BRAEMAR SHIPPING SERVICES PLC
("Braemar", the "Company" or the "Group")

29 October 2014

Unaudited interim results for the six months ended 31 August 2014

Braemar Shipping Services plc (LSE: BMS), an international provider of shipping, marine and energy services, today announces unaudited half-year results for the six months ended 31 August 2014.

HIGHLIGHTS

- Merger with ACM Shipping Group plc ("ACM") completed on 25 July 2014, with integrated teams working well together
- Action taken to reduce cost base of merged Shipbroking business by approximately £4.0 million per annum
- Outlook for full year profits, including a full second half contribution from ACM, but excluding exceptional items, continues to be in line with the Board's expectations
- Revenue from continuing operations in the first half £64.5 million[1] (interim 2013/14: £63.9 million)
- Pre-tax profit £3.2million[1] before £3.0 million exceptional costs (interim 2013/14: £4.5 million pre-tax profit)
- Profit from the Technical division in the first half is down from the exceptional level achieved in the same period last year
- Normalised basic EPS[2] 11.7p (interim 2013/14: 16.1p)
- Interim dividend remains unchanged at 9.0p per share

[1] Includes 1 month contribution from ACM
[2] Normalised basic EPS is defined as EPS from continuing operations before exceptional items and amortisation of other intangible assets

Sir Graham Hearne CBE, Chairman of Braemar, commenting on the results and the outlook said:

"I am pleased to report that the merger with ACM was successfully concluded in July this year. The Shipbroking businesses have been brought together across the board, the teams selected and the integration plans largely implemented. The response of our Shipbroking clients has been outstanding. We are confident that through the merger we have created a broader and stronger broking platform trading as Braemar ACM Shipbroking, which will deliver a measurable improvement in profitability in the coming years.

"Your Board is confident that with the stronger broking platform, the reduced cost base and a full contribution from ACM, a significantly stronger performance can be expected in the second half of the year. The Board's profit expectations for the Group for the year as a whole remain unchanged and are supported by the early indications of trading in the second half."

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Notes to Editors:

About Braemar Shipping Services plc

Braemar Shipping Services plc is a leading international provider of knowledge and skill-based services to the shipping, marine, energy, offshore and insurance industries. Founded in 1972, Braemar employs over 1,000 people in more than 70 locations worldwide across its Shipbroking, Technical and Logistics divisions. In July 2014 Braemar merged with ACM Shipping Group PLC, a merger recommended by both Boards.

Braemar joined the Official List of the London Stock Exchange in November 1997 and trades under the symbol BMS.

For more information, visit www.braemar.com.

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INTERIM ANNOUNCEMENT – SIX MONTHS ENDED 31 AUGUST 2014

CHAIRMAN'S STATEMENT

Merger with ACM

The first six months of 2014 was a period of significant change for Braemar. The merger with ACM was successfully concluded in July and represented a step change in the scale and global presence of the Group. The Shipbroking businesses have been brought together across the board, the teams selected and the integration plans largely implemented. The response of our Shipbroking clients – the acid test – has been outstanding. We are confident that through the merger we have created a broader and stronger broking platform, trading as Braemar ACM Shipbroking, which will deliver a measurable improvement in profitability in the coming years.

Results

The results of the first half include only one month of trading from ACM. Revenue from continuing operations was £64.5 million in the first half of this year compared with £63.9 million in the first half of 2013/14. Profit before tax, before taking into account exceptional items, was £3.2 million compared with £4.5 million last year. Normalised basic earnings per share from continuing operations excluding exceptional items and amortisation were 11.7p per share compared with 16.1p per share for the same period last year.

A major feature of the first half results has been exceptional costs of £3.0 million charged against profits, resulting in a profit before tax of £0.2 million compared with a pre-tax profit of £4.5 million for the first half last year. These charges were made up of £0.9 million transaction costs directly linked to the acquisition of ACM and £2.1 million of restructuring and integration costs following the merger, the substantial element of which was redundancy payments in the Shipbroking business. These redundancy payments resulted from the swift action taken to reduce the cost base of the continued business in order to achieve annualised savings we now estimate to be approximately £4.0 million; significantly more than was expected when the merger was first announced. There were also redundancy and restructuring costs in the Logistics division of £0.3 million. These savings augur well for the future profitability of the Group.

Trading

The Shipbroking division performed slightly ahead of last year, despite unavoidable merger distractions and a 10% adverse exchange rate change of the US dollar against Sterling. The forward order book of the combined business improved by 12% compared with the same time last year.

The Logistics division was marginally down, largely due to the seasonal impact of the small Tours business which was disposed of in the first half.

