



**Datalex grows platform revenue by 11%, cash reserves by 13% and reiterates full year guidance for Adjusted EBITDA growth of 20% - 25%.**

**Dublin, Ireland - 26 August 2015: Datalex plc (ISE: DLE)** today announces interim results for the six months ended 30 June 2015. Highlights include:

- Strong momentum in platform revenue, our key value driver - up 11% to \$10.6m
- 13% increase in cash reserves to \$16.2m, after a 50% increase in dividends paid
- JetBlue Airways now live on our commerce platform
- Third customer signed in China, which further strengthens our position in this key market
- Continued investment in new digital commerce products
- Investment in scaling the business for future growth

**H1 2015 Overview**

We are pleased to report that the first half of 2015 has seen continued strong performance in our business, providing the basis to achieve our FY2015 guidance, and to deliver further growth in the years ahead. Our platform revenue, which is the key value driver in our business, increased 11% compared to H1 2014, and our cash reserves grew by 13% to \$16.2m. A summary of the results for the first six months of 2015 is set out below:

<b>Six months ended 30 June</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
	<b>US\$M</b>	<b>US\$M</b>	
Total revenue	20.8	20.2	3%
Platform revenue included in total revenue	10.6	9.6	11%
Operating costs	20.6	19.7	5%
Net profit after tax	0.3	0.6	(52%)
Adjusted EBITDA <sup>1</sup>	3.8	3.8	(2%)
Net cash generated from operations	3.4	1.3	174%
Cash and cash equivalents	16.2	14.3	13%

**H1 2015 Performance**

Total revenue for the period grew by 3% to \$20.8m (2014 H1: \$20.2m), which included an 11% increase in platform revenue to \$10.6m (2014 H1: \$9.6m), driven by a number of factors, including:

- New customers going live on our commerce platform during the period (JetBlue Airways, Abacus and Lufthansa Group carrier, Edelweiss)
- The H1 2015 impact of customers that went live during H2 2014, including Brussels Airlines, West Air of China and Air Transat of Canada

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

- Continued organic growth as our customers deploy additional Datalex product components to drive incremental revenues

Total costs increased by 5% to \$20.6m over the period (2014 H1: \$19.7m), driven mainly by increased customer deployments and product development activities, together with an increase of \$0.3m in depreciation and amortisation charges. As outlined below, in H1 we made a number of strategic investments in key scaling capabilities, to drive the future growth in the business.

Adjusted EBITDA in H1 2015 was \$3.8m (2014 H1: \$3.8m). Net Profit in the period was \$0.3m (2014 H1: \$0.6m) after an increase in amortisation and depreciation charges of \$0.3m.

### Financial Position at 30 June 2015

Our cash reserves at 30 June 2015 were \$16.2m (2014: \$14.3m), representing a 13% increase year on year. This strong cash conversion was delivered, after a 50% increase in dividends paid during the period. Working capital management remains a core focus - total net trade receivables and accrued income at 30 June 2015 was \$10.0m (2014 H1: \$10.5m).

### Revenue Growth

Our H1 2015 performance highlights the different elements and highly visible nature of our market growth opportunity;

- **New customers:** In H1 2015 we continued to bring new customers live on our commerce platform, putting in place the foundation for continued Adjusted EBITDA growth in the second half of 2015 and into 2016. These included US carrier JetBlue Airways, Abacus Travel Systems of Singapore and Swiss carrier Edelweiss, a member of the Lufthansa Group. In H2 2015 both Swiss International Air Lines, also a member of the Lufthansa Group, and our third Chinese carrier (which we signed in H1), will go live on our digital commerce platform.

Our new business pipeline continues to strengthen, buoyed by compelling testimonies from customers like JetBlue Airways and Brussels Airlines. We are pursuing a number of new opportunities, and we expect to announce further customer signings in H2.

- **Customer development:** Our existing customers continue to deploy additional Datalex components, which drive incremental revenues for them and for Datalex. Our ongoing investment in new product capabilities and expert resources, together with our growing customer base, provides us with an ever-expanding organic growth opportunity.
- **Partners:** The development of a global ecosystem of partners, to extend our product and market reach, is a key element of our growth strategy. We currently have over 25 global technology brands which leverage our commerce platform, helping to deliver a breadth and depth of value-adding functionality to our customers. In H1 2015 we appointed a Shanghai-based localisation partner to help scale our delivery capability to existing and new Chinese customers, which will supplement our growing Beijing office.

