

Website: www.telit.com

London Stock Exchange (AIM): TCM
Shares in Issue: 74,855,355

Corporate Profile

Telit is a leading global wireless technology company. It develops, manufactures and markets GSM/GPRS, UMTS/HSPA, CDMA and short range RF (including WiFi and ZigBee) communication modules for machine-to-machine (m2m) applications. The Company's technology and products enable other electronic devices and equipment manufacturers to utilise cellular infrastructure to relay and accept information without human intervention. m2m applications therefore enable machines, devices and vehicles to communicate via wireless networks.

Telit sells its products through a network of value added resellers to more than 3,000 communications solution providers and systems integrators in more than 50 countries around the world. Our customers are served either directly by us or through a global network of more than 30 distributors.

Telit's headquarters are in Rome, Italy, with regional headquarters in Raleigh NC, USA and Seoul, Korea. Its R&D centres are in Trieste and Cagliari, Italy, Seoul, Korea and Sofia Antipolis, France, with regional sales offices in Brazil, China, Denmark, France, Germany, Great Britain, India, Israel, Italy, Korea, Russia, Spain, the Republic of South Africa, Taiwan, Turkey and the USA. In 2010, Telit employed approximately 366 employees worldwide.

What is m2m

m2m technology establishes wireless communication between machines and the information centre of a business. Examples where this technology might be used include automated meter reading, fleet management, healthcare, industrial automation and tracking / logistics and many others.

The goal of m2m is to enable applications that allow businesses to increase productivity and competitiveness. It makes existing data available in real time, computers process the information, information becomes valuable and enables services for better planning, surveillance of processes, locating of people and things or remote control of machinery. At the heart of each m2m implementation is a communication module.

The international market for machine-to-machine (m2m) wireless communications was estimated to be worth \$819m in 2010 (Beecham Research). They expect it to grow at high-teens in the period 2011 – 2015 (Beecham Research), with an expected GAGR of 12.5% over the period. Businesses that historically were not interested in m2m wireless solutions are now looking to incorporate this technology in their business to ensure that any expansion and modernization is done as efficiently and profitably as possible.

Financial & Business Highlights (H1 2011)

- Revenue increased by 36% to \$81.1 million (H1 2010: \$59.6 million)
- Operating profit increased by 123% to \$4.1 million (H1 2010: \$1.9 million)
- Adjusted EBITDA* increased by 50% to \$8.1 million (H1 2010: \$5.4 million)
- Profit before tax increased by 89% to \$2.8 million (H1 2010: \$1.5 million)
- Net profit for the period increased by 89% to \$2.6 million (H1 2010: \$1.4 million)
- Basic earnings per share of 2.7 cents (H1 2010: 1.5 cents)
- Net cash of \$2.5 million at 30 June 2011 (Net debt of \$15.5 million and \$7.2 million at 30 June 2010 and 31 December 2010, respectively)

** Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation, share based payments and other non-recurring expenses.*

Key Financial Performance

	H1 2011 \$'000	H1 2010 \$'000	FY 2010 \$'000
Revenue	81,073	59,623	131,678
Gross profit	31,648	25,170	52,924
Gross profit percentage	39.0%	42.2%	40.2%
Other income	1,137	166	1,942
Research & development	(10,709)	(8,722)	(17,606)
Selling & marketing	(10,076)	(8,290)	(17,300)
General & administrative	(7,578)	(6,169)	(12,500)
Other expenses	(294)	(300)	(904)
EBIT	4,128	1,855	6,556
Adjusted EBITDA*	8,059	5,388	12,438
PBT	2,797	1,481	6,448
Net profit	2,558	1,355	8,449

* Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization, share based payments and other non-recurring expenses.

Statement from Oozi Cats, CEO

During the period, the momentum achieved in 2010 continued and together with the successful integration of Motorola m2m, revenue growth was sustained with a positive impact on profitability. The gross margin decreased slightly due to the lower margin on the Motorola products, which we are taking steps to improve. We expect our gross margin to remain stable in the near term and we are constantly working on improving our cost base, logistics and purchasing, to achieve and maintain a higher level of profitability in the long-term.

We are pleased that we have quickly completed the integration of the Motorola business, with minimal disruption. The acquisition of GlobalConect is an additional building block in Telit's strategy to provide its customers with a full service portfolio, including connectivity and value added services.

Revenue Split by Geography

The split of revenue on a geographical basis for the six months ended 30 June 2011 and 2010 and for the full year 2010 is as follows:

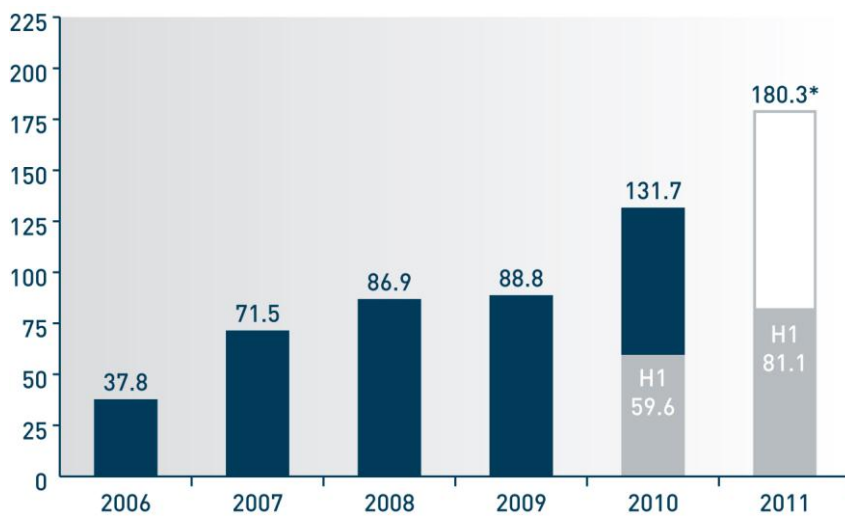
	H1 2011 (M\$)	% of Total Revenues	H1 2010 (M\$)	% of Total Revenues	FY 2010 (M\$)	% of Total Revenues
EMEA	40.6	50.0%	36.7	61.6%	76.5	58.1%
APAC	18.3	22.6%	10.3	17.3%	21.2	16.1%
Americas	22.2	27.4%	12.6	21.1%	34.0	25.8%
Total	81.1	100%	59.6	100%	131.7	100%

