

TRACSIS PLC

("Tracsis" or "the Company")

Interim results for the six months ended 31 January 2009

Tracsis plc (AIM: TRCS), a provider of performance and planning optimisation software and consultancy services for the transport industries, today announces its interim results for the six months ended 31 January 2009.

Highlights:

- A continued period of growth and profitability
 - Turnover of £945,000 (2008: £271,000), with a contribution of £632K from RWA Rail
 - Profit after tax of £172,000 (2008: £82,000)
 - Cash reserves of £2.77M (2008: £2.27M)
 - Strong balance sheet, no debt or bank borrowings
- Acquisition (August 2008) and successful integration of RWA Rail Limited
 - RWA is a provider of specialist consultancy services to the rail industry
 - The transaction is significantly earnings enhancing to Tracsis
 - Complementary to Tracsis' core offerings and opportunity for client cross-selling
- New client win during the period - London Overground Rail Operations (LOROL). All existing clients retained.
- Successful revenue generating pilots carried out with new software offering 'TRACS Roster' – this product automates and optimises base roster production and will be used to identify further efficiencies and performance improvements for transport operators
- Extensive franchise bidding and client support activity including London South Central, Melbourne Rail concession and Stockholm Metro

John McArthur, Chief Executive Officer, commented:

"I am very pleased with our continued growth and profitability which builds on strong maiden results delivered last year. The Group continues to trade profitably month to month and has achieved modest growth during a period of considerable economic upheaval within the transportation markets. Increasing pressures on transport operators to deliver growth and reduce costs at a time of falling passenger numbers have made our products and consultancy services more relevant than ever and there remains good opportunity for growth in spite of the recession at large. Furthermore, the integration of RWA Rail has been a great success and the enlarged Group benefits from a broad range of services which allow us to take a more end-to-end approach within the performance and planning market. Given this success, the group is well placed to exploit other opportunities within the UK rail and bus sector and hope to announce further developments soon."

29th April 2009

Enquiries

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Chairman's and Chief Executive Officer's Report

Business Summary

Following an excellent start to the year, the Company is pleased to report a period of continued growth in both turnover and profitability across both revenue streams: software lease licensing and high value consultancy work to the passenger transport industries.

Sales have remained resilient during the economic downturn and this is in part due to our products and services being highly relevant to transport companies (especially passenger train operating companies) wishing to reduce costs whilst at the same time maintaining a commitment of robust service delivery to the general public. The acquisition and integration of RWA Rail has further broadened the Group's service offering and these two factors, combined with a growing reputation with the UK and overseas, has led to strong commercial activity during the period. We are pleased to announce that London Overground Rail Operations (LOROL) have adopted our TrainTRACS scheduling software and we continue to work with them, and other rail operators such as Virgin Trains, National Express and Go-Ahead Group, on new product initiatives. Moving towards the summer, our sales pipeline remains high and we anticipate healthy trading through to year end.

In August 2008 Tracsis completed the acquisition of RWA Rail Limited ("RWA") and we are pleased to report successful business integration across both our Leeds and Loughborough offices and a positive response from the rail industry. The addition of RWA provides the business with a unique foothold in the performance planning, timetabling and rostering field. Our enlarged team is now able to undertake larger, broader software and consultancy projects within the transport industry and provide a more end-to-end service offering to customers.

Financial Review

Tracsis has contracts in place with some of the largest transport operators throughout the UK and operates a revenue model which provides for a high percentage of recurring revenue and therefore visibility of earnings.

The Company continued to enjoy buoyant trading during the period. The significant shift in turnover reflects the integration of RWA which contributed £632K to the overall figure, whilst the original Tracsis software licensing business demonstrated growth in sales of 15% over the period.

Income statement

A summary of the Group's results is set out below:

Six months ended 31 January 2009 £'000	Six months ended 31 January 2008 £'000	Year ended 31 July 2008 £'000
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Turnover	945	271	805
Operating profit	194	77	300
Profit for the period	172	82	299

Revenues are derived from the sale of software licences along with associated customer support and maintenance contracts and the provision of consultancy services to customers in the rail industry. Sales revenue is analysed further below.

