



PRESS RELEASE

23 February 2009

PRELIMINARY RESULTS

CONTINUED GROWTH DRIVES PERFORMANCE

Brammer, the market leading industrial services group today announces its preliminary results for the year ended 31 December 2008.

Brammer's goal is to supply its customers with a consistent quality of products and services, across the entire bearings, power transmission and fluid power product range, anywhere in Europe. Brammer presently operates in over 300 locations in 16 countries.

FINANCIAL SUMMARY

	2008 £m	2007 £m	Change
Revenue	£478.4m	£379.6m	+26.0%
Operating profit before amortisation	£26.2m	£19.9m	+31.6%
Profit before tax on ordinary activities (<i>before amortisation</i>)	£19.7m	£15.4m	+27.9%
Amortisation of acquired intangibles	£(0.8)m	£(0.5)m	
Profit before tax	£18.9m	£14.9m	+26.8%
Operating cash flow	£29.2m	£16.7m	+74.8%
Net debt	£84.0m	£59.4m	
Dividend	7.7p	7.2p	+6.9%
Earnings per share - total			
Basic	24.5p	20.4p	
Diluted	24.1p	20.1p	
Earnings per share – on profit before amortisation			
Basic	25.7p	21.0p	+22.4%
Diluted	25.3p	20.8p	

Highlights

- Strong growth driven by market share gains and successful acquisitions both in continental Europe and the UK.
- Overall revenue growth 26%, with 9.1% organic, 3.6% from acquisitions, and 13.3% from currency.
- Key Account sales grew by 27.6%, now representing 29.3% of total revenues, with important new Key Account wins across the group.
- Operating margins, before amortisation, improved from 5.2% to 5.5% with underlying operating profit increasing by 31.6% to £26.2 million (2007: £19.9 million). Of the 31.6%, 12.5% is attributable to currency.
- Six acquisitions were completed during the year for a total consideration of £8.3 million including acquired debt, contributing £11.7 million of sales to total revenues in 2008. All acquisitions are meeting expectations and being successfully integrated.
- Strong operating cash flow, up 75% to £29.2 million (2007: £16.7m).
- Net borrowings increased from £59.4 million to £84.0 million, reflecting a currency exchange effect of £22.6 million. New banking facilities secured until 2012 totalling €165 million (£159 million at year end exchange rates).

David Dunn, Chairman, said:

Without question 2009 will be a challenging year. With a changing economic backdrop visibility is limited. We are taking and will continue to take appropriate action to protect the medium and long term future for the business and the Board remains confident in the business model for Brammer and its prospects.

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BRAMMER PLC

2008 PRELIMINARY RESULTS

CHAIRMAN'S STATEMENT

Overall

At the time of the Interim Results for 2008 which was issued on 29 August, I commented that the Board was "confident that 2008 will demonstrate another year of significant progress". I also remarked that "the overall business environment at present is challenging". I believe these latest results from Brammer bear out those thoughts at the time.

The group has indeed delivered another year of significant progress as demonstrated in the reported figures. However, after a very strong first six months, the second six months, in particular the final two months of the year, became increasingly challenging as economic recession became a reality. This Report addresses the progress made in 2008 and how we are meeting the challenges that are now evident in 2009.

Trading Performance

Sales increased by 26% in 2008 to £478.4 million. As is the case throughout this Report and Accounts, currency was a significant factor contributing £50.3 million to sales representing approximately half of the increase. The other 13% comprised organic growth of 9% and 4% from acquisitions made in 2008. Sales to Key Accounts grew by 27.6% overall and now represent 29.3% of total sales (2007: 29%).

Reflecting sales growth operating profit before amortisation grew by 31.6% to £26.2 million; this includes 12.5% of currency benefit. Profit before tax and amortisation totalled £19.7 million, an increase of 27.9% over 2007. Basic earnings per share, on profit before amortisation, were 25.7p, up 22.4%. It is interesting to note that in the five years to 31 December 2008 the compound annual increase in earnings per share has been 27%.

Two important metrics within this trading performance are the gross and operating margin percentages. Gross margins were broadly neutral with the 2007 performance at 30%. Net margins (operating profit before amortisation) increased to 5.5% representing a pleasing continuation of the trend in recent years.

As at 31 December 2008 net debt amounted to £84.0 million. As previously stated currency movements have had a significant bearing on this result. The currency movement between the year ends accounted for £22.6 million of the £24.6 million debt increase. On the positive side Brammer's euro assets comfortably exceeded its net debt thereby providing a fully hedged balance sheet position. Group operating cash flows remained robust in the period at £29.2 million, up 75% on 2007 (£16.7 million). Importantly, in view of the banking crisis, during 2008 Brammer was able to renegotiate with its key banks committed, secure facilities until 2012 totalling €165 million (£159 million at year end exchange rates).

Review of costs

Given the rapidly deteriorating economic conditions the Board tested various scenarios for Brammer as we entered 2009. The Board concludes that the group is well spread across Europe, has no significant dependence on any individual customer, and serves a wide variety of business sectors. We are convinced that we have a sound, durable, and winning strategy which is working well, and a first class management team. Nonetheless, in the current circumstances the business will inevitably be impacted by reduced economic activity.

The Board have reacted to this prognosis by reviewing costs across all countries, slowing the acquisition process, increasing the focus on working capital, and minimising capital expenditure. Regrettably this will result in some redundancies and restructuring costs. The payback will be short and effective and will serve to protect the business going forward.

Strategy and Acquisitions

Present circumstances have not lessened the Board's conviction that the group's strategy is the correct one. Clear benefits are evident in the results achieved since the strategy was first introduced in 2004 and we firmly believe there is much more to come. Whilst I have referred to a slowing of the acquisition process in the short term, we did add six businesses to the group in 2008 for an initial consideration of £8.3 million (with up to a maximum consideration of £20 million dependent on performance).

In our interim statement I referred to four of these, namely CBS in the UK, Tecnoforniture in Italy, and two bolt on businesses in Holland and Austria. In the second half we have acquired another business in Poland, Masterpol, and a bolt on in the UK. On a fully annualised basis these will add over £25 million to sales and are expected to be earnings enhancing.

People

In our Interim Statement I welcomed Bill Whiteley to the Board as a non executive director following the retirement of Svante Adde. Bill's extensive business career, latterly as Chief Executive of Rotork PLC, is of great value to Brammer and we welcome the contribution he is already making.

