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

Trading Update

Brammer, Europe's leading distributor of quality industrial maintenance, repair and overhaul products ("MRO"), today issues the following trading update.

Since our last trading update on 13 May 2016, which covered the period to 30 April 2016, we have seen a significant slowdown in sales against our expectations. Sales per working day ("SPWD") in May were down 3% compared with last year. We saw a weak performance in the UK, which was down 6%, but also more broadly across Continental Europe.

Whilst the last few days of the quarter are very significant for the month's result, based on the performance to the end of last week, it is now clear that the weakness seen in May has not reversed as expected and has continued into June. The UK started the month positively, but it has experienced a particularly weak performance over the last few days. Underlying margin in May and June month to date was down against the previous year.

The underlying margin for the first half is expected to be slightly ahead of the prior year; however, this is more than offset by the impact of lower rebate levels from reduced sales and stock reduction. As such, we now anticipate Group adjusted profit before tax in the first half to be below expectations at approximately £5m. As a result of this reduced level of profitability, the Group will be close to its net debt/EBITDA bank covenant[1] at the period end.

In the light of current market conditions, we are reviewing the Group's trading outlook for the year as a whole, and the UK in particular (where recovery plans are still at an early stage). We are taking measures to improve profitability and strengthen the Group's balance sheet. Our stock reduction programme continues to make progress and is still expected to deliver a £30m reduction by the end of September 2016.

The Board is now reviewing whether it is appropriate to declare an interim dividend in respect of the half year and will provide a detailed update on its revised expectations for the full year at the time of the interim results announcement on 4 August 2016.

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Note:
1. The ratio of Consolidated Total Net Borrowings to Consolidated EBITDA in relation to the trailing 12 month period must not exceed 3.0:1.0. Both Consolidated Total Net Borrowings and Consolidated EBITDA are calculated using the average exchange rates for the trailing 12 month period.