

Date: 17 March 2014
On behalf of: Tracsis plc
Embargoed until 0700hrs

Tracsis plc

(‘Tracsis’, ‘the Company’ or ‘the Group’)

Interim results for the six months ended 31 January 2014

A further period of strong growth in revenue, EBITDA and profit before tax

Tracsis plc (AIM: TRCS), is pleased to announce its interim results for the six months ended 31 January 2014.

Financial Highlights:

- Revenue increased 109% to £9.8m (2013: £4.7m)
- Adjusted EBITDA* increased 49% to £2.8m (2013: £1.9m)
- Profit before Tax increased 33% to £2.3m (2013: £1.7m)
- Cash balances now stand at £7.6m (31 July 2013: £6.6m, 31 January 2013 £8.5m)
- Interim dividend of 0.35p per share proposed – an increase of 17% on last year
- Full year results expected to exceed current market forecasts

Operational Highlights:

- Five year extension of Framework Agreement for Remote Condition Monitoring (‘RCM’) technology, resulting in initial order of £2.2m
- Trading in RCM remains very strong outside of the Framework Agreement
- US pilot underway with major Class 1 railroad for RCM technology
- Integration of Sky High Technology (previously Sky High plc) completed and the business is performing well
- Consultancy and software trading buoyed by a return to UK rail re-franchising activity.

John McArthur, Chief Executive Officer, commented:

“We are very pleased to be reporting another period of strong growth with both revenues and profit significantly ahead of the same period last year. Our technology and services remain as relevant as ever, with the past six months seeing a marked increase in demand across all areas of our business. Our sales pipeline remains strong with promising opportunities, including a North American pilot for our RCM technology and further UK and overseas opportunities.

“The enlarged Group now includes Sky High Technology, which was acquired in April 2013 and we have since realised key synergies and the business has performed well. The Group also remains committed to a strategy of careful acquisitive growth and has continued to evaluate a number of opportunities in the period.

“I am pleased to report that the Board is confident of exceeding current market expectations for the full year and looks forward to continuing to drive growth and value for shareholders.”

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Chief Executive Officer's Report

Business Summary

The enlarged Group has continued to make good progress in the first half of the new financial year, with all areas of the business making good contributions with the full year outturn expected to exceed current market expectations.

Software

The majority of renewals take place in the second half of the financial year and of those annual renewals scheduled to take place thus far, all have successfully renewed. The Group was also successful in cross-selling the TRACS Roster product into its existing client base and achieving further sales to franchise bidders.

Consultancy and services

The Group's consultancy team has worked extensively on franchise bid work, including work with transport owning groups on bids such as Essex Thameside, Thameslink, Crossrail and DLR. This intensive work requires a mix of consultancy and software expertise which has buoyed trading across both of these areas of business. Post period end we have been engaged on the re-franchising work with the ScotRail and East Coast which are scheduled to complete in the second half of this financial year. We recognise the importance of having a balanced portfolio of consultancy projects to mitigate against delays or volatility and have sought to maximise the opportunities offered by franchise bid work whilst simultaneously pursuing other business development opportunities.

Data capture and passenger counting

This division has made a significant contribution to Group revenues in the year, largely due to the impact of trading via the newly acquired Sky High Technology ('Sky High') which completed in April 2013. The existing Tracsis Passenger Counts business performed well compared to last year, whilst Sky High's contribution to the Group was £4.8m. Since the delisting of this business, management has focused on leveraging the Group's balance sheet and a network of transport related clients to maximise revenue and profits.

Business integration is now complete and Sky High continues to work closely with the existing Tracsis Passenger Counts division to share staff resources, technology and post survey processing capabilities. In the fullness of time this should lead to further economies of scale, margin improvement, and an enhanced service offering for our clients both here in the UK and abroad.

Condition monitoring technology

The Group is pleased with the progress of this division, which secured an extension to a major Framework Agreement for a further five years, providing a solid platform for growth. As previously announced, a significant initial order was received under this Framework Agreement for £2.2m. Demand for the divisions products outside the Framework Agreement has been encouraging, with a steady flow of orders and new sales in Ireland.

