

16 March 2006

Intermodal Resource plc
Preliminary announcement of results for the year ended 31 December 2005

2005 Highlights

- Strong revenue and profit performance, revenues up 120% with EBITDA up 64%.
- A year of significant strategic achievement including the successful acquisition of Tailored Hire
- Continued growth of UK fleet from 12 to 505
- Increase in utilisation of German fleet to 92.4%
- Strengthened balance sheet and reduced gearing
- Successful launch of Assetcare, the trailer rental industry's first online maintenance service
- Expansion of infrastructure has created platform for anticipated future growth

Financial Summary

	2005 £000 (Audited)	2004 £000 (Unaudited proforma)	% Change
Turnover	5,186	2,361	+ 120
EBITDA	1,565	952	+ 64
Profit before exceptionals and amortisation	505	315	+ 60
Basic earnings per share (p)	0.74	-	-
Gearing	110%	132%	-22

*Since the Group was only formed in August 2004, in order that an annualised comparison of results and a comparison of financial position can be made, unaudited profit and loss account information is used for the year ended 31 December 2004.

Robert Montague, Chief Executive of Intermodal Resource plc, commented:

"I am delighted that Intermodal Resource has delivered further growth in both its UK and German operations. In the UK, we continued to drive strong organic growth, augmented by acquisition. In Germany, Axis delivered a robust performance driven by improved utilisation levels.

"The businesses are well placed for further growth and the securing of additional new contracts. Looking ahead, we have a clear vision for the Group and look forward to reporting further progress in 2006."

Enquiries:

Intermodal Resource plc

01993 883148/07795 085808

Robert Montague, Chief Executive Officer
 Sharan Huliati, Communications Executive

INTERMODAL RESOURCE PLC

JOINT STATEMENT OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

We are pleased to report a period of growth for the Group in 2005. Group profits on a proforma comparable basis (before exceptionals and amortisation) were up 60% driven by improved utilisation levels at Axis, the acquisition of Tailored Hire and increased activity in the UK businesses.

Our objective remains to expand our contract hire business in the UK and Europe in a low risk manner, generating positive cash flow and minimising our residual value exposure. This approach differs from our competitors' business models in this industry.

Our strategy, combined with the continuing demand for contract hire equipment, means the Group is well positioned to continue to grow strongly in 2006.

Review of operations

Axis

Revenues at the German business, Axis, increased during the year largely as a result of an improvement in utilisation levels to 92.4 per cent.

We continue to increase the number of long term contracts and these now represent in excess of 70 per cent of Axis' revenues. A strong emphasis on customer service and an advanced understanding of their requirements has led to a high renewal rate of existing contracts.

As with previous years, we have disposed of a number of older chassis and introduced further new units, thereby lowering the average age of the chassis fleet. However, focus will remain on the growth of the swapbody fleet, as we see this as the key driver for expansion going forward.

We have almost completed the refurbishment programme of our older swapbodies lengthening units from 7.15m to the client preferred 7.45m. There will be some continuation of this in 2006 but the emphasis will be on the acquisition of new equipment in line with the expected increase in demand.

In January 2005 the 'MAUT' toll was introduced in Germany for freight transported by road. This has further encouraged the use of rail and barge transport facilities and increased the demand for intermodal equipment such as swapbodies.

Axis' enhanced profile, highly developed understanding of the industry and improving trading conditions indicate that the business will continue to grow in 2006.

United Kingdom

In the UK we now operate a fleet of 217 road trailers and 288 trucks following the acquisition and successful integration of Tailored Hire in July. The development of the UK business has not only broadened our market appeal but extended our commercial relationships to include Dennison trailers as well as several other truck manufacturers.

Approximately 450,000 trucks above 7.5 tonnes are in commercial use in the UK today. Of these, approximately 81,000 are either rented or on contract hire. Additionally, there are approximately 190,000 trailers currently operated by UK based companies and some 16,000 of these are replaced every year. Approximately 30 per cent of all UK trailers are rented and therefore there is ample opportunity for TrILERent and Tailored Hire to achieve their targets for the current year. We continue to focus on long term contracts of typically between three and five years duration.

