PRESS RELEASE

31 July 2012

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

2012 INTERIM RESULTS

PROVEN STRATEGY DELIVERING GROWTH

Brammer plc, the leading pan-European added value distributor of industrial maintenance, repair and overhaul products, today announces its results for the six months ended 30 June 2012.

Financial Highlights

- Record group revenue up 20.3% to £331.1 million (2011: £275.2 million). At constant currency total revenue growth is 25.1%. Organic growth in constant currency of 6.7% (including the incremental growth of Buck & Hickman).
- Profit before tax (pre amortisation and exceptional items) increased by 19.6% to £17.1 million (2011: £14.3 million). At constant currency profit before tax increased by 24.5%.
- Operating profit (pre amortisation and exceptional items) increased by 20.1% to £18.5 million (2011: £15.4 million). At constant currency operating profit grew by 24.7%.
- Operating margins (pre amortisation and exceptional items) held at 5.6%; excluding Buck & Hickman operating margin improved to 6.0%.
- Cash generated from operating activities (before outflows from exceptional items) increased to £6.0 million (2011: £5.6 million) reflecting continued focus on working capital control.
- EPS (pre amortisation and exceptional items) increased by 10.0% to 11.0p (2011: 10.0p). At constant currency EPS growth is 14.3%.
- Dividend up 11.1% to 3.0p (2011: 2.7p) reflecting the Board's confidence in the outlook for the business.

Operational Highlights

- Continued successful execution of organic growth strategy;
  - Key Account sales per working day growth of 13.4%* with sales, following the acquisition of Buck & Hickman, now representing 35.8% of revenues (2011: 38.3%). Five new pan-European contracts won taking the total to 45.
  - Insite sales growth of 10.4%* (2011: growth of 28.4%) with a net 31 new locations.
  - Overall Brammer delivered £28.3 million of validated cost savings to our customers.
  - Pan-European tools and general maintenance catalogue scheduled for launch in September 2012.

*at constant currency

- Integration of Buck & Hickman business proceeding as planned, providing significant cross-selling opportunities in the European market with existing customers.
  - Buck & Hickman sales per working day growth of 14.0%, and revenue growth of 15.0%, compared to prior year.
  - Synergy benefits are meeting expectations and we are confident that the savings target of £2.5 million for the year will be achieved.
  - Co-location of Buck & Hickman and Brammer UK branches continue in line with plan, four branches having been co-located in the first half and a further eight scheduled for the remainder of the year.

Ian Fraser, Chief executive said:

“Looking ahead, we are pleased to report that recent trading has been encouraging and the group is well positioned for continued good progress. We are nonetheless mindful of economic uncertainties which prevail across Europe”.

Enquiries:	Brammer plc	020 7638 9571 (8.00am – 1.00pm) 0161 902 5572 (1.00pm – 4.30pm)
	Bill Whiteley, Chairman Ian Fraser, Chief executive Paul Thwaite, Finance director	
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INTERIM STATEMENT

Summary

We are delighted to report that, in the face of challenging markets across Europe, trading for Brammer in the first six months of 2012 has been robust. Our revenue growth rate in constant currency of 25.1% reflects an excellent performance from Buck & Hickman and good progress in the Brammer growth drivers of Key Accounts, Insites™ and cross-selling, resulting in continued gains in market share. Our customers are facing increasing 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 2012 sales were £331.1 million which represents an increase of 20.3% over the previous year. On a constant currency basis organic growth in sales per working day (SPWD) (including incremental growth in Buck & Hickman) was 6.6%. All of the key growth drivers contributed to this growth. Key Accounts grew by 13.6%, with five new accounts signed in the period and the prospects for further wins remain excellent. There was further growth in Insites™ with 31 (net) new Insites™ established and sales growth of 10.4% to £49.8 million. Cross-selling contributed strongly: non-bearing sales (excluding Buck & Hickman) grew by 8.8% though bearing sales declined by 5.7% due to weaker markets.

As anticipated, gross profit margin at 29.7% was slightly down on the previous year due to the impact of lower margin Buck & Hickman revenues. However, the gross margin excluding Buck & Hickman improved by 130 basis points to 31.5%. Sales, distribution, and administrative costs (“SDA”) (excluding amortisation of acquired intangibles and exceptional items) increased by 17.7% to £79.8 million, with organic SDA growth of 7.7%, reflecting the recruitment of additional Key Account and management personnel in support of the growth drivers, as well as the creation of the European Product Division for Tools and General Maintenance products designed to boost sales of this line on the continent. However, in certain countries we established resource at the end of 2011 against an expectation of stronger economic conditions, with the result that there has been a degree of under-recovery of these costs. We are carefully managing expenditure and are confident that as we continue to grow through the rest of the year we will recover the correct balance in our SDA spending.

The outcome of the above is a 20.1% increase in operating profit before amortisation and exceptional items to £18.5 million. Operating margins (operating profit before amortisation and exceptional items) were maintained at 5.6%, though the margin on organic business improved from 5.6% to 6.0%. Pre-tax profits (before amortisation and exceptional items) increased by 19.6% to £17.1 million with basic earnings per share (before amortisation and exceptional items) at 11.0 pence per share up 10%.

Net debt

Net debt at £38.6 million is slightly below a year ago, but £3.3 million higher than at 31 December 2011. This increase is largely due to seasonal effects, but also included some exceptional cash costs associated with the integration of Buck & Hickman. Importantly, inventory turns have improved from 5.0 times at December to 5.2 times at June. On 11 July deferred consideration of £10.1 million was paid in respect of Fin Brammer, our business in Poland.

