PRESS RELEASE:

18 February 2014

Brammer plc
(“Brammer” or the “Group”)

PRELIMINARY RESULTS

CONTINUED PROGRESS IN DIFFICULT MARKETS
DELIVERED £60 MILLION OF VALIDATED COST SAVINGS TO OUR CUSTOMERS

Brammer, the leading pan-European added value distributor of industrial maintenance, repair and overhaul products, today announces its preliminary results for the year ended 31 December 2013.

Financial Highlights

- Total group revenue up 1.9% to £651.9 million (2012: £639.6 million).
- Gross margin up 100 basis points to 31.5% (2012: 30.5%).
- Operating profit (pre amortisation of acquired intangibles (“amortisation”) and acquisition related costs) increased by 6.7% to £39.8 million (2012: £37.3 million*).
- Operating margins (pre amortisation and acquisition related costs) improved from 5.8% to a new high of 6.1%.
- Profit before tax (pre amortisation and acquisition related costs) increased by 4.4% to £35.4 million (2012: £33.9 million*).
- Profit before tax increased by 25.6% to £32.9 million (2012: £26.2 million*).
- Cash flow from operating activities increased by 80% to £45.5 million (2012: £25.3 million*).
- $100 million of additional long term funding was obtained during the year.
- EPS (pre amortisation and acquisition related costs) increased by 2.8% to 22.1p (2012: 21.5p*).
- Dividend up 8.5% to 10.2p (2012: 9.4p) 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 8.7%; Key Account sales, including Buck & Hickman, now represent 54.6% of revenues (2012: 50.0%). A further 12 contracts won during the year with total potential incremental revenues worth in excess of €100 million per annum.
  - Insite™ sales growth of 13.0% with a net 56 new locations established.
  - Strong revenue growth of 7.1% overall in Tools and General Maintenance, with 35.7% growth in continental Europe.
  - Key Account revenues from Food and Drink grew by 13.2%, Metals by 19.4% and Fast Moving Consumer Goods by 9.0%, demonstrating the group’s resilience in difficult economic conditions.

- Overall Brammer delivered a record £60.0 million (2012: £51.5 million) of customer validated cost savings to our customers.

- Since the year end, the acquisition of Lönne Holding AS was completed in January 2014 – a leading distributor of OEM and MRO industrial products operating from 15 locations in Scandinavia and Finland.

* prior year results restated to reflect retrospective application of IAS 19R – Employee Benefits.
** at constant currency

Current Trading and Outlook

Ian Fraser, Chief Executive said:

"In 2013 we continued to gain market share, driven by the provision of exceptional value and service to our customers, and further investment in our long term growth strategy. Our European Key Account and Insite™ strategy continued to produce significant growth, against a challenging market backdrop, with Key Account revenues up 8.7%, representing nearly 55% of sales. Our launch of the full Tools and General Maintenance range of products on the continent resulted in growth of 35.7%; the established foundation of supplier relationships and expertise will enable us to enjoy significant future growth of this product range.

There were some signs of improvement in our markets as the year drew to a close, and we are cautiously optimistic that this modest improvement will continue in 2014. The first six weeks of the New Year have continued the positive trend of the final quarter. Whilst the pace of economic recovery in Europe remains uncertain, our growth drivers will ensure we continue to perform well ahead of our markets."

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BRAMMER PLC
PRELIMINARY ANNOUNCEMENT OF FINAL RESULTS
FOR YEAR ENDED 31 DECEMBER 2013

2013 PERFORMANCE REVIEW

Trading

Despite difficult market conditions across Europe, Brammer has delivered a resilient and robust performance, with our strategic focus driving profitable market share gains. During the year our Key Account revenues grew by 8.7% as we continued to win market share. However, our base business revenues, which broadly reflect market conditions, declined by 9.3%.

Although we underestimated the challenges 2013 would present, we have seen sequential improvement each quarter; sales per working day ("SPWD") were down 4.9% year on year in January, improved throughout the first half to reach growth of 1.0% in June, and maintained an improving trend through the second half across many of our regions. The group ended the year with encouraging quarter four SPWD growth of 3.5% as our strategy of focusing on Key Accounts, Insites™ and cross-selling initiatives continued to build good market share gains.

At constant currency	First half*	Second half	Full year
	Growth rates (%)		2013
SPWD – external sales			
UK	1.6	2.7	2.2
Germany	-4.8	0.4	-2.4
France	-3.1	-6.7	-4.7
Spain	-3.5	12.3	3.8
Benelux	-4.4	2.5	-1.3
Rest of Europe	-5.6	-0.6	-3.1
Total group	-1.7	1.4	-0.2

**H1 SPWD restated to exclude intercompany sales*

Gross profit margin increased by 100 basis points compared to the previous year, reaching 31.5%.

Operating profit (before amortisation of acquired intangibles and acquisition related costs) increased 6.7% to £39.8 million (2012: £37.3 million), supported by tight control of underlying operating costs. Sales, distribution, and administrative costs ("SDA") (excluding amortisation and acquisition related costs) increased by £8.0 million, £3.9 million of this being foreign exchange impact with underlying cost increasing by 2.5%, with a resulting return on sales of 6.1%, 30 basis points above the previous year.

Pre-tax profit (before amortisation, acquisition related costs and exceptional items) increased by 4.4% to £35.4 million (2012: £33.9 million) with basic earnings per share (before amortisation, acquisition related costs and exceptional items) up 2.8% to 22.1 pence per share (2012: 21.5 pence per share).

Our Market

Brammer is the leading pan-European added value distributor of high quality industrial maintenance, repair and overhaul products.

We are the authorised distributor of many of the world's leading engineering component manufacturers. We supply Bearings, Mechanical Power Transmission components, Fluid Power, and Tools and General Maintenance products, together with engineering and associated industrial services, to the maintenance repair and overhaul ("MRO") market across Europe.

We estimate the European bearings market to be worth around €2 billion annually and we have approximately 10% share of that market making us the clear European market leader.

In Mechanical Power Transmission we have approximately 3% of an estimated €5 billion market. In Fluid Power we have just over 1% of an estimated €10 billion European market and in our developing product range of Tools and General Maintenance we have less than 1% of what we now estimate to be a market worth at least €50 billion across Europe.

Overall we estimate the market for our entire range of products to be worth in excess of €65 billion, of which we currently have a market share of just over 1%. We estimate our existing customer base spends around €6.5 billion on our defined product range. Our share of our customers' total spend is, therefore, less than 10%, representing an opportunity to achieve significant growth through cross-selling.

We are the European market leader but we operate in a highly fragmented marketplace. Consequently our market share will not be a constraint to growth for many years to come.

Growth and Synergies

Our growth drivers have served us well over the past ten years; in 2013 we continued to invest in and benefit from our growth strategy, prioritising Key Accounts, Product Range Extension, Insites™ and segment-based marketing, and continue to achieve growth ahead of the market.

Product Range Extension and Growth Drivers

In 2013 we introduced a new pan-European tools brand to market – "Roebuck", which is now available across all of our European businesses and is exclusively distributed by Brammer. Roebuck, established over 150 years ago in the UK, is focused on hand tools, cutting tools and tool storage offering a unique combination of range, industrial quality and real value for money. The brand provides a proven and effective solution for customers who need to reduce their overall purchasing costs but without compromising on quality or performance.

In line with our commitment to expanding our share of the significant opportunity that the European Tools and General Maintenance market offers, and further building on our success to date, we launched the second edition of our European Tools and General Maintenance catalogue. Printed in nine languages, in 13 editions and available in 16 countries, it now includes products in 16 sections from 84 leading brands.

