



Press Release

23 September 2008

Telit Communications PLC

("Telit" or "the Company")

Interim Results for the six months ended 30 June 2008

TELIT REPORTS FIRST HALF OF STRONG GROWTH

Rome, Italy, 23 September 2008 - Telit Communications PLC (AIM: TCM), a global leader in machine-to-machine (m2m) communications, is pleased to announce its interim results for the six months ended 30 June 2008.

Financial & Business Highlights:

- Revenue increased by 32% to €30.1 million (H1 2007: €22.9 million)
- Gross profit increased by 41% to €12.9 million (H1 2007: €9.2 million)
- Gross margin increased to 43.0% (H1 2007: 40.2%)
- Other income (including goodwill credit) €nil (H1 2007: €1.5 million)
- Operating loss for the period €2.6 million (H1 2007: loss of €2.0 million, including other income as shown above)
- Adjusted EBITDA¹ loss for the period €1.1 million (H1 2007: loss of €0.6 million)
- Loss before tax of €3.5 million (H1 2007: loss of €1.2 million; which included a capital gain of €1.3 million)
- Net loss of €3.2 million from continuing operations (H1 2007: loss of €1.3 million)

Commenting on the results, Oozi Cats, Chief Executive of Telit, said: "The first six months of the year have been very positive for Telit."

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

"We are pleased to have been able to achieve such strong performance during the first six months of the year in spite of the current worldwide economic downturn and the effects of foreign exchange rate fluctuations. The global demand for m2m cellular wireless solutions continues to be strong. Market research indicates that the number of modules sold is increasing by 38% to 40% year on year, leading to an overall market growth rate (in euros) of 21% to 23% per year. During the first half of 2008 Telit continued to invest in its global expansion by opening new offices in the Republic of South Africa and in Brazil, where local outsourced manufacturing commenced in July 2008. Telit also increased the number of employees in a number of existing key locations, mainly China and the U.S. The half year performance demonstrates the considerable growth being achieved by our business and the opportunities going forward."

Below are the key financial performance measures for continuing operations for H1 2008 compared to H1 2007 and FY 2007:

	H1 2008 €000	H1 2007 €'000	FY 2007 €000
Revenue	30,112	22,882	52,189
Gross profit	12,937	9,195	21,988
Gross profit percentage	43.0%	40.2%	42.1%
Other income	-	1,518	2,457
Research & Development ¹	(5,197)	(3,953)	(8,672)
Selling & Marketing ¹	(6,285)	(4,072)	(8,792)
General & Administrative ¹	(3,811)	(3,962)	(6,952)
Share based payment charges	(246)	(709)	(1,138)
Other operating expenses	-	-	(400)
Operating Loss (EBIT)	(2,602)	(1,983)	(1,509)
Adjusted EBITDA	(1,107)	(626)	1,398

¹ Excluding share based payments

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CHIEF EXECUTIVE'S STATEMENT AND REVIEW - INTERIM RESULTS 2008

Introduction

I am pleased to present Telit's unaudited Interim Results for H1 2008. We are pleased to report on strong progress made in the first six months of 2008, in line with our plan.

We have achieved revenue growth of 31.6%, as we have met the market's increasing awareness of and demand for our superior m2m technology. Telit's performance during the first half of the year has been very positive as we have continued to win new business and gain market share. Indeed, the first half 2008 over first half 2007 improvements in revenues and gross profit demonstrate both the growing market opportunity and Telit's strengthening position in the marketplace.

The first half of the year has been a highly successful period in terms of new client wins. The expansion of the Company's global footprint has seen over 325 new design wins secured in our operations in Telit EMEA, Telit Americas and Telit APAC. The global m2m market is gathering momentum and Telit is very much in the ascendancy among its peers. 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, Bluetooth and RFID. Telit delivers strong and sustainable growth and is ranked by market research firm Berg Insight as the third largest M2M module supplier worldwide in terms of sales.

