T.F. & J.H. BRAIME (HOLDINGS) P.L.C.
('Braime' or the 'company' and with it subsidiaries the 'group')

ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2012

At a meeting of the directors held today, the accounts for the year ended 31st December 2012 were submitted and approved by the directors. The preliminary accounts statement is as follows:

Chairman's statement
Performance of group companies

Sales revenue increased again in 2012 by 5.7% to £21.2m despite the global recession. However, the profit before tax declined from £1.24m in 2011 to £678,000 in 2012, and the profit after tax almost halved from £814,000 to £427,000.

Given the group's dependency on exports, the principal cause for the fall in profitability was that gross margins were adversely affected by the rise in the value of sterling against both the US dollar and the euro during 2012. Furthermore, the group faced even fiercer competition in the recession hit Euro zone, which also impacted on profits.

The level of the group's inventories has remained largely unchanged, which together with an improvement in debtors and trade creditor funding has resulted in the group being highly cash positive in the year. This situation has been further boosted by net proceeds of £378,000 from the sale of the US property. Having chosen to repay loans of £247,000 during the year, the group's closing cash and cash equivalents were £934,000 compared to £261,000 at the end of 2011.

Trading across the group at the start of 2013 has been positive, and as an exporter the recent exchange rates movements have been to the group's favour.

In these circumstances, the board decided to pay a second dividend of 5.40p on 4th April 2013, making a total dividend for the tax year ended 5th April 2013 of 7.80p, unchanged from the previous year.

Braime Pressings Limited, manufacturer of deep drawn metal presswork

Some of the new work planned to come on stream in 2012 did not materialise, consequently the loss in this subsidiary increased. A decision was made in the year to reduce the cost base by making a number of redundancies at shop floor level and, in January 2013, at management level. The board does not anticipate that any further reductions in staff will be necessary.

However, the company did secure a significant new customer account which has already begun generating sales. Furthermore, the board are more confident that revenues from one of the existing accounts, delayed last June, will come on stream later in 2013.

The company is modernising its web site and continues to actively search for new business. Seeking to achieve increased efficiencies through process improvement and carefully selected investment will also remain a focus.

4B division, distributor worldwide of components and monitoring systems for the material handling industry

Much of the division's business is generated from either the processing of industrial commodities, or from the handling, storage and processing of cereal crops. As a result, the business had seemed to be largely immune from the global recession. However, in the last quarter of 2012, there was a large reduction in business as existing projects were completed and new projects were delayed, as customers waited for bank finance. This drop in business in the last quarter of 2012, together with the continuing steep rise in the value of the sterling, had a major negative effect on the overall result for 2012.

The division still benefited from a good result in 4B Components in the USA, even though the net result was slightly down on 2011.

During 2012 the US business was re-located into a new 53,000 sq ft. warehouse and office facility, which was fitted out to the very high specification required to gain maximum efficiencies and provide for potential significant expansion. In the short-term this was a major challenge, but was successfully achieved with minimum disruption to the level of sales. Long-term the new facility offers a strong platform to continue growing this business.

Meanwhile, the subsidiaries with significant Euro zone sales, although increasing sales volumes, delivered disappointing results. 2013 has begun more positively as a result of the favourable movement in exchange rates which will help restore margins.

In addition to investing in new facilities, both in the US and 4B Africa, the division has continued to invest heavily in new products. In particular, investment was made in tooling for a new major bucket range, which has been successfully launched in February 2013 at the GEAPS exposition in the USA.

Investment

Including the investment in the new offices and distribution facilities and in new tooling, the group made fixed asset additions totalling £824,000 in 2012.

This included some major additions to the manufacturing plant at Braime Pressings and further investments are planned for 2013.

During 2012, a new ERP computer system was successfully implemented in the central UK arm of the 4B division. This system will be rolled out across all subsidiaries in 2013 and 2014, enabling the group to improve operating efficiencies and to fully integrate the subsidiaries across the world.

Banking facility

Following a detailed review of the group's banking facilities, a decision was made to consolidate the banking arrangements with HSBC. This process was completed in January 2013. This has given the group wider access to lines of finance, as well as providing improved international reach. The board believes that these new arrangements will support future growth.

