PRESS RELEASE

30 July 2013

Brammer plc ("Brammer" or the "Group")

2013 INTERIM RESULTS

Brammer plc, the leading pan-European added value distributor of industrial maintenance, repair and overhaul products, today announces its unaudited results for the six months ended 30 June 2013.

Financial Highlights

- Total group revenue down by 0.8% to £328.4 million (2012: £331.1 million).
- Profit before tax up by £0.5 million to £14.6 million (2012: £14.1 million⁺), operating profit up by £0.7 million to £16.6 million (2012: £15.9 million⁺) and EPS up by 3.3% to 9.4p (2012: 9.1p⁺).
- Gross margin up 100 basis points to 30.7% (2012: 29.7%).
- Operating profit (pre amortisation and exceptional items) down by 7.5% to £17.2 million (2012: £18.6 million⁺).
- Profit before tax (pre amortisation and exceptional items) down by 9.5% to £15.2 million (2012: £16.8 million⁺).
- Inventory levels reduced by £13.7 million in total since 31 December 2012, representing a reduction of 14.0%. Inventory turns increased from 4.5 to 5.2 times.
- Strong operating cash generation (pre exceptional items) of £13.1 million (2012: £6.1 million).
- Additional long term funding obtained through the issue of €20.0 million of private placement notes with a fixed rate coupon of 3.36% maturing in 2023,with a further €20.0 million tranche issued in July The total facility is $100 million.
- EPS (pre amortisation and exceptional items) down by 9.3% to 9.8p (2012: 10.8p⁺).
- Dividend up 13.3% to 3.4p (2012: 3.0p) reflecting the Board's confidence in the outlook for the business.

Operational Highlights*

- Continued successful execution of organic growth strategy:

- Overall sales per working day down by 1.7%, but on an improving trend that saw a 1.0% increase in the month of June.
- Continued market share gains in recovering markets.

- Key Account sales per working day up 7.3% with revenues from Food and Drink up 12.0%, Metals up 12.9% and Utilities up 9.4% demonstrating the group's increased resilience to continuing economic uncertainty in its markets. Total Key Account sales, now including Buck & Hickman, represent 53.1% of total revenues (2012: 48.5%).

- Insite™ sales growth of 8.6% (2012: growth of 10.4%) with a net 45 new locations established.

- Strong revenue growth of 24.5% in Tools and General Maintenance in continental Europe, 5.0% overall growth, following successful launch of the first pan–European catalogue in September 2012.

- Overall Brammer delivered £28.5 million (2012: £28.3 million) of validated cost savings to our customers.

* at constant currency

+ prior periods' results restated to reflect retrospective application of IAS19R – Employee Benefits

Ian Fraser, Chief executive said:

"We have seen sequential month on month revenue improvement throughout the first half. Whilst there are signs of recovery in some of our markets, we believe much of our development is arising as a result of several growth initiatives where significant investment in the last 12 months is now beginning to bear fruit. Accordingly, we are pleased to report that the improving trends in the first half have been encouraging and the group is well positioned for continued good progress".

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INTERIM STATEMENT

Summary

We are pleased to report that, in the face of challenging markets across Europe, trading for Brammer in the first six months of 2013 has been robust, reflecting the benefits of our strategic focus. We have seen sequential improvement each month; sales per working day were down 4.9% in January, but improved throughout the first half, to growth of 1.0% in June compared to the prior year. The Brammer growth drivers of Key Accounts, Insites™ and cross-selling remain unchanged and have helped us continue to achieve double digit gains in market share. Our customers are facing difficult challenges in competitive markets and our ability to add value through the Brammer Value Proposition is proving highly attractive and effective.

For the six months to 30 June 2013 sales were £328.4 million which represents a decrease of 0.8% over the previous year. On a constant currency basis the decline in sales per working day (SPWD) was 1.7%. Key Accounts grew by 7.3%, with four new accounts signed in the period; our Key Account pipeline is at a record level and the prospects for further wins remain excellent. There was further growth in Insites™ with 45 (net) new Insites™ established and sales growth of 8.6% to £77.8 million. Cross-selling contributed strongly: non-bearings SPWD grew by 1.3%, with Tools and General Maintenance sales growth of 24.5% in continental Europe. Bearings SPWD declined by 10.3% reflecting market demand and our high market share in this product range.

Gross profit margin at 30.7% was up 100 basis points on the previous year. Sales, distribution, and administrative costs (“SDA”) (excluding amortisation of acquired intangibles and exceptional items) increased by 2.3% to £83.6 million, primarily reflecting significant investment in support of our growth drivers, particularly in Tools and General Maintenance, our Key Account contract with Alcoa and continued investment in our Vending project. Underlying operating costs were tightly controlled and were flat year on year, whilst expenditure on the growth driver projects was in excess of £1.8 million.

The overall effect of the above was a 7.5% decrease in operating profit before amortisation and exceptional items to £17.2 million. Pre-tax profits (before amortisation and exceptional items) decreased by 9.5% to £15.2 million with basic earnings per share (before amortisation and exceptional items) down 9.3% to 9.8 pence per share.

Net debt

Net debt at £56.9 million is £3.1 million higher than at 31 December 2012 and reflects a £1.4 million adverse currency movement and deferred consideration payments of £3.8 million. Importantly, inventory turns have improved from 4.5 times at December to 5.2 times at June, following a reduction in inventory of £13.7 million.

Summary trading performance by segment at 2013 constant currency rates (€1.25 : £1)

	External Revenue		Revenue Change	SPWD** Growth	Operating Profit*		Operating Profit Change*
	2013 £m	2012 £m	**2013** %	2013 **%**	**2013** £m	2012 £m	**2013** **%**
UK+	**145.9**	143.7	**1.5%**	1.6%	**8.5**	7.8	**9.0%**
Germany+	**57.3**	60.8	**-5.8%**	-4.4%	**2.9**	4.0	**-27.5%**
France	**41.2**	43.2	**-4.6%**	-1.9%	**1.4**	1.8	**-22.2%**
Spain	**21.0**	21.9	**-4.1%**	-1.5%	**1.8**	2.0	**-10.0%**
Benelux	**24.9**	26.2	**-5.0%**	-3.7%	**1.1**	1.4	**-21.4%**
Eastern Europe & Other+	**28.4**	30.4	**-6.6%**	-4.3%	**1.0**	1.4	**-28.6%**
Total	**318.7**	326.2	**-2.3%**	-1.7%	**16.7**	18.4	**-9.2%**
Exchange effect***	**9.7**	4.9	**1.5%**	1.5%	**0.5**	0.2	**1.7%**
As reported	**328.4**	331.1	**-0.8%**	-0.2%	**17.2**	18.6	**-7.5%**

* operating profit before amortisation and exceptional items
** sales per working day
*** to reconcile results and analysis to actual exchange rates for 2013 and 2012
+ changes in reportable segments have been reflected in all periods presented and are explained in note 2

UK (including Ireland, Iceland and Norway)
Our largest operation, and the one where the Brammer strategy is most mature, achieved sales per working day growth of 1.6%, and increased operating profit by 9.0% to £8.5 million. The growth rate over the prior year accelerated throughout the first half.

