



For more information, contact:

Paul O'Reilly  
Datalex, Ireland  
+ 353 1 806 3500  
Paul.oreilly@datalex.ie

Ornagh Hoban  
Datalex, Ireland  
+ 353 1 806 3500  
NewsDept@datalex.com

## Datalex plc Announces Preliminary Results for the year ended 31 December 2005

**Dublin, Ireland 29 March, 2005** – Datalex Plc today announced its full year results for the year ended 31 December 2005.

"I am pleased to announce a profit before tax of \$1.9m which is a significant milestone in the history of the group" according to Cormac Whelan, Chief Executive Officer of Datalex. "While there was a revenue decline in 2005 from 2004 (7%), this was due to our migration towards the transaction model which forfeits short term license revenue for potentially longer term earnings".

"2005 saw the continued validation of our value proposition to the travel distribution market place, both in terms of product and the transactional pricing model. Over the past twelve months, we have made considerable investments in extending our airline product suite and domain expertise. This has led to the award of prestigious transaction based contracts from SAS and Virgin Atlantic Airlines.

In 2006 we will continue our investment in our products, particularly focusing on some of the more travel content aggregating and leisure orientated functionality like car and hotel shopping and dynamic packaging. This will broaden our value proposition across the entire travel industry (airline, hospitality, resort supplier, agency and online intermediary). We have already proven successful in customer acquisition across the value chain with leading resort supplier and operator, Vail Resorts and travel distributor, STA Travel in 2005 and we expect to grow our market presence in 2006".

The following sets out the financial highlights for the year.

	2005 US\$'000	2004 US\$'000	% Increase/ Decrease
Revenue	28,384	30,532	(7%)
Gross Profit	10,229	11,159	(8%)
Operating Expenses	8,833	11,679	(24%)
Profit/(Loss) on ordinary activities before tax	1,876	(18)	
Basic earnings per share in US Cents	0.03	Nil	
Total Assets	46,548	50,533	
Total Equity	40,224	37,939	

Operating expenses decreased from \$11.7m to \$8.8m. This was mainly due to the capitalisation of \$2.6m of development expenditure which has been included in intangible assets on the balance sheet.

## **About Datalex**

Datalex travel distribution software and solutions enable suppliers and distributors deliver increased content and choice to their customers across multiple sales channels, while reducing distribution costs. Datalex solutions support millions of online transactions each day for its customers, which include major airlines, hotel and resort groups, and major travel distribution organisations. Datalex has served the travel industry with innovative technology products and solutions for over 20 years and has an in depth understanding of the distribution environment.

Founded in 1985, the company is headquartered in Dublin, Ireland, and maintains offices across Europe, the USA and Asia-Pacific. Datalex is a publicly held company traded on the Irish Stock Exchange (symbol: DLE, and also OTC: DLEXY). For more information, please visit the company's Web site at [www.datalex.com](http://www.datalex.com).

*This press release contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results.*



**DATALEX**



*Accelerating Travel Technology*

**Datalex plc**

Preliminary Results

For year ended 31 December, 2005

**Consolidated balance sheet**  
as at 31 December 2005

	<b>2005</b> <b>US\$'000</b> (Unaudited)	2004 US\$'000 (Unaudited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,133	1,818
Intangible assets	2,745	159
	<u>3,878</u>	<u>1,977</u>
<b>Current assets</b>		
Trade and other receivables	9,429	10,367
Restricted cash and cash equivalents	540	5,290
Cash and cash equivalents	32,701	32,899
	<u>42,670</u>	<u>48,556</u>
<b>TOTAL ASSETS</b>	<b><u>46,548</u></b>	<b><u>50,533</u></b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to equity holders of the company</b>		
Ordinary share capital	6,838	6,761
Other equity share capital	262	262
Other reserves	185,471	185,171
Retained earnings	(152,347)	(154,255)
<b>TOTAL EQUITY</b>	<u>40,224</u>	<u>37,939</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provisions for other liabilities and charges	-	49
<b>Current liabilities</b>		
Trade and other payables	6,275	12,389
Provisions for other liabilities and charges	49	156
	<u>6,324</u>	<u>12,545</u>
<b>TOTAL LIABILITIES</b>	<u>6,324</u>	<u>12,594</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>46,548</u></b>	<b><u>50,533</u></b>

