

Punch Telematix exceeds own expectations

Wervik, Belgium – 28 February 2007 - Punch Telematix, a growing and innovative telematics company whose stock is listed and which is active in Belgium, the Netherlands and France, achieved a turnover of 18.8 million euro in financial year 2006, an increase of 162% over 2005. Thanks to the increase in scale as a result of various acquisitions, the group is profitable for the first time, with positive results of operating activities of 0.7 million euro and a net profit of 0.3 million euro. With this the group has exceeded its own expectations as these were set forth in the prospectus for the stock-market introduction (18 million euro turnover and 'break-even' net result).

Consolidated key figures (IFRS)

	31/12/2006	31/12/2005	Variance	H1 2006	H2 2006	Variance
<i>Amounts shown in million euros</i>			%			%
Sales	18.8	7.2	+162%	8.3	10.5	+26%
EBITDA¹	0.2	-0.3		-0.8	1.1	
EBIT (operating result)	0.7	-9.4		-0.1	0.8	
Financial result	-0.6	-0.8		-0.4	-0.2	
Profit before taxes	0.1	-10.2		-0.5	0.6	
Taxes	0.2	3.6		0.2	0.1	
Net profit	0.3	-6.6		-0.3	0.6	
Result per share – ordinary	0.08	-8.02				
Result per share – diluted	0.08	-8.02				
Equity capital	41.6	3.3				
Net financial debt ²	-11.0	2.7				

Important events

Punch Telematix emerged from the spinning off of the telematics department of Punch International ('Punch'), the diversified technology group listed on Euronext Brussels.

At the beginning of 2005, Punch International analysed the telematics market and concluded that both the market and the technology were ripe for expansion. By means of various acquisitions (Wevada, ICS (now Punch Telematix Nederland), ICS Benelux, Atimis (now Punch Telematix France) and Alturion), the development of a new standard product portfolio and an adapted commercial strategy - 'bundle sales'

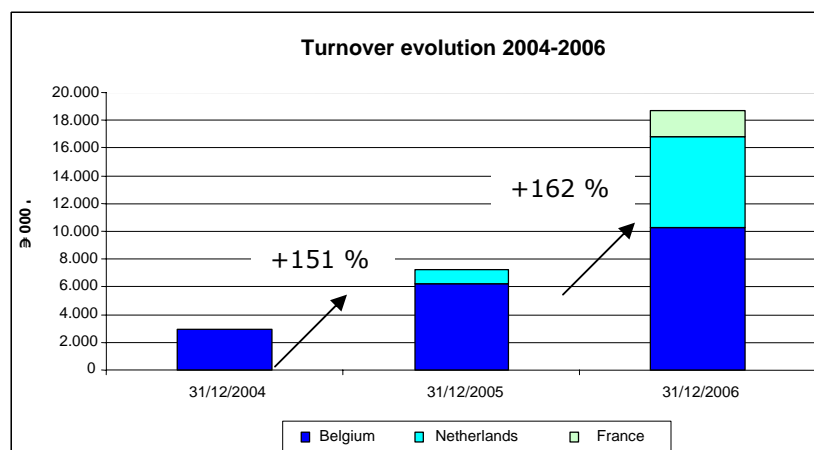
- the group succeeded within a short time in becoming the market leader in the Benelux and France.

- June 2006: Punch International increases the capital of Punch Telematix by 17.9 million euro to finance the further growth.
- November 2006: a net of 20.0 million euro (including 'green shoe') is collected upon the stock-market flotation of Punch Telematix. Parent company Punch sells no shares in this operation and remains, with 63% of the shares, the reference shareholder of Punch Telematix.

The capital increase and stock-market flotation should enable the group to achieve its ambition: expanding into a pan-European telematics player.

Discussion of the results

Turnover and other operating revenue



Punch Telematix sees the turnover for the financial year 2006 increase by 162% to 18.8 million euro (2005: 7.2 million euro). Determining the autonomous growth is not easy, however, since Punch Telematix chose to no longer market the products which were offered by the acquired companies, but instead to replace them with its own products, and thus to standardise its entire product line. The best comparable periods are the first and second half of 2006.

A comparison shows that Punch Telematix succeeded in achieving a turnover increase of 26% during the second half of 2006. After correction for the ReFLEX® activities sold during the first half of the year, the increase amounts to 46%.

