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TELIT COMMUNICATIONS PLC

Year end trading update: revenues up 13.4% to approximately \$333.5m

Telit Communications PLC (AIM: TCM, 'the Group', 'Telit'), a global leader in machine-to-machine (m2m) communications, has published its year end trading update for the year ended 31 December 2015.

Group revenues are expected to be approximately \$333.5 million (2014: \$294 million), up 13.4%. The Group expects adjusted EBITDA to be in line with guidance at \$40-45 million.

Within the Group's overall revenues, the automotive division enjoyed notable growth, with revenues expected to jump 60% to \$39.6 million (2014: \$24.8 million).

The IoT Services division (connectivity and Platform as a Service, PaaS) is expected to show a 30% increase in revenue to approximately \$26 million (2014: \$20 million).

Revenues for EMEA are expected to be \$133.2 million (2014: \$117.5 million), up 13.4%. After a few years of slowdown in the region, 2015 saw a return to double digit growth.

Revenues for APAC are expected to be \$70.9 million (2014: \$40.8 million), up 73.8%. This significant growth was achieved following a number of years of heavy investments across the region, including the opening of business development and sales offices and the development of a product roadmap that meets the region's specific needs.

After six years of strong growth, (2009 to 2015 CAGR revenue growth of 44%), the Americas revenues are expected to be \$129.4 million (2014: \$135.7 million), down 4.6%. As previously announced, revenues in 2015 were affected by the faster than expected technology shift in the US market, mainly as a result of the imminent shutdown of the 2G networks and the resulting strong shift into 4G technology. This delayed product deployments into 2016 when the Group's LTE CAT 1 product line will be ready for shipments. The Group expects this region will return to growth in 2016.

Net cash at 31 December 2015 was \$1 million (31 December 2014: net debt \$3.9 million).

Oozi Cats, Chief Executive of Telit, said,

"2015 was another year of strong growth - all organic this year. Over the last six years, we delivered a CAGR of revenue growth of 25%.

"In order to exploit the considerable opportunities across the fast growing IoT industry, we have continued to invest across the Group, particularly in products for automotive market as well for our industrial product line and for our cloud platform infrastructure. With the increasing need for services across the IoT industry, we expect our IoT services business to continue to grow significantly over the next few years.

“In addition to the Group’s revenue growth, we expect to benefit from the operational leverage inherent in the organisation which will enable us to improve margins and our ability to generate cash over the next few years.

“With the numerous opportunities developing across the Group as well as our growing recurring revenues, we are confident of maintaining our double digit growth in the current financial year.”

Telit expects to publish its results for the year ended 31 December 2015 on 7 March 2016.

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Notes to editors

[Telit](#) (AIM: TCM), is the global leader in Internet of Things (IoT) enablement. The company offers the industry's broadest portfolio of integrated products and services for end-to-end IoT deployments - including cellular communication modules in all technologies, GNSS, short-to-long range wireless modules, IoT connectivity plans and IoT platform services. Through the **IoT Portal**, Telit makes IoT onboarding easy, reduces risk, time to market, complexity and costs for asset tracking, remote monitoring and control, telematics, industrial automation and others, across many industries and vertical markets worldwide