Key Account SPWD grew by 7.2%, and Key Account sales now represent 69.5% of turnover. Several new contracts were won with customers such as Associated British Ports, Drax Power Limited, Kerry Group, Golden Acres Milling Limited, Hope Construction Limited, First Great Western, and Celsa Group, and existing contracts have been extended with Mars, Severn Trent, AB Inbev, Royal Mail, Network Rail, and Aircelle. Our value proposition continues to be attractive to customers delivering more than 1,600 individual cost savings for 270 customers, with a combined saving of more than £13.1 million. Base business sales were down 9.2%, which we believe is in line with a very difficult market. New direct marketing programmes were launched during the second quarter to stimulate stronger performance from the regional base business, including the launch of a new Buck & Hickman catalogue in April. June has seen improvement with regional base business down only 5.4% on a like-for-like basis and further progress is expected in the second half as the new programmes gain traction.

Seven new full-time Insites™ have been won and implemented in the first half whilst three existing Insites™ have been converted to part-time Insites™ for economic reasons. We now have 90 full-time Insites™ in the UK, a net increase of 4 year to date, and 101 part-time Insites™. Sales through Insites™ and part-time Insites™ increased by 6.4%.

Our first Mobile Centre of Excellence was launched in January 2012. Since then it has been used to deliver over 300 events at customer sites and we have welcomed over 6,000 customers on board to experience a wide range of innovative solutions available from our leading suppliers. The Mobile Centre of Excellence continues to deliver a high quality customer experience every day of every week.

The performance of Buck & Hickman continues to exceed our expectations. Despite the weak market conditions, the Buck & Hickman business performed well during the first half with like-for-like SPWD flat. Integration of the Buck & Hickman business has continued successfully; synergy benefits are once more ahead of our original expectations.

Germany (including Austria)
SPWD on a constant currency basis declined by 4.4%, whilst operating profit declined by 27.5% to £2.9 million. Key Account growth was 5.6%, with Key Accounts now representing 33.6% of total sales; we won new contracts with Daimler and TUV. Our value proposition provided €10.9 million of signed-off cost savings to our Key Account customers.

Our investment in Mechanical Power Transmission and Motors generated continued SPWD growth of 4.8%, whilst Fluid Power sales grew by 0.3%. Tools and General Maintenance SPWD grew by 16.6%, with a sales decline of 10.4% in the first quarter and 32.9% growth in the second as our investment in sales and technical staff paid off. We won seven new Insites™ and Insite™ sales grew by 8.6%. The Insites™ pipeline is at a record level. Our focus on the market segment of Food and Drink (up 5.4%) resulted in several new contract wins and increased market share. Market share gains continued in Automotive (up 5.0%) although our industrial machinery segment, representing 34.7% of revenues, declined by 7.7%. We held 48 customer workshops across Germany addressing more than 552 MRO specialists from our targeted segments, raising the awareness of Brammer as a solutions provider.

France
SPWD in constant currency decreased by 1.9%, whilst operating profit declined by 22.2%, reflecting investment in SDA to generate future growth. Industrial Key Account sales increased by 5.8%, whilst Automotive Key Accounts declined by 11%. As a result, overall Key Accounts grew by 4.1% and now represent 54% of turnover. We delivered a total of 415 signed-off cost savings to our customers, representing €2.8 million of savings. New contracts were won with Heineken, Visteon, KME and Dessaint. Tools and General Maintenance produced sales growth of 35.5% whilst Fluid Power grew by only 1.4%, now representing 17.5% of total sales. We focused our marketing activity on Food and Drink, Utilities, Metals and Automotive with six customer events attracting nearly 170 existing and potential customers.

Spain
SPWD on a constant currency basis decreased by 1.5%, whilst operating profit decreased by 10% to £1.8 million. Our Key Account revenues increased by 10.4%. Key Accounts now represent 39.6% of sales and we provided over €650,000 of cost savings to our Key Account customers. Six new Insites™ were won, with Insite™ sales increasing by 21%. Our marketing focus was on Food and Drink (up 13.2%), Automotive (down 18.2% in a difficult market), Metals (up 3.3%) and Chemicals (up 7.9%). Industrial Machinery, representing 18.8% of sales, was down 8.3%. A total of 68 customer symposiums attracted 201 existing and potential customers. Continued progress was made in Product Range Extension, with sales of the Tools and General Maintenance range up 62.7%, and Fluid Power up 6.4%.

Benelux
SPWD in the Benelux countries declined by 3.7%, whilst operating profit declined by 21.4% reflecting negative gearing and investment in SDA to generate future growth. Overall Key Account growth in the Benelux was 4.6% and now represents 34.3% of total sales. Sales through Insites™ increased by 4.2%. Tools and General Maintenance sales grew by 14.9% but overall the base (non Key Account) business declined by 8.6% in difficult economic conditions. Our focus on Food and Drink gave rise to growth in both territories in this segment, which now represents 12.9% of Benelux sales.

Eastern Europe and Other
In this segment (comprising Poland, Hungary, the Czech Republic & Slovakia and Italy), total SPWD in constant currency declined by 4.3%, whilst operating profit declined by 28.6% to £1.0 million. In Poland, SPWD increased by 2.3% in constant currency and Key Accounts grew by 3.5%. In the Czech Republic and Slovakia, SPWD in constant currency decreased by 20.9% with industrial machinery, representing 47.2% of sales, declining by 13.6% and sales to OEM customers, representing 45.6% of sales, declining by 27.6%. Key Account sales declined by 2.2%. We believe that our earlier management and staff turnover problems are now resolved, and expect to see good progress in the second half. In Hungary, SPWD grew 4%, driven by growth in Key Account sales of 23.2%. Insite™ sales grew by 35% and now represent 50% of revenues. In Italy SPWD declined by 6% and Key Accounts grew by 19.4%, now representing 36% of sales. Regional accounts, comprising both MRO and OEM, declined by 20.5%.

Strategy

Our strategy remains unchanged and perdurable under the headings of Growth, Capabilities, Synergies and Costs.

Growth

Key Account SPWD grew by 7.3% and sales now represent 53.1% of total group sales. Key Account sales growth increased sequentially throughout the half year with SPWD growth of 2.0% in January rising to growth of 10.3% in June. We are well positioned for double digit growth in Key Accounts in the second half of the year. Four new pan-European contracts were won, each with a minimum contract period of three years, and ultimate potential annual revenues in excess of €23 million. We continued to focus our business on defensive segments, and within Key Accounts increased our sales to the Food and Drink segment by 12.0%, FMCG by 6.1%, and Packaging by 1.7%. We also saw continued recovery and further market share gains in the more cyclical Metals sector with revenues up 12.9%.

The number of Insites™ increased by a net total of 45, with 26 new full time and 41 new part time Insites™ opened, with overall growth in sales of 8.6% to £77.8 million. However, 22 Insites™ were closed due to customer factory closures or reduced demand, giving rise to a total of 372 Insites™ at the period end.

Extending the product offering to reflect the full Brammer range in every territory continued and whilst bearings SPWD declined by 10.3% reflecting market conditions, non-bearings SPWD grew by 1.3%, suggesting significant market share gains driven by SPWD growth of 5.1% in Tools and General Maintenance to £83.1 million and 2.2% SPWD growth in Fluid Power to £49.5 million.

Our contract with Alcoa is going well and we now have 65 customer facing staff solely dedicated to Alcoa across 22 of their 35 production sites in Europe. Many of these staff are working on Alcoa locations and we expect this number to increase by at least 50% as the contract develops.

