



## Datalex grows Adjusted EBITDA 23% and cash 24%, signs new customers and opens Beijing office

**Dublin, Ireland - 28 August 2014 – Datalex plc (ISE: DLE)** today announces interim results for the six months ended 30 June 2014. Highlights include:

- Total revenue up 14% to US\$20.2m
- Transaction revenue up 19% to US\$9.6m
- Strong growth in Adjusted EBITDA<sup>1</sup> of 23%
- 24% increase in cash reserves to US\$14.3m
- New customer signings, including JetBlue Airways
- Beijing office opened

### H1 2014 Overview

We are pleased to report that in the first half of 2014 we have seen continued strong growth in our business. Over the period we have embarked on a major programme of new customer deployments and achieved some significant new customer signings, which will drive growth in transaction revenue and Adjusted EBITDA in 2015 and beyond. A summary of the financial results for the first six months of 2014 is set out below:

<b>Six months ended 30 June</b>	<b>2014</b>	<b>2013</b>	<b>Change</b>
	<b>US\$M</b>	<b>US\$M</b>	<b>%</b>
Total revenue	20.2	17.7	14%
Transaction revenue included in total revenue	9.6	8.0	19%
Total cost of sales, selling and marketing costs and administrative expenses	19.6	17.4	13%
Net profit after tax	0.6	0.2	240%
Adjusted EBITDA <sup>1</sup>	3.8	3.1	23%
Basic EPS - cents	0.77	0.23	235%
Cash and cash equivalents	14.3	11.5	24%

### H1 2014 Performance

Total revenue for the period grew by 14% to US\$20.2m (2013 H1: US\$17.7m). Transaction revenue, our key value driver, at US\$9.6m (2013 H1: US\$8.0m), represents 19% growth and reflects the full H1 impact of customers that went live during 2013. Service revenue grew by 14% to US\$9.1m (2013 H1: US\$8.0m) driven primarily by revenue associated with new customer deployments.

Total costs increased by 13% to US\$19.6m over the period (2013 H1: US\$17.4m). This includes an impact of approximately US\$0.5m on our Euro-based costs, as a result of the weakness of the US Dollar versus the Euro.

The main activity increase in the period was in planned resource costs (payroll and outsource partners), as our business scales to deliver new customer deployments.

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<sup>1</sup> Earnings before Interest, Tax, Depreciation, Amortisation and non-cash share-based compensation expense.

Adjusted EBITDA in H1 2014 grew 23% to US\$3.8m (2013 H1: US\$3.1m). Adjusted EBITDA margin in H1 was 19.0% (2013 H1: 17.7%), however on a constant currency basis, grew to 21.4%. Net profit after tax grew by 240% to US\$0.6m (2013 H1: US\$0.2m).

### Financial Position at 30 June 2014

Our cash reserves at 30 June 2014 were US\$14.3m (2013: US\$11.5m), representing a 24% increase year on year, net of the payment of our first dividend to shareholders in June. Our total net trade receivables and accrued income at 30 June 2014 was US\$10.5m, compared to US\$9.6m at 30 June 2013, with this increase reflecting our working capital investment in the programme of new deployments currently underway.

### Business Development

In H1 2014 Datalex signed a number of significant new customers, including:

- JetBlue Airways - Based in New York, JetBlue carries in excess of 30 million customers each year to 82 cities in the United States, with an average of 800 daily flights.
- Brussels Airlines - A Star Alliance carrier and a member of the Lufthansa Airlines Group.
- Air Transat - Canada's leading holiday travel airline.

We are pursuing a number of new opportunities and expect to announce further customer signings in H2, together with an update on progress made in our five year growth strategy.

### Scaling the business

One of our key objectives for 2014, as part of our five year growth strategy, is to invest in our scaling capabilities. In H1 we have;

- Deployed the latest Oracle Exadata technology in our data centre. This will ensure we continue to deliver a market leading hosting solution for our customers.
- Opened a permanent office in Beijing, to serve our existing customers and to target our growing pipeline in the strategically important Chinese market.

**Today, the Datalex business goes far beyond software and technology, it enables a digital marketplace of over 1 billion shoppers covering every corner of the globe, driven by some of the world's most innovative travel brands.**

We will continue to invest in the business to ensure we are well positioned to take advantage of the significant growth opportunity we see in our markets.

## FY 2014 Outlook

For Datalex, 2014 is a year of investment, performance and growth. We are undertaking a significant program of new customer deployments and are investing in the business infrastructure and capabilities required to scale the business and drive our performance in 2015 and beyond. The results achieved in the first half provide us with strong momentum and a solid base for the full year performance. The airline industry continues to face significant challenges, however notwithstanding these challenges we remain confident that we can achieve 18-20% growth in Adjusted EBITDA for the full year.