In the first two months of 2006, the Group has secured contracts to increase the UK fleet by 57 units.

During the year Assetcare developed its unique online facility. Assetcare has proved a great success with the majority of Trailerent's customers opting for the maintenance package. Looking forward, and following the acquisition of the minority interest, we plan to extend the success of Assetcare by marketing its services to third parties.

Board Changes

As a result of the growth of the Group we are pleased to report the appointment of Andrew Frome as a director and he will assume the role of Group Finance Director with effect from 1 April 2006. Andrew brings with him a wealth of experience gained in both financial and operational roles.

We would like to take this opportunity to thank Stephen Ball for his efforts as Group Finance Director and look forward to his continuing involvement as an Executive Director.

Outlook

The Group is now well established and positioned to grow in 2006. Despite the unpredictable ordering patterns we are seeing as a result of current market conditions within the UK trailer contract hire industry, we are convinced that the combination of our team, knowledge, partnerships, products and services will enable us to reach our targets in both the UK and mainland Europe. In line with our strategy, we look forward to continuing to drive our businesses forward through both acquisition and organic growth and remain focused on increasing profitability and shareholder value.

Christopher Rogers
Chairman

Robert J Montague CBE
Chief Executive Officer

15 March 2006

INTERMODAL RESOURCE PLC

FINANCIAL REVIEW

Profit and loss account

Year ended 31 December

	Audited	Audited	Unaudited
	2005	2004	proforma
	£000	£000	2004
			£000
Turnover	5,186	1,086	2,361
Profit before interest tax depreciation and amortisation	1,565	285	952
Net interest	(271)	(79)	(208)
Depreciation	(789)	(178)	(429)
Profit before exceptionals and amortisation	505	28	315
Exceptional items	-	-	358
Amortisation	(116)	(28)	(28)
Profit before tax	389	-	645
Tax	(14)	-	233
Profit after tax	375	-	878
Equity minority interests	1	-	-
Retained profit	376	-	878

Since the Group was only formed in August 2004 in order that an annualised comparison of results can be made, unaudited profit and loss account information is used for the year ended 31 December 2004 as well as audited statutory information.

Trading analysis

Group turnover has increased to £5,186,000 with profit before exceptionals and amortisation increasing to £505,000.

During 2005 Group overheads have increased due to additional costs associated with both expansion and the acquisition and subsequent integration of Tailored Hire. This strengthening of infrastructure has created a solid platform for future growth and enhanced shareholder value.

Interest cover has increased to 2.9x.

Balance sheet

At 31 December

	2005	2004
	£000	£000
Fixed assets	6,515	4,232
Debtors	1,386	208
Cash	4	6
Creditors and accruals	(1,356)	(761)
Debt - short term	(2,457)	(1,206)
Long term debt and provisions	(2,696)	(1,645)
	1,396	834
Goodwill	3,121	1,327
Net assets	4,517	2,161

Balance sheet

The overall net asset position has improved substantially during 2005, as a result of the issue of equity share capital in March and July and with the benefit of the retained profit for the year. This has resulted in a reduced gearing ratio of 110 per cent (2004: 132 per cent).

Bank debt, loans and amounts due under finance leases have increased from £2,851,000 to £4,991,000 at 31 December 2005.

Whilst we continue to work with various banks in order to secure asset funding for our UK operations, a recent extension of our commercial relationship with Bank of Scotland Asset Finance through the signing of an agency agreement will enable the Group to fund a substantial proportion of the planned expansion of our UK truck and trailer businesses.

Acquisition

The acquisition of Tailored Hire Limited was completed in July 2005 at an overall cost of £2,149,000 and has been consolidated from that date.

Foreign exchange

The Group is exposed to fluctuations in the value of the Euro. Overseas trading results have been translated using a euro exchange rate of 1.455. The movement in the exchange rate during 2005 had a marginal impact on the results for the year.

Dividend

The Board's intention is for the Group to retain its earnings to finance the growth and expansion of its business. Accordingly they do not intend to pay a dividend for 2005.

Share price and earnings per share

The price of the Company's ordinary shares as quoted on AIM at the close of business on 31 December 2005 was 8.25p.

