

28th September 2006

INTERMODAL RESOURCE PLC
(“Intermodal” or “the Group”)

Interim Results
for the six months ended 30 June 2006

Intermodal Resource plc, the European transport equipment contract hire group, today announces its unaudited interim results for the six months ending 30 June 2006.

Group Highlights:

- Turnover up by 247 % to £4.24 million (2005: £1.22 million)
- EBITDA before exceptional items up by 97% to £875,000 (2005: £445,000)
- Operating profit, before exceptional items, of £202,000 up 16% (2005:£174,000)
- Agreement reached to sell Axis Intermodal Deutschland GmbH (Axis) swapbody fleet at a surplus to net book value of £450,000 in return for entering into a 12 year management contract
- Continued growth of the German and UK businesses
- Restructuring and integration of UK businesses undertaken to deliver efficiencies and a stronger sales resource
- Assetcare successfully established as the customer service arm to the UK contract hire businesses
- Maiden interim dividend of 0.13p per ordinary share to be paid

Robert Montague, Chief Executive Officer, commented:

“We are encouraged by the strong performance from Axis and its management team’s ability to seize the opportunities being created by the recovery of the German economy.

Although the recently acquired UK contract hire business of Tailored Hire Ltd underperformed in the first-half of the year we have taken the necessary steps to maximise the efficient running of these operations which is expected to lead to improved performance in the second half of the year.

The successful sale of the Axis swapbody fleet, and the setting up of a 12 year agreement to manage it, has strengthened and de-risked our balance sheet increasing our ability to grow the business going forward.”

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INTERMODAL RESOURCE PLC

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S STATEMENT

We are pleased to report an increase in revenue in the first half of 2006 driven by the strong performance of our German business. The acquisition last year of Tailored Hire proved to be challenging for the UK contract hire business, requiring major restructuring during the first six months, followed by its integration with our Trailerent business.

We continue to focus on building the business in a risk-free manner, today completing the sale of our Axis swapbody fleet on the back of a 12 year management agreement. This has strengthened our balance sheet, eliminating our exposure in Axis to residual value risk and substantially increasing our ability to grow the business.

On 12 July 2006 the Group was reclassified to the Support Services Sector of the London Stock Exchange by the FTSE Global Classification Committee. This change of stock market sector classification properly recognises that Intermodal Resource's business is to provide high quality customised contract hire and maintenance management to its customers.

Financial Results

Turnover for the period was £4.24 million (2005: £1.22 million) on which the Group achieved an operating profit before interest and exceptional items of £202,000 (2005: £174,000).

After exceptional costs associated with the relocation and restructuring of the UK businesses of £98,000 (2005: Nil) and interest of £166,000 (2005: £96,000) a loss before tax of £62,000 (2005: profit of £78,000) resulted.

Review of Operations

Germany

Axis benefited from a good demand for its equipment and utilisation is currently running at 96%. Continuing demand for our swapbodies gave us confidence to order 600 new units for delivery starting in the second half of the year. These new units will increase the fleet by approximately 26%.

Business activity in Germany continues to strengthen and your Board is confident that Axis is well placed to take advantage of the opportunities this affords. New contracts and extensions to existing ones were secured with several major high profile customers including DHL, General Logistics Systems (GLS), and Steinle GmbH, a subsidiary of DFDS.

In May 2006 the Board appointed Heiner Mangels as Managing Director of Axis. Heiner's leadership allied to the expertise of the existing team will play a key part in securing new business throughout Europe.

United Kingdom

Demand for both trucks and trailers remains slow exacerbated by the enforced changes to truck specifications following the European Emissions Standard which comes into effect in October 2006. Consequently many new customer orders have been delayed.

Despite that, new contracts generating revenue of £3.7million over the life of the contracts were secured and the UK fleet has grown by 15% to 582 units. New customers included Interfloor, Dairy Farmers and Londis.

Tailored Hire underperformed in the first six months, delivering below target results. Following an internal review of the business two members of Tailored Hire's senior management left the company and the servicing and maintenance functions were transferred to Assetcare.

We completed the acquisition of the remaining 49% of Assetcare on 1 March 2006 which has now taken over all of the service and maintenance functions for the entire UK fleet.

Sale of Axis Swapbody fleet and the signature of a management contract.

