



London, 30 april 2001

**Preliminär delårsrapport 1 juli 2000 - 31 mars 2001  
inkl. kv 3, 2000/2001; 1 januari 2001 - 31 mars 2001**

- \* Intäkterna ökade under periodens tredje kvartal till MUSD 2,46 från MUSD 0,95 andra kvartalet.
- \* EBITDA förbättrades under kvartalet till MUSD -3,11.
- \* Bolagets s.k. burn rate minskade under kvartalet till strax över MUSD 1,0 per månad.
- \* Omsättningstillgångar exkl övriga fordringar och lager uppgick till MUSD 7,5, att jämföra med MUSD 10,4 efter andra kvartalet.
- \* CellPoint gynnas av att mobiloperatörer vill erbjuda nya lönsamma tjänster i sina redan befintliga mobilnät.
- \* CellPoints styrelseordförande och CEO Peter Henricsson diskuterar kvartalsrapporten i form av frågor och svar i en separat bilaga, vilken även finns tillgänglig på Internet:  
<http://www.cellpt.com/corporateupdate2.htm>

*CellPoint Inc. offentliggör idag preliminär delårsrapport, översiktligt granskat, för senaste kvartalet, 1 januari till 31 mars 2001 (Q3, 2000/2001) och för niomånadersperioden 1 juli 2000 till 31 mars 2001. Fullständig niomånadersrapport kommer att offentliggöras senast den 15 maj i samband med att bolagets 10QSB-rapport registrerats hos amerikanska SEC. Rapporten kommer att finnas tillgänglig på <http://www.edgar.com> och <http://www.freeedgar.com>.*

## CellPoint Inc.

### **Preliminär delårsrapport för perioden 2000-07-01 – 2001-03-31**

CellPoints intäkter under perioden januari - mars 2001 (Q3, 2000/2001), uppgick till USD 2 463 294, en ökning från USD 265 511 under Q3, 1999 och från USD 946 886 jämfört med föregående kvartal.

Intäkterna ökade 2,5 gånger snabbare än rörelsekostnaderna och med 828 procent jämfört med samma period föregående år samt med 160 procent jämfört med föregående kvartal.

Under kvartalet har bolaget fokuserat på att hålla ökad kontroll på rörelsekostnaderna vilket tillsammans med förbättrad försäljning medförde att EBITDA (rörelseresultat före avskrivningar) förbättrades till USD -3 108 448, samtidigt som den genomsnittliga s.k. burn rate minskade till strax över USD 1,0 miljon per månad.

Omsättningstillgångar exkl övriga fordringar och lager vid kvartalets slut uppgick till MUSD 7,5, jämfört med MUSD 10,4 vid slutet av Q2.

Antalet anställda har ökat till 150 personer från 66 för ett år sedan.

Intäkterna för niomånadersperioden 1 juli 2000 till 31 mars 2001 (Q1-3, 2000/2001) uppgick till USD 4 388 301 (USD 619 274), en ökning på 609 procent.

EBITDA för niomånadersperioden blev USD -8 703 881.

Försäljnings- och administrativa kostnader uppgick till USD 11 063 744 (USD 2 580 902).

Nettoresultatet för niomånadersperioden var USD -20 026 376 (USD -6 511 820) varav avskrivningar och amorteringar utgjorde USD -9 593 495.

CellPoints styrelseordförande och CEO Peter Henricsson kommenterar utvecklingen:

*"Vi är glada över att denna starka tillväxt kunnat ske trots ett läge med problem inom såväl mjukvaru- som telekombranscherna. Vi märker att efterfrågan ökar från GSM-operatörer. Förseningar i lanseringen av 3G är, tvärt mot vad man kan tro, något som verkar till vår fördel. Situationen har gjort det än viktigare för operatörer att introducera icke-röst-baserade tjänster för att nå mesta möjliga avkastning från investeringarna i de existerande nätverken. Vad vi visar är att positioneringstjänster nu finns redo för storskalig lansering i mobilnäten."*

