statement
4. Reconciliation of equity
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6. Segmented information – Balance sheet

About Punch Telematix

Punch Telematix is a pan-European telematics service provider. It offers a complete range of total solutions for remote resource and asset management, from low-end, over mid-range to high-end telematics applications, to all segments of the market. Punch Telematix offers widely useable solutions based on an open, modular and scalable architecture. Agreements with various mobile operators (including Proximus and Vodafone) allow Punch Telematix to offer not only the hardware and software components of the front-end and the back-office, but also the necessary data communications. The solution bundles of Punch Telematix are offered at a monthly flat fee including hardware, airtime and software, providing customers with a low barrier (no capital expenditure required), cost predictable solution.

Punch Telematix is listed on Eurolist by Euronext Brussels (ticker: PTX).

More information

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1. Consolidated income statement (unaudited)

| <i>amounts in € '000</i> <i>(IFRS)</i> | 30 June 2007 | 30 June 2006 | Difference |
|--|------------------|------------------|------------------|
| Sales | 6,354 | 8,258 | -1,905 |
| Other operating income | 323 | 961 | -637 |
| Total revenues | 6,677 | 9,219 | -2,542 |
| Change in inventories | 1,328 | 314 | 1,014 |
| Cost of goods & services sold | -4,323 | -3,573 | -750 |
| Salaries & employee benefits | -2,412 | -3,112 | 700 |
| Depreciation, amortisation & impairment | -520 | -669 | 149 |
| Impairment losses on current assets | -32 | 337 | -369 |
| Other operating charges | -2,468 | -2,604 | 136 |
| Total operating expenses | 8,427 | 9,307 | -879 |
| Operating result | -1,750 | -88 | -1,662 |
| Finance income / (cost) | 132 | -398 | 529 |
| Result before tax | -1,618 | -485 | -1,133 |
| Taxes | -10 | 180 | -190 |
| Net result | -1,629 | -305 | -1,323 |
| Net result - Equity interest | -1,629 | 61 | -1,689 |
| Net result - Minority interest | 0 | -366 | 366 |
| EBITDA | -1,274 | -819 | -455 |
| Weighted average number of shares (*) | 4,282,902 | 2,645,596 | 1,637,306 |
| Earnings per share - basic & diluted (*) | -0.38 | -0.12 | -0.26 |
| (*) taking into account the 4:1 reverse stock split | | | |

EBITDA: is a not defined term according to IFRS. Punch Telematix defines this term as earnings before interest and taxes, plus depreciation, amortisation and provisions booked, minus any potential reductions of those items.

2. Consolidated balance sheet (half year numbers unaudited)

| <i>amounts in € '000</i> <i>(IFRS)</i> | 30 Jun 2007 | 31 Dec 2006 | Difference |
|---|---------------|----------------|---------------|
| Non-current assets | 31,423 | 30,225 | 8,845 |
| Intangible assets | 24,192 | 24,584 | 6,174 |
| PPE: Property, Plant & Equipment | 320 | 219 | -88 |
| Receivables (non-current) | 3,045 | 1,556 | 2,758 |
| Deferred tax assets | 3,865 | 3,865 | 1 |
| Current assets | 16,081 | 22,592 | 4,894 |
| Inventories | 1,576 | 1,093 | 21 |
| Contracts in progress | 0 | 0 | 0 |
| Trade debtors | 5,249 | 7,932 | -2,062 |
| Other amounts receivable | 836 | 1,870 | -799 |
| Deferred charges and accruals | 1,493 | 673 | 1,144 |
| Cash and cash equivalents | 6,926 | 11,024 | 6,589 |
| Assets held for sale | 0 | 0 | 0 |
| Total assets | 47,504 | 52,817 | 13,739 |
| Shareholders' equity | 39,936 | 41,602 | 18,590 |
| Ordinary shares | 35,325 | 35,325 | 20,325 |
| Share premium account | 960 | 960 | 960 |
| Consolidated reserves | 5,280 | 4,982 | -1,006 |
| Result of the year | -1,629 | 335 | -1,689 |
| Minority interests | 0 | 0 | 366 |
| Total equity | 39,936 | 41,602 | 18,956 |
| Non-current liabilities | 589 | 532 | -98 |
| Interest bearing loans & borrowings (non-current) | 15 | 0 | 15 |
| Provisions - non-current | 575 | 532 | -102 |
| Other liabilities | 0 | 0 | -10 |
| Current liabilities | 6,978 | 10,684 | -5,119 |
| Trade payables | 3,186 | 4,030 | -1,735 |
| Other current payables | 3,664 | 5,812 | -2,807 |
| Current tax liabilities | 128 | 804 | -417 |
| Borrowings | 0 | 37 | -161 |
| Total liabilities and equity | 47,504 | 52,817 | 13,739 |
| Net financial debt | -6,912 | -10,987 | -6,735 |
| Net financial debt / Total equity | -0.17 | -0.26 | -0.16 |
| Total equity / Total assets | 84% | 79% | 22% |
| Return on equity | n/a | 2% | |

