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

("Braime" or the "company")

Interim results for the six months ended 30th June 2011

The significant increases in sales revenue achieved in recent years has continued in the first six months of 2011, with sales revenue up by 16% from £8.32m in 2010 to £9.66m in 2011.

Profit before tax rose from £396,000 to £427,000, an increase of 7.8%. We believe this slower rate of growth stemmed from a relative fall in the gross margin in turn caused primarily by a large jump in commodity prices.

The group was cash negative in the first six months as a result of increases in debtors and inventories supporting the increase in sales revenue. The group also continued to invest in capital machinery to improve the efficiency of the manufacturing business.

Accordingly the directors have decided to maintain the interim dividend at the same level as paid in 2010. A dividend of 2.40p per share will be paid on 14th October 2011 to the Ordinary and 'A' Ordinary shareholders on the register on 30th September 2011.

Performance of group companies
4B division
All the subsidiary companies within this division have continued to perform well ahead of both the same period last year and above budget, although margins have been eroded in some product lines due to the massive increase in the cost of materials. Inevitably in a fiercely competitive market, it has been difficult to gain full and immediate acceptance of these cost increases by customers.

Pressings division
We are seeing increasing demand from existing contracts and have secured sales for additional parts. However, in spite of the enormous efforts made by our staff, we have continued to experience frustrating delays in the launch of these critical new contracts. As a result of these costly delays, the manufacturing business continues to lose money.

Outlook
The group as a whole has made a positive start in the first half of 2011, although the world wide explosion in commodity prices has had a negative effect on our margins and is creating instability and a general lack of confidence among our customers.

Up to this point in time, we have been fortunate in that the bulk of the group's sales are to the commercial agro market world wide and the strength of this sector has sheltered us from the recession. However, we are now seeing the first signs of a fall off in demand, even within this sector, caused by the growing economic uncertainty and the increasing difficulty in securing finance for projects.

In these circumstances, it is important that we improve our stock management within the 4B division and that we eliminate the losses in the manufacturing division by finally bringing the new contracts on stream.

Condensed consolidated income statement for the six months ended 30th June 2011

	Note	**Unaudited 6 months to 30th June 2011 £**	Unaudited 6 months to 30th June 2010 £	Year to 31st December 2010 £
Revenue		**9,656,490**	8,317,924	18,057,661
Cost of sales		**7,494,668**	6,379,779	13,553,654

Gross profit		**2,161,822**	1,938,145	4,504,007
Other operating expenses		**1,700,753**	1,513,886	3,090,960
Operating profit		**461,069**	424,259	1,413,047
Finance expense		**(172,229)**	(151,235)	(302,445)
Finance income		**138,041**	122,982	250,776
Profit before tax		**426,881**	396,006	1,361,378
Income tax expenses		**(119,527)**	(110,042)	(416,240)
Profit after tax		**307,354**	285,964	945,138
Basic and diluted earnings per share	2	**21.34p**	19.86p	65.63p

Consolidated statement of comprehensive income for the six months ended 30th June 2011

	Unaudited 6 months to 30th June 2011 £	Unaudited 6 months to 30th June 2010 £	Year to 31st December 2010 £
Profit for the period	**307,354**	285,964	945,138
Actuarial losses recognised directly in equity	**-**	-	(168,000)
Foreign exchange gains/(losses) on re-translation of overseas operations	**56,427**	25,717	(33,254)
Adjustment in respect of minimum funding requirement per IFRIC14	**(25,000)**	-	137,000
Total other comprehensive income for the period	**31,427**	25,717	(64,254)
Total comprehensive income for the period	**338,781**	311,681	880,884

Consolidated statement of financial position at 30th June 2011

	Unaudited 6 months to 30th June 2011 £	Unaudited 6 months to 30th June 2010 £	Year to 31st December 2010 £
Non-current assets			
Property, plant and equipment	**1,444,106**	1,207,447	1,223,980
Goodwill	**12,270**	12,270	12,270
Total non-current assets	**1,456,376**	1,219,717	1,236,250
Current assets			
Inventories	**3,879,299**	2,995,554	3,593,680
Trade and other receivables	**4,077,310**	3,282,853	3,291,602
Cash and cash equivalents	**1,804,679**	1,592,740	1,844,934
Total current assets	**9,761,288**	7,871,147	8,730,216
Total assets	**11,217,664**	9,090,864	9,966,466

Current liabilities			
Bank overdraft	**1,630,184**	1,106,334	1,145,421
Trade and other payables	**3,154,832**	2,385,993	2,707,169
Other financial liabilities	**352,862**	314,985	291,553
Corporation tax liability	**119,527**	110,042	171,054
Total current liabilities	**5,257,405**	3,917,354	4,315,197
Non-current liabilities			
Financial liabilities	**428,341**	445,896	389,012
Total non-current liabilities	**428,341**	445,896	389,012
Total liabilities	**5,685,746**	4,363,250	4,704,209
Total net assets	**5,531,918**	4,727,614	5,262,257
Capital and reserves			
Share capital	**360,000**	360,000	360,000
Capital reserve	**77,319**	77,319	77,319
Foreign exchange reserve	**342,719**	345,263	286,292
Retained earnings	**4,751,880**	3,945,032	4,538,646
Total equity attributable to equity shareholders of the company	**5,531,918**	4,727,614	5,262,257

