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 2011

At a meeting of the directors held yesterday, the accounts for the year ended 31st December 2011 were submitted and approved by the directors. The preliminary accounts statement is as follows:

Chairman's statement
Performance of group companies

Sales revenue increased by 11% continuing the steady growth achieved over the past five years, albeit at a slower pace, increasing from £18.10m in 2010 to £20.10m in 2011. In contrast profit before tax fell from £1.36m to £1.24m. After an increase in tax payable, the profit after tax reduced by 14% from the record high of £945,000 in 2010 to £814,000 for the year ending 31st December 2011.

The drop in profitability was due primarily to a reduction in our gross margin in the second half of the year. This was caused, in part, by the strengthening of the pound against the euro, which reduced the margin on goods sold in euros and, secondly, by the continuing steep increases in the cost of raw materials, where, in a highly competitive market, we were unable to pass on immediately the increases in the cost of our products.

The directors paid a first interim dividend of 2.40p on 14th October 2011, unchanged from the previous year. In view of the continuing underlying sales increase and the benefits which will accrue in 2012 from new product lines coming on stream, the directors paid a second interim dividend of 5.40p on 2nd April 2012, making a total for the tax year ending 5th April 2012 of 7.80p, compared to 7.20p in the previous tax year.

Braime Pressings Limited, manufacturer of deep drawn metal presswork

The company continued to make a loss despite the successful implementation of capital projects to reduce manufacturing costs. Huge efforts were made by our small management, development and maintenance teams to bring on stream the new product lines on which the future of the business depends but their introduction was again subject to further unforeseen delays.

However, since the start of 2012, considerable progress has been made. Production has now started on one of the new product ranges, final production trials on a second range of products has been successfully completed and we are now waiting for a bulk schedule from our customer, which is expected in April. We are close to completing production trials on the third new range and hope to be in full production by June/July of this year. Once all these new lines are on stream, we finally expect Braime Pressings Limited to return to profitability.

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

Overall sales revenue continued to grow but in 2011 the individual performance of the subsidiaries within the 4B division varied significantly due to the differing regional impact on each subsidiary of the current economic crisis and of the steep rise of commodity prices.

For the first time in many years the sales and profitability of our US subsidiary were largely flat, whereas all the other subsidiaries achieved significant sales growth. Some of the subsidiaries also increased profitability but those operating primarily in the euro zone saw their margins eroded by the effect of the fall in the value of the euro and by fierce competition in a market badly affected by recession.

Trade in the first quarter of 2012 has begun very positively. There continues to be major investment in the primary processing of food and the USA appears to be coming out of recession. Nevertheless, given the current crisis in Europe and the global instability of both currencies and raw material prices, it is almost impossible to predict with any level of confidence what will be the final outcome for the 4B division in 2012

Investment

The company has continued its high level of investment in its manufacturing facility, in developing new products and in expanding its global distribution.

In January of this year our USA subsidiary relocated to bespoke premises with 8,000 sq ft of offices and 45,000 sq ft of warehousing, providing the facilities which it needs to continue its growth.

In 2011, £600,000 was invested in plant and machinery, of which £280,000 was financed by HP and £320,000 financed from earnings. The company has existing capital commitments of £150,000 for further capital investment in 2012. Expenditure on R & D in 2011 was £225,000.

Cash flow and debt

The company was cash negative in 2011 by £439,000 due partly to the exceptional level of capital investment and by the need to finance the increase in sales revenue, while the net increase in trade debtors grew in line with the increase in group sales revenue. However inventories grew by £808,000, reflecting the increase in the cost of raw materials and components purchased for resale and stocks in the fledgling subsidiaries. This also follows an increase in stocks in 2010 of £730,000.

The overall effect of the exceptional level of capital investment and the increase in working capital led to an increase in our bank borrowings of £469,000 and to an increase in HP finance of £90,000.

In 2012 we are investing in the installation of an ERP computer system. One of the many benefits of this will be to increase our ability to control our stock levels in what is now a global business and this is fundamental to the future expansion of the business.

