T.F. & J.H. BRAIME (HOLDINGS) P.L.C.

ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2009

At a meeting of the directors held here today, the accounts for the year ended 31st December 2009 were submitted and approved by the directors. The preliminary profits statement is as follows:

Chairman's statement
The financial position of the group has continued to improve, despite the continuing world wide recession and the restructuring of our manufacturing business undertaken in the second half of 2009. Sales revenue increased marginally by 3% from £15.17m to £15.69m for the twelve months ending 31st December 2009 and the profit before tax improved from £527,000 to £625,000 .

After deducting corporation taxes, the profit for the year increased by over 50% from £251,000 in 2008 to £387,000 in 2009. Equally important, the group has been successful in very significantly reducing its debt and has started the current year in a much stronger financial position.

Following the interim dividend of 1.50p per share the 16th October 2009, the directors have already announced the decision to pay a second interim dividend of 3.00p on the 1st April 2010, (making a total of 4.50p paid during the tax year ending 5th April 2010), but not to pay a final dividend.

After a number of years when the company has been forced to cut, or cease altogether, the payment of dividends to shareholders, it remains a primary commitment of the directors to continue to increase dividends, providing that the steady improvement in our financial position can be maintained.

Performance of group companies
The group operates as two divisions

Distribution of components, under our 4B brand, to the bulk material handling industry
The combined sales made by the subsidiaries in this 'division' made up 84% of group sales in 2009.

Sales to industrial markets, specifically construction, were very badly affected in countries such as the UK and Spain where the recession has been at its deepest.

In contrast, sales to the agro/food industry, our largest sector, have held up better than forecasted. Our European subsidiaries experienced a fall of only around 10% in sales volume in local currency, and our USA subsidiary had an exceptional year, maintaining sales volume in USD and increasing profitability.

The group was fortunate in three ways in 2009. Firstly, 90% of sales are made in export markets, which, in general, have been less severely affected by the recession than the UK economy. Secondly, the majority of products we sell are made in the UK and the fall in the value in GBP reduced input costs and increased the gross margins in our overseas subsidiaries. Thirdly, profits made overseas in local currency translated into higher earnings when consolidated into the group accounts.

Overall, as a result of the above factors, the 4B `distribution division' had a much better year than anticipated with both sales and profitability up on the previous year.

Manufacturing of deep drawn pressings (Braime Pressings Limited)
In 2009 the manufacturing business generated 16% of group external sales, down on 2008 and inter-company sales also reduced.

In December 2008 the company lost its two largest customers for presswork and, in January 2009, the remaining customers effectively cancelled their schedules for the first three months of the year, as they themselves reduced stocks to suit the much lower levels of demand. As a result, sales of presswork fell by 55% in the first six months of the year and the level of losses in Braime Pressings Limited became unsustainable.

This situation forced the company to accelerate its strategy of moving away from its traditional business, the manufacture of mid-volume batch production of a large number of primarily manually made products, supplied to a wide range of customers. Instead, the company has now focused entirely on the manufacture, in automated cells, of technically difficult products, required in high volumes, and supplied to a limited number of major key accounts with whom we have agreed long term single source supply contracts.

In August, the company advised 80% of its customers that it no longer wished to manufacture parts for them. The 'run out' volumes agreed with these customers, in some cases equivalent to twelve months normal requirements, gave a significant temporary boost to output. However, despite this short term injection of turnover, overall sales for 2009 were still 15% below those of the previous year.

During 2009, the company invested £705,000 in the purchase and installation of new plant and equipment to enable it to manufacture groups of complex parts in cells dedicated to specific customers.

The fundamental change in strategy sadly also required a significant reduction in staff which had to be achieved, in part, through redundancies. However, the only alternative would have involved the complete closure of the manufacturing business.

Instead, as a result of the restructuring of the manufacturing business, the company has an opportunity to achieve a profitable and sustainable long-term future. Braime Pressings Limited is forecasted to continue to lose money in 2010 but at a declining rate as new work comes on stream, and should move into long term profit in 2011.

Cash flow and debt

The restructuring of the manufacturing business, specifically the change in the customer base and the switch to cellular manufacturing, enabled us to eliminate most of our work in progress, raw material stock and finished stock and to significantly reduce debtors. As a result, the group generated a positive cash inflow of £819,000, even after financing from cash £327,000 out of the total of £705,000 invested in capital equipment in 2009.

The positive cash flow has enabled the company to substantially reduce its bank debts during 2009 and to begin 2010 in a more solid financial position.

Staff

2009 has been a difficult year for all staff working through a time of recession but particularly so for those within the manufacturing business, who have lived with a great deal of uncertainty for much of 2009, had to manage or endure the redundancies and finally do their best to cope with the enormous challenges involved in the restructuring of the manufacturing business. This restructuring, involving the installation and commissioning of new plant will continue throughout 2010, and will be an ongoing challenge.

We thank all our staff for their hard work, energy and commitment to the business.

