

Market segmentation

In 2005 Brammer developed a new sales approach focusing on understanding customers' unique issues and challenges relative to their industry and offering distinctive solutions through the products we supply and through the value added services we offer.

Since then, we have created material for our people and for customers which highlight Brammer's capabilities. By informing our people, increasing their knowledge of segment specific products and services, and through delivering segment specific customer workshops, we are increasingly seen as the MRO experts in a variety of segments.

Figure one – 2008 revenue from increasing market segmentation

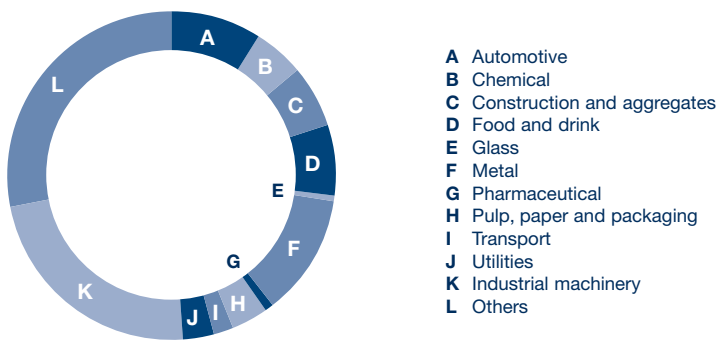


Figure two – 2007/2008 change in revenue from market segmentation

Automotive	+	+8%
Chemical	+	+7%
Construction and aggregates	+	+5%
Food and drink	+	+15%
Glass	+	+14%
Metal	+	+10%
Pharmaceutical	+	+5%
Pulp, paper and packaging	-	-3%
Transport	+	+28%
Utilities	+	+1%
Industrial machinery	+	+17%
Others	+	+9%

European market leader

With over 300 locations in 16 countries, Brammer has the widest coverage available to supply those customers who wish to reduce their supplier base and purchase our products on a pan-European basis. Most of our customers find that there is a Brammer branch local to their operations in most of our countries.

We believe the market for our chosen product range has a value in excess of £15 billion. We therefore have less than 3% share of this extremely fragmented market, but nevertheless are the market leader. Whilst we enjoy more than 10% share of the bearings market in Europe, significantly more than any other player, we have less than 2% share of the market for power transmission products, fluid power, and the tools and general maintenance market, giving us a huge opportunity to cross-sell as we establish the full product range in each country.