## About Datalex

Datalex is a leading provider of ecommerce and retail software solutions to the global travel industry. Its customers use Datalex TDP to maximise value from their complete retail brand experience. Datalex is a technology partner to some of the world's largest and most profitable travel retailers. Its customers include JetBlue Airways, Brussels Airlines, Air Transat, Delta Air Lines, Frontier Airlines, WestJet, Copa Airlines, Air China, Virgin Atlantic, Virgin Australia, HP Enterprise Services, SITA and Aer Lingus.

Founded in 1985, the company is headquartered in Dublin, Ireland, and maintains offices across Europe, the USA and China. Datalex is a publicly held company traded on the Irish Stock Exchange (symbol: DLE). 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 undertakes no obligation to update any forward-looking statements.*

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## Datalex plc

Interim Report  
Condensed Consolidated Financial Information

For the six months ended 30 June 2014

# Datalex plc

## Chief Executive Officer's Review for the six months ended 30 June 2014

### Summary

I am pleased to report that the first half of 2014 has seen strong progress in the business, with double digit growth in revenue and Adjusted EBITDA<sup>(1)</sup>. We have also signed a number of new customers, including JetBlue Airways, one of the world's most prestigious and innovative travel brands. These customers, together with the customers signed in 2013 that we are currently working to bring live, will drive growth in our performance in 2015 and beyond.

I am also pleased to report that we paid our first dividend to shareholders in June 2014, which is a statement of confidence in our business by our Board.

### Performance

Total revenue for the period grew by 14% to US\$20.2m (2013 H1: US\$17.7m). Transaction revenue, our key value driver, was US\$9.6m, up 19% on the same period in 2013 reflecting the full H1 impact of customers that went live during 2013. Service revenue grew by 14% to US\$9.1m (2013 H1: US\$8.0m) driven primarily by revenue associated with new customer deployments.

Total operating costs increased in H1 2014 by 13% to US\$19.6m. This includes approximately US\$0.5m as a result of the weakness of the US Dollar against the Euro in the period. The main activity increase in the period was in resource costs (payroll and outsource partners), as our business scales to deliver new customer deployments.

Adjusted EBITDA in H1 2014 grew 23% to US\$3.8m (2013 H1: US\$3.1m), while net profit after tax grew by 240% to US\$0.6m (2013 H1: US\$0.2m).

### Key events

In H1 2014 Datalex signed a number of significant new customers, including:

- JetBlue Airways - Based in New York, JetBlue carries in excess of 30 million customers each year to 82 cities in the United States, with an average of 800 daily flights.
- Brussels Airlines - A Star Alliance carrier and a member of the Lufthansa Airlines Group.
- Air Transat - Canada's leading holiday travel airline.

We are pursuing a number of new opportunities and expect to announce further customer signings in H2.

We are also continuing to invest in our scaling capabilities to support the growth in the business. In H1 we deployed the latest Oracle Exadata technology in our data centre, and have opened a permanent office in Beijing, to support the strategically important Chinese market.

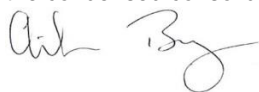
### Balance Sheet

Our cash reserves at 30 June 2014 were US\$14.3m, a 24% increase on 30 June 2013 (30 June 2013: US\$11.5m) (31 December 2013: US\$16.9m), net of the payment of our first dividend to shareholders in June 2014. Cash reserves were down US\$2.6m from the beginning of the year reflecting the working capital investment in the current programme of new customer deployments and the dividend payment in June.

Our total net trade receivables and accrued income at 30 June were US\$10.5m (30 June 2013: US\$9.6m) (31 December 2013: US\$9.6m), with this increase reflecting the scale of new customer deployments currently in progress.

### Principal risks and uncertainties

The principal risks and uncertainties faced by the Group for the remaining part of the year are outlined in Note 17 to the condensed consolidated interim financial information.



**Aidan Brogan**  
Chief Executive Officer, 28 August 2014

<sup>(1)</sup> Adjusted EBITDA is defined as Earnings from continuing operations before (i) interest expense, (ii) tax expense, (iii) depreciation and amortisation expense and (iv) share based compensation expense (see Note 4)

## **Datalex plc**

### **Statement of Directors' Responsibility**

The directors are responsible for preparing this interim management report and the condensed consolidated interim financial information in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34, Interim Financial Reporting as adopted by the European Union.

The directors confirm that, to the best of their knowledge:

- the condensed consolidated interim financial information for the half year ended 30 June 2014 has been prepared in accordance with the international accounting standard applicable to interim financial reporting, IAS 34, adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed consolidated interim financial information for the half year ended 30 June 2014, and a description of the principal risks and uncertainties for the remaining six months which has been provided in Note 17 of the condensed consolidated interim financial information;
- the interim management report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

The directors of Datalex plc as at 30 June 2014 are as listed in the Annual Report for 2013.