**Consolidated income statement**  
for the year ended 31 December 2005

	Note	2005 US\$'000 (Unaudited)	2004 US\$'000 (Unaudited)
<b>REVENUE</b>	2	28,384	30,532
Cost of sales		(18,155)	(19,373)
<b>GROSS PROFIT</b>		<u>10,229</u>	<u>11,159</u>
Other (losses)/gains - net		(402)	8
Selling and marketing costs		(4,358)	(4,795)
Administrative expenses		(4,475)	(3,764)
Other operating expenses		-	(3,120)
<b>OPERATING PROFIT/(LOSS)</b>		<u>994</u>	<u>(512)</u>
Interest income		907	536
Interest expense		(25)	(42)
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		<u>1,876</u>	<u>(18)</u>
Income tax refund/(expense)		32	(82)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u><u>1,908</u></u>	<u><u>(100)</u></u>
<b>EARNINGS PER ORDINARY SHARE (in US\$ cents per share)</b>			
<b>Basic</b>	3	<u><u>0.03</u></u>	<u><u>nil</u></u>
<b>Diluted</b>	3	<u><u>0.03</u></u>	<u><u>nil</u></u>

**Consolidated statement of changes in equity**  
for the year ended 31 December 2005

	Equity share capital US\$'000 (Unaudited)	Other reserves US\$'000 (Unaudited)	Retained earnings US\$'000 (Unaudited)	Other equity share capital US\$'000 (Unaudited)	Total equity US\$'000 (Unaudited)
Balance at 1 January 2004	6,606	184,892	(154,155)	262	37,605
Currency translation differences	-	65	-	-	65
Net income recognised directly in equity	-	65	-	-	65
Loss for the year	-	-	(100)	-	(100)
Total recognised income for 2004	-	65	(100)	-	(35)
Issue of Ordinary shares on exercise of options	155	214	-	-	369
	155	214	-	-	369
Balance at 31 December 2004	6,761	185,171	(154,255)	262	37,939

	Equity share capital US\$'000 (Unaudited)	Other reserves US\$'000 (Unaudited)	Retained earnings US\$'000 (Unaudited)	Other equity share capital US\$'000 (Unaudited)	Total equity US\$'000 (Unaudited)
Balance at 1 January 2005	6,761	185,171	(154,255)	262	37,939
Currency translation differences	-	9	-	-	9
Net income recognised directly in equity	-	9	-	-	9
Profit for the year	-	-	1,908	-	1,908
Total recognised income for 2005	-	9	1,908	-	1,917
Issue of Ordinary shares on exercise of options	77	243	-	-	320
Employee share option scheme	-	48	-	-	48
	77	291	-	-	368
Balance at 31 December 2005	6,838	185,471	(152,347)	262	40,224

**Consolidated cash flow statement**  
for the year ended 31 December 2005

	<b>2005</b> <b>US\$'000</b> (Unaudited)	2004 US\$'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated/(used) from operations	1,602	(2,955)
Income tax refund/paid	32	(82)
	<hr/>	<hr/>
NET CASH GENERATED/(USED) IN OPERATING ACTIVITIES	1,634	(3,037)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(457)	(968)
Capitalised development costs	(2,586)	(159)
Interest received	907	536
Movement in restricted cash balance	4,750	2,160
	<hr/>	<hr/>
NET CASH FLOW FROM INVESTING ACTIVITIES	2,614	1,569
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	320	466
Repayment of loan notes	(4,750)	(2,160)
Interest paid	(25)	(42)
	<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES	(4,455)	(1,736)
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(207)</b>	<b>(3,204)</b>
Foreign currency translation difference	9	65
Cash and cash equivalents at beginning of year	32,899	36,038
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>32,701</b>	<b>32,899</b>
	<hr/> <hr/>	<hr/> <hr/>

## **Datalex plc**

### **Supplementary Information**

#### **1. Basis preparation**

The European Union (EU) requires all EU listed companies to prepare consolidated financial statements in accordance with IFRS for accounting periods commencing on or after 1 January 2005. Accordingly, these preliminary results for the year ended 31 December 2005 have been prepared on this basis. This preliminary announcement has been prepared on the historical cost convention as modified by the recognition of share based awards at their fair value.

The Group's transition date from Irish GAAP to IFRS is 1 January 2004 and the comparative financial information for the year ended 31 December 2004 has been restated on a consistent basis, except where otherwise required or permitted by IFRS 1 "First time adoption of International Accounting Standards". Full details of the accounting policies adopted by the Group on implementation of IFRS, and of the impact on the reported results and balance sheet of the Group of the transition to IFRS, were published on 9 September 2005 and are available on the Group's website [www.datalex.com](http://www.datalex.com).

The transition to IFRS is accounted for in accordance with IFRS 1. This standard sets out how to adopt IFRS for the first time and mandates that most IFRS are to be fully applied retrospectively. There are certain limited exemptions from this requirement.

