



Axis Intermodal plc Preliminary Results

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Press Release

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Axis Intermodal plc (‘Axis’ or ‘the Group’)

Preliminary Announcement of results for the period to 31 December 2007

Axis Intermodal plc, the European transport equipment and marine container contract hire group, today announces its preliminary results for the year ended 31 December 2007.

Period highlights

- Launch of the company’s new marine container division, SeaAxis
- UK and German fleet increased by 44%
- Revenue increased by 32% in 2007 to £12m (2006: £9m)
- Profit before tax and share based payment increased to £646,000 (2006: £601,000)
- Earnings per share remained constant at 0.85p
- Final dividend of 0.25p which represents a total dividend of 0.40p for the year (2006: 0.30p)
- Fleet under management has increased by £14.6 million
- Expansion of office network to include Hong Kong, Singapore, Shanghai and US, including the strengthening of activities in the Benelux, the Nordic countries Portugal and Spain

Commenting on the results, Robert J. Montague CBE, Executive Chairman of Axis Intermodal, said: “This year has seen positive growth across all our operations. We are delighted with the early indicators of success for SeaAxis, our new marine container division. We anticipate continued strong growth over the current financial year through both organic growth and appropriate acquisitions, should the opportunity arise. Above all, I feel strongly that working in partnership with our customers will always be the key to our success.”

– Ends –

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Editors' Notes:

- Axis Intermodal was established in 1995 to take advantage of the growing market for intermodal Swapbodies; it now manages over 10% of the 7.45m European Swapbody contract hire market
- The Company has over 250 customers in both the UK and Europe including DHL Exel, Geopost, Kerry Logistics, Dairy Farmers of Great Britain, Bookers Cash and Carry and Freightliners as well as the German, French and Swiss postal services
- SeaAxis is a division of Axis Intermodal plc. established to focus on specialist marine container leasing and to market the patented SeaCell² cellular palletwide container and other special containers such as reefers, flatracks and tank containers
- As well as agents in all the key European markets (Benelux, Scandanavia, Iberia, Italy, Germany and the UK), SeaAxis has now appointed an agent to oversee operations in the US and Caribbean
- SeaAxis also has offices in Hong Kong, Shanghai and Singapore

Axis Intermodal plc CHAIRMAN'S STATEMENT

Chairman's statement

This has been a very exciting year of opportunity and growth for the Group especially with the addition of the marine container division branded as Sea Axis following the grant of a worldwide licence for the very successful "SeaCell²" pallet wide container.

These opportunities have enabled the Group to expand its representation to include the Far East and the US plus, strengthening our activities in the Benelux and Nordic countries, Portugal and Spain.

Our funding partners have made available capital for the acquisition of trucks, trailers, swapbodies and containers for us to manage on their behalf and to meet our client's requirements.

All areas have performed well adding market share in conjunction with the strengthening of the Axis brand.

Review of Operations

Axis Germany

Axis Germany, based in Cologne, specialises in the contract hire of swap bodies with the swap body fleet increasing by 33% from 2,488 units to 3,296 during 2007 (at 25 April 2008, the fleet size had grown to 3,420 units) This investment of more than €5.7m has been financed by a German KG under further management agreements with Axis for a period of 12 years, on similar terms to those already in place.

Utilisation reached 93.5% during the year and total revenue increased by 8.8% with more than 61.5% of the swap body fleet operating under long term contracts.

Axis has been very successful to gain some of the large logistic companies as clients including DHL, DPD, Hellmann and Swiss postal services and continues to build these relationships, for example, concluding with DHL during the year a contract for a further 350 new swap bodies in customer specification under long term contract.

A full service package of maintenance and repairs is part of the contract hire agreement which includes a repair-time within 24 hours, daily inspection of equipment onsite, with highly flexible mobile service-vans. The customer is therefore able to concentrate on his "core-business" with Axis ensuring that units are maintained and comply with the German UVV regulations.

With this repair and service network and depots in Germany, Austria and Switzerland, Axis is well positioned in the market place and able to offer dedicated facilities to its customers.