The Technical division was again the largest contributor to Group profit in the first half but was unable to replicate the exceptional profit in the offshore oil and gas activity in Asia which was achieved in the first half of last year.

Dividend

The Board has declared an unchanged interim dividend of 9.0 pence. The interim dividend will be paid on Friday 12 December 2014 to shareholders on the register at the close of business on Friday 14 November 2014.

Outlook

Your Board is confident that with the stronger broking platform, the reduced cost base and a full contribution from ACM, a significantly stronger performance can be expected in the second half of the year. The Board's profit expectations for the Group for the year as a whole remain unchanged and are supported by the early indications of trading in the second half.

Our people

We are delighted to welcome the ACM Shipbroking team to the Group, and look forward with them to realising the potential that the enlarged Shipbroking business offers. In this year of significant change, the Board would like to recognise and thank everyone in the Group for their untiring efforts to position us as the most valued provider of knowledge and skilled-based services to the shipping and offshore markets across the globe. It is the hard work and enthusiasm of our staff that will deliver this.

Sir Graham Hearne CBE
Chairman
28 October 2014

CHIEF EXECUTIVE'S REVIEW OF ACTIVITIES

All our divisions operate in highly competitive markets and over the last six months we have made a number of important managerial and structural changes within our divisions to position them best to meet the competitive challenges they face.

Most significantly, through the merger with ACM, the Group's objective has been to build the scale, coverage, efficiency and quality of market information within the Shipbroking division. There are clear benefits to be derived from meeting these objectives and our integration process to date has been conducted with the aim of ensuring the business is structured optimally to provide a first class service for our clients. The beneficial effect of the integration will not be visible until the second half of the year but the early signs are encouraging.

We have amalgamated the Environmental division – Braemar Howells – into the Technical division, as the business regularly operates in conjunction with one of our technical businesses which is a feature we wish to encourage and promote in future.

Over the last six months we have made a number of managerial changes within the Logistics division – Cory Brothers – in order to streamline the business. An important part of the port agency service we provide is the collection and dissemination of activity information relating to the customers' vessels. Cory Brothers is able to provide a top-quality service for clients and has a platform which can be replicated overseas as we have done with the opening of a new office in Houston.

Shipbroking

Revenue:	**£21.0 million** (interim 2013/14: £19.0 million)
Divisional operating profit [1]:	**£1.4 million** (interim 2013/14: £1.1 million)

[1] Divisional operating profit is a management KPI used consistently throughout this report and represents the operating profit of the division before amortisation of other intangible assets and exceptional items

The highlight of the first half of the year was the merger with ACM. Overall, the Shipbroking division performed ahead of the same period last year, even before the inclusion of £1.8 million of revenue and £0.1 million operating profit from ACM for the one month period since the completion of the merger. There have been some good performances within the division, with the total forward book of the combined business increasing by 12% over the last 12 months to approximately US$56 million. Revenue was adversely affected by a weaker US dollar which reduced revenue by approximately £1.4 million on a like for like basis.

Despite fluctuating market conditions, one year time charter rates and vessel prices have generally improved since the first half of last year. Following the announcement of the merger, senior management spent time on integrating the teams and establishing the broking platform. This was an important process which now shows the early signs of success. As a result we now have strong teams across sale and purchase, offshore, crude tankers, clean tankers, specialised tankers, gas, LPG, LNG, dry cargo and Forward Freight Agreements (“FFAs”). These desks have had to contend with the usual challenges of the shipping market and also with activity related to the merger. Despite this, the performance in the first half has been encouraging and we are excited by the opportunities and the potential for the business going forward.

Technical

Revenue:	**£22.9 million** (restated* interim 2013/14: £23.8 million)
Divisional operating profit:	**£2.3 million** (restated* interim 2013/14: £3.4 million)

* Restated to reflect the discontinued operations of Casbarian, sold in March 2014, and the inclusion of Braemar Howells’ results

Our Technical division was again the largest contributor to group profit in the period but saw a lower level of profitability when compared with last year. This was primarily due to weaker oil and gas exploration activity in the Far East, and also by comparison to the exceptional performance reported in the first half of last year.

Braemar Offshore, our marine warranty surveying and engineering consultancy business, which operates mainly in the Asia Pacific, was affected by the slowdown in activity in the region. This was especially noticeable when compared to the very strong performance recorded in the first half of last year. While the market environment for this business has become increasingly competitive, our experienced team are more than capable of holding their own in a market which is feeling the effects of a weaker oil price.