**On behalf of the Board**



**Aidan Brogan**  
Director



**David Kennedy**  
Director

**28 August 2014**

**Datalex plc****Condensed Consolidated Interim Balance Sheet**

as at 30 June 2014 – unaudited

	Notes	30 June 2014 US\$'000	31 Dec 2013 US\$'000
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment		2,083	1,403
Intangible assets	12	12,355	12,442
Deferred income tax assets		1,066	1,066
<b>Total non-current assets</b>		<b>15,504</b>	<b>14,911</b>
<i>Current Assets</i>			
Trade and other receivables	7	12,167	10,826
Financial assets - Forward contracts		-	-
Cash and cash equivalents		14,317	16,878
<b>Total current assets</b>		<b>26,484</b>	<b>27,704</b>
<b>TOTAL ASSETS</b>		<b>41,988</b>	<b>42,615</b>
<b>EQUITY</b>			
<i>Capital and reserves attributable to the equity holders of the company</i>			
Ordinary share capital		7,419	7,413
Other equity share capital		262	262
Other reserves		3,230	2,763
Retained earnings		22,544	23,479
<b>TOTAL EQUITY</b>		<b>33,455</b>	<b>33,917</b>
<b>LIABILITIES</b>			
<i>Non-Current Liabilities</i>			
Borrowings	8	900	336
<b>Total non-current liabilities</b>		<b>900</b>	<b>336</b>
<i>Current liabilities</i>			
Trade and other payables	9	6,454	7,753
Borrowings	8	1,098	555
Current income tax and liabilities		81	54
<b>Total current liabilities</b>		<b>7,633</b>	<b>8,362</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,988</b>	<b>42,615</b>

The accompanying notes on pages 9 to 18 form an integral part of the condensed consolidated interim financial information.

**Datalex plc****Condensed Consolidated Interim Income Statement**

for the six months ended 30 June 2014 – unaudited

	Notes	<u>Six Months Ended</u>		<u>Year Ended</u>
		30 June 2014	30 June 2013	31 Dec 2013
		US\$'000	US\$'000	US\$'000
Revenue	4	20,194	17,659	38,074
Cost of sales	5	(16,554)	(14,587)	(31,049)
<b>GROSS PROFIT</b>		<b>3,640</b>	<b>3,072</b>	<b>7,025</b>
Selling and marketing costs	5	(1,559)	(1,197)	(2,734)
Administrative expenses	5	(1,485)	(1,618)	(3,009)
Other (losses) / gains		(58)	(91)	236
<b>OPERATING PROFIT</b>		<b>538</b>	<b>166</b>	<b>1,518</b>
Finance income		61	47	85
Finance costs		(32)	(36)	(74)
<b>PROFIT BEFORE INCOME TAX</b>		<b>567</b>	<b>177</b>	<b>1,529</b>
Income tax (expense) / credit	10	(3)	(11)	71
<b>PROFIT FOR THE PERIOD</b>		<b>564</b>	<b>166</b>	<b>1,600</b>
<b>PROFIT PER SHARE (in US\$ cents per share)</b>				
Basic	11	0.77	0.23	2.24
Diluted	11	0.73	0.22	2.12

The accompanying notes on pages 9 to 18 form an integral part of the condensed consolidated interim financial information.



**Datalex plc****Condensed Consolidated Interim Statement of Comprehensive Income**

for the six months ended 30 June 2014 – unaudited

	<u>Six Months Ended</u>		<u>Year Ended</u>
	<u>30 June</u>	<u>30 June</u>	<u>31 Dec</u>
	<u>2014</u>	<u>2013</u>	<u>2013</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Profit for the financial period</b>	<b>564</b>	<b>166</b>	<b>1,600</b>
<b>Other comprehensive income:</b>			
<b>Items that may subsequently be reclassified to profit or loss</b>			
Foreign currency translation adjustments:			
- Arising in the period	8	(3)	19
	8	(3)	19
<b>Items which will not be subsequently be reclassified to profit or loss</b>	-	-	-
<b>Comprehensive income for the financial period</b>	<b>572</b>	<b>163</b>	<b>1,619</b>

The accompanying notes on pages 9 to 18 form an integral part of the condensed consolidated interim financial information.

