



27th April 2007

Axis Intermodal plc

Preliminary results for the year ended 31 December 2006

Axis Intermodal (“Axis”, “the Group” or “the Company”), the European transport equipment contract hire group, today announces audited preliminary results for the year ended 31 December 2006.

Corporate highlights

- Sale of the majority of the German swapbody fleet to a German investment fund – the first contract of its type
- Merger of the UK subsidiaries Trailerent, Tailored Hire and Assetcare under the Axis Intermodal brand
- Restructuring creates UK and German businesses under one brand

Financial highlights

- German financing transaction significantly strengthens balance sheet and substantially reduces gearing
- Turnover increased by 76.4% to £9.1m (2006: £5.2m)
- Profit before tax, amortisation and share based payment increased by 19% to £601,000 (2005: £505,000)
- Final dividend of 0.17p which represents a total maiden dividend of 0.30p for the year

Robert Montague, Executive Chairman of Axis Intermodal, said: “Having now completed the Group restructure, we enter 2007 with tremendous opportunities and with the services and products which we believe constitute a very attractive offering to customers both in continental Europe and the UK. We have a highly experienced management team in place and with our pipeline of prospects I am confident that the Group will continue to make good progress this year.

“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.”

For further information:

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Axis Intermodal plc

CHAIRMAN'S STATEMENT

Chairman's statement

During the year under review, we have made significant changes to the structure of our business with the reorganisation of our trading activities and operational processes. This was completed with the merging of the various UK contract hire businesses and departments under one single brand as Axis Intermodal which took effect from 4 January 2007. Consistent with this approach, on 29 December 2006, an EGM of the Company approved the change of the name of the Company to Axis Intermodal plc.

The business has now been refocused as a single platform and we continued our policy of matching our vehicle acquisitions to the contractual requirements of our clients as we expanded the fleet.

Our continued objective is to build our contract hire and rental businesses in the UK and continental Europe in a low risk manner, with positive cash flow and minimising our residual value exposure.

Review of Operations

Axis Germany

Our European subsidiary based in Germany, which provides swapbodies, had a successful year in 2006. The results reflected the good level of demand and our drive for growth. During the period under review, sales increased by 9% and utilisation rose from 90% to 96% at the end of December 2006, when the fleet stood at 2,488 swap bodies.

In June 2006, Heiner Mangels joined the Germany company as Geschaefstsfuehrer (Managing Director) and has, since the year end, joined the Board of Axis Intermodal plc.

During the latter part of the financial year, we concluded the sale of the majority of our swapbody fleet to a German owned limited partnership finance house ("DCM"), and entered into a long-term agreement whereby we retain an agreed proportion of the gross rentals achieved. We also sold our remaining chassis trailer fleet to Paul Guenter GmbH.

Additionally, DCM and another German finance house have agreed to fund the purchase of 1,300 new swapbodies to be delivered during 2007. This arrangement provides the business with a strong platform for growth and further de-risks the balance sheet, enabling free cash to be applied to the further development of our activities and expansion into trucks and trailers in Europe.

We have gained margin benefit through a continual programme of refurbishment of older swapbodies, lengthening these units from 7.15m to the favoured specification of 7.45m, for subsequent placement on long-term contracts. These long term contracts, which extend from one to three years, now represent approximately 70% of revenues. During the year we successfully renewed all the long term contracts due for renewal and, since the year end, we have renewed our contract with our largest client, to whom we supply over 700 swapbodies, for a further two years.

We expect to see further growth in the swapbody business generated by our higher profile and the improving trading conditions in Germany. In addition, the road toll system in Germany, the MAUT, has helped to underpin customer demand. The MAUT has been introduced to encourage further use of rail and barge transport route facilities in Germany as well as to raise funds for transport infrastructure investment.

Axis UK

In April 2004 we established Trailerent in the UK and we acquired the truck contract hire business of Tailored Hire Limited in July 2005.

During the year we acquired the outstanding 49% in Assetcare and the inspection and monitoring activities of Millar Europe Limited. As part of our strategic review it was decided to sell the Millar activity at the original purchase price, bring the Assetcare fleet management function in-house and outsource all other services.