Operational Review

Summary trading performance by segment at 2012 constant currency rates (€1.20 : £1)

	External Revenue		Revenue Growth	SPWD** Growth (Like for like)	Operating Profit*		Operating Profit growth*
	2012	2011	**2012**	2012	**2012**	2011	**2012**
	£m	£m	%	**%**	£m	£m	**%**
UK+	**142.3**	79.6	**78.8%**	12.7%	**7.7**	4.2	**83.3%**
Germany	**61.1**	58.9	**3.7%**	3.0%	**4.3**	3.6	**19.4%**
France	**45.0**	42.6	**5.6%**	6.1%	**1.9**	1.9	**-**
Spain	**22.8**	22.4	**1.8%**	1.8%	**2.1**	1.8	**16.7%**
Benelux	**27.3**	24.8	**10.1%**	10.3%	**1.5**	1.5	**-**
Eastern Europe	**25.8**	28.7	**-10.1%**	-4.2%	**1.4**	2.0	**-30.0%**
Other	**8.5**	9.0	**-5.6%**	-4.2%	**(0.2)**	0.0	**n/a**
Total	**332.8**	266.0	**25.1%**	6.6%	**18.7**	15.0	**24.7%**
Exchange effect***	**(1.7)**	9.2	**-4.8%**	-4.7%	**(0.2)**	0.4	**-4.6%**
As reported	**331.1**	275.2	**20.3%**	1.9%	**18.5**	15.4	**20.1%**

* operating profit before amortisation and exceptional items
** sales per working day
*** to reconcile results and analysis to actual exchange rates for 2012 and 2011
+ including Buck & Hickman

UK (including Iceland and Norway, but excluding Buck & Hickman)
Our largest operation, and the one where the Brammer strategy is most mature, achieved sales per working day (SPWD) growth of 4.0%, and increased operating profit by 59% to £6.6 million.

Key Account sales grew by 11.9%, and now represent 67.0% of turnover. Several new contracts were won with customers such as Innospec, Wincanton and De La Rue, and the implementation of last year's major contracts with Tata Steel, British Aerospace and EDF Energy proceeded well. Our value proposition continues to be attractive to customers delivering more than 1,300 individual cost savings for 600 customers, with a combined saving of more than £7.6 million. Base business sales declined by 6.9% in a very difficult market.

We opened 18 new full time Insites™ and sales through Insites™ and part-time Insites™ (those locations where we have several regular clinics with the customer's staff each week) increased by 3.1%.14 existing full time Insites™ closed giving a net increase of four. We opened our second Insite in Norway.

We launched our first Mobile Centre of Excellence in January. This mobile demonstration centre is available to our customers to experience a wide range of innovative solutions from our leading suppliers. Since launch we have held more than 70 customer events and hosted more than 2,000 people on board generating more than 1,300 sales enquiries.

Finally, our cross-selling initiatives continued to be successful with sales growth of 23.2% in our Tools and General Maintenance range which now represents 13.7% of sales.

Buck & Hickman

The performance of Buck & Hickman has exceeded our expectations. Despite the weak market conditions, the Buck & Hickman business performed very well during the first half with like-for-like sales per working day growth of 14.0%. This excellent growth momentum is largely due to a strong performance from existing Key Account contracts in the aerospace and automotive sectors, as well as the ramp-up of new contracts in the metals, aerospace, engineering and transportation sectors.

The base business has also grown 4% on a like-for-like basis reflecting market share gains from focused marketing and sales initiatives in the first half, including the launch of a new Buck & Hickman catalogue - the first since 2010.

Gross margins have been stable during the first half and we strongly believe this presents an opportunity for improvement as we implement the Brammer strategy of supplier consolidation.

We have managed a successful leadership transition to bring the business under the direction of the Brammer UK Managing Director and have further achieved our goal to begin to extract the significant synergies that exist between both UK businesses in the areas of purchasing, product substitution, logistics and property – without distracting management from the day job of growing the business.

Germany

SPWD on a constant currency basis grew by 3.0%, whilst operating profit improved by 19.4% to £4.3 million. Key Account growth was 13.1%, with Key Accounts now representing 28.9% of total sales; we won new contracts with Johnson Controls and Prettl. Our value proposition provided €2.5 million of signed-off cost savings to our Key Account customers.

Our investment in Mechanical Power Transmission and Motors generated continued sales growth of 4.4%, whilst additional investment in sales and technical support for Fluid Power resulted in growth of 18.9%. Our recent investment in Tools gave us 70% growth. We won six new Insites™ and Insite™ sales grew 13.8%. Our focus on the market segments of Food and Drink (up 48.8%) and Metals (up 7.1%) resulted in several new contract wins and increased market share. Market share gains continued in Automotive (up 49.0%) although our industrial machinery segment, representing 38% of revenues, declined by 9.7%. We held 85 customer workshops across Germany addressing more than 850 MRO specialists from our targeted segments, raising the awareness of Brammer as a solutions provider.

France

SPWD in constant currency increased by 6.1%, whilst operating profit was flat, reflecting investment in SDA to generate future growth. Industrial Key Account sales increased by 15.7%, whilst Automotive Key Accounts were flat. As a result, overall Key Accounts grew by 11.0% and now represent 49.9% of turnover. We delivered a total of 240 signed-off cost savings to our customers, representing €1.3 million of savings. New contracts were won with Yoplait, Terreal, Lucart and Wienerberger. The new product initiative of Tools and General Maintenance produced sales growth of 18.0% whilst Fluid Power also continued to grow, with sales up 19.8%, now representing 16.9% of total sales. We focused our marketing activity on Food and Drink, Utilities, Metals and Automotive with 17 customer events attracting nearly 500 existing and potential customers.

