



TRAKM8 HOLDINGS PLC
("Trakm8" or "the Group")

Interim Results

Trakm8 (AIM: TRAK), the designer and developer of GPRS based hardware and software for the vehicle placement and security market, is pleased to announce its unaudited results for the six months ended 30 September 2012:

Highlights

	Six months to 30 September 2012 Unaudited £'000	Six months to 30 September 2011 Unaudited £'000	Year to 31 March 2012 Audited £'000
Revenue	2,322	2,517	5,216
Gross Profit	1,737	1,635	3,326
Gross Profit %	74.8%	65.0%	63.7%
Earnings before interest, tax, depreciation & amortisation	228	151	359
Profit before tax	74	18	84
Diluted earnings per share (pence)	0.39	0.10	0.70
Net cash and cash equivalents	1,133	443	1,087
Net assets	2,431	2,262	2,380

- Underlying annualised recurring revenues increased by 15% to £2.01m (2011: £1.74m)
- Gross Profit % increased by 9.8% to 74.8% (2011: 65.0%)
- Strong cash balance provides confidence to invest in growth opportunities:
 - Major investment in sales and engineering teams
- eco^N fuel saver product launched with good initial sales pipeline

John Watkins, Chief Executive of Trakm8 said:

"Trakm8 has continued to consolidate its trading position and profitability and has also enhanced its robust financial position. We are pleased to announce a major investment in new personnel to strengthen our sales and engineering teams and we are confident this will lead in the medium term to an acceleration in the growth of the Group".

For further information, please visit www.trakm8.com or contact:

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Ed Frisby / Christopher Raggett – corporate finance
Simon Starr – corporate broking

Chairman's Statement

I am pleased to report Trakm8's results for the six months ended 30 September 2012.

Revenues fell slightly in the period to £2,322K (2011: £2,517K). This reflects the tough economic climate which has impacted some of our customers and makes the quantum and timing of contract awards difficult to predict. However despite this the strength of the Trakm8 business model has resulted in increases in gross profit, profit before tax and cash balances.

There has been a strong increase of 15% in the annualised recurring revenues which are based on increased numbers of units reporting to Trakm8 Swift; these revenues are the bedrock of the company's financial future. In addition there has been an increase in the amount of Engineering Services work we have undertaken. This is the work that integrates our products into customers' own IT infrastructure and further enhances the benefits of a complete telematics solution.

I am pleased to report that Trakm8 has continued to develop new market leading products and has recently launched the eco^N Fuel Saver solution to assist businesses in improving driver behaviours. In addition we have continued to roll out further improvements to our core Trakm8 Swift solution.

Outlook

The Board has reviewed the strategy for the Group in recent months. The business has established a strong financial model and has built up considerable cash resources. This has given us the confidence to embark on a more rapid expansion of our sales, marketing and engineering activities to take advantage of growth opportunities, although it will increase our cost base in the short term as we make the necessary investment. In the medium term, this is expected to drive growth at a faster rate than previously anticipated and we are therefore confident about future prospects for the Group.

**DAWSON BUCK
CHAIRMAN**

CEO's Report

Product sales

The most significant event of the period was the supply of 2,300 units to a police force in South America. However sales to other integrators were disappointing and reflect the general uncertainty in many markets and countries. It is a fact that these sales are often very unpredictable, with long lead times, and can have a substantial impact from one month to the next.

We have many T8 Mini units on trial around the world. The response to the product has been very positive which has been encouraging. Generally the pipeline of opportunities is stronger than six months ago and reflects the success of our recent appointment of an International Business Development Manager.

Solution Sales

During the period Trakm8 was pleased to launch our eco^N Fuel Saver product and a major update to Trakm8 Swift. Our customer facing web based solutions are now market leading. In addition the quality of the data and the informative way it is delivered gives customers the management tools to drive costs down significantly. The eco^N product is on trial at a large number of customers and so although new sales in the period have been less than last year, the pipeline built is now stronger.

In addition we have finalised the production of our logistics planning software package which provides customers with significant benefits for the scheduling of orders at a reasonable cost.

Solution sales continue to increase the numbers of units reporting to our servers. The annualised recurring revenues derived from our installed base therefore grew considerably in the period to £2,014K (2011: £1,745K).

Engineering Services

The highlight of the period was a contract win to develop a bespoke version of the eco^N product for a new customer. This project is anticipated to be completed in the first quarter of 2013 and is expected to generate considerable increases in the number of units reporting to Trakm8 Swift.

A number of smaller engineering projects were also completed during the period and these too should deliver ongoing increases in our recurring revenues.

Strategy

As the Chairman has reported the Board conducted over recent months a review of the Group's current strategy and has decided to embark on a period of significant expansion.

The past few years have seen a major transition for the business; we have built a strong core of customers whilst growing service recurring revenues, based on a market leading portfolio of telematics products and solutions. This in turn has led to a turnaround in financial performance, with strong profitability following a period of trading losses, and a strong balance sheet with substantial cash resources available.

