13 APRIL 2010

Crimson Tide plc

Preliminary Announcement of Results to 31 December 2009

Crimson Tide plc ("Crimson Tide" or "the Company"), a leading service provider of mobile data and software solutions for business, is pleased to announce its unaudited preliminary results for the year ended 31 December 2009.

Financial Highlights

* **Profitability achieved at EBITDA level in line with expectations**
* **Breakeven at Operating Cash Flow**
* **Significantly reduced Operating Loss**

Operational Highlights

* **Proprietary communications architecture developed**
* **Disposal of Time & Attendance business in Ireland**
* **Proprietary software developed in facilities management and healthcare**
* **Largest subscription contract win announced for haemophilia application**

Barrie Whipp, Executive Chairman of Crimson Tide, commented:
"The Company achieved its goal in the most difficult operating environment that many of us have seen and, were it not for some business failures amongst some of our customers, our progress would almost certainly have been even greater.

Over the course of the coming year I believe that Crimson Tide will continue its shift away from being a service company, as we increase the amount of software that we write for our tailor made products and thereby increase the amount of Intellectual Property inherent within the Company. Not only will this continue the positive trend of our margins, but will also embed us further within our clients' operations. Visible, contracted business is an increasing percentage of sales and we have a platform to deliver future growth. Our only limitation remains the capital required to finance the growth in our subscription based solutions."

Chairman's Statement

I am pleased to report on the progress of Crimson Tide plc for the year to December 31, 2009.
At the time of the Company's flotation on AIM in 2006, we forecast that it would become profitable at an EBITDA level in the third year following admission - I am very pleased to report that we achieved this goal. During a period when economic conditions have been tough, management has been focused on proving our business model and on guiding the Company to profitability over the length of our original, three year business plan.

The Company achieved its goal in the most difficult operating environment that many of us have seen and, were it not for some business failures amongst some of our customers, our progress would almost certainly have been even greater.

Turnover reduced during the year due to our decision to sell our Time & Attendance business in Ireland. This business only operated at a break even level and was a distraction to management. Furthermore, we considered that the sales it generated were not worth either the operational cost or the management time. Our business in Ireland is now stable on a lower cost base and is responsible for some of our most exciting handheld applications.

The year under review has seen two distinct shifts in focus. First, we are moving our mobile data solutions to a channel model. We announced a partnership in May last year with Yes Telco, part of the Vodafone family, whereby Yes' dealers are able to sell our range of products. We have since recruited four senior dealers and three of these have already introduced active deals. We are working on another major route to market partnership which we should be able to announce in due course.
The second strategic change is that we have developed a number of mobile software products that can be sold "off the shelf". It is proving easier to demonstrate these products and for the dealer channel to understand and to sell them. Part of the product architecture is a piece of proprietary middleware, developed with assistance from Microsoft, which has enabled us to eliminate third party products and thereby to increase our net margin. A number of our products are in the healthcare sector and the directors believe that these products have an enormous market opportunity, both in the UK & Ireland and overseas.

The lack of bank debt available to companies such as Crimson Tide has inevitably held us back in terms of exploiting the opportunities that we have. The equity capital market has also not been easy for small companies and it is, I believe, only the lack of capital that currently holds us back from making the most of the opportunities available to us. Our current pipeline of business, both contracted and imminently closable, is very strong.

In summary, we have steered the business through turbulent economic times and achieved the goal that we set ourselves when we came to AIM.

Over the course of the coming year I believe that Crimson Tide will continue its shift away from being a service company, as we increase the amount of software that we write for our tailor made products and thereby increase the amount of Intellectual Property inherent within the Company. The recent launch of our haemophilia application and its associated contract win is a demonstration of our new capabilities.

Visible, contracted business is an increasing percentage of sales and we have a platform to deliver future growth. Our only limitation remains the capital required to finance the growth in our subscription based solutions.

Our staff have been steadfast in their commitment to Crimson Tide over the year and I thank them for their industry, belief and loyalty.

Barrie Whipp
Executive Chairman
13 April, 2010

Operating and financial review

Crimson Tide has continued to make good progress during 2009, achieving profitability before depreciation, amortisation and interest as predicted in last year's review, despite the tough economic conditions.

Operating review

Over the duration of 2009, we have benefited from a series of marketing campaigns funded mostly by smartphone manufacturers that have resulted in an encouraging number of qualified mobile data solution leads for us to pursue. In addition, we added to our market reach by creating a sales channel of high-quality mobile phone dealers who can add to their portfolios by selling our solutions to their customer bases. As a result of these initiatives and our own sales efforts, the number and size of opportunities available to us continues to build despite the general economic environment. The Return On Investment analysis which our prospective customers complete themselves prior to contract, clearly highlights the financial and operational benefits achieved by our mobility solutions, savings that are particularly vital in the current environment. These range from headcount reduction and an increased number of completed jobs/tasks, as well as less non-productive time to savings in stationery, printer ink and fast and accurate invoicing. No capital expenditure is required by our customers and our subscription model means our monthly charge is easily offset by these benefits.

