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

25 October 2016

Unaudited interim results for the six months ended 31 August 2016

Braemar Shipping Services plc (LSE: BMS), a leading international provider of broking, consultancy, technical and other services to the shipping, marine, energy, offshore and insurance industries, today announces unaudited half-year results for the six months ended 31 August 2016.

FINANCIAL KEY POINTS

- Revenue in the first half was £70.2 million (interim 2015/16: £79.6 million)
- Underlying* operating profit of £1.4 million (interim 2015/16: £7.1 million), after charging one-off restructuring costs of £1.8 million (interim 2015/16: £nil)
- Underlying* basic EPS of 3.9p (interim 2015/16: 18.6p)
- Net cash of £0.7 million at 31 August 2016 (net debt of £3.1 million at 31 August 2015)
- Interim dividend remains unchanged at 9.0p per share

OPERATIONAL KEY POINTS

- Shipbroking division achieved a resilient performance in volatile conditions. Transaction volumes have improved and shipbroking is well placed for any upturn as it arises
- Technical division suffered from industry wide activity reductions, especially in oil and gas exploration. A programme of management change and business restructuring is underway to realign the division to current market conditions
- Logistics division maintained its performance and won a number of significant new contracts which are starting to bear fruit
- A restructuring programme began during the period and has already realised over £3million of annualised cost savings. We will ensure the Group is well placed to respond to prevailing market conditions.

David Moorhouse CBE, Chairman of Braemar, commenting on the results and the outlook said:

"Braemar's divisions have worked hard in the challenging markets that we face and our senior management teams are taking difficult actions where needed to restructure our businesses to address this economic climate."

"The Board is confident in our long term strategy to grow the business through both organic and acquisitive business development. The Board expects the underlying financial performance, excluding restructuring costs of the Group, for the full year to be in line with current market expectations following the actions we are taking to make structural changes within the Group."

SUMMARY FINANCIAL RESULTS

	Underlying* Results		**Total Results**	
	H1 2016/17	**H1 2015/16**	**H1 2016/17**	**H1 2015/16**
Revenue	£70.2m	£79.6m	£70.2m	£79.6m
Operating Profit	£1.4m	£7.1m	£0.3m	£5.3m
Earnings per Share	3.9p	18.6p	0.4p	13.3p

* Underlying measures above are before non-recurring and acquisition related costs

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

<u>For further information, contact:</u>

Braemar Shipping Services
James Kidwell, Chief Executive — Tel +44 (0) 20 3142 4100
Louise Evans, Finance Director — Tel +44 (0) 20 3142 4100

Stockdale Securities
Robert Finlay / Antonio Bossi / Henry Willcocks — Tel +44 (0) 20 7601 6100

Buchanan
Charles Ryland / Victoria Hayns / Stephanie Watson — Tel +44 (0) 20 7466 5000

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 nearly 1,000 people in more than 70 locations worldwide across its Shipbroking, Technical and Logistics divisions.

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

For more information, including our investor presentation, visit www.braemar.com

INTERIM ANNOUNCEMENT – SIX MONTHS ENDED 31 AUGUST 2016

CHAIRMAN'S STATEMENT

Braemar experienced tough markets which have especially impacted the Technical division during the first half of 2016/17. This economic backdrop resulted in the materially reduced performance during the period. We are already taking action to address our cost base in response to the prevailing market conditions.

Results
Revenue was £70.2 million in the first half of this year compared with £79.6 million in the first half of 2015/16 and underlying operating profit from continuing operations was £1.4 million (interim 2015/16: £7.1 million). Underlying basic earnings per share from operations were 3.9p (interim 2015/16: 18.6p). Operating profit was £0.3 million in the first half (interim 2015/16: £5.3 million) and earnings per share were 0.4p (interim: 13.3p).

Trading
The Shipbroking division achieved a resilient performance during the first half of 2016/17. Underlying operating profit was lower than the same period last year due to the anticipated weaker markets, although transaction volumes did increase. Our total shipbroking forward book at 31 August 2016 was approximately US$46 million, of which approximately US$22 million relates to the second half of 2016/17.

The Technical division reported an operating loss of £2.0 million in the period which includes £1.5 million one off costs following project completions and restructuring. Our restructuring process is ongoing and has already resulted in annualised cost savings of over £3 million. The underlying performance of the division was affected by the slowdown in oil and gas exploration, particularly with regard to offshore activities.

