

28 April 2008

TRACSIS PLC
("Tracsis" or "the Company")

Interim results for the six months ended 31 January 2008

Tracsis Plc (AIM: TRCS) the specialist provider of labour optimisation software, is today issuing interim results for the six month period to 31 January 2008.

Key Points:

- Successful placing and admission to AIM on 26 November 2007 raising £2 million.
- Trading in line with expectations – revenue in the period of £271,000 (6 months ended January 2007: £257,000).
- Operating profits in the period of £14,000 (6 months ended January 2007: £116,000) after including £89,000 of exceptional and associated costs relating to our admission to AIM.
- New client wins include Virgin Rail Group, Cross Country and Southeastern Railway.
- All existing clients retained for year including First Group buses, First Scotrail, National Express East Coast, Northern Rail, Southern Railway, Arriva Trains Wales and Translink, demonstrating a high level of under-contract recurring licence revenue.
- Continued investment into product development and research activities, including additional TrainTRACS functionality for short-term planning optimisation to help our clients increase their operational capabilities.
- Board strengthened by the addition of three Non-Executives.

Chief Executive Officer John McArthur commented:

"Tracsis has made good progress over the last six months. The business has delivered another period of growth whilst at the same time coming to market via an AIM flotation. We have secured significant relationships with Virgin Rail Group, Cross Country, Southern Railway and Southeastern Railway which are further endorsements in our product suite from some of the largest operators in the industry. Looking forward to our year end, we are in a good position to deliver continued growth and are in the favourable position of having complete customer retention, high recurring revenue, and a strong balance sheet."

Enquiries:

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Notes to editors:

Tracsis PLC is a provider of resource optimisation software to transport companies in the passenger rail and bus industries. Their product suite can be used to automate and optimise the process by which labour schedules are created and allows for this activity to be done with greater speed and with a high degree of efficiency over existing methods.

Tracsis has contracts in place with some of the largest transport operators throughout the UK and operates a revenue model that provides for a high percentage of recurring revenue. The company's goal is to become a leading provider of operational planning software to global transport markets.

Chairman's and Chief Executive Officer's report

We are pleased to report our interim results for the six month period to 31 January 2008. The period has been one of continued good progress, with growth and further penetration into our core transport markets. We continue to invest in our TrainTRACS and BusTRACS products and are in the process of strengthening sales and marketing channels.

Tracsis has achieved a number of key milestones in the past period:

- Secured contractual relationships with a further 3 passenger train operating companies (TOCs) - Virgin Rail Group, New Cross Country (Arriva) and Southeastern Railway (Govia).
- Carried out extensive product development which allows our software to be used for short term planning (STP) exercises within the rail industry. These enhancements significantly broaden the scope of our product and increase the value of our software offering.
- We continue to explore opportunities into new markets, such as fleet optimisation in the aviation market, where Tracsis software has the potential to generate substantial efficiencies for prospective clients.
- Strengthened the board with the appointment of Rod Jones as Chairman, and John Nelson and Charles Winward as Non Executive Directors. Rod is currently Chief Executive Officer of Proactis Holdings plc, an AIM quoted provider of spend control software. John is Chairman of First Class Partnerships; a strategic consultancy business which services the UK and International rail industries. Charles is an Investment Manager at IP Group plc, a listed company specialising in the commercialisation of intellectual property from research institutions.

Financial overview

Revenues in the period increased to £271,000 from £257,000 for the same period last year. The operating profit for the period has reduced £14,000 in comparison to £116,000 for the six months ended 31 January 2007, after additional costs totalling £89,000, relating to flotation, AIM regulatory and IFRS2 share accounting costs. Spending was in-line with budget for the period as the Company has maintained tight cost control.

Taking into account the effect of these items, the profit generated from sales is comparable to the same period last year, and this has been achieved in spite of some 3 months trading disruption during the IPO process. At 31

January 2008 Tracsis had cash balances of £2.27 million (six months ended 31 January 2007: £379,000) and remains entirely debt free.

Outlook

The directors are grateful to our staff, management and customers for their continued support, without which our progress would not be possible. We welcome our new Non-Executive Directors to the business and believe their combined experience will accelerate our growth in the future.

Our investment into Tracsis, our products and our people positions the Company well for further growth and continued shareholder value.