Spain
SPWD on a constant currency basis increased by 1.8%, whilst operating profit increased by 16.7% to £2.1 million. Our Key Account revenues increased by 18.0%. Key Accounts now represent 34.8% of sales and we provided over €1.7 million of cost savings to our Key Account customers. Seven new Insites™ were won, with Insite™ sales increasing by 28.5%. Our marketing focus was on Food and Drink (up 12%), Automotive (up 15.2%), Metals (flat) and Chemical (up 10.0%). Industrial Machinery, representing 19.3% of sales, was down 9.5%. A total of 73 customer symposiums attracted 233 existing and potential customers. Continued progress was made in Product Range Extension, with sales of the Tools and General Maintenance range up 63.8%, and Fluid Power up 35.7%.

Benelux
SPWD in the Benelux countries grew by 10.3%, whilst operating profit was flat reflecting investment in SDA to generate future growth. We won new contracts with McBride, PepsiCo and Valeo. Overall Key Account growth in the Benelux was 20.5% and now represents 30.8% of total sales. In Holland Mechanical Power Transmission sales grew by 13.2%, Fluid Power by 45.0%, and Tools and Maintenance by 25%. In Belgium, Tools and General Maintenance grew by 9.5% and bearings grew by 12.6%, although Fluid Power declined by 7.5%. Sales through existing Insites™ increased by 10.5%. Our focus on Food and Drink gave rise to growth in both territories in this segment, which now represents 14.6% of Benelux sales.

Eastern Europe
In our Eastern European businesses (comprising Poland, Hungary, the Czech Republic and Slovakia), total SPWD in constant currency declined by 4.2%, whilst operating profit declined by 30% to £1.4 million. In Poland, SPWD increased by 7.9% in constant currency. Key Accounts in Poland grew by 26.9%. In the Czech Republic and Slovakia, SPWD in constant currency decreased by 25.5% with industrial machinery, representing 44.0% of sales, declining by 9.2% and sales to OEM customers representing 45% of sales declining by 24.2%. Key Account sales were flat, although new contracts were won with Amcor and PepsiCo and we opened one Insite™. In Hungary, SPWD was flat, Key Account sales declined by 2.1%, and we opened one Insite™.

Other segments
In respect of the other segments, Austria, Ireland and Italy, SPWD declined by 4.2%, whilst operating profit was flat.

Strategy

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

Growth

Key Account sales grew by 13.6% and now represent 35.8% of total sales. Five new European contracts were won, each with a minimum contract period of three years, and ultimate potential annual revenues in excess of €25 million. We continued to focus our business on defensive segments, and within Key Accounts increased our sales to the Food and Drink segment by 9.2%, FMCG by 4.5%, and Packaging by 7.5%. We also saw continued recovery and further market share gains in the more cyclical sectors of Automotive (up 17.2%) and Metals (up 14.5%). Our value proposition proved increasingly attractive to customers and we provided over 2,300 separate cost savings to our customers worth over €34.0 million.

The number of Insites™ increased by a net total of 31, with 31 new full time and 28 new part time Insites™ opened, with overall growth in sales of 10.4% to £49.8 million. However, 28 Insites™ were closed due to customer factory closures or reduced demand, giving rise to a total of 301 Insites™ at the period end.

Extending the product offering to reflect the full Brammer range in every territory continued and whilst bearing sales declined by 5.7%, non bearing sales excluding Buck & Hickman rose 8.8%, suggesting significant market share gains driven by growth of 23.0% in Tools and Maintenance to £21.7 million and 11.2% growth in Fluid Power to £49.3 million.

In the first half of 2012 we maintained contact with and are monitoring a number of interesting bolt-on acquisition opportunities.

European Product Division Tools and General Maintenance

We have now established the European Product Division to support the sales of Tools and General Maintenance in every Brammer territory. The top team, led by Philippe Hervieux our former French managing director, and experienced Tools and Maintenance professionals formerly with Buck & Hickman, have extensive experience in product management, tender management, business development, added value services, supply chain and supplier relationships.

The business development team has started to engage with our Key Accounts across Europe to support the winning of new contracts for Tools and Maintenance and the range expansion at existing customers. As a result of this, significant protective personal equipment ("PPE") contracts have been won with PepsiCo and Alcoa, and a number of other opportunities are being pursued.

Our pan-European Tools & Maintenance catalogue will be published in September. This catalogue will consist of 45 different brands featuring around 17,000 stock keeping units, over 700 pages and 70,000 catalogues will be released in nine languages across our 16 countries. All suppliers included in the catalogue have agreed to fully support the Brammer European strategy. As a result, we have been able to build a comprehensive, unique, pan-European brand leading product offering to benefit all of our existing customers across Europe.

Capabilities

The focus of our people and organisational capability continues to be on supporting our growth. To that end, our pan-European Marketing team are continuing the roll out of our new Market Segmentation material across Europe, with a newly updated series of the material distributed across our 16 country businesses combined with training on how to use the sector specific material and a continuous audit of the branch network. We have also developed and launched a new sales training programme considering best practice, our industry sector approach and Brammer's value proposition.

Our Sales team is continuing to develop the Brammer Insite™ Operations Manual, localised into English, French, German and Spanish. During 2012 we introduced an Insite™ training programme designed to raise awareness of the prerequisite methods and processes to identify, target and set up a new Insite™. A European Insite™ Manager was appointed during the year to manage the growth of Insite™services across all 16 countries.