We had a lot of work to do to rectify certain problems that emerged in Tailored Hire Limited, in which we have been greatly assisted by the newly appointed management. We have now completed firm actions to effect the necessary changes and will see the benefit coming through by 2008, subject to market conditions. There is no doubt that, at the time of acquisition, we underestimated the amount of change necessary to manage this business. The Group is preparing a claim against the vendors of Tailored Hire Limited under warranties given at the time of purchase in July 2005.

Of the overall fleet of trucks and trailers operated in the UK, the rental market accounts for 30% of trailers on the road and we believe there is significant scope for us to develop our presence in this area.

We intend to further develop Axis UK as a national provider, focusing on term contract business of between one and five years' duration. With our dedicated sales team we have established a substantial pipeline of quotations. We are confident that a large proportion of these will convert into firm contracts in 2007.

Board Changes

Christopher Rogers retired in December 2006 and, on behalf of the Board, I would like to thank him for his efforts and support since he joined at the time of our listing in 2004. In view of the current size of the Group and my own experience, the Board decided that I should combine my role of Chief Executive with that of Chairman and, accordingly, I was appointed Executive Chairman following Christopher Rogers' retirement. Additionally, the Managing Director of Axis Germany, Heiner Mangels, was appointed to the Board in January 2007.

We also intend to make appointments during the current year, at the non-executive level, to further strengthen the Board.

Management and staff

We have been through a sea-change during the year and this has been made possible with the tremendous support and efforts of the teams both in Germany and the UK. I welcome our new colleagues and express our appreciation to all our colleagues working within the Group and would like to record my and the Board's thanks and appreciation for everyone's efforts, commitment and hard work.

Dividend

Based on the results for the year, and the Board's view of future prospects, the Board has decided to recommend to shareholders a final dividend of 0.17p per share. This will produce a total dividend for the year of 0.3p per share. Subject to shareholder approval, the final dividend will be payable on 13 July 2007 to those shareholders on the register on 22 June 2007.

Outlook

Having now completed the Group restructure, we enter 2007 with tremendous opportunities and with the services and products which we believe constitute a very attractive offering to customers both in continental Europe and the UK. We have a highly experienced management team in place and with our pipeline of prospects I am confident that the Group will continue to make good progress this year.

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.

Robert J Montague CBE
Executive Chairman

27 April 2007

Axis Intermodal plc
FINANCIAL REVIEW

Profit and loss account

Year ended 31 December	2006	2005
	£000	restated £000
Turnover	9,148	5,186
Profit before interest tax depreciation amortisation and share based payment	1,736	1,565
Net interest	(318)	(271)
Depreciation	(817)	(789)
Profit before tax amortisation and share based payment	601	505
Amortisation and share based payment	(260)	(163)
Profit before tax	341	342
Tax	(26)	(14)
Profit after tax	315	328
Equity minority interests	(1)	1
Retained profit	314	329

Turnover in the Group has increased by 76.4% during the year reflecting a full year contribution from the Tailored Hire acquisition and the general growth in the Group's activities.

Group overheads have increased in the year due to additional costs associated with both expansion and the integration of the Tailored Hire acquisition. The strengthened infrastructure has created a solid platform for future growth.

Interest cover (based on profit before interest, tax, amortisation and share based payment) remained steady at 2.9 times (2005: 2.9 times).

Balance sheet

At 31 December	2006	2005
	£000	restated £000
Fixed assets	2,564	6,515
Debtors	2,422	1,386
Cash	1,417	4
Creditors and accruals	(2,654)	(1,356)
Debt - short term	(717)	(2,457)
Long term debt and provisions	(1,585)	(2,696)
Net assets before goodwill	1,447	1,396
Goodwill	3,331	3,121
Net assets	4,778	4,517

The major financial event affecting the balance sheet was the sale of the swapbody fleet in Germany which occurred in the latter part of the year giving rise to cash at the year end amounting to £1,417,000.

As a result of the sale, bank debt, loans and amounts due under finance leases have reduced to £2,256,000 from £4,991,000.

Gearing reduced to 18% from 110%.

An additional benefit arising from the sale of the swapbody business is the development of new relationships with financiers in Germany two of whom have committed to funding the current expansion of the swapbody fleet by 1,300 units, and the trailer fleet by 360 units.

Fleet numbers

The fleet consisted of the following at 31 December 2006, compared with a year before.

	2006	2005
Swapbodies	2,488	2,265
Trailers	295	313
Trucks	309	288
Total	3,092	2,866

Since the year end, more than 200 units have been added to the overall fleet number.