Henricsson avslutar: *"Kvartalets viktigaste händelse var installationen hos tyska E-Plus av världens första kommersiella order av en nätverksbaserad positioneringsplattform. I en tid då telekomindustrin meddelar vikande intäkter och nedskärningar, expanderar vi för att möta denna växande efterfrågan samtidigt med att denna nya industri växer fram."*

Fullständig niomånadersrapport offentliggörs senast den 15 maj i samband med att bolagets amerikanska 10QSB-rapport registreras hos amerikanska SEC. Rapporten kommer då finnas tillgänglig på <http://www.edgar.com> och <http://www.freeedgar.com>

CellPoints styrelseordförande och CEO Peter Henricsson diskuterar kvartalsrapporten ytterligare i form av frågor och svar i en separat bilaga, vilken även finns tillgänglig på Internet: <http://www.cellpt.com/corporateupdate2.htm>

## **Viktiga händelser under kvartalet:**

**E-Plus** – CellPoint levererar världens första kommersiella order av nätverkbaserade positioneringstjänster till tyska mobiloperatören E-Plus

**Notering i Europa** – CellPoint godkänns för sekundärnotering på OM Stockholmsbörsen och handeln inleds den 15 mars 2001

**CellPoint upprättar en avdelning för partnerskapsutveckling och försäljning** – Ett expertteam för partnerskapsutveckling och försäljning har utplacerats.

**CellPoint Unwire och MINT inleder samarbete inom m-handel** – samarbetet möjliggör för konsumenter att betala varor från varuautomater genom sina mobiltelefoner

**CellPoint Unwire får genombrottsorder inom kollektivtrafik** – strategisk installering av GSM-servrar för biljettsystem inom kollektivtrafik

London, 30 april 2001

CellPoint Inc.

Bilagor: Consolidated Balance Sheets  
Consolidated Statements of Operations  
"Frågor och svar kring delårsrapporten"

*För ytterligare information, kontakta:*

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**CellPoint Inc. (NASD och OM Stockholmsbörsen: CLPT; [www.cellpoint.com](http://www.cellpoint.com))** är ett amerikanskt företag med dotterbolag i Sverige, Storbritannien och Sydafrika, som tillhandahåller positions- och telematiktjänster i samarbete med mobila operatörer i hela världen. CellPoints mobila "end-to-end"-lösning fungerar i alla omodifierade GSM-nät, använder vanliga GSM- eller WAP-telefoner och har Internet som användargränssnitt. För närvarande finns ett flertal applikationer och tjänster tillgängliga, och CellPoint erbjuder tredjepartsleverantörer att integrera sina applikationer tillsammans med CellPoints öppna gränssnitt.

Telematikverksamheten bedrivs i koncernbolaget Unwire AB ([www.unwire.se](http://www.unwire.se)), som utvecklar och säljer trådlösa telematikterminaler, utformar trådlösa tillämpningar och är ett av de ledande företagen i världen inom trådlösa telematiktjänster.

**CELLPOINT INC. and SUBSIDIARIES**  
**Consolidated Statements of Operations**  
(Amounts in US\$)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Sales, net.....	\$2,463,294	\$265,511	\$4,388,301	\$619,274
Cost of sales.....	-460,351	-62,458	-920,325	-62,458
Gross profit.....	2,002,943	203,053	3,467,976	556,816
Selling, general and administrative expenses.....	-4,742,237	-600,521	-11,063,744	-2,580,902
Professional fees.....	-369,154	-1,027,433	-1,108,042	-1,270,967
Depreciation and amortization.....	-3,254,529	-1,379,378	-9,593,495	-2,398,419
<b>Total operating expenses.....</b>	<b>-8,365,920</b>	<b>-3,007,332</b>	<b>-21,765,282</b>	<b>-6,250,288</b>
<b>Loss from operations.....</b>	<b>-6,362,977</b>	<b>-2,804,279</b>	<b>-18,297,306</b>	<b>-5,693,472</b>
Loss on sale of investment.....	0	0	-342,285	0
Net interest income (expense).....	-633,797	-9,172	-1,386,785	-818,348
<b>Net Loss.....</b>	<b>-6,996,774</b>	<b>-2,813,451</b>	<b>-20,026,376</b>	<b>-6,511,820</b>
Net loss per share basic and diluted.....	-0.66	-0.29	-1.91	-0.73
Weighted average shares outstanding basic and diluted.....	10,609,015	9,748,333	10,511,861	8,933,361
<b>EBITDA<sup>(*)</sup>.....</b>	<b>-3,108,448</b>	<b>-1,424,901</b>	<b>-8,703,811</b>	<b>-3,295,053</b>