Appointment of an additional non-executive director

I am delighted to announce the appointment of Andrew Walker as a non-executive director. Andrew is a Leeds based Corporate Lawyer of national repute and he will bring to the board his expertise in corporate and legal issues and his wealth of experience gained from working closely with businesses over many years.

Outlook

Losses in the manufacturing business will reduce substantially in 2010 before the business moves towards profit in 2011. However the result in 2010 in this division depends entirely on our ability to bring the new products and the new automated lines on stream on time and in our achieving the planned levels of productivity and machine utilization.

Customer demand has increased noticeably and the year has begun very positively for the distribution division. However, competition becomes ever fiercer and pricing remains under severe pressure. Additionally, as this business is so heavily weighted towards export markets, the profitability of this part of the group will always be very sensitive to movements in exchange rates.

Overall we expect in 2010 to continue the steady progress made in the past two years.

Summarised Consolidated Income Statement for the year ended 31st December 2009 (audited)

	Note	2009	2008
		£	£
Revenue		**15,685,218**	15,173,891
Changes in inventories of finished goods and work in progress		**(406,362)**	689,836
Raw materials and consumables used		**(8,156,328)**	(8,854,300)
Employee benefits costs		**(3,685,404)**	(3,599,505)
Depreciation expense		**(302,865)**	(189,879)
Other expenses		**(2,434,978)**	(2,644,005)
Profit from operations		**699,281**	576,038
Finance costs		**(285,338)**	(312,924)
Finance income		**211,049**	264,009
Profit before tax		**624,992**	527,123
Tax expense		**(237,905)**	(275,565)
Profit for the year attributable to equity shareholders of the parent company		**387,087**	251,558
Basic and diluted earnings per share	**1**	**26.88p**	17.47p

Summarised Consolidated Statement of Comprehensive Income for the year ended 31st December 2009 (audited)

	2009	2008
	£	£
Profit for the year	**387,087**	251,558
Actuarial gains recognised directly in equity	**76,000**	60,000
Foreign exchange (losses)/gains on re-translation of overseas operations	**(107,605)**	436,143
Adjustment in respect of minimum funding requirement per IFRIC14	**(149,000)**	-
Other comprehensive income for the year	**(180,605)**	496,143
Total comprehensive income for the year	**206,482**	747,701

Summarised Consolidated Balance Sheet at 31st December 2009 (audited)

	Note	2009	2009	2008	2008

	£	£	£	£
Assets				
Non-current assets				
Property, plant and equipment	**1,249,460**		850,758	
Goodwill	**12,270**		12,270	
Employee benefits	**-**		140,000	
Total non-current assets		**1,261,730**		1,003,028
Current assets				
Inventories	**2,862,149**		3,344,011	
Trade and other receivables	**2,400,384**		2,644,375	
Cash and cash equivalents	**1,947,207**		1,753,273	
Total current assets		**7,209,740**		7,741,659
Total assets		**8,471,470**		8,744,687
Liabilities				
Current liabilities				
Bank overdraft	**1,159,966**		1,785,513	
Trade and other payables	**2,019,053**		1,954,625	
Other financial liabilities	**344,339**		306,746	
Corporation tax liability	**-**		112,413	
Total current liabilities		**3,523,358**		4,159,297
Non-current liabilities				
Financial liabilities	**488,979**		289,539	
Total non-current liabilities		**488,979**		289,539
Total liabilities		**4,012,337**		4,448,836
Total net assets		**4,459,133**		4,295,851
Capital and reserves attributable to equity holders of the parent company				
Share capital		**360,000**		360,000
Capital reserves		**77,319**		77,319
Foreign exchange reserve		**319,546**		427,151
Retained earnings		**3,702,268**		3,431,381
Total equity		**4,459,133**		4,295,851

Summarised Consolidated Cash Flow Statement for the year ended 31st December 2009 (audited)

	Note	2009	2009	2008	2008
		£	£	£	£
Operating activities					
Net profit			**387,087**		251,558
Adjustments for:					
Depreciation		**302,865**		189,879	
Grants amortised		**(1,656)**		(1,656)	
Foreign exchange (losses)/ gains		**(119,426)**		567,471	
Investment income		**(211,049)**		(264,009)	
Interest expense		**285,338**		312,924	

Gain on sale of plant, machinery and motor vehicles	**(8,748)**		(40,924)	
Decrease in provision and employee benefits	**57,000**		23,000	
Income tax expense	**237,905**		275,565	
		542,229		1,062,250
Operating profit before changes in working capital and provisions		**929,316**		1,313,808
Decrease in trade and other receivables	**243,991**		68,790	
Decrease/(increase) in inventories	**481,862**		(808,340)	
Increase/(decrease) in trade and other payables	**89,643**		(161,429)	
		815,496		(900,979)
Cash generated from operations		**1,744,812**		412,829
Income taxes paid		**(375,533)**		(352,311)
Investing activities				
Purchases of plant, machinery and motor vehicles	**(326,902)**		(119,621)	
Sale of plant, machinery and motor vehicles	**8,750**		83,225	
Interest received	**11,049**		57,009	
		(307,103)		20,613
Financing activities				
Repayment of hire purchase creditors	**(124,157)**		(107,513)	
Interest paid	**(75,338)**		(111,924)	
Dividends paid	**(43,200)**		-	
		(242,695)		(219,437)
Increase/(decrease) in cash and cash equivalents		**819,481**		(138,306)
Cash and cash equivalents, beginning of period		**(32,240)**		106,066
Cash and cash equivalents, end of period		**787,241**		(32,240)

