Datalex plc Announces Interim Results
For the six months ended 30 June 2010

Dublin, Ireland/26 August, 2010 – Datalex Plc (ISE: DLE; OTC: DLEXY) today announced its interim results for the six months ended 30 June 2010.

Overview

The first six months of 2010 have seen an improvement in the travel industry, with monthly increases in air traffic over the same period last year. While the volcanic ash cloud disruption to European air travel dented second quarter performance, the underlying trend shows that trading conditions are beginning to improve. In parallel, airlines are beginning to understand and harness the power of merchandising, as they seek to exploit sources of ancillary revenue by developing their retailing and marketing capabilities.

Our own performance in the first half of 2010 is in line with expectations, with revenue reflecting the current level of airline travel and industry caution on capital investment. We have secured new business with key strategic customers that will deliver long term revenue, we are continuing to deliver on the targeted cost reductions, and we have seen a real improvement in our new business pipeline.

A summary of the results for the first six months of 2010 is set out below:

	H1 2010	H1 2009	Change
	$'m	**$'m**	**%**
Revenue			
▪ E business revenue	11.0	11.9	-8%
Transaction revenue included in E-business: $6.7m (H1 2009: $7.0m)			
▪ TPF consulting revenue	2.1	2.4	-13%
Total revenue (rounded)	**13.1**	**14.4**	**-9%**
Total cost of sales, selling & marketing costs and administrative expenses	14.5	16.4	-12%
Development expenditure capitalised	(1.5)	(2.5)	-40%
Amortisation of development expenditure	2.2	2.0	10%
Total cost of sales, selling & marketing costs and administrative expenses before impact of product development	**13.8**	**16.9**	**-18%**
Loss before income tax	2.2	1.5	**47%**
EBITDA	0.3	0.8	**-63%**
Intangible assets	17.7	19.2	**-8%**
Cash and cash equivalents	8.4	11.1	**-24%**
Trade debtors and accrued income	8.2	11.2	**-27%**

H1 2010 Performance

In our 2009 annual results release last March, we stated that we expected 2010 revenue to be flat on last year, and that we would deliver cost savings of at least $3m on 2009.

Our operating performance for the first six months of 2010 has been tracking in line with these expectations. Total revenue in the period was $13.1m, down 9% on the same period in 2009. Transaction revenue in the period was $6.7m (2009 H1: $7.0m), which includes the negative impact of c. $0.35m from the volcanic ash cloud disruption in Q2.

Total costs in H1 2010, before the impact of product development capitalised / amortised, were $13.8m, compared to $16.9m in the same period in 2009, a decline of over $3m or 18%. This reflects the full impact in H1 2010 of the cost reduction programme implemented in Q 2 last year.

Our EBITDA of $0.3m (2009 H1: EBITDA $0.8m) includes an unrealized foreign exchange loss on revaluation of non US Dollar assets of $0.7m (2009 H1: foreign exchange gain on revaluation $0.4m). This arose due to the strengthening of the US Dollar against the Euro by 10% in Q2, however this initial negative impact will be offset by a lower effective dollar cost base over the remainder of 2010.

The impact of product development on our Income Statement in H1 was a net debit of $0.7m (2009 H1: net credit $0.5m).

Trade debtors and accrued income was $8.2m at 30 June 2010, down from $8.5m at 31 December 2009, and $11.2m at 30 June 2009. Cash at 30 June was $8.4m, down from $10.5m at 31 December 2009 and $11.1m at 30 June 2009. This decline reflects the operating performance in 2010 to date, including the foreign exchange impact of the weaker Euro.

New Business Pipeline

As outlined above there has been a definite improvement in our new business pipeline in the first half of 2010. IATA is currently predicting a return to 2008 air traffic levels from early 2011, and this is helping to drive a pick-up in pipeline activity as airlines react to continuing market demand for changes in direct distribution. In particular we have seen a noticeable trend towards merchandising of ancillary revenue sources, and a broadening of the airline merchandising strategy to include other direct channels such as the call centre.