The Logistics division performed well, delivering a profit in line with our expectations and similar to last year.

We do not believe that demand for our services will be materially impacted by the forthcoming Brexit process or any associated market volatility, however there may be secondary economic effects that are currently difficult to foresee. Britain's intention to withdraw from the EU does not currently affect our long term growth and diversification strategy.

Dividend
The Board has declared an unchanged interim dividend of 9.0 pence per share, in line with our previous dividend policy. The interim dividend will be paid on Friday 16 December 2016 to shareholders on the register at the close of business on Friday 18 November 2016.

Colleagues
Braemar is a business that relies on the strength and quality of its people. The Board would like to thank all staff across the Group for their significant efforts during the challenging first half of this year.

Outlook

The Board remains confident in our long term strategy to diversify and grow the business through organic and acquisitive development. Recent management changes and business restructuring will ensure that we are able to continue to develop the business in the prevailing extreme market conditions. We believe the proactive actions that are being taken will result in an improved performance during the second half of 2016/17. The Board's current year expectations for the Group remains unchanged from our trading update published on 30 August 2016.

David Moorhouse CBE
Chairman
24 October 2016

CHIEF EXECUTIVE'S REVIEW

The trading performance in our major business units for the six months ended 31 August 2016 is detailed below.

Shipbroking	**Interim 2016/17**	Interim 2015/16
Revenue:	**£30.8 million**	£33.3 million
Divisional operating profit [1]:	**£4.0 million**	£4.6 million

[1] Divisional operating profit is a management KPI used consistently throughout this report and represents the operating profit of the division before acquisition related and non-recurring costs.

As highlighted previously, rates in most shipping markets fell during the first half of this financial year compared with the equivalent period last year. Our teams continued to generate healthy transaction volumes, but softer freight rates resulted in a lower overall result for the division. A sustained weaker sterling exchange rate against the US dollar will benefit earnings, although the full beneficial impact will not be evident until the next financial year due to our rolling hedging policy.

After a strong year in 2015/16, tanker freight rates softened quite significantly towards the end of the first half of the financial year as new tonnage came into the market and port congestion eased. Nevertheless, oil and refined product trade flows remained strong and our teams performed well retaining a high market share and increasing deep sea transaction volumes.

The freight rates in the dry bulk market were depressed due to the continued over-capacity and weaker commodity demand in the core markets. Our team concluded a higher volume of transactions although low freight rates led to weaker financial results. A cost control programme has already been actioned to ensure that we are appropriately structured for the current and expected business climate. More recently, the Baltic Dry Index has risen and now stands at 842 compared with 332 on 1 March 2016 and an average of 600 during the first half. The increase is mostly felt in the Cape sector, which after our investment in this sector, should achieve an improved performance.

As expected, our offshore department continued to experience low levels of activity as a result of reduced global oil and gas exploration and production development activity. We maintained our core team in this area which will enable us to respond effectively when market conditions allow.

Our sale and purchase department concluded a significantly higher number of transactions for both second hand and demolition vessels compared with the equivalent period last year. However, average vessel values on concluded business were lower commensurate with the market.

Technical	Interim 2016/17	Interim 2015/16
Revenue:	**£21.7 million**	£28.6 million
Divisional operating (loss) / profit:	**£(2.0) million**	£3.1 million

The Technical division, particularly our Offshore and Engineering businesses, suffered from the slowdown in oil and gas exploration activity. We made a number of senior management changes in the division during the period and the new management team is implementing a restructuring programme to cut costs and create a better platform for division-wide service delivery and improved utilisation of professional staff. We incurred one off costs of £1.5 million (interim 2015/16: nil) during the first half following project completions and restructuring. This achieved office consolidation, reduced divisional headcount (by approximately 7%) and annualised cost savings of approximately £3.2 million.

Braemar Offshore, our marine warranty surveying and engineering consultancy business located in the Asia Pacific region, was adversely affected by project delays and reduced activity, in common with all regional service providers to the energy sector. We took action to reduce our cost base, particularly in the higher cost offices, and are continuing to focus on geographic centres of client activity.