Turnover per country

- **Belgium:** in Belgium a turnover increase of 65% is recorded, and this despite the disappearance of the ReFLEX® activities (2005: 2.5 million euro and 2006: 1.1 million euro). The growth in turnover is primarily due to the acquisition of Alturion (navigation software). The other telematics applications also post significant turnover growth.

- **Netherlands:** the turnover rises from 0.9 million euro in 2005 (2 months' turnover) to 6.6 million euro in 2006. It is important to note here that in 2006 the entire product line was replaced by the new Punch Telematix products.
- **France:** in France for the moment only products for the Fleet & assets segment have been put onto the market. The relatively low turnover for 2006 is attributable to the absence of the high-end products (Truck & transport). The commercial introduction of these products during the course of 2007 should have a positive impact on sales.

Turnover per product segment

During the course of 2006 Punch Telematix extended its product line, which until then had consisted solely of 'mounted' applications, to include 'portable' applications as well. The commercial launch of this new product line will be completed in mid-April 2007.

- **Truck & transport:** thanks to the marketing of the CarCube in the Netherlands, significantly more applications could be put onto the market. In France this product was not yet marketed in 2006 because one opted to give priority to the integration of the newly acquired entity (Atimis, now Punch Telematix France). As of 2007 the CarCube is also being launched in France; this should positively influence the turnover for this product segment.
- **Field:** until now the group addressed this segment primarily with the FieldBox, a mounted application, with limited success. From reactions it appears that in this market the demand is primarily for portable applications. With the marketing of the Go•2 Pro, a portable application, the group thus expects to achieve a major increase in sales in 2007.
- **Fleet & assets:** in this segment Punch Telematix has been able to conquer a handsome market position with the CarBox. However, this is a volume market where the turnover per sold application is quite low compared to the 'truck & transport' and 'field' segments.

Order book

At the end of the financial year 2006, Punch Telematix had an order book of signed contracts worth 5.7 million euro, the payments for which will be spread out over time. 3.9 million euro of these remains to be taken in result in the future, spread over the term of the contracts.

Other operating revenue

The other operating revenue amounts to 1.1 million euro and includes mainly the rental income of a building that was leased to third parties. This (leased) building was acquired on 30 June 2006 by Punch International, so that the rental income for Punch Telematix disappeared as of the second half of the year.

EBITDA

The EBITDA rises from -0.3 million euro in 2005 to 0.2 million euro in 2006. It is noted that, as a result of the acquisition, Punch Telematix Nederland was restructured during the first half of the year. The costs of this restructuring weigh on the EBITDA (H1 2006: -0.8 million). The second half of 2006 is thus more representative for the current activities, given that during this period fewer one-time costs were booked.

Thanks to a rigorous cost policy, over the second half of the year a positive EBITDA of 1.1 million euro could be recorded. The activities in the Netherlands and Belgium are fundamentally profitable (positive EBITDA); the activities in 2004 France remain loss-making for the time being. However, Punch Telematix France is a recently started-up company. At present the commercial extension of the French network and the increase in the name recognition require great attention and resources.

Results of operating activities (EBIT)

The results of operating activities amount to 0.7 million euro, i.e. an improvement of 3.6 million euro vis-à-vis 2005 (2005: -2.9 million euro, excluding the booked 'impairment' charge on goodwill).

A comparison of the results of operating activities for the first (-0.1 million euro) and the second half of the year (+0.8 million euro) clearly shows that Punch Telematix is succeeding in spreading the overhead costs over a larger turnover basis, producing a favourable impact on the results.

Financial result

The financial result amounts to -0.6 million euro (2005: -0.8 million euro). Since the stock-market flotation in December 2006 the company has no more financial debts. The financial result for 2007 will thus improve significantly.

Result before income taxes

The result before income taxes amounts to 0.1 million euro (2005: -10.2 million euro).

Income taxes

Thanks to the additional recognition of deferred tax debits on fiscally transferable losses, a tax revenue of 0.2 million euro is reported. Deferred tax debits were recognised for the first time last year, with a positive effect on the result of 3.6 million euro. It is noted that other major deferred tax debits have not yet been recognised.

Net consolidated result

The net result for 2006 amounts to 0.3 million euro compared to -6.6 million euro in 2005.