The second key element to our strategy has been to eliminate the third party licence fee we incurred to link some subscribers with their back end database. The margin on relevant subscription agreements has increased, on average, by over 30%, a figure that becomes increasingly important as our subscriber base continues to grow.

The final and probably most important part of our strategy is the move to a suite of standardised applications, as mentioned in the Chairman's Statement. The experience we now have in the vertical markets we serve, in designing and building successful, user-focused mobile data applications, has allowed us to create and to be able to sell these practical solutions. Standardisation has significantly reduced our implementation time allowing the same technical team to roll-out more subscribers in a reduced time.

These three elements; channel route to market, improved margins and standardised solutions, together with our growing pipeline of opportunities, have positioned us to be able to grow our subscriber base and contracted revenues much faster. When the business is more mature, our contracted base of subscribers will be able to fund the initial cashflow requirement for new subscriber equipment. We are not yet at that stage, therefore our rate of growth at this point in our development is governed by our ability to attract new finance, a challenge we look forward to in 2010.

Financial review

Headline revenue decreased in total in 2009 from £1.78m in 2008 to £1.46m as the business continued the strategic move away from lower margin activities to focus on the much higher margin mobility solutions. When examined in more detail, the underlying trend is very positive. High quality subscription revenues and related development services were actually 22% higher in 2009 at £551,000 earning an 84% margin while mobile network commissions were broadly flat. The overall fall in revenue is a result of 42% lower sales from low margin, mostly re-selling activities, e.g. time and attendance systems. These reduced from £948,000 in 2008 to £547,000 in 2009, but the margin earned was only 47%. This trend in improving the mix and quality of revenues, thereby increasing overall margins, should continue in 2010.

The strategic move away from hardware distribution and some of our traditional software solutions has also enabled the business to make savings in headcount and other overheads. As a result, operating costs have reduced from £1,156,000 in 2008 to £910,000 in 2009.

As expected, earnings before interest, tax, depreciation and amortisation in 2009 were positive at £25,000, which, in the circumstances, was a tremendous improvement on the 2008 loss of £197,000.

The balance sheet was strengthened in August 2009 by the issue of 13,995,592 new Ordinary Shares at 1.5p per share to warrant holders. The new issue raised £206,000 for working capital purposes.

The business achieved breakeven in operating cash flow in 2009, a significant improvement on the £587,000 used in operating activities in 2008. It is worth repeating that while new subscriber business is profitable from day one, it does require us to make an upfront investment in hand-held devices and development/implementation time.

Since the year end, the loan facility set up in August 2008 to finance devices going on subscription, has been renewed for a further eighteen months. However, it should be noted that all subscriber additions made in 2009 have been financed from cash generated by the business. The lack of available bank and financing facilities remains the biggest factor restricting the growth of the business. Until this hurdle has been overcome, the directors' approach will be to continue to balance growth against financial security.

Future prospects

The hard work and achievements of Crimson Tide's employees in 2009 have ensured that we are well placed for a successful 2010, despite the continuing difficult economic circumstances in the UK and Ireland.

Our mobility solutions clearly generate immediate productivity gains and a positive return on investment for our customers. We are in an exciting and growing market and the pipeline of opportunities which we have is extremely encouraging. Given this backdrop, the directors will focus on ways of funding devices as soon as practicable to accelerate the growth of the business.

Stephen Goodwin
Chief Executive
13 April, 2010

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Unaudited Consolidated Income Statement

	Group	
	Year ended December 2009 £000	**Year ended December 2008 £000**
Revenue	1,461	1,776
Cost of Sales	(526)	(817)
Gross Profit	**935**	**959**
Total operating expenses	(910)	(1,156)
Earnings before interest, tax, depreciation & amortisation	**25**	**(197)**
Depreciation of fixed assets	(12)	(11)
Amortisation of intangible assets	(34)	(42)
Loss from operations	(21)	(250)
Interest income	-	4
Interest payable and similar charges	(46)	(33)
Loss before taxation	**(67)**	**(279)**
Tax on loss on ordinary activities	-	-
Loss for the year attributable to equity holders of the parent	(67)	(279)
Loss per share		
Basic and diluted loss per Ordinary share (pence)	(0.02p)	(0.09p)

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Unaudited Statement of Financial Position