**Datalex plc****Condensed Consolidated Interim Statement of Changes in Equity**

for the six months ended 30 June 2014 – unaudited

	Equity share capital US\$'000	Other equity share capital US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total equity US\$'000
<b>Balance at 1 January 2013</b>	7,222	262	1,624	21,879	<b>30,987</b>
Profit for the period	-	-	-	166	<b>166</b>
Other comprehensive expense	-	-	(3)	-	<b>(3)</b>
<b>Total comprehensive income for the period</b>	-	-	<b>(3)</b>	<b>166</b>	<b>163</b>
Share based schemes charge	-	-	365	-	<b>365</b>
Issue of ordinary shares on exercise of options	82	-	314	-	<b>397</b>
<b>Balance at 30 June 2013</b>	<b>7,304</b>	<b>262</b>	<b>2,300</b>	<b>22,045</b>	<b>31,911</b>
<b>Balance at 1 January 2013</b>	7,222	262	1,624	21,879	<b>30,987</b>
Profit for the year	-	-	-	1,600	<b>1,600</b>
Other comprehensive income	-	-	19	-	<b>19</b>
<b>Total comprehensive income for the period</b>	-	-	<b>19</b>	<b>1,600</b>	<b>1,619</b>
Share based schemes charge	-	-	650	-	<b>650</b>
Issue of ordinary shares on exercise of options	191	-	470	-	<b>661</b>
<b>Balance at 31 December 2013</b>	<b>7,413</b>	<b>262</b>	<b>2,763</b>	<b>23,479</b>	<b>33,917</b>
<b>Balance at 1 January 2014</b>	7,413	262	2,763	23,479	<b>33,917</b>
Profit for the period	-	-	-	564	<b>564</b>
Other comprehensive expense	-	-	8	-	<b>8</b>
<b>Total comprehensive income for the period</b>	-	-	<b>8</b>	<b>564</b>	<b>572</b>
Share based schemes charge	-	-	448	-	<b>448</b>
Issue of ordinary shares on exercise of options	6	-	11	-	<b>17</b>
Dividends paid to shareholders (Note 16)	-	-	-	(1,499)	<b>(1,499)</b>
<b>Balance at 30 June 2014</b>	<b>7,419</b>	<b>262</b>	<b>3,230</b>	<b>22,544</b>	<b>33,455</b>

The accompanying notes on pages 9 to 18 form an integral part of the condensed consolidated interim financial information.

**Datalex plc****Condensed Consolidated Interim Cash Flow Statement**

for the six months ended 30 June 2014 – unaudited

	Notes	<u>Six Months Ended</u>		<u>Year Ended</u>
		<u>30 June</u>	<u>30 June</u>	<u>31 Dec</u>
		<u>2014</u>	<u>2013</u>	<u>2013</u>
		<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash generated from / (used in) operations	14	1,270	(978)	5,976
Income tax paid		(16)	(20)	(101)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>		<b>1,254</b>	<b>(998)</b>	<b>5,875</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment		(1,227)	(438)	(192)
Additions to Intangible assets	12	(2,207)	(1,884)	(3,202)
Interest received		61	47	85
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(3,373)</b>	<b>(2,275)</b>	<b>(3,309)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of shares		17	397	661
Increase / (decrease) in finance lease liabilities		1,108	(75)	(801)
Dividends paid to shareholders (Note 16)		(1,499)	-	-
Interest Paid		(32)	(36)	(74)
<b>NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES</b>		<b>(406)</b>	<b>286</b>	<b>(214)</b>
Net (decrease) / increase in cash and cash equivalents		(2,525)	(2,987)	2,352
Foreign Exchange loss on cash and cash equivalents		(36)	(111)	(102)
Cash and cash equivalents at beginning of period		16,878	14,628	14,628
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>14,317</b>	<b>11,530</b>	<b>16,878</b>

The accompanying notes on pages 9 to 18 form an integral part of the condensed consolidated interim financial information.

## **Datalex plc**

### **Notes to the Condensed Consolidated Interim Financial Statements**

at 30 June 2014– unaudited

#### **1. General Information**

The principal activity of Datalex plc is the development and sale of a variety of information technology products and services, including hardware, software and IT services, largely to the airline and travel industries.

The Company is a public limited company incorporated and domiciled in Ireland and is listed on the Irish Stock Exchange.

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 28 August 2014.

#### **2. Basis of preparation**

The condensed consolidated interim financial statements included in this report have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with International Accounting Standard 34, Interim Financial Reporting ('IAS 34') as adopted by the European Union. These condensed statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2013 included in the Group's 2013 Annual Report which is available on the Group website [www.datalex.com](http://www.datalex.com). The condensed consolidated interim financial statements presented do not constitute full Group Accounts within the meaning of Regulation 40(1) of the European Communities (Companies: Group Accounts) Regulations, 1992 of Ireland insofar as such Group Accounts would have to comply with all of the disclosure and other requirements of those Regulations. Full Group accounts for the year ended 31 December 2013 will be filed with the Irish Registrar of Companies in due course. The Audit Report on those group accounts was unqualified.