Balance sheet and cash flow analysis

	31/12/2006	31/12/2005	Variance
<i>Amounts shown in million euros</i>			%
Fixed assets	30.2	19.8	9.2
Current assets	11.6	7.5	5.3
Cash and cash equivalents	11.0	0.5	10.5
Total assets	52.8	27.8	25.0
Shareholders' equity	41.6	3.4	38.2
Financial debts	0.0	3.2	-3.2
Other liabilities	11.2	21.2	-10.0
Total liabilities	52.8	27.8	25.0
Solvency	79%	12%	
Cash flow – result	-0.4	-1.1	+0.7
Cash flow – working capital	-2.5	3.2	-5.7
Cash flow – investments	-3.3	-8.5	+5.2
Cash flow – financing	16.8	6.8	+10.0
Net cash flow	10.5	0.4	10.1

With a view to implementing its expansion strategy, in 2006 Punch Telematix devoted a great deal of attention to its balance sheet structure. The successive capital increases through the debt conversion by parent company Punch International (June 2006) and the stock-market introduction (November 2006) assured at the end of the financial year 2006 a healthy solvency ratio of 79%, which should put the group in a position to fulfil its ambitions. Moreover, at the end of the financial year 2006 the group has a net cash position of 11 million euro.

Auditor's report

"The statutory auditors of Punch Telematix NV, BDO Atrio Bedrijfsrevisoren Burg. Ven. CVBA, represented by Koen De Brabander, have confirmed that their audit work, which is substantially complete, has not revealed any significant matters requiring adjustments of the 2006 condensed consolidated income statement, balance sheet, or statement of cashflows and Group Shareholders' equity included in this press release. The comparable income statement of 2005 is still negatively impacted by impairment on goodwill regarding Punch Telematix NV (previously Advantra group) amounting 6.5 million euro, which should have been recorded in previous years."

Prospects

In 2007 Punch Telematix will remain focused on turnover and profitability growth.

The group is currently also studying the possibilities for acquisitions and/or formation of its own sales channels. In this connection it can be reported that a number of contacts with potential takeover candidates have in the meantime been stopped due

to the unrealistic expectations of the other party. In the event of acquisition, Punch Telematix does not wish to pay sales multiples which lie much higher than those at which it is itself valued.

For 2007 Punch Telematix has set itself the goal of expanding its activities to at least 1 new country and generating sales of 27 million euro.

Annexes – also available at www.punchtelematix.com

1. Consolidated profit and loss account
2. Consolidated balance sheet
3. Consolidated cash flow table
4. Equity reconciliation
5. Segment information

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 scaleable 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 profit & loss account - IFRS

<i>Amounts in thousand euros</i>	31/12/2005	31/12/2006
Sales	7,170	18,750
Other Operating Income	1,365	1,069
TOTAL REVENUES	8,535	19,819
Change in inventories	559	336
Cost of goods & services sold	-3,374	-7,827
Salaries & employee benefits	-1,974	-5,256
Depreciation, amortisation & impairment	-7,594	-1,134
Impairment losses on current assets	-37	309
Other operating charges	-5,547	-5,562
TOTAL OPERATING EXPENSES	17,968	19,135
OPERATING RESULT	-9,433	684
Finance Income / (Cost)	-794	-611
RESULT BEFORE TAX	-10,228	73
Taxes	3,608	262
NET RESULT	-6,619	335
Net result - Equity interest	-6,619	335
Net result - Minority interest	0	0
EBITDA (*)	-302	248
Weighted average number of shares (**)	825,854	4,282,901
Earnings per share - basic & diluted (**)	-8.02	0.08