The focus on training and development has continued apace in 2008, and we believe the capabilities of our employees have again improved. Our people are our key resource and we have appreciated their contribution in the year, most especially as economic conditions have and will continue to change.

Dividend

The interim dividend announced at the half year was 2.6p, an increase of 24%. In the light of uncertain economic outlook, the board has decided to recommend a maintained final dividend at 5.1p (2007: 5.1p) giving a total for the year of 7.7p (2007: 7.2p) an increase of 6.9%. The Board believe this to be a prudent course of action consistent with our approach to cost and cash management and ensures the dividend continues to be well covered by earnings.

Prospects

Without question 2009 will be challenging. With a changing economic backdrop visibility is limited. We are taking and will continue to take appropriate action to protect the medium and long term future for the business and the Board remains confident in the business model for Brammer and its prospects.

David Dunn

CHIEF EXECUTIVE'S REVIEW

Overview

During 2008 we made good progress in increasing Brammer's sales throughout Europe, as we continued to be the leader in the consolidation of our chosen market. Our strategy remains unchanged and continues to produce positive results. We experienced very strong growth in the first half of the year, but began to see signs of a slowdown in our markets during the third quarter. This slowdown continued in the fourth quarter, culminating in a year on year decline in December, as many of our customers, particularly those in the automotive sector, entered early and prolonged shutdown periods.

As a result we have initiated programmes, where appropriate, to reduce our cost base to a level consistent with our anticipated revenues in the first half of 2009, but have been careful not to cut to the point of damaging our business, or our ability to serve our customers. Even as our markets contract, we believe that our tried and tested growth drivers will continue to differentiate us from our competition, and enable us to win market share in a declining market. We shall, therefore, continue to invest in initiatives to grow in defensive segments such as food and beverage, fast moving consumer goods, and utilities. Our Key Account activity will continue unabated, and our value proposition and cost saving proposition will become ever more important to our Key Account customers. We have increased investment in our Insite programme, and have already won twelve new Insites in the first six weeks of 2009. Our product range extension and cross selling initiatives will continue to give us good growth in product lines such as Mechanical Power Transmission, Fluid Power, and Tools and General Maintenance products which are significantly under-represented in our businesses on the continent.

Finally, our scale, geographic coverage, and focus as a technical specialist on a core range of products will continue to reinforce to our potential customers that we are a strong partner that adds value to their needs, and our ability to provide a consistent quality of product and service across the entire bearings, power transmission and fluid power product range, anywhere in Europe remains unparalleled.

Operational Review

Brammer is the leading European supplier of technical components and related services to the maintenance, repair and operations ("MRO") markets. In 2008 revenue increased by 26.0% to £478.4 million (2007: £379.6 million), whilst operating profit before amortisation increased by 31.6% to £26.2 million (2007: £19.9 million). Earnings per share (before amortisation) increased by 22.4% to 25.7 pence per share (2007: 21.0 pence per share). Cash generated from operations increased by 75% to £29.2 million, partly helped by a slowing of sales in the fourth quarter and the subsequent release of working capital.

Operating margin (operating profit before amortisation) improved from 5.2% to 5.5% benefiting from an increase in scale and continued cost control. Revenues per head increased by 11% to £188,000 indicating a further improvement in productivity.

Summary table

	External Revenue		Operating Profit*		Organic SPWD** Growth	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 %	2007 %
UK	133.5	123.1	3.7	2.5	4.1%	12.5%
Germany	121.8	96.2	9.2	7.2	8.1%	17.4%
France	74.4	58.4	2.9	2.7	4.5%	8.6%
Spain	42.7	34.0	3.3	3.3	1.1%	6.7%
Benelux	46.3	35.0	4.0	2.6	13.2%	25.7%
Other	59.7	32.9	3.1	1.6	29.1%	15.5%
Total	478.4	379.6	26.2	19.9	8.5%	13.6%

* operating profit before amortisation.

** sales per working day.

In the UK, sales of £133.5 million represented an increase of 8.4% and produced an increase of £1.2 million in operating profit, up 46% to £3.7 million. We believe that this level of growth against a backdrop of significant declines in manufacturing output is clear evidence of significant market share gain. We opened nine new full time Insites and increased sales through these Insites and part-time Insites (those locations where we have several regular clinics with the customer's staff each week) by 16.9%. New contracts were won with customers such as Cadbury, Scottish and Newcastle Breweries, Coca-Cola Enterprises, and Johnson & Johnson, as we focussed on defensive segments. We also increased our share of existing key customers' business significantly, signing a total of £16 million of new business with both new and existing customers in the second half. Key Account sales grew by 7.6%, and now represent 46% of sales. Our value proposition has been clearly demonstrated with more than 1,800 documented, signed off cost savings acknowledged by our customers in 360 manufacturing locations, providing added value to our customers of more than £15 million. At our Insite at Alcoa in Iceland we expanded the onsite team to 12, and installed a bespoke stores management system. CBS Rotary Power and Motion, acquired in April has been successfully integrated, as has Cumbria Bearings and Transmission in Carlisle. Our "Centre of Excellence", opened last year at our National Distribution Centre in Wolverhampton, has been invaluable in helping build relationships with existing customers, potential new customers and suppliers.

In Germany we enjoyed excellent growth for the first three quarters but saw a sharp slowdown in October. Nevertheless, German sales of £121.8 million represented an increase in constant currency of 9.4%, comfortably beating the market by more than 3%. As a result, and helped by currency, we enjoyed a 27.8% increase in operating profit to £9.2 million. Our investments in Key Accounts continued to bear fruit, with further revenue growth in this segment of 16.6%, which now represents nearly 27% of total revenues. We won new contracts with customers such as Lieken, Thyssen Industrial Services, ThyssenKrupp, Kelloggs, Kraft Foods, Campina, and many others. We saw continued good growth in pneumatics, up 32%, whilst our investment to develop the mechanical power transmission ("MPT") product group resulted in growth of 42%. Our eight Insites performed well, with sales growth of 32%. We focused on the market segments of Food and Drink, Utilities, and Construction and Aggregates; 48 customer events were held across Germany addressing more than 700 MRO specialists from those segments, raising the awareness of Brammer as a solution provider.

