

Website: [www.telit.com](http://www.telit.com)

London Stock Exchange (AIM): TCM  
Shares in Issue: 46,014,281

### Corporate Profile

Telit Communications PLC is a global leader in the field of machine-to-machine (m2m) communications. Telit develops, manufactures, markets and sells communication modules which enable machines, devices and vehicles to communicate via cellular and other wireless networks. Telit's core strengths are innovative products, complete control over its intellectual property and its flexible, customized solutions, which enable it to offer customers the lowest total cost of ownership and a future-proof product roadmap. Telit's products are sold and deployed worldwide through offices in the US, China, Korea, Taiwan, Denmark, Germany, Great Britain, Italy, Spain, Turkey, Israel, Brazil, and the Republic of South Africa.

### What is m2m

- Machine to machine (m2m) technology establishes wireless communication between machines and the information centre of a business.
- The goal of m2m is to enable applications that allow businesses to increase productivity and competitiveness.
- At the heart of each m2m implementation is a communication module which receives, processes and transmits information via wireless networks.

### Financial & Business Highlights (H1-2009)

- Revenue decreased to €27.7 million (H1 2008: €30.1 million)
- Gross profit decreased to €12.7 million (H1 2008: €12.9 million)
- Gross margin increased to 45.8% (H1 2008: 43.0%)
- Net operating expenses decreased to €14.3 million (H1 2008: €15.5 million)
- Operating loss for the period decreased to €1.6 million (H1 2008: loss of €2.6 million)
- Adjusted EBITDA<sup>1</sup> for the period €0.6 million (H1 2008: loss of €1.1 million)
- Net loss of €2.0 million (H1 2008: loss of €4.2 million)

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<sup>1</sup> Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization and share based payments from continuing operations.

## Key Financial Performance

	<b>H1 2009 €000</b>	<b>H1 2008 €000</b>	<b>FY 2008 €000</b>
Revenue	27,720	30,112	59,083
<b>Gross profit</b>	<b>12,694</b>	<b>12,937</b>	<b>29,096</b>
Gross profit percentage	45.8%	43.0%	49.2%
Other income	408	-	1,002
Research & Development <sup>1</sup>	(5,360)	(5,197)	(9,577)
Selling & Marketing <sup>1</sup>	(5,249)	(6,285)	(10,694)
General & Administrative <sup>1</sup>	(3,870)	(3,811)	(8,827)
Share based payment charges	(260)	(246)	(436)
Operating Loss (EBIT)	(1,637)	(2,602)	564
Adjusted EBITDA	571	(1,107)	3,673

## Statement from Oozi Cats, CEO

I am pleased to present Telit's unaudited interim results for H1 2009. We are pleased to report on strong progress made in the first six months of 2009 in improving the Company's EBIT and EBITDA while more than halving the net loss, especially in the current global economic situation.

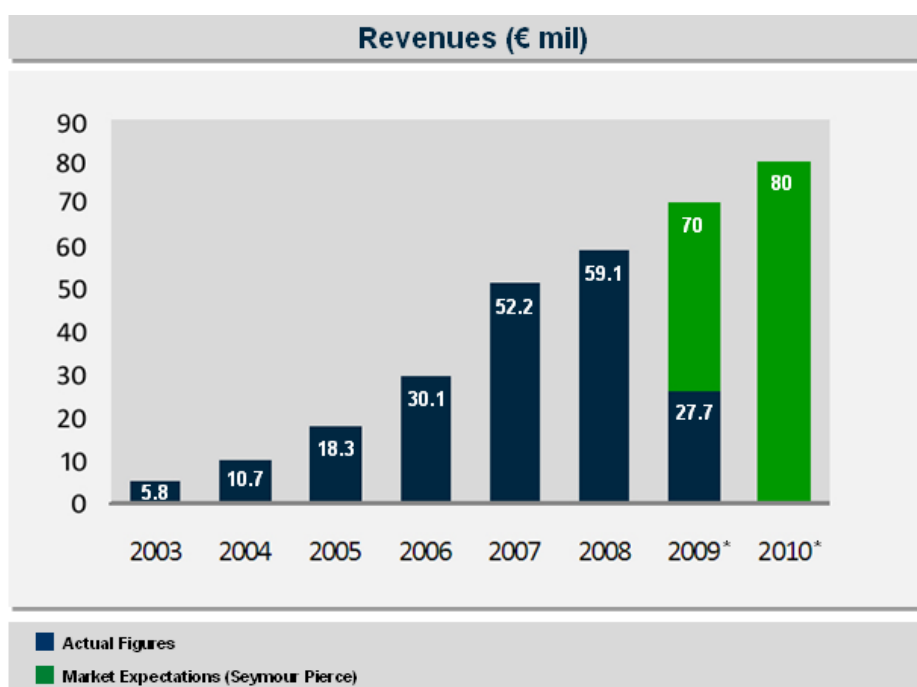
The first half of the year has been a successful period in terms of new client wins in the APAC and Americas region where Telit is showing strong growth, which were offset by the decline in revenues in EMEA. Many of the wireless M2M module vendors differentiate themselves by focusing on specific technology standards. Telit is one of the very few players that support GSM/GPRS, CDMA and UMTS networks, while entering the arena of short range RF technologies such as WiFi, Zigbee, and Bluetooth and GPS Technology. Telit delivers strong and sustainable growth and is ranked by market research firm Beecham Research (May 2009) as the third largest M2M module supplier worldwide in terms of sales with an increase of approximately 50% in its market share in 2008.