We are also now well advanced on the development of the European MRO catalogue. This will be the first time that a single publication will have been produced for all of our MRO businesses across continental Europe. It will be launched at the end of the first quarter of 2014, will contain 1,000 pages, and will be supported by pan-European agreements with over 50 of our suppliers.

We have also now launched a transactional front end to all our business websites around Europe. This development will make purchasing from Brammer via our online channel easier for existing customers, for Key Accounts (through our 'punch out' option) and, eventually in 2014, for anyone whether they have an account or simply a credit card. It also enables us to focus website visitors' attention on our ability to meet their needs through all channel options across the full breadth of MRO products including our now extended Tools and General Maintenance, Personal Protection Equipment and Health and Safety equipment ranges.

Another major growth driver, our Insite™ concept, is now supported by our new Insite™ video and soon to be published Insite™ brochure, which will help raise awareness of our Insite™ offering, and will help our European sales team to identify opportunities to offer more Insite™ solutions.

We have showcased our capabilities in Fluid Power through the development of a Fluid Power brochure in nine languages. We have also conducted European sales and marketing campaigns for our leading bearings brands, and specific campaigns with selected supplier partners for other MRO products.

Customer service

Finding substantial cost savings for our customers is fundamental to the Brammer Value Proposition and we delivered over 6,380 individual customer validated cost saving actions providing a financial benefit of over £60 million of signed off cost savings to our customers in 2013. This year saw the development and deployment of our Key Account cost savings database as both a knowledge management and promotional communications tool. We also produced a cost savings brochure specifically applied to the Metals industry.

Our third annual Europe-wide customer satisfaction survey helped us to better understand the views of our customers. Customer service underpins all our growth drivers so understanding our customers is key to our success. Telephone interviews were conducted with 250 customers, and an online questionnaire was completed by nearly 3,000 customers. We were able to see that Brammer had performed well across all the key measurement areas. Action plans were developed both on a pan-European basis and in each country in those areas identified as opportunities for improvement.

Our segmentation approach continues with the production of a range of segment specific brochures covering the Packaging, Pharmaceutical, and Metals industries. We are also extending this segment specific approach to focus on opportunities to promote our personal protection equipment ranges for Aerospace, Automotive, Metals and Food and Drink segments.

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

	Quarter One 2013	Quarter Two 2013	Quarter Three 2013	Quarter Four 2013	Annual 2013	Revenue 2013
	Growth rates (%)					£m
SPWD						
Total group	-2.5	-0.9	-0.6	3.5	-0.2	633.3
Revenue						
Bearings	-14.0	-7.8	-4.6	2.6	-6.4	148.5
Non-bearings	-2.4	4.1	3.6	2.3	1.8	484.8
of which Tools & Maintenance	*1.4*	*8.6*	*3.7*	*14.9*	7.1	*167.5*
Key Accounts	1.9	11.3	8.9	12.9	8.7	345.5
Base business	-12.7	-8.9	-5.6	-9.6	-9.3	287.8

Key Accounts

Whilst overall sales were broadly flat (down 0.2% at constant currency), Key Accounts sales grew by 8.7%, with 12 new contracts won during the year; Key Accounts now represent 54.6% of the group's total sales. Our customers are focusing on cost control and supplier consolidation in competitive markets, and our ability to add value through the Brammer Value Proposition is proving highly attractive and effective. Our Key Account pipeline is at a record level and the prospects for further wins remain excellent.

We continued to focus our business on defensive segments, and within Key Accounts increased our sales to the Food and Drink segment by 13.2%, FMCG by 9.0% and Packaging by 7.7%. We also saw continued recovery and further market share gains in the more cyclical Metals sector with revenues up 19.4%.

Our Key Account contract with Alcoa now employs 71 dedicated staff across 28 of their production sites in Europe, and is generating revenues in excess of our expectations.

Insites™

On a constant currency basis Insite™ sales grew by 13.0%, with a further net 56 new locations established. The group now operates a total of 383 Insites™ at year end. The value-added services provided by the Insite™ model, inventory optimisation, cost-saving projects and ready access to Brammer's product specialists, continues to be an attractive proposition for our customers.

Cross-selling

We continue to extend the product offering to reflect the full Brammer range in every territory, and cross-selling contributed strongly to the group's growth; non-bearings sales grew by 1.8%, with Tools and General Maintenance sales growth of 35.7% in continental Europe. Bearings sales declined by 6.4% reflecting weak market demand and our high market share in this product range.

We continued our evaluation of the potential growth opportunity from industrial vending in the UK, Germany, France, Spain and Poland. At year-end we had 153 machine installations and we remain cautiously optimistic that the vending concept will provide good future growth.

Acquisitions

In these challenging markets, many of our competitors are finding business increasingly difficult and we are seeing more opportunities to acquire businesses which would complement and enhance the Brammer Group.

In January 2014, Brammer announced the acquisition of Lönne Holding AS which provides a substantial extension to our existing footprint in Norway and gives us a major presence in all of the key Scandinavian markets. The acquisition provides Brammer with cross-selling opportunities particularly in Tools and General Maintenance, and a significant opportunity to service existing Key Accounts in the Nordic region.

Synergies

Having acquired Buck & Hickman in September 2011, we are on track to achieve our planned synergy benefits a year early.

Costs and Capabilities

We continued to work on increasing our spend with a smaller number of key suppliers, thereby improving the level of marketing support, pricing, and co-operation in the field received from those suppliers. Gross margin improved by 100 basis points year on year to 31.5%.

Sales distribution and administrative expense ("SDA") remained tightly controlled. The underlying operating costs of the business increased by 2.5% at constant currency.

Working capital

Our focus on working capital management in the year has resulted in net cash inflow from operating activities of £45.5 million, significantly higher than the £25.3 million in the prior year.

Technology

To offer our customers the products they want at a price and place that suits them we have to be masters of our data. Probably the most significant Brammer technical development of the last seven years took place in June, with the delivery by our Polish central IT team of a new master data management system ("MDM"). 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. This system will be the cornerstone of everything that we do electronically with our data, our customers' data and our suppliers' data. This internal development was delivered at around one tenth of the cost of the original system.

Our People

We are committed to recruiting and retaining the best people. 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.

The 2013 employee survey again provided positive feedback for management and identified areas to focus upon to increase employee engagement further still; Brammer already has best in class employee engagement levels.

During 2013, the company undertook a graduate recruitment programme, building upon the success of prior years. In 2014 we shall introduce 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 to ensure that excellence comes as standard across all areas of the business and that the delivery of best in class customer service is at the forefront of everyone's minds.

Operating Performance and Key Performance Indicators

	2013	2012+
	£m	£m
Revenue	**651.9**	639.6
Gross margin %	**31.5%**	30.5%
Gross profit	**205.3**	194.8
Sales, Distribution and Administration costs*	**(165.5)**	(157.5)
Operating profit*	**39.8**	37.3
Operating return on sales*	**6.1%**	5.8%
Finance expense - net	**(4.4)**	(3.4)
Profit before tax*	**35.4**	33.9
Cash generated from operations	**45.5**	25.3
Earnings per share*	**22.1p**	21.5p
Dividend per share	**10.2p**	9.4p

*before amortisation, acquisition related costs and exceptional items
+ Prior year restated on adoption of IAS 19R – Employee benefits

Key Performance Indicators and other measures

	2013	2012
Group sales growth**	**-0.2%**	16.2%
Organic SPWD growth**	**-0.2%**	2.9%
Key Account SPWD growth**	**8.7%**	9.8%
Return on Capital employed	**34.8%**	34.3%
Net debt to EBITDA	**1.15:1**	1.3:1
Interest Cover	**11.4**	13.8
Stock turn	**4.3**	4.4

**at constant currency

Revenue
Revenue increased by 1.9%, of which the UK contributed 1.1% growth and there was a 0.8% increase in continental Europe, reflecting a beneficial currency exchange movement. At constant exchange rates, revenue for the group was in line with the prior year.