As anticipated, revenues from this part of the Group were slightly adverse to last year due to the timing of orders received and Framework Agreement renegotiations with the Group's largest customer, however, the Board remains confident that the second half of the year will be comparably stronger. The Group won a new pilot trial in North America with a Class 1 railroad i.e. typically a railroad with carrier revenue of at least \$500m and this is currently underway. Over the coming months the Group's installed technology will be monitored and a further announcement will be made in due course pending completion of the trial and an understanding of next steps.

Acquisitions and deal flow

The Group continues to actively source and appraise new opportunities that meet with the investment criteria of the Board. During the past six months multiple opportunities were assessed and the Directors believe the opportunity for further accretive growth via acquisition remains as positive as ever.

Overseas

Sky High's overseas business made a good contribution to revenues in the period albeit within Australia's challenging economic environment. We now have new staff on the ground that are tasked with expanding our product and service offering to include consultancy, software and RCM within this geography. The Group believes Australia represents a good opportunity for further organic and acquisitive growth and hopes to announce further progress in the coming year.

Dividend

The Group is committed to following the progressive dividend policy that was adopted two years ago. The Directors propose an interim dividend of 0.35p per share, which is an increase on the 0.30p (+17%) paid for the corresponding period last year. The dividend will be paid on 11 April 2014 to shareholders on the register on 28 March 2014.

Board changes

Sean Lippell was appointed to the Board on 1 November 2013. A former Managing Partner within the corporate division of law firm Addleshaw Goddard, Sean brings a wealth of commercial and legal experience to Tracsis and we are pleased to have him on board. The Group continues its extensive search for a new Non-Executive Chairman. Over the past months Management has been in discussions with several high calibre candidates and hope to be able to announce completion of this appointment in the coming months ahead of year end

Income statement

A summary of the Group's results is set out below, which illustrates continued growth on the same period last year at all levels.

	Six months ended 31 January 2014 £'000	Six months ended 31 January 2013 £'000	Year ended 31 July 2013 £'000
Revenue	9,840	4,710	10,831
Adjusted EBITDA*	2,789	1,876	3,367
Operating profit	2,255	1,659	2,526
Profit for the period	1,715	1,312	2,104

*Earnings before finance income, tax, depreciation, amortisation, exceptional items and share-based payment charges

Sales revenue is analysed further below:

	Six months Ended 31 January 2014 £'000	Six months ended 31 January 2013 £'000	Year ended 31 July 2013 £'000
Software licences and post contract customer support	1,210	911	2,142
Rail Consultancy and professional services	852	662	1,145
Data capture and passenger counting	5,417	523	4,124
Condition monitoring technology	2,361	2,614	3,420
Total revenue	9,840	4,710	10,831

* A high element of consultancy revenue is derived from the use of our software products.

Balance sheet

The Group continues to enjoy a very strong balance sheet, with no external borrowings. Cash generation remains strong, although the requirements of the enlarged Group for working capital and funding growth have increased. Cash balances have increased further by £1,040,000 in the period, from £6,571,000 at 31 July 2013 to £7,611,000 at 31 January 2014 with the principal elements of the movement being:

	Six months ended 31 January 2014 £'000	Six months ended 31 January 2013 £'000	Year ended 31 July 2013 £'000
Net cash flow from operating activities	1,428	1,053	1,690
Net cash used in investing activities	(174)	(6)	(2,537)
Net cash used in financing activities	(171)	(69)	(88)
Exchange differences	(43)	-	(62)
Movement during the period	1,040	978	(997)

Outlook

The second half has started well and the full year outturn is now expected to exceed current market expectations. The Directors are confident of achieving further progress in the second half of the year, given future work flow scheduling and the strength of the sales pipeline. A number of exciting opportunities are being evaluated and 2014 looks set to be a great year for Tracsis as its overseas strategy is accelerated. As always, we are grateful to the support of our team, our customers, suppliers and shareholders in helping us achieve our objectives and position ourselves for further growth in the months ahead.

