



PRESS RELEASE

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**Brammer plc
Interim Management Statement**

Brammer plc, the leading pan European added value technical distributor today issues its Interim Management Statement for the period from 1st January 2010 to date. This statement is being issued to the Group's Annual General Meeting which is being held today.

Key Highlights

- Trading ahead of our expectations
- Overall sales growth rate YTD of 3.5% with double digit growth in April
- All countries have shown an improving sales trend
- Double digit growth in Key Accounts sales
- Seven new pan-European Key Accounts won with total potential annual revenues in excess of £40 million
- Continued reduction in inventory levels
- Profits year to date well ahead of last year

Trading

The Board of Brammer is pleased to report that trading in the period since 1 January has been ahead of our expectations, and reflects improving conditions in the majority of our markets together with significant market share gains. For the four month period to 30 April, overall sales YTD at constant currency rates were up 3.5% versus the same period last year. Sales per working day (SPWD) at constant currency rates were up 2.2%, with an accelerating trend, January SPWD being down 7.4%, February up 1%, March up 5.8% and April up 10.1%. Overall, in constant currency terms, sales were up 6.4% in the UK, 6.7% in France, 4.2% in Spain, 1.5% in the Benelux, 5.5% in the rest of Europe, and down 0.7% in Germany. All countries have shown improving trends, with Germany, Spain, Poland, and the majority of our smaller businesses all achieving double digit percentage year on year growth in April. Our cross selling initiatives have delivered good results, with fluid power up 5.5%, and tools and general maintenance up 25.1%.

Key Account sales in constant currency terms were up 13.3% overall, with good growth in food and beverage (up 24.3%), automotive (up 23.2%), metals (up 23.0%), packaging (up 16.3%) and fast moving consumer goods (up 25.1%). Seven new pan-European Key Accounts were won in the period, with total potential annual revenues exceeding £40 million.

Gross profit margins have been maintained at similar levels to last year, and we have continued to keep tight control of costs, with sales, distribution and administration expenses being slightly below the same period last year. Inventory levels have been reduced further in the period, reflecting a continuation of the inventory reduction projects initiated last year, and net debt remains in line with our expectations.

Outlook

May has started well and we expect to achieve double digit sales growth in both May and June. As a result we anticipate half year profits will be ahead of our current expectations. We believe all of our markets have now stabilised, and most have begun to recover. However, the strength and

durability of any recovery remains uncertain, and we remain cautious as to the extent to which the improved momentum can be maintained in the second half.

Notwithstanding our good progress, during these uncertain economic times the Board intends to continue its focus on cost control, cash flow and driving greater efficiencies from the business, whilst continuing to support our key growth drivers. We are confident that our strategy of focusing on Key Accounts, Insites and cross selling throughout Europe to drive profitable market share gains remains sound for the medium and longer term and that Brammer will continue to enjoy growth levels significantly better than the market.

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