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 1.467. The movement in the exchange rate during 2006 had a marginal impact on the results for the year.

Dividend

The Directors recommend a final dividend of 0.17p per share (2005: nil) giving a total for the year of 0.3p per share (2005: nil).

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 6.5p.

Basic earnings per share for 2006 amounted to 0.53p (2005 restated: 0.65p).

Axis Intermodal plc
GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2006

	Year ended 31 Dec 06	Year ended 31 Dec 05 restated
	£000	£000
Turnover	9,148	5,186
Cost of sales	(5,757)	(2,976)
Gross profit	3,391	2,210
Administrative expenses	(2,732)	(1,597)
Operating profit	659	613
Net interest payable	(318)	(271)
Profit on ordinary activities before taxation	341	342
Tax on profit on ordinary activities	(26)	(14)
Profit on ordinary activities after taxation	315	328
Equity minority interests	(1)	1
Profit for the financial year	314	329
Basic earnings per share - pence	0.53	0.65
Diluted earnings per share - pence	0.53	0.62

Axis Intermodal plc
GROUP BALANCE SHEET
As at 31 December 2006

	2006	Restated
	£000	2005 £000
Fixed assets		
Intangible assets	3,331	3,121
Tangible assets	2,564	6,515
	5,895	9,636
Current assets		
Debtors	2,422	1,386
Cash at bank and in hand	1,417	4
	3,839	1,390
Creditors - amounts falling due within one year	3,371	3,813
Net current assets/(liabilities)	468	(2,423)
Total assets less current liabilities	6,363	7,213
Creditors - amounts falling due after more than one year	1,539	2,534
Provision for liabilities	46	162
	4,778	4,517
Capital and reserves		
Called up share capital	2,943	2,943
Share premium account	1,070	1,070
Share based payment reserve	131	59
Other reserve	180	180
Profit and loss account	454	266
Shareholders' funds	4,778	4,518
Equity minority interests	-	(1)
Capital employed	4,778	4,517

Axis Intermodal plc
GROUP CASH FLOW STATEMENT
For year ended 31 December 2006

	Year ended 31 Dec 06 £000	Year ended 31 Dec 05 £000
Net cash inflow from operating activities	1,263	1,128
Returns on investments and servicing of finance		
Interest received	4	1
Interest paid	(172)	(153)
Finance lease interest paid	(150)	(119)
Net cash outflow from investments and servicing of finance	(318)	(271)
Taxation		
Taxation paid	(38)	-
Capital expenditure		
Purchase of tangible fixed assets	(1,591)	(750)
Sale of tangible fixed assets	4,895	444
Net cash inflow/(outflow) from capital expenditure	3,304	(306)
Acquisitions and disposals		
Purchase of subsidiary undertakings	(25)	(1,849)
Net overdrafts acquired with subsidiary undertakings	-	(91)
Net cash outflow from acquisitions and disposals	(25)	(1,940)
Cash inflow/(outflow) before financing	4,186	(1,389)
Financing		
Issues of shares	-	1,819
Expenses relating to issues of shares	-	(87)
Dividend paid to equity shareholders	(77)	-
Other loans new advances	549	377
Other loans repayments	(1,342)	(440)
Bank loans new advances	-	270
Bank loans repayments	(811)	-
New finance leases	232	-
Capital repayments of finance leases	(883)	(714)
Net cash (outflow)/inflow from financing	(2,332)	1,225
Increase/(decrease) in cash	1,854	(164)
Movement in overdraft	(449)	91
Effect of exchange rate fluctuations	8	71
Increase/(decrease) in cash at bank and in hand	1,413	(2)

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 2006 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 2006 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 2005 financial statements except for the adoption of FRS20 Share based payments which has resulted in the prior year adjustment shown in Note 3.

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 (formerly Tailored Hire Limited)	100%	11 Jul 2005	Contract hire

On 15 February 2006, Axis Intermodal plc acquired the remaining 49 shares in Asset Care Transport Solutions Ltd for £25,000 all of which was allocated to goodwill.

On 15 February 2006, Asset Care Transport Solutions Limited acquired the business, assets and goodwill of Millar Europe Limited for a total consideration of £20,000 payable in cash. On 30 December 2006, Asset Care Transport Solutions Limited sold the business, assets and goodwill to Millar Europe Limited for £20,000 payable in cash.