We developed a new website with e-commerce functionality, aiming to increase customer conversions via an enhanced user journey and easy to find call-to-action opportunities. The new site features more interactive content including "Quick Tips video clips"; we will be adding new clips and other content regularly throughout 2012. Our e-commerce solution is already live in Poland, Spain, France and Netherlands, and will be launched in the remaining countries during 2012 and 2013.

In February 2012 we continued our Europe-wide customer satisfaction survey, involving 45-minute telephone interviews with over 300 customers across Europe, and an online questionnaire sent to a random sample of 10,000 of our 100,000 customers. This research further strengthened our insight into our customers, helping us to appreciate their current and future needs in detail, and assist us with our strategic and operational planning and service delivery.

During the period 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% take-up of the two major foundation programmes. Going forward, we will continue to work with our suppliers to ensure our employees receive the best possible product training.

From analysis of the 2012 internal employee survey, we have developed regional and functional action plans to maintain and enhance the excellent links between our strategy and our personnel.

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.

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. Gross profit in the organic business therefore improved slightly compared with the same period last year.

Dividend

The Board proposes to increase the interim dividend by 11.1% to 3.0 pence per share. This reflects the Board's confidence in Brammer's prospects.

Prospects

Brammer is the leading European supplier of technical components and related services to the MRO market and with only 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 recent trading has been encouraging and the group is well positioned for continued good progress. We are nonetheless mindful of economic uncertainties which prevail across Europe.

Ian R Fraser
31 July 2012

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 the condensed set of financial statements; 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 2011 with the exception of the following changes in the period: Duncan Magrath was appointed to the Board in February 2012 with effect from 1 March 2012; David Dunn stepped down as Chairman and retired from the Board on 17 May 2012 and Bill Whiteley took over as Chairman at that date.

On behalf of the Board

Ian Fraser
Chief Executive

Paul Thwaite
Finance director

31 July 2012

Brammer CONSOLIDATED INCOME STATEMENT

	Notes	**6 months to 30 June 2012 (unaudited) £m**	6 months to 30 June 2011 (unaudited) £m	Year to 31 Dec 2011 (audited) £m
Revenue	2	**331.1**	275.2	571.5
Cost of sales		**(232.8)**	(192.0)	(398.2)
Gross profit		**98.3**	83.2	173.3
Distribution costs		**(81.8)**	(67.8)	(144.7)
Amortisation of acquired intangibles		**(0.7)**	(0.6)	(1.3)
Total sales distribution and administrative costs		**(82.5)**	(68.4)	(146.0)
Operating profit	2	**15.8**	14.8	27.3
Operating profit before amortisation and exceptional items		**18.5**	15.4	31.8
Amortisation of acquired intangibles		**(0.7)**	(0.6)	(1.3)
Exceptional items	5	**(2.0)**	-	(3.2)
Operating profit		**15.8**	14.8	27.3
Finance expense		**(1.4)**	(1.1)	(2.9)
Finance income		-	-	0.1
Profit before tax		**14.4**	13.7	24.5
Profit before tax before amortisation and exceptional items		**17.1**	14.3	29.0
Amortisation of acquired intangibles		**(0.7)**	(0.6)	(1.3)
Exceptional items	5	**(2.0)**	-	(3.2)
Profit before tax		**14.4**	13.7	24.5
Taxation	3	**(3.5)**	(3.5)	(6.2)
Profit for the period		**10.9**	10.2	18.3
Earnings per share – total				
Basic	4	**9.3p**	9.6p	16.8p
Diluted	4	**9.1p**	9.6p	16.4p
– pre amortisation and exceptional items				
Basic	4	**11.0p**	10.0p	19.8p
Diluted	4	**10.8p**	10.0p	19.3p

The notes on pages 15 to 25 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2012 (unaudited) £m	6 months to 30 June 2011 (unaudited) £m	Year to 31 December 2011 (audited) £m
Profit for the period	**10.9**	10.2	18.3
Other comprehensive income			
Net exchange differences on translating foreign operations	**(3.1)**	4.1	(3.1)
Actuarial gains/(losses) on retirement benefit obligations	**2.8**	0.3	(4.2)
Other comprehensive (expense)/income for the period, net of tax	**(0.3)**	4.4	(7.3)
Total comprehensive income for the period	**10.6**	14.6	11.0

Items in the statement above are disclosed net of tax.

The notes on pages 15 to 25 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED BALANCE SHEET

	Notes	30 June 2012 (unaudited) £m	30 June 2011 (unaudited) £m	31 Dec 2011 * £m
Assets				
Non-current assets				
Goodwill	6	**86.7**	78.7	88.4
Acquired intangible assets	6	**10.9**	4.8	11.7
Other intangible assets	6	**7.1**	5.1	7.4
Property, plant and equipment	7	**13.5**	11.4	13.8
Deferred tax assets		**7.2**	5.4	7.0
		125.4	105.4	128.3
Current assets				
Inventories		**82.8**	74.9	87.7
Trade and other receivables		**121.6**	101.1	114.8
Cash and cash equivalents	8	**7.1**	24.5	15.9
		211.5	200.5	218.4
Liabilities				
Current liabilities				
Financial liabilities – borrowings	8	**(4.8)**	(61.7)	(3.4)
Trade and other payables		**(126.3)**	(106.8)	(131.6)
Provisions	9	**(1.2)**	(0.6)	(1.3)
Deferred consideration		**(10.8)**	(7.8)	(10.8)
Current tax liabilities		**(5.3)**	(4.5)	(5.0)
		(148.4)	(181.4)	(152.1)
Net current assets		**63.1**	19.1	66.3
Non-current liabilities				
Financial liabilities – borrowings	8	**(40.9)**	(3.4)	(47.8)
Deferred tax liabilities		**(9.6)**	(9.5)	(8.8)
Provisions	9	**(0.2)**	(0.1)	-
Deferred consideration		**(4.1)**	-	(3.6)
Retirement benefit obligations	10	**(11.7)**	(13.7)	(16.8)
		(66.5)	(26.7)	(77.0)
Net assets		**122.0**	97.8	117.6
Shareholders' equity				
Share capital	11	**23.5**	21.3	23.4
Share premium		**18.2**	18.2	18.2
Translation reserve		**(1.8)**	8.5	1.3
Retained earnings		**82.1**	49.8	74.7
Total equity		**122.0**	97.8	117.6