John McArthur
Chief Executive Officer

17 March 2014

Tracsis plc**Condensed consolidated interim income statement****For the six months ended 31 January 2014**

	Unaudited Six months ended 31 January 2014 £'000	Unaudited Six months ended 31 January 2013 £'000	Audited Year ended 31 July 2013 £'000
Revenue from continuing operations	9,840	4,710	10,831
Cost of sales	(3,912)	(952)	(3,033)
Gross profit	5,928	3,758	7,798
Administrative costs	(3,673)	(2,099)	(5,272)
Adjusted EBITDA *	2,789	1,876	3,367
Amortisation of intangible assets	(196)	(111)	(273)
Depreciation	(190)	(26)	(154)
Exceptional item: Acquisition costs	-	-	(225)
Share-based payment charges	(148)	(80)	(189)
Operating profit from continuing operations	2,255	1,659	2,526
Finance income	20	43	75
Finance expense	(17)	-	(11)
Profit before tax	2,258	1,702	2,590
Taxation	(543)	(390)	(486)
Profit for the period	1,715	1,312	2,104
Other comprehensive income/expense: Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences – foreign operations	(43)	-	(62)
Total recognised income for the year	1,672	1,312	2,042
Earnings per ordinary share			
Basic	6.72p	5.28p	8.42p
Diluted	6.44p	5.06p	8.15p

*Earnings before finance income, tax, depreciation, amortisation, exceptional items and share-based payment charges

Tracsis plc
Condensed consolidated interim balance sheet
As at 31 January 2014

	Unaudited	Unaudited	Audited
	At 31 January	At 31 January	At 31 July
	2014	2013	2013
	£'000	£'000	£'000
Non-current assets			
Property, plant and equipment	1,584	443	1,600
Intangible assets	5,871	4,135	6,067
	7,455	4,578	7,667
Current assets			
Inventories	295	246	236
Trade and other receivables	4,374	1,519	3,865
Cash and cash equivalents	7,611	8,546	6,571
	12,280	10,311	10,672
Total assets	19,735	14,889	18,339
Non-current liabilities			
Hire-purchase contracts	160	-	232
Deferred tax liabilities	979	658	1,046
	1,139	658	1,278
Current liabilities			
Hire-purchase contracts	94	-	96
Trade and other payables	2,945	2,027	3,532
Current tax liabilities	625	448	224
	3,664	2,475	3,852
Total liabilities	4,803	3,133	5,130
Net assets	14,932	11,756	13,209
Equity attributable to equity holders of the company			
Called up share capital	102	99	102
Share premium reserve	4,285	4,131	4,280
Merger reserve	1,472	935	1,472
Share based payments reserve	531	274	383
Retained earnings	8,647	6,317	7,034
Translation reserve	(105)	-	(62)
Total equity	14,932	11,756	13,209

Tracsis plc

Consolidated statement of changes in equity

For the six months ended 31 January 2014

	Share Capital £'000	Share Premium Reserve £'000	Merger Reserve £'000	Share- Based Payments Reserve £'000	Retained Earnings £'000	Translation reserve £'000	Total £'000
Unaudited							
At 1 August 2012	99	4,113	935	194	5,092	-	10,433
Profit for the six month period ended 31 January 2013	-	-	-	-	1,312	-	1,312
Total comprehensive income	-	-	-	-	1,312	-	1,312
Transactions with owners:							
Dividends	-	-	-	-	(87)	-	(87)
Exercise of share options	-	18	-	-	-	-	18
Share based payment charges	-	-	-	80	-	-	80
At 31 January 2013	99	4,131	935	274	6,317	-	11,756
Audited							
At 1 August 2012	99	4,113	935	194	5,092	-	10,433
Profit for the year ended 31 July 2013	-	-	-	-	2,104	-	2,104
Other comprehensive income/(expense)	-	-	-	-	-	(62)	(62)
Total comprehensive income	-	-	-	-	2,104	(62)	2,042
Transactions with owners:							
Dividends	-	-	-	-	(162)	-	(162)
Share based payment charges	-	-	-	189	-	-	189
Exercise of share options	2	167	-	-	-	-	169
Shares issues as consideration for business combinations	1	-	537	-	-	-	538
At 31 July 2013	102	4,280	1,472	383	7,034	(62)	13,209
Unaudited							
At 1 August 2013	102	4,280	1,472	383	7,034	(62)	13,209
Profit for the six month period ended 31 January 2014	-	-	-	-	1,715	-	1,715
Other comprehensive income/(expense)	-	-	-	-	-	(43)	(43)
Total comprehensive income	-	-	-	-	1,715	(43)	1,672
Transactions with owners:							
Dividends	-	-	-	-	(102)	-	(102)
Exercise of share options	-	5	-	-	-	-	5
Share based payment charges	-	-	-	148	-	-	148
At 31 January 2014	102	4,285	1,472	531	8,647	(105)	14,932

