PRESS RELEASE:

29 July 2014

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

2014 INTERIM RESULTS

CONTINUED MARKET SHARE GAINS THROUGH ORGANIC GROWTH AND STRATEGIC ACQUISITIONS

Delivered £25.9 million of signed off cost savings to our customers in 2014 to date

Brammer, the leading pan-European added value distributor of industrial maintenance, repair and overhaul products, today announces its interim results for the six months ended 30 June 2014.

Financial Highlights

- Total Group revenue up by 10.9% to £364.1 million (2013: £328.4 million). At constant currency total revenue increased by 13.1%.
- Gross margin up 60 basis points to 31.3% (2013: 30.7%).
- Underlying* operating profit up by 19.8% to £20.6 million (2013: £17.2 million).
- Underlying* operating margin up by 50 basis points to 5.7% (2013: 5.2%) despite significant investment in Tools and General Maintenance and Vending.
- Underlying* profit before tax up by 15.1% to £17.5 million (2013: £15.2 million).
- Profit before tax down by £3.0 million to £11.6 million (2013: £14.6 million), operating profit down by £1.9 million to £14.7 million (2013: £16.6 million), reflecting £5.3 million of acquisition related costs and exceptional items.
- Successful share placing, raising £52.4 million net to support ongoing acquisition strategy.
- Underlying* basic EPS up by 10.2% to 10.8p (2013: 9.8p).
- Reported basic EPS down by 24.5% to 7.1p (2013: 9.4p).
- Interim dividend up 5.9% to 3.6p (2013: 3.4p) reflecting the Board’s confidence in the outlook for the business.

Operational Highlights**

- Major acquisition of Lönne Holdings AS (“Lönne”) completed in January expanded the Brammer footprint into the Scandinavian region. Lönne has been performing in line with expectations.
- Six further bolt-on acquisitions completed in the period with annualised revenues of €31 million and total consideration of €9.5 million, with the acquisition pipeline remaining strong.

- Organic+ sales per working day ("SPWD") increased by 5.4% overall.

- Continued successful execution of organic growth strategy:

- Further market share gains in tough markets.

- Group SPWD growth rate accelerating for the sixth consecutive quarter.

- Key Account SPWD up 9.8% with pan-European Key Account sales growing 28.2%. Total Key Account sales represent 52.9% of total revenues (2013: 53.1%).

- Insite™ sales growth of 12.3% (2013: 8.6%) with a net 13 new locations established.

- Strong revenue growth of 50.9% in Tools and General Maintenance in continental Europe, with 4.7% overall Tools and General Maintenance growth.

- Increased headcount in our European Tools and General Maintenance division to drive further growth in the €50 billion tools and maintenance market.

- In addition, we have significantly invested in our vending operations, with 107 staff deployed, and we expect this to drive growth in 2015 and beyond.

* pre amortisation of acquired intangibles, acquisition related costs and exceptional items
** at constant currency
\+ including incremental growth from Lönne

Ian Fraser, Chief executive said:

"In 2014 we have continued to demonstrate our resilience whilst expanding our European footprint into Scandinavia. Despite market conditions remaining challenging, we have seen improving growth rates in the last six quarters (excluding the benefit from the acquisition of Lönne) as our strategy of focusing on Key Accounts, Insites™ and cross-selling initiatives continues to deliver results out-performing the market. We are mindful of the recent uncertainties regarding growth rates in our European markets in the second half of 2014, but we remain confident our proven strategy will help us continue to gain market share."

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BRAMMER PLC
2014 INTERIM RESULTS

INTERIM STATEMENT

Trading

Despite only modest improvements in economic conditions across Europe, Brammer has continued to demonstrate a resilient performance in our underlying businesses. Our revenue growth rate in constant currency of 13.1% reflects the continued progress made against our growth strategy of focusing on Key Accounts, Insites™ and cross-selling, together with a contribution from the strategic acquisition of Lönne in January 2014. We have continued to achieve market share gains and have established a strong presence in the Scandinavian market.

For the six months to 30 June 2014 sales at actual exchange rates were £364.1 million which represents an increase of 10.9% over the previous year. On a constant currency basis organic SPWD growth (including incremental growth in Lönne) was 5.4%. All of the key growth drivers contributed to this good result. Key Accounts grew by 9.6%, with 4 new pan-European accounts signed in the period and the prospects for further wins remain excellent. There was further growth in Insites™ with 13 (net) new Insites™ established and sales growth of 12.3% to £95.3 million. Cross-selling also contributed, with non-bearing sales growing by 16.9%. Bearing sales grew by 0.7%, reflecting weak markets. Our base business revenues (excluding Lönne) grew 0.8% in SPWD, a significant improvement on 2013.

Despite market conditions remaining challenging, we have seen improving growth rates in the last six quarters (excluding Lönne's results) as our strategy of focusing on Key Accounts, Insites™ and cross-selling initiatives continues to deliver results out-performing the market.

	Growth rates at constant currency (%)		
SPWD – external sales	First half 2013	Second half 2013	**First half 2014**
UK	1.6	2.7	**-1.4**
Germany	-4.8	0.4	**7.7**
France	-3.1	-6.7	**3.9**
Spain	-3.5	12.3	**14.0**
Benelux	-4.4	2.5	**7.7**
Eastern Europe & Other	-5.6	-0.6	**27.7**
Scandinavia			**-**
Total Group	-1.7	1.4	**14.1**

Gross profit margin increased by 60 basis points compared to the previous period, reaching 31.3%, a new high for the Group in the first half.

Sales, distribution, and administrative costs ("SDA") (excluding amortisation, acquisition related costs and exceptional items) increased by £9.8 million to £93.4 million (2013: £83.6 million), with underlying SDA at constant currency increasing by 5.1%.

Underlying operating profit increased to £20.6 million (2013: £17.2 million), including £1.6 million contribution from Lönne with a resulting return on sales of 5.7%, 50 basis points above the previous year.

Underlying pre-tax profit increased by 15.1% to £17.5 million (2013: £15.2 million) with underlying basic earnings per share up 10.2% to 10.8 pence per share (2013: 9.8 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, supplying 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% despite our leadership position. 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, around 10%, representing an opportunity to achieve significant growth through cross-selling. 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 2014 we have 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 well ahead of the market.

Product Range Extension and Growth Drivers

The recent launch of the European MRO catalogue, incorporating the bearings, mechanical power transmission, and fluid power product ranges will help support further growth through product range extension. This is the first time that a single publication has been produced for all of our MRO businesses across continental Europe, complementing our existing European Tools and General Maintenance catalogue. Over 50,000 copies have been printed and distributed across 19 countries, including the recently entered Scandinavian region.

In 2013 we introduced a new pan-European tools brand to market – "Roebuck". This brand is available across all of our European businesses and is exclusively distributed by Brammer. Sales have been encouraging and approximately 2,600 customers have purchased Roebuck products since launch. To build on this success, the Roebuck product range is being significantly expanded in 2014, supported by a product catalogue due to be launched in the second half of the year.

Another major growth driver, our Insite™ concept, is now supported by our new Insite™ video and Insite™ brochure, intended to raise awareness of our offering, and enabling our European sales team to identify opportunities to offer more Insite™ solutions.

Customer service

Targeting substantial cost savings for our customers is fundamental to the Brammer Value Proposition and we have delivered over 3,300 individual customer validated cost saving actions providing £25.9 million of signed off cost savings to our customers in the first half .

Our fourth annual Europe-wide customer satisfaction survey was conducted in May. Customer satisfaction remains high, and has increased in several territories. The survey results enable us to continue to improve the customer journey and help us in our pursuit of excellence in customer service.

To complement the survey results, the recent launch of the Brammer Way of Excellence in Customer Service provides a set of process and review tools in a consistent framework to enable our customer facing personnel to deliver continuous improvements in the way they interact with our customers.

Our segmentation approach continues with the expansion of our range of segment specific brochures, now including Paper and Packaging, Glass and Canning.