Net financial debt = long- and short- term financial debts - cash & cash equivalents

3. Consolidated cash flow statement (unaudited)

| <i>amounts in € '000</i> | 30 June 2007 | 30 June 2006 |
|--|---------------|---------------|
| <i>(IFRS)</i> | | |
| Cash flow from operating activities | | |
| Result before tax | -1,618 | -485 |
| <u>Adjustments for:</u> | | |
| Depreciations, amortisations & impairment | 552 | 332 |
| Provisions | -76 | -1,064 |
| Gains/losses on realisation PPE | | |
| Foreign exchange loss/gain | | |
| Derivatives | 0 | -38 |
| Warrants | | |
| Subtotal | -1,142 | -1,255 |
| Movement trade & other receivables | 1,376 | -4,260 |
| Movement inventories | -484 | 941 |
| Movement trade & other payables | -1,311 | 8,292 |
| Movement other payables: earn-out to be paid | 0 | 0 |
| Other movements (related to acquisition of new participations) | 0 | -3,249 |
| Cash generated from operations | -1,561 | 468 |
| Income taxes | 0 | 0 |
| Net cash flow from operating activities | -1,561 | 468 |
| Cash flow from investing activities | | |
| Acquisitions | -2,850 | -2,647 |
| - Non-current assets other than financial | -600 | -737 |
| - Participations | 0 | -1,910 |
| - Participations: earn outs not yet paid | -2,250 | 0 |
| Sales | 372 | 3,160 |
| Net cash flow from investing activities | -2,478 | 513 |
| Cash flow from financing activities | | |
| Proceeds from issue of share capital | -36 | 0 |
| New loans | 15 | 0 |
| Loan repayments | -37 | -3,082 |
| Financing from Punch International | 0 | 1,910 |
| Dividends | 0 | 0 |
| Net cash flow from financing activities | -58 | -1,172 |
| Net cash flow | -4,097 | -191 |
| Cash & cash equivalents | | |
| Cash and cash equivalent at beginning of period | 11,024 | 528 |
| Cash and cash equivalent at end of period | 6,926 | 337 |
| Net cash flow | -4,097 | -191 |

4. Reconciliation of equity (half year numbers unaudited)

| <i>amounts in € '000</i> | Ordinary Shares | Share premium account | Consolidated Reserves | Result of the Year | Shareholders' equity |
|--------------------------------------|-----------------|-----------------------|-----------------------|--------------------|----------------------|
| As at 31 December 2006 | 35,325 | 960 | 4,982 | 335 | 41,602 |
| Transfer | | | 335 | -335 | |
| Result of the year | | | | -1,634 | -1,634 |
| Capital increase Punch International | | | | | |
| Capital decrease | | | | | |
| Capital increase IPO | | | | | |
| IPO costs through equity | | | -36 | | -36 |
| As at 30 June 2007 | 35,325 | 960 | 5,280 | -1,629 | 39,936 |