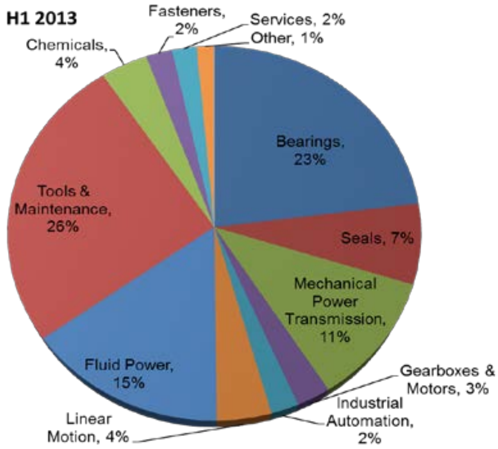
Our value proposition proved increasingly attractive to customers and we provided over 2,950 separate cost savings to our customers worth over £28.5 million.

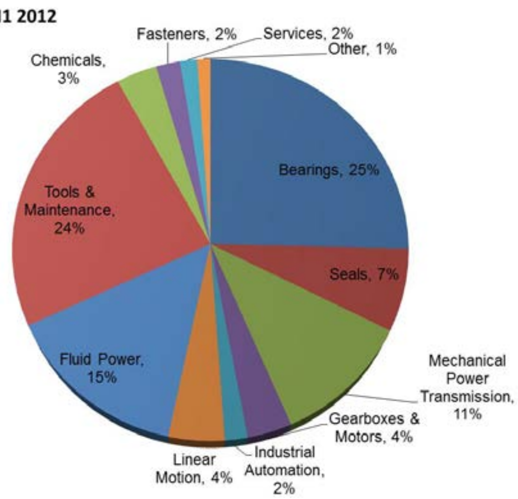
Tools and General Maintenance
We continued to invest in our European Product Division to support the sales of Tools and General Maintenance in every Brammer territory. This team, now comprising 24 Tools and Maintenance professionals, have extensive experience in product management, tender management, business development, added value services, supply chain and supplier relationships.

Our primary aim is to grow Tools and Maintenance sales on the continent both with Key Accounts and in the base regional businesses. Sales of this product range on the continent grew by 24.5%, with the growth rate accelerating throughout the half.

Our first pan-European Tools and Maintenance catalogue, published last September, has been distributed to over 30,500 customers, representing 30.5% of our customer base, and has generated over £2.5 million of incremental sales. Total sales of catalogue items are running at an annualised rate of over £6 million. Our 2014 catalogue (which will be published in December this year) will be at least 50% larger in terms of number of suppliers and part numbers.

Our project to test the potential market for industrial vending is proceeding to plan.

Turnover by product type




Acquisitions
In these difficult times, many of our competitors are finding business increasingly difficult and we are seeing more opportunities to acquire businesses which provide a good fit to Brammer. We have recruited an experienced Acquisitions Director whose task will be to identify acquisition opportunities most attractive to Brammer for detailed evaluation.

Investments in growth projects
In the past 12 months we have made significant investments in a number of growth projects which are only now beginning to bear fruit. This investment has been in the following areas:

- additional recruitment in Key Accounts, particularly to support Alcoa,
- investment in our ability to cross-sell, especially to the €25 billion Tools and General Maintenance market through investment in our European Tools and General Maintenance Product Division as well as in technical and sales staff in our territories,
- investment in our Product Database to enable e-commerce and catalogue development.

These investments have generated significant growth which can be seen from the comparison of quarter one and quarter two below:

Business area at 2013 constant currency rates (€1.25 : £1)

	Quarter One 2013	Quarter Two 2013	Half Year 2013	Revenue H1 2013
	Growth rates (%)			£m
SPWD				
Total group	-2.5	-0.9	-1.7	318.7
Revenue				
Bearings	-14.0	-7.8	-11.1	74.6
Non-bearings	-2.4	4.1	0.8	244.1
of which Tools & Maintenance	*1.4*	*8.6*	*5.0*	*83.1*
Key Accounts	1.9	11.3	6.8	169.3
Base business	-12.7	-8.9	-10.9	149.4

Capabilities

The first half of 2013 saw us focus our web development resources on building a transactional front end to all our business websites around Europe. This work will make purchasing from Brammer via our e-commerce channel easier and focus website visitors' attention on our ability to meet our customers' needs through all channel options across the full range of MRO products. This work is scheduled to result in our transactional web channel being available right across Europe by the end of 2013.

Our third annual Europe-wide customer satisfaction survey was conducted in February; now more important than ever with our focus on our fifth and newest growth driver - Customer Service. It involved 45-minute telephone interviews with 250 customers across Europe, and an online questionnaire completed by a random sample of 1.5% of our 100,000 customers.

To offer our customers the products they want at a price and location that suits them we have to be masters of our data. Without this capability we have very limited means to offer products electronically. Probably the most significant Brammer technical development of the last seven years took place in June, the delivery of a new master data management system.

This new system builds on, dramatically extends, and replaces the older MDM system. It provides us, for the first time, with the ability to organise, cleanse, govern and distribute our data to any channel we wish from a single point of control. From now on this system will be the cornerstone of everything that we do electronically with our data, our customers' data and our suppliers' data.

During the year Brammer's Distributed Learning programme (e-learning) was updated with new product training modules and enhanced functionality to provide a better learning experience in nine languages. This training is a key element of Brammer's employee induction programme; and for critical, customer-facing roles we are achieving 100% participation in the two major foundation programmes. We will continue to work with our suppliers to ensure our employees receive the best possible product training. Key sales training is now available across the business and is being rolled out in all countries in which Brammer operates.

The 2013 employee survey again provided valuable feedback for management and identified areas to focus upon to increase employee engagement still further. Brammer already has best-in-class engagement levels with its employees and seeks to build upon these further to ensure excellence in our delivery of customer service.

The Brammer European Council of employee representatives meets annually in June. 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 to and responded to.

In addition, during 2013 the company will undertake its second round of graduate recruitment, building upon the success of the first year's intake in 2012. There will also be an additional scheme aimed at recruiting successful graduates from other businesses to ensure that the best talent available is being utilised to fuel our future growth. This highlights our commitment to develop our people and to ensure that excellence comes as standard across all areas of the business.

Synergies

We are on track to achieve our planned synergy benefits from Buck & Hickman a year early.

Costs

We continued to work on increasing our spend with a smaller number of suppliers, thereby improving the level of marketing support, pricing, and cooperation in the field received from those suppliers. Gross margin improved by 100 basis points year on year to 30.7%.

Sales Distribution and Administrative expense ("SDA") remained tightly controlled. The underlying operating costs of the business remained broadly flat year on year; whilst investment in the teams supporting the main growth driver projects, in Tools and General Maintenance, the Key Account contract with Alcoa, and the vending project, was in excess of £1.8 million.

Working capital

Our focus on working capital management in the first half year has resulted in a reduction of inventory by £13.7 million, or £16.0 million on a constant currency basis, with inventory turns improving from 4.5 times at December to 5.2 times at June. This has contributed to a strong operating cash generation (pre exceptional items) of £13.1 million, significantly higher than the £6.1 million generated in the first half year of 2012.