Consolidated statement of changes in equity for the six months ended 30th June 2011

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £
Balance at 1st January 2011	360,000	77,319	286,292	4,538,646	5,262,257
Comprehensive income					
Profit	-	-	-	307,354	307,354
Other comprehensive income					
Actuarial gains recognised directly in equity	-	-	-	-	-
Foreign exchange gains on re-translation of overseas operations	-	-	56,427	-	56,427
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	(25,000)	(25,000)
Total other comprehensive income	-	-	56,427	(25,000)	31,427
Total comprehensive income	-	-	56,427	282,354	338,781
Transaction with owners					
Dividends	-	-	-	(69,120)	(69,120)
Total transactions with owners	-	-	-	(69,120)	(69,120)
Balance at 30th June 2011	360,000	77,319	342,719	4,751,880	5,531,918

Balance at 1st January 2010	360,000	77,319	319,546	3,702,268	4,459,133
Comprehensive income					
Profit	-	-	-	285,964	285,964
Other comprehensive income					
Actuarial gains recognised directly in equity	-	-	-	-	-
Foreign exchange losses on re-translation of overseas operations	-	-	25,717	-	25,717
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	-	-
Total other comprehensive income	-	-	25,717	-	25,717
Total comprehensive income	-	-	25,717	285,964	311,681
Transaction with owners					
Dividends	-	-	-	(43,200)	(43,200)
Total transactions with owners	-	-	-	(43,200)	(43,200)
Balance at 30th June 2010	360,000	77,319	345,263	3,945,032	4,727,614
Balance at 1st January 2010	360,000	77,319	319,546	3,702,268	4,459,133
Comprehensive income					
Profit	-	-	-	945,138	945,138
Other comprehensive income					
Actuarial losses recognised directly in equity	-	-	-	(168,000)	(168,000)
Foreign exchange losses on re-translation of overseas operations	-	-	(33,254)	-	(33,254)
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	(137,000)	(137,000)
Total other comprehensive income	-	-	(33,254)	(31,000)	(64,254)
Total comprehensive income	-	-	(33,254)	914,138	880,884
Transaction with owners					
Dividends	-	-	-	(77,760)	(77,760)
Total transactions with owners	-	-	-	(77,760)	(77,760)
Balance at 31st December 2010	360,000	77,319	286,292	4,538,646	5,262,257

Consolidated cash flow statement for the six months ended 30th June 2011

	Note	**Unaudited 6 months to 30th June 2011**	Unaudited 6 months to 30th June 2010	Year to 31st December 2010

		£	£	£
Operating activities				
Net profit from ordinary activities		**307,354**	285,964	945,138
Adjustments for:				
Depreciation		**186,713**	139,045	286,938
Grants amortised		**(828)**	(828)	(1,656)
Foreign exchange loss/(gain)		**62,548**	15,977	(37,785)
Investment income		**(138,041)**	(122,982)	(250,776)
Interest expense		**172,229**	151,235	302,445
Gain on sale of plant and equipment		**(6,212)**	(11,808)	(35,357)
Adjustment in respect of defined benefit scheme		**(21,000)**	3,000	(22,000)
Income tax expense		**119,527**	110,042	416,240
Operating profit before changes in working capital and provisions		**682,290**	569,645	1,603,187
Increase in trade and other receivables		**(785,708)**	(882,469)	(891,218)
Increase in inventories		**(285,619)**	(133,405)	(731,531)
Increase in trade and other payables		**510,180**	495,894	713,331
		(561,147)	(519,980)	(909,418)
Cash generated from operations		**121,143**	49,665	693,769
Income taxes paid		**(233,571)**	(128,954)	(270,401)
Investing activities				
Purchases of plant, machinery and motor vehicles		**(207,670)**	(50,718)	(210,154)
Sale of plant, machinery and motor vehicles		**6,212**	14,458	35,358
Interest received		**2,041**	1,982	4,776
		(199,417)	(34,278)	(170,020)
Financing activities				
Repayment of hire purchase creditors		**(103,824)**	(110,833)	(197,871)
Interest paid		**(40,229)**	(33,235)	(65,445)
Dividend paid		**(69,120)**	(43,200)	(77,760)
		(213,173)	(187,268)	(341,076)
Decrease in cash and cash equivalents	3	**(525,018)**	(300,835)	(87,728)
Cash and cash equivalents (including overdrafts), beginning of period	3	**699,513**	787,241	787,241
Cash and cash equivalents (including overdrafts), end of period		**174,495**	486,406	699,513

Notes to the interim financial report

1. Accounting policies

Basis of preparation

The interim financial report has been prepared using accounting policies that are consistent with those used in the preparation of the full financial statements to 31st December 2010 and those which management expects to apply in the group's full financial statements to 31st December 2011.