Business area at 2014 constant currency rates (€1.25 : £1)

	Quarter One 2014	Quarter Two 2014	Half Year 2014	Revenue H1 2014
	Growth rates (%)			£m
SPWD				
Total group	13.1	15.4	14.1	360.6
Organic+	5.0	6.7	5.4	335.4
Revenue				
Bearings	2.9	-1.5	0.7	74.3
Non-bearings	15.9	17.9	16.9	286.3
of which Tools and General Maintenance	*8.1*	*1.5*	*4.7*	*86.9*
of which continental Tools and General Maintenance	*47.0*	*54.4*	*50.9*	*17.4*
Key Accounts	10.7	8.6	9.6	190.7
Base business - Total	15.4	19.5	17.4	169.9
- Excluding Lönne	*-3.7*	*2.5*	*-0.7*	*143.7*

+including incremental growth of Lönne.

Key Accounts

On a constant currency basis, Key Accounts' sales grew by 9.6%, significantly above the organic group growth rate of 5.4%. The four new Key Accounts won during the period represent potential annual revenues of up to €12 million. Key Accounts now represent 52.9% of the group's total sales and 57.0% excluding Lönne. The overall Key Account growth rate has, however, moderated through the period from 10.7% in quarter one to 8.6% in quarter two. This slowing is due to several national UK Key Account contracts having delayed maintenance programmes during the first half due to continued uncertainty in the market. Therefore, whilst the national contract tier of Key Accounts declined 0.6% in the period (2013: growth of 3.7%), the main tier of pan-European Key Accounts reflected significant growth rates of 28.2% in the period (2013: growth of 12.5%).

Our Key Account contracts with Alcoa and Ma'aden Aluminium continue to perform well, and our Insite™ in Saudi Arabia has delivered impressive growth following the operational setup process during 2013. Our Key Account pipeline remains strong and the prospects for further wins remain excellent.

Insites™

On a constant currency basis, Insite™ sales grew by 12.3%, with a further net 13 new locations established. The Group now operates a total of 396 Insites™. 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 and several Insite™ projects are already in progress in our new Scandinavian markets.

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 16.9% in total and Tools and General Maintenance sales grew by 50.9% in continental Europe. Bearings sales grew by 0.7% reflecting relatively weak market demand and our high market share in this product range.

Our evaluation of the potential growth opportunity from industrial vending continues in the UK, Germany, France, Spain and Poland. We are now also operating in the Netherlands, thus testing the scalability of our processes. The rate of machine installations has continued to accelerate and at June 2014, 371 machines had been installed. We continue to remain cautiously optimistic that the vending concept will provide good future growth opportunities.

Acquisitions

In January 2014, Brammer announced the acquisition of Lönne 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 Scandinavian region. Our footprint in Sweden has since been significantly expanded through four bolt-on acquisitions to gain critical mass in this key market.

In April, Brammer placed 11.3 million shares at a price of 475p per share, representing 2.66% discount to the prevailing market price. The placing was significantly oversubscribed and raised a net £52.4 million after expenses to provide the group with the capability to pursue value enhancing acquisition opportunities.

In total, six small acquisitions were completed in the half, with total annualised revenues of €31 million for a total consideration of €9.5 million. Our acquisition pipeline remains strong as, in these challenging markets, many of our competitors are finding business increasingly difficult. We continue to identify opportunities to acquire businesses which will complement and enhance Brammer's range and since the period end we have completed a further two bolt-on acquisitions, of a Tools and General Maintenance specialist in Spain, and a Fluid Power specialist in Italy.

Synergies

As previously reported, we exceeded the planned synergy benefits from the Buck & Hickman business acquired in September 2011, achieving our target a year ahead of time. Additionally, in June 2014 a proposal to merge the logistics and administrative functions of Buck & Hickman with the legacy Brammer UK business was announced. The proposal, entailing the closure of the National Distribution Centre ("NDC") in Coventry for the legacy Buck & Hickman business, represents one of the final elements of the integration programme and would deliver further synergies and cost savings. Consultations are underway with a final decision expected in the next few weeks.

Costs and Capabilities

Sales distribution and administrative expense ("SDA") remains tightly controlled. The underlying operating costs of the business increased by 5.1% at constant currency. This rate of growth compared to revenue growth is higher than normal as we have continued to invest in the development of our Tools and General Maintenance, PPE business, and Vending. We have increased headcount in the Tools and Maintenance product division to 30, and have recruited 26 Tools experts within our businesses. In addition, we now have a total of 107 individuals supporting our vending operations. In the short-term these significant investments have had a moderating effect on the first half trading profit; however, we expect these investments to drive increased revenue growth rates during the rest of the year and in 2015 and beyond.

A pre tax exceptional charge of £3.7 million has been recognised relating to costs associated with the integration of recent acquisitions, and the associated restructuring activities. A charge of £2.0 million has been recognised in relation to the proposed integration of the logistics and administrative functions of Buck & Hickman with the legacy Brammer UK business, mainly reflecting headcount reduction and property costs related to the proposed closure of the Buck & Hickman NDC and administrative functions. Further restructuring costs totalling £1.7 million have been charged, mainly associated with the integration of current year bolt-on acquisitions, notably in Germany and France.

Technology

Our digital channels are becoming increasingly important to our customers. We are experiencing significant growth (70% in places) across a broad range of customers, industrial sectors and product groups. In response to this we are strengthening our digital capability and providing a stream of new services and capabilities to our customers on a pan-European basis. Building on the technical platform put in place over the last two years we will by the end of this year be providing much more choice to our customers than ever before over how, where and when they transact with us. These digital channels offer the customer convenience and cost efficiencies whilst for us they provide opportunities to grow and extend our customer presence and the product range offered to customers in an efficient and cost effective way.

This time last year we reported one of the Group’s most significant technical developments of the last seven years, delivery of the new MDM system which gives us control over data quality. This delivery is part of our Trading Platform Programme which covers and connects: e-commerce, system integration and data management. This programme allows us to deliver a modern e-commerce platform regardless of the age or type of underlying ERPs. Since delivery, the MDM data base has been extended as planned to provide a fully integrated single point of truth over all aspects of our product data, including sales analytics. During the course of 2015 we expect this database to be at the heart of new propositions and services to customers.

Our People

We are committed to recruiting and retaining the best people. We continue to develop our Distributed Learning programme (e-learning), 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. Tailored sales training was rolled out to a record number of participants during the period.

The 2014 employee survey again provided positive feedback for management and identified areas to focus upon in order to increase employee engagement; Brammer already has best in class employee engagement levels and seeks to improve this year on year.

During 2013, the company undertook a second graduate recruitment programme, building upon the success of the prior year. 2014 will see this programme extended further with an additional intake of graduates into the business. All members of the 2012 graduate cohort were offered full time permanent positions within the group. 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 remains a primary factor.

Post the period end Andrea Abt was appointed as Non-Executive Director. Andrea brings significant sector experience having been Head of Supply Chain Management & CPO of Sector Infrastructure & Cities at Siemens AG, since 2011. On behalf of the Board I would like to welcome her to the Brammer group.

Key Performance Indicators and other measures

	2014 £m	2013 £m
Revenue	**364.1**	328.4
Gross margin %	**31.3%**	30.7%
Gross profit	**114.0**	100.8
Sales, Distribution and Administration costs*	**(93.4)**	(83.6)
Operating profit*	**20.6**	17.2
Operating return on sales*	**5.7%**	5.2%
Finance expense – net	**(3.1)**	(2.0)
Profit before tax*	**17.5**	15.2
Cash generated from operations*	**(3.6)**	13.1
Earnings per share* - basic	**10.8p**	9.8p
Dividend per share	**3.6p**	3.4p
Group sales growth**	**13.1%**	-2.3%
Organic SPWD growth**+	**5.4%**	-1.7%
Key Account SPWD growth**	**9.8%**	7.2%
Return on Capital employed	**26.6%**	28.9%
Net debt to EBITDA	**1.4**	1.2
Interest Cover	**11.5**	12.6
Stock turn	**4.4**	5.2

*before amortisation, acquisition related costs and exceptional items
**at constant currency
+ including incremental sales of Lönne

Amortisation of acquired intangibles and acquisition related costs

Amortisation of acquired intangibles was flat year on year at £0.6 million. Acquisition related costs of £1.6 million have been incurred in 2014 primarily in respect of the acquisition of Lönne completed on 14 January 2014, along with several other bolt-on acquisitions.