	Six months ended 31 January 2009 £'000	Six months ended 31 January 2008 £'000	Year ended 31 July 2008 £'000
Software licences	148	144	489
Customer support and maintenance contracts	69	60	118
Consultancy and training revenue	728	67	198
Total revenue	945	271	805

Balance sheet

The Group continues to have a strong balance sheet following the additional placing of shares in August 2008 which raised £183,000 of additional funding for the Group. As in prior periods the Group has no external borrowings. Cash balances have increased in the period from £1,898,000 at 31 July 2008 to £2,505,000 at 31 January 2009 with the principal elements of the movement being:

	Six months ended 31 January 2009 £'000	Six months ended 31 January 2008 £'000	Year ended 31 July 2008 £'000
Net cash generated by operating activities	987	(81)	(491)
Net cash used in investing activities	(925)	18	90
Net cash generated from financing activities	183	1,616	1,584
Arising on acquisitions	362	-	-
Movement during the period	607	1,553	1,183

The Company continues to manage its operational expenditure prudently.

Outlook

We remain pleased with our continued growth and profitability which builds on strong maiden results delivered last year. The Group continues to trade profitably from month to month and has achieved modest growth during a period of considerable economic upheaval to the transportation markets. Increasing pressures on public transport operators to deliver growth and/or reduce costs at a time of falling passenger numbers have made our products and consultancy services more relevant than ever before and there remains good opportunity for growth in spite of the recession at large. The integration with RWA Rail Limited has been a great success and the Group now benefits from a broad range of services which allows us to fulfil a more end-to-end approach within the performance and planning market. Given this success, the group is well placed to exploit other opportunities within the UK rail and bus sector and hope to announce further developments soon.

RD Jones

Chairman

28th April 2009

JC McArthur

Chief Executive Officer

Tracsis plc**Condensed consolidated interim income statement - unaudited****For the six months ended 31 January 2009**

	Six months ended 31 January 2009 £'000	Six months ended 31 January 2008 Restated £'000	Year ended 31 July 2008 £'000
Revenue			
Acquisitions	632	-	-
Continuing	313	271	805
Total revenue	945	271	805
Administrative expenses:	(751)	(194)	(505)
Operating profit			
Acquisitions	164	-	-
Continuing	30	77	300
Total operating profit	194	77	300
Financial income	55	18	93
Profit before tax	249	95	393
Income tax charge	(77)	(13)	(94)
Profit for the period	172	82	299
Earnings per share			
Basic	0.91p	1.22p	2.47p
Diluted	0.84p	1.13p	2.37p

Tracsis plc**Condensed consolidated interim balance sheet - unaudited****As at 31 January 2009**

	At 31 January 2009 £'000	At 31 January 2008 Restated £'000	At 31 July 2008 £'000
Assets			
Non-current assets			
Property, plant and equipment	5	6	6
Intangible assets	1,177	-	-
Deferred tax	18	-	18
Total non-current assets	1,200	6	24
Current assets			
Trade and other receivables	551	265	1,081
Cash and cash equivalents	2,505	2,268	1,898
Total current assets	3,056	2,533	2,979
Total assets	4,256	2,539	3,003
Liabilities			
Non-current liabilities			
Deferred tax	(2)	(5)	-
Current liabilities			
Trade and other payables	(437)	(74)	(302)
Current tax	(261)	(100)	(109)
Total current liabilities	(698)	(174)	(411)
Total liabilities	(700)	(179)	(411)
Net assets	3,556	2,360	2,592
Capital and reserves attributable to equity holders of the company			
Share capital	76	70	70
Share premium reserve	2,399	1,672	1,641
Share-based payments reserve	89	16	61

Retained profits	992	602	820
Total equity	3,556	2,360	2,592

Tracsis plc**Consolidated statement of changes in equity - unaudited****For the six months ended 31 January 2009**