French sales of £74.4 million represented an increase in constant currency of 9.9%. Operating profit improved by 7.6% to £2.9 million. Key Account sales growth was 7.5%, and now represents 27% of turnover. New contracts were won with Hutchinson, Valeo, Coca-Cola Enterprises, NutriXo, Intermarche, Tereos and many others. New Insites were won with NTN and Valeo. The integration of Centre Roulement, a £3.3 million turnover business based in Clermont Ferrand, proceeded to plan.

Spanish sales of £42.7 million represented an increase in constant currency of 8.7%, although the organic growth was just 1.5%. Operating profit grew by just 2.2% to £3.3 million. The Spanish economic backdrop is undoubtedly the worst across all of our territories, and we ended the year in significant decline. Nevertheless, Key Accounts grew by 7.9%, and now represent 20% of sales. We have doubled the number of Insites to ten, with revenue growth in 2008 of 25%. New contracts were won with Eaton, Valeo, Kraft Foods, Hutchinson, Cie Automotive, Peguform, and many others. The acquisition of Boada in Catalonia has suffered from a slowdown in OEM business and has not performed as we would have wished. Nevertheless, we have a strong management team and are the market leader in Catalonia, and are thus confident of a reversal of fortunes in this important region of Spain.

Benelux sales of £46.3 million represented an increase in constant currency of 13.7%, accompanied by an increase of £1.4 million in operating profit to £4.0 million. We opened a new branch in Utrecht, and acquired a small business in Breda. Our start-up in Luxembourg developed strongly. We won new contracts with Coca-Cola Enterprises, Colgate, Kraft Foods and Panasonic amongst others. In Holland we introduced 16 new product lines, with tools and general maintenance and Pneumatics both growing by more than 35%.

In Poland, sales were up 51.3% at constant currency, as we continued the integration of Fin into the Brammer group. The new Key Account team continued to be successful, developing good business with Colgate and Timken. The acquisition of Masterpol is being integrated.

In our Developing Businesses (comprising Austria, Hungary, the Czech Republic, Slovakia, Italy and Ireland), total sales grew from £20.3 million to £35.9 million, reflecting the pull through from Key Accounts, acquisitions, and good organic growth. In Austria sales were flat as we continued to divest low margin OEM (Original Equipment Manufacturers) business. In the Czech Republic and Slovakia, sales in constant currency increased by 21.0%, driven by Key Account growth, product range extension, and the year on year effect of the acquisition of ZPV. In Hungary, growth was 26.3%, driven by Key Account growth and the introduction of several new product lines. Underlying sales in Italy grew by 10.7% as we gained further penetration at our pan European Key Accounts, and Tecnoforniture, our acquisition on the east coast performed to plan. Sales in Ireland grew by 47.0% as we enjoyed significant sales growth from Brammer Key Accounts, and new supplier introductions. Our 25% investment in Romania, from June 2008, has seen reasonable growth (4%), particularly in relation to the Key Accounts which we are now able to service in that country.

Strategy

Our strategy remains unchanged under the headings of growth, capabilities, synergies and costs.

Growth

Overall sales growth at constant currency was 12.7%, with organic growth (excluding acquisitions made in 2008) representing 9.1%, slightly above our target of 8%, and acquisitive growth representing 3.6%. It is evident that our strategies of attacking market segments with focused marketing material and specialist sales people, growth through Key Accounts, the development of Insites, and growth through cross-selling and product range extension are contributing to significant market share gains in all territories.

We continued to focus on a market segmentation approach, increasing our knowledge of customers' processes and selling to their specific needs with the introduction of material for the recycling, automotive and petroleum segments. In our chosen segments of Food and Drink, Pulp and Paper, Construction and Aggregates, and Utilities, we achieved 12% growth.

In particular:

- In Food and Drink, a strong focus area for many of our businesses and a key strategic segment for Brammer, we grew by €6.6 million, or 18%.
- In Pulp and Paper, a segment in which we have found it difficult to gain growth in the past, the target countries grew by 10.4% overall.
- In Utilities, a relatively new segment for many of our businesses, we achieved targeted growth of 17%, helped by major improvements in Germany and Spain.

Key Account sales grew by 27.6%, and now represent 29.3% of total sales. New European contracts were won with Valeo, Hutchinson, Kraft Foods, Monier, Saint Gobain, and Coca-Cola Enterprises.

We opened thirty seven new full time and part-time Insites, with growth well in excess of 20% in several of our territories.

Extending the product range to the full Brammer range in every territory continued, and whilst organic bearing sales grew by 7.9%, non bearing sales grew by 9.9%.

We continued our acquisitive growth, with another busy year on acquisitions, welcoming six new companies to the Brammer family in Italy (Tecnoforniture), The Netherlands (Handelsonderneming Otten), Austria (Walser), Poland (Masterpol) UK (CBS and CBT) together with a minority share in Romania (CN Industria). These acquisitions had annualised revenues of over £25 million, and we extended our acquisition pipeline, giving us confidence that, when it is appropriate to do so, we can achieve a similar levels of acquisitive growth in future years. We aim, over the medium term, to match our organic growth with an equivalent amount of acquisitive growth.

Capabilities

The focus of our people and organisational capability is on supporting our growth. To that end, through our pan-European Marketing team we prepared and launched the Market Segmentation material in recycling, automotive, and petroleum. Through our pan-European Sales team we created the Brammer Manual for Insite Operations, which uses the best practice from across the Group to show our people – and our customers through an Insite Bulletin – the operational requirements and customer service benefits available from a well run Insite.

We have continued the focus on authentication of parts which we launched in 2007 as there continues to be evidence of non-authentic parts coming into Europe from other parts of the world. We have worked with the support of our suppliers to keep customers informed of the dangers of using non-authentic, sometimes counterfeit, parts in their production process.

Following feedback from our customer survey, we have started work on identifying the energy saving potential of manufacturing and process driven companies in Europe. The conservative assessment is that over €13 billion of energy is wasted across Europe in the production processes. We have had great support from some of our partner suppliers and have set up a research activity with a German Technical Institute to identify how we can maximise the benefits from this work.

We have created the Brammer Standards for Recruitment, Retention and Development of our People and each business has audited their existing level of practice against these standards and have put in place a plan of action to improve this aspect of their operations in 2009.