The continued development of Telit's global footprint is seen by the geographical division of revenues for H1 2011. For the first time the EMEA region is down to 50% of the overall revenue even though revenues from the region increased.

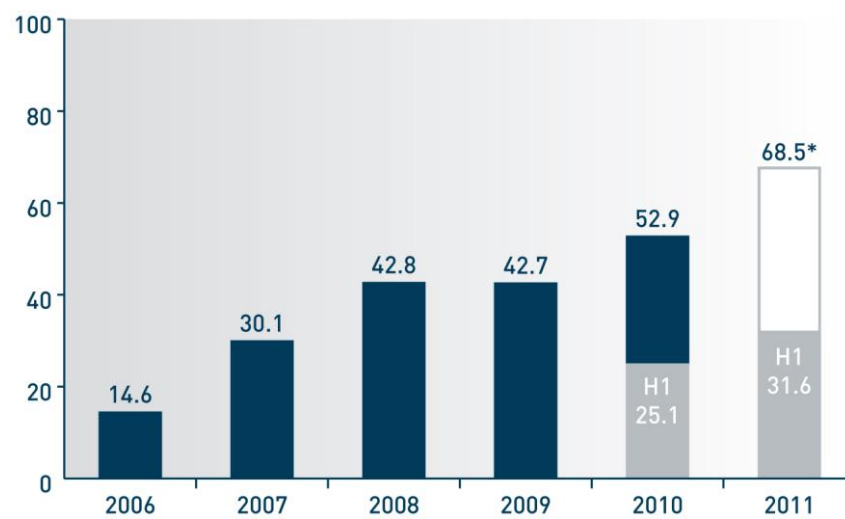
Our operations in the Americas continued to show significant growth during the period, both organically and due to the integration of the Motorola m2m customer base. We expect that increased weighting of the APAC and Americas region will continue into the future.

Financial Results

Revenues (\$ mil)



Gross Profit (\$ mil)



Profit & Loss

Consolidated P&L	2007 \$'000	2008 \$'000	2009 \$'000	2010 \$'000	H1 2011 \$'000
Sales	71,530	86,887	88,838	131,678	81,073
Gross Profit	30,137	42,789	42,681	52,924	31,648
Gross Margin	42.1%	49.2%	48.0%	40.2%	39.0%
Adjusted EBIT (1)	40	1,470	1,360	6,466	4,896
Adjusted EBITDA	1,916	5,401	5,831	12,438	8,059
Adjusted EBITDA Margin	2.7%	6.2%	6.6%	9.4%	9.9%
Adjusted PBT (2)	(1,284)	57	284	6,358	3,565
EPS (in USD)	(0.06)	(0.05)	(0.10)	0.11	0.27

(1) Adjusted EBIT is defined as operating profit excluding other non-recurring expenses / income and share based payment charges.

(2) Adjusted PBT is defined as profit before tax excluding share based payments, other non-recurring expenses/ income and capital gains of \$2.4 million in 2008 and \$1.6 million in 2007.

Balance Sheet

Consolidated Balance Sheet	31.12.2008 \$'000	31.12.2009 \$'000	31.12.2010 \$'000	30.06.2011 \$'000
Current Assets	48,896	64,258	67,961	94,964
Non-Current Assets	27,413	21,402	20,688	32,076
Total Assets	76,309	85,660	88,649	127,040
Current Liabilities	50,702	53,612	46,930	52,277
Non-Current Liabilities	9,054	9,139	12,704	11,454
Total Liabilities	59,756	62,751	59,634	63,731
Equity/Net Assets	16,553	22,909	29,015	63,309

<p>Senior Executives</p> <p>Enrico Testa - Chairman</p> <p>Oozi Cats - CEO</p> <p>Yariv Dafna - CFO</p>	<p style="text-align: center;">Significant Shareholders</p> <p>Boostt B.V- 19.75%</p> <p>Algebris – 20.12%</p> <p>IDEA Capital – 9.13%</p> <p>Herald – 5.24%</p> <p>Sapfi Kapital – 4.58%</p> <p>Greylock Partners – 4.26%</p> <p>Sherman Capital – 4.05%</p> <p>360 Capital One – 3.51%</p> <p>Rathbone - 2.92%</p> <p>USS – 2.1%</p> <p>Gartmore Investment Mgmt – 1.8%</p> <p>JP Morgan Asset Mgmt. – 1.5%</p> <p style="text-align: center;">Nominated Advisor/broker</p> <p style="text-align: center;">Investec Bank plc</p> <p style="text-align: center;">www.investec.com</p>	<p style="text-align: center;">Contact Information</p> <p style="text-align: center;">Sara Stella</p> <p style="text-align: center;">Investor Relations</p> <p style="text-align: center;">Tel: +39 06 420 46 024</p> <p style="text-align: center;">Email: sara.stella@telit.com</p>
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