Braemar SA, our hull and machinery damage surveying and marine consultancy business, performed steadily throughout the first half of the year. The number of new instructions was comparable to last year, despite fewer hull and machinery claims globally. The offices in Europe, America and the Middle East region performed well with a high level of surveyor utilisation, while the Far East region saw a downturn in activity during the first six months of the year. Business development has seen additional focus on consultancy and project cargo warranty services and we have increased the number of surveyors during the period, especially throughout America.

Braemar Adjusting, our energy loss adjusting business, performed well with the Far East office remaining the major contributor. The recently established Middle East office also received a number of high profile assignments in the period. The general level and quality of new instructions received involved a good mix of both onshore and offshore business and, following a successful marketing campaign, the Group has been included in the panel of adjusters for a number of major offshore construction projects.

Braemar Engineering, our consulting engineering business, continued to operate on the project for the design and supervision over the construction of six LNG carriers together with the training of local staff. During the period, this major project moved from the design stage to the construction supervision stage as planned. The Group’s North American office was appointed to the role of Owner’s Engineers to the first significant LNG Bunkering and

Fuelling project; a project aimed at supplying LNG to vessels that do not carry LNG as cargo but simply use it as bunker fuel. The project brings together Braemar's engineering, marine and shore-based LNG capabilities.

Braemar Howells, our global incident response and environmental consultancy services business previously known as the Environmental division, now reports its results within the Technical division. It experienced a routine level of business in the period with no major incidents or projects. However, it remains well placed to respond globally to significant events and will continue working closely with the other businesses within the Technical division.

Logistics

Revenue: **£20.6 million** (interim 2013/14: £21.1 million)

Divisional operating profit: **£1.0 million** (interim 2013/14: £1.3 million)

The Group disposed of its small, seasonal Tours business in the period which was the main cause of the fall in Divisional operating profit as compared with the first half of last year.

The ship agency business experienced weak market conditions in Europe in the first half of the year but the volume of trading was steady. We opened a new agency office in Houston which expands Cory Brothers' agency presence overseas, in addition to the successful office in Singapore. It also serves to complement the other Technical services we provide from Houston.

Our freight forwarding and logistics business has undergone significant management changes during the period, reducing cost and increasing the emphasis on marketing to new customers. This is already beginning to pay off with the business finishing the first half strongly and starting the second well.

Other operating costs

Amortisation of other intangible assets: **£0.3 million** (interim 2013/14: £0.3 million)

The charge in respect of the amortisation of other intangible assets is similar to last year, however it will increase in the second half as there is a full six month charge for the intangible assets acquired with ACM.

Unallocated other costs: **£1.1 million** (interim 2013/14: £1.1 million)

Unallocated other costs are similar to last year and are not expected to be significantly different in the second half.

Exceptional items

During the period the Group charged £0.9 million in transaction fees and acquisition related costs in connection with the merger with ACM and £2.1 million in relation to the integration of the Shipbroking businesses and the restructuring that has taken place across the Group.

Foreign exchange

A large proportion of the Group's income is US$ denominated and the average rate of exchange for conversion of US$ income in the six months to 31 August 2014 was $1.68/£ (half year 2013/14: $1.53/£, full year 2013/14: $1.58/£). The rate of translation as at 31 August 2014 was $1.66/£ (31 August 2013: $1.55/£).

The Group continues to apply its hedging policy and at the end of August held forward currency contracts to sell US$4.5million at an average rate of $1.67/£.

Taxation

The effective underlying rate of corporation tax on profits was 25.2% (interim 2013/14: 26.2%). The fall in the effective rate in comparison with last year is principally as a result of the reduction to the UK standard rate of corporation tax from 23% to 21%. Further reductions of the rate to 20% by April 2015 are expected to reduce the rate in future years. The rate is higher than the UK standard rate of corporation tax mainly due to disallowed expenses.

Balance sheet

As a result of the merger with ACM, the balance sheet increased significantly. The details of the provisional accounting for the transaction are set out in Note 12 to the accounts and illustrate that the principal value associated with the transaction relates to the acquired broking teams. In addition, the Group has taken on a £15 million banking facility, predominantly to support the cash element of the transaction but also to enable the Shipbroking division to initiate the integration process quickly. Furthermore, the Group is now consolidating the defined benefit pension scheme operated by ACM.

Cash flow

Cash balances were £9.9 million at 31 August 2014 compared with cash of £7.1 million at 31 August 2013 and £13.7 million at 28 February 2014. This largely follows the normal cycle of cash flow whereby staff bonuses in respect of the previous year together with the final dividend to shareholders are both paid in the first half of the following year.

During the first half there was a net cash outflow from operations of £1.8 million which is largely caused by the payment of staff bonuses in the first half of the year and restructuring related expenditure.