Axis Germany services over 10% of the European swap body rental market (based on managements' knowledge of the market) and will continue to increase the swap body fleet in conjunction with its KG partners aiming to become one of the main rental companies for Intermodal equipment in Europe.

Axis UK

As forecast in the Interim statement, the UK performance for 2007 continued to make progress in line with expectations

The continued demand in Europe for Trucks and Trailers remains buoyant and manufacturer's deliveries now extend into Spring 2009. Our decision to forward order equipment has resulted in us being able to continue to supply customers with little or no lead in time. This has enabled us to substantially grow the fleet and our UK customer base. At 31 December 2007 the UK contract hire fleet stood at 1,168 units, which is a 93% increase for the year (at 25 April 2008, the fleet size had grown to 1,431 units, representing a growth of 23% on the year end fleet size). The customer base not only grew by 43% but the geographical spread of clients is now Cornwall to Scotland. The successful re-branding of the Axis UK products has greatly enhanced the industry's perception of Axis as a National and European brand.

We have successfully installed our upgraded Fleet Management System and allied to the growth of the fleet we have recruited additional experienced staff to the central customer services centre in Oxford. Whilst our focus has been on growth we can only continue to expand the brand if our back up service performs to the highest level. Our commitment to safeguard our customers' Operators Licence continues to be a top priority. With the introduction of digital technology the vehicle operator is now even more closely monitored by VOSA to further improve safety and environmental standards. We take very seriously our responsibility as the supplier of vehicles in ensuring our customers can be confident in the quality of maintenance we provide.

Our partnership approach with customers continues to bear fruit. Our Business managers continue to write profitable new business offering the latest equipment at a competitive price with top quality service. Repeat business and contracts gained by word of mouth recommendation is the most pleasing aspect of our continued success.

With production in place with our chosen manufacturers for 2008 into Spring 2009 we are well placed to meet the predicted future demand of the industry. We look forward with confidence to a further period of growth for the UK business.

SeaAxis

SeaAxis is the third primary business of the Group and was launched in December 2007 to lease marine containers worldwide. The business is based in the UK and operates from the Oxford Axis office.

The business will concentrate on the managing of specialised marine containers, in particular SeaCell² cellular palletwide boxes, SeaFresh refrigerated containers, SeaRack flatracks and Sea-Tank tank containers.

The Group has been given by the owners of the patented SeaCell² design an agreement to lease SeaCell²'s worldwide with only one other lessor holding a similar worldwide agreement and one other with a regional agreement that is restricted to Australasia. Our agreement gives Axis the right to lease and sell SeaCell²'s, which are a household name for cellular palletwide containers in the marine container market.

SeaCell²'s bring benefits to the users of containers as shippers can carry more cargo in each SeaCell² container than in a standard box. This reduces the cost of shipping cargo as each Seacell carries more freight and at the same time reduces the manufacturer's carbon footprint, as fewer SeaCell²'s are needed to carry the cargo.



Offices have been opened in London (for Iberia, Italy, UK/Ireland and South America), Hong Kong (for China and Far East) and agents appointed in Antwerp (for Benelux and France) and in Florida (for US and Caribbean).

Equipment has been ordered and deliveries will commence in April 2008.

Board Changes

Since the end of the financial year, I am very pleased to announce that Mr. Stephen Dexter previously Office Managing Partner of the Oxford office at Grant Thornton has agreed to join the Board as a Non Executive Director and will Chair the Audit Committee and also sit on the Remuneration Committee with George Canvin. Stephen brings a wealth of experience to the Company, having worked with many AIM listed companies and medium sized businesses.

Management and staff

We are a service business and dependant on the high standards of work ethic and efforts of all our management and staff. Without their dedication and commitment we would not be able to continue to develop and maintain such a high standard of service to our customers. I would like to record my and the Board's gratitude for their hard work.

Dividend

The Board, having considered the results for the year and the future for the business, recommends a final dividend of 0.25p producing a total dividend for the year of 0.40p (2006: 0.30p). An interim dividend was paid to shareholders of 0.15p per share. The final dividend subject to shareholders approval will be paid on 14 of July 2008 to those shareholders on the register on 23 June 2008.