A new Distributed Learning Programme to back up our Market Segmentation activities has been created and launched and our existing Distributed Learning Programmes continue to be rolled out across the business in the ten languages required to support our 2,500 people in 16 countries. We continue to support those of our people who request English language training, on which we have on-line support.

We conducted our sixth annual internal survey and 62% of our people responded. The engagement level was once again above 80%, which shows that we have maintained an excellent link between our strategy and our people, so vital in a service business.

We have continued to produce two 'One Brammer' Newsletters in the year. This newsletter, which is sent to each member of Brammer across Europe informs our people about developments, activities and matters that concern them about our performance. Our group intranet was also further developed in order to provide a knowledge based system giving information to everyone in the group and providing specific information on the activities of the various European teams.

The Brammer European Council of employee representatives meets annually. This forum facilitates communication between the Works Councils and Employee Forums from each country in the Group, ensuring that the concerns and issues raised by our people can be listened and responded to.

Synergies

Our Sales Management Process – TOPCOMMS – has been rolled out across the Group. The adoption of this process has been incorporated into the business plans of every country and is seen as an important way of gaining consistency across Europe. The Insite Manual has been adopted by all the businesses and is being supported by local workshops.

December saw the launch of the new Group Website in nine languages and across 16 countries. This interactive single source website replaces the local websites previously utilised across the Group.

The feedback from our annual customer survey showed that, almost without exception, customers are highly satisfied with the service provided by our businesses – in fact, many of them reported that they would like to see more products and services offered by Brammer, in every country. Our Key Account customers recognise that we are providing an increasingly consistent service in every country and find our people to be very responsive and providing good service.

We continue to focus on our internal core values of - Striving for Consistency – with a Passion for Success – through the Power of the Team. Through our Annual Achievement Awards we recognise those of who have exceeded expectations in demonstrating these values.

We continue to make progress in the area of our Foundation Systems. In particular we have now loaded more than 1 million parts with 1.5 million feature values into our Master Data Management [MDM] System. A sales interface to MDM has been developed which gives branch staff across Europe access to the entire MDM product range, with technical search capabilities linked to stock availability information. Our stock profiling system [MOMASSE] continues to be rolled out across the Group, with Belgium, Hungary and the Netherlands joining during the year. In addition, certain product groups are now planned and profiled at a European level. This gives us the ability to provide a higher level of customer service at a reduced capital investment through stock optimisation; together with the creation of a "virtual EDC" for certain product ranges. The third element of the Foundation Systems is our internal trading solution, Brammer InLine. We achieved a 50% increase in use of this tool in 2008 with overall internal trading in the year of almost €6 million. This tool, showing stock availability, is available to all Brammer countries to support back to back ordering to meet customer demand, for products which are unavailable locally within the required timeframe. In six of the countries Brammer InLine is now fully integrated with their ERP systems, thereby reducing transaction processing costs and time.

During 2008, we created a pan-European Capital Employed Task Force ("CETF"), which has started work on identifying and delivering opportunities for capital employed reduction through stock optimisation. The CETF utilises the Foundation Systems to identify and implement best practice planning processes across Europe; to identify excess stocks; matching them using MDM and transferring them internally using Brammer InLine to countries where they can be sold; and eliminating other excess stocks through a range of initiatives on both the supply side and sales side. This Task Force started its work in the second half of the year and by year end had identified and delivered €1.6 million of stock reduction.

Costs

We continued to work on increasing our spend with a smaller number of suppliers, and improving the level of marketing support, pricing, and cooperation in the field received from those suppliers. The 11% improvement in productivity was achieved by a significant number of best practice initiatives, including the implementation of TOPCOMMS, our standardised sales and sales management process, as well as a number of capital expenditure projects which improved the efficiency of our back office.

Control of costs remains a key focus of the group, while meeting the necessary investment in people and processes required to sustain our current and future growth. In particular:

- We are continuing to roll out a Group-wide Car Leasing Scheme across those countries served by the chosen supplier at rates which improve on the local arrangements.
- We have renegotiated the supply of mobile telephony for the Centre and for the UK and are investigating ways of reducing this significant spend still further.

In recognition of the economic slowdown which we expect to continue throughout 2009, we have embarked on a significant cost reduction programme in all territories. As a consequence we expect our cost base in 2009 to be somewhat less than that of 2008.

The future

Our European footprint and our specialisation in the field of bearings, mechanical power transmission, fluid power and general maintenance products, is a strong platform upon which to achieve further gains in market share in our fragmented market place. There is no doubt that we shall experience difficult market conditions throughout 2009, but we believe those very conditions will prompt our customers to seek productivity improvement and cost savings, areas where our value proposition has proven to be successful. We shall continue to invest in sales resource and service delivery skills to provide ever increasing added value to our customers. Our strategy of developing a focussed approach to defensive market segments, demonstrating a clear understanding of the unique customer needs of that segment, will continue to improve our new customer win rate and further improve the retention rate of existing customers. Our pipeline of acquisition opportunities is substantial, and we will recommence acquisitive growth when the economic outlook becomes clearer. We will continue to lead the consolidation of the European market in bearings, mechanical power transmission, fluid power, and tools and general maintenance products.

Ian R Fraser

FINANCIAL REVIEW

Overview

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Revenue

Revenue increased by 26.0%, of which continental Europe accounted for a 34.4% increase and the UK a 8.7% increase. At constant exchange rates, revenue increased by 12.7%. This equates to an increase in revenue per working day of 12.0%, comprising 13.8% in continental Europe and 8.3% in the UK. The contribution from current and prior year acquisitions was £28.4 million to revenue.

Profit

The profit for the year before tax increased to £18.9 million (2007: £14.9 million). Profit before amortisation and after interest was £19.7 million (2007: £15.4 million).

Return on operating capital employed

The return on operating capital employed, based on operating profit before amortisation, was 25.7% (2007 24.9%) for the total group. Organic return on operating capital employed increased from 27.9% to 28.9%.

Goodwill

Goodwill in the balance sheet stands at £83.4 million at the end of the year (2007: £54.5 million). In 2008, goodwill increased by a net £10.2 million in respect of acquisitions, by £17.4 million due to exchange movements on goodwill held in foreign currencies, and by £1.3 million of final fair value adjustments to the goodwill on the acquisitions made in 2007. Impairment reviews have been performed in accordance with IAS 36 and no impairment has been identified.