5. Segmented information – income statement (half year numbers unaudited)

| <i>amounts in € '000</i> <i>(IFRS)</i> | 30 Jun | 31 Dec | 30 Jun | 30 Jun | 30 Jun | 30 Jun | 30 Jun | 30 Jun | 30 Jun |
|---|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 2007 | 2006 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| | CONSOLIDATED | | | BELGIUM | | NETHERLANDS | | FRANCE | |
| Sales | 6,354 | 18,750 | 8,258 | 1,735 | 4,880 | 4,030 | 2,264 | 589 | 1,115 |
| Other operating income | 323 | 1,069 | 961 | 2,930 | 955 | -2,304 | 3 | -302 | 2 |
| -- Other operating income | 323 | 1,069 | 961 | 74 | 955 | 248 | 3 | 1 | 2 |
| -- Intercompany transactions | 0 | 0 | 0 | 2,855 | 0 | -2,552 | 0 | -303 | 0 |
| Total revenues | 6,677 | 19,819 | 9,219 | 4,665 | 5,834 | 1,725 | 2,267 | 287 | 1,117 |
| Change in inventories | 1,328 | 336 | 314 | 1,337 | 802 | 0 | -488 | -9 | 0 |
| Cost of goods & services sold | -4,323 | -7,827 | -3,573 | -3,430 | -2,777 | -653 | -245 | -241 | -551 |
| Salaries & employee benefits | -2,412 | -5,256 | -3,112 | -1,043 | -1,062 | -821 | -889 | -548 | -1,161 |
| Depreciation, amortisation & impairment | -520 | -1,134 | -669 | -492 | -601 | -10 | -55 | -18 | -13 |
| Impairment losses on current assets | -32 | 309 | 337 | -165 | 337 | 133 | 0 | 0 | 0 |
| Other operating charges | -2,468 | -5,562 | -2,604 | -1,810 | -2,171 | -428 | 787 | -229 | -1,220 |
| Total operating expenses | 8,427 | 19,135 | 9,307 | 5,603 | 5,472 | 1,780 | 890 | 1,045 | 2,945 |
| Operating result | -1,750 | 684 | -88 | -938 | 363 | -54 | 1,377 | -758 | -1,828 |
| Finance income / (cost) | 132 | -611 | -398 | 139 | -386 | -1 | -10 | -6 | -2 |
| Result before tax | -1,618 | 73 | -485 | -799 | -23 | -55 | 1,368 | -764 | -1,829 |
| Taxes | -10 | 262 | 180 | -10 | 180 | 0 | 0 | 0 | 0 |
| Net result | -1,629 | 335 | -305 | -809 | 156 | -55 | 1,368 | -764 | -1,829 |
| Net result - Equity interest | -1,629 | 335 | 61 | -809 | 156 | -55 | 1,368 | -764 | -1,464 |
| Net result - Minority interest | 0 | 0 | -366 | 0 | 0 | 0 | 0 | 0 | -366 |
| EBITDA | -1,274 | 248 | -819 | -281 | 627 | -177 | 368 | -816 | -1,815 |