Tracsis plc**Condensed consolidated interim statement of cash flows
for the six months ended 31 January 2014**

	Unaudited Six months ended 31 January 2014 £'000	Unaudited Six months ended 31 January 2013 £'000	Audited Year ended 31 July 2013 £'000
Operating activities			
Profit for the period	1,715	1,312	2,104
Finance income	(20)	(43)	(75)
Finance expense	17	-	11
Depreciation	190	26	154
Amortisation of intangible assets	196	111	273
Income tax charge	543	390	486
Share based payment charges	148	80	189
Operating cash inflow before changes in working capital	2,789	1,876	3,142
Movement in inventories	(59)	(10)	-
Movement in trade and other receivables	(509)	(237)	(539)
Movement in trade and other payables	(587)	99	116
Cash generated from operations	1,634	1,728	2,719
Finance income	20	43	75
Finance expense	(17)	-	(11)
Income tax paid	(209)	(718)	(1,093)
Net cash flow from operating activities	1,428	1,053	1,690
Investing activities			
Purchase of plant and equipment	(174)	(6)	(75)
Acquisition of subsidiaries	-	-	(2,462)
Net cash flow used in investing activities	(174)	(6)	(2,537)
Financing activities			
Dividends paid	(102)	(87)	(162)
Proceeds from the exercise of share options	5	18	169
Hire purchase repayments	(74)	-	(95)
Net cash flow used in financing activities	(171)	(69)	(88)
Net increase/(decrease) in cash and cash equivalents	1,083	978	(935)
Effect of exchange fluctuations	(43)	-	(62)
Cash and cash equivalents at beginning of period	6,571	7,568	7,568
Cash and cash equivalents at end of period	7,611	8,546	6,571

Notes to the consolidated interim report

For the six months ended 31 January 2014

1 Basis of preparation

Tracsis plc (the 'Company') is a company domiciled in England. The condensed consolidated interim financial report of the Company as at and for the six months ended 31 January 2014 comprises the Company and its subsidiaries (together referred to as the 'Group'). The principal activity of the group is solving a variety of data capture, reporting and resource optimisation problems along with the provision of a range of associated professional services for passenger transport industries (see note 4).

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 July 2013, 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 2014 and 31 January 2013 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 2013 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 principal risks and uncertainties are unchanged for the remainder of the financial year, and are as disclosed on page 7 of the Annual Report & Accounts for the year ended 31 July 2013.

In summary, they are as follows:

- Government spending;
- Loss of key customers;
- Competition;
- Industry ownership, structure and franchise bidding process;
- Attraction and retention of key employees;
- History of intellectual property and associated risks;
- Market acceptances and customer contracts; and
- Product obsolescence

Further detail on each risk is provided in the Annual Report & Accounts for the year ended 31 July 2013.

The condensed consolidated interim financial information was approved for issue on 17 March 2014.

2 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 2013 and which will form the basis of the 2014 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 2013.

3 Changes in accounting policies

The following amendments to financial reporting standards were adopted from 1 August 2013, the start of the new financial year. None of them have had a significant impact on the Group:

- Amendment to IFRS 7: Financial Instruments Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- IFRS 13: Fair Value Measurement
- Amendment to IAS 1: Presentation of Financial Statements - comparative periods
- Amendment to IAS 16: Property, Plant and Equipment - servicing equipment
- Amendment to IAS 19: Employee Benefits – post employment benefits and termination benefits projects
- IAS 27: Separate Financial Statements
- IAS 28: Investments in Associates and Joint Ventures
- Amendment to IAS 32: Financial Instruments Presentation – tax effect of equity dividends
- Amendment to IAS 34: Interim Financial reporting – interim reporting of segment assets

4 Segmental analysis

The Group's revenue and profit was derived from its principal activity which is the solving a variety of data capture, reporting and resource optimisation problems along with the provision of a range of associated professional services.

In accordance with IFRS 8 'Operating Segments', the Group has made the following considerations to arrive at the disclosure made in these financial statements.

IFRS 8 requires consideration of the Chief Operating Decision Maker ("CODM") within the Group. In line with the Group's internal reporting framework and management structure, the key strategic and operating decisions are made by the Board of Directors, who review internal monthly management reports, budgets and forecast information as part of this. Accordingly, the Board of Directors are deemed to be the CODM.