Trading during the year

Profit from operations before amortisation, interest and tax ("underlying operating profit") increased by 31.6% to £26.2 million (2007: £19.9 million), of which £14.4 million was delivered in the first half and £11.8 million in the second half (see table below).

	First half £m	Second half £m	Full year £m
2008			
Revenue	241.6	236.8	478.4
Underlying operating profit	14.4	11.8	26.2
<hr/>			
2007	£'m	£'m	£'m
Revenue	181.8	197.8	379.6
Underlying operating profit	9.2	10.7	19.9

For the first half, continuing the strong growth momentum from 2007, revenue increased by £59.8 million resulting in an increase in underlying profit of £5.2 million. For the second half, reflecting a slowing in the rate of growth, revenue increased by £39.0 million resulting in an increase in underlying profit of £1.1 million.

Favourable exchange rates had a significant impact on the year's results contributing 13.3% to growth in revenue and 12.5% to growth in underlying operating profit.

Interest

The net interest charge for the year was £6.4 million (2007: £4.5 million) which included a discount unwind charge on deferred consideration of £0.4 million (2007: £0.2 million). Excluding the discount unwind charge the effective interest rate on average net borrowings was 7.2% (2007: 6.9%) reflecting higher base rates in both sterling and euro interest rates in 2008 together with higher interbank margins. The margin over interbank rates paid by the group remained unchanged. Profit before tax, on ordinary activities before amortisation, covers interest by 4.4x compared to 4.6x in 2007.

Tax

The tax charge for the year of £5.9 million represents an effective rate of tax of 31.4% (2007: 30.0%). This includes deferred tax charges on the amortisation of goodwill, primarily in Germany, and on the costs of share options. Going forward the effective rate is anticipated to remain at a similar level.

Cash flow

	2008	2007
	£m	£m
Cash inflow from operating activities	29.2	16.7
Net capital expenditure (purchases net of disposals)	(4.4)	(4.9)
Operational cash generation	24.8	11.8
Acquisitions (including net debt acquired)	(8.4)	(15.2)
Deferred consideration	(1.4)	0.0
Tax	(4.2)	(2.4)
Interest, dividends, pension obligations & other	(10.6)	(9.6)
Purchase of own shares	(2.3)	0.0
Net proceeds from issue of shares	0.1	15.4
Increase in net debt	(2.0)	0.0
Opening net debt	(59.4)	(54.2)
Exchange	(22.6)	(5.2)
Closing net debt	(84.0)	(59.4)

Net debt increased by £24.6 million from £59.4 million to £84.0 million – principally reflecting the exchange impact from the strengthening of the euro. At the year end net debt/EBITDA stood at 2.7 times (2007: 2.5 times).

Cash inflow from operating activities of £29.2 million was up by £12.5 million from £16.7 million in 2007.

The strong operating cash generation included a working capital increase of £2.3 million, the lower absorption reflecting the slowing in the rate of sales growth. Working capital ratios all remained broadly unchanged.

Average net borrowings in 2008 were £78.5 million compared to £60.0 million in 2007 – principally reflecting the exchange impact.

Treasury

In November 2008 the group successfully renegotiated its €66 million 364 day revolving facility to be coterminous with its €99 million term loan so that fully committed facilities of €165 million are in place through to 28 February 2012.

The companies in the group account in their local currency, principally either sterling or euros and mostly trade within their domestic markets in their local currency. Where companies trade into

export markets, this is generally in response to the requirements of domestic customers who trade globally.

The group does not enter into speculative currency transactions.

Net operating assets and financing by currency at 31 December 2008 were as illustrated in the table below.

	Net operating assets	Financing	Net assets employed
	£m	£m	£m
Sterling	3.9	6.9	10.8
Euro	116.9	(82.5)	34.4
Other	22.3	(8.4)	13.9
	<u>143.1</u>	<u>(84.0)</u>	<u>59.1</u>

Included in net operating assets is a pension fund liability primarily relating to the UK scheme of £13.3 million (£9.6 million net of deferred tax) which in 2007 was £14.3 million (£10.3 million net of deferred tax). The fall in the market value of the schemes' assets, and expected returns thereon, has been offset by a reduction in the liabilities reflecting the higher discount rate used in the actuarial calculations. With effect from 1 March 2006, the UK scheme was closed to future accrual. The company paid £2.1 million in 2008 (2007: £2.0 million) by way of contributions to close the deficit and has currently agreed to pay £1.95 million per annum, indexed for inflation, in each of the years 2007 to 2017 (inclusive). A full funding valuation of the scheme will be carried out with an effective date of 31 December 2008.

Overall therefore, at 31 December 2008, £34.4 million of the group's net assets employed were held in euros, £10.8 million of net assets in sterling and £13.9 million net assets in other currencies. Net worth is £59.1 million (2007: £44.3 million).

The directors consider the group to have adequate resources to continue operations for the foreseeable future and therefore continue to use the going concern basis in the preparation of the financial statements.

We will continue to focus on generating cash to enable us to expand operations in Europe, organically and by acquisition.

Risks & Uncertainties

The management of the business and the execution of strategy are subject to a number of risks & uncertainties.

Operational risks are assessed by Brammer subsidiaries. These are reviewed with appropriate mitigation considered by Brammer management. The Board reviews these assessments on a regular basis.

A formal group-wide review of strategic risks is performed by the Board. Appropriate processes and controls are also put in place to monitor and mitigate these risks.

The key strategic level risks affecting the group are as follows:

- **Slowdown of industrial activity greater than anticipated**
 - The group has a well spread market and geographic presence and has concentrated growth activities in defensive sectors such as food and drink, utilities and fast moving consumer goods.
- **Withdrawal of a Major Supplier**
 - Brammer represents major suppliers in a multibrand environment to its broad customer base. The relationship with strategic suppliers is mutually dependant and enhanced by

our partnership approach to Key Accounts. Brammer is continuing to secure additional support for its efforts to increase market share.

- **Loss of Major Customer**

- Brammer does not have dependency on a single customer. Key Account customers are, however, continually monitored by the senior management team, who also document the acknowledged cost savings achieved. Further growth in Key Accounts suggests the template offering is proving attractive to a profit conscious customer base.