(\*) EBITDA is defined as: Earnings (loss) before investment expenses, taxes, depreciation and amortization

# CELLPOINT INC. and SUBSIDIARIES

## Consolidated Balance Sheets

(Amounts in US\$)

	March 31, 2001 (unaudited)	June 30, 2000 (audited)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents.....	\$4,411,243	\$6,624,662
Accounts receivable, net of allowance for doubtful of \$nil and 36,732, respectively.....	1,184,325	211,948
Prepaid expenses and other current assets.....	1,927,815	160,717
Other receivables.....	552,501	614,098
Inventory.....	424,446	169,635
<b>Total current assets</b> .....	<b>8,500,330</b>	<b>7,781,060</b>
<b>Long-term assets:</b>		
Acquired technology net of amortization of \$11,153,363 and \$3,415,787 respectively.....	61,064,009	68,801,585
Investment in affiliated company.....	0	500,000
Other intangible assets, net of amortization of \$4,356,624 and \$2,760,972 respectively.....	7,259,643	8,993,080
Furniture, equipment and motor vehicles, net of depreciation of \$338,962 and \$180,108 respectively.....	1,355,114	630,585
<b>Total long-term assets</b> .....	<b>69,678,766</b>	<b>78,925,250</b>
<b>Total assets</b> .....	<b>\$78,179,096</b>	<b>\$86,706,310</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accrued expenses and other current liabilities.....	\$2,222,575	\$1,623,441
Accounts payable.....	1,443,786	786,766
Due to affiliate.....	0	55,517
Other loans and overdrafts and current maturities of long term debt.....	4,101,086	140,510
<b>Total current liabilities</b> .....	<b>7,767,447</b>	<b>2,606,234</b>
Long term debt, net of current maturities.....	7,938,371	4,000,000
<b>Total liabilities</b> .....	<b>\$15,705,818</b>	<b>\$6,606,234</b>
<b>Stockholders' equity:</b>		
Common Stock (\$0.001 par value; authorized - 22,000,000 shares, 10,733,030 shares and 10,465,000 shares issued and outstanding, respectively).....	\$10,733	\$10,465
Additional paid-in capital.....	98,359,043	95,434,348
Cumulative translation adjustment.....	-232,518	292,866
Accumulated deficit.....	-35,663,980	-15,637,603
<b>Total stockholders' equity</b> .....	<b>62,473,278</b>	<b>80,100,076</b>
<b>Total liabilities and stockholders' equity</b> .....	<b>\$78,179,096</b>	<b>\$86,706,310</b>

**Interview with Peter Henricsson on Fiscal Third Quarter Results**

**The quarter saw some marked progress for CellPoint – what were the significant events in the quarter?**

Our installation with the German operator E-Plus is the world's first commercial implementation of a network-based technology solution for location-based services. This gives CellPoint further traction in this emerging industry and I believe we'll be seeing more and faster adoption of this leading-edge technology and the new non-voice services we're enabling.