Financing and cashflow

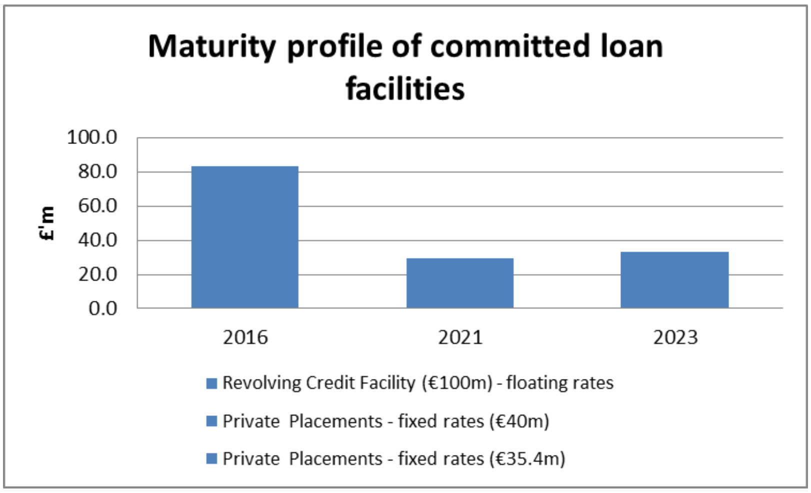
In January, the remaining portion of our $100 million (or currency equivalent) private shelf facility was drawn down with a further issue of €35.4 million private placement notes with a term of seven years maturing in January 2021.

In April, the company placed 11.3 million shares at a price of 475 pence per share, raising a net £52.4 million after expenses to provide the group with the capability to pursue value enhancing acquisition opportunities.

During the period £36.5 million (net of cash acquired) was incurred related to the acquisition of businesses, together with the assumption of £10 million of loans taken on as part of the businesses acquired. A net £28.1 million repayment of loans was made.

Net debt

Net debt at £69.2 million is £16.3 million higher than at 31 December 2013. This increase is after £8.4 million (2013: £3.1 million) of capital expenditure as investment in significant strategic projects continues, and £27.9 million working capital outflow (2013: £9.1 million outflow) which largely reflects the increasing growth trend in sales amplified by the impact of seasonality and the mix of sales by territory.



Dividend

The Board proposes to increase the interim dividend by 5.9% to 3.6 pence per share, reflecting the Board's confidence in Brammer's long term growth prospects. The interim dividend will be paid on 6 November 2014 to shareholders on the register at 10 October 2014.

Operating Segments Review

Summary trading performance by segment at 2014 constant currency rates (€1.25 : £1)

	External Revenue		Revenue Change	SPWD** Growth	Operating Profit*		Operating Profit Change*+
	2014	2013	**2014**	2014	**2014**	2013	
	£m	£m	%	**%**	£m	£m	**%**
UK	**143.8**	145.9	**-1.4%**	-1.4%	**8.2**	8.5	**-3.5%**
Germany	**61.3**	57.3	**7.0%**	7.7%	**3.7**	2.9	**27.6%**
France	**42.8**	41.2	**3.9%**	3.9%	**1.7**	1.4	**21.4%**
Spain	**23.7**	21.0	**12.9%**	14.0%	**2.3**	1.8	**27.8%**
Benelux	**26.6**	24.9	**6.8%**	7.7%	**1.3**	1.1	**18.2%**
Scandinavia	**26.3**	-	**n/a**	n/a	**1.5**	-	**n/a**
Eastern Europe & Other	**36.1**	28.4	**27.1%**	27.7%	**1.6**	1.0	**60.0%**
Total	**360.6**	318.7	**13.1%**	14.1%	**20.3**	16.7	**21.6%**
Exchange effect***	**3.5**	9.7	**-2.2%**	-2.2%	**0.3**	0.5	**-1.8%**
As reported	**364.1**	328.4	**10.9%**	11.9%	**20.6**	17.2	**19.8%**

* 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 2014 and 2013.

Lönne reports its operations to the Board. Accordingly, the segmental analysis above includes an additional segment named Scandinavia, reflecting Lönne's activities in Norway, Sweden, Finland and Denmark.

UK (including Iceland, and Norwegian Insites)

	2009	2010	2011	2012*	2013*	H1 2014*
SPWD growth -%	-0.4	8.0	16.8	7.6	2.2	-1.4
Key Account sales growth -%	3.5	12.2	22.4	7.2	8.6	1.4
Insite sales growth -%	29.3	17.4	24.5	2.2	9.6	-1.8
Insite numbers	153	143	152	163	191	195
Customer signed off cost savings -£'m	20.5	17.1	20.4	32.9	33.7	10.1
Bearings Growth -%	-12.4	8.0	12.2	-1.6	-1.8	-4.3
Non bearings						
Mechanical Power Transmission sales growth -%	-6.8	7.8	7.5	-5.0	0.5	-2.3
Fluid Power sales growth -%	16.0	11.1	20.3	-3.0	5.3	1.7
Tools and General Maintenance (T&GM) sales growth -%	8.0	14.8	28.4	2.8	3.3	-2.7
Key Accounts proportion of total sales -%	56.7	57.3	62.5	67.7	71.6	74.5
Non Key Accounts proportion of total sales -%	43.3	42.7	37.5	32.3	28.4	25.5
Insites proportion of total sales -%	33.2	34.4	40.0	38.3	43.7	42.6
Bearings proportion of total sales -%	22.3	22.1	20.6	12.4	11.9	10.3
T&GM as a proportion of total sales -%	10.1	10.7	13.0	47.5	47.7	47.9
Fluid Power as a proportion of total sales -%	20.0	20.4	19.9	12.0	12.3	12.8

* Includes Buck & Hickman

Revenues in SPWD for the UK decreased by 1.4%, with operating profit down 3.5% to £8.2 million.

Key Account sales increased by 1.4%, a lower growth rate than historically experienced in the UK, where the Brammer strategy is most advanced. The moderation in growth rate is largely due to several specific national Key Account contracts who have delayed maintenance programmes during the first half. Therefore, whilst the National Contract tier of Key Accounts declined 4.6% in the period, the main tier of pan-European Key Accounts reflected more typical growth rates of 10.9% in the period. Insite™ sales and Tools and General Maintenance sales have therefore also declined although we anticipate growth will recover somewhat in the second half.

The proportion of turnover which is Key Accounts has increased by 2.9 percentage points and now represents 74.5% of turnover. Our value proposition continues to be attractive to new customers and we continued to win new Key Accounts including Honeywell Technologies, Smurfit Kappa and Tarmac.

The number of full time and part time Insites™ now totals 195, four more than last year. Twelve new Insites™ opened in the period, including ten relating to Tools and General Maintenance customers.

Bearing sales declined 4.3% reflecting a challenging market, as some customers restrict discretionary spend, but our ongoing cross-selling initiatives delivered improvements in Tools and General Maintenance and Fluid Power sales as a proportion of total sales.

The integration of the Buck & Hickman business has been extremely successful and ongoing synergy benefits continue to be ahead of our original expectations. The proposal to merge the logistics and administrative functions of Buck & Hickman and Brammer UK during the second half of the year represents a further opportunity to drive efficiency and would provide a large step towards the full integration of the businesses.