- **Customers relocating to lower cost Eastern European countries**

- Brammer continues to grow its business successfully by expanding in a fragmented market including a recent acquisition in Poland, and a 25% stake in a business in Romania. We will continue to review suitable opportunities in this region.

- **Loss of Infrastructure/Systems**

- As with most large organisations that depend on IT for its day to day operations, there are disaster recovery plans in place for the major countries where Brammer operates. In these territories, there are overnight back up systems in place which can be expected to mitigate the worst affects of such disruption.

- **Adverse Euro Exchange Rates**

- Brammer reports its results in sterling however trades significantly in Euros. Whilst there is a natural hedge between buying and selling for the majority of our business the ultimate profitability is expressed at the year's average exchange rate.

- **Financial & Capital Risks**

- The inherent interest rate risks associated with the group's net debt are discussed above. Following the renewed and extended medium term facility, now with an enlarged banking group, Brammer has sufficient available resources to meet its foreseeable requirements.

- **Loss of Key Employees**

- The group regularly reviews its succession plan arrangements to ensure that key managers are recognised and developed. The group remains committed to a number of incentive schemes linked to the group's results, which have been designed to retain key managers.

Earnings per share

Basic earnings per share increased by 20.1% from 20.4p to 24.5p in 2008. Earnings per share, on profit before amortisation, increased by 22.4% from 21.0p in 2007 to 25.7p in 2008.

Paul Thwaite

Brammer Preliminary results announcement
Consolidated income statement for the year ended 31 December 2008

		2008	2007
	Note	£'000	£'000
Continuing operations			
Revenue	2	478,409	379,577
Cost of sales		(334,728)	(264,228)
Gross profit		143,681	115,349
Distribution costs		(117,528)	(95,469)
Amortisation of acquired intangibles		(848)	(444)
Total distribution costs		(118,376)	(95,913)
Operating profit	2	25,305	19,436
<i>Operating profit before amortisation of acquired intangibles</i>		<i>26,153</i>	<i>19,880</i>
<i>Amortisation of acquired intangibles</i>		<i>(848)</i>	<i>(444)</i>
<i>Operating profit</i>	<i>2</i>	<i>25,305</i>	<i>19,436</i>
Finance expense		(6,534)	(4,611)
Finance income		118	96
Profit before tax		18,889	14,921
Taxation		(5,925)	(4,473)
Profit for the year attributable to equity shareholders	2	12,964	10,448
Earnings per share – total	3		
Basic		24.5p	20.4p
Diluted		24.1p	20.1p
Earnings per share – on profit before amortisation of acquired intangibles	3		
Basic		25.7p	21.0p
Diluted		25.3p	20.8p

Brammer

Consolidated statement of recognised income and expense for the year ended 31 December 2008

		2008	2007
	Note	£'000	£'000
Profit for the year	6	12,964	10,448
Net exchange differences on translating foreign operations	6	8,209	2,926
Actuarial (losses) / gains	6	(1,480)	8,782
Tax on actuarial losses / gains	6	418	(3,087)
Excess tax on share option schemes	6	0	(279)
Net gains not recognised in income statement		7,147	8,342
Total recognised income and expense attributable to equity shareholders		20,111	18,790

Brammer Consolidated balance sheet as at 31 December 2008

		2008	2007
	Note	£'000	£'000
Assets			
Non-current assets			
Goodwill		83,419	54,464
Acquired intangible assets		5,320	4,433
Other intangible assets		4,888	5,013
Property, plant and equipment		16,190	13,250
Investment in associate		167	0
Deferred tax assets		3,722	4,329
		113,706	81,489
Current assets			
Inventories		103,113	67,926
Trade and other receivables		93,938	78,172
Cash and cash equivalents	5	21,715	10,464
		218,766	156,562
Liabilities			
Current liabilities			
Financial liabilities - borrowings	5	(7,693)	(8,393)
Trade and other payables		(116,386)	(84,472)
Deferred consideration		(8,340)	(147)
Current tax liabilities		(3,939)	(4,016)
		(136,358)	(97,028)
Net current assets		82,408	59,534
Non-current liabilities			
Financial liabilities - borrowings	5	(97,971)	(61,475)
Deferred tax liabilities		(8,067)	(5,797)
Provisions		(1,030)	(858)
Deferred consideration		(16,623)	(14,329)
Retirement benefit obligations		(13,333)	(14,257)
		(137,024)	(96,716)
Net assets		59,090	44,307
Shareholders' equity			
Share capital	6	10,590	10,575
Share premium		18,092	18,017
Translation reserve		10,011	1,802
Retained earnings		20,397	13,913
Total equity		59,090	44,307

Brammer Consolidated cash flow statement for the year ended 31 December 2008

		2008	2007
	Note	£'000	£'000
Cash generated from operations	4	29,215	16,729
Interest received		118	96
Interest paid		(4,042)	(4,188)
Tax paid		(4,178)	(2,432)
Decrease in pension obligations		(2,600)	(2,172)
Net cash generated from operating activities		18,513	8,033
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash/excluding debt acquired)		(8,253)	(12,375)
Investment in associate		(167)	0
Deferred consideration paid on prior acquisitions		(1,424)	0
Proceeds from sale of property, plant and equipment		483	490
Purchase of property, plant and equipment		(3,801)	(3,983)
Additions to software development		(1,041)	(1,433)
Net cash used in investing activities		(14,203)	(17,301)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		90	15,379
Net issue/(repayment) of loans		11,433	(3,112)
Net (repayment)/issue of finance leases		(101)	148
Dividends paid to shareholders		(4,063)	(3,327)
Purchase of own shares		(2,320)	0
Net cash generated from financing activities		5,039	9,088
Net increase/(decrease) in cash and cash equivalents		9,349	(180)
Exchange gains and losses on cash and cash equivalents		898	606
Net cash at beginning of year		7,939	7,513
Net cash at end of year		18,186	7,939
Cash and cash equivalents		21,715	10,464
Overdrafts		(3,529)	(2,525)
Net cash at end of year		18,186	7,939

Brammer Accounting policies

General information

Brammer plc is a company incorporated and domiciled in the UK, and listed on the London Stock Exchange. The address of the registered office is disclosed in note 7.