The most significant cash outflow from investing activities during the period was £8.8 million net cash payment relating to the merger with ACM (see Note 12). In addition, £1.1 million was used to invest in property, plant and equipment and computer software.

In order to fund the cash element of the merger and begin the integration of the two Shipbroking businesses, the Group took out a bank facility and drew down £15.0 million of committed funds during the period. The net inflow of funds after accounting for issue costs was £14.8 million. Closing net debt at 31 August 2014 was £4.9 million.

We have made tremendous changes to the Group in the last six months and I am pleased with the progress so far, which I expect will bear fruit visibly over the next twelve months.

James Kidwell
Chief Executive
28 October 2014

Braemar Shipping Services plc
Consolidated Income Statement

Continuing operations	Notes	**Unaudited Six months to 31 Aug 2014 £'000**	Restated Unaudited Six months to 31 Aug 2013 £'000	Audited Year ended 28 Feb 2014 £'000
Revenue	4	**64,473**	63,891	125,531
Cost of sales		**(17,348)**	(17,579)	(31,758)
Gross profit		**47,125**	46,312	93,773
Operating costs				
Operating costs excluding amortisation of other intangible assets and exceptional items	4	**(43,519)**	(41,628)	(84,490)
Amortisation of other intangible assets		**(334)**	(300)	(432)
Exceptional items	5	**(3,001)**	-	-
		(46,854)	(41,928)	(84,922)
Operating profit		**271**	4,384	8,851
Finance income		**47**	75	253
Finance costs		**(97)**	(6)	(57)
Share of (loss) / profit after tax from joint ventures		**(30)**	37	(88)
Profit before taxation		**191**	4,490	8,959
Taxation	6	**(339)**	(1,126)	(2,268)
(Loss) / profit for the period		**(148)**	3,364	6,691
Loss for the period from discontinued operations		**-**	(194)	(2,209)
(Loss) / profit for the period		**(148)**	3,170	4,482
Attributable to:				
Equity holders of the parent		**(148)**	3,161	4,473
Non-controlling interest		**-**	9	9
(Loss) / profit for the period		**(148)**	3,170	4,482
Earnings per ordinary share	7			
Basic – continuing operations		**11.68p**	16.06p	31.93p
Diluted – continuing operations		**10.37p**	15.28p	30.61p
(Loss) / Earnings per ordinary share	7			
Basic – profit for the year		**(0.65)p**	15.12p	21.38p
Diluted – profit for the year		**(0.58)p**	14.40p	20.49p

Consolidated Statement of Comprehensive Income

	Notes	**Unaudited Six months to 31 Aug 2014 £'000**	Unaudited Six months to 31 Aug 2013 £'000	Audited Year ended 28 Feb 2014 £'000
(Loss) / profit for the period		**(148)**	3,170	4,482
Other comprehensive income / (expense)				
Items that are or may be reclassified to profit or loss:				
Available for sale investments – net change in fair value		**352**	-	-
Foreign exchange differences on retranslation of foreign operations		**332**	(1,857)	(4,391)
Cash flow hedges - net of tax		**(39)**	157	91
Total comprehensive income for the period		**497**	1,470	182
Attributable to:				
Equity holders of the parent		**497**	1,461	173
Non-controlling interest		**-**	9	9
Total comprehensive income for the period		**497**	1,470	182

Braemar Shipping Services plc
Consolidated Balance Sheet

Assets	Notes	**Unaudited As at 31 Aug 14 £'000**	Unaudited As at 31 Aug 13 £'000	Audited As at 28 Feb 14 £'000
Non-current assets				
Goodwill		**76,551**	30,318	30,091
Intangible assets		**4,037**	1,252	1,369
Property, plant and equipment		**6,486**	6,040	5,898
Investments		**3,267**	1,879	1,715
Deferred tax assets		**2,360**	757	1,644
Other receivables		**297**	277	242
		92,998	40,523	40,959
Current assets				
Trade and other receivables		**57,165**	50,393	47,386
Assets held for sale		**-**	-	601
Restricted cash		**-**	325	-
Cash and cash equivalents		**9,939**	7,121	13,694
		67,104	57,839	61,681
Total assets		**160,102**	98,362	102,640
Liabilities				
Current liabilities				
Borrowings		**4,914**	-	-
Trade and other payables		**36,924**	26,640	32,847
Current tax payable		**561**	1,964	2,112
Provisions		**1,056**	467	410
Liabilities associated with assets held for sale		**-**	-	1,119
Client monies held as escrow agent		**-**	325	-
		43,455	29,396	36,488
Non-current liabilities				
Borrowings		**9,925**	-	-
Deferred tax liabilities		**1,599**	538	531
Employee benefits		**1,363**	-	-
Provisions		**885**	359	335
		13,772	897	866
Total liabilities		**57,227**	30,293	37,354
Net assets		**102,875**	68,069	65,286
Equity				
Share capital	10	**2,978**	2,166	2,167
Share premium	10	**51,427**	12,166	12,218
Shares to be issued		**(2,873)**	(3,287)	(2,934)
Other reserves	11	**24,012**	26,319	23,719
Retained earnings		**27,331**	30,705	30,116
Total equity		**102,875**	68,069	65,286