The Group's strategy to de-risk exposure to residual asset values and gearing resulted in the decision to sell the Axis swapbody fleet to Unitas Containers Ltd ("Unitas") for a cash consideration of €6.2 million (£4.1 million) realising a surplus of £450,000 to the book value of £3.65 million. In conjunction with the sale of the swapbody fleet, Axis has entered into a management arrangement with Unitas to manage the fleet for 12 years. After repayment of Axis debt and costs associated with the sale, a net surplus of approximately £1.5 million will provide a strong base for new investment and augment the Group's working capital position.

Under the terms of the management agreement Axis will earn a fee based upon a percentage of the gross revenues together with procurement and disposal fees on all new additions and disposals.

The agreement also provides for further expansion of the fleet by 1200 units in the coming year of which 600 have already been ordered, as mentioned above. The impact on Group profits before tax in 2007 is anticipated to be broadly neutral and earnings enhancing from 2008.

Dividend

Following the conclusion of the aforementioned Axis swapbody transaction the Board intends to declare payment of the Group's first interim dividend of 0.13p per ordinary share and looks forward to further dividend payments.

Outlook

Following the restructuring of the UK operation and the immediate impact of the Axis swapbody transaction the outcome for the year, excluding the exceptional gain on the sale of the fleet, is now going to be below current market expectations. The Group is well positioned to take advantage of an upturn in business in the second half of the year and we remain focused on increasing profitability and shareholder value driving our business forward through organic growth and strategic acquisitions utilising our strengthened balance sheet to develop new investment opportunities.

The sale of the Axis swapbody fleet and the setting up of a new management contract for them represents a new approach and is expected to prove a highly successful business model.

The Board is confident its actions will deliver improved shareholder value in the second half of the year and further growth in subsequent years.

Robert J Montague CBE
Chief Executive Officer

Christopher Rogers
Chairman

Intermodal Resource plc

Interim Report 2006

Consolidated profit and loss account

	Six months ended 30 June 2006	Six months ended 30 June 2005 <i>restated</i>	Year ended 31 December 2005 <i>restated</i>
	Unaudited £000	Unaudited £000	Audited £000
Turnover	4,240	1,221	5,186
Cost of sales	2,777	460	2,976
Gross profit	1,463	761	2,210
Administrative expenses	1,141	535	1,434
Amortisation of goodwill	82	35	116
Share based payment	38	17	47
Exceptional non recurring items	98	-	-
Total administrative expenses	1,359	587	1,597
Operating profit	104	174	613
Net interest payable	166	96	271
(Loss) Profit on ordinary activities before taxation	(62)	78	342
Tax on profit on ordinary activities	-	-	(14)
Equity minority interests	-	-	1
Retained (loss) profit for the period	(62)	78	329
Basic (loss)/earnings per share (pence)	(0.11)	0.18	0.65
Diluted (loss)/earnings per share (pence)	(0.11)	0.17	0.62

Statement of total recognised gains and losses

	Six months ended 30 June 2006	Six months ended 30 June 2005	Year ended 31 December 2005
	Unaudited £000	Unaudited £000	Audited £000
(Loss) Profit for the financial period	(62)	78	329
Foreign exchange movements	(10)	(52)	(51)
Total gains and losses recognised since last financial	(72)	26	278

All activities are continuing.

Consolidated balance sheet

	30 June 2006	30 June 2005	31 December 2005
	Unaudited £000	<i>restated</i> Unaudited £000	<i>restated</i> Audited £000
Fixed assets			
Intangible assets	3,064	1,292	3,121
Tangible assets	5,812	3,919	6,515
	8,876	5,211	9,636
Current assets			
Debtors	1,645	379	1,386
Cash at bank and in hand	6	8	4
	1,651	387	1,390
Creditors - amounts falling due within one year	3,551	1,736	3,813
Net current liabilities	(1,900)	(1,349)	(2,423)
Total assets less current liabilities	6976	3,862	7,213
Creditors - amounts falling due after more than one year	2,330	1,076	2,534
Provision for liabilities	162	-	162
	4,484	2,786	4,517
Capital and reserves			
Called up share capital	2,943	2,269	2,943
Share premium account	1,070	474	1,070
Share-based payment reserve	97	29	59
Other reserve	180	-	180
Profit and loss account	194	14	266
	4,484	2,786	4,518
Equity minority interest	-	-	(1)
	4,484	2,786	4,517