This fundamental improvement in the Group's position has provided the Board with the confidence and scope to consider a range of strategic options. At the same time the tough economic climate means that our strong financial position and business model gives us a

competitive advantage compared to weaker competitors. Our analysis of the market confirms that it is a long term growth market, as our customers continue to focus on fuel economy, insurance costs and the impact of increasing government regulation.

We have looked at a number of possible acquisitions in order to expand the Group's portfolio of products and revenues but we have yet to find a suitable company which will add value. We will continue to respond to opportunities as they arise but eliminate anything that does not have a good strategic fit at a realistic economic price.

The Board believes that the time is right to build on this strong base more aggressively and to accelerate Trakm8's growth rate. So the Group is in the process of hiring a total of 15 new employees in addition to new recruits already planned for 2012/13. This investment is designed to strengthen our sales and marketing resources and our customer support functions. We also intend to establish a new team in our Prague office to address telematics opportunities in the Eastern part of Europe. Furthermore we will augment our engineering functions to expand both the products and solutions we offer and to grow the team undertaking customer bespoke developments. We will ensure that this growth in activity is matched by expansion of our support teams.

Outlook

This strategic investment is likely to impact the Group's profits in the short term, as in total this growth in staff numbers will increase our overheads by in excess of £400K per annum, with some initial impact in the second half of the current financial year. The benefits of this investment are expected to be realised in the medium term.

Notwithstanding the tough economic climate, we expect to have greater visibility by the New Year in respect of converting our strong pipeline of contract opportunities.

The Board is confident that the timing of the investment is opportune both in terms of the general economic climate and to drive forward our future growth in revenues and profits thereby improving shareholder value.

JOHN WATKINS
CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months to 30 September 2012

	<i>Note</i>	Six months to 30 September 2012 Unaudited	Six months to 30 September 2011 Unaudited	Year to 31 March 2012 Audited
Continuing operations		£'000	£'000	£'000
Revenue		2,322	2,517	5,216
Cost of sales		(585)	(882)	(1,890)
Gross profit		1,737	1,635	3,326
Other income		-	-	5
Administrative expenses		(1,662)	(1,615)	(3,243)
Profit from operations		75	20	88
Finance income		1	-	1
Finance costs		(2)	(2)	(5)
Profit before taxation		74	18	84
Income tax		-	-	51
Profit attributable to the owners of the parent		74	18	135
Other Comprehensive Income				
Currency translation differences		-	-	1
Total Comprehensive Income for the period attributable to owners of the parent		74	18	136
Basic earnings per share (pence)	4	0.39	0.10	0.71
Diluted earnings per share (pence)	4	0.39	0.10	0.70

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months to 30 September 2012

	Share Capital	Share premium	Merger Reserve	Translation reserve	Retained earnings	Total equity attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2011	188	1,719	510	206	(387)	2,236
Comprehensive income						
Profit for the period	-	-	-	-	18	18
Total comprehensive income	-	-	-	-	18	18
Transactions with owners						
Exercise of share options	1	4	-	-	-	5
IFRS2 Share based payments	-	-	-	-	3	3
Transactions with owners	1	4	-	-	3	8
Balance as at 30 Sept 2011	189	1,723	510	206	(366)	2,262
Comprehensive income						
Profit for the period	-	-	-	-	117	117
Other comprehensive income						
Exchange differences on translation of overseas operations	-	-	-	(1)	-	(1)
Total comprehensive income	-	-	-	(1)	117	116
Transactions with owners						
Transfer share based payment reserve to Retained earnings	-	-	-	-	-	-
IFRS2 Share based payments	-	-	-	-	2	2
Transactions with owners	-	-	-	-	2	2
Balance as at 31 March 2012	189	1,723	510	205	(247)	2,380
Comprehensive income						
Profit for the period	-	-	-	-	74	74
Total comprehensive income	-	-	-	-	74	74
Transactions with owners						
Purchase of own shares	-	-	-	-	(58)	(58)
Exercise of share options	5	28	-	-	-	33
IFRS2 Share based payments	-	-	-	-	2	2
Transactions with owners	5	28	-	-	(56)	(23)
Balance as at 30 Sept 2012	194	1,751	510	205	(229)	2,431