Staff

David Brown, group Financial Director, retired on 10th April 2012. The board would like to thank him for his considerable service to the company during 31 years, latterly coping with the growing complexity of both the business and the regulatory requirements of a listed company. The directors wish him well in his retirement.

Marcus Mills joined the group in February 2012 as Financial Director Designate and Company Secretary, and his position was confirmed as Financial Director in October. Marcus qualified with PricewaterhouseCoopers in 1999. Before joining the group, he was the Financial Director of ALNO UK Limited and, although then only 38, brings with him considerable finance and business experience in European distribution.

During 2012 several new managers and trainee engineers have been recruited. We welcome them to the group. Our staff at all levels are our most important asset, and we thank them for their continuing support as their tasks become ever more challenging.

Outlook

The year has begun positively in spite of the continuing recession, and exchange rates have moved in the group's favour. Investment continues in machinery, facilities, new product development, employee training and the improvement of processes which the directors believe will enable a better result in 2013 to be achieved.

However, as seen in 2012, predicting future economic or business conditions is difficult, particularly as an international business manufacturing a large proportion of its products in the UK, which is exposed to changes in exchange rates.

Summarised Consolidated Income Statement for the year ended 31st December 2012 (audited)

	Note	2012	2011
		£	£
Revenue		**21,211,887**	20,067,905
Changes in inventories of finished goods and work in progress		**(23,484)**	777,134
Raw materials and consumables used		**(11,849,425)**	(11,791,200)
Employee benefits costs		**(4,587,039)**	(4,132,824)
Depreciation expense		**(464,539)**	(395,200)
Other expenses		**(3,628,799)**	(3,232,150)
Profit from operations		**658,601**	1,293,665
Profit on disposal of tangible fixed assets		**100,435**	21,617
Finance costs		**(101,541)**	(82,455)
Finance income		**20,726**	11,406
Profit before tax		**678,221**	1,244,233
Tax expense		**(251,346)**	(430,212)
Profit for the year attributable to equity shareholders of the parent company		**426,875**	814,021
Basic and diluted earnings per share	**1**	**29.64p**	56.53p

Summarised Consolidated Statement of Comprehensive Income for the year ended 31st December 2012 (audited)

	2012	2011
	£	£
Profit for the year	**426,875**	814,021
Actuarial losses recognised directly in equity	**(7,000)**	(50,000)
Foreign exchange (losses)/gains on re-translation of overseas operations	**(57,608)**	48,467
Adjustment in respect of minimum funding requirement per IFRIC14	**10,000**	(31,000)
Other comprehensive income for the year	**(54,608)**	(32,533)
Total comprehensive income for the year	**372,267**	781,488

Summarised Consolidated Balance Sheet at 31st December 2012 (audited)

	Note	2012	2012	2011	2011
		£	£	£	£
Assets					
Non-current assets					
Property, plant and equipment		**1,504,575**		1,426,995	
Goodwill		**12,270**		12,270	
Total non-current assets			**1,516,845**		1,439,265

Current assets				
Inventories	**4,387,303**		4,401,733	
Trade and other receivables	**3,219,715**		3,507,494	
Cash and cash equivalents	**1,576,283**		1,746,464	
Total current assets		**9,183,301**		9,655,691
Total assets		**10,700,146**		11,094,956
Liabilities				
Current liabilities				
Bank overdraft	**642,492**		1,485,757	
Trade and other payables	**2,478,283**		2,257,710	
Other financial liabilities	**863,922**		749,632	
Corporation tax liability	**-**		114,319	
Total current liabilities		**3,984,697**		4,607,418
Non-current liabilities				
Financial liabilities	**515,437**		547,473	
Total non-current liabilities		**515,437**		547,473
Total liabilities		**4,500,134**		5,154,891
Total net assets		**6,200,012**		5,940,065
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		**277,151**		334,759
Retained earnings		**5,485,542**		5,167,987
Total equity		**6,200,012**		5,940,065

Summarised Consolidated Cash Flow Statement for the year ended 31st December 2012 (audited)

