TRACSIS PLC

("Tracsis" or "the Company")

Interim results for the six months ended 31 January 2010

Tracsis plc (AIM: TRCS), a provider of performance and planning software and consultancy services for the transport industry, today announces its interim results for the six months ended 31 January 2010.

Highlights:

- Turnover of £1.01m (2009: £945K). Administrative expenses of £977K (2009: £751K).
- Resulting operating profit in the period of £67K (2009: £194K). This is in line with company expectation given the significant investment made in new staff, product development and deal costs.
- Acquisition (4th December) and successful integration of Safety Information Systems Limited (SIS)
    - SIS is the provider of the COMPASS™ performance management reporting software.
    - The business is profitable and complementary to Tracsis' core offering.
    - The transaction is earnings enhancing and broadens the group's range of software products and services.
- Net assets increased to £4.25M (2009: £3.56M) with cash reserves of £2.67M (2009: £2.51M).
- New clients include East Midlands Trains, First Transpennine Express and First Capital Connect.
- Healthy sales pipeline in anticipation of pending rail re-franchise activity.
- The business remains debt free**.**

John McArthur, Chief Executive Officer, commented:

"I am pleased to report the group has made good progress in the past 6 months including a further strategic acquisition and several new client wins. As commented within our 2009 annual report, following release of our new roster optimisation product we have made excellent progress securing further licence sales and pilot projects within the rail market. In line with expectation consultancy revenue was lower than the corresponding period last year due to the absence of any rail re-franchising activity. However, the business is preparing for an intense period of work from June onwards to correspond with the retendering of 3 large rail franchises – East Coast, Essex Thameside and Greater Anglia, although the actual timing of this activity could be delayed in the event of a change of government at the forthcoming election. With regards our other business offerings, our passenger counting and analysis arm is performing ahead of expectations whilst the integration of Safety Information Systems is now complete following the acquisition in December 2009. Both businesses have already achieved new sales and overall we feel confident the group as a whole is well placed to deliver year end results in line with expectation."

20th April 2010

Enquiries

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Chairman's and Chief Executive Officer's Report

Business Summary

The Company is pleased to report on a period of further growth and product expansion which has strengthened our market position at a time when the passenger transport industry continues to feel the effects of the recession.

Our trading in the period rose to £1.01m and the bulk of this increase was via new software licence revenue which has been supplemented by the roll-out of our new rostering optimisation tool TRACSRoster. Meanwhile, consultancy revenue performed as expected in the period – a decline in consultancy due to a decrease in rail re-franchising activity since summer 2009 and seasonality in Peeping and Safety Information Systems means that revenue tends to fall in the second half of the year.

The company also invested heavily during the past 6 months in both staff and associated office infrastructure required to meet our expansion plans. We hired an additional business development manager, a new technical lead, and several talented rail specialists who will assist with both our consultancy and software services. We also recruited a general manager to lead the integration and expansion of Peeping Limited which Tracsis acquired in July 2009.

Furthermore, we successfully completed the acquisition of Safety Information Systems Limited (December 4th 2009) and have put in place a team that will be instrumental in leading this business going forward. The investments made in our people have been necessary in growing the Tracsis group and we look forward to reporting on the benefits of our enlarged team in due course.

Financial Review

Tracsis continues to work with the largest passenger transport operators throughout the UK and operates a revenue model that provides a mix of software leasing combined with high value strategic and operational consultancy.

In the period end 31st January 2010 the business retained all existing software customers and is pleased to report several new customers to both our core TRACS optimisation product and the new TRACSRoster offering. This growth more than offset the expected dip in consultancy revenue due to the absence of re-franchising activity although we expect this work to return in June as the UK rail industry begins the re-franchising of 3 large TOCs; East Coast, Essex Thameside, and Greater Anglia.

Income statement

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

	Six months ended 31 January 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
Turnover	**1,010**	945	2,311
Operating profit	**67**	194	666
Profit for the period	**54**	172	511

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 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
Software licences	**256**	148	576
Customer support and maintenance contracts	**87**	69	142
Consultancy and training revenue	**667**	728	1,593
Total revenue	**1,010**	945	2,311

Balance sheet

The Group continues to have a strong balance sheet. As in prior periods the Group has no external borrowings. Cash balances have decreased in the period from £2,986,000 at 31 July 2009 to £2,671,000 at 31 January 2010 with the principal elements of the movement being:

	Six months ended 31 January 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
Net cash (used by)/generated by operating activities	**(43)**	987	1,579
Net cash used in investing activities	**(569)**	(925)	(672)
Net cash (used by)/generated from financing activities	**(5)**	183	181
Arising on acquisitions	**302**	362	-
Movement during the period	**(315)**	607	1,088

The Company continues to manage its operational expenditure prudently.

Outlook

The enlarged group continues to trade profitably and in spite of the recession at large we have grown software sales during a relatively quiet period for the UK transport markets. Looking ahead, the summer of 2010 looks set to be a busy period given the pending re-franchise of several large TOCs. Our business is already gearing up for this work and we expect the enlarged group will benefit both in the provision of software services along with strategic and operational consultancy support.

