

COMPANY ANNOUNCEMENT

Loqus Holdings p.l.c. (the "Company")

Interim Directors' Statement

Date of Announcement	15 th May 2014
Reference	139/2014

This is a company announcement made by the Company in compliance with Chapter 5.86 of the Listing Rules:


QUOTE

The financial situation in the third quarter of the financial year (compared to the same period last year) has remained relatively stable. The Group registered a minor improvement in its bottom line due to the anticipated decrease in the amortisation charge. The decrease resulted from the reduction in investment in generic R&D by the company over the last 3 years which was replaced by of two ERDF funded Research and Development projects. The Group has in this current financial year returned to its previous self-funded R&D investment policy.

In this period The Group has acquired CCG Investments Limited as part of its strategy to create a standalone public sector arm. The Group has in this period successfully launched a number of new projects including a system for the municipal police of Rome, renewal of the Artoni tracking and dispatch project in Italy and the Geopost optimisation projects in the UK. The Group launched of an OEM version of its next generation fleet management systems which has gone live and produces substantial recurrent revenues.

The management team is still pursuing the company strategy to sell/merge its Fleet Management IPR and business, via share transfer, to provide cash injections and enhance growth in these areas. As part of this strategy the Group shall be placing all its sellable fleet management assets and business into a new subsidiary to be called Loqus Fleet Ltd. The Board of Directors has approved a non-binding Memorandum of Understanding with Capital SGPS SA operators of Inosat in Portugal, Movildata International SL of Spain, and Ventriga GmbH operator of Enaikoon in Germany. The MOU establishes the parameters to finalise an agreement that creates a pan-European fleet management alliance that will enhance and compliment the parties' growth and value.

UNQUOTE



Adrian Mallia
Company Secretary