To date this year we have achieved some notable new business wins:

- At the end of H1 we were chosen by a leading European airline to deploy our latest TDP Ecommerce Portfolio, which will provide significant new functionality and revenue generating merchandising capabilities. This customer is projected to go live in Q4 2010.
- After a competitive RFP process, we have just been selected as Ecommerce solution of choice by Republic Airways Holdings, who acquired our existing US customer Frontier Airlines in 2009. Datalex will now extend the TDP platform and online solution to the other group airline, Midwest Airlines. This forms the basis of a new five year contract through to 2016 for Datalex with the combined airlines, who carry over 15 million passengers per annum. The implementation also includes the deployment of our TDP Agent platform in their call centres and is expected to be completed in Q4 2010.
- As previously outlined, Air China has chosen TDP as their direct distribution platform, to be rolled out in both their on-line and call centre channels. Air China are a major and growing carrier, with over 45 million passengers per annum, and this win validates our industry leading position in the global travel market. We commenced implementation of this project in mid year, and it is expected to go live in Q1 2011. We view China as a strategic market for Datalex, and expect to build on this success with the acquisition of additional new airline customers before the end of 2010.
- In Q2 we started a six month pilot of our merchandising platform with a major US carrier.
- In H1 we completed successful deliveries across our customer base, with upgrades to our latest TDP Platform delivered to United Airlines and South African Airways. In February, we went live with our latest customer on the TDP platform, the Colombian airline Aero Republica. Philippine Airlines took delivery of an integrated TDP Agent Call Centre Application, currently in pilot, the solution will be rolled out to over 600 agents in Q4.

Flight Centre Litigation

As outlined in our 2009 annual report, we are currently engaged in litigation with a customer, Flight Centre Limited ("Flight Centre") of Australia. Flight Centre is seeking restitutionary and compensatory damages from Datalex for non-delivery under the contract, and Datalex is seeking damages from Flight Centre for breach of contract.

In our 2009 annual report we stated that it was our view that this claim would not result in a material adverse effect on our business, financial position, income, or cash flows. Consequently, no provision was made in our financial statements for the year ended 31 December 2009.

At 30 June 2010, we maintain the view that this claim will not have any material adverse effect on our business or financial position, and consequently we have not made any provision in respect of this claim in our financial statements for the six months ended 30 June 2010. Litigation is always subject to inherent uncertainties and our view of these matters may change in the future.

2010 Outlook

According to IATA, the global recovery in airline traffic has continued throughout H1, despite a blip in Q2 due to the volcanic ash cloud effect. While traffic is still some way below the peak of 2008, this still represents encouraging news for travel companies. Our new customer wins and healthy business pipeline reflects this growing confidence and the recognition of our leadership position in the market. The challenges in closing new business persist however, as airlines continue to be cautious on IT investment and commitments. Notwithstanding this, we are looking to build on our H1 performance and continue to benefit from the recovery in the industry throughout the remainder of 2010.

The Interim Results 2010 are available at http://www.datalex.com/pdf/Datalex_Interim_Report_2010.pdf .

About Datalex

Datalex is a leading provider of travel distribution software and solutions which enable global travel industry suppliers and distributors deliver increased content and choice to their customers across multiple sales channels, while enabling significant reductions in distribution costs. Datalex's customers represent the elite of the travel industry and include Air China, United Airlines, Scandinavian Airline Systems, Frontier Airlines, Aer Lingus, STA Travel, South African Airways, and Copa Airlines.

Founded in 1985, the company is headquartered in Dublin, Ireland, and maintains offices across Europe, the USA and Asia-Pacific. Datalex is a publicly held company traded on the Irish Stock Exchange (symbol: DLE, and also OTC: DLEXY). For more information, please visit the company's web site at www.datalex.com

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.

Analyst/Investor Enquiries	Press Enquiries
David Kennedy	Ornagh Hoban
Finance Director	VP of Marketing
+353 1 806 3500	+353 1 806 3574
david.kennedy@datalex.com	ornagh.hoban@datalex.com