Germany

	2009	2010	2011	2012	2013	H1 2014
SPWD growth -%	-30.8	13.4	19.2	0.0	-2.4	7.7
Key Account sales growth -%	-22.4	20.9	24.1	7.2	11.5	10.6
Insite sales growth -%	-6.7	36.8	37.2	16.4	12.1	18.4
Insite numbers	12	20	37	47	54	55
Customer signed off cost savings -£'m	0.5	5.4	9.4	7.9	12.7	3.2
Bearings Growth -%	-38.1	9.7	14.7	-10.6	-10.6	-2.6
Non bearings						
Mechanical Power Transmission sales growth -%	-30.0	27.0	11.0	1.4	7.3	0.3
Fluid Power sales growth -%	-50.5	2.3	28.1	13.0	1.3	7.4
Tools and General Maintenance (T&GM) sales growth -%	-25.6	24.4	58.6	13.9	45.9	62.4
Key Accounts proportion of total sales -%	22.8	24.1	26.8	30.5	35.3	36.4
Non Key Accounts proportion of total sales -%	77.2	75.9	73.2	69.5	64.7	63.6
Insites proportion of total sales -%	3.8	4.5	7.9	9.4	11.6	13.9
Bearings proportion of total sales -%	33.3	32.0	31.6	28.5	26.0	24.4
T&GM as a proportion of total sales -%	2.1	2.3	3.4	3.9	4.3	5.4
Fluid Power as a proportion of total sales -%	18.1	16.2	17.9	20.5	22.2	22.2

SPWD returned to growth in 2014, increasing by 7.7% in the period and trading profit increased by 27.6% to £3.7 million.

Bearings sales declined 2.6% in the year reflecting a challenging market, but the rate of decline significantly reduced compared to the 10.6% decline experienced in the full year 2013. Our focus on product range extension saw a 9.9% growth in non-bearings products, including the bolt-on acquisition of a small tools and general maintenance specialist during the period. This has helped growth in Tools and General Maintenance accelerate to 62.4% compared to the 2013 full year reflecting an important step change in this key product range.

Key Accounts growth continued into the fifth consecutive year, at 10.6% and we continued to win new Key Accounts including St Gobain and Daimler. The number of Insite™ locations continues to increase and now totals 55 with seven Insites™ opening during the period and six others closing. Despite a similar number of Insites™ to 2013, Insite™ sales growth accelerated by 6.3 percentage points to 18.4%.

France

	2009	2010	2011	2012	2013	H1 2014
SPWD growth -%	-14.6	11.1	14.2	3.5	-4.7	3.9
Key Account sales growth -%	-4.1	18.8	19.1	12.3	3.1	5.7
Insite sales growth -%	-14.0	38.7	16.0	27.3	30.9	6.7
Insite numbers	20	22	31	39	45	50
Customer signed off cost savings -£'m	2.0	2.6	3.8	2.6	4.5	10.4
Bearings Growth -%	-18.5	6.1	9.2	-5.0	-8.4	-5.5
Non bearings						
Mechanical Power Transmission sales growth -%	-10.1	9.8	10.6	3.5	-9.4	-5.9
Fluid Power sales growth -%	-7.2	28.0	25.6	14.6	1.5	6.7
Tools and General Maintenance (T&GM) sales growth -%	21.8	84.4	32.7	16.5	39.8	39.2
Key Accounts proportion of total sales -%	31.0	33.3	35.8	40.0	44.1	44.2
Non Key Accounts proportion of total sales -%	69.0	66.7	64.2	60.0	55.9	55.8
Insites proportion of total sales -%	5.0	6.2	6.6	9.6	13.7	13.8
Bearings proportion of total sales -%	38.6	36.5	35.0	32.1	30.6	28.0
T&GM as a proportion of total sales -%	2.4	4.0	4.6	5.2	7.6	8.9
Fluid Power as a proportion of total sales -%	12.2	13.9	15.4	17.0	18.0	17.9

SPWD grew by 3.9% with a growth of 21.4% in operating profit to £1.7million. In the face of continuing difficult conditions in the market, bearings sales declined by 5.5%, but Key Account growth accelerated to 5.7%. We won new contracts including Rio Tinto, Massily, Polyrey, Safran and Fleury Michon, and Key Accounts now represent 44.2% of sales.

A small bolt-on acquisition made in the second quarter will contribute to future Fluid Power growth. Sales of Tools and General Maintenance product grew at 39.2%. Although this is a similar growth rate to the full year 2013, quarter on quarter growth rates are accelerating this year.

We opened five Insites™ in the first half, only one fewer than the six in the full year of 2013 and there is a healthy pipeline of future contracted Insite™ agreements.

Spain

	2009	2010	2011	2012	2013	H1 2014
SPWD growth -%	-22.3	9.5	12.3	-0.3	3.8	14.0
Key Account sales growth -%	-4.2	19.5	28.5	15.3	19.5	32.9
Insite sales growth -%	27.6	22.0	46.3	31.8	56.0	64.9
Insite numbers	13	15	22	30	38	39
Customer signed off cost savings -£'m	1.7	1.3	2.3	2.1	1.2	0.5
Bearings Growth -%	-28.4	4.4	3.3	-10.1	3.3	0.3
Non bearings						
Mechanical Power Transmission sales growth -%	-21.9	7.0	14.9	-4.9	-0.9	10.4
Fluid Power sales growth -%	-0.1	34.2	46.1	23.9	23.4	30.6
Tools and General Maintenance (T&GM) sales growth -%	4.3	48.0	33.2	89.0	71.5	78.8
Key Accounts proportion of total sales -%	25.0	26.8	31.2	36.4	40.6	47.0
Non Key Accounts proportion of total sales -%	75.0	73.2	68.8	63.6	59.4	53.0
Insites proportion of total sales -%	5.6	6.3	10.5	13.7	21.2	27.3
Bearings proportion of total sales -%	43.4	41.2	37.9	34.1	32.6	28.2
T&GM as a proportion of total sales -%	1.7	2.3	2.7	5.1	8.0	11.3
Fluid Power as a proportion of total sales -%	7.3	8.9	11.6	14.3	16.4	18.3

SPWD growth accelerated by 10.2 percentage points compared to the full year 2013, achieving 14.0% growth, as strong exit rates in 2013 continued into 2014. Operating profit improved by 27.8% to £2.3 million, representing continued progress in all of our growth drivers. Key Account revenues now represent 47.0% of sales, growing by 32.9% as our contract with Alcoa gains traction. Insite™ sales growth of 64.9% reflects significant growth in existing Insites™ including Alcoa and but also reflecting the contribution from new Insites™ won last year. Two additional new Insites™ were established, bringing the total, after one closure, to 39.

Excellent progress continued in product range extension. Sales of the Tools and General Maintenance range grew 78.8%, Fluid Power by 30.6% and Mechanical Power Transmission by 10.4%.

Benelux

	2009	2010	2011	2012	2013	H1 2014
SPWD growth -%	-20.0	10.7	12.8	7.5	-1.3	7.7
Key Account sales growth -%	-1.5	21.3	22.9	20.1	5.5	9.9
Insite sales growth -%	9.1	104.8	22.7	33.1	10.5	18.6
Insite numbers	6	8	9	16	17	19
Customer signed off cost savings -£'m	0.1	1.2	1.1	1.1	2.1	0.8
Bearings Growth -%	-25.3	3.0	8.7	3.6	-6.5	4.6
Non bearings						
Mechanical Power Transmission sales growth -%	-7.3	16.3	10.3	0.5	-3.5	-6.4
Fluid Power sales growth -%	18.7	27.3	19.3	20.8	9.1	7.3
Tools and General Maintenance (T&GM) sales growth -%	-18.0	28.3	16.1	20.8	13.9	18.0
Key Accounts proportion of total sales -%	22.5	24.5	27.3	32.1	34.3	35.6
Non Key Accounts proportion of total sales -%	77.5	75.5	72.7	67.9	65.7	64.4
Insites proportion of total sales -%	3.0	5.4	7.5	10.2	10.1	12.9
Bearings proportion of total sales -%	57.0	52.6	50.7	48.9	46.2	45.0
T&GM as a proportion of total sales -%	9.7	11.2	11.5	13.3	15.3	16.7
Fluid Power as a proportion of total sales -%	7.3	8.3	8.8	9.7	10.7	11.0

SPWD in the Benelux countries increased by 7.7% and operating profit has increased by 18.2% to £1.3 million. Key Accounts growth contributed significantly and has continued to accelerate to 9.9% year on year growth. Key Accounts now represents 35.6% of total sales. Growth in Key

Accounts is weighted towards the Netherlands (growth: 16.8%) while Belgium's growth was more modest at 2.3% although new contract wins with Unilever, Solvay and Akzo Nobel amongst others provide good growth opportunities. Insite™ sales grew 18.6% with a further four Insites™ opened in the period with a net change of two Insites™.