Gross profit
The gross profit for the year was £205.3 million (2012: £194.8 million). Gross margin increased by 100 basis points to 31.5% (2012: 30.5%).

Sales, Distribution and Administrative Expense
Total reported SDA costs increased by £2.8 million from £165.2 million in 2012 to £168.0 million; excluding amortisation of acquired intangibles (“amortisation”) and acquisition related costs the increase was 5.1% from £157.5 million in 2012 to £165.5 million. SDA at constant currency increased by 2.5%. A total expenditure of £4.8 million was incurred in the year on strategic growth initiatives of which £2.7 million was capitalised.

Operating profit
Operating profit (before amortisation and acquisition related costs) increased by £2.5 million to £39.8 million in 2013 from £37.3 million in 2012. Return on sales increased to 6.1% (2012: 5.8%).

Interest
The net finance expense for the year was £4.4 million (2012: £3.4 million), which included £0.9 million (2012: £0.7 million) interest expense relating to the retirement benefit liability. The effective interest rate on average net borrowings was 4.5% (2012: 4.3%). EBIT (before amortisation, acquisition related costs and exceptional items) covers interest by 11.4 times (2012: 13.8 times).

Profit before tax
Profit before tax from continuing operations for the year was £32.9 million (2012: £26.2 million). Profit before tax, amortisation, acquisition related costs and exceptional items but after finance expense was £35.4 million (2012: £33.9 million).

Tax
The overall tax charge for the year of £8.8 million (2012: £6.8 million) consisted entirely of the current year charge of £8.8 million. Current year tax represents an effective tax rate of 26.7% which is higher than the expected rate of 23.25% primarily as a result of charges arising from the differences in tax rates across Europe of £0.6 million, disallowable acquisition costs of £0.2 million and adjustments arising from tax losses in the year on which no benefit was recognised of £0.9 million, offset by a credit arising from a release of tax contingent liabilities of £0.7 million and miscellaneous charges of £0.2 million.

Earnings per share
Basic earnings per share increased by 3.9p from 16.6p to 20.5p in 2013. Earnings per share, before amortisation, acquisition related costs and exceptional items, increased by 2.8% from 21.5p in 2012 to 22.1p in 2013.

Dividend
The interim dividend for 2013 was increased by 13.3% to 3.4 pence per share. Given the growth in earnings the Board is now proposing a 6.25% increase in the final dividend to 6.8 pence per share. Total dividends for 2013 would then amount to 10.2 pence per share which is a 8.5% increase over the prior year. At this level the total dividend would be covered 2.2 times by earnings. Subject to shareholder approval, the final dividend will be paid on 3 July 2014 to shareholders on the register at close of business on 6 June 2014.

Return on operating capital employed
The return on operating capital employed, based on operating profit before amortisation, and acquisition related costs, was 34.8% (2012: 34.3%) for the total group.

Goodwill
Goodwill in the balance sheet stands at £91.2 million at the end of the year (2012: £89.8 million), an increase of £1.4 million due to exchange movements on goodwill held in foreign currencies.

Impairment reviews have been performed in accordance with IAS 36 and no impairment has been identified. The Czech business has performed below expectations in 2013 and headroom in the impairment calculation has reduced compared to the prior year; however, management remain confident about the business’s potential, have instigated plans to improve performance and will continue to monitor the business closely.

Trading during the year
Profit from operations before amortisation and acquisition related costs, interest and tax ("underlying operating profit") increased by 6.7% to £39.8 million (2012: £37.3 million), of which £17.2 million was delivered in the first half and £22.6 million in the second half (see table below).

	First half	Second half	Full year
2013	£m	£m	£m
Revenue	**328.4**	**323.5**	**651.9**
Gross profit	**100.8**	**104.5**	**205.3**
Underlying operating profit*	**17.2**	**22.6**	**39.8**
2012	£m	£m	£m
Revenue	331.1	308.5	639.6
Gross profit	98.3	96.5	194.8
Underlying operating profit*	18.6	18.7	37.3

* profit from operations before amortisation and acquisition related costs, interest and tax.

In the first half, revenue decreased by £2.7 million reflecting challenging market conditions across Europe, and underlying operating profit decreased by £1.4 million. In the second half, revenue increased by £15.0 million reflecting improvements in the underlying market conditions, and underlying operating profit increased by £3.9 million reflecting continued focus on gross margin improvements and ongoing cost control.

Exchange rates had a beneficial impact on the year's results increasing growth in revenue by 2.2% in revenue and underlying operating profit by 2.3%.

Exceptional items
There were no exceptional items in 2013. In 2012 a pre-tax operating exceptional charge of £6.4 million was recognised which included headcount and other restructuring costs of £4.8 million, a £0.8 million charge to write-down stock and a £0.8 million charge to write-down software.

Amortisation of acquired intangibles and acquisition related costs
Amortisation of acquired intangibles totalled £1.2 million (2012: £1.3 million). Acquisition costs of £1.3 million were incurred in 2013 primarily relating to the acquisition of Lönne Holding AS completed on 7 January 2014.

Subsequent events
The group announced the acquisition of Lönne Holding AS on 7 January 2014. Lönne is a leading distributor of OEM and MRO industrial products operating predominantly in Norway and Sweden with further operations in Finland and Denmark.

Cash flow

	2013 **£m**	2012 £m
Cash inflow from operating activities before working capital change	**47.2**	39.4
Working capital increase	**(1.7)**	(14.1)
Cash inflow from operating activities	**45.5**	25.3
Cash inflow from operating activities before exceptional items and acquisition related costs	***48.4***	*28.7*
Cash outflow from acquisition related costs	***(0.7)***	**-**
Cash outflow from prior year exceptional items	***(2.2)***	*(3.4)*
Cash inflow from operating activities	***45.5***	*25.3*
Net capital expenditure (purchases net of disposals)	**(13.5)**	(8.9)
Operational cash generation	**32.0**	16.4
Acquisitions (including net debt acquired)	**-**	(1.1)
Deferred consideration and earn out	**(4.2)**	(10.4)
Tax	**(7.5)**	(7.9)
Interest, dividends, pension obligations & other	**(16.4)**	(15.1)
Purchase of own shares	**(2.4)**	(1.1)
Net proceeds from issue of shares	**0.1**	0.1
Decrease/(increase) in net debt	**1.6**	(19.1)
Opening net debt	**(53.8)**	(35.3)
Exchange	**(0.7)**	0.6
Closing net debt*	**(52.9)**	(53.8)

* total borrowings net of cash and cash equivalents.

Net debt reduced by £0.9 million from £53.8 million to £52.9 million. At the year end, net debt/EBITDA stood at 1.15:1 times (2012: 1.3:1 times).

Net cash inflow from operating activities of £45.5 million increased by £20.2 million from £25.3 million in 2012. This inflow is after £0.7 million outflow of acquisition related costs, and £2.2 million outflow (2012: £3.4 million) associated with provision utilisation of exceptional items from prior years. The operating cash inflow funded the payment of £4.2 million of deferred consideration, £7.5 million of taxation payments and £16.4 million for dividends, interest and pension obligations. Net capital expenditure increased significantly from £8.9 million to £13.5 million reflecting continued investment in software development and strategic growth initiatives, together with investment in two new National Distribution Centres ("NDC") (in Netherlands and the Czech Republic). Average net borrowings in 2013 were £76.8 million compared to £62.8 million in 2012.