##### **Going Concern**

The Group meets its day-to-day working capital requirements through its cash reserves. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and the Group's management of its principal risks and uncertainties, as described in the notes to these condensed consolidated interim financial statements, show that the Group should be able to operate within the level of its current facilities and resources. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial statements.

The Group's auditors have not audited or reviewed the interim Group financial information contained in this report.

#### **3. Accounting policies**

The accounting policies applied by the Group in the condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013.

The following new standards, amendments to existing standards and interpretations have been adopted from 1 January 2014. There has been no impact to the reported results, statement of financial position or disclosures as a result of their application. These standards are:

- IFRS 10, 'Consolidated financial statements'
- IFRS 11, 'Joint arrangements'
- IFRS 12, 'Disclosure of interests in other entities'
- IAS 28 (revised 2011), 'Associates and joint ventures'
- Amendments to IFRS 10, 11, 12 and IAS 27
- Amendment to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting
- Amendment to IAS 36 'Impairment of assets' on recoverable amounts disclosures

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2014– unaudited (continued)

#### 4. Segmental information

Management has determined the operating segments based on the reports reviewed by the executive management team that are used to make strategic decisions. The executive management team assesses the performance of the operating segments based on a measure of Adjusted EBITDA.

The executive management team considers the business from a product and service perspective. Management considers the performance of E-business and TPF Consulting on a separate basis.

The reportable operating segments derive their revenue primarily from the sale of products and services associated with our suite of travel related technology and consulting revenue.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive management team is measured in a manner consistent with that in the income statement.

The segment information provided to the executive management team for the reportable segments for the financial period ended 30 June 2014 is as follows:

	<u>Six Months Ended</u> 30 June 2014			<u>Six Months Ended</u> 30 June 2013		
	E- business US\$'000	Consulting US\$'000	Total US\$'000	E-business US\$'000	Consulting US\$'000	Total US\$'000
<b>Revenue</b>	18,819	1,830	<b>20,649</b>	16,293	1,729	<b>18,022</b>
Inter-segment revenue	-	(455)	<b>(455)</b>	-	(363)	<b>(363)</b>
<b>External Revenue</b>	<b>18,819</b>	<b>1,375</b>	<b>20,194</b>	<b>16,293</b>	<b>1,366</b>	<b>17,659</b>
<b>Adjusted EBITDA</b>	3,600	228	<b>3,828</b>	2,918	201	<b>3,119</b>
Share options and ownership interests granted to directors and employees	(448)	-	<b>(448)</b>	(365)	-	<b>(365)</b>
<b>EBITDA</b>	<b>3,152</b>	<b>228</b>	<b>3,380</b>	<b>2,554</b>	<b>201</b>	<b>2,754</b>
Depreciation	539	9	<b>548</b>	461	10	<b>471</b>
Amortisation	2,294	-	<b>2,294</b>	2,118	-	<b>2,118</b>
Operating profit / (loss)	<b>319</b>	<b>219</b>	<b>538</b>	<b>(25)</b>	<b>191</b>	<b>166</b>
Interest payable			(32)			(36)
Finance income			61			47
Profit before taxation			<b>567</b>			<b>177</b>
Income tax charge			(3)			(11)
<b>Profit after taxation</b>			<b>564</b>			<b>166</b>

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2014– unaudited (continued)

#### 4. Segmental information (continued)

A reconciliation of Adjusted EBITDA to profit before income tax is provided as follows:

	<u>Six Months Ended</u>		<u>Year Ended</u>
	30 June 2014	30 June 2013	31 Dec 2013
	US\$'000	US\$'000	US\$'000
Adjusted EBITDA	3,828	3,119	7,522
Depreciation	(548)	(470)	(934)
Amortisation - Development Costs	(2,179)	(2,004)	(4,260)
Amortisation - Software	(115)	(114)	(160)
Finance income	61	47	85
Interest Payable	(32)	(36)	(74)
Share Option charge	(448)	(365)	(650)
<b>Profit before income tax</b>	<b>567</b>	<b>177</b>	<b>1,529</b>

The amounts provided to the executive management team with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

Total segment assets and liabilities are as follows:

	30 June 2014	30 June 2014	30 June 2014	31 Dec 2013	31 Dec 2013	31 Dec 2013
	E- business	TPF	Total	E- business	TPF	Total
	US\$'000	Consulting	US\$'000	US\$'000	Consulting	US\$'000
		US\$'000			US\$'000	
<b>Total segment assets</b>	40,827	1,161	41,988	41,521	1,094	42,615
<b>Total segment liabilities</b>	(8,106)	(427)	(8,533)	(8,294)	(404)	(8,698)

Revenues from external customers are derived from the sales of E-business products and services associated with our suite of travel related technology and consulting revenue.