Berg Insight's report, "The Global Wireless M2M Market", analyzes the latest market developments in all regions around the world and forecasts that the number of cellular network connections used for machine-to-machine communication will grow from 37.5 million connections in 2007 at a compound annual growth rate (CAGR) of 37.9% to 186 million connections in 2012.

In August 2008 Telit received the first instalment of €6.5 million from the previously announced award from the Italian ministry of Economic Development. The award, which was approved in principle in 2006 subject to the achievement of qualifying conditions, is split into a €2.6 million grant and a €3.9 million loan at favourable terms, secured by the Italian government with a repayment schedule spanning 10 years. The entire updated amount of the award is

approximately €13 million and the next instalment is expected in late 2009 again subject to the achievement of qualifying conditions.

The award was granted in connection with Telit's R&D facility in Sardinia which, since its incorporation in 2006, has greatly strengthened Telit's R&D capabilities and has already contributed to Telit's product portfolio with the addition of the UMTS, WiFi and integrated applications. The Sardinia facility, currently employing 36 R&D personnel and expected to reach 40 employees by year end, specialises in short range RF technologies such as Bluetooth, Zigbee and WiFi, as well as the convergence of long and short range technologies. This R&D centre also leads, among other projects, Telit's involvement in the E-Call initiative and the Gas AMR project mandated by the Italian authorities.

During H1 2008 we set up and staffed sales offices in the Republic of South Africa and in Brazil. At the beginning of H2 2008, local outsourced manufacturing of Telit's products began in Brazil, a move that is expected to spearhead Telit's penetration of this huge market.

Also during H1 2008, the Company settled the outstanding legal claims which were pending with Magneti Marelli Brazil, with no impact on the Company's income statement. The claim filed in Brazil in 2004 by Magneti Marelli against Telit and the counter claim filed by Telit, in connection with Telit's discontinued operations, are both to be withdrawn, with neither party paying any sum to the other. Following the dismissal of this claim Telit is not involved in any significant litigation.

Financial Results

The results for the first six months are in line with our plans, supported by the geographical expansion begun in 2006 and strengthened during 2007 and 2008.

The results for the six month period ended 30 June 2008 reflect strong like-for-like growth, strong gross margins and underlying sales momentum. Telit increased total revenue by 31.6% to €30.1 million, compared to €22.9 million for H1 2007.

The majority of revenue continues to come from repeat business with existing customers. In addition to the development of existing customer relationships, Telit has increased the number of customers to more than 3,000 OEMs, communications solutions providers and system integrators in over 50 countries.

The split of revenue on a geographical basis for the six months ended 30 June 2008 and 2007 and for full years 2007 and 2006 is as follows:

	H1 2008 (M€)	% of Total Revenues	H1 2007	% of Total Revenues	FY 2007 (M€)	% of Total Revenues	FY 2006 (M€)	% of Total Revenues
EMEA	23.7	79%	16.3	71%	36.8	71%	24.2	80%
APAC	4.8	16%	6.0	26%	13.7	26%	5.8	20%
AMERICAS	1.6	5%	0.6	3%	1.7	3%	0.1	-
Total Revenues	30.1	100%	22.9	100%	52.2	100%	30.1	100%

The performance in the APAC region has been negatively impacted by the sharp devaluation of the Korean currency against the Euro. In addition, the Korean market, which forms a substantial part of the APAC region, is moving to UMTS technology and during the shift from CDMA to UMTS, sales of CDMA products have declined more than expected. Revenues from this region are expected to increase during the rest of 2008 and beyond. Telit Americas, which has also been negatively affected by the weakening of the U.S. dollar against the Euro, is expected to continue to increase its weighting within Telit's total revenues in H2 2008 and beyond.

H1 2008 gross profit increased by 41% to €12.9 million, compared to €9.2 million in H1 2007, resulting in an overall margin of 43.0% compared to 40.2% for H1 2007.