Pensions

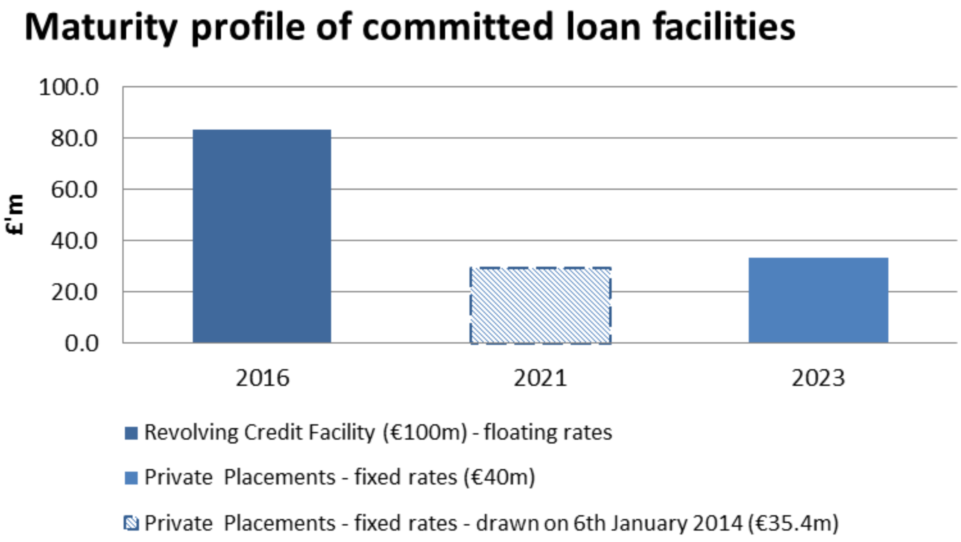
The net pension liability relating to the defined benefit pension schemes increased by £6.1 million to £27.8 million (2012: £21.7 million). The principal factors contributing to this increase were a £7.2 million net actuarial loss on the schemes offset by £3.3 million of employer contributions. The principal reason for the increase in the liabilities is the change in financial assumptions, in particular the increase in inflation expectations.

The main financial assumptions used were a discount rate of 4.45% (2012: 4.4%), a 3.3% (2012: 2.8%) rate of increase for pensions in payment and a 2.7% (2012: 2.2%) rate of increase for pensions in deferment. The charge recognised in the income statement increased to £1.9 million (2012: £1.5 million) including a £0.2 million higher net interest charge.

Financing and Covenants

The group is principally financed by a €100 million floating rate revolving credit facility which can be drawn until it expires on 30 June 2016. In addition to the revolving credit facility, £7 million of undrawn overdraft facilities are available. The amount drawn under the revolving credit facility as at 31 December 2013 was £33.0 million (€39.7 million).

During the year, the group supplemented its existing borrowing facilities with additional long-term funding by entering into a $100m (or currency equivalent) private shelf facility. In June 2013, €20 million private placement notes were issued, and a further issue of €20 million private placement notes was made in July 2013. These private placement notes are unsecured, bear interest at a fixed rate and mature in 2023. In January 2014, the remaining facility was drawn down with a further issue of €35.4 million private placement notes with a term of seven years maturing in January 2021.



Operating Segments Review

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

	External Revenue		Revenue Growth	SPWD** Growth (like- for- like)	Operating Profit*		Operating Profit growth*
	2013 £m	2012 £m	**2013** **%**	2013 **%**	**2013** £m	2012 £m	**2013** **%**
UK+	**293.3**	286.1	**2.5%**	2.2%	**21.0**	18.1	**16.0%**
Germany+	**112.1**	114.8	**-2.4%**	-2.4%	**6.5**	7.0	**-7.1%**
France	**79.5**	84.2	**-5.6%**	-4.7%	**4.2**	4.2	**-**
Spain	**42.7**	41.1	**3.9%**	3.8%	**4.7**	4.1	**14.6%**
Benelux	**50.3**	51.0	**-1.4%**	-1.3%	**2.6**	2.7	**-3.7%**
Eastern Europe & Other+	**55.4**	57.5	**-3.7%**	-3.1%	**-**	0.9	**n/a**
Total	**633.3**	634.7	**-0.2%**	-0.2%	**39.0**	37.0	**5.4%**
Exchange effect***	**18.6**	4.9	**2.1%**	2.1%	**0.8**	0.3	**1.3%**
As reported	**651.9**	639.6	**1.9%**	1.9%	**39.8**	37.3	**6.7%**

* operating profit before intangible amortisation, acquisition related costs 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 below.

UK (including Iceland and Norway)

	2009	2010	2011	2012*	2013*
SPWD growth -%	-0.4	8.0	16.8	7.6	2.2
Key Account sales growth -%	3.5	12.2	22.4	7.2	8.6
Insite sales growth -%	29.3	17.4	24.5	2.2	9.6
Insite numbers	153	143	152	163	191
Customer signed off cost savings -£'m	20.5	17.1	20.4	32.9	33.7
Bearings Growth -%	-12.4	8.0	12.2	-1.6	-1.8
Non bearings					
Mechanical Power Transmission sales growth -%	-6.8	7.8	7.5	-5.0	0.5
Fluid Power sales growth -%	16.0	11.1	20.3	-3.0	5.3
Tools and General Maintenance (T&GM) sales growth -%	8.0	14.8	28.4	2.8	3.3
Key Accounts proportion of total sales -%	56.7	57.3	62.5	67.7	71.6
Non Key Accounts proportion of total sales -%	43.3	42.7	37.5	32.3	28.4
Bearings proportion of total sales -%	22.3	22.1	20.6	12.4	11.9
T&GM as a proportion of total sales -%	10.1	10.7	13.0	47.5	47.7
Fluid Power as a proportion of total sales -%	20.0	20.4	19.9	12.0	12.3

* includes Buck & Hickman

Our largest operation, and the one where the Brammer development strategy is most advanced, achieved SPWD growth of 2.2%, increasing operating profit by 16.0% to £21.0 million.

Key Account sales grew by 8.6% in the year reflecting a five year trend of continuous growth. Our continued success has meant that over that period, the proportion of turnover which is Key Accounts has increased by 14.9 percentage points and now represents 71.6% of turnover. We continued to win new accounts including Siemens, Drax Power and Morrison Supermarkets. We have extended numerous existing contracts and have successfully retendered our Rolls-Royce contract, one of our largest customers, which has secured this significant revenue stream for the medium term.

Our customer service value proposition continues to be attractive to customers and we have utilised the enhanced capabilities of the Key Account cost savings database to capture a record £33.7 million signed off customer cost savings, £0.8 million above 2012 levels.

The number of full time and part time Insites™ now totals 191, 28 more than last year. The number of full time Insites™ has grown by 25, reflecting 30 new locations and five closures of existing locations. Three new locations were opened to service our growing relationship with Kerry Foods doubling the number of Insites™ in Ireland. As a result, sales through Insites™ increased by 9.6%.

Bearing sales declined 1.8% reflecting a challenging market, but our cross-selling initiatives continued to gain traction with year on year growth in Tools and General Maintenance, Fluid Power and Mechanical Power Transmission. A new mobile Centre of Excellence is now actively engaged at customer sites to grow awareness of the Tools and General Maintenance product range to drive growth.

Integration of the Buck & Hickman business has continued successfully and ongoing synergy benefits continue to be ahead of our original expectations.