*December 2011 balance sheet restated for fair value adjustments to the assets and liabilities acquired with the Buck & Hickman business on 30 September 2011 (note 6).

The notes on pages 15 to 25 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	Translation Reserve £m	Retained Earnings £m	Total £m
Balance at 1 January 2011	21.3	18.1	(0.2)	4.4	43.4	87.0
Profit for the period	-	-	-	-	10.2	10.2
Other comprehensive income	-	-	-	4.1	0.3	4.4
Total comprehensive income	-	-	-	4.1	10.5	14.6
Transactions with owners						
Shares issued during the period	-	0.1	-	-	-	0.1
Purchase of own shares	-	-	(0.1)	-	-	(0.1)
Transfer on vesting of own shares	-	-	0.1	-	(0.1)	-
Value of employee services	-	-	-	-	1.0	1.0
Dividends	-	-	-	-	(4.8)	(4.8)
Total transactions with owners	-	0.1	-	-	(3.9)	(3.8)
Movement in period	-	0.1	-	4.1	6.6	10.8
At 30 June 2011	21.3	18.2	(0.2)	8.5	50.0	97.8
Profit for the period	-	-	-	-	8.1	8.1
Other comprehensive income	-	-	-	(7.2)	(4.5)	(11.7)
Total comprehensive income	-	-	-	(7.2)	3.6	(3.6)
Transactions with owners						
Shares issued in respect of the placing	2.1	-	-	-	22.7	24.8
Value of employee services	-	-	-	-	1.0	1.0
Tax credit on share performance plans	-	-	-	-	0.7	0.7
Dividends	-	-	-	-	(3.1)	(3.1)
Total transactions with owners	2.1	-	-	-	21.3	23.4
Movement in period	2.1	-	-	(7.2)	24.9	19.8
At 31 December 2011	23.4	18.2	(0.2)	1.3	74.9	117.6
Profit for the period	-	-	-	-	10.9	10.9
Other comprehensive income	-	-	-	(3.1)	2.8	(0.3)
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)	-
Value of employee services	-	-	-	-	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**

Retained earnings as disclosed in the Balance Sheet on page 12 represent the retained earnings and treasury shares balances above.
The notes on pages 15 to 25 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED CASH FLOW STATEMENT

	6 months to 30 June 2012 (unaudited) £m	6 months to 30 June 2011 (unaudited) £m	Year to 31 Dec 2011 (audited) £m
Profit for the period	**10.9**	10.2	18.3
Tax charge	**3.5**	3.5	6.2
Depreciation and amortisation of tangible and intangible assets	**3.9**	2.7	5.7
Share options – value of employee services	**0.9**	1.0	2.0
Gain on disposal of tangible and intangible assets	**-**	(0.2)	(0.3)
Financing expense	**1.4**	1.1	2.8
Movement in working capital	**(15.2)**	(13.0)	(6.5)
Cash generated from operating activities	**5.4**	5.3	28.2
Cash generated from operating activities before exceptional items	***6.0***	*5.6*	*28.9*
Cash outflow from exceptional items	***(0.6)***	*(0.3)*	*(0.7)*
Cash generated from operating activities	***5.4***	*5.3*	*28.2*
Interest paid	**(1.3)**	(1.0)	(2.4)
Tax paid	**(2.8)**	(1.5)	(4.1)
Funding of pension schemes less income statement charge	**(1.3)**	(1.8)	(3.3)
Net cash generated from operating activities	**-**	1.0	18.4
Cash flows from investing activities			
Acquisition of businesses (net of cash acquired)	**(0.4)**	**-**	(26.9)
Deferred consideration paid on prior acquisitions	**-**	(0.7)	(1.8)
Proceeds from sale of property, plant and equipment	**0.1**	0.3	0.5
Purchase of property, plant and equipment	**(1.2)**	(1.3)	(3.0)
Additions to other intangible assets	**(1.4)**	(1.0)	(3.3)
Net cash used in investing activities	**(2.9)**	(2.7)	(34.5)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	**0.1**	0.1	0.1
Net proceeds from share placing	**-**	-	24.8
Repayment of loans under old financing facility	**-**	-	(56.1)
Net (repayment)/issue of borrowings	**(4.4)**	2.9	50.5
Dividends paid to shareholders	**-**	-	(7.9)
Purchase of own shares	**(1.0)**	(0.1)	(0.1)
Net cash (used in)/generated from financing activities	**(5.3)**	2.9	11.3
Net (decrease)/increase in cash and cash equivalents	**(8.2)**	1.2	(4.8)
Exchange gains/(losses) on cash and cash equivalents	**(0.5)**	1.1	(0.6)
Cash and cash equivalents at beginning of period	**15.6**	21.0	21.0
Net cash at end of period	**6.9**	23.3	15.6
Cash and cash equivalents	**7.1**	24.5	15.9
Overdrafts	**(0.2)**	(1.2)	(0.3)
Net cash at end of period	**6.9**	23.3	15.6

The notes on pages 15 to 25 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 31 July 2012.