The principal accounting policies adopted in the preparation of these consolidated financial statements are unchanged from those applied in the preparation of the 2007 statements, and will be set out in full in the 2008 published financial statements. These policies have been consistently applied to all the years presented.

Basis of preparation

This preliminary announcement does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

New standards, amendments to standards or interpretations

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ended 31 December 2008 but have not had any impact on the group:

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', effective for annual periods beginning on or after 1 March 2007.

IFRIC 12, 'Service concession arrangements', effective for annual periods beginning on or after 1 January 2008.

The following new standards, amendments to standards and interpretations have been issued and are likely to be relevant to the group, but are not effective for the financial year ended 31 December 2008 and have not been early adopted:

IFRIC 14, IAS 19 - 'The limit on a defined benefit asset, minimum funding requirements and their interaction', effective for annual periods beginning on or after 1 January 2009.

IFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009. Management do not foresee any changes to the group's business segments; the segment information will, however, be presented on the same basis as that used for internal reporting purposes.

IAS 23 (amendment), 'Borrowing costs', effective for annual periods beginning on or after 1 January 2009. This amendment is not relevant to the group as the group does not have any qualifying assets.

IFRS 2 (amendment), 'Share-based payment', effective for annual periods beginning on or after 1 January 2009. Management is assessing the impact of changes to vesting conditions and cancellations on the group's share option schemes.

IFRS 3 (amendment), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the group.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year ended 31 December 2008, and are not currently relevant to the group:

IAS 32 (amendment), 'Financial instruments: presentation', and consequential amendments to IAS 1, 'Presentation of financial statements'.

IFRIC 13, 'Customer loyalty programmes'.

IAS 1 (amendment), 'Presentation of financial statements'.

IAS 39 (amendment), 'Financial instruments: recognition and measurement'.

IFRIC 15, 'Construction of real estate'.

IFRIC 16, 'Hedges of a net investment in foreign operations'.

Brammer NOTES TO THE ACCOUNTS

1. COMPARATIVE RESULTS

Comparative figures for the year ended 31 December 2007 are taken from the company's statutory accounts which have been delivered to the Registrar of Companies with an unqualified audit report. Copies of the 2007 annual report and the 2008 interim report are available on the company's web site (www.brammer.biz).

2. SEGMENTAL ANALYSIS

The group is primarily controlled on a country by country basis in line with legal structure of the group. Segment assets include property, plant and equipment, intangible assets, inventories, and trade and other receivables. Segment liabilities comprise trade and other payables, and provisions. All inter-segmental trading is at an arms-length basis. Of the acquisitions made during the year all are included within "Other" except CBS Rotary Power Motion and Cumbria Bearings & Transmissions, which are included under "UK", and Handelsonderneming Otten, which is included under "Benelux".

	UK £'000	Germany £'000	France £'000	Spain £'000	Benelux £'000	Other £'000	Total £'000
Year ended 31 Dec 2008							
Revenue							
Sales to external customers	133,515	121,794	74,454	42,690	46,269	59,687	478,409
Inter company sales	821	2,100	735	915	1,892	(6,463)	-
Total	134,336	123,894	75,189	43,605	48,161	53,224	478,409
Operating profit before amortisation of acquired intangibles	3,722	9,171	2,883	3,346	3,959	3,072	26,153
Amortisation of acquired intangibles						(848)	(848)
Total operating profit	3,722	9,171	2,883	3,346	3,959	2,224	25,305
Finance expense							(6,534)
Finance income							118
Profit before tax							18,889
Taxation							(5,925)
Profit for the year attributable to equity shareholders							12,964
Segment assets	49,402	39,510	39,272	26,943	27,147	41,175	223,449
Goodwill	6,485	39,181	5,080	5,968	8,924	17,781	83,419
Investment in associate	-	-	-	-	-	167	167
	55,887	78,691	44,352	32,911	36,071	59,123	307,035
Cash and cash equivalents							21,715
Deferred tax							3,722
Total assets							332,472
Segment liabilities	(32,496)	(17,501)	(26,400)	(15,090)	(12,802)	(13,127)	(117,416)
Current tax							(3,939)
Deferred tax							(8,067)
Deferred consideration							(24,963)
Financial liabilities							(105,664)
Retirement benefit liability							(13,333)
Total liabilities							(273,382)
Net assets							59,090
Other segment items							
Capital expenditure:							
- software development	-	173	1	69	74	724	1,041
- property, plant & equipment	1,705	267	405	193	547	684	3,801
Amortisation/depreciation							
- software development	-	(183)	(6)	(77)	(67)	(1,135)	(1,468)
- property, plant & equipment	(1,419)	(209)	(263)	(271)	(455)	(722)	(3,339)

Trade receivables impairment	(136)	(146)	(243)	(191)	(54)	(36)	(806)
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2. SEGMENTAL ANALYSIS (continued)

	UK £'000	Germany £'000	France £'000	Spain £'000	Benelux £'000	Other £'000	Total £'000
Year ended 31 Dec 2007							
Revenue							
Sales to external customers	123,142	96,204	58,376	33,948	35,017	32,890	379,577
Inter company sales	444	1,557	670	484	1,522	(4,677)	-
Total	123,586	97,761	59,046	34,432	36,539	28,213	379,577
Operating profit before amortisation of acquired intangibles	2,549	7,180	2,679	3,274	2,580	1,618	19,880
Amortisation of acquired intangibles						(444)	(444)
Total operating profit	2,549	7,180	2,679	3,274	2,580	1,174	19,436
Finance expense							(4,611)
Finance income							96
Profit before tax							14,921
Taxation							(4,473)
Profit for the year attributable to equity shareholders							10,448
Segment assets	43,420	27,011	30,937	22,636	19,735	25,055	168,794
Goodwill	945	29,746	4,073	4,096	6,507	9,097	54,464
	44,365	56,757	35,010	26,732	26,242	34,152	223,258
Cash and cash equivalents							10,464
Deferred tax							4,329
Total assets							238,051
Segment liabilities	(28,447)	(9,967)	(18,973)	(11,604)	(9,806)	(6,533)	(85,330)
Current tax							(4,016)
Deferred tax							(5,797)
Deferred consideration							(14,476)
Financial liabilities							(69,868)
Retirement benefit liability							(14,257)
Total liabilities							(193,744)
Net assets							44,307
Other segment items							
Capital expenditure:							
- software development	-	278	-	-	77	1,078	1,433
- property, plant & equipment	1,823	331	198	223	735	673	3,983
Amortisation/depreciation							
- software development	-	(229)	-	(70)	(44)	(458)	(801)
- property, plant & equipment	(1,255)	(169)	(237)	(194)	(390)	(462)	(2,707)
Trade receivables impairment	(108)	(123)	(50)	(80)	(37)	11	(387)