Consolidated statement of changes in equity for the year ended 31st December 2009 (audited)

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £
Balance at 1st January 2008	360,000	77,319	(8,992)	3,119,823	3,548,150
Comprehensive income					
Profit	-	-	-	251,558	251,558
Other comprehensive income					
Actuarial gains recognised					

directly in equity	-	-	-	60,000	60,000
Foreign exchange gains on re-translation of overseas operations	-	-	436,143	-	436,143
Total other comprehensive income	-	-	436,143	60,000	496,143
Total comprehensive income	-	-	436,143	311,558	747,701
Balance at 1st January 2009	360,000	77,319	427,151	3,431,381	4,295,851
Comprehensive income					
Profit	-	-	-	387,087	387,087
Other comprehensive income					
Actuarial gains recognised directly in equity	-	-	-	76,000	76,000
Foreign exchange losses on re-translation of overseas operations	-	-	(107,605)	-	(107,605)
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	(149,000)	(149,000)
Total other comprehensive income	-	-	(107,605)	(73,000)	(180,605)
Total comprehensive income	-	-	(107,605)	314,087	206,482
Transaction with owners					
Dividends	-	-	-	(43,200)	(43,200)
Total transactions with owners	-	-	-	(43,200)	(43,200)
Balance at 31st December 2009	360,000	77,319	319,546	3,702,268	4,459,133

Notes

1. **Earnings per share and dividends**

   Both the basic and diluted earnings per share have been calculated using the net results attributable to shareholders of T.F. & J.H. Braime (Holdings) P.L.C. as the numerator.

   The weighted average number of outstanding shares used for basic earnings per share amounted to 1,440,000 (2008 – 1,440,000). There are no potentially dilutive shares in issue.

Dividends paid	**2009**	2008
Equity shares		
Ordinary shares		
Interim of 1.50p (2008 – nil) per share paid on 3rd April 2009	**7,200**	-
Interim of 1.50p (2008 – nil) per share paid on 16th October 2009	**7,200**	-
	14,400	-
'A' Ordinary shares		
Interim of 1.50p (2008 – nil) per share paid on 3rd April 2009	**14,400**	-
Interim of 1.50p (2008 – nil) per share paid on 16th October 2009	**14,400**	-
	28,800	-

Total dividends paid	**43,200**	-

2. Cash and cash equivalents

	2009	2008
	£	£
Cash at bank and in hand	**1,947,207**	1,753,273
Bank overdrafts	**1,159,966**	1,785,513
	787,241	(32,240)

3. Major non-cash transaction

During the year the group acquired £378,354 (2008 - £48,125) of tangible assets under hire purchase agreements.

4. Basis of preparation

The preliminary announcement has been prepared in accordance with applicable International Financial Reporting Standards as adopted by the EU and applied in accordance with the Companies Act 2006.

The financial statements have been prepared under the historical cost convention. During 2009 the group has adopted IFRS 8, Operating Segments, and the revised standard IAS 1, presentation of financial statements, which have only impacted the disclosure and presentation of information and have not resulted in restatement of comparative amounts. The group has also adopted IFRIC 14 'IAS 19 – The limits, of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'. This revision has had an impact in that the group can no longer recognise a pensions asset on its balance sheet as it does not have an unconditional right to a surplus in the scheme. As a consequence an asset that would previously have been recognised at 31st December 2009 of £149,000 has been debited to other comprehensive income. If this policy had been adopted in earlier years then pension scheme assets of £140,000 at 31st December 2008 and £97,000 at 31st December 2007 would not have been recognised on the balance sheet and cumulative retained profits would have been reduced accordingly. Other changes to IFRS, effective in 2009, have resulted in no material changes to the group's financial statements.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006.

The summarised consolidated income statement, summarised consolidated statement of comprehensive income, summarised consolidated balance sheet as at 31st December 2009, summarised consolidated cash flow statement, consolidated statement of changes in equity and associated notes for the year then ended, have been extracted from the group's financial statements upon which the auditors opinion in unqualified and does not include any statement under section 498(2) and 498(3) of the Companies Act 2006. Those financial statements have not yet been delivered to the Registrar.

5. Annual general meeting

The annual general meeting of the company will be held in Leeds on Thursday 27th May 2010. Full details will be included in the published annual report and financial statements, which will be sent to shareholders by the 30th April 2010 and will also be available on the company's web-site (www.braimegroup.com) from that date.

31st March 2010

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