

TRACSYS PLC

("Tracsis" or "the Company")

Acquisition of Peeping Limited

Pre-close Trading update for the year ended 31 July 2009

Tracsis plc (AIM: TRCS), a provider of operational planning software and consultancy services for the transport industries, is pleased to announce that on 24 July 2009 ("**Completion**") it entered into an agreement pursuant to which it acquired the entire issued share capital of Peeping Limited ("**Peeping**"), a company which provides research based services to train operating companies.

ACQUISITION HIGHLIGHTS

- Peeping provides research based services to train operating companies including station footfall assessment and rail related surveys.
- Peeping generated revenue of £432,000 during the year ended April 2009 resulting in EBITDA of £153,000 (there were exceptional one-off costs of £35,700 relating to this transaction) and had net assets of £240,896 at 5 April 2009.
- The directors of Tracsis consider that Peeping has strong synergies with Tracsis and will strengthen the Company's market position.
- Initial consideration of up to £260,000 payable in cash and the issue of 172,744 ordinary shares of 0.4p each subject to an adjustment mechanism depending on the net assets of Peeping on completion.
- Subject to agreed financial targets, deferred consideration of up to £225,000 of which 70 per cent will be satisfied in cash and 30 per cent satisfied by the issue of new ordinary shares in Tracsis.

TRACSYS TRADING UPDATE

The directors of Tracsis ("**Directors**") are also pleased to provide the following trading update to shareholders prior to the Company's financial year end.

In spite of the recession at large the Company has continued to grow profitably in line with plan and has achieved all strategic and operational goals over the past 12 months, not least delivering substantial growth in both profits and revenue both organically and through acquisition. The Directors believe that

the transport markets have been, and are likely to continue to be, under substantial pressure to find ever more innovative ways of increasing performance whilst at the same time reducing underlying inefficiency and costs. Given this environment, the Directors of Tracsis believe the Company remains ideally positioned to take advantage of this.

The integration of the recently acquired RWA Rail Limited business is now complete and this continues to provide Tracsis with a platform for the diversification of services. The Directors are confident that the full year results of the combined businesses will demonstrate increased profitability in comparison to the 2008 results of each standalone entity.

The Directors believe that the acquisition of Peeping will further strengthen the Company's product offering to transport operators and the combination of existing performance modelling expertise combined with actual demand data should provide for a proportionally more valuable offering to the customer base. The Peeping transaction has been structured to minimise dilution to existing shareholders and the Directors believe will be significantly earnings enhancing.

John McArthur, Chief Executive Officer, Tracsis Plc, commented:

“As we near the end of our second financial year as an AIM listed company, I am very pleased to report continued profitability and growth at a time of immense financial and economic turmoil elsewhere. We expect to achieve all of our operational and financial goals which is remarkable given the backdrop of the recession at large. The UK transport industry is not immune to the effects of this recession but it is testament to our customers that they continue to find ways of enhancing service delivery whilst eliminating extraneous cost and inefficiency. The role of Tracsis, our products, and our services, are more relevant than ever and we hope to play an instrumental part in assisting our customers as they manage themselves through the downturn.

With regards to Peeping, this will be our second acquisition since we joined AIM in 2007. This business is an ideal acquisition for Tracsis given the strong trading history of profitability, the industry experience of the management team, the reputation of the company, and the generally homogenous client base. From speaking with the major train operating groups I know the industry welcomes this transaction, and we will look to capitalise on the opportunities which we believe are now available to the enlarged company.”

27 July 2009

Enquiries

Tracsis plc

+ 44 (0) 845 125 9162

John McArthur, Chief Executive Officer

Haggie Financial LLP

+44 (0) 207 417 8989

Nicholas Nelson/Kathy Boate

Zeus Capital Limited

+44 (0) 161 831 1512

Alex Clarkson / Bobby Fletcher

DETAILS OF THE ACQUISITION

Consideration

The initial consideration payable comprises a sum of up to £260,000 in cash and the issue of 172,744 ordinary shares of 0.4p each at a price of 52.1p per share. The cash amount payable is subject to the net assets for Peeping being at least £200,000 at completion and will be adjusted accordingly where this is not the case.

Application will be made for the admission of the 172,744 Ordinary Shares issued on completion of the acquisition to trading on AIM. Each of the selling shareholders will not (save in certain specific circumstances) dispose of any of the Consideration Shares for a period of 12 months following completion and thereafter for a further 12 months any disposal must be via the Company's broker in an orderly manner.

Deferred consideration of up to £225,000 is payable subject to the achievement of certain financial targets in the 12 month period following completion. Where these targets are not met the deferred consideration will be adjusted downwards. The deferred consideration will be satisfied 70 per cent. by way of cash and 30 per cent. by the issue of new ordinary shares in Tracsis Plc.

The cash consideration will be financed out of the Company's existing cash resources. At 31 January 2009, being the date of the unaudited interim results, the Company had cash and cash equivalents of £2.51 million.

INFORMATION ON PEEPING LIMITED

Peeping was established in 1997 to provide passenger and footfall research services. The primary customer base is UK rail operators. The Company also undertakes a number of projects for car park operators. The founding management have extensive experience in the rail industry having spent most of their careers with British Rail and the Transport Data Group. Post acquisition the founders will continue to provide services to Peeping on a part-time basis.

Peeping employs the services of approximately 80 staff spread throughout the UK. The majority of these workforce are former rail employees who have extensive knowledge of railways and their day to day operations.

The spectrum of work undertaken by Peeping is summarised as follows:

- Footfall station and platform utilisation counts
- Analysis of queues at key location (such as tickets, boarding, alighting)
- Anti fraud surveys
- General industry demand research
- Station car park surveys and utilisation
- Commuter coach counts.