We anticipate continued strong growth in our market over the next five years, as major travel retailers look to move beyond traditional ecommerce management, and develop a more sophisticated approach to customer engagement, both of which will require significant investment by them in new platform capabilities.

## Investment in scaling the business

In H1 2015 we continued to invest in scaling our capabilities, to take advantage of the increasing growth opportunity for the business and to maintain our position as the market leader in digital commerce for travel retail:

- **Product investment and innovation:** Our commerce platform enables a travel marketplace of over one billion shoppers across the globe, driven by some of the world's most innovative airline retail brands. In 2015 we continue to invest in new commerce capabilities which enable a competitive and differentiated retail experience on every device, across every sales channel and at every touch point in the travel journey. We will shortly deploy our new Call Centre Application, and later in H2 we will also release new payment and enhanced personalisation features which will further drive revenue and loyalty for our customers and for Datalex.
- **Customer and technical resources:** During H1 2015 we added a number of new market-driven resources to the business, including the appointment of Customer Success Directors in the US, China and Europe to serve our new customers in those regions. We also created a new role of Chief Innovation Officer, to lead our platform innovation programme, and we enhanced our Organisation Development function, which will help broaden the leadership and skills in our business as it grows.
- **New delivery efficiencies:** In 2015 we continue to invest in our API (Application Program Interface) delivery tools, which allow us to deploy our solution to our customers at a greater pace, and also allow our partners to integrate with and develop against our platform in an efficient manner.

## FY 2015 Outlook

2015 is a year of continued strong performance, growth and transformation for Datalex. We are deploying our commerce platform at some of the world's leading airlines in the Americas, Europe and China, which will drive our financial performance through the remainder of 2015 and beyond. We are engaging in a significant programme of investment in our product and the capabilities required to scale the business. In parallel, we are establishing a global partner network to increase our product and market reach and help us serve our growing customer base. We remain confident that we will achieve 20-25% growth in Adjusted EBITDA for the full year.

## About Datalex

Datalex is a market leader in digital commerce for travel retailers. The Datalex commerce platform enables a travel marketplace of over one billion shoppers covering every corner of the globe, driven by some of the world's most innovative airline retail brands. Its customers include Aer Lingus, Abacus, Air China, Air Transat, Brussels Airlines, Copa Airlines, Delta Air Lines, Edelweiss, HP Enterprise Services, JetBlue Airways, Philippine Airlines, SITA, Swiss International Air Lines, Virgin Atlantic, Virgin Australia, West Air, and WestJet. The company is headquartered in Dublin, Ireland, and maintains offices across Europe, USA and China. Datalex is a publicly listed company and is listed on the Irish Stock Exchange (ISE: DLE). Learn more at [datalex.com](http://datalex.com) or follow on Twitter @Datalex.

*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 2015

## **Datalex plc**

### **Chief Executive Officer's Review**

for the six months ended 30 June 2015

#### **Summary**

I am pleased to report that in the first half of 2015 we have seen continued strong performance in our business providing the basis to achieve our full year expectations, and continued growth in the years ahead.

#### **Performance**

Total revenue for the period grew by 3% to \$20.8m (2014 H1: \$20.2m), which included an 11% increase in platform revenue, our key value driver, to \$10.6m (2014 H1: \$9.6m), driven by:

- New customers going live on our commerce platform during the period (JetBlue Airways, Abacus and Lufthansa Group carrier, Edelweiss).
- The H1 impact of customers that went live during the second half of 2014, including Brussels Airlines, West Air of China and Air Transat of Canada.
- Ongoing organic growth across our customer portfolio.

Operating costs increased by 5% to \$20.6m over the period (2014 H1: \$19.7m), driven mainly by increased customer deployments and product development activities, together with an increase of \$0.3m in depreciation and amortisation charges. During the period we made a number of investments in key scaling capabilities, required to support our growing business. These included:

- The appointment of Customer Success Directors in the US, China and Europe to serve our new customers in each region.
- Additional support resources for the new customers going live on our commerce platform in 2015.
- An enhanced HR / Organisation Development function, which will help grow the leadership and skills of our business as it grows.
- The appointment of a Shanghai-based localisation partner to help deliver services to existing and new Chinese customers.

Capitalised product development increased by \$1.2m in the period arising from the development of new product capabilities on our commerce platform, including a new Call Centre Application, and enhanced payment and personalisation features. Contractor costs increased by \$1.1m to \$5.1m (2014 H1: \$3.9m) reflecting this increase in product development activity.