6. Segmented information – Balance sheet (half year numbers unaudited)

| <i>amounts in € '000</i> <i>(IFRS)</i> | 30 Jun 2007 | 31 Dec 2006 | 30 Jun 2006 | 30 Jun 2007 BELGIUM | 30 Jun 2006 | 30 Jun 2007 THE NETHERLANDS | 30 Jun 2006 | 30 Jun 2007 FRANCE | 30 Jun 2006 |
|---|---------------|----------------|---------------|------------------------|---------------|--------------------------------|---------------|-----------------------|---------------|
| Non-current assets | 31,423 | 30,225 | 22,578 | 20,930 | 15,605 | 7,883 | 5,332 | 2,610 | 1,640 |
| Intangible assets | 24,192 | 24,584 | 18,017 | 15,558 | 11,315 | 6,443 | 5,143 | 2,190 | 1,559 |
| PPE: Property, Plant & Equipment | 320 | 219 | 408 | 272 | 208 | 41 | 163 | 6 | 37 |
| Receivables (non-current) | 3,045 | 1,556 | 288 | 1,234 | 218 | 1,398 | 26 | 414 | 44 |
| Deferred tax assets | 3,865 | 3,865 | 3,865 | 3,865 | 3,865 | 0 | 0 | 0 | 0 |
| Current assets | 16,081 | 22,592 | 11,187 | 15,431 | 15,807 | 1,127 | -4,094 | -477 | -526 |
| Inventories | 1,576 | 1,093 | 1,555 | 1,434 | 1,218 | 0 | 338 | 142 | 0 |
| Trade debtors | 5,249 | 7,932 | 7,311 | 3,218 | 5,518 | 1,970 | 798 | 62 | 994 |
| Other amounts receivable | 836 | 1,870 | 1,635 | 3,580 | 8,688 | -1,681 | -5,358 | -1,063 | -1,695 |
| Deferred charges and accruals | 1,493 | 673 | 349 | 572 | 115 | 697 | 68 | 224 | 166 |
| Cash and cash equivalents | 6,926 | 11,024 | 337 | 6,627 | 269 | 141 | 59 | 158 | 9 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total assets | 47,504 | 52,817 | 33,765 | 36,360 | 31,412 | 9,010 | 1,238 | 2,134 | 1,115 |
| Shareholders' equity | 39,936 | 41,602 | 21,346 | 30,827 | 23,083 | 8,324 | -433 | 786 | -1,304 |
| Ordinary shares | 35,325 | 35,325 | 15,000 | 35,325 | 15,000 | 0 | 0 | 0 | 0 |
| Share premium account | 960 | 960 | 0 | 960 | 0 | 0 | 0 | 0 | 0 |
| Consolidated reserves | 5,280 | 4,982 | 6,286 | -4,649 | 7,926 | 8,379 | -1,801 | 1,550 | 160 |
| Result of the year | -1,629 | 335 | 61 | -809 | 156 | -55 | 1,368 | -764 | -1,464 |
| Minority interests | 0 | 0 | -366 | 0 | 0 | 0 | 0 | 0 | -366 |
| Total equity | 39,936 | 41,602 | 20,980 | 30,827 | 23,083 | 8,324 | -433 | 786 | -1,669 |
| Non-current liabilities | 589 | 532 | 687 | 0 | 10 | 0 | 600 | 589 | 77 |
| Interest bearing loans & borrowings (non-current) | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 0 |
| Provisions - non-current | 575 | 532 | 677 | 0 | 0 | 0 | 600 | 575 | 77 |
| Other liabilities | 0 | 0 | 10 | 0 | 10 | 0 | 0 | 0 | 0 |
| Current liabilities | 6,978 | 10,684 | 12,097 | 5,534 | 8,319 | 686 | 1,071 | 758 | 2,707 |
| Trade payables | 3,186 | 4,030 | 4,921 | 2,623 | 3,268 | 416 | 569 | 148 | 1,084 |
| Other current payables | 3,664 | 5,812 | 6,471 | 2,855 | 4,624 | 198 | 350 | 611 | 1,496 |
| Current tax liabilities | 128 | 804 | 545 | 55 | 415 | 73 | 125 | 0 | 4 |
| Borrowings | 0 | 37 | 161 | 0 | 13 | 0 | 26 | 0 | 123 |
| Total liabilities and equity | 47,504 | 52,817 | 33,765 | 36,360 | 31,412 | 9,010 | 1,238 | 2,134 | 1,115 |
| Net financial debt | -6,912 | -10,987 | -176 | | | | | | |
| Net financial debt / Total equity | -0.17 | -0.26 | -0.01 | | | | | | |
| Total equity / Total assets | 84% | 79% | 62% | | | | | | |