Staff

All the business sectors in which we operate are exposed to global competition and to survive and grow it is no longer enough to be good at what we do; we have to be exceptional and to change and improve constantly. This presents an enormous challenge for our dedicated and determined staff all across the group and we thank them for their continuing support and loyalty.

David Brown, our Financial Director for just over 31 years retired on 10th April 2012. David has always been a source of wise and independent advice to both the individual directors and to the board as a whole and we are all indebted to him for his contribution and loyalty.

David has had to cope with enormous changes in the focus of the group as it has transformed itself into a global business operating in many locations and in many currencies and, in parallel, he has had to comply with the complex and often baffling changes in the regulatory regime which have been imposed on even small businesses such as ourselves. We will miss David's intellect and dry sense of humour!

Marcus Mills joined the company on 13th February 2012 as Financial Controller and it is anticipated he will be David's successor as Financial Director. Marcus, although only 38, comes to us with outstanding qualifications and a proven track record. We believe he will bring to us the benefits of his enthusiasm, training and experience.

I would also like to pay tribute to Jim Mawson, our Senior Technical Manager of 4B, colleague and personal friend who died recently on 12th February. Jim joined the company in July 1983 at the mere age of 60 and retired finally in July of last year after 29 years with the company. He played a major part in the establishment of our US business and indeed of the development of the 4B division. He was recognised across the world as one of the leading experts in our field of bulk material handling and is missed by both his work colleagues and the many business friends that he made across the world.

Outlook

Providing that the anticipated volume of business from the existing and new product lines materialise and that the further new ranges of products come on stream at the times we now predict, the contribution from Braime Pressings Limited to the group result should be significant.

While the year has started positively in all the subsidiaries which make up 4B, it is extremely difficult to forecast the result for 2012 , given the current economic uncertainty and volatility in exchange rates. Moreover the level of competition we face grows ever stronger.

Overall, we are reasonably confident that in 2012 the group can at least repeat the result for 2011.

Summarised Consolidated Income Statement for the year ended 31st December 2011 (audited)

	Note	2011	2010
		£	£
Revenue		**20,067,905**	18,057,661
Changes in inventories of finished goods and work in progress		**777,134**	647,108
Raw materials and consumables used		**(11,791,200)**	(10,358,951)
Employee benefits costs		**(4,132,824)**	(3,841,811)
Depreciation expense		**(395,200)**	(286,938)
Other expenses		**(3,210,533)**	(2,804,022)
Profit from operations		**1,315,282**	1,413,047
Finance costs		**(345,455)**	(302,445)
Finance income		**274,406**	250,776
Profit before tax		**1,244,233**	1,361,378
Tax expense		**(430,212)**	(416,240)
Profit for the year attributable to equity shareholders of the parent company		**814,021**	945,138
Basic and diluted earnings per share	**1**	**56.53p**	65.63p

Summarised Consolidated Statement of Comprehensive Income for the year ended 31st December 2011 (audited)

	2011	2010
	£	£
Profit for the year	**814,021**	945,138
Actuarial losses recognised directly in equity	**(50,000)**	(168,000)
Foreign exchange gains/(losses) on re-translation of overseas operations	**48,467**	(33,254)
Adjustment in respect of minimum funding requirement per IFRIC14	**(31,000)**	137,000
Other comprehensive income for the year	**(32,533)**	(64,254)
Total comprehensive income for the year	**781,488**	880,884

Summarised Consolidated Balance Sheet at 31st December 2011 (audited)

	Note	2011	2011	2010	2010
		£	£	£	£
Assets					
Non-current assets					
Property, plant and equipment		**1,426,995**		1,223,980	
Goodwill		**12,270**		12,270	
Employee benefits		**-**		-	
Total non-current assets			**1,439,265**		1,236,250
Current assets					
Inventories		**4,401,733**		3,593,680	
Trade and other receivables		**3,507,494**		3,291,602	
Cash and cash equivalents		**1,746,464**		1,844,934	
Total current assets			**9,655,691**		8,730,216
Total assets			**11,094,956**		9,966,466
Liabilities					
Current liabilities					
Bank overdraft		**1,485,757**		1,145,421	
Trade and other payables		**2,656,483**		2,707,169	
Other financial liabilities		**350,859**		291,553	
Corporation tax liability		**114,319**		171,054	
Total current liabilities			**4,607,418**		4,315,197
Non-current liabilities					
Financial liabilities		**547,473**		389,012	
Total non-current liabilities			**547,473**		389,012
Total liabilities			**5,154,891**		4,704,209
Total net assets			**5,940,065**		5,262,257
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			**334,759**		286,292
Retained earnings			**5,167,987**		4,538,646
Total equity			**5,940,065**		5,262,257