Financing

Additional long term funding was obtained through the issue of €20 million of unsecured private placement notes in June, with a further issue of €20 million in July, both series of notes bearing interest at a fixed rate of 3.36% and maturing in 2023. These private placement notes were issued under a private shelf facility which provides a maximum facility, which is uncommitted and unsecured, up to $100 million (or currency equivalent).

Dividend

The Board proposes to increase the interim dividend by 13.3% to 3.4 pence per share. This reflects the Board's confidence in Brammer's prospects.

Prospects

Brammer is the leading pan-European supplier of technical components and related services to the MRO market and with only a small market share there is the opportunity for considerable further growth. Our customer proposition is unique and delivers real value to our customers as well as shareholders. We are strongly cash generative and have a healthy balance sheet.

Looking ahead, we are pleased to report that the improving trends in the first half have been encouraging and the group is well positioned for continued good progress.

Ian Fraser
30 July 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that this consolidated interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R , namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on this consolidated interim financial information; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The directors of Brammer plc and their respective responsibilities are as listed in the Brammer plc Annual Report for 2012.

On behalf of the Board

Ian Fraser
Chief executive

Paul Thwaite
Finance director

30 July 2013

Brammer CONSOLIDATED INCOME STATEMENT

	Notes	**6 months to 30 June 2013 (unaudited) £m**	6 months to 30 June 2012 (unaudited)* £m	Year to 31 Dec 2012 (audited)* £m
Revenue	2	**328.4**	331.1	639.6
Cost of sales		**(227.6)**	(232.8)	(444.8)
Gross profit		**100.8**	98.3	194.8
Distribution costs		**(83.6)**	(81.7)	(163.9)
Amortisation of acquired intangibles		**(0.6)**	(0.7)	(1.3)
Total sales distribution and administrative costs		**(84.2)**	(82.4)	(165.2)
Operating profit	2	**16.6**	15.9	29.6
Operating profit before amortisation and exceptional items		**17.2**	18.6	37.3
Amortisation of acquired intangibles		**(0.6)**	(0.7)	(1.3)
Exceptional items	5	-	(2.0)	(6.4)
Operating profit		**16.6**	15.9	29.6
Finance expense		**(2.0)**	(1.8)	(3.5)
Finance income		-	-	0.1
Profit before tax		**14.6**	14.1	26.2
Profit before tax before amortisation and exceptional items		**15.2**	16.8	33.9
Amortisation of acquired intangibles		**(0.6)**	(0.7)	(1.3)
Exceptional items	5	-	(2.0)	(6.4)
Profit before tax		**14.6**	14.1	26.2
Taxation	3	**(3.6)**	(3.4)	(6.8)
Profit for the period		**11.0**	10.7	19.4
Earnings per share – total				
Basic	4	**9.4p**	9.1p	16.6p
Diluted	4	**9.1p**	8.9p	16.0p
– pre amortisation and exceptional items				
Basic	4	**9.8p**	10.8p	21.5p
Diluted	4	**9.5p**	10.6p	20.8p

*Prior period results have been restated to reflect retrospective application of IAS19R - Employee Benefits.

The notes on pages 16 to 26 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2013 (unaudited) £m	6 months to 30 June 2012 (unaudited)* £m	Year to 31 December 2012 (audited)* £m
Profit for the period	**11.0**	10.7	19.4
Other comprehensive (expense)/income			
Net exchange differences on translating foreign operations	**4.2**	(3.1)	(2.4)
Actuarial (losses)/gains on retirement benefit obligations	**(4.9)**	3.0	(5.5)
Effective portion of changes in fair value of cash flow hedges	**0.1**	-	(0.2)
Other comprehensive expense for the period, net of tax	**(0.6)**	(0.1)	(8.1)
Total comprehensive income for the period	**10.4**	10.6	11.3

*Prior period results have been restated to reflect retrospective application of IAS19R - Employee Benefits.

Items in the statement above are disclosed net of tax.

The notes on pages 16 to 26 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED BALANCE SHEET

	Notes	**30 June 2013 (unaudited) £m**	30 June 2012 (unaudited)* £m	31 Dec 2012 (audited)* £m
Assets				
Non-current assets				
Goodwill	6	**93.1**	86.7	89.8
Acquired intangible assets	6	**9.9**	10.9	10.4
Other intangible assets	6	**8.9**	7.1	8.9
Property, plant and equipment	7	**15.5**	13.5	14.8
Deferred tax assets		**10.7**	7.2	8.7
		138.1	125.4	132.6
Current assets				
Inventories		**84.0**	82.8	97.7
Trade and other receivables		**118.5**	121.6	109.1
Cash and cash equivalents	8	**23.8**	7.1	2.2
		226.3	211.5	209.0
Liabilities				
Current liabilities				
Financial liabilities – borrowings	8	**(4.2)**	(4.8)	(3.2)
Trade and other payables		**(115.2)**	(126.3)	(121.9)
Provisions	9	**(1.0)**	(1.2)	(0.7)
Deferred consideration		**(0.4)**	(10.8)	(4.2)
Current tax liabilities		**(5.3)**	(5.3)	(4.7)
		(126.1)	(148.4)	(134.7)
Net current assets		**100.2**	63.1	74.3
Non-current liabilities				
Financial liabilities – borrowings	8	**(76.5)**	(40.9)	(52.8)
Deferred tax liabilities		**(8.8)**	(9.6)	(8.6)
Derivative financial instruments	8	**(0.1)**	-	(0.3)
Provisions	9	**(0.7)**	(0.2)	(2.0)
Deferred consideration		**(0.5)**	(4.1)	(0.5)
Retirement benefit obligations	10	**(27.3)**	(11.7)	(21.7)
		(113.9)	(66.5)	(85.9)
Net assets		**124.4**	122.0	121.0
Shareholders' equity				
Share capital	11	**23.5**	23.5	23.5
Share premium		**18.2**	18.2	18.2
Translation reserve		**3.1**	(1.8)	(1.1)
Cash flow hedging reserve		**(0.1)**	-	(0.2)
Retained earnings		**79.7**	82.1	80.6
Total equity		**124.4**	122.0	121.0

*Prior period results have been restated to reflect retrospective application of IAS19R - Employee Benefits.