In our telematics division, we're seeing continued penetration in new application areas such as vending system management, micropayments with mobile phones and ticketing and logistics. Our acquisition of Uniq is a good example of where we are cherry-picking applications to deliver an integrated solution in the waste management industry. WasteMapping has worldwide applicability and has already shown excellent returns on investment for Swedish businesses. This is something we can replicate on a wider geographical basis, leveraging our technology competence.

**Is all of the location services revenue booked in this quarter coming from E-Plus?**

No, in accordance with US GAAP, we have booked just over 50% of that contract in this quarter. Our revenues in the quarter are from multiple GSM operators as well as telemetry business.

**Please can you comment on the revenue split between your location services and telemetry business areas?**

In this quarter, 77% of our revenues came from CellPoint Systems 23% came from the telemetry business area through CellPoint Unwire. Virtually all of our revenues are from European mobile operators and telematics customers. We have not yet really tapped in to the upcoming revenue streams from the telemetry agreements we've announced and are just at the front end of much more to come.

**Please can you comment on your burn-rate?**

Our burn-rate has now turned the corner. Even though revenues have grown faster than costs, the burn-rate has been increasing gradually, but as you can see, our burn-rate in the last quarter was lower than it was in the previous one. We expect this trend to continue in the present quarter and ongoing, with revenues increasing and spending stabilizing with this level of headcount. We are putting a lot of emphasis on cost control and we are approaching the size where we do not have to expand as rapidly any more. Over the past few quarters, we have been very focused on completing the development and first installation of Mobile Location System 5.0 (MLS) which has been a considerable investment in people and financially.

**What do you think are the most important aspects of the Q3 results?**

Without doubt, our revenue growth is key. Quarter-on-quarter growth is more than double our December 31 results at a 160% increase. Our revenue grew 2.5 times faster than operating expenses and our year-on-year revenue growth of 828% is another highlight of these figures, particularly when viewed in context with current operating expenses.

**Your Quarterly Results news release indicates aggressive staff expansion - you have more than doubled your headcount over the last year. Please provide some more detail on this.**

In addition to increases in technical support and development staff commensurate with the traction we are experiencing in the marketplace, we have invested significantly in Sales & Marketing over this period. For instance, we have a new Partner Sales team that are focused solely on targeted relationships with professional services partners such as systems integrators, independent software vendors and content and application providers. We recognize that one of

the keys to success in this market is strong synergy with partners such as these, and our new Partner Program is already delivering the sort of win-win relationships we need. It is very important to note that our partner strategy is focussed on quality - not quantity - of partners.

### **How do you view the current and future market for your services?**

Mobile operators are now looking for ways to increase their revenues from their current networks by launching new services, and commercially-ready solutions not requiring heavy investments are most attractive. This market climate is favorable to CellPoint's technology solution and relative to perceived competitors. Most of our competitors' technologies require significantly more hardware in their solutions and larger network investments, while CellPoint's software solutions are proven, less complex and relatively less costly to implement. Real deployment times will also be much shorter for operators using the CellPoint solution. Our 3rd generation location platform, coupled with our business and consumer application services, serve as a strong solution for today as well as a long-term foundation for GSM operators.

Additionally, industry research indicates that 70% of the new services that the operators will be bringing to market will have an element of location technology – that's what makes our business so exciting and promising. More and more of the operators are now acknowledging that there's no other way that they can increase revenues so quickly without massive expenditure on infrastructure or huge hikes in call charges.

In the telemetry area, the market is virtually untapped and CellPoint Unwire continues to drive forward with innovative technology solutions.

### **How do you see the market evolving? Can you talk specifically about the sort of applications we're likely to see?**

We see such a huge range of applications ahead. Things like friend finding, infotainment, advertising, safety, security, tracking, community services and M-commerce/L-commerce. On the corporate side, we have a mobile workforce application. For the mass market we have a friend-finder application and a location-sensitive info application. In the friend-finding instance, we are taking the cue from the Internet side, where communities are king. By adding an automatically updated location element, this will really come into its own for users and application developers. Just think – if you're anywhere from age nine to young adult, who can live without buddy lists and proximity services?! We are of course working on a multitude of applications, in-house and with many partners.