Rod Jones
Chairman

John McArthur
Chief Executive Officer

28 April 2008

Condensed interim income statement - unaudited

For the six months ended 31 January 2008

	Note	Six months ended 31 January 2008 £'000	Six months ended 31 January 2007 £'000	Year ended 31 July 2007 £'000
Revenue		271	257	742
Administrative expenses:				
- Normal		(194)	(141)	(335)
- Exceptional	4	(63)	-	-
		(257)	(141)	(335)
Operating profit		14	116	407
Financial income		18	7	15
Profit before tax		32	123	422
Taxation		(13)	(27)	(92)
Profit for the period		19	96	330
Earnings per share (pence)				
Basic	5	0.28p	187.2p	634.0p
Diluted	5	0.26p	178.4p	604.7p

All activities relate to continuing operations.

The Company has recognised no gains or losses other than the profit for the year.

Condensed interim balance sheet - unaudited

As at 31 January 2008

	As at 31 January 2008 £'000	As at 31 January 2007 £'000	As at 31 July 2007 £'000
Assets			
Non-current assets			
Property, plant and equipment	6	7	8
Current assets			
Trade and other receivables	265	163	164
Income tax			
Cash and cash equivalents	2,268	379	715
Total current assets	2,533	542	879
Total assets	2,539	549	887
Liabilities			
Non-current liabilities			
Deferred tax	5	-	2
Current liabilities			
Trade and other payables	74	71	149
Current tax liabilities	100	72	90
Total current liabilities	174	143	239
Total liabilities	179	143	241
Net assets	2,360	406	646
Capital and reserves attributable to equity holders of the company			
Share capital	70	-	-
Share premium reserve	1,735	17	17
Share-based payments reserve	16	-	5
Retained losses	539	389	624
Total equity	2,360	406	646

Statement of changes in equity - unaudited

For the six months ended 31 January 2008

	Share capital £'000	Share premium £'000	Share based payments reserve £'000	Retained (losses)/ earnings £'000	Total £'000
Balance at 1 August 2006	-	-	-	353	353
Retained profit for the six month period ended 31 January 2007	-	-	-	96	96
Shares issued in the period	-	17	-	-	17
Equity dividend paid	-	-	-	(60)	(60)
Balance at 31 January 2007	-	17	-	389	406
Balance at 1 August 2006	-	-	-	353	353
Retained profit for the year	-	-	-	330	330
Share option charge in the year	-	-	6	-	6
Adjustment for options subsequently exercised	-	-	(1)	1	-
Shares issued in the year	-	17	-	-	17
Equity dividend paid	-	-	-	(60)	(60)
Balance at 31 July 2007	-	17	5	624	646
Balance at 1 August 2007	-	17	5	624	646
Retained profit for the six month period ended 31 January 2008	-	-	-	19	19
Share option charge in the period	-	-	16	-	16
Adjustment for options subsequently exercised	-	-	(5)	5	-
Shares issued in the period	70	1,718	-	(49)	1,739
Equity dividend paid	-	-	-	(60)	(60)
Balance at 31 January 2008	70	1,735	16	539	2,360

Condensed interim statement of cash flows - unaudited

For the six months ended 31 January 2008

	Six months ended 31 January 2008 £'000	Six months ended 31 January 2007 £'000	Year ended 31 July 2007 £'000
Cash flows from operations			
Profit for the period	19	96	330
Adjustments for:			
Interest received	(18)	(7)	(15)
Income tax charge	13	27	92
Depreciation	2	1	3
Share option expense	16	-	6
Decrease/(increase) in trade and other receivables	(101)	130	143
(Decrease) in trade and other payables	(75)	(90)	(11)
Net cash from operating activities	(144)	157	548
Income tax paid	-	-	(46)
Net cash flows generated from/(used in) operating activities	(144)	157	502
Cash flows used in investing activities			
Interest received	18	7	15
Purchase of property, plant and equipment	-	(1)	(4)
Net cash flows generated from investing activities	18	6	11
Cash flows from financing activities			
Proceeds from issue of equity shares	1,739	17	3
Equity dividends paid	(60)	(60)	(60)
Net cash flows generated from/(used in) financing activities	1,679	(43)	(57)
Net increase in cash and cash equivalents	1,553	120	456
Cash and cash equivalents at start of period	715	259	259
Cash and cash equivalents at end of period	2,268	379	715

Notes to the interim report

For the six months ended 31 January 2008

1. Accounting Policies

Basis of preparation

From 1 August 2007, the Company has adopted International Financial Reporting Standards (IFRS) as adopted by the EU in the preparation of the financial statements.