Braemar Engineering, our consulting engineering business, concluded its three-year project for the design, site supervision and crew training for six LNG ("liquefied natural gas") carriers. Following completion of this project and the current downturn in the oil and gas sector, we restructured the team in the UK and re-located staff to our integrated London office. We are focusing on growing our engineering activity from both our offices in Houston and London.

Braemar Adjusting, our energy loss adjusting business, faced challenging conditions in our UK, US and Canada offices although we have received recent instructions which should see an improvement in the second half. The offices in the Middle East and Singapore have performed well with high staff utilisation.

Braemar incorporating the Salvage Association, our hull and machinery damage surveying and marine consultancy business, continued to diversify its service offering, but overall experienced a lower level of activity in the period. The number of instructions was similar to the same period last year, but we experienced lower average incident value.

Braemar Howells, our incident response and environmental consultancy services business, carried out a routine level of work with no significant project work undertaken in the period. The business is focusing on the development of its UK operations, particularly retained services and framework agreements with major customers.

Logistics	**Interim 2016/17**	Interim 2015/16
Revenue:	**£17.7 million**	£17.6 million
Divisional operating profit:	**£0.9 million**	£1.0 million

The Ship Agency business services UK ports, the Port of Singapore, North America and Amsterdam and has joint arrangements with a number of worldwide agency partners. During the period the Ship Agency business generated growth through winning several blue chip global clients which has led to increased ship numbers. Despite a difficult market we are continuing to build our activities by expanding our presence in North America and the Far East as well as continuing to grow in Europe.

The freight forwarding business held its position in challenging markets. Freight rates were volatile, including an adverse impact from fluctuating exchange rates. We maintained our existing contract business and saw an improvement in project cargoes, though pressure in the oil and gas sector continues to limit our financial growth. We have invested in new Logistics teams in Houston, Atlanta and Singapore and are starting to see growth in the client base in these areas.

Other operating costs

	Interim 2016/17	Interim 2015/16
Unallocated costs:	**£1.5 million**	£1.6 million

Unallocated costs were slightly lower than last year reflecting the reduction in the size of the Group Board.

	Interim 2016/17	Interim 2015/16
Acquisition related expenses & amortisation:	**£1.1 million**	£1.3 million

The reduction in acquisition related expenses and amortisation was principally due to a lower charge for the amortisation of other intangible assets arising from the merger with ACM Shipping Group plc during 2014.

The Group did not incur any separately identifiable non-recurring costs during the period (interim: 2015/16: £0.5 million).

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 2016 was $1.39/£ (interim 2015/16: $1.535/£). The rate of translation as at 31 August 2016 was $1.31/£ (31 August 2015: $1.54/£).

The Group maintained its treasury policy during the period so the full positive impact of the movement of the dollar has not yet been reflected in the results. At 31 August 2016 the

Group held forward currency contracts to sell US$30 million at an average rate of $1.43/£ (interim 2015/16: $17 million at an average rate of $1.52/£).

Taxation

The effective underlying rate of corporation tax on profits was 24.5% (interim 2015/16: 25.0%). The rate is higher than the UK standard rate of corporation tax mainly due to disallowed expenses and higher overseas tax rates. The Group's profits are spread across a number of jurisdictions with both higher and lower tax rates.

Balance sheet

Net assets at 31 August 2016 were £101.6 million (interim 2015/16: £103.3 million). Overall, net assets reduced slightly compared with the equivalent period last year and have decreased from £107.3 million as at 29 February 2016. The main movement is the revaluation of the defined benefit pension scheme which has an increased liability of £5.5 million (interim 2015/16: £1.3 million) following the cut in the Bank of England base rate and associated reduction in bond yields. The scheme was closed to future accrual in 2015/16.

Net current assets (excluding cash and short term borrowings) were £16.4 million (interim 2015/16: £22.9 million). Trade and other receivables fell by £2.4 million to £60.6 million (see Note 10 to the Financial Information) and current liabilities increased to £44.1 million (interim 2015/16: £40.1 million), largely in trade payables and uncrystallised foreign exchange instruments.

We have been monitoring the progress of the potential sale of The Baltic Exchange to the Singapore Exchange ("SGX") which is expected to complete during the second half of 2016/17. The transaction has received the approval of The Baltic Exchange's shareholders and is awaiting Court approval. The Group holds a 2% stake in The Baltic Exchange and if the transaction completes the Group would realise a one off gain before tax of £1.5 million.

