



**Datalex plc announces results
for the year ended 31 December 2010**

Dublin, Ireland 29 March, 2011 – Datalex plc today announces its full year results for the year ended 31 December 2010.

We are pleased to report on our performance for the year ended 31 December 2010, a year in which good progress has been achieved, most notably the significant growth in EBITDA to \$3.1m (2009: \$0.1m) and the positive generation of cash of \$0.6m (2009 cash reduction: \$4.2m).

2010 Highlights

Some of the key highlights from 2010 include:

- \$5m improvement in cash performance and \$3m EBITDA growth, year on year.
- Six new customers, including Air China, providing strategic entry into the world's fastest growing market.
- 18% reduction in total costs before product development.
- Datalex retains award for "World's Leading Internet Booking Technology Provider", and is also named as 'World's Leading Travel Distribution Solution Provider' at the World Travel Awards in November 2010.

Financial Performance

A summary of our 2010 financial performance is set out below:

	2010	2009	Change
	\$M	\$M	%
Total Revenue	26.8	27.1	-1%
Transaction revenue included in total revenue	13.0	13.3	-2%
Total cost of sales, selling & marketing costs and administrative expenses	28.5	31.9	-11%
- Development expenditure capitalised	2.8	4.5	-38%
- Amortisation of development expenditure	(4.7)	(4.1)	15%
Total cost of sales, selling & marketing costs and administrative expenses before impact of product development	26.6	32.3	-18%
Loss before income tax	(2.1)	(4.5)	-53%
EBITDA	3.1	0.1	n/a
Intangible assets	16.2	18.4	-12%
Cash and cash equivalents	11.1	10.5	6%
Net trade receivables and accrued income	8.3	8.5	-2%
Total assets	37.8	39.8	-5%

2010 Industry Overview

In 2010 the travel industry gradually began to emerge from the difficulties of the previous year's economic collapse. Air traffic began to grow again, however the decline in 2009 was so large, it will likely be mid 2011 before traffic is back to 2008 levels. The industry continues to operate on tight margins and airlines are looking to maximise their revenue share, particularly in the area of ancillary revenue (merchandising).

2010 Operational Review

Our expectations for 2010 were that revenue levels would be in line with the previous year, and that EBITDA and cash performance improvements would be delivered mainly through the full year impact of the substantial cost and organisational efficiency programs we implemented throughout 2009. We also anticipated that as the market returned to more stable conditions after the extreme difficulties of 2009, our business pipeline would strengthen considerably.

Our results for the year are in line with these expectations. Total revenue in 2010 was US\$26.8m, in line with 2009. Our transaction revenue in the period was US\$13.0m (2009 US\$13.3m), which reflects a hit of approx \$0.3m as a result of the volcanic ash cloud disruption to flights in Q2 2010. H2 revenue of \$6.3m was up 6% on the corresponding period in 2009. At a macro level, our transaction revenue also reflects the adverse effects of the 2009 economic environment on global airline investment plans, which only began to re-energise in the middle of 2010.

Our total operating costs before Product Development were US\$26.6m, a reduction of US\$5.7m over 2009, and a reduction of US\$12.0m since the end of 2008. We are now operating with a 31% lower cost base than we were two years ago, while serving a bigger customer base. This has been delivered through a combination of enhanced operational efficiency, coupled with a more mature product. Our focus on productisation allows us to deliver more functionality to customers, with less deployment effort and risk than previously possible.

Our loss for the year before tax of US\$2.1m (2009 loss: US\$4.5m) included amortisation of product development of US\$4.7m (2009: US\$4.1m) and is after capitalising development expenditure of US\$2.8m (2009: US\$4.5m). Over the last two years as our product has matured, our development spend has fallen by 63%.

Stripping out any impact of product development on our 2010 performance, our loss for 2010 was US\$0.2m (2009 loss: US\$4.9m). Earnings before interest, tax, depreciation and amortisation (EBITDA) was US\$3.1m (2009: US\$0.1m).

I am particularly pleased to report that we have grown our cash reserves in 2010 by US\$0.6m to US\$11.1m.

2010 Business Development

The improvement in our business pipeline in 2010 has seen us bring six new customers onto our product platform:

- Midwest Airlines, the US carrier, which went live in Q4 2010.
- Spanair, the second largest carrier in Spain, which will go live in early Q2 2011.

- Air China, which ranks among the world's largest and most profitable carriers, has selected TDP for both on-line and call centre channels. We expect to go live at Air China in Q2 2011.
- Air Malta, which will go live in Q2 2011.
- In Q4 2010 we entered into a partnership agreement with a global airline IT services provider to enable ancillary (merchandising) pricing and shopping for its customer airlines across the globe. This will go live in Q2 2011.
- We are also engaged in a Proof of Concept to enable ancillary pricing and shopping with a major US Carrier.

Our new business pipeline has continued to strengthen in 2011, and we are currently pursuing a number of opportunities to expand our customer base.

Flight Centre

As outlined in our statement to shareholders in November 2009, we are engaged in litigation with a former customer, Flight Centre Limited of Australia, arising from their decision not to proceed with the roll out of our software in their travel agency business.

We affirm the view expressed in our 2009 Annual Report that it is not probable that this claim will result in an adverse effect on our business, financial position, income, or cash flows. Consequently, we have not made any provision in respect of this claim in our financial statements for the year ended 31 December 2010. Litigation is always subject to inherent uncertainties and our view of these matters may change in the future.

Outlook for 2011

The improvements in the travel industry, particularly in the second half of 2010, have continued into the early parts of 2011. Challenges remain, with an uncertain global economic outlook and oil price volatility. Nevertheless we maintain an optimistic outlook on 2011; we have a product portfolio that is globally recognised as a leader in the market. We have a lean and efficient business, and a flexible delivery model that deploys our product faster than ever before. We are also pleased to report that the majority of contract completions are leading to renewals, and we are confident that these renewals, together with the new business we are winning, will lead to net business growth in 2011.

Our 2010 Datalex Annual Report is included in the attached PDF and is also available at

http://www.datalex.com/pdf/Datalex_Annual_Report_2010.pdf

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About Datalex

With multiple industry awards, Datalex is a respected, proven and agile provider of travel retail solutions to major suppliers and distributors worldwide. Datalex leads the industry with innovative, progressive and pioneering merchandising and retail strategies. Datalex has served the travel industry with innovative technology products and solutions for over 25 years and has an in depth understanding of the travel distribution environment.

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). 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.