Summarised Consolidated Cash Flow Statement for the year ended 31st December 2011 (audited)

	Note	2011	2011	2010	2010
		£	£	£	£
Operating activities					
Net profit			**814,021**		945,138
Adjustments for:					
Depreciation		**395,200**		286,938	
Grants amortised		**(1,656)**		(1,656)	
Foreign exchange					

gains/(losses)	**47,391**		(37,785)	
Investment income	**(274,406)**		(250,776)	
Interest expense	**345,455**		302,445	
Gain on sale of plant, machinery and motor vehicles	**(21,617)**		(35,357)	
Adjustment in respect of defined benefits scheme	**(74,000)**		(22,000)	
Income tax expense	**430,212**		416,240	
		846,579		658,049
Operating profit before changes in working capital and provisions		**1,660,600**		1,603,187
Increase in trade and other receivables	**(215,892)**		(891,218)	
Increase in inventories	**(808,053)**		(731,531)	
(Decrease)/increase in trade and other payables	**(50,686)**		713,331	
		(1,074,631)		(909,418)
Cash generated from operations		**585,969**		693,769
Income taxes paid		**(486,947)**		(270,401)
Investing activities				
Purchases of plant, machinery and motor vehicles	**(320,241)**		(210,154)	
Sale of plant, machinery and motor vehicles	**21,620**		35,358	
Interest received	**4,406**		4,776	
		(294,215)		(170,020)
Financing activities				
Proceeds from long term borrowings	**133,196**		-	
Repayment of hire purchase creditors	**(190,674)**		(197,871)	
Interest paid	**(82,455)**		(65,445)	
Dividends paid	**(103,680)**		(77,760)	
		(243,613)		(341,076)
Decrease in cash and cash equivalents		**(438,806)**		(87,728)
Cash and cash equivalents, beginning of period		**699,513**		787,241
Cash and cash equivalents, end of period		**260,707**		699,513

<u>Consolidated statement of changes in equity for the year ended 31st December 2011 (audited)</u>

	Share Capital	Capital Reserve	Foreign Exchange Reserve	Retained Earnings	Total
	£	£	£	£	£
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 gains 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
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 losses 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

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

Dividends paid	**2011**	2010
	£	£
Equity shares		
Ordinary shares		
Interim of 4.80p (2010 – 3.00p) per share paid on 1st April 2011	**23,040**	14,400
Interim of 2.40p (2010 – 2.40p) per share paid on 14th October 2011	**11,520**	11,520
	34,560	25,920
'A' Ordinary shares		
Interim of 4.80p (2010 – 3.00p) per share paid on 1st April 2011	**46,080**	28,800
Interim of 2.40p (2010 – 2.40p) per share paid on 14th October 2011	**23,040**	23,040
	69,120	51,840
Total dividends paid	**103,680**	77,760

2. Cash and cash equivalents

	2011	2010
	£	£
Cash at bank and in hand	**1,746,464**	1,844,934
Bank overdrafts	**1,485,757**	1,145,421
	260,707	699,513

3. Major non-cash transaction

During the year the group acquired tangible assets subject to finance of £281,170 (2010 - £53,050) under hire purchase agreements.

4. Segmental information

	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**

	Central 2010 £	Manufacturing 2010 £	Distribution 2010 £	Total 2010 £
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

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 2010, 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.

6. Annual general meeting

The annual general meeting of the company will be held in Leeds on Friday 25th May 2012. Full details will be included in the published annual report and financial statements, which will be sent to shareholders by the 26th April 2012 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 2011 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 2010 have been delivered to the Registrar of Companies, and those for 2011 will be delivered in due course.

16 April 2012

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