Prior to this accounting period, the Company prepared its audited annual financial statements under UK Generally Accepted Accounting Principles (UK GAAP). For periods commencing 1 August 2007, the Company is required to prepare its annual financial statements in accordance with IFRS as adopted by the European Union. As the financial statements for the year to 31 July 2008 will include comparatives for the year ended 31 July 2007, the Company's date of transition to IFRS is 1 August 2006 and the comparatives will be restated to IFRS. Accordingly, the financial information for the six months to 31 January 2007 has been restated to present the comparative information in accordance with IFRS based on a transition date of 1 August 2006. Note 5 of this interim financial information sets out how the Company's previous financial position is affected by the change to IFRS.

The financial information for the six months ended 31 January 2008 and 31 January 2007 is unaudited. The financial information does not constitute the financial statements for that period within the meaning of Section 240 of the Companies Act 1985. The comparative figures for the year ended 31 July 2007 were derived from the Company's audited financial statements for that period as filed with the Registrar of Companies as restated for IFRS. Those accounts received an unqualified audit report which does not contain any statement under s237 (2) or (3) of the Companies Act 1985.

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 July 2007.

These condensed interim financial statements were approved by the Board of Directors on 28 April 2008.

The financial information has been neither audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

Changes in Accounting Policies

(a) *Standards, interpretations and amendments to published standards effective in 2007 but which are not relevant to the Company*

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but are currently not relevant to the Company's operations:

- *IFRIC 7, Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies*

(b) *Standards, amendments and interpretations to published standards not yet effective*

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods and which the Company has decided not to adopt early. These are:

- *International Accounting Standard 1 Presentation of Financial Statements (IAS 1)* (effective for accounting periods beginning on or after 1 January 2009, yet to be endorsed by the EU) replaces IAS 1 Presentation of Financial Statements (revised in 2003) as amended in 2005.
- *Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation* (Effective for annual periods beginning on 1 January 2009, with earlier application permitted (yet to be endorsed by the EU).
- *IAS 23, Borrowing Costs (revised)* (effective for accounting periods beginning on or after 1 January 2009)
- *IFRIC 11, IFRS 2 – Group and Treasury Share Transactions* (effective for accounting periods beginning on or after 1 March 2007)
- *IFRIC 12, Service Concession Arrangements* (effective for accounting periods beginning on or after 1 January 2008)
- *IFRIC 13, Customer Loyalty Programmes* (effective for accounting periods beginning on or after 1 July 2008)

- *IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (effective for accounting periods beginning on or after 1 January 2008).
- *Amendment to IFRS 2, Share-based payments: vesting conditions and cancellations* (effective for accounting periods beginning on or after 1 January 2009).

Revenue

Revenue is measured at the fair value of the consideration received or receivable (excluding value added tax) derived from the provision of goods and services to customers during the period. The Company derives revenue from software licences, post contract customer support and consultancy services.

The Company recognises the revenue from the sale of software licences and specified upgrades upon shipment of the software product or upgrade, when there are no significant vendor obligations remaining, when the fee is fixed and determinable and when collectability is considered probable. Where appropriate the Company provides a reserve for estimated returns under the standard acceptance terms at the time the revenue is recognised. Payment terms are agreed separately with each customer.

Revenue from post contract customer support and consultancy services is recognised on a straight line basis over the term of the contract. Revenue received and not recognised in the profit and loss account under this policy is classified as deferred income in the balance sheet.

Other products and services – Revenue allocable to other products and services is recognised as the products are shipped, or services are provided.

Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: The Company does not currently have any derivative financial instruments.

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial liabilities

The Company classifies its financial liabilities into different categories, depending on the purpose for which the asset was acquired. The Company's accounting policies for each relevant category is as follows:

Fair value through profit or loss: The Company does not currently have any derivative financial instruments.

Other financial liabilities: Other financial liabilities include the following items:

Trade payables and other short term monetary liabilities, which are recognised at fair value.

Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments, net of issue costs.

Retirement benefits: Defined Contribution Schemes

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

Share-based payments

The Company has applied the requirements of IFRS 2 Share-based payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments that were unvested as of 1 August 2006.

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received.

Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. The lease payments are analysed between capital and interest. The interest element is charged to the income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the income statement on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight line basis.

The land and buildings element of property leases are considered separately for the purposes of lease classification.

Internally Generated Intangible Assets (Research and Development Costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Company is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Company expects to benefit from selling the products developed. The amortisation expense is included within the administrative expenses line in the income statement.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the income statement as incurred.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying value in the financial statements.

The principal temporary differences arise from depreciation on plant and equipment, tax losses carried forward and share options granted by the Company to employees and directors.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Items of property, plant and equipment are carried at depreciated cost.