This consolidated interim financial information for the six months ended 30 June 2012 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2011 were approved by the Board on 14 February 2012 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 2011 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 2012 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, "Interim Financial Reporting" as adopted by the EU. The consolidated interim condensed financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011 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 interim financial information are included in the consolidated financial statements for the year ended 31 December 2011. These policies have been consistently applied to all the periods presented.

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 2012 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 2012:

The group has adopted the following new standards, amendments and interpretations now applicable. 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 IFRS 7*	Financial Instruments: Disclosures	1 July 2011
Amendment: IAS 12*	Income Taxes	1 January 2012

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 IAS 1*	Presentation of financial statements Instruments on OCI	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
IFRIC 20*	Stripping costs in the production phase of a surface mine	1 January 2013
IFRS 9*	Financial instruments: Classification and measurement	1 January 2015

**These standards are not expected to be relevant to the group*

IAS 19R – Employee benefits - is likely to have a significant impact on future financial statements when it is adopted. Under IAS 19R the interest cost on the defined benefit obligation, and the expected rate of return on plan assets, will be replaced with a net interest charge that is calculated by applying the discount rate to the net defined benefit liability. With effect from 1 January 2013 this is likely to result in a higher charge being recognised in the income statement.

Accounting estimates and judgements

The preparation of 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 2011.

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 2011 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 chairman's statement and chief executive's review in this interim report include 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. The operating segments are unchanged from those previously reported.

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 2012 the management rate used is €1.20 : £1.

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, software development, inventories, and trade and other receivables. All inter-segmental trading is on an arms-length basis.

	UK	Germany	France	Spain	Benelux	Eastern Europe	Other operating segments	**Total**
	£m	£m	£m	£m	£m	£m	£m	**£m**
Six months ended 30 June 2012								
Revenue								
Total revenue	143.5	62.5	45.5	23.2	28.0	25.9	8.7	**337.3**
Inter company sales	(1.2)	(1.4)	(0.5)	(0.4)	(0.7)	(0.1)	(0.2)	**(4.5)**
Sales to external customers	142.3	61.1	45.0	22.8	27.3	25.8	8.5	**332.8**
Exchange effect								**(1.7)**
Total sales to external customers								**331.1**
Underlying operating profit*	7.7	4.3	1.9	2.1	1.5	1.4	(0.2)	**18.7**
Exchange effect								**(0.2)**
Total underlying operating profit								**18.5**
Amortisation of acquired intangibles								**(0.7)**
Exceptional operating items								**(2.0)**
Operating profit								**15.8**
Finance expense								**(1.4)**
Profit before tax								**14.4**
Tax								**(3.5)**
Profit for the period								**10.9**
Segment assets	88.5	27.7	31.0	16.9	23.3	25.5	15.7	**228.6**
Exchange effect								**(3.6)**
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	0.2	1.2	**2.8**
Exchange effect								**(0.1)**
Total capital expenditure								**2.7**
Amortisation and depreciation	(0.6)	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)	(0.8)	**(2.5)**
Exchange effect								**0.1**
Total amortisation and depreciation**								**(2.4)**

SEGMENTAL ANALYSIS (continued)

	UK	Germany	France	Spain	Benelux	Eastern Europe	Other operating segments	**Total**
	£m	£m	£m	£m	£m	£m	£m	**£m**
Six months ended 30 June 2011								
Revenue								
Total revenue	81.1	60.7	43.2	22.9	25.7	28.8	9.1	**271.5**
Inter company sales	(1.5)	(1.8)	(0.6)	(0.5)	(0.9)	(0.1)	(0.1)	**(5.5)**
Sales to external customers	79.6	58.9	42.6	22.4	24.8	28.7	9.0	**266.0**
Exchange effect								**9.2**
Total sales to external customers								**275.2**
Underlying operating profit*	4.2	3.6	1.9	1.8	1.5	2.0	0.0	**15.0**
Exchange effect								**0.4**
Total underlying operating profit								**15.4**
Amortisation of acquired intangibles								**(0.6)**
Operating profit								**14.8**
Finance expense								**(1.1)**
Profit before tax								**13.7**
Tax								**(3.5)**
Profit for the period								**10.2**
Segment assets	48.0	25.6	29.6	17.8	21.3	25.6	13.9	**181.8**
Exchange effect								**10.7**
Total segment assets								**192.5**
Goodwill								**78.7**
Acquired intangibles								**4.8**
Cash and cash equivalents								**24.5**
Deferred tax								**5.4**
Total assets								**305.9**
Other segment items								
Capital expenditure	0.5	0.1	0.1	0.2	0.3	0.2	0.8	**2.2**
Exchange effect								**0.1**
Total capital expenditure								**2.3**
Amortisation and depreciation	(0.4)	(0.1)	(0.1)	(0.2)	(0.3)	(0.2)	(0.7)	**(2.0)**
Exchange effect								**(0.1)**
Total amortisation and depreciation**								**(2.1)**

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

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

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 period:

	30 June 2012	30 June 2011	31 December 2011
Management rate	**€1.20**	€1.20	€1.20
Actual average rate	**€1.214**	€1.146	€1.152
Balance sheet rate	**€1.236**	€1.107	€1.192

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 2012 is 24.5% (the estimated tax rate for the first half year of 2011 was 25.4%).