	Note	2012	2012	2011	2011
		£	£	£	£
Operating activities					
Net profit			**426,875**		814,021
Adjustments for:					
Depreciation		**464,539**		395,200	
Grants amortised		**(1,656)**		(1,656)	
Foreign exchange (losses)/gains		**(53,182)**		47,391	
Finance income		**(20,726)**		(11,406)	
Finance expense		**101,541**		82,455	
Gain on sale of land and buildings, plant, machinery and motor vehicles		**(100,435)**		(21,617)	
Adjustment in respect of defined benefits scheme		**21,000**		(74,000)	
Income tax expense		**251,346**		430,212	
			662,427		846,579

Operating profit before changes in working capital and provisions		**1,089,302**		1,660,600
Decrease/(increase) in trade and other receivables	**363,898**		(215,892)	
Decrease/(increase) in inventories	**14,430**		(808,053)	
Increase/(decrease) in trade and other payables	**444,808**		(50,686)	
		823,136		(1,074,631)
Cash generated from operations		**1,912,438**		585,969
Income taxes paid		**(441,784)**		(486,947)
Investing activities				
Purchases of property, plant, machinery and motor vehicles	**(483,734)**		(320,241)	
Sale of land and buildings, plant, machinery and motor vehicles	**378,440**		21,620	
Interest received	**2,726**		4,406	
		(102,568)		(294,215)
Financing activities				
Proceeds from long term borrowings	**-**		133,196	
Repayment of borrowings	**(247,065)**		-	
Repayment of hire purchase creditors	**(234,076)**		(190,674)	
Interest paid	**(101,541)**		(82,455)	
Dividends paid	**(112,320)**		(103,680)	
		(695,002)		(243,613)
Increase/(decrease) in cash and cash equivalents		**673,084**		(438,806)
Cash and cash equivalents, beginning of period		**260,707**		699,513
Cash and cash equivalents, end of period		**933,791**		260,707

<u>Consolidated statement of changes in equity for the year ended 31st December 2012 audited)</u>

	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	-	-	-	814,021	814,021
Other comprehensive income					
Actuarial gains recognised directly in equity	-	-	-	(50,000)	(50,000)
Foreign exchange losses on re-translation of overseas operations	-	-	48,467	-	48,467

Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	(31,000)	(31,000)
Total other comprehensive income	-	-	48,467	(81,000)	(32,533)
Total comprehensive income	-	-	48,467	733,021	781,488
Transaction with owners					
Dividends	-	-	-	(103,680)	(103,680)
Total transactions with owners	-	-	-	(103,680)	(103,680)
Balance at 31st December 2011	360,000	77,319	334,759	5,167,987	5,940,065
Balance at 1st January 2012	360,000	77,319	334,759	5,167,987	5,940,065
Comprehensive income					
Profit	-	-	-	426,875	426,875
Other comprehensive income					
Actuarial losses recognised directly in equity	-	-	-	(7,000)	(7,000)
Foreign exchange losses on re-translation of overseas operations	-	-	(57,608)	-	(57,608)
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	10,000	10,000
Total other comprehensive income	-	-	(57,608)	3,000	(54,608)
Total comprehensive income	-	-	(57,608)	429,875	372,267
Transaction with owners					
Dividends	-	-	-	(112,320)	(112,320)
Total transactions with owners	-	-	-	(112,320)	(112,320)
Balance at 31st December 2012	360,000	77,319	277,151	5,485,542	6,200,012

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 (2011– 1,440,000). There are no potentially dilutive shares in issue.

Dividends paid	**2012**	2011
	£	£
Equity shares		
Ordinary shares		
Interim of 5.40p (2011– 4.80p) per share paid on 2nd April 2012	**25,920**	23,040
Interim of 2.40p (2011 – 2.40p) per share paid on 10th		

October 2012	**11,520**	11,520
	37,440	34,560
'A' Ordinary shares		
Interim of 5.40p (2011 – 4.80p) per share paid on 2nd April 2012	**51,840**	46,080
Interim of 2.40p (2011 – 2.40p) per share paid on 10th October 2012	**23,040**	23,040
	74,880	69,120
Total dividends paid	**112,320**	103,680

2. Cash and cash equivalents

	2012	2011
	£	£
Cash at bank and in hand	**1,576,283**	1,746,464
Bank overdrafts	**642,492**	1,485,757
	933,791	260,707

3. Major non-cash transaction

During the year the group acquired tangible assets subject to finance of £340,816 (2011 - £281,170) under hire purchase agreements.