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

(**) taking into account the 4:1 reverse stock split

2. Consolidated balance sheet - IFRS

<i>Amounts in thousand euros</i>	31/12/2005	31/12/2006
Non-current assets	19,834	30,225
Intangible Assets	12,499	24,584
PPE: Property, Plant & Equipment	3,710	219
Investments in associates	0	0
Other Financial Assets	0	0
Receivables (non current)	31	1,556
Deferred Tax Assets	3,595	3,865
Current assets	7,977	22,592
Inventories	2,415	1,093
Contracts in progress	81	0
Trade debtors	3,790	7,932
Other amounts receivable	1,163	1,870
Deferred charges and accruals	0	673
Cash and cash equivalents	528	11,024
Financial Instruments	0	0
Assets held for sale	0	0
TOTAL ASSETS	27,811	52,817
Shareholders Equity	3,388	41,602
Ordinary Shares	8,123	35,325
Share Premium Account	0	960
Consolidated Reserves	1,885	4,982
Translation Differences	0	0
Result of the Year	-6,619	335
Treasury Shares	0	0
Minority Interests	0	0
Total equity	3,388	41,602
Non Current Liabilities	6,673	532
Interest bearing loans & borrowings (non current)	1,723	0
Deferred Tax Liabilities	0	0
Provisions - non current	1,500	532
Other Liabilities	3,450	0
Current Liabilities	17,751	10,684
Trade payables	2,368	4,030
Other current payables	13,612	5,812
Current tax Liabilities	212	804
Borrowings	1,520	37
Provisions - current	0	0
Financial instruments	38	0
TOTAL LIABILITIES AND EQUITY	27,811	52,817
Net Financial Debt	2,715	-10,987
Net Financial Debt / Total Equity	0.80	-0.26
Total equity / Total Assets	12%	79%
Return on equity	n/a	2%

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

3. Consolidated cash flow table – IFRS

<i>Amounts in thousand euros</i>	31/12/2005	31/12/2006
Cash flow from operating activities		
Result before tax	-10,228	73
<u>Adjustments for:</u>		
Depreciations, amortisations & impairment	7,632	825
Provisions	1,500	-1,261
Derivatives	38	-38
Subtotal	-1,059	-401
Movement trade & other receivables	-3,567	-6,738
Movement inventories	-1,838	1,403
Movement trade & other payables	5,651	4,403
Movement Other payables: earnout		
Other movements (related to acquisition of new participations)	2,905	-1,604
Cash generated from operations	2,092	-2,937
Income taxes	0	0
Net cash from operating activities	2,092	-2,937
Cash flow from investing activities		
Acquisitions	-8,490	-7,088
- non current assets other than financial	-2,132	-1,718
- participations	-6,358	-5,370
- Participations: earnouts not yet paid		
Sales	0	3,746
Net cash from investing activities	-8,490	-3,342
Cash flow from financing activities		
Proceeds from issue of share capital		19,981
New Loans	1,322	0
Loan repayments	-208	-3,206
Financing from Punch International	5,687	0
Dividends		
Net cash flow from financing activities	6,801	16,775
Net cash flow	403	10,496
Cash & cash equivalents		
Cash and cash equivalent at beginning of period	125	528
Cash and cash equivalent at end of period	528	11,024
CTA on cash	0	0
Net Cash flow	403	10,496

4. Equity reconciliation

<i>Amounts in thousand euros</i>	Ordinary Shares	Share premium account	Consolidated Reserves	Result of the Year	Shareholders equity
As per 31/12/2003	8,123		13,012	-7,031	14,104
Transfer			-7,031	7,031	0
Result of the year				-4,097	-4,097
					0
As per 31/12/2004	8,123		5,982	-4,097	10,008
Transfer			-4,097	4,097	0
Result of the year				-6,619	-6,619
					0
As per 31/12/2005	8,123		1,885	-6,619	3,388
Transfer			-6,619	6,619	0
Result of the year				335	335
Capital increase Punch International	17,898				17,898
Capital decrease	-11,020		11,020		0
Capital increase IPO	20,325	960			21,285
IPO Costs through equity			-1,304		-1,304
As per 31/12/2006	35,325	960	4,982	335	41,602