#### Analysis of revenue by category

	<u>Six Months Ended</u>		<u>Year Ended</u>
	30 June 2014	30 June 2013	31 Dec 2013
	US\$'000	US\$'000	US\$'000
Transaction revenue	9,561	8,009	17,517
Professional services	9,083	8,002	15,864
Consultancy	1,376	1,366	2,724
Other revenue	174	282	1,969
<b>Total Revenue</b>	<b>20,194</b>	<b>17,659</b>	<b>38,074</b>

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2014– unaudited (continued)

#### 5. Expenses by Nature

	<u>Six Months Ended</u>		<u>Year Ended</u>
	<b>30 June 2014</b>	<b>30 June 2013</b>	<b>31 Dec 2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Employee Benefit expense net of capitalisation (Note 6)	10,097	8,804	18,446
Consultant and contractor costs	3,924	3,689	7,486
Capitalisation of consultants and contractors costs	(672)	(857)	(1,348)
Depreciation	548	470	934
Amortisation - Development costs	2,179	2,004	4,260
Amortisation - Software	115	114	160
Hosting	462	445	890
Establishment costs	752	769	1,573
Professional fees	542	571	1,249
Third party services	155	105	234
Travel	459	481	859
Communication	147	120	253
Auditors remuneration	134	86	257
Software maintenance and other online charges	179	126	285
Bad debt expense	13	-	214
Other	564	475	1,040
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>19,598</b>	<b>17,402</b>	<b>36,792</b>
Disclosed as:			
- Cost of sales	16,554	14,587	31,049
- Selling and marketing costs	1,559	1,197	2,734
- Administrative expenses	1,485	1,618	3,009
<b>Total operating costs</b>	<b>19,598</b>	<b>17,402</b>	<b>36,792</b>

#### 6. Employee benefit expense

	<u>Six Months Ended</u>		<u>Year Ended</u>
	<b>30 June 2014</b>	<b>30 June 2013</b>	<b>31 Dec 2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Wages and salaries	9,165	8,246	17,174
Social security costs	971	902	1,799
Pension costs – defined contribution schemes	344	318	667
<b>Employee benefit expense before capitalisation</b>	<b>10,480</b>	<b>9,466</b>	<b>19,640</b>
Capitalised labour	(831)	(1,027)	(1,844)
	<b>9,649</b>	<b>8,439</b>	<b>17,796</b>
Share options granted to directors and employees	448	365	650
<b>Total</b>	<b>10,097</b>	<b>8,804</b>	<b>18,446</b>

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2014– unaudited (continued)

#### 7. Trade and other receivables

	30 June 2014 US\$'000	31 Dec 2013 US\$'000
Trade receivables	5,636	5,472
Less: provision for impairment <sup>(1)</sup>	-	(486)
<b>Trade receivables – Net</b>	<b>5,636</b>	<b>4,986</b>
Other receivables	563	459
Prepayments	1,085	790
Accrued income	4,883	4,591
	<b>12,167</b>	<b>10,826</b>

<sup>(1)</sup>In the six month period ended 30 June 2014, the provision for impairment as at 31 December 2013 was used to write-off previously impaired trade receivables.

The carrying amounts of the Group's trade receivables and accrued income are denominated in the following currencies:

	30 June 2014 US\$'000	31 Dec 2013 US\$'000
US\$	7,926	7,443
Euro	2,417	2,435
Sterling	176	185
	<b>10,519</b>	<b>10,063</b>

All amounts fall due within one year.

#### 8. Borrowings

	30 June 2014 US\$'000	31 Dec 2013 US\$'000
<b>Financial Lease Liabilities</b>		
Non-Current	900	336
Current	1,098	555
<b>Total Borrowings</b>	<b>1,998</b>	<b>891</b>

The carrying amount of the Group's borrowings are denominated in US\$. Lease liabilities are secured as the rights to the leased assets revert to the lessor in the event of default.

#### 9. Trade and other payables

	30 June 2014 US\$'000	31 Dec 2013 US\$'000
Trade payables	2,691	2,966
Accruals	2,282	1,689
Deferred income	51	1,523
Pension contribution	130	116
Social security and other taxes	1,300	1,459
	<b>6,454</b>	<b>7,753</b>

The fair values of trade and other trade payables approximate to the values shown above.



## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2014– unaudited (continued)

#### 9. Trade and other payables (continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	<b>30 June 2014</b>	<b>31 Dec 2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>
US\$	1,735	2,126
Euro	794	650
Sterling	162	177
Australian Dollar	-	13
	<b>2,691</b>	<b>2,966</b>

#### 10. Income tax

	<b>Six Months Ended</b>		<b>Year Ended</b>
	<b>30 June 2014</b>	<b>30 June 2013</b>	<b>31 Dec 2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Current tax</b>			
Income tax charge / (credit)	3	11	(71)
<b>Current tax charge / (credit) for the period</b>	<b>3</b>	<b>11</b>	<b>(71)</b>

The 2013 tax credit relates mainly to the recognition of deferred tax losses forward which was addressed in Note 18 of the 2013 Annual Report, together with an explanation of the key judgements involved.

#### 11. Earnings per share

	<b>Six Months Ended</b>		<b>Year Ended</b>
<b>Basic</b>	<b>30 June 2014</b>	<b>30 June 2013</b>	<b>31 Dec 2013</b>
Profit attributable to ordinary shareholders (US\$'000)	564	166	1,600
Weighted average number of ordinary shares outstanding	73,349,522	70,891,399	71,339,376
Basic earnings per share (in US\$ cents)	0.77	0.23	2.24

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and held as treasury shares on the basis that there is further consideration receivable in respect of these shares (at 30 June 2014: 1.56m shares, at 30 June 2013: 1.56m shares and 31 December 2013: 1.56m shares).

	<b>Six Months Ended</b>		<b>Year Ended</b>
<b>Diluted</b>	<b>30 June 2014</b>	<b>30 June 2013</b>	<b>31 Dec 2013</b>
Profit attributable to ordinary shareholders (US\$'000)	564	166	1,600
Weighted average number of ordinary shares outstanding	73,349,522	70,891,399	71,339,376
Adjustment for share options	3,680,973	4,044,259	3,982,188
Weighted average number of ordinary shares outstanding	77,030,495	74,935,658	75,321,564
Diluted earnings per share (in US\$ cents)	0.73	0.22	2.12

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2014– unaudited (continued)

#### 11. Earnings per share (continued)

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. The categories of dilutive potential ordinary shares of the Group are employee share options and Joint Share Ownership Plan (JSOP) awards. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of subscription rights attached to outstanding share options. As at 30 June 2014, 780,000 JSOP awards and 2,058,000 share options (31 December 2013: 780,000 JSOP awards and 2,922,000 share options) subject to performance conditions have not been included in the calculation of diluted EPS as the related performance conditions have not been met. The number of shares calculated as above is compared with the number of shares that would have issued assuming the exercise of the share options.

#### 12. Intangible assets

	Software	TDP Development	Total
	US\$'000	US\$'000	US\$'000
<b>Period to 30 June 2013</b>			
Opening net book amount	452	13,369	13,821
Additions	-	1,884	1,884
Amortisation charge	(114)	(2,004)	(2,118)
<b>Closing net book amount</b>	<b>338</b>	<b>13,249</b>	<b>13,587</b>
<b>Year Ended 31 December 2013</b>			
Opening net book amount	452	13,369	13,821
Additions	10	3,192	3,202
Government grant assistance	-	(161)	(161)
Amortisation charge	(160)	(4,260)	(4,420)
<b>Closing net book amount</b>	<b>302</b>	<b>12,140</b>	<b>12,442</b>
<b>At 31 December 2013</b>			
Cost	1,219	40,695	41,914
Accumulated Amortisation	(917)	(28,555)	(29,472)
<b>Closing net book amount</b>	<b>302</b>	<b>12,140</b>	<b>12,442</b>
<b>Period to 30 June 2014</b>			
Opening net book amount	302	12,140	12,442
Additions	704	1,503	2,207
Amortisation charge	(115)	(2,179)	(2,294)
<b>Closing net book amount</b>	<b>891</b>	<b>11,464</b>	<b>12,355</b>
<b>At 30 June 2014</b>			
Cost	1,923	42,198	44,121
Accumulated Amortisation	(1,032)	(30,734)	(31,766)
<b>Closing net book amount</b>	<b>891</b>	<b>11,464</b>	<b>12,355</b>

Intangible assets consist of capitalised development costs and software. These intangibles have finite useful lives and are valued based on actual costs incurred.

Capitalised development costs are amortised over a period of five years commencing from the product being generally available for use.

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2014– unaudited (continued)

#### 13. Share Capital

During the period to 30 June 2014, 64,800 ordinary shares were issued upon the exercise of employee share options into ordinary share capital.