Germany

	2009	2010	2011	2012	2013
SPWD growth -%	-30.8	13.4	19.2	0.0	-2.4
Key Account sales growth -%	-22.4	20.9	24.1	7.2	11.5
Insite sales growth -%	-6.7	36.8	37.2	16.4	12.1
Insite numbers	12	20	37	47	54
Customer signed off cost savings -£'m	0.5	5.4	9.4	7.9	12.7
Bearings Growth -%	-38.1	9.7	14.7	-10.6	-10.6
Non bearings					
Mechanical Power Transmission sales growth -%	-30.0	27.0	11.0	1.4	7.3
Fluid Power sales growth -%	-50.5	2.3	28.1	13.0	1.3
Tools and General Maintenance (T&GM) sales growth -%	-25.6	24.4	58.6	13.9	45.9
Key Accounts proportion of total sales -%	22.8	24.1	26.8	30.5	35.3
Non Key Accounts proportion of total sales -%	77.2	75.9	73.2	69.5	64.7
Bearings proportion of total sales -%	33.3	32.0	31.6	28.5	26.0
T&GM as a proportion of total sales -%	2.1	2.3	3.4	3.9	4.3
Fluid Power as a proportion of total sales -%	18.1	16.2	17.9	20.5	22.2

SPWD declined by 2.4% in the year and trading profit declined by 7.1%. The sales decrease reflected challenging market conditions during the year, especially in the Original Equipment Manufacturing ("OEM") sector. However the decline in sales bottomed out in the first quarter, and the fourth quarter saw a return to growth of 2.2%.

Bearings sales declined 10.6% in the year reflecting the challenging market, but our focus on product range extension saw a 1.4% growth in non-bearings products, including the Fluid Power and Mechanical Power Transmission sectors. Although still a small proportion of sales, significant growth of 45.9% in Tools and General Maintenance reflects growing traction in this important product range.

Key Accounts growth continued for the fourth consecutive year, with the growth rate accelerating by 4.3 percentage points from last year to 11.5%. We won eighteen new Key Accounts, and delivered £12.7 million of signed off cost savings, £4.8 million more than last year.

The number of Insite™ locations continues to increase and now totals 54. We won an additional 11 part time Insites™ (those locations where we have several regular clinics with the customers staff each week), an increase of nearly a third. Double digit Insite™ growth continued for the fourth year, at 12.1%.

France

	2009	2010	2011	2012	2013
SPWD growth -%	-14.6	11.1	14.2	3.5	-4.7
Key Account sales growth -%	-4.1	18.8	19.1	12.3	3.1
Insite sales growth -%	-14.0	38.7	16.0	27.3	30.9
Insite numbers	20	22	31	39	45
Customer signed off cost savings -£'m	2.0	2.6	3.8	2.6	4.5
Bearings Growth -%	-18.5	6.1	9.2	-5.0	-8.4
Non bearings					
Mechanical Power Transmission sales growth -%	-10.1	9.8	10.6	3.5	-9.4
Fluid Power sales growth -%	-7.2	28.0	25.6	14.6	1.5
Tools and General Maintenance (T&GM) sales growth -%	21.8	84.4	32.7	16.5	39.8
Key Accounts proportion of total sales -%	31.0	33.3	35.8	40.0	44.1
Non Key Accounts proportion of total sales -%	69.0	66.7	64.2	60.0	55.9
Bearings proportion of total sales -%	38.6	36.5	35.0	32.1	30.6
T&GM as a proportion of total sales -%	2.4	4.0	4.6	5.2	7.6
Fluid Power as a proportion of total sales -%	12.2	13.9	15.4	17.0	18.0

SPWD declined by 4.7%, whilst there was no change in operating profit of £4.2 million. The SPWD decline was greatest in the third quarter at 7.0% although the fourth quarter showed a marginal improvement. Bearings sales declined by 8.4% in difficult economic conditions and Key Account growth of 3.1% was disappointing. We won new contracts with Unilever, ITW and Nestle Waters. Key Accounts now represent 44.1% of sales.

The value of signed-off cost savings grew by £1.9 million as regionally embedded cost savings champions enhance our capability to deliver value to our customers. We also opened six Insites™ driving significant revenue growth of 30.9%. Investment in the Tools and General Maintenance product range produced sales growth of 39.8%, including a successful introduction of the Roebuck brand into the French market.

Spain

	2009	2010	2011	2012	2013
SPWD growth -%	-22.3	9.5	12.3	-0.3	3.8
Key Account sales growth -%	-4.2	19.5	28.5	15.3	19.5
Insite sales growth -%	27.6	22.0	46.3	31.8	56.0
Insite numbers	13	15	22	30	38
Customer signed off cost savings -£'m	1.7	1.3	2.3	2.1	1.2
Bearings Growth -%	-28.4	4.4	3.3	-10.1	3.3
Non bearings					
Mechanical Power Transmission sales growth -%	-21.9	7.0	14.9	-4.9	-0.9
Fluid Power sales growth -%	-0.1	34.2	46.1	23.9	23.4
Tools and General Maintenance (T&GM) sales growth -%	4.3	48.0	33.2	89.0	71.5
Key Accounts proportion of total sales -%	25.0	26.8	31.2	36.4	40.6
Non Key Accounts proportion of total sales -%	75.0	73.2	68.8	63.6	59.4
Bearings proportion of total sales -%	43.4	41.2	37.9	34.1	32.6
T&GM as a proportion of total sales -%	1.7	2.3	2.7	5.1	8.0
Fluid Power as a proportion of total sales -%	7.3	8.9	11.6	14.3	16.4

SPWD increased by 3.8% and operating profit improved by 14.6%, with pleasing progress in all of our growth drivers. Key Account revenues now represent over 40% of sales, growing by 19.5%, our fourth year of double digit growth. Further growth will be augmented by new contract wins with Huhtamaki, Tyco and McBride amongst others. We provided over £1.2 million of cost savings to our Key Account customers. Insite™ sales growth of 56% was driven in part by significant growth from Alcoa Insites™ as the rollout of the Europe-wide project continues. Fourteen new Insites™ were established, bringing the total, after closures, to 38, almost tripling the number since 2009.

Our focus continued on Food and Drink (up 19.3%) as 129 customer symposiums attracted customers in our target segments. Excellent progress continued in product range extension, with sales of the Tools and General Maintenance range up 71.5% and Fluid Power up 23.4%.

Benelux

	2009	2010	2011	2012	2013
SPWD growth -%	-20.0	10.7	12.8	7.5	-1.3
Key Account sales growth -%	-1.5	21.3	22.9	20.1	5.5
Insite sales growth -%	9.1	104.8	22.7	33.1	10.5
Insite numbers	6	8	9	16	17
Customer signed off cost savings -£'m	0.1	1.2	1.1	1.1	2.1
Bearings Growth -%	-25.3	3.0	8.7	3.6	-6.5
Non bearings					
Mechanical Power Transmission sales growth -%	-7.3	16.3	10.3	0.5	-3.5
Fluid Power sales growth -%	18.7	27.3	19.3	20.8	9.1
Tools and General Maintenance (T&GM) sales growth -%	-18.0	28.3	16.1	20.8	13.9
Key Accounts proportion of total sales -%	22.5	24.5	27.3	32.1	34.3
Non Key Accounts proportion of total sales -%	77.5	75.5	72.7	67.9	65.7
Bearings proportion of total sales -%	57.0	52.6	50.7	48.9	46.2
T&GM as a proportion of total sales -%	9.7	11.2	11.5	13.3	15.3
Fluid Power as a proportion of total sales -%	7.3	8.3	8.8	9.7	10.7

SPWD in the Benelux countries decreased by 1.3%, due to a slowdown in the Belgian MRO market. Operating profit has remained broadly flat. We have succeeded in delivering £2.1 million worth of cost savings to our customers, a significant increase over the £1.1 million delivered over the previous three years. Our focus on Tools and General Maintenance and Fluid Power has led to an increase in their share of total sales. Key Accounts now represent 34.3% of total sales, and the number of Insites™ has more than doubled in the past three years. We opened a new NDC in the Netherlands, significantly increasing our capacity in this segment.