Gross margin in H1 2015 was 21.6%, (2014 H1: 18.0%), on foot of the growth in the higher margin platform revenue line during the period.

The strengthening of the dollar against the euro in H1 has given rise to a) a loss on hedging of \$0.8m (included in "Other (losses) / gains") and b) an equal amount of cost savings in euro operating costs. These two items net out to a nil impact on Adjusted EBITDA in the period.

Adjusted EBITDA<sup>2</sup> in H1 2015 was \$3.8m, in line with H1 2014. Net Profit in the period was \$0.3m (2014 H1: \$0.6m) after an increase in amortisation and depreciation charges of \$0.3m.

#### **Key events**

In H1 we continued to bring new customers live on our commerce platform. These included:

- US carrier JetBlue Airways
- Abacus Travel Systems of Singapore
- Swiss carrier Edelweiss, a member of the Lufthansa Group

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<sup>2</sup> Adjusted EBITDA is defined as earnings before (i) interest income and interest expense, (ii) tax expense, (iii) depreciation and amortisation expense and (iv) share based compensation expense

## **Datalex plc**

### **Chief Executive Officer's Review**

for the six months ended 30 June 2015 (continued)

In H2 both Swiss International Air Lines, also a member of the Lufthansa Group, and our third Chinese carrier (which we signed in H1), will both go live with our commerce platform.

Our new business pipeline continues to strengthen. We are pursuing a number of new opportunities across a number of geographies, including Europe and China, and we expect to announce further customer signings in H2.

#### **Balance Sheet**

Our cash reserves at 30 June 2015 were \$16.2m (2014 H1: \$14.3m), representing a 13% increase year on year. Net cash generated from operations increased by \$2.2m or 174% in the period. This strong cash conversion was delivered after a 50% increase in dividends paid during the period. The decrease of \$2.2m in cash reserves from the beginning of the year reflects the working capital investment in customer deployments and the dividend payment in June 2015. Working capital management remains a core focus: total net trade receivables and accrued income at 30 June 2015 was \$10.0m (2014 H1: \$10.5m).

#### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Group for the remaining part of the year are outlined in Note 19 to the condensed consolidated interim financial information.



**Aidan Brogan**

**Chief Executive Officer, 26 August 2015**

## **Datalex plc** **Responsibility Statement**

in respect of the six months ended 30 June 2015

The directors, whose names and functions are listed on pages 19 and 20 in the Group's 2014 Annual Report, 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 2015 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 2015, and a description of the principal risks and uncertainties for the remaining six months which has been provided in Note 19 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.

**On behalf of the Board**



**Aidan Brogan**  
Director



**David Kennedy**  
Director

**26 August 2015**

## Datalex plc

### Condensed Consolidated Interim Balance Sheet

as at 30 June 2015 – unaudited

	Notes	30 June 2015 US\$'000 Unaudited	31 Dec 2014 US\$'000 Audited
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment		1,373	1,706
Intangible assets	13	14,045	13,954
Deferred income tax assets		1,386	1,386
<b>Total non-current assets</b>		<b>16,804</b>	<b>17,046</b>
<i>Current Assets</i>			
Trade and other receivables	8	12,018	11,296
Cash and cash equivalents		16,171	18,341
<b>Total current assets</b>		<b>28,189</b>	<b>29,637</b>
<b>TOTAL ASSETS</b>		<b>44,993</b>	<b>46,683</b>
<b>EQUITY</b>			
<i>Capital and reserves attributable to the equity holders of the company</i>			
Ordinary share capital		7,499	7,460
Other equity share capital		262	262
Other reserves		3,541	3,121
Retained earnings		22,744	24,697
<b>TOTAL EQUITY</b>		<b>34,046</b>	<b>35,540</b>
<b>LIABILITIES</b>			
<i>Non-Current Liabilities</i>			
Borrowings	9	68	731
<b>Total non-current liabilities</b>		<b>68</b>	<b>731</b>
<i>Current liabilities</i>			
Trade and other payables	10	8,992	8,727
Borrowings	9	1,027	913
Financial liabilities - forward contracts	14	778	728
Current income tax and liabilities		82	44
<b>Total current liabilities</b>		<b>10,879</b>	<b>10,412</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,993</b>	<b>46,683</b>

The accompanying notes on pages 10 to 21 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 2015 – unaudited

