PRESS RELEASE
FOR RELEASE 07.00 **15 May 2015**

Brammer plc
Annual General Meeting Trading Update

Brammer plc, Europe's leading distributor of quality industrial maintenance, repair and overhaul products ("MRO"), today issues the following Trading Update for the period from 1 January to 30 April 2015, ahead of its Annual General Meeting to be held at 1.00 pm today.

Key Highlights

- H1 revenues, as expected, will be higher, though H1 profits likely to be lower than H1 2014, reflecting testing market conditions and FX headwinds
- We expect an improved performance H2, supported by accelerating growth rates and the implementation of a major cost reduction programme already commenced which is expected to save £5 million of costs during the remainder of 2015
- Strong sales and SPWD growth in continental Europe (excluding Nordic region) with SPWD up 6.3% at constant currency. UK sales have stabilised with some positive signs of a return to growth
- The investment made in our growth drivers, as part of our self-help measures, is delivering encouraging results
- Focus on Key Accounts, Insites^{TM}, cross-selling and vending has underpinned market share gains in the period
- Gross margin down 90 basis points due mainly to strong growth in lower margin Key Accounts and T&GM business and acquisitions, though now on an improving trend
- 5 new pan-European Key Accounts won with total potential revenues in excess of €19 million per annum
- Successful re-financing of principal debt facility with a new €120 million committed facility in place for a five year term to April 2020. We expect to remain within our target range for net debt to EBITDA multiple

Trading (4 months to 30 April)

SPWD growth at constant currency	total % growth year on year including 2014 acquisitions	% growth incl. only incremental growth from 2014 acquisitions
UK	**0.3%**	**-0.7%**
Germany	7.3%	3.3%
France	11.3%	3.3%
Spain	23.5%	10.8%
Benelux	7.7%	4.3%
Eastern Europe & Other	37.4%	14.2%
Continental Europe (excl Nordic)	**15.7%**	**6.3%**
Nordic	**-0.6%**	**-17.4%**
Total	**8.2%**	**1.8%**

During the four-month period total sales per working day ("SPWD"), at constant currency rates were up 8.2% versus the same period last year. Including only the incremental growth from the bolt-on acquisitions made in 2014 (see table above), total SPWD growth was 1.8%.

Despite challenging market conditions, growth in continental Europe (excluding Nordic region) was 6.3%, continuing the strong momentum from 2014. SPWD in our UK segment were broadly flat, compared to a 2.8% reduction in 2014, reflecting more stable contributions from larger Key Account customers as well as some positive signs of a return to growth. In the Nordic segment, SPWD reduced by 17.4% reflecting a challenging market and weaker demand from customers in the oil and gas sectors.

Gross margin fell by 90 basis points mainly as a result of strong growth in the lower margin Key Account and Tools and General Maintenance ("T&GM") business and acquisitions made in 2014. However, the margin is now on an improving trend and as our volume and purchasing power in Tools and General Maintenance increases we expect this segment to provide similar margins to the rest of our business.

Following a slower than anticipated start to the year, reflecting challenging market conditions, a major cost reduction programme was launched at the end of the first quarter. This programme is expected to save £5 million of costs during the remainder of 2015 and involves a reduction in headcount of approximately 170 employees across the business. It is expected to result in an exceptional charge of around £4 million being taken in H1.

The Board anticipates that with the combination of the trading momentum and the self-help measures already underway, profits and cash generation for the year will be weighted towards H2. Investment in our growth drivers is delivering good returns and will continue as planned.

The continued strengthening of Sterling against the Euro and also against the Nordic currencies is adversely impacting the Group's results at actual exchange rates. (NB a 1 cent movement in the Euro impacts profits by c £0.3 million).

Growth drivers and capabilities underpinning our performance

At constant currency	4 months to April 2015		
	SPWD growth (%)	Revenue growth (%)	Revenue (£m)
Total group (including acquisitions)	8.2	9.0	252.3
Bearings	0.8	0.7	49.0
Non-bearings	10.2	11.2	203.3
of which Tools & Maintenance	15.3	15.0	66.2
of which continental T&GM	81.2	79.6	19.8
Key Accounts	7.7	7.5	135.3
Base business	8.9	10.7	117.0

Key Accounts and Insites

Key Account SPWD growth in constant currency terms, representing 53.6% of total revenue, was 7.7% in the period. A further 5 pan-European Key Accounts were won in the period with total potential incremental revenues exceeding €19 million per annum. Insites™ sales grew by 10.3%, and represented 35.6% of total revenues. The Group operated a total of 442 Insites™ at the period end (427 at 31 December 2014).

Cross-selling

We estimate that our continental base of 90,000 customers spends in excess of £10 billion on tools and general maintenance, health and safety and personal protective equipment products. Our investment to gain a share of this spend has produced pleasing results. The SPWD growth rate of these products on the Continent was 81.2% in the period. Bearing SPWD overall was broadly flat, whilst overall non-bearing SPWD was 10.2%. Total Tools & General Maintenance sales increased by 15.0%.

Vending

The vending programme continues to gain momentum. We now have 115 employees supporting the vending initiative and, as at 30 April, had 713 machines installed in 12 countries, and an order book of 241 machines, with 129 agreements for 319 machines signed in 2015. We are confident that this initiative will be a significant growth driver for many years to come and shall be presenting more details of vending at a Capital Markets event on the afternoon of our interim results announcement on 28 July 2015.

Outlook

Our markets remain challenging and we face ongoing exchange rate headwinds, and we do not expect this to change in the immediate future. We will continue to focus on our growth drivers, on recovering momentum in our UK business, improving profitability in our Nordic business, and ensuring our cost saving actions protect profitability.

The Board anticipates that, as a result of the combination of the solid trading momentum in the business and the self-help measures already implemented, profits for the year will be weighted towards H2.

Encouragingly, our vending proposition continues to gain momentum and we expect this programme to enhance our growth significantly in the months and years to come, complementing Brammer's established and successful growth drivers.

Enquiries:	Brammer plc Bill Whiteley, Chairman Ian R Fraser, Chief Executive Paul Thwaite, Group Finance Director	01565 756801
Issued:	Hudson Sandler Andrew Hayes Katie Matthews	020 7796 4133