Braemar Shipping Services plc
Consolidated Cash Flow Statement

	Notes	**Unaudited Six months 31 Aug 14 £'000**	Restated Unaudited Six months 31 Aug 13 £'000	Audited Year ended 28 Feb 14 £'000
Profit before tax for the period from continuing operations		**191**	4,490	8,959
Loss before tax for the period from discontinued operations		**-**	(194)	(2,094)
Adjustments for:				
- Depreciation of property, plant and equipment		**540**	497	1,015
- Amortisation of computer software		**179**	114	254
- Amortisation of other intangible assets		**334**	300	432
- Loss on sale of property, plant and equipment		**-**	-	18
- Exceptional items		**3,001**	-	-
- Provision for disposal of discontinued operations		**-**	-	822
- Finance income		**(47)**	(75)	(253)
- Finance expense		**97**	6	57
- Share of profit of joint ventures		**30**	(37)	88
- Share based payments		**508**	332	613
Financial instruments		**-**	-	(238)
Changes in working capital:				-
- Trade and other receivables		**(3,208)**	(5,685)	(4,194)
- Trade and other payables		**(2,444)**	(9,325)	(3,290)
Restructuring related costs		**(975)**	-	-
Provisions		**20**	37	(31)
Cash (used in)/generated from operations		**(1,774)**	(9,540)	2,158
Interest received		**47**	75	253
Interest paid		**(97)**	(6)	(57)
Tax paid		**(2,142)**	(659)	(1,358)
Net cash (used in)/generated from operating activities		**(3,966)**	(10,130)	996
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	12	**(8,840)**	(348)	(524)
Disposal of discontinued operations	9	**(550)**	-	-
Purchase of property, plant and equipment and computer software		**(1,072)**	(482)	(1,266)
Other long-term receivables		**(54)**	(16)	19
Net cash used in investing activities		**(10,516)**	(846)	(1,771)
Cash flows from financing activities				
Proceeds from borrowings		**14,839**	-	-
Proceeds from issue of ordinary shares		**37**	17	70
Equity issue costs		**(850)**	-	-
Dividends paid	8	**(3,507)**	(3,526)	(5,441)
Purchase of own shares		**(35)**	-	(267)
Net cash from / (used in) financing activities		**10,484**	(3,509)	(5,638)
Decrease in cash and cash equivalents		**(3,998)**	(14,485)	(6,413)
Cash and cash equivalents at beginning of the period		**13,694**	23,277	23,277
Foreign exchange differences		**243**	(1,671)	(3,170)
Cash and cash equivalents at end of the period		**9,939**	7,121	13,694

Braemar Shipping Services plc
Consolidated Statement of Changes in Equity

	Notes	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 1 March 2014		2,167	12,218	(2,934)	23,719	30,116	65,286	-	65,286
(Loss) / profit for the period		-	-	-	-	(148)	(148)	-	(148)
Available for sale investments – net change in fair value		-	-	-	-	352	352	-	352
Foreign exchange differences		-	-	-	332	-	332	-	332
Cash flow hedges net of tax		-	-	-	(39)	-	(39)	-	(39)
Total recognised income and expense in the period		-	-	-	293	204	497	-	497
Dividends paid	8	-	-		-	(3,507)	(3,507)	-	(3,507)
Issue of shares		811	39,209	-	-	-	40,020	-	40,020
Purchase of shares		-	-	(35)	-	-	(35)	-	(35)
ESOP shares allocated		-	-	96	-	(96)	-	-	-
Credit in respect of share option schemes		-	-	-	-	614	614	-	614
Balance at 31 August 2014		**2,978**	**51,427**	**(2,873)**	**24,012**	**27,331**	**102,875**	**-**	**102,875**