	Notes	<u>Six Months Ended</u>		<u>Year Ended</u>
		30 June 2015	30 June 2014	31 Dec 2014
		US\$'000	US\$'000	US\$'000
		Unaudited	Unaudited	Audited
Revenue	4	20,848	20,194	41,375
Cost of sales	5	(16,351)	(16,554)	(31,225)
<b>GROSS PROFIT</b>		<b>4,497</b>	<b>3,640</b>	<b>10,150</b>
Selling and marketing costs	5	(1,562)	(1,559)	(3,473)
Administrative expenses	5	(1,755)	(1,485)	(3,109)
Other (losses)/gains	7	(897)	(58)	(1,205)
<b>OPERATING PROFIT</b>		<b>283</b>	<b>538</b>	<b>2,363</b>
Finance income		16	61	137
Finance costs		(24)	(32)	(72)
<b>PROFIT BEFORE INCOME TAX</b>		<b>275</b>	<b>567</b>	<b>2,428</b>
Income tax (expense) / credit	11	(4)	(3)	274
<b>PROFIT FOR THE PERIOD</b>		<b>271</b>	<b>564</b>	<b>2,702</b>
<b>PROFIT PER SHARE (in US\$ cents per share)</b>				
Basic	12	0.37	0.77	3.71
Diluted	12	0.35	0.73	3.52

The accompanying notes on pages 10 to 21 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 2015 – unaudited

	<u>Six Months Ended</u>		<u>Year Ended</u>
	30 June	30 June	31 Dec
	2015	2014	2014
	US\$'000	US\$'000	US\$'000
	Unaudited	Unaudited	Audited
<b>Profit for the financial period</b>	<b>271</b>	<b>564</b>	<b>2,702</b>
<b>Other comprehensive income:</b>			
<b>Items that may subsequently be reclassified to profit or loss:</b>			
Foreign currency translation adjustments	(13)	8	(39)
Net fair value losses on cash flow hedges (Note 14)	(50)	-	(728)
	(63)	8	(767)
<b>Items which will not subsequently be reclassified to profit or loss</b>	-	-	-
<b>Comprehensive income for the financial period</b>	<b>208</b>	<b>572</b>	<b>1,935</b>

The accompanying notes on pages 10 to 21 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 2015 – 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>Unaudited</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	-	-	-	(1,499)	(1,499)
<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>
<b>Balance at 1 January 2014</b>	7,413	262	2,763	23,479	<b>33,917</b>
Profit for the year	-	-	-	2,702	<b>2,702</b>
Other comprehensive income	-	-	(767)	-	<b>(767)</b>
<b>Total comprehensive income for the period</b>	-	-	<b>(767)</b>	<b>2,702</b>	<b>1,935</b>
Share based schemes charge	-	-	934	-	<b>934</b>
Issue of ordinary shares on exercise of options	47	-	131	-	<b>178</b>
Decrease in treasury shares due to exercise of JSOP awards	-	-	60	-	<b>60</b>
Dividends paid	-	-	-	(1,484)	<b>(1,484)</b>
<b>Balance at 31 December 2014</b>	<b>7,460</b>	<b>262</b>	<b>3,121</b>	<b>24,697</b>	<b>35,540</b>
<b>Balance at 1 January 2015</b>	7,460	262	3,121	24,697	<b>35,540</b>
Profit for the period	-	-	-	271	<b>271</b>
Other comprehensive expense	-	-	(63)	-	<b>(63)</b>
<b>Total comprehensive income for the period</b>	-	-	<b>(63)</b>	<b>271</b>	<b>208</b>
Share based schemes charge	-	-	338	-	<b>338</b>
Issue of ordinary shares on exercise of options	39	-	85	-	<b>124</b>
Decrease in treasury shares due to exercise of JSOP awards	-	-	60	-	<b>60</b>
Dividends paid to shareholders (Note 18)	-	-	-	(2,224)	<b>(2,224)</b>
<b>Balance at 30 June 2015</b>	<b>7,499</b>	<b>262</b>	<b>3,541</b>	<b>22,744</b>	<b>34,046</b>

The accompanying notes on pages 10 to 21 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 2015 – unaudited