We also look forward to bedding down and growing our passenger counting and performance reporting businesses now that we have the infrastructure in place to take these offerings forward. Furthermore, with a general election set for May the prospect of a new government brings with it the possibility of further changes to transport legislation for which the group is well placed to benefit from.

RD Jones	JC McArthur
Chairman	Chief Executive Officer
20th April 2010	

Tracsis plc

Condensed consolidated interim income statement - unaudited

For the six months ended 31 January 2010

	Six months ended 31 January 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
Revenue			
Acquisitions	**40**	-	-
Continuing	**970**	945	2,311
Total revenue	**1,010**	945	2,311
Administrative expenses:			
- Normal	**(923)**	(751)	(1,645)
- Exceptional	**(20)**	-	-
Total administrative expenses	**(943)**	(751)	(1,645)
Operating profit			
Acquisitions	**30**	-	-
Continuing	**37**	194	666
Total operating profit	**67**	194	666
Financial income	**8**	55	63
Profit before tax	**75**	249	729
Income tax charge	**(21)**	(77)	(218)
Profit for the period	**54**	172	511
Attributable to:			
Owners of the parent	**54**		511
Earnings per share			
Basic	0.28p	0.91p	2.69p
Diluted	0.26p	0.84p	2.45p

Condensed consolidated statement of comprehensive income - unaudited

For the six months ended 31 January 2010

	Six months ended 31 January 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
Profit for the period	**54**	172	511
Other comprehensive income net of tax	**-**	-	-
Total comprehensive profit for the period	**54**	172	511
Attributable to:			
Owners of the parent	**54**	172	511

Tracsis plc

Condensed consolidated interim statement of financial position - unaudited

As at 31 January 2010

	At 31 January 2010 £'000	At 31 January 2009 £'000	At 31 July 2009 £'000
Assets			
Non-current assets			
Property, plant and equipment	**12**	5	8
Intangible assets	**2,409**	1,177	1,892
Deferred tax	**-**	18	-
Total non-current assets	**2,421**	1,200	1,900
Current assets			
Trade and other receivables	**553**	551	729
Cash and cash equivalents	**2,671**	2,505	2,986
Total current assets	**3,224**	3,056	3,715
Total assets	**5,645**	4,256	5,615
Liabilities			
Non-current liabilities			
Deferred tax	**272**	2	271
Current liabilities			
Trade and other payables	**905**	437	1,003
Current tax	**214**	261	346
Total current liabilities	**1,119**	698	1,349
Total liabilities	**1,391**	700	1,620
Net assets	**4,254**	3,556	3,995
Capital and reserves attributable to equity holders of the company			
Share capital	**78**	76	77
Share premium reserve	**2,675**	2,399	2,485
Share-based payments reserve	**116**	89	102
Retained profits	**1,385**	992	1,331

Total equity	**4,254**	3,556	3,995

Tracsis plc

Consolidated statement of changes in equity - unaudited

For the six months ended 31 January 2010

	Share Capital £'000	Share Premium £'000	Share Based Payments Reserve £'000	Retained Earnings £'000	Total £'000
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 in the period (net of expenses)	6	758	-	-	764
Balance at 31 January 2009	76	2,399	89	992	3,556
Balance at 1 August 2008	70	1,641	61	820	2,592
Profit for the year ended 31 July 2009	-	-	-	511	511
Total recognised gains for the year	-	-	-	511	511
Share option charge in the year	-	-	41	-	41
Additional placing	2	198	-	-	200
Shares issued as consideration for business combination	5	646	-	-	651
Balance at 31 July 2009	77	2,485	102	1,331	3,995
Balance at 1 August 2009	77	2,485	102	1,331	3,995
Profit for the six month period ended 31 January 2010	-	-	-	54	54
Total recognised gains for the period	-	-	-	54	54
Share option charge in the period	-	-	14	-	14
Shares issued as consideration for business combination	1	190	-	-	191

Balance at 31 January 2010	78	2,675	116	1,385	4,254

Tracsis plc

Condensed consolidated interim statement of cash flows - unaudited

for the six months ended 31 January 2010

	Six months ended 31 January 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
Cash flows from operations			
Profit for the period	54	172	511
Adjustments for:			
Interest received	(8)	(55)	(63)
Income tax charge	21	77	218
Depreciation	3	2	4
Share option expense	14	28	41
Decrease in trade and other receivables	347	1,139	960
(Decrease)/increase in trade and other payables	(298)	(308)	21
Net cash from operating activities	133	1,055	1,692
Income tax paid	(176)	(68)	(176)
Net cash flows used in operating activities	(43)	987	1,516
Cash flows used in investing activities			
Interest received	8	55	63
Acquisition of subsidiary undertaking	(570)	(979)	(1,028)
Purchase of property, plant and equipment	(7)	(1)	(6)
Net cash flows used in investing activities	(569)	(925)	(971)
Cash flows from financing activities			
Share issue (net of expenses)	(5)	183	181
Net cash flows from financing activities	(5)	183	181
Net increase in cash and cash equivalents	(617)	245	726
Cash and cash equivalents at start of period	2,986	1,898	1,898
Arising on acquisitions	302	362	362
Cash and cash equivalents at end of period	2,671	2,505	2,986