	Notes	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 1 March 2013		2,165	12,150	(3,309)	27,630	30,962	69,598	245	69,843
Profit for the period		-	-	-	-	3,161	3,161	9	3,170
Foreign exchange differences		-	-	-	(1,857)	-	(1,857)	-	(1,857)
Cash flow hedges net of tax		-	-	-	157	-	157	-	157
Total recognised income and expense in the period		-	-	-	(1,700)	3,161	1,461	9	1,470
Dividends paid	8	-	-	-	-	(3,526)	(3,526)	-	(3,526)
Issue of shares		1	16	-	-	-	17	-	17
Consideration paid		-	-	-	389	(202)	187	(254)	(67)
ESOP shares allocated		-	-	22	-	(22)	-	-	-
Credit in respect of share option schemes		-	-	-	-	332	332	-	332
Balance at 31 August 2013		**2,166**	**12,166**	**(3,287)**	**26,319**	**30,705**	**68,070**	**-**	**68,069**

BRAEMAR SHIPPING SERVICES plc
UNAUDITED NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 AUGUST 2014

1. General information

The interim consolidated financial statements of the Group for the period ended 31 August 2014 were authorised for issue in accordance with a resolution of the directors on 28 October 2014. Braemar Shipping Services plc is a Public Limited Company incorporated and domiciled in England and Wales.

The term 'Company' refers to Braemar Shipping Services plc and 'Group' refers to the Company and all its subsidiary undertakings and the employee share ownership trust. The address of its registered office is 35 Cosway Street, London, NW1 5BT, United Kingdom.

These interim condensed consolidated financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The audited statutory accounts for the year ended 28 February 2014 have been delivered to the Registrar of Companies in England and Wales. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under Section 498 of the Companies Act 2006. The interim condensed consolidated financial statements have been prepared on a going concern basis.

Forward-looking statements

Certain statements in this half-yearly report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Accounting estimates and critical judgements

Preparation of the Group's financial statements requires the use of estimates and critical judgements that affect the reported amounts of assets and liabilities, income and expense. Management make specific applications of judgement, not involving estimation, in the preparation of the financial statements, in particular the approach to revenue recognition and business combinations. Principal areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are in respect of the impairment review of goodwill, other intangible assets and impairment of trade receivables.

2. Basis of preparation and statement of compliance

This consolidated interim financial information for the half-year ended 31 August 2014 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. The half-yearly condensed consolidated financial report should be read in conjunction with the annual financial statements for the year ended 28 February 2014, which have been prepared in accordance with IFRSs as adopted by the European Union.

The comparative consolidated income statement and consolidated cash flow statement for 31 August 2013 have been restated to reflect the discontinued operations of Casbarian that was sold in March 2014.

3. Accounting policies

Changes in accounting policies

The accounting policies adopted in the preparation of these interim consolidated financial statements are consistent with those of the annual financial statements for the year ended 28 February 2014, as included in those annual financial statements, supplemented by new accounting policies for post-retirement benefits in relation to the defined benefit schemes and interest bearing loans and borrowings. New standards and interpretations in issue but not yet effective as at the date of authorisation of these financial statements are deemed not to have a material impact on the results or net assets of the Group.

4. Segmental information

Six months to 31 August 2014	Shipbroking £'000	Technical £'000	Logistics £'000	Unallocated costs £'000	Total £'000
Revenue	**20,980**	**22,938**	**20,555**	**-**	**64,473**
Divisional operating profit / (loss)	1,355	2,342	1,046	(1,137)	**3,606**
Amortisation of other intangible assets	(265)	(52)	(17)	-	**(334)**
Exceptional items	(2,593)	(32)	(301)	(75)	**(3,001)**
Operating (loss) / profit	**(1,503)**	**2,258**	**728**	**(1,212)**	**271**
Finance income/(cost) - net					**(50)**
Share of loss from joint ventures					**(30)**
Profit before taxation					**191**
Taxation					**(339)**
Profit for the period from continuing operations					**148**
Segment operating assets	96,290	30,039	17,791	-	**144,120**
Segment operating liabilities	(17,342)	(3,728)	(17,322)	-	**(38,392)**

Six months to 31 August 2013		Restated			
Revenue	**18,995**	**23,817**	**21,079**	**-**	**63,891**
Divisional operating profit	1,076	3,411	1,314	(1,117)	**4,684**
Amortisation of other intangible assets	(226)	(52)	(22)	-	**(300)**
Operating profit	**850**	**3,359**	**1,292**	**(1,117)**	**4,384**
Finance income/(cost) - net					**69**
Share of profit from joint ventures					**37**
Profit before taxation					**4,490**
Taxation					**(1,126)**
Profit for the period from continuing operations					**3,364**
Segment operating assets	42,810	30,715	14,778	-	**88,303**
Segment operating liabilities	(6,825)	(6,113)	(14,528)	-	**(27,466)**