	Notes	<u>Six Months Ended</u>		<u>Year Ended</u>
		30 June 2015 US\$'000	30 June 2014 US\$'000	31 Dec 2014 US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash generated from operations	16	3,440	1,270	9,586
Income tax paid		(3)	(16)	(20)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>3,437</b>	<b>1,254</b>	<b>9,566</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment		(185)	(1,227)	(495)
Additions to Intangible assets	13	(2,704)	(2,207)	(4,833)
Interest received		16	61	137
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(2,873)</b>	<b>(3,373)</b>	<b>(5,191)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of shares		124	17	178
Proceeds from exercise of JSOP awards		60	-	60
(Decrease) / increase in finance lease liabilities		(549)	1,108	(897)
Dividends paid to shareholders (Note 16)		(2,224)	(1,499)	(1,484)
Interest Paid		(24)	(32)	(72)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(2,613)</b>	<b>(406)</b>	<b>(2,215)</b>
Net (decrease) / increase in cash and cash equivalents		(2,049)	(2,525)	2,160
Foreign Exchange loss on cash and cash equivalents		(121)	(36)	(697)
Cash and cash equivalents at beginning of period		18,341	16,878	16,878
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>16,171</b>	<b>14,317</b>	<b>18,341</b>

The accompanying notes on pages 10 to 21 form an integral part of the condensed consolidated interim financial information.

## **Datalex plc**

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

at 30 June 2015 – unaudited

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

The principal activity of Datalex plc is the development and sale of digital commerce products and solutions to the travel industry.

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 25 August 2015.

#### **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 2014 included in the Group's 2014 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 statutory accounts. Full statutory accounts for the year ended 31 December 2014 will be filed with the Irish Registrar of Companies in due course. The Audit Report on those statutory accounts was unqualified.

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

##### *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.

#### **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 2014.

There are no other IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 that had a material impact on the Group.

#### **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.

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2015 – unaudited (continued)

#### 4. Segmental information (continued)

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 2015 is as follows:

	<u>Six Months Ended</u> 30 June 2015			<u>Six Months Ended</u> 30 June 2014		
	E- business	TPF Consulting	Total	E-business	TPF Consulting	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>	19,721	1,451	<b>21,172</b>	18,819	1,830	<b>20,649</b>
Inter-segment revenue	-	(324)	<b>(324)</b>	-	(455)	<b>(455)</b>
<b>External Revenue</b>	<b>19,721</b>	<b>1,127</b>	<b>20,848</b>	<b>18,819</b>	<b>1,375</b>	<b>20,194</b>
<b>Adjusted EBITDA</b>	3,655	97	<b>3,752</b>	3,600	228	<b>3,828</b>
Share options and ownership interests granted to directors and employees	(338)	-	<b>(338)</b>	(448)	-	<b>(448)</b>
<b>EBITDA</b>	<b>3,317</b>	<b>97</b>	<b>3,414</b>	<b>3,152</b>	<b>228</b>	<b>3,380</b>
Depreciation	511	7	<b>518</b>	539	9	<b>548</b>
Amortisation	2,613	-	<b>2,613</b>	2,294	-	<b>2,294</b>
Operating profit	<b>193</b>	<b>90</b>	<b>283</b>	<b>319</b>	<b>219</b>	<b>538</b>
Interest payable			(24)			(32)
Finance income			16			61
Profit before taxation			<b>275</b>			<b>567</b>
Income tax charge			(4)			(3)
<b>Profit after taxation</b>			<b>271</b>			<b>564</b>

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 2015	30 June 2014	31 Dec 2014
	US\$'000	US\$'000	US\$'000
Adjusted EBITDA	3,752	3,828	8,457
Depreciation	(518)	(548)	(1,144)
Amortisation - Development Costs	(2,482)	(2,179)	(3,737)
Amortisation - Software	(131)	(115)	(279)
Finance income	16	61	137
Interest Payable	(24)	(32)	(72)
Share Option charge	(338)	(448)	(934)
<b>Profit before income tax</b>	<b>275</b>	<b>567</b>	<b>2,428</b>

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2015 – unaudited (continued)

#### 4. Segmental information (continued)

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 2015	30 June 2015	30 June 2015	31 Dec 2014	31 Dec 2014	31 Dec 2014
	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>	44,031	962	<b>44,993</b>	45,701	982	<b>46,683</b>
<b>Total segment liabilities</b>	(10,649)	(298)	<b>(10,947)</b>	(10,810)	(333)	<b>(11,143)</b>

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 2015	30 June 2014	31 Dec 2014
	US\$'000	US\$'000	US\$'000
Platform revenue <sup>(1)</sup>	10,581	9,561	19,476
Professional services	9,032	9,083	18,136
Consultancy	1,129	1,376	2,664
Other revenue	106	174	1,099
<b>Total Revenue</b>	<b>20,848</b>	<b>20,194</b>	<b>41,375</b>

<sup>(1)</sup> As noted in the 2014 Group Annual Report (Note 2.3 and page 9), platform revenue was previously reported as transaction revenue. Refer to Note 2.3 of the Group Annual Report for the definition of the different revenue categories included in the table above.