The group used acquisition accounting to account for the purchase of Tailored Hire Limited which was acquired on 11 July 2005. Best estimates of the fair values for the net assets acquired were included in the financial statements for the year ended 31 December 2005. Since the date of acquisition, management have introduced tighter controls over the contracts to which the group is party. As part of this process, management identified during 2006 certain contracts acquired with THL that were onerous at the date of acquisition and certain additional creditors. Management now believe they have established the final fair values of the net assets acquired. As a result, a provision of £373,000 in respect of onerous contracts and creditors has been included in the fair value of the net assets acquired. An increase in goodwill has been recognised for the same amount. This adjustment is in addition to those adjustments disclosed in the 2005 financial statements.

The contracts mainly finished in 2006, and the provision relates to the onerous element for completing those contracts. The onerous element of these contracts accounted for in the 2005 financial statements was not material, so the 2005 results have not been restated.

Full identification of the required adjustment occurred subsequent to the publication of the 2006 interim financial statements.

Axis Intermodal plc
NOTES TO PRELIMINARY ANNOUNCEMENT (cont.)

	Provisional fair value to the Group 2005 £000	Fair Value adjustments 2006 £000	Final fair value to the Group 2006 £000
Tangible fixed assets	2,816	-	2,816
Debtors	901	-	901
Bank overdraft	(91)	-	(91)
Creditors	(638)	(373)	(1,011)
Finance leases	(2,556)	-	(2,556)
Provision for liabilities and charges	(193)	-	(193)
Net assets at date of acquisition	239	(373)	(134)
Goodwill arising	1,910	373	2,283
Consideration	2,149	-	2,149

3. Reconciliation of movements in shareholders' funds

Group	Share capital £000	Share premium £000	Share payment £000	Other reserve £000	Profit and loss account £000	Total 2006 £000
At 1 January 2005 as previously stated	2,038	123	-	-	-	2,161
Share based payment adjustment	-	-	12	-	(12)	-
At 1 January 2005 restated	2,038	123	12	-	(12)	2,161
Shares issued 23 March 2005	231	369	-	-	-	600
Shares issued 7 July 2005 re THL	674	665	-	180	-	1,519
Costs of issuing shares	-	(87)	-	-	-	(87)
Retained profit for the year	-	-	-	-	376	376
Net exchange movements	-	-	-	-	(51)	(51)
At 31 December 2005 as restated	2,943	1,070	12	180	313	4,518
FRS 20 share based payment adjustment	-	-	47	-	(47)	-
At 31 December 2005 as restated	2,943	1,070	59	180	266	4,518
Retained profit for the year	-	-	-	-	314	314
Net exchange movements	-	-	-	-	(49)	(49)
Share based payment reserve	-	-	72	-	-	72
Dividends paid to ordinary shareholders	-	-	-	-	(77)	(77)
At 31 December 2006	2,943	1,070	131	180	454	4,778

The restatement results from the adoption of FRS20 - referred to in Note 1.

Axis Intermodal plc
NOTES TO PRELIMINARY ANNOUNCEMENT (cont.)

4. Net cash inflow from operating activities

	Year ended 31 Dec 06	Year ended 31 Dec 05 restated
	£000	£000
Operating profit for the year	659	613
Depreciation	817	789
Amortisation of goodwill	188	116
Share based payment	72	47
Profit on sale of tangible fixed assets	(258)	(73)
Increase in debtors	(1,021)	(277)
Increase/(decrease) in creditors	806	(87)
	1,263	1,128

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

	Year ended 31 Dec 06	Year ended 31 Dec 05
	£000	£000
Increase/(decrease) in cash for the year	1,854	(164)
Other loans new advances	(549)	(377)
Other loan repayments	1,342	440
Bank loan new advances	-	(270)
Bank loan repayments	811	-
New finance leases	(232)	-
Finance lease repayments	883	714
Change in net debt from cash flows	4,109	343
Exchange rate fluctuations	39	71
Finance leases acquired with subsidiary undertaking	-	(2,556)
Movement in net debt in the year	4,148	(2,142)
Net debt at 1 January 2006	(4,987)	(2,845)
Net debt at 31 December 2006	(839)	(4,987)

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 prior to 27 May 2007. 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 Axis Intermodal plc will be held at 1 Westminster Way, Oxford OX2 0PZ on Wednesday, 20 June 2007 at 11.00am.