Notes to the consolidated interim report

For the six months ended 31 January 2010

Basis of preparation

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 July 2009, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The interim financial information for each of the six month periods ended 31 January 2010 and 31 January 2009 has not been audited and does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. The information for the year ended 31 July 2009 does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006, but is based on the statutory accounts for that year, on which the Group's auditors issued an unqualified report and which have been filed with the Registrar of Companies.

The condensed consolidated interim financial information was approved for issue on 15th April 2010.

Accounting Policies

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 July 2009 and which will form the basis of the 2010 Annual Report except as described below. The basis of consolidation is set out in the Group's accounting policies in those financial statements.

The preparation of the interim 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 interim 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 2009.

Changes in accounting policies

In the current financial year, the Group has adopted IAS 1, "Presentation of Financial Statements" (Revised), IFRS 8, "Operating Segments" and the amendment to IFRS 2, "Share-based payments: vesting conditions and cancellations".

IAS 1 Presentation of Financial Statements (Revised) includes the requirement to present a Statement of Changes in Equity as a primary statement and introduces the possibility of either a single Statement of

Comprehensive Income (combining the Income Statement and a Statement of Comprehensive Income) or to retain the Income Statement with a supplementary Statement of Comprehensive Income. The second option has been adopted by the Group. As this standard is concerned with presentation only it does not have any impact on the results or net assets of the Group.

IFRS 8, Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"). By contrast IAS 14, "Segmental Reporting" required business and geographical segments to be identified on a risks and rewards approach. The business segmental reporting bases used by the Company in previous years are those which are reported to the CODM, so the changes to the segmental reporting for 2009 are in respect of the additional disclosure only.

Amendment to IFRS 2, "Share-based payments: vesting conditions and cancellations" results in an immediate acceleration of the IFRS 2 expense that would otherwise have been recognised in future periods should an employee decide to stop contributing to the savings plan. Management has concluded that to date there has been no impact on the results of the Group as a result of this amendment.

Business segments

The Chief Operating Decision Maker is defined as management, including the board of Directors.

Management considers that the Group's provision of software and consultancy services to the transportation industry constitutes one operating and reporting segment, as defined under IFRS 8. Management review the performance of the Group by reference to group-wide results against budget.

The group-wide profit measures are operating profit and profit for the year, both disclosed on the face of the consolidated income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the group financial statements. There is no allocation of revenues, operating expenses, profit measures, assets and liabilities to individual commercial agreements.

All of the revenues generated relate to the provision of software and consultancy services and are wholly generated within the UK. Accordingly there are no additional disclosures provided to the primary statements.

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 number of shares	EPS (pence)
Basic earnings per share			
6 months ended 31 January 2010	54	19,415,150	0.28p
6 months ended 31 January 2009	172	18,945,418	0.91p
12 months ended 31 July 2009	511	18,949,000	2.69p
Diluted earnings per share			
6 months ended 31 January 2010	54	20,845,252	0.26p
6 months ended 31 January 2009	172	20,375,522	0.84p
12 months ended 31 July 2009	511	20,780,000	2.45p

At 31 January 2010, there were 1,430,102 (31 January 2009: 1,430,102) share options granted but not yet exercised.

Related party transactions

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

	Purchase of goods and services			**Amounts owed to related parties**		
Group	**H12010 £000**	H12009 £000	FY2009 £000	**H12010 £000**	H12009 £000	FY2009 £000
Atraxa Consulting Limited[1]	**28**	13	30	**8**	5	2
Techtran Group Limited[2]	**3**	3	6	**-**	-	1
Leeds Innovation Centre Limited[3]	**17**	17	36	**3**	-	3

1 – 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.

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

3 – Leeds Innovation Centre Limited is a company which is connected to the University of Leeds (a shareholder). 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 Safety Information Systems Limited. The Group has adopted the principles of acquisition accounting. The assets and liabilities arising from the acquisition are as follows:

	Book value at date of acquisition £000	Fair Value Adjustments £000	Provisional fair value £000
Trade and other receivables	170	-	170
Cash at bank	302	-	302
Trade and other payables	(25)	(42)	(67)
Income tax payable	(23)	-	(23)
Deferred tax provision	-	-	-
Net assets acquired	424	(42)	382
Purchase consideration			
Cash			417
Shares			50
Deferred consideration			422
Expenses of acquisition			2
			891
Provisional goodwill			509
Cash outflow on acquisition (net of cash acquired)			116

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

i) The condensed consolidated interim financial information has 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.

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