Key Account SPWD growth in the Netherlands was 13.1% and in Belgium decreased by 1.9%. We won new contracts with Colgate Palmolive, PepsiCo and Unilever, among others. In the

Netherlands Tools and General Maintenance produced SPWD growth of 12.1% whilst Fluid Power grew by 9.9%. In Belgium, SPWD through Insites™ increased by 5.7%, and in the Netherlands by 15.6%. Tools and General Maintenance sales in Belgium increased by 31.6%.

Eastern Europe and Other

	2009	2010	2011	2012	2013
SPWD growth -%	-7.7	18.7	18.8	-5.3	-3.1
Key Account sales growth -%	1.1	45.9	36.6	9.4	12.0
Insite sales growth -%	5.4	27.1	6.0	15.8	13.3
Insite numbers	9	14	19	32	38
Customer signed off cost savings -£'m	0.9	1.0	3.3	2.8	5.9
Bearings Growth -%	-15.2	7.7	44.1	-22.6	-10.9
Non bearings					
Mechanical Power Transmission sales growth -%	20.7	30.5	12.2	-4.8	0.4
Fluid Power sales growth -%	32.1	32.0	20.4	-1.1	-4.3
Tools and General Maintenance (T&GM) sales growth -%	26.6	17.4	13.2	1.8	42.5
Key Accounts proportion of total sales -%	18.8	17.1	23.7	29.7	34.8
Non Key Accounts proportion of total sales -%	81.2	82.9	76.3	70.3	65.2
Bearings proportion of total sales -%	49.8	44.6	44.1	37.8	34.8
T&GM as a proportion of total sales -%	3.1	3.0	2.9	3.2	4.7
Fluid Power as a proportion of total sales -%	13.9	15.2	15.3	16.7	16.5

In Eastern European and other businesses (comprising Poland, the Czech Republic and Slovakia, Hungary and Italy) total SPWD declined by 3.1%, whilst operating profit declined by £0.9 million. Bearings sales declined, with Tools and General Maintenance and Fluid Power sales becoming an increasing proportion of our business over the past five years. Key Accounts continue to represent an increasing proportion of total sales, with new contracts won with Crown, Bosch and Mapei Group, among others. Key Accounts now contribute more than one third of total sales. Tools and General Maintenance growth has increased significantly, to 42.5%. Six new Insites™ were opened, helping to generate Insite™ sales growth of 13.3%. The number of Insites™ has now more than quadrupled over the past four years. In 2013, cost savings to our customers have more than doubled.

In Poland, SPWD increased by 3.2% and Key Account sales grew by 9%. In the Czech Republic and Slovakia, SPWD decreased by 19.7% due to a significant slowdown in the OEM sector and a high level of staff turnover leading to several lost contracts. Key Accounts decreased by 6.7%, though Tools and General Maintenance sales increased by 14.8%. We opened a new NDC in the Czech Republic, which will result in cost savings and greater capacity and logistical capability. In Hungary, the SPWD growth was 11.6%, with Key Accounts sales growth of 31.8%. In Italy, SPWD decreased by 3.8%, whilst Key Accounts sales grew by 24.8% and continue to offer opportunities for significant growth.

The Future

In 2013 we continued to gain market share, driven by the provision of exceptional value and service to our customers, and further investment in our long-term growth strategy. Our European Key Account and Insite™ strategy continued to produce significant growth, against a challenging market backdrop, with Key Account revenues up 8.7%, representing nearly 55% of sales. Our launch of the full Tools and General Maintenance range of products on the continent resulted in growth of 35.7%; the established foundation of supplier relationships and expertise will enable us to enjoy significant future growth of this product range.

There were some signs of improvement in our markets as the year drew to a close, and we are cautiously optimistic that this modest improvement will continue in 2014. The first six weeks of the New Year have continued the positive trend of the final quarter. Whilst the pace of economic recovery in Europe remains uncertain, our growth drivers will ensure we continue to perform well ahead of our markets.

Ian Fraser
18 February 2014

Consolidated income statement for the year ended 31 December 2013

	Note	**Year to 31 December 2013 £m**	Year to 31 December 2012* £m
Continuing operations			
Revenue	2	**651.9**	639.6
Cost of sales		**(446.6)**	(444.8)
Gross profit		**205.3**	194.8
Distribution costs		**(165.5)**	(163.9)
Amortisation of acquired intangibles (amortisation") and acquisition related costs		**(2.5)**	(1.3)
Total sales, distribution and administrative costs		**(168.0)**	(165.2)
Operating profit	2	**37.3**	29.6
Operating profit before amortisation, acquisition related costs and exceptional items		***39.8***	*37.3*
Amortisation and acquisition related costs		***(2.5)***	*(1.3)*
Exceptional items		**-**	*(6.4)*
Operating profit	2	***37.3***	*29.6*
Finance expense		**(4.5)**	(3.5)
Finance income		**0.1**	0.1
Profit before tax		**32.9**	26.2
Profit before tax before amortisation, acquisition related costs and exceptional items		***35.4***	*33.9*
Amortisation and acquisition related costs		***(2.5)***	*(1.3)*
Exceptional items	4	**-**	*(6.4)*
Profit before tax		***32.9***	*26.2*
Taxation		**(8.8)**	(6.8)
Profit for the year attributable to equity shareholders	2	**24.1**	19.4
Earnings per share	3		
Basic		**20.5p**	16.6p
Diluted		**19.9p**	16.0p
Earnings per share – pre amortisation, acquisition related costs and exceptional items	3		
Basic		**22.1p**	21.5p
Diluted		**21.4p**	20.8p

**Prior year restated on adoption of IAS 19R 'Employee Benefits'.*

Brammer

Consolidated statement of comprehensive income for the year ended 31 December 2013

	2013	2012*
	£m	£m
Profit for the year	**24.1**	19.4
Other comprehensive (expense)/income		
Items that are not subsequently reclassified to the income statement		
Actuarial losses on pension schemes	**(6.1)**	(5.5)
Items that may be subsequently reclassified to the income statement		
Net exchange differences on translating foreign operations	**0.9**	(2.4)
Effective portion of changes in fair value of cash flow hedges	**0.1**	(0.2)
	1.0	(2.6)
Other comprehensive expense for the year, net of tax	**(5.1)**	(8.1)
Total comprehensive income for the year	**19.0**	11.3

Items in the statement above are disclosed net of tax.

**Prior year restated on adoption of IAS 19R 'Employee Benefits'.*

Brammer

Consolidated balance sheet as at 31 December 2013

	Notes	**2013**	2012*
		£m	£m
Assets			
Non-current assets			
Goodwill		**91.2**	89.8
Acquired intangible assets		**9.2**	10.4
Other intangible assets		**13.1**	8.9
Property, plant and equipment		**17.9**	14.8
Deferred tax assets		**10.9**	8.9
		142.3	132.8
Current assets			
Inventories		**108.6**	97.7
Trade and other receivables		**112.5**	109.1
Cash and cash equivalents	6	**17.7**	2.2
		238.8	209.0
Liabilities			
Current liabilities			
Financial liabilities - borrowings	6	**(4.0)**	(3.2)
Trade and other payables		**(137.3)**	(121.9)
Provisions		**(0.6)**	(0.7)
Deferred consideration		**(0.3)**	(4.2)
Current tax liabilities		**(5.4)**	(4.7)
		(147.6)	(134.7)
Net current assets		**91.2**	74.3
Non-current liabilities			
Financial liabilities - borrowings	6	**(66.6)**	(52.8)
Deferred tax liabilities		**(9.5)**	(8.8)
Derivative financial instruments		**(0.2)**	(0.3)
Provisions		**-**	(2.0)
Deferred consideration		**(0.2)**	(0.5)
Retirement benefit obligations		**(27.8)**	(21.7)
		(104.3)	(86.1)
Net assets		**129.2**	121.0
Shareholders' equity			
Share capital		**23.6**	23.5
Share premium		**18.2**	18.2
Translation reserve		**(0.2)**	(1.1)
Cash flow hedging reserve		**(0.1)**	(0.2)
Retained earnings		**87.7**	80.6
Total equity	7	**129.2**	121.0