4 EARNINGS PER SHARE

	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	**10.9**	**9.3p**	**9.1p**
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	**12.9**	**11.0p**	**10.8p**

	Half year 2011		
		Earnings per share	
	Earnings £m	Basic	Diluted
Weighted average number of shares in issue ('000)		106,365	106,525
Earnings			
Profit for the period	10.2	9.6p	9.6p
Amortisation of acquired intangibles	0.6		
Tax on amortisation of acquired intangibles	(0.1)		
Earnings before amortisation of acquired intangibles	10.7	10.0p	10.0p

	Full year 2011		
		Earnings per share	
	Earnings £m	Basic	Diluted
Weighted average number of shares in issue ('000)		109,019	111,759
Earnings			
Profit for the financial year	18.3	16.8p	16.4p
Amortisation of acquired intangibles	1.3		
Exceptional items	3.2		
Tax on exceptional items	(0.9)		
Tax on amortisation of acquired intangibles	(0.3)		
Earnings before amortisation of acquired intangibles and exceptional items	21.6	19.8p	19.3p

5 EXCEPTIONAL ITEMS

As part of the continuing programme of integrating the Buck & Hickman business, which was acquired on 30 September 2011, the following charges have been incurred in the period:

-further lines of stock have been identified as no longer integral to Brammer's core tools & general maintenance product portfolio and future trading strategy; accordingly, these lines have been written down to their estimated net realisable value;

-software which will no longer be developed or supported in the combined business going forward has been written down to reflect its revised estimated useful life.

In addition, headcount costs have been incurred as a result of a reorganisation of certain senior management roles together with the closure of a branch. The charge includes the cost of settling employment contracts and other related social benefit charges.

	£m
Stock provision	**0.4**
Write-down of intangible assets	**0.8**
Headcount and other related costs	**0.8**
Total exceptional items	**2.0**

Details of exceptional items included in the full year operating profit for December 2011 were given in note 4 on page 64 of the 2011 Annual Report.

6 INTANGIBLE ASSETS

	Goodwill	Acquired intangibles	Other – software development
	£m	£m	£m
Cost			
At 1 January 2012	89.5	9.3	17.9
Prior year adjustment	(1.1)	7.9	-
At 1 January 2012 restated	88.4	17.2	17.9
Exchange adjustments	(2.2)	(0.2)	(0.2)
Additions	0.5	-	1.4
At 30 June 2012	**86.7**	**17.0**	**19.1**
Amortisation			
At 1 January 2012	-	5.5	9.9
Prior year adjustment	-	-	0.6
At 1 January 2012 restated	-	5.5	10.5
Exchange adjustments	-	(0.1)	(0.2)
Charge for the period	-	0.7	0.9
Write-down of software included in exceptional items on income statement	-	-	0.8
At 30 June 2012	**-**	**6.1**	**12.0**
Net book value			
At 30 June 2012	**86.7**	**10.9**	**7.1**
At 31 December 2011	88.4	11.7	7.4

Additions to goodwill of £0.5 million relate to the goodwill arising on a small bolt-on business in the Netherlands, the trade and assets of which were purchased on 1 March 2012.

As permitted by IFRS 3 (revised) 'Business Combinations', at 31 December 2011, the fair values of the assets and liabilities acquired in respect of the acquisition of the Buck & Hickman business were considered to be provisional. During the period ended 30 June 2012, further work has been done to separately identify the intangible assets acquired, together with assessing the fair values of assets and liabilities acquired.

The acquired intangibles recognised comprise £5.2 million of trade names which are considered to have an indefinite life and £2.7 million of customer relationships which are considered to have estimated useful lives of 20 years. Fair value adjustments identified during the period include £0.6 million of additional depreciation on bringing asset lives into line with the group accounting policy, £3.2 million provision for slow-moving and obsolete stock following a detailed line-by-line review of stock held, and £2.7 million provision for onerous contracts including leases relating to certain of the business's properties.

The comparative information at 31 December 2011, included in this interim financial information, has been restated to reflect these adjustments in accordance with IFRS 3 (revised). This restatement has no impact on reported profits, equity or cash flows for the year ended 31 December 2011.

The measurement period for adjusting the fair values runs until 30 September 2012; accordingly management are still assessing the fair values which remain provisional and the goodwill arising on the acquisition will be finalised in the full year financial statements at 31 December 2012, which may lead to additional restatement.

7 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Equipment	Total
	£m	**£m**	**£m**
Cost			
At 1 January 2012	16.7	35.5	52.2
Exchange adjustments	(0.2)	(0.6)	(0.8)
Additions	0.1	1.2	1.3
Disposals	(0.5)	(0.8)	(1.3)
At 30 June 2012	**16.1**	**35.3**	**51.4**
Depreciation			
At 1 January 2012	9.6	28.8	38.4
Exchange adjustments	(0.2)	(0.5)	(0.7)
Charge for the period	0.4	1.1	1.5
Disposals	(0.5)	(0.8)	(1.3)
At 30 June 2012	**9.3**	**28.6**	**37.9**
Net book value			
At 30 June 2012	**6.8**	**6.7**	**13.5**
At 31 December 2011	7.1	6.7	13.8