#### 14. Cash generated from / (used in) operations

	<u>Six Months Ended</u>		<u>Year Ended</u>
	<u>30 June 2014</u>	<u>30 June 2013</u>	<u>31 Dec 2013</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Profit for the financial period	567	177	1,529
Interest received	(61)	(47)	(85)
Interest paid	32	36	74
Depreciation	548	470	934
Amortisation	2,294	2,118	4,420
Employee share option amortisation	448	365	650
Foreign currency loss on operating activities	61	239	51
<b>Changes in Working Capital:</b>			
Trade and other receivables	(1,388)	(2,956)	(2,486)
Trade and other payables	(1,231)	(1,381)	889
<b>Cash generated from / (used in) operations</b>	<b>1,270</b>	<b>(978)</b>	<b>5,976</b>

#### 15. Related party transactions

The following transactions were carried out with related parties:

- (a) Key management personnel include the two Executive Directors and eight members of the senior management team. Key management compensation :

	<u>Six Months Ended</u>	<u>Six Months Ended</u>
	<u>30 June 2014</u>	<u>30 June 2013</u>
	<u>US\$'000</u>	<u>US\$'000</u>
Salaries and other short-term employee benefits	1,233	1,282
Post employment benefits	56	54
Share based payments	326	180
	<b>1,615</b>	<b>1,516</b>

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2014– unaudited (continued)

#### 15. Related party transactions (continued)

(b) The remuneration of, and transactions with all Non-Executive Directors:

	<u>Six Months Ended</u> 30 June 2014 US\$'000	<u>Six Months Ended</u> 30 June 2013 US\$'000
Basic salaries and fees	205	95

Details of related party transactions in respect of the year ended 31 December 2013 are contained in Note 21 of our Annual Report. The Group continued to enter into transactions in the normal course of business with its related parties during the period. There were no transactions with related parties in the first half of 2014 or changes to transactions with related parties disclosed in the 2013 financial statements that had a material effect on the financial position or performance of the Group.

#### 16. Dividends

A dividend of US\$1.5m was paid on 13 June 2014 (period ended 30 June 2013: nil). This represents a dividend of two US cents per share which was paid to shareholders who were on the register at 30 May 2014. This dividend was proposed by the Board of Directors on 10 March 2014 and approved by shareholders on 15 May 2014. This dividend was not recognised as a liability as at 31 December 2013 as it was subject to shareholder approval as described in Note 26 to the Annual Report for the year ended 31 December 2013.

On 30 April 2014, Datalex plc, the Group parent company, received a dividend of US\$2.5m from its wholly owned subsidiary Datalex (Ireland) Limited.

#### 17. Principal risks and uncertainties

(a) Principal risks

The principal risks and uncertainties faced by the Group were outlined in our 2013 Annual Report on pages 16-18. The Annual Report is available on our website [www.datalex.com](http://www.datalex.com). The principal risks and uncertainties remain substantially the same for the remaining six months of the financial year and are summarised below:

- Datalex operates in a highly competitive market. Any targeted aggressive competitor activity could result in a loss of customers and/or adverse impact on business growth prospects.
- Datalex maintains an important relationship with its customers, the loss of a number of these customers would negatively impact on our growth and brand.
- Delivering sustained growth in shareholder value. This is predicated on our ability to continue to win new business and to expand our product offerings.
- Cost overruns and delays to commencement of transaction revenue at new deployments could have an adverse impact on our financial performance.
- Our products are mission critical for our customers who use it to generate a high percentage of their revenues.
- Issues with product quality could result in cost overruns or delayed go lives, and negatively impact on our brand and reputation.
- Datalex reports in US\$ but has a sizeable percentage of its cost base in Euro with a smaller element in Sterling. Adverse fluctuations in exchange rates can negatively impact on financial performance.
- Our customers are mainly airlines – operating in challenging environments, particularly in light of current geopolitical conditions. Failure to manage credit risk and operating cash flows could result in bad debt exposure and adverse impact on cash reserves.

## **Datalex plc**

### **Notes to the Condensed Consolidated Interim Financial Statements**

at 30 June 2014– unaudited (continued)

#### **17. Principal risks and uncertainties (continued)**

- If a significant event was to occur that resulted in a loss of function of key systems, premises or personnel, the business could be unable to carry out day to day functions across the Group.
- The ongoing success of the Group is dependent on attracting and retaining high quality personnel, particularly in software development and project management. A shortage of these skills could impair business growth.

#### **(b) Litigation and disputes**

There has been no material change in our contingent liabilities in the period ended 30 June 2014 since the approval of our statutory financial statements for the year ended 31 December 2013.

#### **18. Seasonality**

While management do not believe that seasonality has a material impact on the business of the Group, business performance is impacted by the timing of go lives, which triggers the commencement of transaction revenue from new customers.

#### **19. Events occurring after the balance sheet date**

There have been no material events subsequent to the period end, which have not been reflected in the interim financial information.

#### **20. Distribution of interim report**

The interim report is available on the Group's website [www.datalex.com](http://www.datalex.com). Copies are also available to the public from the Company's registered office at Block U, East Point Business Park, Clontarf, Dublin 3, Ireland.