The notes on pages 16 to 26 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £m	Share Premium £m	Treasury Shares £m	Cash flow Hedging Reserve £m	Translation Reserve £m	Retained Earnings £m	Total £m
Balance at 1 January 2012	23.4	18.2	(0.2)	-	1.3	74.9	117.6
Profit for the period*	-	-	-	-	-	10.7	10.7
Other comprehensive income*	-	-	-	-	(3.1)	3.0	(0.1)
Total comprehensive income	-	-	-	-	(3.1)	13.7	10.6
Transactions with owners							
Shares issued during the period	0.1	-	-	-	-	-	0.1
Purchase of own shares	-	-	(1.0)	-	-	-	(1.0)
Transfer on vesting of own shares	-	-	1.0	-	-	(1.0)	-
Share-based payments	-	-	-	-	-	0.9	0.9
Tax credit on share performance plans	-	-	-	-	-	0.5	0.5
Dividends	-	-	-	-	-	(6.7)	(6.7)
Total transactions with owners	0.1	-	-	-	-	(6.3)	(6.2)
Movement in period	0.1	-	-	-	(3.1)	7.4	4.4
At 30 June 2012	23.5	18.2	(0.2)	-	(1.8)	82.3	122.0
Profit for the period*	-	-	-	-	-	8.7	8.7
Other comprehensive income*	-	-	-	(0.2)	0.7	(8.5)	(8.0)
Total comprehensive income	-	-	-	(0.2)	0.7	0.2	0.7
Transactions with owners							
Purchase of own shares	-	-	(0.1)	-	-	-	(0.1)
Transfer on vesting of own shares	-	-	0.2	-	-	(0.2)	-
Share-based payments	-	-	-	-	-	1.1	1.1
Tax credit on share performance plans	-	-	-	-	-	0.8	0.8
Dividends	-	-	-	-	-	(3.5)	(3.5)
Total transactions with owners	-	-	0.1	-	-	(1.8)	(1.7)
Movement in period	-	-	0.1	(0.2)	0.7	(1.6)	(1.0)
At 31 December 2012	23.5	18.2	(0.1)	(0.2)	(1.1)	80.7	121.0
Profit for the period	-	-	-	-	-	11.0	11.0
Other comprehensive income	-	-	-	0.1	4.2	(4.9)	(0.6)
Total comprehensive income	-	-	-	0.1	4.2	6.1	10.4
Transactions with owners							
Purchase of own shares	-	-	(1.1)	-	-	-	(1.1)
Transfer on vesting of own shares	-	-	0.9	-	-	(0.9)	-
Share-based payments	-	-	-	-	-	1.3	1.3
Tax credit on share performance plans	-	-	-	-	-	0.3	0.3
Dividends	-	-	-	-	-	(7.5)	(7.5)
Total transactions with owners	-	-	(0.2)	-	-	(6.8)	(7.0)
Movement in period	-	-	(0.2)	0.1	4.2	(0.7)	3.4
At 30 June 2013	**23.5**	**18.2**	**(0.3)**	**(0.1)**	**3.1**	**80.0**	**124.4**

*Prior period results have been restated to reflect retrospective application of IAS19R - Employee Benefits.

Retained earnings as disclosed in the Balance Sheet on page 13 represent the retained earnings and treasury shares balances above.

The notes on pages 16 to 26 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED CASH FLOW STATEMENT

	6 months to 30 June 2013 (unaudited) £m	6 months to 30 June 2012 (unaudited)* £m	Year to 31 Dec 2012 (audited)* £m
Profit for the period	**11.0**	10.7	19.4
Tax charge	**3.6**	3.4	6.8
Depreciation and amortisation of tangible and intangible assets	**3.2**	3.9	7.9
Share options – value of employee services	**1.3**	0.9	2.0
Gain on disposal of tangible and intangible assets	**-**	-	(0.1)
Financing expense	**2.0**	1.8	3.4
Movement in working capital	**(9.1)**	(15.2)	(14.1)
Cash generated from operating activities	**12.0**	5.5	25.3
Cash generated from operating activities before exceptional items	***13.1***	*6.1*	*28.7*
Cash outflow from exceptional items	***(1.1)***	*(0.6)*	*(3.4)*
Cash generated from operating activities	***12.0***	*5.5*	*25.3*
Interest paid	**(1.4)**	(1.3)	(2.5)
Tax paid	**(3.2)**	(2.8)	(7.9)
Funding of pension schemes less pension expense included in operating profit	**(1.3)**	(1.4)	(2.4)
Net cash generated from operating activities	**6.1**	-	12.5
Cash flows from investing activities			
Acquisition of businesses (net of cash acquired)	**-**	(0.4)	(1.1)
Deferred consideration paid on prior acquisitions	**(3.8)**	-	(10.4)
Proceeds from sale of property, plant and equipment	**0.2**	0.1	0.2
Purchase of property, plant and equipment	**(2.1)**	(1.2)	(4.7)
Additions to other intangible assets	**(1.0)**	(1.4)	(4.4)
Net cash used in investing activities	**(6.7)**	(2.9)	(20.4)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	**-**	0.1	0.1
Net proceeds from issue of private placement (note 8)	**17.0**	-	-
Net drawdown/(repayment) of borrowings	**5.7**	(4.4)	5.8
Dividends paid to shareholders	**-**	-	(10.2)
Purchase of own shares	**(1.1)**	(1.0)	(1.1)
Net cash generated from/(used in) financing activities	**21.6**	(5.3)	(5.4)
Net increase/(decrease) in cash and cash equivalents	**21.0**	(8.2)	(13.3)
Exchange gains/(losses) on cash and cash equivalents	**0.3**	(0.5)	(0.3)
Cash and cash equivalents at beginning of period	**2.0**	15.6	15.6
Net cash at end of period	**23.3**	6.9	2.0
Cash and cash equivalents	**23.8**	7.1	2.2
Overdrafts	**(0.5)**	(0.2)	(0.2)
Net cash at end of period	**23.3**	6.9	2.0

*Prior period results have been restated to reflect retrospective application of IAS19R - Employee Benefits.

The notes on pages 16 to 26 form an integral part of this consolidated interim financial information.

1 STATUS OF INTERIM REPORT AND ACCOUNTING POLICIES

General information

Brammer plc is a company incorporated and domiciled in the UK, and listed on the London Stock Exchange.

This consolidated interim financial information was approved for issue by a duly appointed and authorised committee of the Board on 30 July 2013.

This consolidated interim financial information for the six months ended 30 June 2013 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2012 were approved by the Board on 19 February 2013 and delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The consolidated financial statements of the group for the year ended 31 December 2012 are available from the company's registered office or website (www.brammer.biz).

This consolidated interim financial information is unaudited.

Basis of preparation

This consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, "Interim Financial Reporting" as adopted by the EU. The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012 which have been prepared in accordance with IFRSs as adopted by the EU.

The financial information is presented in pounds Sterling and has been prepared on the historical cost basis.

The directors confirm that they have a reasonable expectation that the group has adequate resources to enable it to continue in existence for the foreseeable future and, accordingly, the consolidated interim financial information has been prepared on a going concern basis. In forming its opinion as to going concern, the Board prepares a cashflow forecast based upon its assumptions as to trading and taking into account the banking facilities available to the group. The Board also models a number of alternative scenarios, taking account of business variables and key risks and uncertainties, and maintains under continuous review the capital structure of the group and the financing options available to the group.

Accounting policies

Except as described below, the principal accounting policies adopted in the preparation of this consolidated interim financial information are included in the consolidated financial statements for the year ended 31 December 2012. These policies have been consistently applied to all the periods presented.

IAS 19R – Employee benefits – has been adopted with effect from 1 January 2013. The change in the accounting standard has been adopted retrospectively and the comparative amounts have been restated. Under IAS 19R the separate calculations of an interest cost on the defined benefit obligation and an expected rate of return on plan assets have been replaced with a net interest charge calculated by applying the discount rate to the net defined benefit liability. The impact of the restatement on prior periods is shown in the table at the foot of note 10.

No standards have been early adopted by the group. The implications for the group of new standards, amendments to standards or interpretations which are mandatory for the first time for the financial year ending 31 December 2013 are summarised below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

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 beginning 1 January 2013:

The group has adopted the following new standards, amendments and interpretations now applicable. Other than IAS 19R none of these standards and interpretations has had any material effect on the group's results or net assets.