5a. Segment information – Consolidated profit & loss account - IFRS

<i>Amounts in thousand euros</i>	31/12/2006 TELEMATIX	31/12/2005 TELEMATIX	31/12/2006 Belgium	31/12/2005 Belgium	31/12/2006 Netherlands	31/12/2005 Netherlands	31/12/2006 France	31/12/2005 France
Sales	18,750	7,170	10,308	6,251	6,580	918	1,863	
Other Operating Income	1,069	1,365	2,784	1,338	-1,032	27	-683	
-- Other operating income	1,069	1,365	840	1,365	206		22	
-- Intercompany transactions			1,943	-27	-1,238	27	-705	
TOTAL REVENUES	19,819	8,535	13,092	7,589	5,548	945	1,179	
TOTAL REVENUES								
Change in inventories	336	559	1,092	559	-826		69	
Cost of goods & services sold	-7,827	-3,374	-6,566	-3,059	-447	-315	-814	
Salaries & employee benefits	-5,256	-1,974	-2,047	-1,522	-1,526	-452	-1,683	
Depreciation, amortisation & impairment	-1,134	-7,594	-1,059	-7,573	-31	-21	-44	
Impairment losses on current assets	309	-37	378	-32	-69	-5		
Other operating charges	-5,562	-5,547	-4,470	-1,335	144	-4,212	-1,236	
TOTAL OPERATING EXPENSES	19,135	17,968	12,672	12,962	2,755	5,006	3,708	
OPERATING RESULT	684	-9,433	420	-5,373	2,793	-4,061	-2,528	
Finance Income / (Cost)	-611	-794	-556	-800	-13	5	-42	
RESULT BEFORE TAX	73	-10,228	-136	-6,173	2,780	-4,055	-2,570	
Taxes	262	3,608	262	3,611		-2		
NET RESULT	335	-6,619	126	-2,562	2,780	-4,057	-2,570	
Net result - Equity interest	335	-6,619	126	-2,562	2,780	-4,057	-2,570	
Net result - Minority interest								
EBITDA	248	-302	1,101	2,232	1,393	-2,534	-2,245	

5b. Segment information – Consolidated balance sheet - IFRS

<i>Amounts in thousand euros</i>	31/12/2006 TELEMATIX	31/12/2005 TELEMATIX	31/12/2006 Belgium	31/12/2005	31/12/2006 Netherlands	31/12/2005	31/12/2006 France	31/12/2005
Non Current Assets	30,225	19,834	20,775	16,791	7,189	3,043	2,262	
Intangible Assets	24,584	12,499	15,940	9,685	6,443	2,813	2,200	
PPE: Property, Plant & Equipment	219	3,710	175	3,480	30	229	14	
Receivables (non current)	1,556	31	794	31	715		47	
Deferred Tax Assets	3,865	3,595	3,865	3,595				
Current Assets	22,592	7,977	19,208	9,813	2,683	-1,836	701	
Inventories	1,093	2,415	942	806		1,609	151	
Contracts in progress		81		81				
Trade debtors	7,932	3,790	4,702	2,495	2,899	1,295	331	
Other amounts receivable	1,870	1,163	2,627	6,148	-908	-4,985	152	
Deferred charges and accruals	673		323		344		6	
Cash and cash equivalents	11,024	528	10,614	283	348	245	61	
TOTAL ASSETS	52,817	27,811	39,983	26,604	9,872	1,207	2,962	
Shareholders Equity	41,602	3,388	31,673	5,189	8,379	-1,801	1,550	
Ordinary Shares	35,325	8,123	35,325	8,123				
Share Premium Account	960		960					
Consolidated Reserves	4,982	1,885	-4,738	-372	5,599	2,257	4,120	
Translation Differences	0	0	0	0				
Result of the Year	335	-6,619	126	-2,562	2,780	-4,057	-2,570	
Total equity	41,602	3,388	31,673	5,189	8,379	-1,801	1,550	
Non Current Liabilities	532	6,673		5,173		1,500	532	
Interest bearing loans & borrowings (non current)		1,723		1,723				
Provisions - non current	532	1,500				1,500	532	
Other Liabilities		3,450		3,450				
Current Liabilities	10,684	17,751	8,310	16,243	1,493	1,507	881	
Trade payables	4,030	2,368	2,917	1,792	549	577	564	
Other current payables	5,812	13,612	5,032	12,681	500	931	281	
Current tax Liabilities	804	212	361	212	444			
Borrowings	37	1,520	1	1,520			35	
Financial instruments		38		38				
TOTAL LIABILITIES AND EQUITY	52,817	27,811	39,983	26,604	9,872	1,207	2,962	

5b. Segment information – Consolidated balance sheet – IFRS continued

<i>Amounts in thousand euros</i>	31/12/2006 TELEMATIX	31/12/2005 TELEMATIX
Net Financial Debt	-10,987	2,715
Net Financial Debt / Total equity	-0.26	0.80
Equity / Total Assets	79%	12%