The basic earnings per share for 2005 amounted to 0.74pence (2004:nil).

INTERMODAL RESOURCE PLC
GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2005

	Year ended 31 Dec 05			1 Dec 03 to 31 Dec 04
	Continuing £000	Acquisitions £000	Total £000	£000
Turnover	2,767	2,419	5,186	1,086
Cost of sales	1,138	1,838	2,976	512
Gross profit	1,629	581	2,210	574
Administrative expenses				
- Other	1,222	212	1,434	467
- Amortisation of goodwill	68	48	116	28
Operating profit before taxation	339	321	660	79
Net interest payable			271	79
Profit on ordinary activities before taxation			389	-
Tax on profit on ordinary activities			14	-
Profit on ordinary activities after taxation			375	-
Equity minority interests			1	-
Profit for the financial year			376	-
Basic earnings per share - pence			0.74	-
Diluted earnings per share - pence			0.71	-

INTERMODAL RESOURCE PLC
GROUP BALANCE SHEET
As at 31 December 2005

	Group	Group
	2005	2004
	£000	£000
Fixed assets		
Intangible assets	3,121	1,327
Tangible assets	6,515	4,232
	9,636	5,559
Current assets		
Debtors	1,386	208
Cash at bank and in hand	4	6
	1,390	214
Creditors - amounts falling due within one year	3,813	1,967
Net current liabilities	(2,423)	(1,753)
Total assets less current liabilities	7,213	3,806
Creditors - amounts falling due after more than one year	2,534	1,645
Provision for liabilities	162	-
	4,517	2,161
Capital and reserves		
Called up share capital	2,943	2,038
Share premium account	1,070	123
Other reserve	180	-
Profit and loss account	325	-
Shareholders' funds	4,518	2,161
Equity minority interests	(1)	-
Capital employed	4,517	2,161

INTERMODAL RESOURCE PLC
GROUP CASH FLOW STATEMENT
For the year ended 31 December 2005

	Year ended 31 Dec 05 £000	Period from 1 Dec 03 to 31 Dec 04 £000
Net cash inflow from operating activities	1,128	429
Returns on investments and servicing of finance		
Interest received	1	1
Interest paid	(153)	(41)
Finance lease interest paid	(119)	(39)
Net cash outflow from investments and servicing of finance	(271)	(79)
Capital expenditure		
Purchase of tangible fixed assets	(750)	(115)
Sale of tangible fixed assets	444	197
Net cash (outflow) inflow from capital expenditure	(306)	82
Acquisitions and disposals		
Purchase of subsidiary undertakings	(1,849)	-
Net overdrafts acquired with subsidiary undertakings	(91)	(358)
Net cash outflow from acquisitions and disposals	(1,940)	(358)
Cash (outflow) inflow before financing	(1,389)	74
Financing		
Issues of shares	1,819	520
Expenses relating to issues of shares	(87)	(724)
Net movement on other loan finance	(63)	55
Net movement on bank loans	270	(69)
Capital element of finance leases	(714)	(208)
Net cash inflow (outflow) from financing	1,225	(426)
Decrease in cash	(164)	(352)
Movement in overdraft	91	358
Effect of exchange rate fluctuations	71	-
(Decrease) increase in cash at bank and in hand	(2)	6

INTERMODAL RESOURCE PLC

NOTES

1. Publication of non-statutory accounts

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The summarised balance sheet at 31 December 2005 and the summarised profit and loss account, summarised cash flow statement and associated notes for the year then ended have been extracted from the Group's 2005 statutory financial statements upon which the auditors opinion is unqualified and does not include any statement under Section 237 of the Companies Act 1985.

These financial statements have not yet been delivered to the registrar of companies.

2. Subsidiary undertakings

The subsidiary undertakings are owned directly by Intermodal Resource plc. All subsidiaries have been consolidated.

	Acquired	Date acquired	Nature of business
Trailerent Limited	100%	5 Aug 2004	Contract hire
Axis Intermodal GmbH (incorporated in Germany)	100%	6 Aug 2004	Contract hire
Tailored Hire Limited	100%	11 Jul 2005	Contract hire
Asset Care Transport Solutions Limited	51%	30 Sep 2004	Maintenance

The investment in Asset Care Transport Solutions Limited represents a subscription in 51 shares of £1 each.