4. Segmental information

	Central 2012 £	**Manufacturing 2012 £**	**Distribution 2012 £**	**Total 2012 £**
Revenue				
External	**-**	**2,992,202**	**18,219,685**	**21,211,887**
Inter company	**51,390**	**3,339,322**	**2,300,456**	**5,691,168**
Total	**51,390**	**6,331,524**	**20,520,141**	**26,903,055**
Profit				
EBITDA	**(20,799)**	**253,679**	**896,659**	**1,129,539**
Gain on sale of land and buildings	**94,036**	**-**	**-**	**94,036**
Finance costs	**(11,302)**	**(49,488)**	**(40,751)**	**(101,541)**
Finance income	**1,105**	**19,505**	**116**	**20,726**
Depreciation	**-**	**(331,640)**	**(132,899)**	**(464,539)**
Tax expense	**(17,718)**	**-**	**(233,628)**	**(251,346)**
Profit/(loss) for the period	**45,322**	**(107,944)**	**489,497**	**426,875**
Assets				
Total assets	**625,569**	**2,250,827**	**7,823,750**	**10,700,146**
Additions to non current assets	**-**	**439,004**	**385,546**	**824,550**
Liabilities				
Total liabilities	**458,973**	**1,670,820**	**2,370,341**	**4,500,134**

	Central 2011 £	Manufacturing 2011 £	Distribution 2011 £	Total 2011 £
Revenue				
External	-	2,510,726	17,557,179	20,067,905
Inter company	61,443	3,026,539	1,828,853	4,916,835
Total	61,443	5,537,265	19,386,032	24,984,740
Profit				
EBITDA	(12,901)	274,159	1,449,224	1,710,482
Finance costs	(14,812)	(301,808)	(28,835)	(345,455)
Finance income	1,679	272,722	5	274,406

Depreciation	-	(322,728)	(72,472)	(395,200)
Tax expense	(23,079)	-	(407,133)	(430,212)
(Loss)/profit for the period	(49,113)	(77,655)	940,789	814,021
Assets				
Total assets	810,551	2,874,795	7,409,610	11,094,956
Additions to non current assets	-	396,164	205,247	601,411
Liabilities				
Total liabilities	526,570	1,849,717	2,778,604	5,154,891

5. **Basis of preparation**

The preliminary announcement has been prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st December 2012, as described in those annual financial statements.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention.

Amendment to comparative figures

Following changes to IAS 19, defined benefit interest costs have been offset against the expected return on scheme assets disclosed within the consolidated income statement. As a consequence of this change in treatment the comparative figures for finance expenses and income have been reduced by the value of the defined benefit interest cost of £263,000, resulting in other finance income of £7,000.

Profit from operations disclosed within the consolidated income statement in respect of the year ended 31st December 2011 have been reduced by £21,617 in respect of profits on disposal of tangible fixed assets which have now been separately disclosed on the face of the consolidated income statement. This has been adjusted in order to ensure comparability with the exceptional gains achieved on disposal in respect of the current period.

In the prior year the balance on the invoice discounting facility of £398,773 was disclosed in the balance sheet and notes within current trade and other payables. This has been adjusted to ensure comparability with the balance on the invoice discounting facility now included within other (current) financial liabilities.

6. **Annual general meeting**

The annual general meeting of the company will be held in Leeds on 30th May 2013. Full details will be included in the published annual report and financial statements, which will be sent to shareholders by the 30th April 2013 and will also be available on the company's web-site (www.braimegroup.com) from that date.

7. **Preliminary statement**

The financial statements set out in the preliminary announcement do not constitute statutory accounts as defined by section 434 of the Companies Act 2006. The financial information for the year ended 31st December 2012 has been extracted from the group's financial statements upon which the auditor's opinion is unqualified, does not include reference to any matters to which they wish to draw attention by way of emphasis without qualifying their report, and does not include any statement under section 498 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2011 have been delivered to the Registrar of Companies, and those for 2012 will be delivered in due course.

8. **Events after the reporting year**

There were no events after the balance sheet date that would require disclosure in accordance with IAS10, "Events after the reporting period".

11th April 2013

For further information please contact:

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