Research and development expenses, excluding share-based payments, were €5.2 million, compared to €4.0 million in H1 2007. Sales and marketing expenses, excluding share-based payments, were €6.3 million, compared to €4.1 million in H1 2007, with a majority of the increase stemming from the formation of new sales offices in the Republic of South Africa and Brazil and the increase in the number of employees in China. General and administrative expenses, excluding share-based payments, were €3.8 million, compared to €4.0 million in H1 2007. Share based compensation charges were €0.2 million in H1 2008 compared to €0.7 million in H1 2007.

The overall operating loss for the period was €2.6 million up from a loss of €2.0 million in H1 2007. Loss before tax was €3.5 million, compared to a loss of €1.2 million in H1 2007 due to the increase in operating losses of €0.6 million, higher net finance costs of €0.4 million and the inclusion in H1 2007 of a gain of €1.3 million on the partial deemed disposal of a subsidiary. Net loss for the period from continuing operations was €3.2 million compared to €1.3 million in H1 2007.

Basic and diluted loss per share for continuing operations was 6.9 Euro cents for the period compared to a 3.4 Euro cents loss per share in H1 2007. The total continuing and discontinued basic and diluted loss per share was 9.2 Euro cents, compared to a 11.9 Euro cents loss per share in H1 2007.

Effects of Foreign Exchange

70% of Telit's revenue in the period ended 30 June 2008 was generated in Euro (65% in H1 2007), with the remaining 30% generated in, or linked to, U.S. dollars and South Korean Won (35% in H1 2007). However, a substantial part of the Company's purchased materials cost is denominated in U.S. dollars.

Therefore, despite the negative impact of the sharp depreciation in the value of the U.S. dollar and Korean Won against the Euro on Telit's top line in H1 2008 compared to H1 2007 exchange rates, there is no material impact on the gross profit in the period.

Regional Information

The continued development of Telit's global outreach can be seen by the geographical division of revenues for H1 2008. While the majority of revenue continues to come from the EMEA region, we fully expect that the APAC and Americas regions will increase the weightings of their contribution to total revenue performance in 2008 and beyond.

As previously reported, Telit's position as a global player in the m2m market was attained by the penetration into the Americas and Asia Pacific markets in 2006. During the first half of 2008, sales offices were established in the Republic of South Africa and in Brazil. Our Sao Paulo, Brazil, office also coordinates local outsourced manufacturing for the Brazilian market which commenced in the second half of the year.

Telit APAC

- Opened the second sales office in mainland China, in Shanghai, to cover the Central and North China M2M market.
- Sercomm-MOMA - entered into a contract to supply GSM/GPRS modules to Sercomm in Taiwan which supplies AMR solutions to MOMA France.

- Teamsharp-locator - began shipping of GSM/GPRS modules to build personal locators to the US and European markets.
- USA Tech-vending machine management - started shipping GSM/GPRS modules to USA Tech which builds vending machine monitoring systems for major beverage companies in the U.S.
- HSDPA Automotive project awarded by Hyundai Motors, for its top-tier sedan, to be introduced in Q1 2009.
- Electronic handcuff project awarded by Korean Ministry of Justice - entered into development contract to supply location tracking and reporting terminal for electronic handcuff project.

Telit North America

- Certified the GE863-PRO³ on the AT&T network.
- Six of Telit's M2M wireless communication modules were certified for use by Canada's largest wireless carrier. Telit obtained certification for the GE864-QUAD, GC864-QUAD, GE863-QUAD, GE863-GPS, GE862-QUAD and GE862-GPS modules.
- Added two new sales agents to assist in demand creation activities: Disman-Bakner which covers the Northwest of the U.S. and California and Northwest Canada, and Tempest Technical Sales which covers the upper Midwest of the U.S.

Employees

The number of employees on a geographical basis as at 30 June 2008, 2007 and for full year 2007 is as follows:

	June 30, 2008	June 30, 2007	December 31, 2007
EMEA	213	165	184
APAC	70	57	62
AMERICAS	14	9	11
Total Employees	297	231	257

Business Performance & sales

During H1 2008 the following major developments took place that contributed to the overall performance of the Company and will contribute to the Company's future results.