Standard or interpretation	Content	Applicable for financial years beginning on or after
Amendment to IAS 1	Presentation of financial statements: Other comprehensive income	1 July 2012
Amendment to IFRS 7	Financial Instruments: asset and liability offsetting	1 January 2013
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosures of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 19R (revised 2011)	Employee benefits	1 January 2013
IAS 27 (revised 2011)	Separate financial statements	1 January 2013
IAS 28 (revised 2011)	Associates and joint ventures	1 January 2013
Annual improvements to IFRSs 2011	Various	1 January 2013

The following standards, amendments and interpretations are not yet effective and have not been adopted early by the group:

Standard or interpretation	Content	Applicable for financial years beginning on or after
Amendment to IFRS 10	Consolidated financial statements	1 January 2014
Amendment to IFRS 12	Disclosures of Interests in Other Entities	1 January 2014
Amendment to IAS 27	Separate financial statements	1 January 2014
Amendment to IAS 32	Financial Instruments: Presentation	1 January 2014
Amendment to IAS 36	Impairment of assets	1 January 2014
IFRIC 21	Levies	1 January 2014
IFRS 9	Financial instruments: Classification and measurement	1 January 2015

None of these standards or interpretations are expected to have a material impact on the group.

Accounting estimates and judgements

The preparation of consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of income, expense, assets and liabilities. The significant estimates and judgements made by management were consistent with those applied to the consolidated financial statements for the year ended 31 December 2012.

Risks and uncertainties

The principal strategic level risks and uncertainties affecting the group, together with the approach to their mitigation, remain as set out in the Financial Review on pages 18 and 19 in the 2012 Annual Report, which is available on the group's website (www.brammer.biz). In summary the group's principal risks and uncertainties are:

Slowdown of industrial activity	Adverse euro exchange rates
Withdrawal of a major supplier	Financial and capital risks
Loss of major customers	Expected benefits from acquisitions not realised
Customers relocating to lower cost countries	Loss of key employees
Loss of infrastructure/systems	

The chief executive's statement in this interim report includes comments on the outlook for the remaining six months of the financial year.

Forward-looking statements

This interim report contains forward-looking statements. Although the group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

The group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

2 SEGMENTAL ANALYSIS

The Board has been identified as the chief operating decision-maker. The Board reviews the group's internal reporting as the basis for assessing performance and allocating resources. Management has determined the operating segments based on these reports. The group is primarily controlled on a country by country basis, in line with the legal structure. In 2013 the group has made changes to the structure of its internal reporting and accordingly, the operating segments have been modified from those previously reported; details of the changes in composition are given in the footnote below.

The group's internal reporting is primarily based on performance reports run at 'management' exchange rates – exchange rates which are set at the beginning of each year. For 2013 the management rate used is €1.25 : £1, and the prior period segmental results have been restated at this rate.

Accordingly the segment information below is shown at the 'management' exchange rates with the exchange effect being a reconciling item between the segment results and the totals reported in the financial statements at actual exchange rates. The management rate applies to income statement, balance sheet and cash flows.

The Board assesses the performance of the operating segments based on their underlying operating profit, which comprises profit before interest and taxation, excluding amortisation of acquired intangibles and non-recurring or exceptional items such as restructuring costs and impairments when the impairment is the result of an isolated, non-recurring event.

Segment assets include property, plant and equipment, other intangibles, inventories, and trade and other receivables. All inter-segmental trading is on an arms-length basis.

	UK+	Germany+	France	Spain	Benelux	Eastern Europe & Other+	**Total**
	£m	£m	£m	£m	£m	£m	**£m**
Six months ended 30 June 2013							
Revenue							
Total revenue	147.1	59.0	42.1	21.8	25.7	29.0	**324.7**
Inter company sales	(1.2)	(1.7)	(0.9)	(0.8)	(0.8)	(0.6)	**(6.0)**
Sales to external customers	145.9	57.3	41.2	21.0	24.9	28.4	**318.7**
Exchange effect							**9.7**
Total sales to external customers							**328.4**
Underlying operating profit*	8.5	2.9	1.4	1.8	1.1	1.0	**16.7**
Exchange effect							**0.5**
Total underlying operating profit							**17.2**
Amortisation of acquired intangibles							**(0.6)**
Operating profit							**16.6**
Finance expense							**(2.0)**
Profit before tax							**14.6**
Tax							**(3.6)**
Profit for the period							**11.0**
Segment assets	89.5	27.9	29.4	14.9	20.4	37.0	**219.1**
Exchange effect							**7.8**
Total segment assets							**226.9**
Goodwill							**93.1**
Acquired intangibles							**9.9**
Cash and cash equivalents							**23.8**
Deferred tax							**10.7**
Total assets							**364.4**
Other segment items							
Capital expenditure	0.9	0.1	0.1	0.1	0.7	1.0	**2.9**
Exchange effect							**0.2**
Total capital expenditure**							**3.1**
Amortisation and depreciation	(0.5)	(0.2)	(0.2)	(0.1)	(0.3)	(1.1)	**(2.4)**
Exchange effect							**(0.2)**
Total amortisation and depreciation***							**(2.6)**

SEGMENTAL ANALYSIS (continued)

	UK+	Germany+	France	Spain	Benelux	Eastern Europe & Other+	**Total**
	£m	£m	£m	£m	£m	£m	**£m**
Six months ended 30 June 2012							
Revenue							
Total revenue	144.9	62.2	43.6	22.3	26.9	30.6	**330.5**
Inter company sales	(1.2)	(1.4)	(0.4)	(0.4)	(0.7)	(0.2)	**(4.3)**
Sales to external customers	143.7	60.8	43.2	21.9	26.2	30.4	**326.2**
Exchange effect							**4.9**
Total sales to external customers							**331.1**
Underlying operating profit*	7.8	4.0	1.8	2.0	1.4	1.4	**18.4**
Exchange effect							**0.2**
Total underlying operating profit							**18.6**
Amortisation of acquired intangibles							**(0.7)**
Exceptional operating items							**(2.0)**
Operating profit							**15.9**
Finance expense							**(1.8)**
Profit before tax							**14.1**
Tax							**(3.4)**
Profit for the period							**10.7**
Segment assets	89.6	28.2	29.8	16.2	22.3	38.1	**224.2**
Exchange effect							**0.8**
Total segment assets							**225.0**
Goodwill							**86.7**
Acquired intangibles							**10.9**
Cash and cash equivalents							**7.1**
Deferred tax							**7.2**
Total assets							**336.9**
Other segment items							
Capital expenditure	0.6	0.2	0.2	0.1	0.3	1.3	**2.7**
Exchange effect							**-**
Total capital expenditure**							**2.7**
Amortisation and depreciation	(0.6)	(0.1)	(0.2)	(0.2)	(0.3)	(0.9)	**(2.3)**
Exchange effect							**(0.1)**
Total amortisation and depreciation***							**(2.4)**

* Operating profit excluding the amortisation of acquired intangibles and exceptional items.

** Capital expenditure comprises additions to other intangible assets and additions to property, plant and equipment.

*** Total amortisation and depreciation excluding the amortisation of acquired intangibles.

+ The changes to the composition of reportable segments, which have been reflected in all periods presented above, are as follows: Ireland, previously included in 'Other', is now included in 'UK'; Austria, previously included in 'Other', is now included in Germany; 'Other' has now been included with Eastern Europe.