Borrowings and cash

Net cash was £0.7 million at 31 August 2016 compared with net debt of £3.1 million at 31 August 2015 and net cash of £9.2 million at 29 February 2016. Gross debt has fallen from £11.0 million at 31 August 2015 to £7.3 million at 31 August 2016.

The majority of cashflows during the period followed the normal business cycle and we expect the second half of the year to generate more cash than the first half due to the timing of bonus and dividend payments. During the period we entered into a new financing relationship with HSBC which provided total facilities of £30 million made up of a revolving credit facility of £15 million to support ongoing working capital needs and £15 million accordion facility to provide flexibility for future mergers and acquisitions activity. We repaid the borrowings from our former bank with funds drawn down on the new revolving credit facility with HSBC.

We are taking action to address the structure of our business, especially in the Technical division where the project activity levels are falling and contract timing is difficult to predict. This restructuring programme, along with the shipbroking forward order book, gives us the confidence for an improved performance in the second half of the current financial year and we continue to seek both organic and acquisitive opportunities to grow and diversify the Group over the longer term.

James Kidwell
Chief Executive
24 October 2016

Braemar Shipping Services plc
Consolidated Income Statement

Continuing operations	Notes	**Unaudited Six months to 31 Aug 2016 £'000**	Unaudited Six months to 31 Aug 2015 £'000	Audited Year ended 29 Feb 2016 £'000
Revenue	4	**70,217**	79,585	159,125
Cost of sales		**(15,435)**	(17,427)	(33,365)
Gross profit		**54,782**	62,158	125,760
Operating costs				
Operating costs excluding amortisation of other intangible assets and exceptional items		**(53,427)**	(55,063)	(112,002)
Acquisition-related expenses and amortisation	5	**(1,066)**	(1,270)	(2,668)
Non-recurring expenses	5	**-**	(491)	(777)
		(54,493)	(56,824)	(115,447)
Operating profit	4	**289**	5,334	10,313
Finance income		**13**	39	45
Finance costs		**(152)**	(174)	(432)
Profit before taxation		**150**	5,199	9,926
Taxation	6	**(37)**	(1,298)	(2,826)
Profit / (loss) for the period/year		**113**	3,901	7,100
Loss for the year from discontinued operations		**-**	-	(290)
Profit for the year attributable to equity shareholders of the parent		**113**	3,901	6,810
Earnings per ordinary share	7			
Basic – underlying operations		**3.88p**	18.62p	34.70p
Diluted – underlying operations		**3.45p**	16.87p	31.53p
Earnings per ordinary share	7			
Basic – profit for the period/year		**0.38p**	13.32p	23.23p
Diluted – profit for the period/year		**0.34p**	12.07p	21.10p

Consolidated Statement of Comprehensive Income

	Notes	**Unaudited Six months to 31 Aug 2016 £'000**	Unaudited Six months to 31 Aug 2015 £'000	Audited Year ended 29 Feb 2016 £'000
Profit for the period/year		**113**	3,901	6,810
Other comprehensive income / (expense)				
Items that will not be reclassified to profit or loss:				
Actuarial loss on employee benefit schemes – net of tax		**(3,611)**	-	(296)
Items that are or may be reclassified to profit or loss:				
Foreign exchange differences on retranslation of foreign operations		**1,539**	(1,195)	2,461
Cash flow hedges - net of tax		**89**	131	(937)
Total comprehensive (expense) / income for the period / year attributable to the equity shareholders of the parent		**(1,870)**	2,837	8,038