- Telit presented a wide range of new and updated modules at the Mobile World Congress in Barcelona (3GSM);
 - WA100-DUAL, a WiFi companion module to the GE863-PRO³;
 - GE864-Auto which is based on the well proven GE864 and designed to be more rugged to meet the special needs of the automotive industry;
 - GE863-SIM with integrated SIM card; and
 - UMTS/HSDPA module UC864 which is available in three versions.
- Telit presented its Firmware Over The Air Update (FOTA) Services at the Mobile World Congress 2008 in Barcelona. The FOTA services enable Telit customers to update the software of the M2M modules integrated in their applications remotely over the air. The service helps customers extend the lifetime of their M2M products, thereby protecting their investment while saving money and decreasing the total cost of ownership of the products. Telit is one of the first players in the M2M market to employ such a service in its product range.
- Telit and Xirgo Technologies, LLC, a global wireless solution provider, jointly developed an innovative wireless car tracking device. The XT-2000 IntelliPort is a pioneering M2M application that enables users to record and transmit driving and diagnostic data via the Telit GE864 QUAD module and a GSM cellular network carrier. Such information delivered live and instantaneously is extremely valuable to companies with a vested interest in short or long-term car maintenance, fleet management, or consumer pay-as-you-drive applications.
- Telit has been harnessing the expertise of microcontroller leader Atmel for the development of its high-performance M2M modules. The GE863-PRO³ is the first product in Telit's dual-processor range to feature an Atmel AT91SAM9260 ARM9-based processor running the customer application in tandem with a dedicated processor for GPRS communication. It provides extremely high processing power and flexibility to support today's rapidly changing M2M market that demands more advanced features and more processing power at ever-shorter intervals. Its standard form factor and easy integration make it particularly attractive for applications such as POS terminals or fleet management. The GE863-PRO³ has been enthusiastically received by the market since its launch in Q4 2007.

- Telit's M2M technology was certified on the Vivo cellular network in Brazil. The GE863-QUAD is the first Telit module certified by the largest operator in Brazil as Telit gears up to launch in Latin America.
- iconcontrol networks selected Telit M2M technology to enhance its next generation home security solution. Cellular technology provides reliable backup when wired connection is lost, offering greater peace-of-mind to consumers. Telit's M2M module with anti-jamming features adds unmatched cellular back-up capabilities to iControl's platform, offering home protection companies and service providers a complete next generation home security solution.

Major R&D Developments

- The first Telit WCDMA/HSDPA module was released for customer applications with full implementation of the Telit AT command and feature set, featuring high data transmission speed up to 7.2Mb downlink and 384Kbps uplink.
- PTCRB certified for UC864-G, a WCDMA/HSDPA module for the global market - completed PTCRB certification for UC864-G module which has tri-band for WCDMA and quad band for GSM/GPRS/Edge, and with software and features identical to the UC864-E.
- Sprint IOT passed for CC864-dual, a CDMA 1X module for North America - Sprint IOT was completed for CC864-dual, the first Telit CDMA module developed for the U.S. market which supports 800MHz and 1.9GHz band in the same form-factor as GC864 and UC864.
- Released the GE864-Auto, based on the E Gold Lite platform, designed mainly for ruggedized environments and automotive applications, where a module has to perform in extreme conditions.

Update on the Strategic alliance with Bartolini After Market Electronics Services s.r.l. ("BAMES")

In June 2007 BAMES invested €9 million in the share capital of the company's subsidiary, Telit Wireless Solutions Srl (TWS), a first installment of a €16 million investment in TWS' share capital.

Under the terms of the transaction, BAMES will invest the second sum of €7 million, in TWS' share capital in December 2008, providing Telit meets certain m2m module purchase milestones. I am pleased to inform you that Telit is expected to exceed the milestone set for 2008 and therefore expects that the investment will take place in December.