The table below details the 'management rate' used and the actual exchange rates used for the primary exchange rate of Sterling to Euro for the current period and the prior periods:

	30 June 2013	30 June 2012	31 December 2012
Management rate	**€1.25**	€1.20	€1.20
Actual average rate	**€1.181**	€1.214	€1.230
Balance sheet rate	**€1.167**	€1.236	€1.233

3 TAXATION

The charge for taxation is recognised based on management's best estimate of the weighted average annual corporate tax rate expected for the full financial year. The estimated average annual tax rate used for 2013 is 24.7% (the estimated tax rate for the first half year of 2012 was 24.5%).

4 EARNINGS PER SHARE

	Half year 2013		
		Earnings per share	
	Earnings £m	Basic	Diluted
Weighted average number of shares in issue ('000)		**117,371**	**120,980**
Earnings			
Profit for the period	**11.0**	**9.4p**	**9.1p**
Amortisation of acquired intangibles	**0.6**		
Tax on amortisation of acquired intangibles	**(0.1)**		
Earnings before amortisation of acquired intangibles	**11.5**	**9.8p**	**9.5p**

	Half year 2012*		
		Earnings per share	
	Earnings £m	Basic	Diluted
Weighted average number of shares in issue ('000)		117,074	119,814
Earnings			
Profit for the period	10.7	9.1p	8.9p
Amortisation of acquired intangibles	0.7		
Exceptional items	2.0		
Tax on exceptional items	(0.5)		
Tax on amortisation of acquired intangibles	(0.2)		
Earnings before amortisation of acquired intangibles and exceptional items	12.7	10.8p	10.6p

	Full year 2012*		
		Earnings per share	
	Earnings £m	Basic	Diluted
Weighted average number of shares in issue ('000)		117,117	120,980
Earnings			
Profit for the financial year	19.4	16.6p	16.0p
Amortisation of acquired intangibles	1.3		
Exceptional items	6.4		
Tax on exceptional items	(1.6)		
Tax on amortisation of acquired intangibles	(0.3)		
Earnings before amortisation of acquired intangibles and exceptional items	25.2	21.5p	20.8p

*Prior period results have been restated to reflect retrospective application of IAS19R - Employee Benefits.

5 EXCEPTIONAL ITEMS

There were no exceptional items in the period ended 30 June 2013.

The exceptional charge of £2.0 million in the period ended 30 June 2012 and £6.4 million in the full year ended 31 December 2012, recognised in operating profit, comprised the following items:

- the write-down of certain assets as part of the continuing programme of integrating the Buck & Hickman business acquired in the second half of 2011, consisting of some stock lines no longer considered integral to the group's core tools & general maintenance product portfolio and future trading strategy, and software considered no longer appropriate to be developed or supported in the combined UK business going forward.

- headcount and other restructuring costs incurred as a result of a wider review of the group's operating base.

The utilisation of the restructuring provision held at 31 December 2012 is shown in the provisions note below (note 9).

Details of exceptional items included in the full year operating profit for December 2012 were given in note 4 on page 68 of the 2012 Annual Report.

6 INTANGIBLE ASSETS

	Goodwill	Acquired intangibles	Other – software development
	£m	£m	£m
Cost			
At 1 January 2013	89.8	17.1	22.1
Exchange adjustments	3.3	0.3	0.3
Additions	-	-	1.0
At 30 June 2013	**93.1**	**17.4**	**23.4**
Amortisation			
At 1 January 2013	-	6.7	13.2
Exchange adjustments	-	0.2	0.2
Charge for the period	-	0.6	1.1
At 30 June 2013	**-**	**7.5**	**14.5**
Net book value			
At 30 June 2013	**93.1**	**9.9**	**8.9**
At 31 December 2012	89.8	10.4	8.9

7 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Equipment	Total
	£m	£m	£m
Cost			
At 1 January 2013	16.7	36.3	53.0
Exchange adjustments	0.3	0.9	1.2
Additions	0.8	1.3	2.1
Disposals	-	(0.4)	(0.4)
At 30 June 2013	**17.8**	**38.1**	**55.9**
Depreciation			
At 1 January 2013	9.7	28.5	38.2
Exchange adjustments	0.2	0.7	0.9
Charge for the period	0.4	1.1	1.5
Disposals	-	(0.2)	(0.2)
At 30 June 2013	**10.3**	**30.1**	**40.4**
Net book value			
At 30 June 2013	**7.5**	**8.0**	**15.5**
At 31 December 2012	7.0	7.8	14.8

8 CLOSING NET DEBT

	At 30 June 2013	At 30 June 2012	At 31 Dec 2012
	£m	£m	£m
Borrowings – current – overdrafts	**(0.5)**	(0.2)	(0.2)
Borrowings – current portion of long term loans	**(3.7)**	(4.6)	(3.0)
Borrowings – non-current	**(76.5)**	(40.9)	(52.8)
Cash and cash equivalents	**23.8**	7.1	2.2
Closing net debt	**(56.9)**	(38.6)	(53.8)

Reconciliation of net cash flow to movement in net debt

	6 months to 30 June 2013	6 months to 30 June 2012	Year to 31 Dec 2012
	£m	£m	£m
Net increase/(decrease) in cash and cash equivalents	**21.0**	(8.2)	(13.3)
Net (increase)/decrease in borrowings	**(22.7)**	4.4	(5.8)
	(1.7)	(3.8)	(19.1)
Exchange	**(1.4)**	0.5	0.6
Movement in net debt	**(3.1)**	(3.3)	(18.5)
Opening net debt	**(53.8)**	(35.3)	(35.3)
Closing net debt	**(56.9)**	(38.6)	(53.8)

During the period the group supplemented its existing borrowing facilities with additional long-term funding raised by the issue in June 2013 of €20 million of private placement notes. In July 2013 a further issue of €20 million of private placement notes was made. These private placement notes are issued under a private shelf facility, are unsecured, bear interest at a fixed rate and mature in July 2023.

Financial risk management and Financial instruments

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange price risk), credit risk, liquidity risk, cash flow and interest rate risk. The interim financial statements do not include all financial risk management information and disclosures required in annual financial statements; they should be read in conjunction with the group's 2012 Annual Report. There have been no changes in the risk management process or in any risk management policies since the year end.

Derivative financial liabilities

Level 2 hedging derivatives comprise the fair value of interest rate swaps used for hedging the group's interest rate risk. The fair values are estimated by discounting expected future contractual cash flows using prevailing interest rates and valuing any amounts denominated in foreign currencies at the exchange rate prevailing at the balance sheet date. These financial instruments are included on the balance sheet at fair value, derived from observable market prices (Level 2 as defined by IFRS7 Financial Instruments: Disclosures). There were no transfers between Levels 1 and 2 during the period, and there were no changes in valuation techniques during the period.

The fair value of the following financial assets and liabilities approximate their carrying amount:
- trade and other receivables
- cash and cash equivalents
- trade and other payables

9 PROVISIONS

	Restructuring	Other	Total
	£m	£m	£m
At 1 January 2013	2.5	0.2	2.7
Exchange adjustments	0.1	-	0.1
Utilised in the period	(1.1)	-	(1.1)
At 30 June 2013	**1.5**	**0.2**	**1.7**

Amounts falling due:	
Within one year	1.0
After more than one year	0.7
Total	**1.7**

The restructuring provision is expected to be fully utilised within one to two years. Other provisions relate to warranty claims for the disposal of a discontinued business.