Operating segments have then been identified based on the internal reporting information and management structures within the Group. From such information it has been noted that the CODM reviews the business as a single operating segment, receiving internal information on that basis. The management structure and allocation of key resources, such as operational and administrative resources, are arranged on a centralised basis. Due to the small size and low complexity of the business, profitability is not analysed in further detail beyond the operating segment level and is not divided by revenue stream.

The CODM reviews a split of revenue streams on a monthly basis and, as such, this additional information has been provided below.

	Six months ended 31 January 2014 £'000	Re-analysed Six months ended 31 January 2013 £'000	Year ended 31 July 2013 £'000
Revenue			
Software licences and post contract customer support	1,210	911	2,142
Rail consultancy and professional services	852	662	1,145
Data capture and passenger counting	5,417	523	4,124
Condition monitoring technology	2,361	2,614	3,420
Total revenue	9,840	4,710	10,831

Following the acquisition of Sky High plc in the previous year, the Group has represented the way revenues are presented. Some of the revenue in respect of the Group's existing passenger counting operations prior to the Sky High acquisition have been reclassified in the January 2013 comparatives.

A geographical analysis of revenue is provided below:

	Six months ended 31 January 2014 £'000	Six months ended 31 January 2013 £'000	Year ended 31 July 2013 £'000
United Kingdom	8,847	4,554	9,951
Australia	812	-	457
Rest of the World	181	156	423
Total	9,840	4,710	10,831

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

Information regarding the results of the reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance. There are no material inter-segment transactions, however, when they do occur, pricing between segments is determined on an arm's length basis. Revenues disclosed below materially represent revenues to external customers.

	Six months ended 31 January 2014		
	UK £000	Australia £000	Total £000
Revenues			
Total revenue for reportable segments	9,028	812	9,840
Consolidated revenue	9,028	812	9,840
Profit or loss			
Total profit or loss for reportable segments	2,767	22	2,789
Unallocated amounts:			
Share based payment charge	(148)	-	(148)
Depreciation	(145)	(45)	(190)
Amortisation of intangible assets	(196)	-	(196)
Interest receivable/payable(net)	9	(6)	3
Consolidated profit/(loss) before tax	2,287	(29)	2,258

Six months ended 31 January 2013

	UK £000	Australia £000	Total £000
Revenues			
Total revenue for reportable segments	4,710	-	4,710
Consolidated revenue	4,710	-	4,710
Profit or loss			
Total profit or loss for reportable segments	1,876	-	1,876
Unallocated amounts:			
Share based payment charge	(80)	-	(80)
Depreciation	(26)	-	(26)
Amortisation of intangible assets	(111)	-	(111)
Interest receivable/payable(net)	43	-	43
Consolidated profit/(loss) before tax	1,702	-	1,702

Year ended 31 July 2013

	UK £000	Australia £000	Total £000
Revenues			
Total revenue for reportable segments	10,374	457	10,831
Consolidated revenue	10,374	457	10,831
Profit or loss			
Total profit or loss for reportable segments	3,422	(55)	3,367
Unallocated amounts:			
Share based payment charge	(189)	-	(189)
Other exceptional items	(225)	-	(225)
Depreciation	(129)	(25)	(154)
Amortisation of intangible assets	(273)	-	(273)
Interest receivable/payable(net)	67	(3)	64
Consolidated profit/(loss) before tax	2,673	(83)	2,590

31 January 2014

	UK £'000	Australia £000	Total £000
Assets			
Total assets for reportable segments	13,112	752	13,864
Unallocated assets – intangible assets	5,871	-	5,871
Consolidated total assets	18,983	752	19,735
Liabilities			
Total liabilities for reportable segments	3,301	523	3,824
Unallocated liabilities – deferred tax	979	-	979
Consolidated total liabilities	4,280	523	4,803

	31 January 2013		Total £000
	UK £'000	Australia £000	
Assets			
Total assets for reportable segments	10,754	-	10,754
Unallocated assets – intangible assets	4,135	-	4,135
Consolidated total assets	14,889	-	14,889
Liabilities			
Total liabilities for reportable segments	2,475	-	2,475
Unallocated liabilities – deferred tax	658	-	658
Consolidated total liabilities	3,133	-	3,133