Depreciation is provided on all items of property, plant and equipment so as to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Plant and equipment – 33% on cost

Impairment of non current assets

Where an indication of impairment is identified, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount (higher of fair value less costs to sell and value in use of an asset) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, or in the case of interim dividends, when paid.

2. Critical Accounting Estimates and Judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payments

The Company has equity settled share-based remuneration schemes for employees. The fair value of share options is estimated by using the Black-Scholes valuation model, on the date of grant based on certain assumptions. These assumptions include, among others, expected volatility, expected life of the options and number of options expected to vest.

3. Segmental information

Primary format – business segment

In the opinion of the directors, the Company has one business segment, being the sale of resource optimisation software that assists with automating and optimising the process of labour scheduling within the transport industry

Secondary format – geographic segment

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

4. Exceptional items

During the period the company has incurred exceptional legal and professional fees of £63,000 in respect of the Company's admission to AIM.

5. Earnings per share

The calculation of basic and diluted loss per share is based upon the loss after tax divided by the weighted average number of shares in issue during the period.

	Profit after tax £'000	Weighted average number of shares	EPS (pence)
Basic earnings per share			
6 months ended 31 January 2008	19	6,718,314	0.28p
6 months ended 31 January 2007	96	51,288	187.20p
12 months ended 31 July 2007	330	52,050	634.00p
Diluted earnings per share			
6 months ended 31 January 2008	19	7,243,418	0.26p
6 months ended 31 January 2007	96	53,813	178.40p
12 months ended 31 July 2007	330	54,575	604.70p

The following calculation illustrates earnings per share ("EPS") post Admission, taking account of the revised issued share capital immediately upon Admission. It has also been assumed that the share capital has remained constant at 17,503,450 shares throughout the calculation period.

	Profit after tax £'000	Weighted average number of shares	EPS (pence)
Basic earnings per share – Pro forma			
6 months ended 31 January 2008	19	17,503,450	0.11p
6 months ended 31 January 2007	96	17,503,450	0.55p
12 months ended 31 July 2007	330	17,503,450	1.89p
Diluted earnings per share – Pro forma			
6 months ended 31 January 2008	19	18,028,554	0.11p
6 months ended 31 January 2007	96	18,028,554	0.53p
12 months ended 31 July 2007	330	18,028,554	1.83p

At 31 January 2008, there were 525,104 share options granted but not yet exercised.

6. Explanation of transition to IFRS

The Company's financial statements for the year ending 31 July 2008 will be the first financial statements that comply with International Financial Reporting Standards (IFRS). The Company's financial statements prior to and including 31 July 2007 had been prepared in accordance with Generally Accepted Accounting Principles in the United Kingdom (UK GAAP).

As required by IFRS 1, the impact of the transition from UK GAAP to IFRS is explained below. The accounting policies set out above have been applied consistently to all periods presented in this interim financial information and in preparing an opening IFRS balance sheet at 1 August 2006 for the purposes of transition to IFRS.

IAS 1 – Presentation of Financial Statements. The form and presentation in the UK GAAP financial statements has been changed to be in compliance with IAS 1. There are no adjustments arising from the transition to IFRS and therefore there is no impact on the reported Income Statement or Balance Sheet. Consequently, no reconciliation between IFRS and UK GAAP has been provided.

IAS 7 – Cash Flow Statements. The IFRS Cash Flow Statement, prepared under IAS 7, presents cash flows in three categories: cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. Other than the reclassification of cash flow into the new disclosure categories, there are no significant differences between the Company's Cash Flow Statement under UK GAAP and IFRS. Consequently, no cash flow reconciliations are provided. Purchases of tangible fixed assets under UK GAAP have been reclassified to purchases of property, plant and equipment under IFRS.

Company information

Directors	JC McArthur R Kwan JD Bamforth RD Jones JG Nelson CS Winward	(Chief Executive Officer) (Chief Technical Officer) (Chief Financial Officer) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director)
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Secretary	JD Bamforth
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Registered Office	Leeds Innovation Centre 103 Clarendon Road Leeds LS2 9DF
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Company registration number	05019106
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Nominated Advisors And Broker	Zeus Capital Limited 3 Ralli Courts West Riverside Manchester M3 5FT
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Auditors	HW Chartered Accountants Bridge House Ashley Road Hale Altrincham Cheshire WA14 2UT
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Solicitors	Rosenblatt Solicitors 9-13 St Andrew Street London EC4A 3AF
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Principal bankers	HSBC Bank plc City Branch 33 Park Row Leeds LS1 1LD
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Registrars	Neville Registrars 18 Laurel Lane Halesowen West Midlands B63 3DA
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