8 CLOSING NET DEBT

	At 30 June 2012	At 30 June 2011	At 31 Dec 2011
	£m	£m	£m
Borrowings – current – overdrafts	**(0.2)**	(1.2)	(0.3)
Borrowings – current portion of long term loans	**(4.6)**	(60.5)	(3.1)
Borrowings – non-current	**(40.9)**	(3.4)	(47.8)
Cash and cash equivalents	**7.1**	24.5	15.9
Closing net debt	**(38.6)**	(40.6)	(35.3)

Reconciliation of net cash flow to movement in net debt

	6 months to 30 June 2012	6 months to 30 June 2011	Year to 31 Dec 2011
	£m	£m	£m
Net (decrease)/increase in cash and cash equivalents	**(8.2)**	1.2	(4.8)
Net decrease/(increase) in borrowings	**4.4**	(2.9)	5.6
	(3.8)	(1.7)	0.8
Exchange	**0.5**	(2.2)	0.6
Movement in net debt	**(3.3)**	(3.9)	1.4
Opening net debt	**(35.3)**	(36.7)	(36.7)
Closing net debt	**(38.6)**	(40.6)	(35.3)

On 11 July deferred consideration of £10.1 million was paid in respect of Fin Brammer, our business in Poland.

9 PROVISIONS

	Restructuring	Other	Total
	£m	£m	£m
At 1 January 2012	1.1	0.2	1.3
Charged to income statement in the period	0.7	-	0.7
Utilised in the period	(0.6)	-	(0.6)
At 30 June 2012	**1.2**	**0.2**	**1.4**

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 19 disclosures for the UK scheme have been based on the most recent actuarial valuation at 31 December 2008 updated by KPMG LLP to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme at 30 June 2012. Assets are stated at their market value at 30 June 2012.

The latest completed actuarial valuation of the UK scheme was carried out as at 31 December 2008, 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 5.80% per annum before retirement and 4.30% 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 (in excess of the guaranteed minimum pension) by 1.55% per annum. Pensions in excess of the guaranteed minimum pension were assumed to increase at 2.75% per annum. The valuation showed that the market value of the scheme's assets was £63.5 million as at 31 December 2008, which represented 63% of the value of the benefits that had accrued to members at that date. The next triennial valuation is being carried out with an effective date of 31 December 2011.

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

		UK scheme	
	6 months to 30 June 2012	6 months to 30 June 2011	Year to 31 Dec 2011
Inflation rate	**3.00%**	3.70%	3.20%
Rate of increase of pensions in payment	**3.00%**	3.70%	3.00%
Rate of increase for deferred pensioners	**2.20%**	3.20%	2.40%
Discount rate	**4.75%**	5.70%	4.80%

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

	30 June 2012	30 June 2011	31 Dec 2011
	£m	£m	£m
Present value of defined benefit obligations	**110.8**	110.4	112.6
Fair value of plan assets	**(99.1)**	(96.7)	(95.8)
Net liability recognised in the balance sheet	**11.7**	13.7	16.8

The amounts recognised in the income statement are as follows:

	6 months to 30 June 2012	6 months to 30 June 2011	Year to 31 Dec 2011
	£m	£m	£m
Current service cost	**0.2**	0.2	0.4
Interest cost	**2.7**	2.8	5.9
Expected return on plan assets	**(2.4)**	(3.0)	(6.2)
Total pension expense included within distribution costs	**0.5**	-	0.1

Analysis of the movement in the balance sheet net liability

	6 months to 30 June 2012	6 months to 30 June 2011	Year to 31 Dec 2011
	£m	£m	£m
Opening	**16.8**	15.8	15.8
Exchange adjustments	**-**	0.1	-
On-going expense as above	**0.5**	-	0.1
Employer contributions	**(1.8)**	(1.8)	(3.4)
Actuarial (gains)/losses recognised as a reserves movement	**(3.8)**	(0.4)	5.1
Valuation adjustments to Dutch schemes	-	-	(0.8)
Closing	**11.7**	13.7	16.8

The pension expense is included in distribution costs. The actual return on plan assets was £2.9 million (2011: £1.5 million). The retirement benefit liability at the end of June was £11.7 million (2011: £13.7 million), a net reduction of £5.1 million from 31 December 2011 (£16.8 million). This reduction primarily reflects a decrease in the inflation rate applied in the calculation of the scheme liabilities together with £1.8 million of employers' contributions.

11 SHARE CAPITAL AND RESERVES

Purchase of own shares

During the period the company acquired 542,731 of its own shares of 20p each through the Brammer plc Employee Share Ownership Trust ("the Trust") for an aggregate consideration of £972,241, 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 642,666 shares were transferred to directors and senior managers to meet vestings under these plans.

At 30 June 2012 the Trust held a total 78,911 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 260,000 ordinary shares of 20p each at par.
29,275 options were exercised during the period under the group's employee share option schemes with exercise proceeds of £29,129.
The number of ordinary 20p shares in issue at 30 June 2012 was 117,204,074 (30 June 2011: 106,409,074; 31 December 2011: 116,944,074).

Dividends

The final dividend for the year ended 31 December 2011, amounting to £6,676,000, was approved by shareholders at the Annual General Meeting on 17 May 2012 and was paid on 5 July 2012 (2011: £4,779,000). In addition, the directors propose an interim dividend of 3.0p per share (2011: 2.70p per share) payable on 2 November 2012 to shareholders who are on the register at 5 October 2012. This interim dividend, amounting to £3,516,000 (2011: £3,152,000) 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 2012, 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, Claverton Court, Claverton Road, Wythenshawe, Manchester, M23 9NE 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 2012 interim results published on 31 July 2012 will not be sent to shareholders. The 2012 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	5 October 2012
Payment date	2 November 2012