Consolidated cash flow statement

	Note	Six months ended 30 June 2006 Unaudited £000	Six months ended 30 June 2005 Unaudited £000	Year ended 31 December 2005 Audited £000
Net cash inflow from operating activities	5	846	125	1,128
Returns on investments and servicing of				
Interest received		1	1	1
Interest paid		(96)	(70)	(153)
Finance lease interest paid		(71)	(27)	(119)
Net cash outflow from investments and servicing of		(166)	(96)	(271)
Capital expenditure				
Purchase of tangible fixed assets		(676)	(129)	(750)
Sale of tangible fixed assets		776	156	444
Net cash inflow from capital expenditure		100	27	(306)
Acquisitions and disposals				
Purchase of subsidiary undertakings		(25)	-	(1,849)
Net overdrafts acquired with subsidiary		-	-	(91)
Net cash outflow from acquisitions and		(25)	-	(1,940)
Cash inflow before financing		755	56	(1,389)
Financing				
Issue of shares		-	600	1,819
Expenses relating to the issue of shares		-	(19)	(87)
Net movement on other loan finance		150	45	(63)
Net movement on bank loans		(149)	(329)	270
Capital element of finance leases		(859)	(267)	(714)
Net cash inflow (outflow) from financing		(858)	30	1,225
Net (decrease) increase in cash		(103)	86	(164)
Movement in overdraft		115	(20)	91
Effect of exchange rate fluctuations		(10)	(64)	71
(Decrease) Increase in cash at bank and in		2	2	(2)

Notes to the interim financial statements

1 Preparation of the interim financial

The unaudited results for the six months ended 30 June 2006 have been prepared in accordance with applicable UK accounting standards. The accounting policies applied are those set out in the Group's annual report and accounts for the year ended 31 December 2005 with the exception that FRS 20 "Share Based Payments" has been adopted in the interim financial statements.

In accordance with FRS 20, the fair value of equity-settled share-based payments is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Company's estimate of the options that will eventually vest. The adoption of FRS 20 has resulted in a charge to the profit and loss account of £38,000.

Following the adoption of FRS 20, a prior year adjustment has been made which results in a decrease in the profit and loss reserve brought forward at 1 January 2006, and the creation of a share-based payment reserve, of £59,000. The profit and loss account for the period 30 June 2005 and the year ended 31 December 2005 have been restated for charges of £17,000 and £47,000.

The figures for the year ended 31 December 2005 have been extracted from the Annual Report and Financial Statements which have been with the Registrar of Companies, amended for the adoption of FRS 20. The auditor's report on those accounts was unqualified and did not contain any statements under Section 237(2) or (3) of the Companies Act 1985. The financial information set out in this interim report does not constitute statutory financial information within the meaning of Section 240 of the Companies Act

The interim financial information has been neither audited nor reviewed by the Company's auditor.

2 Earnings per share

The calculation of the basic and diluted loss per share is based on a loss on ordinary activities after tax of £62,000 at 30 June 2006 (profit of £78,000 at 30 June 2005) and weighted average number of issued shares of 58,856,842. As the average share price during the period has been less than strike prices there is no dilutive effect of securities.

3 Post balance sheet event

On 28th September 2006, it was agreed that the swap body assets of Axis Intermodal Gmbh (Axis) be sold to Unitas Containers Ltd for a consideration of € 6.2 million. A new management contract was entered into on that date whereby Axis undertakes to manage and operate the fleet of swapbodies for an annual management fee.

4 Dividend

The directors' intention is to declare an interim dividend following completion of the sale of assets referred to in note 3 This will be paid on 30 November 2006 to shareholders on the register as at the close of business on 10 November 2006

5 Reconciliation of operating profit to

	Six months ended 30 June 2006 Unaudited	Six months ended 30 June 2005 Unaudited £000	Year ended 31 2005 Audited £000
Operating profit	104	174	613
Amortisation of goodwill	82	35	116
Share option charge	38	17	47
Depreciation	553	219	789
	777	445	1,565
Loss on sales of fixed assets	50	(9)	(73)
Increase in debtors	(259)	(171)	(277)
Increase(decrease) in creditors	278	(140)	(87)
Net inflow from operating activities	846	125	1,128

6 Copies of interim report

Copies of the interim statement will be sent to shareholders. Further copies will be available from the company secretary at 8 Fenlock Lower Road, Long Hanborough, Oxfordshire OX29 8LN.