**Prior year restated on adoption of IAS 19R 'Employee Benefits'.*

Brammer

Consolidated statement of changes in equity for the year ended 31 December 2013

	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 year*	-	-	-	-	-	19.4	19.4
Other comprehensive expense*	-	-	-	(0.2)	(2.4)	(5.5)	(8.1)
Total comprehensive income	-	-	-	(0.2)	(2.4)	13.9	11.3
Transactions with owners							
Shares issued during the year	0.1	-	-	-	-	-	0.1
Purchase of own shares	-	-	(1.1)	-	-	-	(1.1)
Transfer on vesting of own shares	-	-	1.2	-	-	(1.2)	-
Share-based payments	-	-	-	-	-	2.0	2.0
Tax credit on share performance plans	-	-	-	-	-	1.3	1.3
Dividends	-	-	-	-	-	(10.2)	(10.2)
Total transactions with owners	0.1	-	0.1	-	-	(8.1)	(7.9)
Movement in year	0.1	-	0.1	(0.2)	(2.4)	5.8	3.4
At 31 December 2012	**23.5**	**18.2**	**(0.1)**	**(0.2)**	**(1.1)**	**80.7**	**121.0**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**24.1**	**24.1**
Other comprehensive expense	**-**	**-**	**-**	**0.1**	**0.9**	**(6.1)**	**(5.1)**
Total comprehensive income	**-**	**-**	**-**	**0.1**	**0.9**	**18.0**	**19.0**
Transactions with owners							
Shares issued during the year	**0.1**	**-**	**-**	**-**	**-**	**-**	**0.1**
Purchase of own shares	**-**	**-**	**(2.4)**	**-**	**-**	**-**	**(2.4)**
Transfer on vesting of own shares	**-**	**-**	**2.3**	**-**	**-**	**(2.3)**	**-**
Value of employee services	**-**	**-**	**-**	**-**	**-**	**2.7**	**2.7**
Tax credit on share performance plans	**-**	**-**	**-**	**-**	**-**	**0.3**	**0.3**
Dividends	**-**	**-**	**-**	**-**	**-**	**(11.5)**	**(11.5)**
Total transactions with owners	**0.1**	**-**	**(0.1)**	**-**	**-**	**(10.8)**	**(10.8)**
Movement in year	**0.1**	**-**	**(0.1)**	**0.1**	**0.9**	**7.2**	**8.2**
At 31 December 2013	**23.6**	**18.2**	**(0.2)**	**(0.1)**	**(0.2)**	**87.9**	**129.2**

**Prior year restated on adoption of IAS 19R 'Employee Benefits'.*

Consolidated cash flow statement for the year ended 31 December 2013

	Note	2013	2012*
		£m	£m
Cash generated from operations	5	**45.5**	25.3
Interest received		**0.1**	0.1
Interest paid		**(2.7)**	(2.6)
Tax paid		**(7.5)**	(7.9)
Funding of pension schemes less pension expense included in operating profit		**(2.3)**	(2.4)
Cash generated from operating activities		**33.1**	12.5
Cash generated from operating activities before exceptional items		***36.0***	*15.9*
Cash outflow from acquisition related costs		***(0.7)***	-
Cash outflow from exceptional items		***(2.2)***	*(3.4)*
Cash generated from operating activities		***33.1***	*12.5*
Cash flows from investing activities			
Acquisition of businesses (net of cash acquired)		**-**	(1.1)
Deferred consideration paid on prior acquisitions		**(4.2)**	(10.4)
Proceeds from sale of property, plant and equipment		**0.2**	0.2
Purchase of property, plant and equipment		**(7.0)**	(4.7)
Additions to other intangible assets		**(6.7)**	(4.4)
Net cash used in investing activities		**(17.7)**	(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		**34.0**	-
Net (repayment)/drawdown of loans under principal financing facility		**(20.3)**	5.9
Net repayment of finance leases		**-**	(0.1)
Dividends paid to shareholders		**(11.5)**	(10.2)
Purchase of own shares		**(2.4)**	(1.1)
Net cash absorbed from financing activities		**(0.1)**	(5.4)
Net increase/(decrease) in cash and cash equivalents		**15.3**	(13.3)
Exchange gain/(loss) on cash and cash equivalents		**0.2**	(0.3)
Net cash at beginning of year		**2.0**	15.6
Net cash at end of year		**17.5**	2.0
Cash and cash equivalents		**17.7**	2.2
Overdrafts		**(0.2)**	(0.2)
Net cash at end of year		**17.5**	2.0

**Prior year restated on adoption of IAS 19R ‘Employee Benefits’.*

General information

Brammer plc is a public limited company incorporated and domiciled in the UK, and listed on the London Stock Exchange. The address of the registered office is disclosed in note 9 below.

The consolidated financial statements comprise the company and its subsidiaries (together referred to as the “group”) and were approved for issue by a duly appointed and authorised committee of the Board on 18 February 2014. The statements are presented in UK sterling.

Basis of preparation

The financial information set out in this Preliminary Results announcement does not comprise the group’s statutory financial statements for the years ending 31 December 2013 and 2012 within the meaning of Section 434 of the Companies Act 2006.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss under IFRS.

The independent auditors’ report on these accounts is unqualified, does not contain an emphasis of matter paragraph, and does not contain any statements under section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

Except for the adoption of IAS 19R – ‘Employee Benefits’ – the principal accounting policies adopted in the preparation of these consolidated financial statements are unchanged from those applied in the preparation of the 2012 statements, and will be set out in full in the 2013 published financial statements. These policies have been consistently applied to all the years 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.

New standards, amendments to standards or interpretations

No standards have been early adopted by the group. Other than the adoption of IAS 19R there has been no material impact on the group’s consolidated financial statements from the application of new standards which are mandatory for the first time for the financial year ended 31 December 2013, or from amendments to standards or interpretations of existing standards.

1. COMPARATIVE RESULTS

Comparative figures for the year ended 31 December 2012, as adjusted to reflect the adoption of IAS 19R, are taken from the company's statutory accounts which were delivered to the Registrar of Companies with an unqualified audit report. Copies of the 2012 Annual Report and the 2013 interim report are available on the company's website (www.brammer.biz).