Outlook

We continue to see tremendous opportunities for growth in all our markets in the current year. The ability to grow the business through working with our funding partners and managing assets on their behalf allows us to expand our fleet with little risk to our Balance Sheet.

Building growth in EPS and profits is our focus. The wealth of experience of our management team allows us to look forward with confidence to the future of the Company's continuing growth.

Robert J Montague CBE
Executive Chairman

29 April 2008

Axis Intermodal plc
FINANCIAL REVIEW

Income Statement

Year ended 31 December

	2007	2006
	£000	£000
Revenue	12,085	9,148
Profit before interest tax depreciation and share based payment	1,359	1,736
Net interest	(96)	(318)
Depreciation	(617)	(817)
Profit before tax and share based payment	646	601
Share based payment	(87)	(72)
Profit before tax	559	529
Tax	(60)	(26)
Profit after tax	499	503
Equity minority interests	-	(1)
Retained profit	499	502

The above figures have been prepared in accordance with the International Financial Reporting Standards (IFRS's) as adopted by the European Union.

Revenue in the Group has increased by 32% during the year reflecting the general growth in the Group's activities.

Group overheads have increased in the year due to additional costs associated with expansion with interest cover (based on profit before interest, tax and share based payment) increasing to 6.83 times (2006: 2.9 times).

Balance sheet

At 31 December	2007	2006
	£000	£000
Property, plant and equipment	3,289	2,564
Deferred tax asset	104	-
Trade receivables	4,515	2,422
Cash and cash equivalents	359	1,417
Trade and other payables	(1,702)	(2,370)
Debt - short term	(1,133)	(717)
Long term debt and provisions	(3,616)	(1,869)
Net assets before goodwill	1,816	1,447
Goodwill	3,519	3,519
Net assets	5,335	4,966

Gearing has increased to 43% from 14% arising from asset acquisitions and additional working capital requirements.

Fleet numbers

The fleet consisted of the following at 31 December 2007, compared with a year before.

	2007	2006
Swapbodies	3,296	2,488
Trailers	797	295
Trucks	371	309
Total	4,464	3,092



Since the year end, more than 380 units have been added to the overall fleet and in conjunction with our KG partners orders are in place for a further substantial increase to the overall fleet.

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 1.42.

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 2006 was 7.75p.

Basic earnings per share for 2007 amounted to 0.85p (2006 restated: 0.85p).

Axis Intermodal plc GROUP INCOME STATEMENT For the year ended 31 December 2007

	Year ended 31 Dec 07	Year ended 31 Dec 06
	£000	£000
Revenue	12,085	9,148
Cost of sales	(7,690)	(5,757)
Gross profit	4,395	3,391
Administrative expenses	(3,740)	(2,544)
Profit from operations	655	847
Net interest payable	(96)	(318)
Profit before tax	559	529
Tax on profit on ordinary activities	(60)	(26)
Profit on ordinary activities after taxation	499	503
Equity minority interests	-	(1)
Profit for the financial year	499	502
Basic and diluted earnings per share - pence	0.85	0.85

Axis Intermodal plc
GROUP BALANCE SHEET
As at 31 December 2007

	2007	2006
	£000	£000
Non-current assets		
Intangible assets	3,519	3,519
Property, plant and equipment	3,289	2,564
Deferred tax asset	104	-
	6,912	6,083
Current assets		
Trade and other receivables	4,515	2,422
Cash and cash equivalents	359	1,417
	4,874	3,839
Total assets	11,786	9,922
Equity		
Share capital	2,943	2,943
Share premium	1,070	1,070
Share-based premium reserve	218	131
Other reserves	180	180
Translation reserves	(79)	(49)
Retained earnings	1,003	691
Total Equity	5,335	4,966
Non-current liabilities		
Borrowings	748	-
Customer deposits	255	284
Deferred tax liabilities	157	46
Obligations under finance leases	2,456	1,539
	3,616	1,869
Current liabilities		
Trade and other payables	1,636	2,206
Current tax liabilities	66	164
Obligations under finance leases	574	717
Bank overdrafts	559	-
	2,835	3,087
Total Liabilities	6,451	4,956
Total Equity and Liabilities	11,786	9,922