	Share Capital £'000	Share Premium £'000	Share Payments Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 1 August 2007	-	17	5	624	646
Profit for the six month period ended 31 January 2008	-	-	-	82	82
Total recognised gains for the period	-	-	-	82	82
Share option charge in the period	-	-	16	-	16
Adjustment for options subsequently exercised	-	-	(5)	5	-
Shares issued in the period (net of expenses)	70	1,655	-	(49)	1,676
Equity dividend paid	-	-	-	(60)	(60)
Balance at 31 January 2008	70	1,672	16	602	2,360
Balance at 1 August 2007	-	17	5	624	646
Profit for the year ended 31 July 2008	-	-	-	299	299
Total recognised gains for the year	-	-	-	299	299
Share option charge in the year	-	-	61	-	61
Adjustment for options subsequently exercised	-	-	(5)	7	2
Shares issued in the period (net of expenses)	70	1,624	-	(50)	1,644
Equity dividend paid	-	-	-	(60)	(60)
Balance at 31 July 2008	70	1,641	61	820	2,592
Balance at 1 August 2008	70	1,641	61	820	2,592
Profit for the six month period ended 31 January 2009	-	-	-	172	172
Total recognised gains for the period	-	-	-	172	172

Share option charge in the period	-	-	28	-	28
Shares issued (net of expenses)	6	758	-	-	764
Balance at 31 January 2009	76	2,399	89	992	3,556

Tracsis plc

Condensed consolidated interim statement of cash flows - unaudited for the six months ended 31 January 2009

	Six months ended 31 January 2009	Six months ended 31 January 2008	Year ended 31 July 2008
	£'000	Restated £'000	£'000
Cash flows from operations			
Profit for the period	172	82	299
Adjustments for:			
Interest received	(55)	(18)	(93)
Income tax charge	77	13	94
Depreciation	2	2	5
Share option expense	28	16	61
Decrease/(increase) in trade and other receivables	1,139	(101)	(917)
(Decrease)/increase in trade and other payables	(308)	(75)	153
Net cash from operating activities	1,055	(81)	(398)
Income tax paid	(68)	-	(93)
Net cash flows used in operating activities	987	(81)	(491)
Cash flows used in investing activities			
Interest received	55	18	93
Acquisition of subsidiary undertaking	(979)	-	-
Purchase of property, plant and equipment	(1)	-	(3)

Net cash flows used in investing activities	(925)	18	90
Cash flows from financing activities			
Share issue (net of expenses)	183	1,676	1,644
Equity dividends paid	-	(60)	(60)
Net cash flows from financing activities	183	1,616	1,584
Net increase in cash and cash equivalents	245	1,553	1,183
Cash and cash equivalents at start of period	1,898	715	715
Arising on acquisitions	362	-	-
Cash and cash equivalents at end of period	2,505	2,268	1,898

Notes to the consolidated interim report

For the six months ended 31 January 2009

Basis of preparation

These financial statements are the unaudited condensed half-yearly consolidated financial statements (the "Half-Yearly Financial Statements") of Tracsis plc, a company incorporated in Great Britain and registered in England and Wales and its subsidiary (together, the "Group") for the six months ended 31 January 2009.

These Half-Yearly Financial Statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting' and should be read in conjunction with the annual audited financial statements for the year ended 31 July 2008, which have been prepared in accordance with International Financial Reporting Standards. These interim financial statements were approved by the board and authorised for issue on 28th April 2009.

The comparative figures for the full year ended 31 July 2008 are not the Group's full statutory accounts for that year. A copy of the Group's statutory accounts for that year has been delivered to the Registrar of Companies. The Auditors' Report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2) or 237(3) of the Companies Act 1985. These Half-Yearly Financial Statements have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

The comparative figures for the six months ended 31 January 2008 have been restated. Previously £63,000 of costs relating to the flotation of the company on AIM was charged to the income statement in the published 2008 interim report. At 31 July 2008 these costs were reclassified as deductions from the share premium reserve and therefore the figures to 31 January 2008 have been restated to ensure consistency of accounting treatment between each period.