Our focus on Tools and General Maintenance and Fluid Power has led to an increase in their share of total sales. There has been a continued acceleration in Tools and General Maintenance product sales growth and the recent appointment of a product specialist should continue to support this momentum.

Scandinavia

This new segment currently represents Lönne, along with the four Swedish bolt-on acquisitions acquired late in the first half. This segment contributed £26.3 million to Group turnover and £1.5 million to trading profit in the period. The small bolt-on acquisitions expand our MRO footprint in Sweden, which will provide the infrastructure and customer base on which to leverage the development of our growth drivers in this key market.

Lönne has no Key Accounts or Insites™ sales to date, although significant opportunities have already been identified. Good progress has already been made, with interest from several of Brammer's existing Key Accounts customers with facilities in the Scandinavian region. Two Insites™ have recently opened servicing two existing customers and the potential for significant future growth is clear.

Commercial integration projects are in progress to identify opportunities and realise synergies for the existing Brammer group. Brammer Scandinavia is already trading on the 'Brammer Inline' intercompany trading system to efficiently utilise the group's existing stock holdings as opportunities for product range extension arise. As over half of Lönne sales are currently motors and gearboxes, there are significant cross selling opportunities for the rest of the Brammer product portfolio.

Eastern Europe and Other

	2009	**2010**	**2011**	**2012**	**2013**	**H1 2014**
SPWD growth -%	-7.7	18.7	18.8	-5.3	-3.1	27.7
Key Account sales growth -%	1.1	45.9	36.6	9.4	12.0	86.0
Insite sales growth -%	5.4	27.1	6.0	15.8	13.3	235.6
Insite numbers	9	14	19	32	38	38
Customer signed off cost savings -£'m	0.9	1.0	3.3	2.8	5.9	0.9
Bearings Growth -%	-15.2	7.7	44.1	-22.6	-10.9	-3.0
Non bearings						
Mechanical Power Transmission sales growth -%	20.7	30.5	12.2	-4.8	0.4	6.3
Fluid Power sales growth -%	32.1	32.0	20.4	-1.1	-4.3	39.0
Tools and General Maintenance (T&GM) sales growth -%	26.6	17.4	13.2	1.8	42.5	126.1
Key Accounts proportion of total sales -%	18.8	17.1	23.7	29.7	34.8	48.7
Non Key Accounts proportion of total sales -%	81.2	82.9	76.3	70.3	65.2	51.3
Insites proportion of total sales -%	2.6	2.9	4.6	6.9	10.0	26.8
Bearings proportion of total sales -%	49.8	44.6	44.1	37.8	34.8	28.2
T&GM as a proportion of total sales -%	3.1	3.0	2.9	3.2	4.7	7.5
Fluid Power as a proportion of total sales -%	13.9	15.2	15.3	16.7	16.5	17.8

In Eastern European and other businesses (comprising Poland, the Czech Republic and Slovakia, Hungary Italy and our Insite™ operation in Saudi Arabia) total SPWD increased by 27.7% and operating profit increased to £1.6 million. This segment benefited from a strong result from the Alcoa Insite™ in Saudi Arabia in its first full year of operation. Consequently Key Account sales were up by 86.0% and Insite™ sales up by 235.6%. Key Accounts now represents nearly half of total sales and Insite™ turnover is now 26.8% of total sales.

Ten new Insites™ opened in the period although a further ten closed, leaving the total number of Insites™ unchanged at 38. However, the Insite™ additions represent significant opportunities for

Brammer and Italian Insite™ sales have increased more than 2.5 times, despite exiting four locations in the period.

Bearings sales continued to decline, albeit at a substantially slower rate than in 2013, while non - bearings sales reflected significant year on year growth. All countries continued to show high growth rates in Tools and General Maintenance sales, benefiting from the continued support from the European Product Division.

The Future

Brammer is the leading pan-European supplier of technical components and related services to the MRO market and with only a small market share there is the opportunity for considerable further growth. We have 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, Insite™ and cross-selling initiatives continue to produce significant growth, against a challenging market backdrop.

We have expanded our geographical footprint through strategic acquisitions and remain well placed to grow future sales and realise profitable synergies through the introduction of our established growth drivers and the support of our proven infrastructure. We are well placed to take advantage of further opportunities to make suitable acquisitions which complement our strategy.

In 2014 we have continued to demonstrate our resilience whilst expanding our European footprint into Scandinavia. Despite market conditions remaining challenging, we have seen improving growth rates in the last six quarters (excluding the benefit from the acquisition of Lönne) as our strategy of focusing on Key Accounts, Insites™ and cross-selling initiatives continues to deliver results out-performing the market. We are mindful of the recent uncertainties regarding growth rates in European markets in the second half of 2014, but we remain confident our proven strategy will help us continue to gain market share.

Ian Fraser
29 July 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The directors of Brammer plc and their respective responsibilities are as listed in the Brammer plc 2013 Annual Report, except for the appointment on 23 July 2014 of Andrea Abt as a non-executive director.

On behalf of the Board

Ian Fraser
Chief executive

Paul Thwaite
Finance director

29 July 2014

Brammer CONSOLIDATED INCOME STATEMENT

	Notes	**6 months to 30 June 2014 (unaudited) £m**	6 months to 30 June 2013 (unaudited) £m	Year to 31 Dec 2013 (audited) £m
Revenue	2	**364.1**	328.4	651.9
Cost of sales		**(250.1)**	(227.6)	(446.6)
Gross profit		**114.0**	100.8	205.3
Distribution costs		**(97.1)**	(83.6)	(165.5)
Amortisation of acquired intangibles (“amortisation”) and acquisition related costs		**(2.2)**	(0.6)	(2.5)
Total sales distribution and administrative costs		**(99.3)**	(84.2)	(168.0)
Operating profit	2	**14.7**	16.6	37.3
Operating profit before amortisation, acquisition related costs and exceptional items		**20.6**	17.2	39.8
Amortisation and acquisition related costs		**(2.2)**	(0.6)	(2.5)
Exceptional items	5	**(3.7)**	-	-
Operating profit		**14.7**	16.6	37.3
Finance expense		**(3.2)**	(2.0)	(4.5)
Finance income		**0.1**	-	0.1
Profit before tax		**11.6**	14.6	32.9
Profit before tax before amortisation, acquisition related costs and exceptional items		**17.5**	15.2	35.4
Amortisation and acquisition related costs		**(2.2)**	(0.6)	(2.5)
Exceptional items	5	**(3.7)**	-	**-**
Profit before tax		**11.6**	14.6	32.9
Taxation	3	**(2.9)**	(3.6)	(8.8)
Profit for the period		**8.7**	11.0	24.1
Earnings per share – total				
Basic	4	**7.1p**	9.4p	20.5p
Diluted	4	**6.9p**	9.1p	19.9p
– pre amortisation, acquisition related costs and exceptional items				
Basic	4	**10.8p**	9.8p	22.1p
Diluted	4	**10.5p**	9.5p	21.4p

The notes on pages 22 to 33 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2014 (unaudited) £m	6 months to 30 June 2013 (unaudited) £m	Year to 31 Dec 2013 (audited) £m
Profit for the period	**8.7**	11.0	24.1
Other comprehensive expense			
Items that are not subsequently reclassified to the income statement			
Actuarial losses on retirement benefit obligations	**(3.0)**	(4.9)	(6.1)
Items that may be subsequently reclassified to the income statement			
Net exchange differences on translating foreign operations	**(4.6)**	4.2	0.9
Effective portion of changes in fair value of cash flow hedges	**-**	0.1	0.1
	(4.6)	4.3	1.0
Other comprehensive expense for the period, net of tax	**(7.6)**	(0.6)	(5.1)
Total comprehensive income for the period	**1.1**	10.4	19.0

Items in the statement above are disclosed net of tax.