Update on the disposal of Telit Wireless Products Business Unit (TWP)

As previously announced, Telit decided in May 2007 to dispose of TWP and focus solely on the Wireless Solutions division. During the second half of 2007 Telit sold its Italian TWP business to a third party, thus marking the final disposal of Telit's European TWP business.

During the first half of 2008, Telit converted the Israeli division of TWP into a wireless solutions centre as an integral part of its ongoing wireless solutions business.

Outlook

The outlook for the rest of 2008 and the future looks positive for Telit, despite the global economic downturn and fluctuating foreign exchange rates that are fuelling the decrease in unit prices. While our marketplace becomes more challenging we believe we are better positioned than ever to take advantage of the opportunities ahead. We are encouraged by our current growth and we look forward to continued business expansion. We are constantly seeking further expansion opportunities through new technologies or by gaining access to new territories and new market segments.

Telit's management's main focus is and will continue to be to expand and strengthen our position as one of the world's premier m2m technology providers, while striving to anticipate and respond to market conditions that are beyond our control, such as the effects of the global downturn and the effect of fluctuating exchange rates on our financial results.

The hard work and dedication of Telit's staff across the globe is and will continue to be crucial to Telit's success. I would like to thank the company's management team and employees for their commitment to the company and its success. Their dedication is an invaluable asset, indeed the core asset of the company.

At the end of this period I very much hope that it is apparent that all the efforts we have invested and are still investing have created a solid business platform, the benefits of which our customers, shareholders and other stakeholders can enjoy. Delivering maximum returns to our

shareholders is a top priority and Telit intends to continue to take advantage of the considerable opportunities arising in this growing global market. I look forward to providing further news of the Company's progress over the coming months.

Oozi Cats
Chief Executive

CONSOLIDATED INCOME STATEMENT

	Six months ended 30 June		Year ended 31 December
	2008	2007	2007
	Unaudited		Audited
	€000	€000	€000
Revenue	30,112	22,882	52,189
Cost of sales	(17,175)	(13,687)	(30,201)
Gross profit	12,937	9,195	21,988
Other income	-	1,200	2,139
Non-recurring credit relating to negative goodwill	-	318	318
Research and development expenses	(5,230)	(4,144)	(8,940)
Selling and marketing expenses	(6,353)	(4,251)	(8,999)
General and administrative expenses	(3,956)	(4,301)	(7,615)
Other expenses	-	-	(400)
Operating loss	(2,602)	(1,983)	(1,509)
Investment income	214	96	277
Finance costs	(1,087)	(580)	(1,241)
Share of results in associated undertakings	8	(2)	(2)
Gain on partial deemed disposal of subsidiary	-	1,255	1,194
Loss before income taxes	(3,467)	(1,214)	(1,281)
Income taxes	281	(72)	(597)
Loss for the period from continuing operations	(3,186)	(1,286)	(1,878)
Loss for the period from discontinued operations	(987)	(3,688)	(5,180)
Loss for the period	(4,173)	(4,974)	(7,058)
Attributable to:			
Equity shareholders of the parent	(3,974)	(5,128)	(7,027)
Minority interests	(199)	154	(31)
	(4,173)	(4,974)	(7,058)
Basic and diluted loss per share (in euro cents)			
From continuing operations	(6.9)	(3.4)	(4.3)
From discontinued operations	(2.3)	(8.5)	(12.0)
Total continuing and discontinued	(9.2)	(11.9)	(16.3)
Weighted average number of equity shares in issue	43,214,281	43,214,281	43,214,281