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2015 – unaudited (continued)

#### 5. Expenses by nature

	<u>Six Months Ended</u>		<u>Year Ended</u>
	<u>30 June 2015</u>	<u>30 June 2014</u>	<u>31 Dec 2014</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Employee Benefit expense net of capitalisation (Note 6)	9,336	10,097	19,433
Consultants and contractors costs	5,056	3,924	8,356
Capitalisation of consultants and contractors costs	(1,382)	(672)	(2,589)
Depreciation	518	548	1,144
Amortisation - Development costs	2,482	2,179	3,737
Amortisation - Software	131	115	279
Hosting	542	462	1,051
Establishment costs	734	752	1,579
Professional fees	522	542	1,219
Third party services	151	155	343
Travel	481	459	941
Communication	161	147	312
Auditors remuneration (including expenses)	131	135	224
Software maintenance and other online charges	226	179	355
Bad debt expense	19	13	173
Other	560	563	1,250
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>19,668</b>	<b>19,598</b>	<b>37,807</b>
Disclosed as:			
- Cost of sales	16,351	16,554	31,225
- Selling and marketing costs	1,562	1,559	3,473
- Administrative expenses	1,755	1,485	3,109
<b>Total operating costs</b>	<b>19,668</b>	<b>19,598</b>	<b>37,807</b>

#### 6. Employee benefit expense

	<u>Six Months Ended</u>		<u>Year Ended</u>
	<u>30 June 2015</u>	<u>30 June 2014</u>	<u>31 Dec 2014</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Wages and salaries	9,121	9,165	18,371
Social insurance costs	891	971	1,889
Pension costs – defined contribution schemes	308	344	706
<b>Employee benefit expense before capitalisation</b>	<b>10,320</b>	<b>10,480</b>	<b>20,966</b>
Capitalised labour	(1,322)	(831)	(2,467)
	<b>8,998</b>	<b>9,649</b>	<b>18,499</b>
Share options granted to directors and employees	338	448	934
<b>Total</b>	<b>9,336</b>	<b>10,097</b>	<b>19,433</b>



## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2015 – unaudited (continued)

#### 7. Other (losses)/gains

	<u>Six Months Ended</u>		<u>Year Ended</u>
	<u>30 June</u> <u>2015</u> <u>US\$'000</u>	<u>30 June</u> <u>2014</u> <u>US\$'000</u>	<u>31 Dec 2014</u> <u>US\$'000</u>
Net foreign exchange loss	(102)	(66)	(675)
Forward foreign exchange contract gain/(loss)	-	8	(363)
Cash flow hedge realised loss (Note 14)	(795)	-	(167)
<b>Total</b>	<b>(897)</b>	<b>(58)</b>	<b>(1,205)</b>

#### 8. Trade and other receivables

	<u>30 June 2015</u> <u>US\$'000</u>	<u>31 Dec 2014</u> <u>US\$'000</u>
Trade receivables	4,724	5,225
Less: provision for impairment	(171)	(152)
<b>Trade receivables – Net</b>	<b>4,553</b>	<b>5,073</b>
Other receivables	812	755
Prepayments	1,161	684
Accrued income	5,492	4,784
	<b>12,018</b>	<b>11,296</b>

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

	<u>30 June 2015</u> <u>US\$'000</u>	<u>31 Dec 2014</u> <u>US\$'000</u>
US dollar	7,597	8,232
Euro	2,506	1,696
Sterling	113	81
	<b>10,216</b>	<b>10,009</b>

All amounts fall due within one year.

#### 9. Borrowings

<b>Financial Lease Liabilities</b>	<u>30 June 2015</u> <u>US\$'000</u>	<u>31 Dec 2014</u> <u>US\$'000</u>
Non-Current	68	731
Current	1,027	913
<b>Total Borrowings</b>	<b>1,095</b>	<b>1,644</b>

The carrying amount of the Group's borrowings are denominated in US dollar. Lease liabilities are secured as the rights to the leased assets revert to the lessor in the event of default. The fair value of the finance leases has been

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2015 – unaudited (continued)

#### 9. Borrowings (continued)

determined using discounted cash flow analysis, where the inputs required are observable and do not require significant estimation (Level 2 fair value in the fair value hierarchy).