On the telematics side, we've got vehicle tracking and fleet management rolling out in Thailand. But the telemetry business is very broad, and we've announced a wide range of industry applications which gives good insight into how this market can grow. Unwire already has a large order book where billing is just starting to materialize.

### **Can you be more specific about your application partners?**

Referring back to our Partner Program in CellPoint Systems, we are in discussions with the best of the location-based application providers. We have recently signed a partnership agreement with AirFlash, with whom we are working on the E-Plus implementation. We're quoting on other opportunities currently with them and other unannounced partners as well.

CellPoint Unwire's Partner Program was launched at CeBIT and we've already announced progress there with IPM International to build end-to-end solutions for the vending systems market. Another example is with MINT for M-commerce and wireless micropayments.

**What is CellPoint's view on standards?**

We are constantly working towards openness and standards. We are continually evolving our open application program interfaces (APIs). For instance, we have long been involved with the WAP Forum. We also very involved in the Location Interoperability Forum (LIF) where we're chairing the mobile location protocol (MLP) ad hoc group.

All this standardization activity is geared toward making things happen painlessly for operators and application providers. There are lots of things that have to be in place: privacy, authentication and, of course, the location platform and technology. It all adds up to an accepted level of compatibility. We are committed to following an open approach and we are actively driving towards the standardization. The majority of future applications will come from third parties, so the open API's are very important.

CellPoint Unwire is also involved with standards and was recently accepted for membership with the European Vending Association (EVA). The EVA creates business advantages for members and technological standards for vending machines.

**Your secondary listing on the O-List in Stockholm appears to have gone well. How do you view this going forward?**

It is a great asset for CellPoint to have so many European stockholders. They follow CellPoint's activities closely and fully appreciate our potential; having a European listing in Stockholm demonstrates our strong commitment to our Swedish and European investors. I am very pleased to see that the initial conversion levels from shares to Swedish Depository Receipts (SDR's) have been even greater than we expected and this is real validation of our decision to seek a European listing for CellPoint. To date, some 2 millions SDR's have now been registered.

**What is the status of the convertible debenture with Castle Creek Technology Partners?**

We've been actively exploring several options to best meet the needs of the company, its stockholders and its financial partners. We recently announced that we have agreed with Castle Creek on a reduction of the initial 45-day notification period we had to repay the notes, the initial term being prior to June 5, 2001. If we should notify Castle Creek that we intend to repay the notes in this initial term, Castle Creek would still have the option to convert the notes to common stock, the rate being \$25 per share prior to this date.

CellPoint always has the option to repay the notes, but in the notice period before June 5, 2001, the rate is lower for CellPoint by 5% of the principal amount. If CellPoint notifies Castle Creek at a later date, then Castle Creek has 45 days to decide if they accept repayment of some/all of the notes, or if they prefer to convert. It should be noted that in our agreement, Castle Creek cannot give notice to convert for more than 4.99% of the outstanding shares at any one time.

**Going forward, what does the next quarter hold in store for CellPoint?**

We expect continued increase in sales for both CellPoint Systems and Unwire. We'll continue our focus to keep costs under control and stabilize headcount. Consultants will also be reduced or replaced by full-time staff, bringing in-house those resources required for longer-term competency.

At a time when the telecoms industry is announcing revenue downturns and headcount reductions, delays in 3G deployment are contrary to what might be expected, actually working to our advantage. The current economic climate makes it even more important for the operators to introduce non-voice services to leverage their investments in existing networks – we are proving that network-wide location services are ready now.



CellPoint™ and CellPoint Systems™ are trademarks of CellPoint Inc. Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Act of 1995. Actual results may differ materially from those projected in any forward-looking statement. Investors are cautioned that such forward-looking statements involve risk and uncertainties which may cause actual results to differ from those described.

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