Year ended 28 February 2014					
Revenue	**40,866**	**45,748**	**38,917**	**-**	**125,531**
Divisional operating profit	2,635	6,905	1,981	(2,238)	**9,283**
Amortisation of other intangible assets	(295)	(103)	(34)	-	**(432)**
Operating profit	**2,340**	**6,802**	**1,947**	**(2,238)**	**8,851**
Finance income/(cost) - net					**196**
Share of profit from joint ventures					**(88)**
Profit before taxation					**8,959**
Taxation					**(2,268)**
Profit for the period from continuing operations					**6,691**
Segment operating assets	39,712	29,448	15,826	-	**84,986**
Segment operating liabilities	(10,247)	(5,626)	(17,719)	-	**(33,592)**

4. Segmental information (continued)

During the period, management assessed that the activities of the Group that were previously reported within the Environmental division should be included within the results of the Technical division. The comparative results have been restated to reflect this change.

Segment assets consist primarily of intangible assets (including goodwill), tangible fixed assets, receivables and other assets. Receivables for taxes, cash and cash equivalents and investments have been excluded.

5. Exceptional items

During the period, the Group incurred the following exceptional items resulting in a charge to the income statement of £3,001,000.

a) Acquisition costs

The Group incurred £878,000 in respect of the acquisition of ACM Shipping Group plc (see Note 12).

b) Restructuring costs

During the year the Group incurred £2,123,000 in relation restructuring activities across the divisions of the Group mostly as a result of the ACM acquisition.

6. Taxation

Current tax expense for the interim periods presented is the expected tax payable on the taxable net income for the period, calculated as the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Current tax for current and prior periods is classified as a current liability to the extent that it is unpaid. Amounts paid in excess of amounts owed are classified as a current asset.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are enacted or substantively enacted at the balance sheet date

The Group's consolidated effective tax rate for the six months ended 31 August 2014 was 25.2% (six months ended 31 August 2013: 26.2%).

7. Earnings per share

Total operations	Six months to 31 Aug 2014 £'000	Restated Six months to 31 Aug 2013 £'000	Year ended 28 Feb 2014 £'000
(Loss)/profit for the period attributable to equity shareholders of the parent	**(148)**	3,161	4,473
	pence	pence	pence
Basic (loss) / earnings per share	**(0.65)**	15.12	21.38
Effect of dilutive share options	**0.07**	(0.72)	(0.89)
Diluted (loss) / earnings per share	**(0.58)**	14.40	20.49
Continuing operations excluding exceptional items and amortisation of other intangible assets			
Profit for the period attributable to equity shareholders of the parent	**2,649**	3,355	6,682
	pence	pence	pence
Basic earnings per share	**11.68**	16.06	31.93
Effect of dilutive share options	**(1.31)**	(0.78)	(1.32)
Diluted earnings per share	**10.37**	15.28	30.61

8. Dividends

The following dividends were paid by the Group:

	Six months to 31 Aug 2014 £'000	Six months to 31 Aug 2013 £'000	Year ended 28 Feb 2014 £'000
Ordinary shares of 10 pence each			
Final of 17.0 pence per share (2013: 17.0 pence per share)	**3,507**	3,526	3,526
Interim of 9.0 pence per share paid	**-**	-	1,915
	3,507	3,526	5,441

The Directors have declared an interim dividend of 9.0 pence per ordinary share, payable on 12 December 2014 to shareholders on the register on 14 November 2014.

9. Goodwill, intangible assets and property, plant and equipment

	Goodwill, intangible assets and property, plant and equipment £000
Six months ended 31 August 2014	
Opening net book amount at 1 March 2014	37,358
Acquisition (see Note 12)	49,596
Additions	1,072
Depreciation and amortisation	(1,053)
Exchange movements	101
Closing net book value at 31 August 2014	**87,074**
Six months ended 31 August 2013	
Opening net book amount at 1 March 2013	38,236
Additions	517
Depreciation and amortisation	(911)
Exchange movements	(232)
Closing net book value at 31 August 2013	**37,610**

10. Share capital

	Number of shares (thousands)	Ordinary Shares £000	Share Premium £000	Total £000
At 1 March 2014	21,671	2,167	12,218	14,385
New shares issued (see Note 12)	8,094	810	39,172	39,982
Shares issued and fully paid	11	1	37	38
At 31 August 2014	**29,776**	**2,978**	**51,427**	**54,405**
At 1 March 2013	21,647	2,165	12,150	14,315
Shares issued and fully paid	13	1	16	17
At 31 August 2013	21,660	2,166	12,166	14,332