The group has used acquisition accounting to account for the purchase of Tailored Hire Limited.

	Book value £000	Fair value adjustments £000	Fair value of net assets acquired £000
Tangible fixed assets	2,816	-	2,816
Debtors	908	(7)	901
Bank overdraft	(91)	-	(91)
Creditors	(532)	(106)	(638)
Finance leases	(2,556)	-	(2,556)
Provision for liabilities and charges	(193)	-	(193)
Net assets at date of acquisition	352	(113)	239
Goodwill arising			1,910
Consideration			2,149
Satisfied by:			
Cash			1,849
New issued shares			300
			2,149

INTERMODAL RESOURCE PLC

NOTES (cont.)

The consolidated results of Tailored Hire Limited after tax prior to acquisition were as follows:

	Period from 1 Apr 05 to 30 Jun 05 £000	Year ended 31 Mar 05 £000
Turnover	1,060	3,569
(Loss) profit on ordinary activities before taxation	(112)	317
Tax	-	(97)
Dividends	(525)	(150)
	(637)	70

The contribution of Tailored Hire Limited to group cash flows are summarised as follows:

	£000
Net cash inflow from operating activities	419
Net interest paid	(78)
Capital expenditure	(55)
Overdraft on acquisition	(91)
Financing	157
Increase in cash	352

3. Reconciliation of movement in shareholders' funds

	Share capital £000	Share premium £000	Other reserve £000	Profit and loss account £000	Total 2005 £000	Total 2004 £000
At 1 January 2005	2,038	123	-	-	2,161	-
Issued on share for share exchange	-	-	-	-	-	573
Issued pursuant to convertible loan agreements	-	-	-	-	-	1,792
AIM Listing expenses	-	-	-	-	-	260
Shares placed at AIM Listing	-	-	-	-	-	520
Issued - March 2005	231	369	-	-	600	-
Issued - July 2005 - to fund Tailored Hire acquisition	674	665	180	-	1,519	-
Net exchange adjustment relating to intercompany trade and investment in Axis Intermodal GmbH	-	-	-	(51)	(51)	-
Costs of issuing shares	-	(87)	-	-	(87)	(984)
Retained profit for the year	-	-	-	376	376	-
	2,943	1,070	180	325	4,518	2,161

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NOTES (cont.)

4. Net cash inflow from operating activities

	Year ended 31 Dec 05 £000	Period from 01 Dec 03 to 31 Dec 04 £000
Operating profit for the year	660	79
Depreciation	789	178
Amortisation of goodwill	116	28
(Profit) loss on sale of tangible fixed assets	(73)	11
(Increase) decrease in debtors	(277)	170
Decrease in creditors	(87)	(37)
	1,128	429

5. Reconciliation of net cash flow to movement in net debt

	Year ended 31 Dec 05 £000	Period from 01 Dec 03 to 31 Dec 04 £000
Decrease in cash for the year	(164)	(352)
Net movement on other loans	63	(55)
Net movement on bank loans	(270)	69
Cash outflow from finance leases	714	208
Change in net debt from cash flows	343	(130)
Exchange rate fluctuations	71	-
Finance leases acquired with subsidiary undertaking	(2,556)	(1,289)
Loans acquired with subsidiary undertaking	-	(1,426)
Movement in net debt in the year	(2,142)	(2,845)
Net debt at 1 January 2005	(2,845)	-
Net debt at 31 December 2005	(4,987)	(2,845)

6. Earnings per ordinary share

The calculation of the basic earnings per ordinary share is based upon the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

7. Annual Report

The annual report and financial statements will be posted to shareholders on, 31 March 2006. Further copies will be available after that date from the Company Secretary, 8 Fenlock Court, Lower Road, Long Hanborough, Oxfordshire, OX29 8LN

8. Annual General Meeting

The Annual General Meeting of Intermodal Resource plc will be held at 1 Westminster Way, Oxford OX2 0PZ on Thursday, 4 May 2006 at 11.00am.