Braemar Shipping Services plc
Consolidated Balance Sheet

Assets	Notes	**Unaudited As at 31 Aug 2016 £'000**	Unaudited As at 31 Aug 2015 £'000	Audited As at 29 Feb 2016 £'000
Non-current assets				
Goodwill		**77,484**	76,219	76,912
Other intangible assets		**2,450**	2,487	2,684
Property, plant and equipment		**4,996**	4,314	5,104
Investments		**1,599**	1,602	1,537
Deferred tax assets		**3,999**	1,538	2,177
Other receivables		**458**	237	355
		90,986	86,397	88,769
Current assets				
Trade and other receivables	10	**60,559**	63,005	58,135
Cash and cash equivalents		**8,079**	7,900	11,497
		68,638	70,905	69,632
Total assets		**159,624**	157,302	158,401
Liabilities				
Current liabilities				
Derivative financial instruments		**1,123**	-	1,233
Trade and other payables		**41,698**	38,374	43,020
Short term borrowings		**7,335**	9,551	1,800
Current tax payable		**743**	960	1,640
Provisions		**577**	722	729
		51,476	49,607	48,422
Non-current liabilities				
Long term borrowings		**-**	1,400	500
Deferred tax liabilities		**671**	745	430
Pensions deficit		**5,500**	1,299	1,211
Provisions		**378**	911	533
		6,549	4,355	2,674
Total liabilities		**58,025**	53,962	51,096
Net assets		**101,599**	103,340	107,305
Equity				
Share capital	11	**3,016**	3,011	3,011
Share premium	11	**52,467**	52,302	52,314
Shares to be issued		**(2,665)**	(3,245)	(3,439)
Other reserves	12	**28,102**	23,886	26,474
Retained earnings		**20,679**	27,386	28,945
Total equity		**101,599**	103,340	107,305

Braemar Shipping Services plc
Consolidated Cash Flow Statement

	Notes	**Unaudited Six months 31 Aug 2016 £'000**	Unaudited Six months 31 Aug 2015 £'000	Audited Year ended 29 Feb 2016 £'000
Profit before tax for the period/year		**150**	5,199	9,926
Loss before tax for the year from discontinued operations		**-**	-	(290)
Adjustments for:				
- Depreciation of property, plant and equipment		**356**	722	1,540
- Amortisation of computer software		**264**	298	573
- Amortisation of other intangible assets		**188**	568	1,080
- Other exceptional and acquisition-related items		**878**	1,193	2,365
- Finance income		**(13)**	(39)	(45)
- Finance expense		**152**	174	432
- Share based payments (excluding restricted share plan)		**605**	450	1,110
- Net foreign exchange gains & financial instruments		**311**	(321)	(524)
Changes in working capital:				
- Trade and other receivables		**(2,424)**	(5,643)	(1,527)
- Trade and other payables		**(1,323)**	(3,955)	750
Contribution to defined benefit pension scheme		**(225)**	-	(488)
Restructuring related costs		**-**	(1,199)	(1,632)
Provisions		**(316)**	(183)	189
Cash (used in)/generated from operations		**(1,397)**	(2,736)	13,459
Interest received		**13**	39	45
Interest paid		**(152)**	(174)	(432)
Tax paid		**(1,504)**	(1,201)	(2,688)
Net cash (used in)/generated from operating activities		**(3,040)**	(4,072)	10,384
Cash flows from investing activities				
Purchase of property, plant and equipment and computer software		**(349)**	(485)	(2,098)
Other long-term assets		**(166)**	(67)	(111)
Net cash used in investing activities		**(515)**	(552)	(2,209)
Cash flows from financing activities				
Proceeds from borrowings		**7,335**	7,751	-
Repayment of borrowings		**(2,300)**	(5,900)	(6,800)
Proceeds from issue of ordinary shares		**158**	343	357
Dividends paid	8	**(5,020)**	(4,989)	(7,648)
Purchase of own shares		**(458)**	(280)	(428)
Net cash from financing activities		**(285)**	(3,075)	(14,519)
Decrease in cash and cash equivalents		**(3,840)**	(7,699)	(6,344)
Cash and cash equivalents at beginning of the period/year		**11,497**	16,289	16,289
Foreign exchange differences		**422**	(690)	1,552
Cash and cash equivalents at end of the period/year		**8,079**	7,900	11,497

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 equity £'000
At 1 March 2016		3,011	52,314	(3,439)	26,474	28,945	107,305
Profit for the period		-	-	-	-	113	113
Actuarial loss on employee benefits schemes - net of tax		-	-	-	-	(3,611)	(3,611)
Foreign exchange differences		-	-	-	1,539	-	1,539
Cash flow hedges - net of tax		-	-	-	89	-	89
Total comprehensive income		-	-	-	1,628	(3,498)	(1,870)
Dividends paid	8	-	-	-	-	(5,020)	(5,020)
Issue of shares		5	153	-	-	-	158
Purchase of shares		-	-	(458)	-	-	(458)
ESOP shares allocated		-	-	1,232	-	(1,232)	-
Credit in respect of share option schemes		-	-	-	-	1,484	1,484
Balance at 31 August 2016		**3,016**	**52,467**	**(2,665)**	**28,102**	**20,679**	**101,599**