10 PENSIONS

The valuations used for IAS 19R disclosures for the UK scheme have been based on the most recent actuarial valuation at 31 December 2011 updated by KPMG LLP to take account of the requirements of IAS 19R in order to assess the liabilities of the scheme at 30 June 2013. Assets are stated at their market value at 30 June 2013.

The latest completed actuarial valuation of the UK scheme was carried out as at 31 December 2011, using the defined accrued benefit method (the same method that was used at the previous valuation), by an independent actuary employed by Barnett Waddingham LLP. The assumptions, which were agreed between the company and trustees, that have the most significant effect on the results of the valuation are those related to the rates of return on investments and the rates of increase in future price inflation and pensions. Over the long term, the returns on investments backing the scheme's liabilities were assumed to be 5.75% per annum before retirement and 3.5% per annum after retirement. For pensions in payment (for both current pensioners and non-retired members) the return on underlying investments was assumed to exceed future pension increases (for pension tranches in excess of the guaranteed minimum pension) by 0.65% per annum. Pensions in excess of the guaranteed minimum pension were assumed to increase at 2.85% per annum. The valuation showed that the market value of the scheme's assets was £91.2 million as at 31 December 2011, which represented 76% of the value of the benefits that had accrued to members at that date.

The principal financial assumptions used to calculate the liabilities under IAS 19R are:

		UK scheme	
	6 months to 30 June 2013	6 months to 30 June 2012	Year to 31 Dec 2012
Inflation rate	**3.45%**	3.00%	3.00%
Rate of increase of pensions in payment	**3.45%**	3.00%	2.80%
Rate of increase for deferred pensioners	**2.65%**	2.20%	2.20%
Discount rate	**4.65%**	4.75%	4.40%

The amounts recognised in the balance sheet are determined as follows:

	30 June 2013	30 June 2012	31 Dec 2012
	£m	£m	£m
Present value of defined benefit obligations	**133.5**	110.8	125.8
Fair value of plan assets	**(106.2)**	(99.1)	(104.1)
Net liability recognised in the balance sheet	**27.3**	11.7	21.7

10 PENSIONS (continued)

The amounts recognised in the income statement are as follows:

	6 months to 30 June 2013	6 months to 30 June 2012	Year to 31 Dec 2012
	£m	£m	£m
Current service cost	**0.3**	0.2	0.4
Scheme administration expenses	**0.2**	0.2	0.4
Operating costs (included in distribution costs)	**0.5**	0.4	0.8
Net interest on defined benefit liability	**0.5**	0.4	0.7
Total pension expense	**1.0**	0.8	1.5

Analysis of the movement in the balance sheet net liability

	6 months to 30 June 2013	6 months to 30 June 2012	Year to 31 Dec 2012
	£m	£m	£m
Opening	**21.7**	16.8	16.8
Exchange adjustments	**-**	-	0.1
On-going expense as above	**1.0**	0.8	1.5
Employer contributions	**(1.8)**	(1.8)	(3.2)
Actuarial losses/(gains) recognised as a reserves movement	**6.4**	(4.1)	6.5
Closing	**27.3**	11.7	21.7

The actual return on plan assets was £2.2 million (2012: £2.9 million). The retirement benefit liability at the end of June was £27.3 million (2012: £11.7 million), a net increase of £5.6 million from 31 December 2012 (£21.7 million). This increase comprises actuarial losses of £6.4 million, primarily reflecting an increase in the inflation rate assumption and a change in the mortality assumptions, together with £1.0 million current year expense, less £1.8 million of employers' contributions.

Formerly the total pension expense was recognised in distribution costs in operating profit. On adopting IAS 19R – Employee Benefits - the net interest component of the charge is now included within finance expense; accordingly the prior periods have been restated to present the data on the same basis. The impact on prior periods' results of adopting IAS 19R is summarised below:

	6 months to 30 June 2012	6 months to 30 June 2012	Year to 31 Dec 2012	Year to 31 Dec 2012
	as reported	as restated	as reported	as restated
	£m	£m	£m	£m
Distribution costs	(81.8)	(81.7)	(164.0)	(163.9)
Operating profit	15.8	15.9	29.5	29.6
Finance expense	(1.4)	(1.8)	(2.8)	(3.5)
Profit before tax	14.4	14.1	26.8	26.2
Taxation	(3.5)	(3.4)	(7.0)	(6.8)
Profit for the period	10.9	10.7	19.8	19.4
Actuarial gains/(losses) net of related tax	2.8	3.0	(5.9)	(5.5)
Earnings per share				
-total				
Basic	9.3p	9.1p	16.9p	16.6p
Diluted	9.1p	8.9p	16.4p	16.0p
Earnings per share				
-pre amortisation and exceptional items				
Basic	11.0p	10.8p	21.9p	21.5p
Diluted	10.8p	10.6p	21.2p	20.8p

11 SHARE CAPITAL AND RESERVES

Purchase of own shares

During the period the company acquired 619,122 of its own shares of 20p each through the Brammer plc Employee Share Ownership Trust (“the Trust”) for an aggregate consideration of £1,151,562 which has been deducted from shareholders’ equity. The Trust holds the shares in order to satisfy vestings under the company’s performance share plans and share matching plans. During the period 439,981 shares were transferred to directors and senior managers to meet vestings under these plans.

At 30 June 2013 the Trust held a total 172,690 shares in the company in order to meet part of the company’s liabilities under the company’s performance share plans and share matching plans. The Trust deed contains a dividend waiver provision in respect of these shares.

Ordinary shares issued

During the period the Trust subscribed for 300,000 ordinary shares of 20p each at par.
12,529 options were exercised during the period under the group’s employee share option schemes with exercise proceeds of £12,466.
The number of ordinary 20p shares in issue at 30 June 2013 was 117,504,074 (30 June 2012: 117,204,074; 31 December 2012: 117,204,074).

Dividends

The final dividend for the year ended 31 December 2012, amounting to £7,509,000, was approved by shareholders at the Annual General Meeting on 17 May 2013 and was paid on 2 July 2013 (2012: £6,676,000). In addition, the directors propose an interim dividend of 3.4p per share (2012: 3.0p per share) payable on 1 November 2013 to shareholders who are on the register at 4 October 2013. This interim dividend, amounting to £3,995,000 (2012: £3,516,000) has not been recognised as a liability in these interim financial statements.

12 RELATED PARTY TRANSACTIONS

Other than the remuneration of executive and non-executive directors which will be disclosed in the group’s Annual Report for the year ending 31 December 2013, there were no related party transactions during the period.

13 INTERIM REPORT

A copy of the interim report is available for inspection at the registered office of the company, St Ann’s House, 1 Old Market Place, Knutsford, Cheshire, WA16 6PD and the offices of Hudson Sandler Limited, 29 Cloth Fair, London EC1A 7NN.

Current regulations permit the company not to send copies of its interim results to shareholders. Accordingly the 2013 interim results published on 30 July 2013 will not be sent to shareholders. The 2013 interim results and other information about Brammer are available on the company’s website at www.brammer.biz.

14 INTERIM DIVIDEND

Relevant dates concerning the payment of the interim dividend are:

Record date	4 October 2013
Payment date	1 November 2013