This interim financial report is unaudited. The comparative financial information set out in this interim financial report does not constitute the group's statutory accounts for the period ended 31st December 2010 but is derived from the accounts. Statutory accounts for the period ended 31st December 2010 have been delivered to the Registrar of Companies. The auditors have reported on those accounts. Their audit report was unqualified and did not contain any statements under Section 498 of the Companies Act 2006.

The group's condensed interim financial information has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for the use in the European Union and in accordance with IAS 34 'Interim Financial Reporting' and the accounting policies included in the Annual Report for the year ended 31st December 2010, which have been applied consistently throughout the current and preceding periods.

2. 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 (2010 – 1,440,000). There are no potentially dilutive shares in issue.

	2011
	£
Dividends paid	
Equity shares	
Ordinary shares	
Interim of 4.80p per share paid on 1st April 2011	**23,040**
'A' Ordinary shares	
Interim of 4.80p per share paid on 1st April 2011	**46,080**
Total dividends paid	**69,120**

	2010
	£
Dividends paid	
Equity shares	
Ordinary shares	
Interim of 3.0p per share paid on 1st April 2010	14,400
Interim of 2.40p per share paid on 15th October 2010	11,520
'A' Ordinary shares	
Interim of 3.00p per share paid on 1st April 2010	28,800
Interim of 2.40p per share paid on 15th October 2010	23,040
Total dividends paid	77,760

3. Cash and cash equivalents

	Unaudited 6 months to 30th June 2011	Unaudited 6 months to 30th June 2010	Year to 31st December 2010

	£	£	£
Cash at bank and in hand	**1,804,679**	1,592,740	1,844,934
Bank overdrafts	**1,630,184**	1,106,334	1,145,421
	174,495	486,406	699,513

4. Segmental information

	Unaudited 6 months to 30th June 2011			
	Central	**Manufacturing**	**Distribution**	**Total**
	£	**£**	**£**	**£**
Revenue				
External	**-**	**962,917**	**8,693,573**	**9,656,490**
Inter company	**29,885**	**1,310,367**	**751,557**	**2,091,809**
Total	**29,885**	**2,273,284**	**9,445,130**	**11,748,299**
Profit				
EBITDA	**(29,702)**	**6,395**	**671,089**	**647,782**
Finance costs	**(7,168)**	**(151,789)**	**(13,272)**	**(172,229)**
Finance income	**800**	**137,239**	**2**	**138,041**
Depreciation	**-**	**(157,267)**	**(29,446)**	**(186,713)**
Tax expense	**(8,368)**	**-**	**(111,159)**	**(119,527)**
(Loss)/profit for the period	**(44,438)**	**(165,422)**	**517,214**	**307,354**
Assets				
Total assets	**820,403**	**3,256,977**	**7,140,284**	**11,217,664**
Additions to non current assets	**-**	**346,454**	**57,336**	**403,790**
Liabilities				
Total liabilities	**570,278**	**2,611,112**	**2,504,356**	**5,685,746**

	Unaudited 6 months to 30th June 2010			
	Central	Manufacturing	Distribution	Total
	£	£	£	£
Revenue				
External	-	1,093,574	7,224,350	8,317,924
Inter company	33,638	784,058	419,824	1,237,520
Total	33,638	1,877,632	7,644,174	9,555,444
Profit				
EBITDA	(8,914)	(31,596)	603,814	563,304
Finance costs	(6,815)	(134,692)	(9,728)	(151,235)
Finance income	749	122,233	-	122,982
Depreciation	-	(111,600)	(27,445)	(139,045)
Tax expense	(9,419)	-	(100,623)	(110,042)
(Loss)/profit for the period	(24,399)	(155,655)	466,018	285,964
Assets				
Total assets	778,974	2,974,686	5,337,204	9,090,864
Additions to non current assets	-	80,050	23,718	103,768
Liabilities				
Total liabilities	337,324	1,830,652	2,195,274	4,363,250

	Audited year to 31st December 2010			
	Central	Manufacturing	Distribution	Total
	£	£	£	£
Revenue				
External	-	2,126,262	15,931,399	18,057,661
Inter company	64,743	2,787,705	1,606,740	4,459,188
Total	64,743	4,913,967	17,538,139	22,516,849
Profit				
EBITDA	(15,617)	125,391	1,590,211	1,699,985
Finance costs	(14,493)	(267,354)	(20,598)	(302,445)
Finance income	1,719	248,699	358	250,776
Depreciation	-	(249,366)	(37,572)	(286,938)
Tax expense	(21,450)	5,545	(400,335)	(416,240)
(Loss)/profit for the period	(49,841)	(137,085)	1,132,064	945,138
Assets				
Total assets	766,618	2,846,980	6,352,868	9,966,466
Additions to non current assets	-	199,946	63,258	263,204
Liabilities				
Total liabilities	480,636	2,063,659	2,159,914	4,704,209

22nd September 2011

A copy of this interim statement has been sent to all shareholders and is available on the company's web-site (www.braimegroup.com).

For further information please contact:

T.F & J.H. Braime (Holdings) P.L.C.
David H. Brown FCA – Financial Director
0113 245 7491

W. H. Ireland Limited
Katy Mitchell LLB
0113 3946628