	Notes	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 March 2015		2,998	51,970	(3,611)	24,950	27,966	104,273
Profit for the period		-	-	-	-	3,901	3,901
Foreign exchange differences		-	-	-	(1,195)	-	(1,195)
Cash flow hedges - net of tax		-	-	-	131	-	131
Total comprehensive income		-	-	-	(1,064)	3,901	2,837
Dividends paid	8	-	-	-	-	(4,989)	(4,989)
Issue of shares		13	332	-	-	-	345
Purchase of shares		-	-	(280)	-	-	(280)
ESOP shares allocated		-	-	646	-	(646)	-
Credit in respect of share option schemes		-	-	-	-	1,154	1,154
Balance at 31 August 2015		**3,011**	**52,302**	**(3,245)**	**23,886**	**27,386**	**103,340**

BRAEMAR SHIPPING SERVICES plc
UNAUDITED NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 AUGUST 2016

1. General information

The interim consolidated financial statements of the Group for the period ended 31 August 2016 were authorised for issue in accordance with a resolution of the directors on 24 October 2016. 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 One Strand, Trafalgar Square, WC2N 5HR, 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 29 February 2016 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, determination of exceptional and acquisition related items 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 six months ended 31 August 2016 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 29 February 2016, which have been prepared in accordance with IFRSs as adopted by the European Union.

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 29 February 2016, as included in those annual financial statements. 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 2016	Shipbroking £'000	Technical £'000	Logistics £'000	Unallocated costs £'000	Total £'000
Revenue	**30,826**	**21,726**	**17,665**	**-**	**70,217**
Divisional operating profit / (loss)	4,022	(2,012)	864	(1,519)	**1,355**
Acquisition-related expenses and amortisation	(994)	(56)	(16)	-	**(1,066)**
Operating profit / (loss)	**3,028**	**(2,068)**	**848**	**(1,519)**	**289**
Finance expense - net					**(139)**
Profit before taxation					**150**
Taxation					**(37)**
Profit for the period from continuing operations					**113**
Segment operating assets	91,399	36,264	18,285	-	**145,948**
Segment operating liabilities	(21,238)	(6,011)	(22,027)	-	**(49,276)**

Six months to 31 August 2015					
Segment Revenue	**33,336**	**29,018**	**17,627**	**-**	**79,981**
Intersegment revenue	-	(396)	-	-	(396)
Revenue	**33,336**	**28,622**	**17,627**	**-**	**79,585**
Divisional operating profit / (loss)	4,597	3,149	981	(1,632)	**7,095**
Acquisition-related expenses and amortisation	(1,201)	(52)	(17)	-	**(1,270)**
Non-recurring items	(491)	-	-	-	**(491)**
Operating profit / (loss)	**2,905**	**3,097**	**964**	**(1,632)**	**5,334**
Finance expense - net					**(135)**
Profit before taxation					**5,199**
Taxation					**(1,298)**
Profit for the period from continuing operations					**3,901**
Segment operating assets	93,145	36,269	16,848	-	**146,262**
Segment operating liabilities	(16,575)	(7,099)	(17,631)	-	**(41,306)**

4. Segmental information (continued)

Year ended 29 February 2016	Shipbroking £'000	Technical £'000	Logistics £'000	Unallocated costs £'000	Total £'000
Segment Revenue	**70,699**	**55,612**	**34,143**	**-**	**160,454**
Intersegment revenue	-	(1,329)	-	-	(1,329)
Revenue	**70,699**	**54,283**	**34,143**	**-**	**159,125**
Divisional operating profit/(loss)	9,653	5,201	1,577	(2,673)	**13,758**
Acquisition related expenses and amortization	(2,476)	(159)	(33)	-	**(2,668)**
Non-recurring items	(777)	-	-	-	**(777)**
Operating profit	**6,400**	**5,042**	**1,544**	**(2,673)**	**10,313**
Finance expense - net					**(387)**
Profit before taxation					**9,926**
Taxation					**(2,826)**
Profit for the period from continuing operations					**7,100**
Segment operating assets	91,884	34,412	16,893	-	**143,189**
Segment operating liabilities	(20,449)	(5,352)	(20,924)	-	**(46,725)**