#### 10. Trade and other payables

	30 June 2015 US\$'000	31 Dec 2014 US\$'000
Trade payables	2,716	2,483
Accruals	3,449	2,428
Deferred income	1,301	2,604
Pension contribution	145	98
Social insurance costs and other taxes	1,381	1,114
	<b>8,992</b>	<b>8,727</b>

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

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

	30 June 2015 US\$'000	31 Dec 2014 US\$'000
US dollar	1,712	1,866
Euro	817	431
Sterling	170	182
Other	17	4
	<b>2,716</b>	<b>2,483</b>

#### 11. Income tax

	<u>Six Months Ended</u>		<u>Year Ended</u>
	30 June 2015 US\$'000	30 June 2014 US\$'000	31 Dec 2014 US\$'000
<b>Current tax</b>			
Income tax charge / (credit)	4	3	(274)
<b>Current tax charge / (credit) for the period</b>	<b>4</b>	<b>3</b>	<b>(274)</b>

The 2014 tax credit relates mainly to the recognition of deferred tax losses forward which was addressed in Note 20 of the 2014 Annual Report, together with an explanation of the key judgements involved.

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2015 – unaudited (continued)

#### 12. Earnings per share

<b>Basic</b>	<b>Six Months Ended</b>		<b>Year Ended</b>
	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>31 Dec 2014</b>
Profit attributable to ordinary shareholders (US\$'000)	271	564	2,702
Weighted average number of ordinary shares outstanding	73,407,090	73,349,522	72,836,728
Basic earnings per share (in US\$ cents)	0.37	0.77	3.71

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.

<b>Diluted</b>	<b>Six Months Ended</b>		<b>Year Ended</b>
	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>31 Dec 2014</b>
Profit attributable to ordinary shareholders (US\$'000)	271	564	2,702
Weighted average number of ordinary shares outstanding	73,407,090	73,349,522	73,836,728
Adjustment for share options	3,132,396	3,680,973	3,846,622
Weighted average number of ordinary shares outstanding	76,539,486	77,030,495	76,683,350
Diluted earnings per share (in US\$ cents)	0.35	0.73	3.52

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 2015, 1,170,000 JSOP awards and 1,170,000 share options (31 December 2014: 1,300,000 JSOP awards and 1,300,000 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. 130,000 JSOP awards, which were forfeited during 2014 have also not been included in the basic or diluted EPS calculation. 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.

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2015 – unaudited (continued)

#### 13. Intangible assets

	Software	Product Development	Total
	US\$'000	US\$'000	US\$'000
<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>Year Ended 31 December 2014</b>			
Opening net book amount	302	12,140	12,442
Additions	781	5,056	5,837
Government grant assistance	-	(309)	(309)
Amortisation charge	(279)	(3,737)	(4,016)
<b>Closing net book amount</b>	<b>804</b>	<b>13,150</b>	<b>13,954</b>
<b>At 31 December 2014</b>			
Cost	2,000	45,442	47,442
Accumulated Amortisation	(1,196)	(32,292)	(33,488)
<b>Closing net book amount</b>	<b>804</b>	<b>13,150</b>	<b>13,954</b>
<b>Period to 30 June 2015</b>			
Opening net book amount	804	13,150	13,954
Additions	-	2,704	2,704
Amortisation charge	(131)	(2,482)	(2,613)
<b>Closing net book amount</b>	<b>673</b>	<b>13,372</b>	<b>14,045</b>
<b>At 30 June 2015</b>			
Cost	2,000	48,146	50,146
Accumulated Amortisation	(1,327)	(34,774)	(36,101)
<b>Closing net book amount</b>	<b>673</b>	<b>13,372</b>	<b>14,045</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 2015 – unaudited (continued)

#### 14. Financial instruments

	30 June 2015	31 Dec 2014
	US\$'000	US\$'000
<b>Financial instrument liabilities (cash flow hedges)</b>		
Opening fair value amount	728	-
Fair value losses on cash flow hedges in the period	845	895
Transfer to other losses	(795)	(167)
<b>Closing fair value amount of cash flows hedges (Financial Instrument Liability)</b>	<b>778</b>	<b>728</b>
<b>Net increase in fair value of cash flows hedge in the period/year</b>	<b>50</b>	<b>728</b>

Financial instrument liabilities which consist of forward contracts have been measured based on an external valuation which used inputs, other than quoted prices, that are observable directly or indirectly (Level 2 fair value in the fair value hierarchy). There are no other financial instruments measured at fair value as at 30 June 2015 or 31 December 2014.