The notes on pages 22 to 33 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED BALANCE SHEET

	Notes	**30 June 2014 (unaudited) £m**	30 June 2013 (unaudited) £m	31 Dec 2013 (audited) £m
Assets				
Non-current assets				
Goodwill	6	**129.5**	93.1	91.2
Acquired intangible assets	6	**8.5**	9.9	9.2
Other intangible assets	6	**14.0**	8.9	13.1
Property, plant and equipment	7	**21.1**	15.5	17.9
Deferred tax assets		**12.8**	10.7	10.9
		185.9	138.1	142.3
Current assets				
Inventories		**109.6**	84.0	108.6
Trade and other receivables		**140.9**	118.5	112.5
Cash and cash equivalents	8	**10.6**	23.8	17.7
		261.1	226.3	238.8
Liabilities				
Current liabilities				
Financial liabilities – borrowings	8	**(4.0)**	(4.2)	(4.0)
Trade and other payables		**(139.0)**	(115.2)	(137.3)
Provisions	9	**(2.5)**	(1.0)	(0.6)
Deferred consideration		**-**	(0.4)	(0.3)
Current tax liabilities		**(2.8)**	(5.3)	(5.4)
		(148.3)	(126.1)	(147.6)
Net current assets		**112.8**	100.2	91.2
Non-current liabilities				
Financial liabilities – borrowings	8	**(75.8)**	(76.5)	(66.6)
Deferred tax liabilities		**(9.7)**	(8.8)	(9.5)
Derivative financial instruments	8	**(0.2)**	(0.1)	(0.2)
Provisions	9	**-**	(0.7)	-
Deferred consideration		**(7.5)**	(0.5)	(0.2)
Retirement benefit obligations	10	**(30.8)**	(27.3)	(27.8)
		(124.0)	(113.9)	(104.3)
Net assets		**174.7**	124.4	129.2
Shareholders' equity				
Share capital	11	**25.9**	23.5	23.6
Share premium		**18.2**	18.2	18.2
Translation reserve		**(4.8)**	3.1	(0.2)
Cash flow hedging reserve		**(0.1)**	(0.1)	(0.1)
Retained earnings		**135.5**	79.7	87.7
Total equity		**174.7**	124.4	129.2

The notes on pages 22 to 33 form an integral part of this consolidated interim financial information.

Brammer CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £m	Share Premium £m	Treasury Shares £m	Cash flow Hedging Reserve £m	Translation Reserve £m	Retained Earnings £m	Total £m
Balance at 1 January 2013	23.5	18.2	(0.1)	(0.2)	(1.1)	80.7	121.0
Profit for the period	-	-	-	-	-	11.0	11.0
Other comprehensive income	-	-	-	0.1	4.2	(4.9)	(0.6)
Total comprehensive income	-	-	-	0.1	4.2	6.1	10.4
Transactions with owners							
Purchase of own shares	-	-	(1.1)	-	-	-	(1.1)
Transfer on vesting of own shares	-	-	0.9	-	-	(0.9)	-
Share-based payments	-	-	-	-	-	1.3	1.3
Tax credit on share performance plans	-	-	-	-	-	0.3	0.3
Dividends	-	-	-	-	-	(7.5)	(7.5)
Total transactions with owners	-	-	(0.2)	-	-	(6.8)	(7.0)
Movement in period	-	-	(0.2)	0.1	4.2	(0.7)	3.4
At 30 June 2013	23.5	18.2	(0.3)	(0.1)	3.1	80.0	124.4
Profit for the period	-	-	-	-	-	13.1	13.1
Other comprehensive income	-	-	-	-	(3.3)	(1.2)	(4.5)
Total comprehensive income	-	-	-	-	(3.3)	11.9	8.6
Transactions with owners							
Shares issued during the period	0.1	-	-	-	-	-	0.1
Purchase of own shares	-	-	(1.3)	-	-	-	(1.3)
Transfer on vesting of own shares	-	-	1.4	-	-	(1.4)	-
Share-based payments	-	-	-	-	-	1.4	1.4
Dividends	-	-	-	-	-	(4.0)	(4.0)
Total transactions with owners	0.1	-	0.1	-	-	(4.0)	(3.8)
Movement in period	0.1	-	0.1	-	(3.3)	7.9	4.8
At 31 December 2013	23.6	18.2	(0.2)	(0.1)	(0.2)	87.9	129.2
Profit for the period	-	-	-	-	-	8.7	8.7
Other comprehensive income	-	-	-	-	(4.6)	(3.0)	(7.6)
Total comprehensive income	-	-	-	-	(4.6)	5.7	1.1
Transactions with owners							
Shares issued during the period*	2.3	-	-	-	-	50.1	52.4
Purchase of own shares	-	-	(0.7)	-	-	-	(0.7)
Transfer on vesting of own shares	-	-	0.6	-	-	(0.6)	-
Share-based payments	-	-	-	-	-	1.2	1.2
Tax credit on share performance plans	-	-	-	-	-	0.3	0.3
Dividends	-	-	-	-	-	(8.8)	(8.8)
Total transactions with owners	2.3	-	(0.1)	-	-	42.2	44.4
Movement in period	2.3	-	(0.1)	-	(4.6)	47.9	45.5
At 30 June 2014	**25.9**	**18.2**	**(0.3)**	**(0.1)**	**(4.8)**	**135.8**	**174.7**

*Ordinarily, the excess of the net proceeds over the nominal value of the share capital issued would be credited to a non-distributable share premium account. However, the placing of shares completed in April 2014 was effected through a structure which resulted in the creation of a reserve of £50.1 million that was credited to retained earnings under section 612 of the Companies Act 2006. Of this £4.7 million is considered to be non-distributable.

Retained earnings as disclosed in the Balance Sheet on page 19 represent the retained earnings and treasury shares balances above.

The notes on pages 22 to 33 form an integral part of this consolidated interim financial information.

	6 months to 30 June 2014 (unaudited) £m	6 months to 30 June 2013 (unaudited) £m	Year to 31 Dec 2013 (audited) £m
Profit for the period	**8.7**	11.0	24.1
Tax charge	**2.9**	3.6	8.8
Depreciation and amortisation of tangible and intangible assets	**5.0**	3.2	7.3
Share options – value of employee services	**1.2**	1.3	2.7
Gain on disposal of tangible and intangible assets	**-**	-	(0.1)
Net financing expense	**3.1**	2.0	4.4
Movement in working capital	**(27.9)**	(9.1)	(1.7)
Cash (absorbed)/generated from operating activities	**(7.0)**	12.0	45.5
Cash (absorbed)/generated from operating activities before exceptional items	***(3.6)***	*13.1*	*48.4*
Cash outflow from acquisition related costs	***(1.6)***	*-*	*(0.7)*
Cash outflow from exceptional items	***(1.8)***	*(1.1)*	*(2.2)*
Cash (absorbed)/generated from operating activities	***(7.0)***	*12.0*	*45.5*
Interest paid	**(2.2)**	(1.4)	(2.6)
Tax paid	**(4.5)**	(3.2)	(7.5)
Funding of pension schemes less pension expense included in operating profit	**(1.4)**	(1.3)	(2.3)
Net cash (absorbed)/generated from operating activities	**(15.1)**	6.1	33.1
Cash flows from investing activities			
Acquisition of businesses (net of cash acquired)	**(36.5)**	-	-
Deferred consideration paid on prior acquisitions	**(0.3)**	(3.8)	(4.2)
Proceeds from sale of property, plant and equipment	**0.3**	0.2	0.2
Purchase of property, plant and equipment (note 7)	**(6.0)**	(2.1)	(7.0)
Additions to other intangible assets (note 6)	**(2.4)**	(1.0)	(6.7)
Net cash used in investing activities	**(44.9)**	(6.7)	(17.7)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	**52.4**	-	0.1
Net proceeds from issue of private placement (note 8)	**29.3**	17.0	34.0
Net (repayment)/drawdown of loans	**(28.1)**	5.7	(20.3)
Dividends paid to shareholders	**-**	-	(11.5)
Purchase of own shares	**(0.7)**	(1.1)	(2.4)
Net cash generated from/(used in) financing activities	**52.9**	21.6	(0.1)
Net (decrease)/increase in cash and cash equivalents	**(7.1)**	21.0	15.3
Exchange (losses)/gains on cash and cash equivalents	**(0.5)**	0.3	0.2
Cash and cash equivalents at beginning of period	**17.5**	2.0	2.0
Net cash at end of period	**9.9**	23.3	17.5
Cash and cash equivalents	**10.6**	23.8	17.7
Overdrafts	**(0.7)**	(0.5)	(0.2)
Net cash at end of period	**9.9**	23.3	17.5

The notes on pages 22 to 33 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 29 July 2014.