	Group	
	As at 31 December 2009 £000	**As at 31 December 2008 £000**
Fixed Assets		
Intangible assets	868	868
Equipment, fixtures & fittings	17	24
	885	892
Current Assets		
Inventories	33	39
Trade and other receivables	449	597
Cash and cash equivalents	96	89
	578	725
Total Assets	1,463	1,617
Equity and liabilities		
Equity attributable to equity holders of the parent		
Share capital	6,210	6,070
Capital redemption reserve	49	49
Share premium	1,124	1,058
Other reserves	431	430
Reverse acquisition reserve	(5,244)	(5,244)
Retained earnings	(1,917)	(1,850)
	653	513
Creditors		
Amounts falling due within one year	528	791
Creditors		
Amounts falling due after more than one year	282	313
Total liabilities	810	1,104
Total equity and liabilities	1,463	1,617

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Unaudited Statement Of Changes In Equity

Group	**Share capital**	**Capital redemption reserve**	**Share premium**	**Other reserves**	**Reverse acquisition reserve**	**Retained earnings**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Balance as at 1 January 2008	5,790	49	1,006	507	(5,244)	(1,571)	537
Loss for the year						(279)	(279)
Proceeds from new shares issued during the year	248		24				272
Shares issued for acquisition of IDL	32		28	(60)			-
Convertible loan – equity component				11			11
Translation movement				(28)			(28)
Balance as at 31 December 2008	6,070	49	1,058	430	(5,244)	(1,850)	513
Loss for the year						(67)	(67)
Proceeds from new shares issued during the year	140		66				206
Translation movement				1			1
Balance as at 31 December 2009	6,210	49	1,124	431	(5,244)	(1,917)	653

Note: “IDL” means Intelligent Data Limited, acquired by Crimson Tide plc on 7 December 2006

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Unaudited Consolidated Cash Flow Statement

	Group	
	Year ended 31 December 2009	**Year ended 31 December 2008**
	£000	**£000**
Cash flows from operating activities		
Loss from operations	(21)	(250)
Depreciation of equipment, fixtures and fittings	12	11
Amortisation of Intangible Assets	33	42
Operating cash flows before movements in working capital	24	(197)
Decrease/(Increase) in inventories	6	(14)
Decrease/(Increase) in trade and other receivables	148	(212)
Decrease in trade and other payables	(176)	(164)
Cash generated/(used) in operating activities	2	(587)
Income taxes paid	-	-
Net cash generated/(used) in operating activities	**2**	**(587)**
Cash flows used in investing activities		
Purchases of fixed assets	(75)	(27)
Interest received	-	2
Net cash used in investment activities	**(75)**	**(25)**
Cash flows from financing activities		
Net proceeds on issues of shares	206	272
Interest paid	(8)	(33)
Net (decrease)/increase in borrowings	(59)	209
Net cash from financing activities	**139**	**448**
Net increase/(decrease) in cash and cash equivalents	**66**	**(164)**
Net cash and cash equivalents at beginning of period	11	175
Net cash and cash equivalents at end of period	**77**	**11**

Crimson Tide plc

Notes to the Consolidated Financial Statements for the year ended 31 December 2009

A) Significant accounting policies

a. Basis of preparation

The preliminary results for the period to 31 December 2009 are unaudited. The consolidated financial statements of Crimson Tide plc will be prepared and approved by the Directors in accordance with applicable law and International Financial Reporting Standards, incorporating International Accounting Standards (IAS) and Interpretations (collectively IFRSs) as endorsed by the European Union.

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all of its subsidiaries.

On an acquisition, fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill, which is capitalised and subjected to annual impairment reviews. The results of acquired companies are brought in from the date of their acquisition.

B) Taxation

No tax charge has been incorporated into the consolidated accounts for the period ended 31 December 2009 due to the availability of tax losses.

C) Loss per share

	Group	
	Year ended 31 December 2009	**Year ended 31 December 2008**
Basic and Diluted Loss per share		
Reported loss (£000)	(67)	(279)
Reported loss per share (pence)	(0.02)p	(0.09)p

The loss per share has been calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of shares in issue calculated as follows:

	Year ended 31 December 2009 No.	Year ended 31 December 2008 No.
Weighted average number of ordinary shares:		
Opening balance	318,990,642	290,940,440
Effect of share placing during the year	-	16,728,346
Effect of shares issued in acquisition of Crimson Tide (IE) Ltd.	-	2,139,178
Effect of warrants exercised during year	4,984,731	14,116
Weighted average number of ordinary shares	323,975,373	309,822,080

Due to the Group's loss for the periods, the diluted loss per share is the same as the basic loss per share.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2009 or 31 December 2008. Statutory accounts for 2008, which were prepared under IFRS, have been delivered to the Registrar of Companies. The auditors have reported on the 2008 accounts; their report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The statutory accounts for 2009 which are prepared under accounting standards adopted by the EU will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's annual general meeting. The statutory accounts will be published on the Company's website www.crimsontide.co.uk.