Accounting Policies

The accounting policies applied by the Group in these Half-Yearly Financial Statements are the same as those applied by the Group in its audited financial statements for the year ended 31 July 2008 and which will form the basis of the 2009 Annual Report.

The preparation of the Half-Yearly Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. In preparing these Half-Yearly Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended 31 July 2008.

Basis of consolidation

Where the company has the power, either directly or indirectly to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the result of the company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained.

Business segments

Primary format – business segment

In the opinion of the directors, the business operates as one business segment being the sale of software and consultancy services to the transportation industries – predominantly passenger rail and bus – that assist with the function of operational planning and performance .

Secondary format – geographic segment

The Group operates in the United Kingdom and thus has only one geographic segment.

Earnings per share

The calculation of earnings per share is based upon the profit after tax divided by the weighted average number of shares in issue during the period.

	Profit after tax £'000	Weighted average of shares	EPS (pence)
Basic earnings per share			
6 months ended 31 January 2009	172	18,945,418	0.91p
6 months ended 31 January 2008	82	6,718,314	1.22p
12 months ended 31 July 2008	299	12,081,414	2.47p
Diluted earnings per share			
6 months ended 31 January 2009	172	20,375,522	0.84p
6 months ended 31 January 2008	82	7,243,418	1.13p
12 months ended 31 July 2008	299	12,606,516	2.37p

At 31 January 2009, there were 1,430,104 share options granted but not yet exercised.

Related party transactions

The following transactions took place during the year with other related parties:

Group	Purchase of goods and services			Amounts owed to related parties		
	H12009 £000	H12008 £000	FY2008 £000	H12009 £000	H12008 £000	FY2008 £000
The University of Leeds ¹	-	5	10	-	-	3
Atraxa Consulting Limited ²	13	7	38	5	1	8

Techtran Group Limited ³	3	3	6	-	-	-
Leeds Innovation Centre Limited ⁴	17	11	27	-	-	2

1 – The University of Leeds is a significant shareholder and supplies staff on secondment to the company.

2 – Atraxa Consulting Limited provides accountancy services to the Group. One of the Company's directors, Darren Bamforth, is a director and shareholder of Atraxa Consulting Limited. Fees charged in the year ended 31 July 2008 included one-off fees of £19,350 relating to work undertaken in respect of the company's AIM admission.

3 – Techtran Group Limited is a significant shareholder in the company and supplies staff on secondment and office services to the company.

4 – Leeds Innovation Centre Limited is a company which is connected to the University of Leeds. Tracsis plc rents its office accommodation, along with related office services, from this company.

Acquisition of subsidiary undertaking

During the period Tracsis plc acquired the entire issued ordinary share capital of RWA Rail Limited. The Group has adopted the principles of acquisition accounting. The assets and liabilities arising from the acquisition are as follows:

	Provisional Fair value £000
Trade and other receivables	605
Cash at bank	362
Trade and other payables	(154)
Income tax payable	(139)
Deferred tax provision	(2)
Net assets acquired	672
Purchase consideration	
Cash	796
Shares	580
Deferred consideration	290
Expenses of acquisition	183
	1,849
Provisional goodwill	1,177
Cash outflow on acquisition	617

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

- i) The Half-Yearly Financial Statements have been prepared in accordance with IAS 34 as adopted by the European Union; and
- ii) The interim management report includes a fair review of the information required by the FSA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors of Tracsis plc and their functions are listed below.

By order of the Board

RD Jones
Chairman

JC McArthur
Chief Executive Officer

29th April 2009

Further information for Shareholders

Company number: 05019106

Registered office: Leeds Innovation Centre
103 Clarendon Road
Leeds
LS2 9DF

Directors: Rodney Jones (Chairman)
John McArthur (Chief Executive Officer)
Robert Watson (Chief Operating Officer)
Dr Raymond Kwan (Chief Technical Officer)
Darren Bamforth (Group Finance Director)
John Nelson (Non-Executive Director)
Charles Winward (Non-Executive Director)

Company Secretary: Darren Bamforth