CONSOLIDATED BALANCE SHEET

	30 June		31 December
	2008	2007	2007
	Unaudited		Audited
	€000	€000	€000
ASSETS			
Non-current assets			
Intangible assets	10,400	8,072	9,050
Property, plant and equipment	3,221	2,434	2,612
Investments in associated undertakings	616	562	568
Other investments	1,570	1,570	1,570
Other long term assets	195	287	310
Deferred tax asset	3,430	3,726	3,130
	<u>19,432</u>	<u>16,651</u>	<u>17,240</u>
Assets included in disposal group held for sale	-	11,354	8,162
Current assets			
Inventory	8,453	7,622	8,212
Trade receivables	19,125	10,846	16,591
Other current assets	3,191	5,764	5,079
Deposits – restricted cash	6,328	7,186	6,132
Cash and cash equivalents	2,773	11,365	5,212
	<u>39,870</u>	<u>42,783</u>	<u>41,226</u>
Total assets	<u>59,302</u>	<u>70,788</u>	<u>66,628</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	627	627	627
Other reserve	(260)	(260)	(260)
Share premium	29,651	29,651	29,651
Translation reserve	(2,916)	(851)	(1,734)
Retained deficit	(16,246)	(11,100)	(12,512)
Total shareholders' equity	<u>10,856</u>	<u>18,067</u>	<u>15,772</u>
Minority interests	<u>304</u>	<u>975</u>	<u>605</u>
Total equity	<u>11,160</u>	<u>19,042</u>	<u>16,377</u>
Non-current liabilities			
Other loans	500	-	500
Post-employment benefits	1,725	1,536	1,555
Deferred tax liabilities	226	432	329
Provisions	-	69	81
Other long-term liabilities	2,658	7,693	4,430
	<u>5,109</u>	<u>9,730</u>	<u>6,895</u>
Liabilities included in disposal group held for sale	-	10,979	6,433
Current liabilities			
Short-term borrowings from banks and other lenders	21,376	18,278	17,336
Trade payables	14,305	7,720	13,498
Provisions	112	63	63
Other current liabilities	7,240	4,976	6,026
	<u>43,033</u>	<u>31,037</u>	<u>36,923</u>
Total equity and liabilities	<u>59,302</u>	<u>70,788</u>	<u>66,628</u>

CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June		Year ended 31
			December
	2008	2007	2007
	Unaudited		Audited
€000	€000	€000	
CASH FLOWS – OPERATING ACTIVITIES			
Net cash used in continuing operations	(3,622)	(2,906)	(1,540)
Net cash from / (used in) discontinued operations	4,707	170	(2,239)
Net cash from / (used in) operating activities	1,085	(2,736)	(3,779)
CASH FLOWS - INVESTING ACTIVITIES			
Net proceeds from issue of shares in subsidiary to a third party	-	7,737	7,604
Purchase of property, plant and equipment	(1,219)	(603)	(1,251)
Purchase of intangible assets	(2,687)	(1,961)	(3,733)
Decrease in restricted cash deposits	-	-	1,000
Net cash (used in) / from continuing operations	(3,906)	5,173	3,620
Net cash used in discontinued operations	1,187	(137)	(741)
Net cash (used in) / from investing activities	(2,719)	5,036	2,879
CASH FLOWS - FINANCING ACTIVITIES			
Repayment of other loans	-	-	(1,500)
Short-term borrowings from banks and others	3,742	3,943	3,000
Net cash (used in) / from continuing operations	3,742	3,943	1,500
Net cash (used in) / from discontinued operations	(4,207)	1,250	1,167
Net cash (used in) / from financing activities	(465)	5,193	2,667
(Decrease) / increase in cash and cash equivalents	(2,099)	7,493	1,767
Cash and cash equivalents-balance at beginning of period	5,254	3,926	3,926
Effect of exchange rate differences	(382)	(54)	(439)
Cash and cash equivalents-balance at end of period	2,773	11,365	5,254
Consisting of:			
Cash and cash equivalents from continuing operations	2,773	11,365	5,212
Cash and cash equivalents from discontinued operations	-	-	42
	2,773	11,365	5,254

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 June 2008 (Unaudited)

	Share capital €000	Share premium €000	Other reserve €000	Translation adjustment €000	Retained earnings €000	Total €000	Minority interest €000	Total €000
1 January 2008	627	29,651	(260)	(1,734)	(12,512)	15,772	605	16,377
Share-based payment charge					240	240	7	247
Translation adjustments				(1,182)		(1,182)	(109)	(1,291)
Loss for the period					(3,974)	(3,974)	(199)	(4,173)
30 June 2008	627	29,651	(260)	(2,916)	(16,246)	10,856	304	11,160