The financial information set out in this preliminary announcement does not constitute the statutory financial statements of the Group, a copy of which is required to be annexed to the annual return to the Companies Registration Office in Ireland. A copy of the statutory financial statements required to be annexed to the annual return in respect of the year ended 31 December 2004 has in fact been so annexed. A copy of the statutory financial statements in respect of the year ended 31 December 2005 will be annexed to the company's annual return for 2005. The auditors of the company have made a report, without any qualification on their audit of the statutory financial statements of the Group in respect of the year ended 31 December 2004 and the directors expect to approve the financial statements for the year ended 31 December 2005 by 21 April 2005.

This preliminary announcement was approved by the Board of Directors on 28 March 2006.

## 2. Segmental information

At 31 December 2005, the Group is organised on a worldwide basis into two main business segments: E-business products and services associated with our suite of travel related technology, and consulting revenue, consisting primarily of revenue generated from our consulting activities. The segment results for the years ended 31 December 2005 and 31 December 2004 are presented in the following table:

	<b>2005</b> <b>US\$'000</b> <b>E-business</b> (unaudited)	<b>2005</b> <b>US\$'000</b> <b>Consulting</b> (unaudited)	<b>2005</b> <b>US\$'000</b> <b>Total</b> (unaudited)	2004 US\$'000 E-business (unaudited)	2004 US\$'000 Consulting (unaudited)	2004 US\$'000 Total (unaudited)
Total revenue	23,876	4,508	28,384	24,683	5,849	30,532
Inter-segment revenue	(881)	881	-	(821)	821	-
<b>External revenue</b>	<u>22,995</u>	<u>5,389</u>	<u>28,384</u>	<u>23,862</u>	<u>6,670</u>	<u>30,532</u>
Operating Profit/(loss) for the year	782	212	994	(164)	(348)	(512)
Interest income			907			536
Interest expense			(25)			(42)
Profit/(loss) before income tax			<u>1,876</u>			<u>(18)</u>
Income tax refund/ (expense)			32			(82)
<b>Profit/(loss) for the year</b>			<u><u>1,908</u></u>			<u><u>(100)</u></u>

Inter-segment services are entered into on a cost basis.

### Segmental Information continued...

Other segment items included in the income statement are as follows:

	<b>2005</b> <b>US\$'000</b> <b>E-business</b> (unaudited)	<b>2005</b> <b>US\$'000</b> <b>Consulting</b> (unaudited)	<b>2005</b> <b>US\$'000</b> <b>Total</b> (unaudited)	2004 US\$'000 E-business (unaudited)	2004 US\$'000 Consulting (unaudited)	2004 US\$'000 Total (unaudited)
Depreciation	1,125	17	1,142	1,278	25	1,303
Employee share option scheme	48	-	48	-	-	-
Impairment of goodwill	-	-	-	437	-	437
Impairment of trade receivables	(311)	(154)	(465)	499	(115)	384
Foreign exchange loss / (gain)	419	(17)	402	(7)	(1)	(8)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The segment assets and liabilities and capital expenditure for the years ended 31 December 2005 and 31 December 2004 are as follows:

	<b>2005</b> <b>US\$'000</b> <b>E-business</b> (unaudited)	<b>2005</b> <b>US\$'000</b> <b>Consulting</b> (unaudited)	<b>2005</b> <b>US\$'000</b> <b>Total</b> (unaudited)	2004 US\$'000 E-business (unaudited)	2004 US\$'000 Consulting (unaudited)	2004 US\$'000 Total (unaudited)
Total Assets	45,280	1,268	46,548	48,938	1,595	50,533
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	2,467	3,854	6,321	8,254	4,340	12,594
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital Expenditure	457	-	457	968	-	968
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Segment assets consist primarily of property, plant and equipment, intangible assets, receivables and operating cash. They exclude taxation.

Segment liabilities comprise operating liabilities. They exclude taxation.

Capital expenditure comprises additions to property, plant and equipment.

### 3. Earnings Per Share

- a) The earnings per share and the diluted earnings per share of US\$0.03 cent (2004: nil) have been based on the profit for the year attributable to equity holders and on the weighted average number of shares in issue during the year.
- b) The number of shares used for calculating the weighted earnings per share for 2005 is 67,824,508 (2004: 66,972,445).
- c) The number of shares used for calculating the weighted diluted earnings per share for 2005 is 72,568,970 (2004: 66,972,445). Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, being the Group's share option schemes. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the company's shares) based on the monetary value of the subscription rights attached to the outstanding share options.