This consolidated interim financial information for the six months ended 30 June 2014 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2013 were approved by the Board on 18 February 2014 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 2013 are available from the company's registered office or website (www.brammer.biz).

This consolidated interim financial information is neither audited nor reviewed.

Basis of preparation

This consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, "Interim Financial Reporting" as adopted by the EU. The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013 which have been prepared in accordance with IFRS's as adopted by the EU.

The financial information is presented in pounds Sterling and has been prepared on the historical cost basis modified for fair values under IFRS as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

The principal accounting policies adopted in the preparation of this consolidated interim financial information are included in the consolidated financial statements for the year ended 31 December 2013. 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 2014 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 group has adopted the following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2014. 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
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Consolidated financial statements	1 January 2014
Amendment: IAS 27	Separate financial statements	1 January 2014
Amendment: IAS 32	Financial Instruments: Presentation	1 January 2014
Amendment to IAS 36	Impairment of assets	1 January 2014
IFRIC 21	Levies	1 January 2014
IAS 27 (revised 2011)	Separate financial statements	1 January 2014
IAS 28 (revised 2011)	Associates and joint ventures	1 January 2014

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
Annual improvements to IFRSs 2012	Various	1 July 2014
Amendment to IAS 19	'Employee benefits' on defined benefit plan	1 July 2014
Amendment: IFRS 9	Financial instruments: Classification and measurement	1 January 2015

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

Accounting estimates and judgements

The preparation of consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of income, expense, assets and liabilities. The significant estimates and judgements made by management were consistent with those applied to the consolidated financial statements for the year ended 31 December 2013.

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 Strategic Report on pages 17 to 21 in the 2013 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	Expected benefits from strategic growth initiatives not realised
Loss of infrastructure/systems	Loss of key employees

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

Forward-looking statements

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

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

2 SEGMENTAL ANALYSIS

The Board has been identified as the chief operating decision-maker. The Board reviews the group's internal reporting as the basis for assessing performance and allocating resources. Management has determined the operating segments based on these reports. The group is primarily controlled on a country by country basis, in line with the legal structure. Following the acquisition of Lönne in January 2014 the group has amended its internal reporting to add Scandinavia, and accordingly this becomes a new operating segment from 2014.

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 2014 the management rate used is €1.25 : £1 (2013: €1.25 : £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, other intangibles, inventories, and trade and other receivables. All inter-segmental trading is on an arms-length basis.

	UK	Germany	France	Spain	Benelux	Scandinavia	Eastern Europe & Other	**Total**
	£m	£m	£m	£m	£m	£m	£m	**£m**
Six months ended 30 June 2014								
Revenue								
Total revenue	145.0	62.9	43.9	24.6	27.2	26.3	36.8	**366.7**
Inter company sales	(1.2)	(1.6)	(1.1)	(0.9)	(0.6)	-	(0.7)	**(6.1)**
Sales to external customers	143.8	61.3	42.8	23.7	26.6	26.3	36.1	**360.6**
Exchange effect								**3.5**
Total sales to external customers								**364.1**
Underlying operating profit*	8.2	3.7	1.7	2.3	1.3	1.5	1.6	**20.3**
Exchange effect								**0.3**
Total underlying operating profit								**20.6**
Amortisation of acquired intangibles								**(0.6)**
Acquisition related costs								**(1.6)**
Exceptional operating items								**(3.7)**
Operating profit								**14.7**
Net finance expense								**(3.1)**
Profit before tax								**11.6**
Tax								**(2.9)**
Profit for the period								**8.7**
Segment assets	104.5	33.5	36.8	22.4	21.5	19.4	48.7	**286.8**
Exchange effect								**(1.2)**
Total segment assets								**285.6**
Goodwill								**129.5**
Acquired intangibles								**8.5**
Cash and cash equivalents								**10.6**
Deferred tax								**12.8**
Total assets								**447.0**
Other segment items								
Capital expenditure	5.0	0.3	0.2	0.5	0.2	0.1	2.1	**8.4**
Exchange effect								**-**
Total capital expenditure**								**8.4**
Amortisation and depreciation	(1.5)	(0.2)	(0.3)	(0.3)	(0.4)	(0.2)	(1.4)	**(4.3)**
Exchange effect								**(0.1)**
Total amortisation and depreciation***								**(4.4)**

SEGMENTAL ANALYSIS (continued)

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

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

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

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

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

	30 June 2014	30 June 2013	31 December 2013
Management rate	**€1.25**	€1.25	€1.25
Actual average rate	**€1.220**	€1.181	€1.182
Balance sheet rate	**€1.249**	€1.167	€1.202

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 2014 is 25.0% (the estimated tax rate for the first half year of 2013 was 24.7%).

4 EARNINGS PER SHARE

	Half year 2014		
		Earnings per share	
	Earnings £m	Basic	Diluted
Weighted average number of shares in issue ('000)		**121,771**	**125,408**
Earnings			
Profit for the period	**8.7**	**7.1p**	**6.9p**
Amortisation of acquired intangibles ("amortisation") and acquisition related costs	**2.2**		
Exceptional items	**3.7**		
Tax on exceptional items	**(0.9)**		
Tax on intangibles amortisation and acquisition related costs	**(0.5)**		
Earnings before amortisation, acquisition related costs and exceptional items	**13.2**	**10.8p**	**10.5p**

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

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

5 EXCEPTIONAL ITEMS

The exceptional charge of £3.7 million recognised in arriving at operating profit comprises headcount and related restructuring costs arising from the proposed integration of the logistics and administrative functions of the Buck & Hickman business with the legacy Brammer UK business, together with restructuring costs arising as part of the integration process of current year acquisitions.

There were no exceptional items in the period ended 30 June 2013 or in the year ended 31 December 2013.

6 INTANGIBLE ASSETS

	Goodwill	Acquired intangibles	Other – software development
	£m	£m	£m
Cost			
At 1 January 2014	91.2	17.1	28.5
Exchange adjustments	(2.6)	(0.3)	(0.3)
Additions	-	-	2.4
Acquisitions	40.9	-	0.4
At 30 June 2014	**129.5**	**16.8**	**31.0**
Amortisation			
At 1 January 2014	-	7.9	15.4
Exchange adjustments	-	(0.2)	(0.2)
Charge for the period	-	0.6	1.8
At 30 June 2014	**-**	**8.3**	**17.0**
Net book value			
At 30 June 2014	**129.5**	**8.5**	**14.0**
At 31 December 2013	91.2	9.2	13.1

The exercise to separately identify acquired intangible assets will be undertaken in advance of the year-end. See note 12 for details of acquisitions made during the period.

7 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Equipment	Total
	£m	£m	£m
Cost			
At 1 January 2014	19.4	39.3	58.7
Exchange adjustments	(0.3)	(0.7)	(1.0)
Additions	0.1	5.9	6.0
Acquisitions	-	2.0	2.0
Disposals	-	(0.8)	(0.8)
At 30 June 2014	**19.2**	**45.7**	**64.9**
Depreciation			
At 1 January 2014	11.0	29.8	40.8
Exchange adjustments	(0.1)	(0.6)	(0.7)
Charge for the period	1.0	1.6	2.6
Acquisitions	-	1.6	1.6
Disposals	-	(0.5)	(0.5)
At 30 June 2014	**11.9**	**31.9**	**43.8**
Net book value			
At 30 June 2014	**7.3**	**13.8**	**21.1**
At 31 December 2013	8.4	9.5	17.9

Contracted commitments for future capital expenditure totaling £1.0 million are in place as at 30 June 2014.