3. EARNINGS PER SHARE

	Earnings £'000	2008 Earnings per share	
		Basic	Diluted
Weighted average number of shares in issue ('000)		52,921	53,835
Profit for the financial year	12,964	24.5p	24.1p
Amortisation of acquired intangibles	848		
Tax on amortisation of intangibles	(204)		
Earnings before amortisation of acquired intangibles	13,608	25.7p	25.3p

	Earnings £'000	2007 Earnings per share	
		Basic	Diluted
Weighted average number of shares in issue ('000)		51,215	51,883
Profit for the financial year	10,448	20.4p	20.1p
Amortisation of acquired intangibles	444		
Tax on amortisation of intangibles	(114)		
Earnings before amortisation of acquired intangibles	10,778	21.0p	20.8p

4. CASH FLOW FROM OPERATING ACTIVITIES

	2008 £'000	2007 £'000
Profit for the year attributable to equity shareholders	12,964	10,448
Tax charge	5,925	4,473
Depreciation of tangible and intangible assets	5,655	3,952
Share options – value of employee services	965	1,191
Gain on sale of property, plant and equipment	(363)	(169)
Financing expense	6,416	4,515
Movement in working capital	(2,347)	(7,681)
Cash generated from operations	29,215	16,729

5. CLOSING NET DEBT

	2008 £'000	2007 £'000
Borrowings – current	(7,693)	(8,393)
Borrowings – non-current	(97,971)	(61,475)
Cash and cash equivalents	21,715	10,464
Closing net debt	(83,949)	(59,404)

6. CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Treasury shares	Translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2008	10,575	18,017	(53)	1,802	13,966	44,307
Shares issued during the year	15	75	-	-	-	90
Profit for the year attributable to equity shareholders	-	-	-	-	12,964	12,964
Unrealised exchange movement	-	-	-	8,209	-	8,209
Purchase of own shares	-	-	(2,320)	-	-	(2,320)
Transfer on vesting of own shares	-	-	1,746	-	(1,746)	-
Current tax on shares vesting	-	-	-	-	35	35
Deferred tax on shares vesting	-	-	-	-	(35)	(35)
Value of employee services	-	-	-	-	965	965
Dividends	-	-	-	-	(4,063)	(4,063)
Actuarial losses on pensions schemes	-	-	-	-	(1,480)	(1,480)
Tax on actuarial losses on pensions schemes	-	-	-	-	418	418
Movement in year	15	75	(574)	8,209	7,058	14,783
At 31 December 2008	10,590	18,092	(627)	10,011	21,024	59,090

Purchase of own shares

The group acquired 971,914 of its own shares during the period through the Brammer plc Employee Share Ownership Trust ("the Trust"). The total amount paid to purchase the shares was £2,319,954 which has been deducted from shareholders' equity. The shares are held by the Trust to meet vestings under the group's performance share plans and share matching plans.

Tranches of these plans vested during the year and 658,630 shares were transferred to directors and senior managers in order to satisfy these vestings.

Ordinary shares issued under employee share option schemes

Options exercised during the period under the group's employee share option schemes resulted in 70,425 ordinary 20p shares being issued with exercise proceeds of £89,570.

The number of ordinary 20p shares in issue at 31 December 2008 was 52,948,122 (31 December 2007: 52,877,697).

Dividends

A dividend, amounting to £2,689,000, which related to 2007 was paid on 4 July 2008 (2007: £2,218,000). An interim dividend amounting to £1,374,000 (2007: £1,109,000) was paid on 7 November 2008. The directors propose a dividend of 5.1p per share (2007: 5.1p) payable on 2 July 2009. This dividend amounting to £2,700,000 (2007: £2,689,000) has not been recognised as a liability in these financial statements.

	Share capital	Share premium	Treasury shares	Translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2007	9,585	3,628	(515)	(1,124)	700	12,274
Shares issued during the year	990	14,389	-	-	-	15,379
Profit for the year attributable to equity shareholders	-	-	-	-	10,448	10,448
Unrealised exchange movement	-	-	-	2,926	-	2,926
Transfer on vesting of own shares	-	-	462	-	(462)	-
Current tax on shares vesting	-	-	-	-	182	182
Deferred tax on shares vesting	-	-	-	-	(182)	(182)
Value of employee services	-	-	-	-	1,191	1,191
Excess tax on share option schemes	-	-	-	-	(279)	(279)
Dividends	-	-	-	-	(3,327)	(3,327)
Actuarial gains on pensions schemes	-	-	-	-	8,782	8,782
Tax on actuarial gains on pensions schemes	-	-	-	-	(3,087)	(3,087)
Movement in year	990	14,389	462	2,926	13,266	32,033
At 31 December 2007	10,575	18,017	(53)	1,802	13,966	44,307

Placing

On 23 April 2007 the company issued 4,795,000 new ordinary shares at 330 pence per share through a placing with institutional investors, representing approximately 9.9% of the total issued share capital. Proceeds before commissions and expenses were £15.8m. The placing shares rank pari passu in all respects with the existing issued shares.

Retained earnings as disclosed in the Balance Sheet above represent the retained earnings and treasury share balances above.

7. PRELIMINARY ANNOUNCEMENT

A copy of the preliminary announcement is available for inspection at the registered office of the company, Claverton Court, Claverton Road, Wythenshawe, Manchester, M23 9NE and the offices of Citigate Dewe Rogerson Ltd, 3 London Wall Buildings, London Wall, London EC2M 5SY. It will also be available on the company's web site www.brammer.biz from 23 February 2009.

8. FINAL DIVIDEND

Relevant dates concerning the payment of the final dividend are:

Annual general meeting	19 May 2009
Record date	5 June 2009
Payment date	2 July 2009

9. STATUTORY ACCOUNTS

This preliminary announcement is taken from the full accounts which have received an unqualified report by the auditors and will be filed with the Registrar of Companies following the company's annual general meeting.