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 primary management rate used was €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 intangible assets, 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**
Year ended 31 December 2013							
Continuing operations							
Revenue							
Total revenue	297.9	115.0	81.6	45.3	51.7	56.3	**647.8**
Inter company sales	(4.6)	(2.9)	(2.1)	(2.6)	(1.4)	(0.9)	**(14.5)**
Sales to external customers	293.3	112.1	79.5	42.7	50.3	55.4	**633.3**
Exchange effect							**18.6**
Total sales to external customers							**651.9**
Underlying operating profit	21.0	6.5	4.2	4.7	2.6	-	**39.0**
Exchange effect							**0.8**
Total underlying operating profit							**39.8**
Amortisation of acquired intangibles							**(1.2)**
Acquisition related costs							**(1.3)**
Total operating profit							**37.3**
Finance expense							**(4.5)**
Finance income							**0.1**
Profit before tax							**32.9**
Tax							**(8.8)**
Profit for the year							**24.1**
Segment assets	98.1	35.1	34.0	23.2	24.2	32.8	**247.4**
Exchange effect							**4.7**
							252.1
Goodwill							**91.2**
Acquired intangibles							**9.2**
Cash							**17.7**
Deferred tax							**10.9**
Total assets							**381.1**

2. SEGMENTAL ANALYSIS (continued)

	UK*	Germany*	France	Spain	Benelux	Eastern Europe & Other*	Total
	£m	£m	£m	£m	£m	£m	**£m**
Other segment items							
Continuing operations							
Capital expenditure							
- intangible assets	0.4	0.5	0.4	0.3	0.2	4.8	**6.6**
- property , plant and equipment	2.6	0.6	0.2	0.3	1.6	1.6	**6.9**
Exchange effect							**0.2**
Total capital expenditure							**13.7**
Amortisation/depreciation							
- other intangible assets	-	(0.1)	(0.1)	(0.1)	(0.2)	(1.8)	**(2.3)**
- property, plant and equipment	(1.6)	(0.3)	(0.3)	(0.3)	(0.4)	(0.6)	**(3.5)**
Exchange effect							**(0.3)**
Total amortisation/depreciation							**(6.1)**

	UK*	Germany*	France	Spain	Benelux	Eastern Europe & Other*	Total
	£m	£m	£m	£m	£m	£m	**£m**
Year ended 31 December 2012							
Continuing operations							
Revenue							
Total revenue	289.8	117.4	84.9	41.9	52.2	57.9	**644.1**
Inter company sales	(3.7)	(2.6)	(0.7)	(0.8)	(1.2)	(0.4)	**(9.4)**
Sales to external customers	286.1	114.8	84.2	41.1	51.0	57.5	**634.7**
Exchange effect							**4.9**
Total sales to external customers							**639.6**
Underlying operating profit	18.1	7.0	4.2	4.1	2.7	0.9	**37.0**
Exchange effect							**0.3**
Total underlying operating profit							**37.3**
Amortisation of acquired intangibles							**(1.3)**
Exceptional items							**(6.4)**
Total operating profit							**29.6**
Finance expense							**(3.5)**
Finance income							**0.1**
Profit before tax							**26.2**
Tax							**(6.8)**
Profit for the year							**19.4**
Segment assets	90.5	33.6	31.8	16.5	23.7	31.5	**227.6**
Exchange effect							**2.9**
							230.5
Goodwill							**89.8**
Acquired intangibles							**10.4**
Cash							**2.2**
Deferred tax							**8.9**
Total assets							**341.8**
Other segment items							
Continuing operations							
Capital expenditure							
- intangible assets	0.6	0.1	0.1	0.1	0.2	3.2	**4.3**
- property , plant and equipment	2.2	0.2	0.4	0.2	0.5	1.0	**4.5**
Exchange effect							**0.3**
Total capital expenditure							**9.1**
Amortisation/depreciation							
- other intangible assets	(0.1)	(0.1)	-	-	(0.2)	(1.5)	**(1.9)**
- property, plant and equipment	(1.2)	(0.2)	(0.3)	(0.3)	(0.4)	(0.6)	**(3.0)**
Exchange effect							**(0.2)**
Total amortisation/depreciation							**(5.1)**

* 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 year and the comparative year:

	2013	2012
Management rate	**€1.25**	€1.20
Actual average rate	**€1.182**	€1.230
Year end rate	**€1.202**	€1.233

3. EARNINGS PER SHARE

	2013		
		Earnings per share	
	Earnings £m	Basic	Diluted
Weighted average number of shares in issue (‘000) Total		**117,562**	**121,290**
Profit for the financial year	**24.1**	**20.5p**	**19.9p**
Intangibles amortisation and acquisition related costs	**2.5**		
Tax on intangible amortisation and acquisition related costs	**(0.6)**		
Earnings before amortisation and acquisition related costs	**26.0**	**22.1p**	**21.4p**

	2012*		
		Earnings per share	
	Earnings £m	Basic	Diluted
Weighted average number of shares in issue (‘000) Total		117,117	120,980
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 and exceptional items	25.2	21.5p	20.8p

**Restated on adoption of IAS 19R ‘Employee Benefits’.*

4. EXCEPTIONAL ITEMS

2013
There were no exceptional items in 2013.

2012
A total pre-tax operating exceptional charge of £6.4 million was recognised in 2012. This included the following charges arising from the continuing programme of integrating the Buck & Hickman business: a £0.8 million charge to write-down stock which had been identified as no longer integral to Brammer’s core tools & general maintenance product portfolio and future trading strategy, together with a £0.8 million charge to write-down software which would no longer be developed or supported in the combined business going forward.

A wider review of the group’s operating cost base resulted in headcount and other restructuring costs of £4.8 million being incurred and recognised as an exceptional charge. These actions were taken in response to the challenging market conditions in which the group operated during the year, to optimise headcount in order to continue to realise operational benefits in the UK business and the wider group.

5. CASH FLOW FROM OPERATING ACTIVITIES

	2013 £m	2012 £m
Profit for the year attributable to equity shareholders	**24.1**	19.4
Tax charge	**8.8**	6.8
Depreciation/amortisation of tangible and intangible assets	**7.3**	7.9
Share options – value of employee services	**2.7**	2.0
Gain on sale of property, plant and equipment	**(0.1)**	(0.1)
Financing expense – net	**4.4**	3.4
Movement in working capital (excluding the effect of exchange movements and fair value adjustments)	**(1.7)**	(14.1)
Cash generated from operations after acquisition related costs and exceptional items	**45.5**	25.3

6. CLOSING NET DEBT

	2013	2012
	£m	£m
Borrowings – current	**(4.0)**	(3.2)
Borrowings – non-current	**(66.6)**	(52.8)
Cash and cash equivalents	**17.7**	2.2
Closing net debt	**(52.9)**	(53.8)

7. CHANGES IN SHAREHOLDERS' EQUITY

The statement of changes in shareholders' equity is shown as a primary statement.

The number of ordinary 20p shares in issue at 31 December 2013 was 118,004,074 (31 December 2012: 117,204,074).

Dividends
A dividend, amounting to £7.5 million, which related to 2012 was paid on 2 July 2013 (2012: £6.7 million). An interim dividend amounting to £4.0 million (2012: £3.5 million) was paid on 1 November 2013. The directors propose a final dividend of 6.8p per share (2012: 6.4p) payable on 3 July 2014. This final dividend amounting to £8.0 million (2012: £7.5 million) has not been recognised as a liability in these financial statements.

8. SUBSEQUENT EVENTS

On 7 January 2014 the group announced the acquisition of 100% of Lönne Holding AS, a leading distributor of OEM and MRO industrial products operating from 15 locations predominantly in Norway and Sweden with further operations in Finland and Denmark. The initial consideration comprised a cash consideration of Norwegian Krone ('NOK') 190.1 million (£19.0 million) together with net debt assumed on completion of NOK 188.1 million (£18.8 million). In addition, deferred consideration of up to NOK 80.0 million (£8.0 million) is payable based on a multiple of the increase in EBITDA over set targets for each of the years 2014, 2015 and 2016. The fair value of assets acquired has not yet been assessed, and will be finalised in 2014.

9. PRELIMINARY ANNOUNCEMENT

A copy of the preliminary announcement 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. It will also be available on the company's website www.brammer.biz from 18 February 2014.

10. FINAL DIVIDEND

Relevant dates concerning the payment of the final dividend are:

Annual general meeting	16 May 2014
Record date	6 June 2014
Payment date	3 July 2014

11. STATUTORY ACCOUNTS

This preliminary announcement is taken from the full audited statutory accounts which will be filed with the Registrar of Companies following the company's annual general meeting. The statutory accounts have received an unqualified report by the auditors and do not contain any statements under section 498 (2) or (3) of the Companies Act 2006.