	31 July 2013		Total £000
	UK £'000	Australia £000	
Assets			
Total assets for reportable segments	11,622	650	12,272
Unallocated assets – intangible assets	6,067	-	6,067
Consolidated total assets	17,689	650	18,339
Liabilities			
Total liabilities for reportable segments	3,858	226	4,084
Unallocated liabilities – deferred tax	1,046	-	1,046
Consolidated total liabilities	4,904	226	5,130

5 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the Half Year to 31 January 2014 was based on the profit attributable to ordinary shareholders of £1,715,000 (Half Year to 31 January 2013: £1,312,000, Year ended 31 July 2013: £2,104,000) and a weighted average number of ordinary shares in issue of 25,536,000 (Half Year to 31 January 2013: 24,847,000, Year ended 31 July 2013: 24,982,000), calculated as follows:

Weighted average number of ordinary shares

In thousands of shares

	Six months ended 31 January 2014	Six months ended 31 January 2013	Year ended 31 July 2013
Issued ordinary shares at start of period	25,526	24,839	24,839
Effect of shares issued related to business combinations	-	-	70
Effect of shares issued for cash	10	8	73
Weighted average number of shares at end of period	25,536	24,847	24,982

Diluted earnings per share

The calculation of basic earnings per share for the Half Year to 31 January 2014 was based on the profit attributable to ordinary shareholders of £1,715,000 (Half Year to 31 January 2013: £1,312,000, Year ended 31 July 2013: £2,104,000) and a weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares of 26,647,000 (Half Year to 31 January 2013 25,911,000, Year ended 31 July 2013: 25,827,000):

In addition, adjusted EBITDA* is shown below on the grounds that it is a common metric used by the market in monitoring similar businesses.

	Six months ended 31 January 2014	Six months ended 31 January 2013	Year ended 31 July 2013
	£'000	£'000	£'000
Adjusted EBITDA*	2,789	1,876	3,367
Basic adjusted EBITDA* per share	10.92p	7.55p	13.48p
Diluted adjusted EBITDA* per share	10.47p	7.24p	13.04p

* Earnings before finance income, tax, depreciation, amortisation, exceptional items and share-based payment charges.

6 Seasonality

The Group offers a range of products and services within its overall suite, meaning that revenues can fluctuate depending on the status and timing of certain sales. Some of these are exposed to high levels of seasonality: for example the data capture and counting revenues are derived from work taking place at certain times of the year, and revenues from condition monitoring are also driven by the size and timing of significant orders received from major customers. Similarly, the timing of software licence renewals and new sales along with consultancy offerings can also impact on when work is performed, revenues are delivered and therefore recognised. As such, the overall Group remains exposed to a high degree of seasonality throughout the year and reporting period.

7 Dividends

As part of the Group's commitment to a progressive dividend policy adopted in 2012, the Directors recommend an interim dividend payment of 0.35p per share, with a total value of £89,378 based on the number of shares in issue at the date of this interim report.

The cash cost of the dividend payments made is shown below:

	Six months ended 31 January 2014 £000	Six months ended 31 January 2013 £000	Year ended 31 July 2013 £000
Final dividend for 2011/12 of 0.35p per share paid	-	87	87
Interim dividend for 2012/13 of 0.30p per share paid	-	-	75
Final dividend for 2012/13 of 0.40p per share paid	102	-	-
Total dividends paid	102	87	162

The dividends paid or proposed in respect of each financial year is as follows:

	Year ending 31 July 2014 £000	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Interim dividend for 2011/12 of 0.20p per share paid	-	-	48
Final dividend for 2011/12 of 0.35p per share paid	-	-	87
Interim dividend for 2012/13 of 0.30p per share paid	-	75	-
Final dividend for 2012/13 of 0.40p per share paid	-	102	-
Interim dividend for 2013/14 of 0.35p per share proposed	89	-	-

8 Related party transactions

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

Group

	Purchase of			Amounts owed to		
	goods and services			related parties		
	H1 2014	H1 2013	FY 2013	H1 2014	H1 2013	FY 2013
	£'000	£'000	£'000	£'000	£'000	£'000
Leeds Innovation Centre Limited	35	45	80	6	6	6

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.

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 Interim Financial Reporting 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:	John McArthur (Chief Executive Officer) Max Cawthra (Group Finance Director) John Nelson (Non-Executive Director) Charles Winward (Non-Executive Director) Sean Lippell (Non-Executive Director) – appointed 1 November 2013
Company Secretary:	Max Cawthra