

# intermodalresource plc



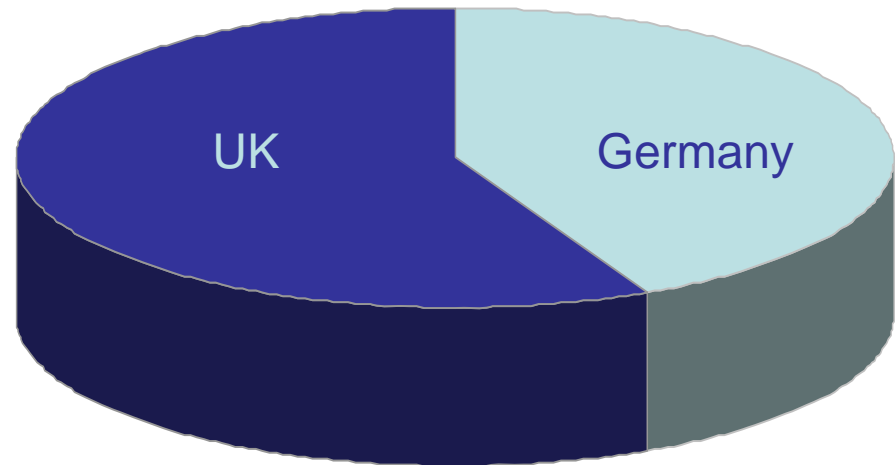
Preliminary Results **2005**

# Agenda

- Business Review
- Operational Highlights
- Financial Highlights
- Outlook
- Appendices

# Business Overview

- Intermodal Resource has operations based in the UK and Germany
- Germany – 44% of revenue
  - Axis
- UK – 56% of revenue
  - Trailerent
  - Assetcare
  - Tailored Hire



# UK Operations



Road Trailer  
Contract Hire  
Company

No residual value risk



Online Trailer  
Maintenance  
Service

First for trailer rental  
industry



Truck and Trailer  
Contract Hire  
Provider

No residual value risk

# German Operations



- Contract Hire and maintenance of intermodal swapbodies and extendable chassis
- Currently services approximately \*10 per cent of the European 7m swapbody rental market
- Over 100 customers including DFL, DFDS, Gefco and the German, French & Swiss postal services

\*Data source: Containerisation International

# Strategy

- To build the business in the UK and Europe in a low risk manner, generating strong cash flows and minimising residual value exposure
- Continue to provide customers with a first-class service and where possible using innovation and technology to create added value

# Key Strengths

- Proven management team, with extensive experience
- Favourable relationships with key suppliers
- Strong customer base
- Infrastructure in place to accommodate increasing demand for contract hire rather than purchase of equipment

# Operational Highlights

- Successful acquisition of Tailored Hire
- Expansion of UK fleet from 12 to 505
- Increased utilisation levels across the Group
- Successful launch of Assetcare
- Funding secured for future expansion of UK operations from Bank of Scotland through operating lease and residual value cover
- Strong demand for longer term contracts
- Strengthened Board and management team

# Financial Highlights

- Revenues up 120% driven by increased fleet in the UK
- Strengthened balance sheet following the issue of further shares
- EBITDA up 64% to £1.565m (2004: £0.952m)
- EBITDA margin 30%
- Basic EPS 0.74p (2004: 0p)
- Gearing reduced by 22% to 110% (2004: 132%)
- Interest cover increased to 2.9x

\*Pro forma unaudited information is used for 2004

# Profit & Loss Account

	<b>2005</b> <b>£000</b> <b>(Audited)</b>	<b>2004</b> <b>£000</b> <b>(Unaudited proforma)</b>
Turnover	5,186	2,361
Profit before interest tax depreciation and amortisation	1,565	952
Net interest	(271)	(208)
Depreciation	(789)	(429)
Profit before exceptionals and amortisation	505	315
Exceptional items	-	358
Amortisation	(116)	(28)
Profit before tax	389	645
Tax	(14)	233
Profit after tax	375	878
Equity minority interests	1	0
<b>Retained profit</b>	<b>376</b>	<b>878</b>

# Summary Balance Sheet

	<b>31<sup>st</sup> December 2005 £000</b>	<b>31<sup>st</sup> December 2004 £000</b>
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 & provisions	(2,696)	(1,645)
	1,396	834
Goodwill	3,121	1,327
<b>Net assets</b>	<b>4,517</b>	<b>2,161</b>

# Summary Cash Flow

	Year ended 31 Dec 05 £000	Period from 01 Dec 03 to 31 Dec 04 £000
<b>Net cash inflow from operating activities</b>	<b>1,128</b>	<b>429</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	1	1
Interest paid	(153)	(41)
Finance lease interest paid	(119)	(39)
<b>Net cash outflow from investments and servicing of finance</b>	<b>(271)</b>	<b>(79)</b>
<b>Net cash (outflow) inflow from capital expenditure</b>	<b>(306)</b>	<b>82</b>
<b>Net cash outflow from acquisitions and disposals</b>	<b>(1,940)</b>	<b>(358)</b>
<b>Cash (outflow) inflow before financing</b>	<b>(1,389)</b>	<b>74</b>
<b>Net cash inflow (outflow) from financing</b>	<b>1,225</b>	<b>(426)</b>
<b>Decrease in cash</b>	<b>(164)</b>	<b>(352)</b>
Movement in overdraft	91	358
Effect of exchange rate fluctuations	71	-
<b>(Decrease) increase in cash at bank and in hand</b>	<b>(2)</b>	<b>6</b>

# Outlook

- Continued expansion of customer base
- Cross marketing and sales in the UK
- Continued product innovation
- Growth both organically and through selective acquisition
- A number of contracts secured since year end
- Assetcare now wholly owned by Intermodal Resource



# Appendices

# Appendix 1 – Our History

- 1995            Axis established
- 2003            Trailarent incorporated (Sep)  
                      Intermodal Resource formed (Dec)
- 2004            Trailarent commences operations (April)  
                      Admission to AIM (August)
- 2005            Launch of Assetcare (Jan)  
                      Acquisition of Tailored Hire Limited (July)  
                      Launch of Assetcare online portal (Nov)

# Appendix 2 - European Swapbody Market

- A swapbody is a steel freight container designed for use on road, rail and barge without national registration requirement.
- Total swapbodies operating in Europe have increased 400% since 1996
- The 7 metre swapbody market continues to grow at 8% annually
- Growth in European swapbody market driven by
  - expanding EU
  - EU policy directed at encouraging movement of goods from road to rail & barge
  - the German toll system (Maut)
  - growing parcel delivery requirement through internet shopping and de-franchising of postal services

# Appendix 3 - Axis Business Model

- Business is scaleable:
  - low fixed overheads
  - infrastructure in place to run a much larger fleet
  - increased utilisation increases revenues and profits
- Margin enhancement via:
  - extension of working life through refurbishment
  - swapbodies can remain in commercial use for 15+ years
  - refurbishment and purchase of second-hand units
- Long-term contracts resulting from a high degree of service and customer satisfaction

# Appendix 4 – UK Truck and Trailer Market

- Road transport to remain pre-eminent movement of UK freight
- 93% of all goods delivered are via road network
- Estimated 81,000 trucks and 57,000 trailers are rented in the UK
- Major competitors have ageing rental fleets with unsustainable depreciation policy
- UK rental customers increasingly demanding new equipment for long-term contracts

# Appendix 5 – Trailerent and THL Business Model

- Long term contract hire only
- Equipment financed on operating lease
- Blue chip customer base
- High contract renewal rate



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