Axis Intermodal plc
GROUP CASH FLOW STATEMENT
For year ended 31 December 2007

	Year ended 31 Dec 07 £000	Year ended 31 Dec 06 £000
Profit before taxation	559	529
Adjustments for:		
Depreciation	617	817
(Profit) on disposal of property, plant and equipment	(41)	(258)
Interest expense	112	322
Interest income	(16)	(4)
Share based payment	87	72
Operating cashflows before movement in working capital	1,318	1,478
(increase) in receivables	(2,093)	(1,021)
Increase / (decrease) in payables	(555)	806
Cash generated by operations before interest and taxation	(1,330)	1,263
Interest paid	(112)	(322)
Income taxes paid	(161)	(38)
Net cash (outflow) / inflow from operating activities	(1,603)	903
Investing activities		
Interest received	16	4
Proceeds in disposal of property, plant and equipment	288	4,895
Purchase of property, plant and equipment	(509)	(1,359)
Acquisition of subsidiary	-	(25)
Net cash from / (used in) investing activities	(205)	3,515
Financing activities		
Dividends paid	(187)	(77)
Other new loans raised	811	549
Repayments of other loans	(2)	(1,342)
Repayments of bank loans	(63)	(811)
Repayments of obligations under finance leases	(402)	(883)
Net cash from / (used in) financing activities	157	(2,564)
Net (decrease) / increase in cash and cash equivalents	(1,651)	1,854
Cash and cash equivalents at beginning of year	1,417	445
Effect of foreign exchange rate changes	34	8
Cash and cash equivalents at end of year	(200)	1,417

Axis Intermodal plc
NOTES TO PRELIMINARY ANNOUNCEMENT

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 2007 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 2007 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.

Basis of preparation

The financial information has been prepared on the basis of the accounting policies set out in the Group's 2007 financial statements, and have been prepared in compliance with EU Adopted International Financial Reporting Standards (IFRS).

2. Subsidiary undertakings

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

	Holding	Formed/ acquired	Nature of business
Trailerent Limited	100%	5 Aug 2004	Contract hire
Axis Intermodal GmbH (incorporated in Germany)	100%	6 Aug 2004	Contract hire
Asset Care Transport Solutions Limited	100%	30 Sep 2004	Maintenance
Irfin Limited	100%	3 Nov 2004	Contract hire
Axis Intermodal (UK) Limited	100%	11 Jul 2005	Contract hire

Axis Intermodal plc
NOTES TO PRELIMINARY ANNOUNCEMENT (cont.)

3. Reconciliation of movements in shareholders' funds

Group	Share capital	Share premium	Share-based payment reserve	Other reserves	Translation reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2006	2,943	1,070	59	180	-	266	4,518
Net profit for the period	-	-	-	-	-	503	503
Exchange differences on translation of overseas operations	-	-	-	-	(49)	-	(49)
Share options expensed	-	-	72	-	-	-	72
Dividends paid	-	-	-	-	-	(77)	(77)
Equity minority interests	-	-	-	-	-	(1)	(1)
Balance at 31 December 2006	2,943	1,070	131	180	(49)	691	4,966
Net profit for the period	-	-	-	-	-	499	499
Exchange differences on translation of overseas operations	-	-	-	-	(30)	-	(30)
Share options expensed	-	-	87	-	-	-	87
Dividends paid	-	-	-	-	-	(187)	(187)
At 31 December 2007	2,943	1,070	218	180	(79)	1,003	5,335

4. 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.

5. Annual Report

The annual report and financial statements will be posted to shareholders prior to 27 May 2007. Further copies will be available after that date from the Company Secretary, 15 Fenlock Court, Lower Road, Long Hanborough, Oxfordshire, OX29 8LN.

6. Annual General Meeting

The 2008 Annual General Meeting of Axis Intermodal plc will be held at 15 Fenlock Court, Long Hanborough, Oxfordshire, OX29 8LN on Tuesday, 24 June 2008 at 11.00am.