Six months ended 30 June 2007 (Unaudited)

	Share capital €000	Share premium €000	Other reserve €000	Translation adjustment €000	Retained earnings €000	Total €000	Minority interest €000	Total €000
1 January 2007	627	29,651	(260)	(584)	(6,486)	22,948	796	23,744
Arising on deemed disposal - minority in Telit Wireless Solutions Srl							359	359
Arising on deemed acquisition - Telit APAC							(318)	(318)
Translation adjustments				(267)		(267)	(16)	(283)
Share-based payment charge					514	514		514
Loss for the period					(5,128)	(5,128)	154	(4,974)
30 June 2007	627	29,651	(260)	(851)	(11,100)	18,067	975	19,042

Year ended 31 December 2007 (Audited)

	Share capital €000	Share premium €000	Other reserve €000	Translation adjustment €000	Retained earnings €000	Total €000	Minority interest €000	Total €000
1 January 2007	627	29,651	(260)	(584)	(6,486)	22,948	796	23,744
Arising on deemed disposal - minority in Telit Wireless Solutions Srl							275	275
Arising on deemed acquisition - Telit APAC							(318)	(318)
Translation adjustments				(1,150)		(1,150)	(129)	(1,279)
Repurchase of shares options					(29)	(29)		(29)
Share-based payment charge					1,030	1,030	12	1,042
Loss for the period					(7,027)	(7,027)	(31)	(7,058)
31 December 2007	627	29,651	(260)	(1,734)	(12,512)	15,772	605	16,377

**NOTES TO THE INTERIM FINANCIAL STATEMENT
AT 30 JUNE 2008 (UNAUDITED)**

1. The Company was incorporated and registered in England and Wales as a public limited company on 30 November 2004 under the Companies Act 1985.
2. The interim financial statements include the results of operations and the financial position of the Company and its subsidiaries (together the "Group") as at and for the six months ended 30 June 2008. The Group is engaged in the development, manufacture and sale of wireless communications (primarily cellular) modules - products for transmitting electronic data designed for the m2m telecom market, and services entailing the development and licensing of cellular technology to third parties based on the Company's technological property.

The consolidated interim financial statements of the Company have been prepared in accordance with the recognition and measurement criteria of IFRS and the disclosure requirements of the AIM Rules using the accounting policies set out in the Group's 31 December 2007 statutory accounts. The AIM Rules do not require compliance with the requirements of IAS 34 "Interim Financial Statements" and these consolidated interim financial statements have not been prepared in compliance with the disclosure requirements of that standard. The consolidated interim financial statements have not been audited or reviewed and do not constitute the company's statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the year ended 31 December 2007 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors reported on those accounts; whilst their report was unqualified, it included an emphasis of matter paragraph referring to uncertainty over recoverability of a deferred tax asset of €3.0 million. The audit report did not contain a statement under s.237(2) or (3) of the Companies Act 1985.

3. The Directors have not declared an interim dividend.

4. Discontinued operations

On 17 May 2007 the Company's board of directors resolved to sell the Wireless Products division (TWP) and focus solely on the Wireless Solutions business unit.

During the second half of 2007 Telit sold its Italian TWP business to a third party, thus marking the final disposal of Telit's European TWP business.

During the first half of 2008, Telit converted the Israeli division of TWP into a wireless solutions centre as an integral part of its ongoing wireless solutions business.

5. In June 2008 the Company entered into a settlement agreement with Magneti Marelli Holding SpA ("Magenti Marelli Italy"), the parent company of Ixfin Magneti Marelli Elettronica Ltda ("Magneti Marelli Brazil"), according to which Magneti Marelli Italy will cause Magneti Marelli Brazil to waive the claim it filed in Brazil against the Company and Telit will waive any counter claim it has against Magneti Marelli Brazil. This settlement has no impact on the income statement in the period.