8 CLOSING NET DEBT

	At 30 June 2014	At 30 June 2013	At 31 Dec 2013
	£m	£m	£m
Borrowings – current – overdrafts	**(0.7)**	(0.5)	(0.2)
Borrowings – current portion of long term loans	**(3.3)**	(3.7)	(3.8)
Borrowings – non-current	**(75.8)**	(76.5)	(66.6)
Cash and cash equivalents	**10.6**	23.8	17.7
Closing net debt	**(69.2)**	(56.9)	(52.9)

Reconciliation of net cash flow to movement in net debt

	6 months to 30 June 2014	6 months to 30 June 2013	Year to 31 Dec 2013
	£m	£m	£m
Net (decrease)/increase in cash and cash equivalents	**(7.1)**	21.0	15.3
Net increase in borrowings	**(1.2)**	(22.7)	(13.7)
	(8.3)	(1.7)	1.6
Loans taken on as part of businesses acquired	**(10.0)**	-	-
Exchange	**2.0**	(1.4)	(0.7)
Movement in net debt	**(16.3)**	(3.1)	0.9
Opening net debt	**(52.9)**	(53.8)	(53.8)
Closing net debt	**(69.2)**	(56.9)	(52.9)

During the period the group supplemented its existing borrowing facilities with additional long-term funding raised by the issue in January 2014 of €35.4 million (£29.3 million) of private placement notes. These private placement notes were issued under a private shelf facility with a seven year term, are unsecured, bear interest at a fixed rate and mature in January 2021.

Financial risk management and Financial instruments

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange price risk), credit risk, liquidity risk, cash flow and interest rate risk. The interim financial information does not include all financial risk management information and disclosures required in annual financial statements; they should be read in conjunction with the group's 2013 Annual Report. There have been no changes in the risk management process or in any risk management policies since the year end.

Derivative financial liabilities

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

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

9 PROVISIONS

	Restructuring	Other	Total
	£m	£m	£m
At 1 January 2014	0.4	0.2	0.6
Charged to the income statement	3.7	-	3.7
Utilised in the period	(1.8)	-	(1.8)
At 30 June 2014	**2.3**	**0.2**	**2.5**

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

10 PENSIONS

The valuations used for IAS 19R disclosures for the UK scheme have been based on the most recent actuarial valuation at 31 December 2011 updated by KPMG LLP to take account of the requirements of IAS 19R in order to assess the liabilities of the scheme at 30 June 2014. Assets are stated at their market value at 30 June 2014.

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

		UK scheme	
	6 months to 30 June 2014	6 months to 30 June 2013	Year to 31 Dec 2013
Inflation rate	**3.45%**	3.45%	3.50%
Rate of increase of pensions in payment	**3.45%**	3.45%	3.30%
Rate of increase for deferred pensioners	**2.65%**	2.65%	2.70%
Discount rate	**4.25%**	4.65%	4.45%

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

	30 June 2014	30 June 2013	31 Dec 2013
	£m	£m	£m
Present value of defined benefit obligations	**146.5**	133.5	140.7
Fair value of plan assets	**(115.7)**	(106.2)	(112.9)
Net liability recognised in the balance sheet	**30.8**	27.3	27.8

The amounts recognised in the income statement are as follows:

	6 months to 30 June 2014	6 months to 30 June 2013	Year to 31 Dec 2013
	£m	£m	£m
Current service cost	**0.2**	0.3	0.6
Scheme administration expenses	**0.2**	0.2	0.4
Operating costs (included in distribution costs)	**0.4**	0.5	1.0
Net interest on defined benefit liability	**0.6**	0.5	0.9
Total pension expense	**1.0**	1.0	1.9

Analysis of the movement in the balance sheet net liability

	6 months to 30 June 2014	6 months to 30 June 2013	Year to 31 Dec 2013
	£m	£m	£m
Opening	**27.8**	21.7	21.7
Total on-going expense as above	**1.0**	1.0	1.9
Employer contributions	**(1.8)**	(1.8)	(3.3)
Actuarial losses recognised as a reserves movement	**3.8**	6.4	7.5
Closing	**30.8**	27.3	27.8

10 PENSIONS (continued)

The retirement benefit liability at the end of June was £30.8 million (2013: £27.3 million), a net increase of £3.0 million from 31 December 2013 (£27.8 million). This increase comprises actuarial losses of £3.8 million, primarily reflecting a reduction in the discount rate assumption, £1.0 million current year expense, less £1.8 million of employers' contributions.

11 SHARE CAPITAL AND RESERVES

Purchase of own shares

During the period the company acquired 134,820 of its own shares of 20p each through the Brammer plc Employee Share Ownership Trust ("the Trust") for an aggregate consideration of £677,319 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 150,771 shares were transferred to directors and senior managers to meet vestings under these plans.

At 30 June 2014 the Trust held a total 40,732 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

In April the company placed 11,300,407 shares at a price of 475p per share, representing 2.66% discount to the prevailing market price. The placing was 1.85 times oversubscribed and raised a net £52.4 million after expenses.

The number of ordinary 20p shares in issue at 30 June 2014 was 129,304,481 (30 June 2013: 117,504,074; 31 December 2013: 118,004,074).

Dividends

The final dividend for the year ended 31 December 2013, amounting to £8,790,000, was approved by shareholders at the Annual General Meeting on 16 May 2014 and was paid on 3 July 2014 (2013: £7,509,000). In addition, the directors propose an interim dividend of 3.6p per share (2013: 3.4p per share) payable on 6 November 2014 to shareholders who are on the register at 10 October 2014. This interim dividend, amounting to £4,655,000 (2013: £3,995,000) has not been recognised as a liability in these interim financial statements.

12 ACQUISITIONS

On 14 January 2014 the group acquired 100% of Lönne, a leading distributor of industrial products operating predominantly in Norway and Sweden, for an initial cash consideration of NOK 190.1 million (£19.0 million) together with net debt assumed on completion of NOK 188.1 million (£18.8 million).

The acquisition has been accounted for as a single transaction as, under the terms of the sale and purchase agreement, the group is entitled to the full economic benefits associated with 100% ownership of the business.

The assets acquired are included at their carrying values which are deemed to be the provisional fair values at the balance sheet date. The exercise to separately identify acquired intangible assets will be undertaken in advance of the year-end.

The residual excess over the net assets acquired is recognised as goodwill in the financial statements.

	Provisional fair values
	£m
Property, plant and equipment	0.6
Inventories	7.6
Receivables	5.5
Payables	(7.6)
Taxation – current and deferred	0.5
Cash and cash equivalents	2.5
Bank overdrafts	(4.0)
External loans	(9.6)
Shareholders loans – repaid on completion	(6.7)
Total	(11.2)
Net assets acquired	**(11.2)**
Goodwill	34.3
Consideration to be wholly satisfied in cash (including deferred or contingent consideration pre-discounting of £4.2 million)	**23.1**

The outflow of cash and cash equivalents on the acquisition of Lönne is calculated as follows:

	£m
Cash consideration	19.0
Bank overdrafts (net of cash acquired)	1.5
Total	20.5

During the period six small acquisitions were also completed with total annualised revenues of €31.0 million for a total consideration of €9.5 million. These acquisitions comprise:

i) FICA, a company based in France, specialising in the Fluid Power business;

ii) Martin Depner GmbH, a company based in Germany, specialising in the Tools and General Maintenance business;

iii) four small bolt-on businesses in Sweden operating predominantly in the bearings and mechanical power transmission market.

Acquisitions made during the six months to 30 June 2014 contributed £29.9 million to the group's revenue and £1.8 million to the group's operating profit before intangible amortisation, acquisition related costs and exceptional items.

13 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 2014, there were no related party transactions during the period.

14 INTERIM REPORT

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

Current regulations permit the company not to send copies of its interim results to shareholders. Accordingly the 2014 interim results published on 29 July 2014 will not be sent to shareholders. The 2014 interim results and other information about Brammer are available on the company's website at www.brammer.biz.

15 INTERIM DIVIDEND

Relevant dates concerning the payment of the interim dividend are:

Record date	10 October 2014
Payment date	6 November 2014