The net increases in the fair value of cash flow hedges as at 30 June 2015 and 31 December 2014 have been included in other comprehensive income and expense as it relates to highly effective forward contracts which have been designated, and qualify, as cash flow hedges. These forward contracts hedge the foreign exchange risk arising from exposure to the euro volatility against the dollar in the normal course of business. The hedged cash flows are expected to occur within the 6 months to 31 December 2015.

The charge of \$795,000 for the loss on cash flow hedges realised during the period ended 30 June 2015 has been included in "Other (losses)/gains" (31 December 2014: \$167,000) (see Note 7).

#### 15. Share capital

During the period to 30 June 2015, 394,665 ordinary shares were issued upon the exercise of employee share options into ordinary share capital.

#### 16. Cash generated from operations

	<u>Six Months Ended</u>		<u>Year Ended</u>
	30 June 2015	30 June 2014	31 Dec 2014
	US\$'000	US\$'000	US\$'000
Profit before income tax	275	567	2,428
Interest received	(16)	(61)	(137)
Interest paid	24	32	72
Depreciation	518	548	1,144
Amortisation	2,613	2,294	4,016
Employee share option amortisation	338	448	934
Foreign currency loss on operating activities	102	61	675
<b>Changes in Working Capital:</b>			
Trade and other receivables	(906)	(1,388)	(844)
Trade and other payables	492	(1,231)	1,298
<b>Cash generated from operations</b>	<b>3,440</b>	<b>1,270</b>	<b>9,586</b>

## Datalex plc

### Notes to the Condensed Consolidated Interim Financial Statements

at 30 June 2015 – unaudited (continued)

#### 17. Related party transactions

The following transactions were carried out with related parties:

- (a) Key management personnel include the 2 Executive Directors and 9 members of the senior management team (2014 HY: 2 Executive Directors and 7 members of the senior management team). Key management compensation:

	<u>Six Months Ended</u> 30 June 2015 US\$'000	<u>Six Months Ended</u> 30 June 2014 US\$'000
Emoluments	1,433	1,233
Benefits under long-term incentive schemes	215	326
Contributions to defined contribution schemes <sup>(1)</sup>	58	56
	<b>1,706</b>	<b>1,615</b>

<sup>(1)</sup> Retirement benefits are accruing to 2 directors (2014 HY: 2 directors) under a defined contribution scheme.

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

	<u>Six Months Ended</u> 30 June 2015 US\$'000	<u>Six Months Ended</u> 30 June 2014 US\$'000
Basic salaries and fees	168	205

Details of related party transactions in respect of the year ended 31 December 2014 are contained in Note 23 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 2015 or changes to transactions with related parties disclosed in the 2014 financial statements that had a material effect on the financial position or performance of the Group.

#### 18. Dividends

A dividend of \$2.2m was paid on 19 June 2015 (period ended 30 June 2014: \$1.5m). This represents a dividend of three US cents per share (30 June 2014: two US cents per share) which was paid to shareholders who were on the register at 29 May 2015. This dividend was proposed by the Board of Directors on 20 March 2015 and approved by shareholders on 19 May 2015. This dividend was not recognised as a liability as at 31 December 2014 as it was subject to shareholder approval as described in Note 28 to the Annual Report for the year ended 31 December 2014.

On 28 April 2015, Datalex plc, the Group parent company, received a dividend of \$3.5m from its wholly owned subsidiary Datalex (Ireland) Limited.

## **Datalex plc**

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

at 30 June 2015 – unaudited (continued)

#### **19. Principal risks and uncertainties**

##### (a) Principal risks

The principal risks and uncertainties faced by the Group were outlined in the Group's 2014 Annual Report on pages 16-17. 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 platform 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 dollar but has a sizeable percentage of its cost base in euro with a smaller element in sterling.
- 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.
- 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 2015 since the approval of our statutory financial statements for the year ended 31 December 2014.

#### **20. 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 platform revenue from new customers.

#### **21. New long-term cash-settled bonus scheme**

A new long-term cash-settled bonus scheme was approved by shareholders in the Annual General Meeting on 19 May 2015. This scheme has not yet been implemented at 30 June 2015.

#### **22. 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.

## **Datalex plc**

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

at 30 June 2015 – unaudited (continued)

#### **23. 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.