11. Other reserves

Group	Capital redemption reserve £'000	Merger reserve £'000	Deferred consideration reserve £'000	Translation reserve £'000	Hedging reserve £'000	Total other reserves £'000
At 1 March 2014	396	21,346	-	1,949	28	23,719
Cash flow hedges						
- Transfer to net profit	-	-	-	-	(35)	(35)
- Fair value gains in the period	-	-	-	-	(14)	(14)
Foreign exchange differences	-	-	-	332	-	332
Deferred tax on items taken to equity	-	-	-	-	10	10
At 31 August 2014	**396**	**21,346**	**-**	**2,281**	**(11)**	**24,012**
At 1 March 2013	396	21,346	(389)	6,340	(63)	27,630
Cash flow hedges						
- Transfer to net profit	-	-	-	-	94	94
- Fair value gains in the period	-	-	-	-	122	122
Foreign exchange differences	-	-	-	(1,857)	-	(1,857)
Consideration paid	-	-	389	-	-	389
Deferred tax on items taken to equity	-	-	-	-	(59)	(59)
At 31 August 2013	**396**	**21,346**	**-**	**4,483**	**94**	**26,319**

All other reserves are attributable to the equity holders of the parent company.

12. Acquisitions

On 25 July 2014 the Company acquired 100% of the share capital of ACM Shipping Group plc for consideration of £51.0m.

The acquired business contributed revenues of £1,773,000 and a net profit before amortisation of other intangible assets and exceptional items of £144,000 to the group for the period from acquisition to 31 August 2014. These results are included in the Shipbroking division (see note 4).

Details of the provisional net assets acquired and goodwill are set out below. The goodwill is attributable to ACM's staff. The group has yet to finalise the amount of the fair value of the identifiable assets acquired, particularly the value of intangible assets arising on acquisition and the remaining goodwill representing the workforce.

Purchase consideration	**£'000**
- cash paid	10,137
- shares issued (excluding issue costs of £850,000)	40,832
Total purchase consideration	50,969
- fair value of identifiable assets acquired (see below)	(4,610)
Goodwill	46,359

	Acquiree's carrying amount £'000	Provisional Fair Value £'000
Cash and cash equivalents	2,070	2,070
Property, plant and equipment	592	592
Investments	1,147	1,147
Deferred tax assets	560	560
Intangible assets related to forward order book	-	2,645
Receivables	6,606	6,606
Payables	(6,357)	(6,357)
Current tax liability	(178)	(178)
Deferred tax liabilities	(383)	(912)
Pension liability	(1,363)	(1,363)
Provisions	(200)	(200)
Net assets acquired by the group	2,494	4,610

Outflow of cash to acquire the business, net of cash acquired:	
- cash consideration	10,137
- cash and cash equivalents in subsidiary acquired	(2,070)
- acquisition expenses	773
Cash outflow on acquisition	8,840

In addition, the Group has charged £105,000 in relation to the Group share retention plan, a cost directly attributable to the acquisition.

13. Related parties

The Group's related parties are unchanged from 28 February 2014 except for the changes to the board of directors of Braemar Shipping Services plc and there have been no significant related party transactions in the six months ended 31 August 2014.

For further information about the Group's related parties, please refer to the Group's annual financial statements for the year ended 28 February 2014.

Principal risks

The directors consider that the principal risks and uncertainties that could have a material effect on the Group's performance are unchanged from those identified on pages 16 and 17 of the 2014 Annual Report and included on pages 13 to 17 of the Prospectus circulated to shareholders in May 2014. These include market risk arising from changes in freight rates, vessel values or activity levels in the shipping market; operational risks including ineffective internal systems or controls, loss of key management and staff, professional errors or omissions and the failure of support services such as communications systems and public utilities; foreign exchange risk from fluctuations in the value of the US dollar; liquidity risk arising from funding requirements; and credit risk leading to the non-payment of invoices. Furthermore, the risks associated with the merger were also disclosed on pages 17 and 18 of the Prospectus.

The Group holds professional indemnity insurance to an amount considered adequate for its size and potential exposure.

Statement of Directors' responsibilities

The directors confirm, to the best of their knowledge, that the consolidated interim financial information has been prepared in accordance with IAS34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency rules of the United Kingdom's Financial Conduct Authority.

The directors of Braemar Shipping Services plc are listed on pages 136 to 139 in the Prospectus circulated to shareholders in May 2014.

By order of the board

Sir Graham Hearne CBE, Chairman
Martin Beer, Finance Director
Jurgen Breuer
Alastair Farley
Tim Jaques
James Kidwell, Chief Executive
David Moorhouse CBE
Denis Petropoulos
John Plumbe
Mark Tracey

INDEPENDENT REVIEW REPORT TO BRAEMAR SHIPPING SERVICES PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2014 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, condensed consolidated cash flow statement, condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2014 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Ian Griffiths
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square, London, E14 5GL
28 October 2014