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2012

	30 September 2012 Unaudited	30 September 2011 Unaudited	31 March 2012 Audited	
	£'000	£'000	£'000	
Non-current assets				
Intangible assets	878	1,081	1,005	
Plant, property and equipment	496	457	517	
Deferred income tax asset	99	63	99	
	1,473	1,601	1,621	
Current assets				
Inventories	566	478	410	
Trade and other receivables	648	1,318	782	
Current tax	-	-	15	
Cash and cash equivalents	1,133	443	1,088	
	2,347	2,239	2,295	
Current liabilities				
Trade and other payables	(1,135)	(1,338)	(1,251)	
Borrowings	(48)	(21)	(56)	
	(1,183)	(1,359)	(1,307)	
Current assets less current liabilities	1,164	880	988	
Total assets less current liabilities	2,637	2,481	2,609	
Non-current liabilities				
Borrowings	(140)	(149)	(163)	
Provisions	(66)	(70)	(66)	
	(206)	(219)	(229)	
Net assets	2,431	2,262	2,380	
Equity				
	<i>Note</i>			
Called up share capital	4	194	189	188
Share premium		1,751	1,723	1,724
Merger reserve		510	510	510
Translation Reserve		205	206	205
Retained loss		(229)	(366)	(247)
Total equity attributable to owners of the parent		2,431	2,262	2,380

CONSOLIDATED CASH FLOW STATEMENT

for the six months to 30 September 2012

		Six months to 30 September 2012 Unaudited	Six months to 30 September 2011 Unaudited	Year to 31 March 2012 Audited
	<i>Note</i>	£'000	£'000	£'000
Net cash inflow / (outflow) from operating activities	5	109	(614)	111
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Cash flows from investing activities				
Purchase of intangible assets		(2)	(42)	(90)
Purchases of property, plant and equipment		(5)	(11)	(91)
Net cash used in investing activities		(7)	(53)	(181)
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Cash flows from financing activities				
Proceeds from exercise of share options		33	5	5
Repayment of obligations under hire purchase contracts		(21)	(4)	53
Repayment of loans		(10)	(10)	(20)
Purchase of own shares		(58)	-	-
Net cash used in financing activities		(56)	(9)	38
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Net increase / (decrease) in cash and cash equivalents		46	(676)	(32)
Cash and cash equivalents at beginning of period		1,087	1,119	1,119
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Cash and cash equivalents at end of period		1,133	443	1,087
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Notes to the financial information (unaudited)

1. The financial information contained in this interim statement has not been audited or reviewed by the Group's auditor and does not constitute statutory accounts as defined Section 434 of the Companies Act 2006. The Directors approved and authorised this interim statement on 14 November 2012. The financial information for the preceding full year is extracted from the statutory accounts for the financial year ended 31 March 2012. Those accounts, upon which the auditor issued an unqualified opinion and did not include a statement under Section 498(2) or (3) of the Companies Act 2006, have been delivered to the Registrar of Companies.
2. Trakm8 Holdings PLC is a public limited company incorporated in the United Kingdom under the Companies Act 2006. Trakm8 is domiciled in the United Kingdom and its ordinary shares are traded on AIM, the market operated by the London Stock Exchange plc.
3. As permitted this Interim Report has been prepared in accordance with UK AIM Rules for Companies and not in accordance with IAS 34 "Interim Financial Reporting" and therefore is not fully in compliance with IFRS. The Interim results have been prepared in a manner consistent with the accounting policies set out in the statutory accounts for the financial year ending 31 March 2012.
4. Profit per ordinary share attributable to the owners of the parent

	Six months to 30 September 2012 Unaudited	Six months to 30 September 2011 Unaudited	Year to 31 March 2012 Audited
	£'000	£'000	£'000
Profit attributable to the owners of the parent	74	18	84

Weighted average number of ordinary shares in issue

	Six months to 30 September 2012 Unaudited	Six months to 30 September 2011 Unaudited	Year to 31 March 2012 Audited
	No. '000	No. '000	No. '000
Basic	18,999	18,777	18,821
Diluted	19,064	19,225	19,159

On 25 September 2012 Trakm8 Holdings PLC purchased 370,000 of its own ordinary shares at a price of 15.5 pence each. These shares are being held in treasury and have been excluded from the weighted average number of shares used for calculating basic and diluted earnings per share.

5. Reconciliation of cash flows from operating activities:

	Six months to 30 September 2012 Unaudited £'000	Six months to 30 September 2011 Unaudited £'000	Year to 31 March 2012 Audited £'000
Net profit before taxation	74	18	84
Adjustments for:			
Depreciation	25	17	37
Bank and other interest charges	1	2	4
Amortisation of intangible assets	130	113	235
Share based payment expense	2	3	5
Operating cashflows before movement in working capital	232	153	365
Retranslation of overseas operations	-	-	(1)
Movement in inventories	(156)	(219)	(151)
Movement in trade and other receivables	135	(424)	110
Movement in trade and other payables	(116)	(139)	(226)
Cash generated from / (used in) operations	95	(629)	97
Interest paid	(2)	(3)	(5)
Interest received	1	-	1
Income taxes received	15	18	18
Net cash generated from / (used in) operating activities	109	(614)	111

6. Copies of the report are available at the Group's website www.trakm8.com and also from the registered office of Trakm8 Holdings PLC. The address of the registered office is: Lydden House, Wincombe Business Park, Shaftesbury, Dorset, SP7 9QJ.