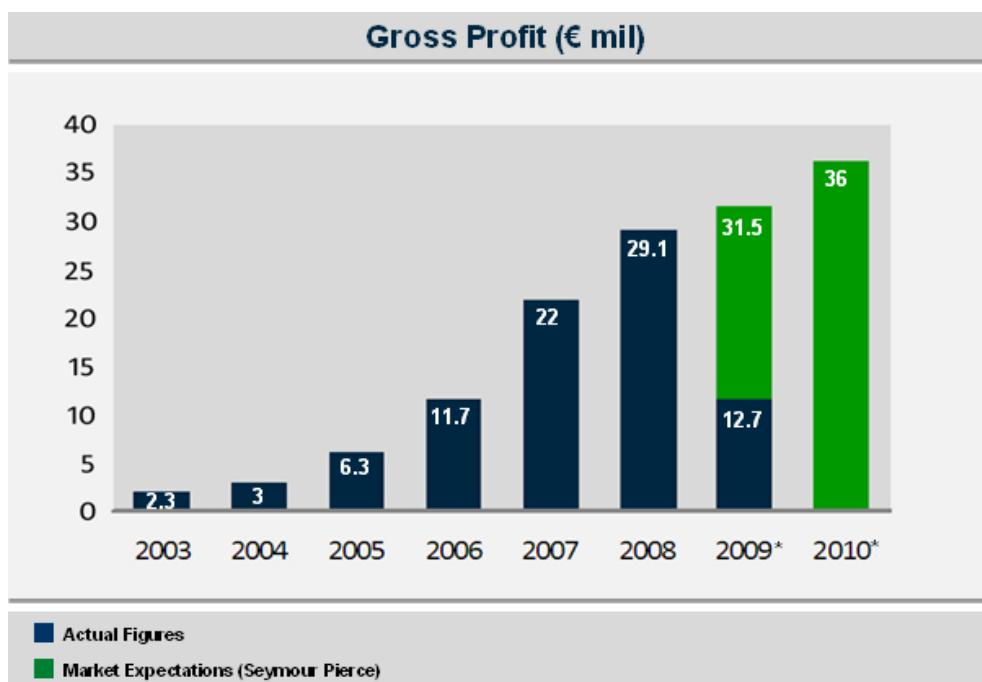
Beecham research report, released in May 2009 analyzes the latest market developments in all regions around the world and forecasts that the market is promising continuous and increasing growth over the coming years, in spite of the current economic downturn. Beecham research believes that m2m network connections will exceed 50 million by 2013, with a CAGR of 20% over 2008 figures.

## Revenue Split by Geography

	H1 2009 (M€)	% of Total Revenues	H1 2008 (M€)	% of Total Revenues	FY 2008 (M€)	% of Total Revenues
EMEA	17.0	61%	23.7	79%	44.2	75%
APAC	5.8	21%	4.8	16%	9.6	16%
AMERICAS	4.9	18%	1.6	5%	5.3	9%
<b>Total Revenues</b>	<b>27.7</b>	<b>100%</b>	<b>30.1</b>	<b>100%</b>	<b>59.1</b>	<b>100%</b>

## Financial Results





Gross Margin increased to 45,6% in H1-09 compared to 43% in H1-08

## Profit & Loss

	June 30		Year ended 31 December		
	H1 2009	H1 2008	2008	2007	2006
	Thousand of €	Thousand of €	Thousand of €	Thousand of €	Thousand of €
<b>Sales</b>	27,720	30,112	59,083	52,189	30,140
<b>Gross profit</b>	12,694	12,937	29,096	21,988	11,653
<b>Gross Margin</b>	45.8%	43.0%	49.2%	42.1%	38.7%
<b>EBIT</b>	(1,637)	(2,602)	564	(1,509)	(7,070)
<b>Adjusted EBITDA</b>	571	(1,107)	3,673	1,398	(4,871)
<b>PBT</b>	(2,052)	(3,467)	1,217	(1,281)	(7,413)

## Balance Sheet

	June 30		31 December
	<b>H1 2009</b>	<b>H1 2008</b>	<b>2008</b>
	Thousand of €	Thousand of €	Thousand of €
Current Assets	38,639	39,870	40,743
Non-Current Assets	16,695	19,432	19,846
<b>Total Assets</b>	<b>55,334</b>	<b>59,302</b>	<b>60,589</b>
Current Liabilities	38,858	43,033	42,097
Non-Current Liabilities	6,080	5,109	6,450
Shareholders' Equity	10,319	10,856	11,965
Minority interests	77	304	77
<b>Total Equity &amp; Liabilities</b>	<b>55,334</b>	<b>59,302</b>	<b>60,589</b>

<p><b>Senior Executives</b></p> <p><b>Enrico Testa</b> - Chairman  <b>Oozi Cats</b> - CEO  <b>Michael Galai</b> - Finance Director  <b>Yariv Dafna</b> - CFO</p>	<p style="text-align: center;"><b>Significant Shareholders</b></p> <p>Boostt B.V - (Boostt is held in equal parts by Oozi Cats and the Techvisory Group) - 29.56%  Oozi Cats - 6.76%  Massimo Testa – 0.70% (Member of the Techvisory Group)  The Techvisory Group - 2.72%  Polar Investments Ltd.- 12.02%  Gartmore Investment Management - 4.87%  Rathbone - 4.35%</p> <p style="text-align: center;"><b>Nominated Advisor/broker</b>  Astaire Securities  <a href="http://www.astairesecurities.co.uk">http://www.astairesecurities.co.uk</a></p>	<p style="text-align: center;"><b>Contact Information</b></p> <p style="text-align: center;"><b>Michael Galai</b>  Finance Director  Tel: +972-3-7914040  Email: <a href="mailto:michaelg@telit.com">michaelg@telit.com</a></p>
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