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. Acquisition related items

During the period, the Group incurred the following non-recurring and acquisition-related items:

a) Acquisition-related expenses and exceptional items

Included in acquisition-related expenses is a charge of £878,000 (six months to 31 August 2015: £702,000) relating to the Group's share retention plan in connection with the acquisition of ACM Shipping Group plc and a charge of £188,000 (six months to 31 August 2015: £568,000) in relation to the amortisation of acquisition-related intangible assets.

b) Non recurring expenses

During the six months to 31 August 2015 the Group incurred £491,000 in relation to restructuring activities as a result of the acquisition of ACM, no such costs have been incurred during the period.

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 2016 was 24.5% (six months ended 31 August 2015: 25.0%).

7. Earnings per share

Total operations	**Six months to 31 Aug 2016 £'000**	Six months to 31 Aug 2015 £'000	Year ended 29 Feb 2016 £'000
Profit / (loss) for the period attributable to equity holders of the parent	**113**	3,901	6,810
	pence	pence	pence
Basic (loss) / earnings per share	**0.38**	13.32	23.23
Effect of dilutive share options	**(0.04)**	(1.25)	(2.13)
Diluted (loss) / earnings per share	**0.34**	12.07	21.10
Underlying operations excluding non-recurring items and amortisation of other intangible assets			
Profit for the period attributable to equity shareholders of the parent	**1,142**	5,450	10,173
	pence	pence	pence
Basic earnings per share	**3.88**	18.62	34.70
Effect of dilutive share options	**(0.43)**	(1.75)	(3.17)
Diluted earnings per share	**3.45**	16.87	31.53

8. Dividends

The following dividends were paid by the Group:

	Six months to 31 Aug 2016 £'000	Six months to 31 Aug 2015 £'000	Year ended 29 Feb 2016 £'000
Ordinary shares of 10 pence each			
Final of 17.0 pence per share (2015: 17.0 pence per share)	**5,020**	4,989	4,989
Interim of 9.0 pence per share paid (2015: 9.0 pence per share)	**-**	-	2,659
	5,020	4,989	7,648

The Directors have declared an unchanged interim dividend of 9.0 pence per ordinary share, payable on 16 December 2016 to shareholders on the register on 18 November 2016.

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

	Goodwill, intangible assets and property, plant and equipment £’000
Six months ended 31 August 2016	
Opening net book amount at 1 March 2016	84,700
Additions	349
Depreciation and amortisation	(808)
Exchange movements	689
Closing net book value at 31 August 2016	**84,930**
Six months ended 31 August 2015	
Opening net book amount at 1 March 2015	84,233
Additions	485
Depreciation and amortisation	(1,588)
Exchange movements	(110)
Closing net book value at 31 August 2015	**83,020**

10. Trade and other receivables

	Six months to 31 Aug 2016 £'000	Six months to 31 Aug 2015 £'000	Year ended 29 Feb 2016 £'000
Trade receivables	**44,497**	43,172	44,608
Provision for impairment of trade receivables	**(5,424)**	(5,317)	(6,071)
	39,073	37,855	38,537
Other receivables	**6,166**	5,631	4,626
Accrued income	**11,911**	16,552	12,379
Prepayments	**3,409**	2,967	2,593
	60,559	63,005	58,135

The Directors consider that the carrying amounts of trade receivables approximate to their fair value.

Movements on the Group provision for impairment of trade receivables were as follows:

	Six months to 31 Aug 2016 £'000	Six months to 31 Aug 2015 £'000	Year ended 29 Feb 2016 £'000
At 1 March	**6,071**	4,477	4,477
Net provision for receivables impairment	**(185)**	1,461	2,055
Receivables written off during the period as uncollectable	**(195)**	(100)	(126)
Amounts previously impaired collected in the period	**(781)**	(510)	(569)
Exchange differences	**514**	(11)	234
At 31 August / 29 February	**5,424**	5,317	6,071

11. Share capital

	Number of shares (thousands)	Ordinary Shares £'000	Share Premium £'000	Total £'000
At 1 March 2016	30,114	3,011	52,314	55,325
Shares issued and fully paid	47	5	153	158
At 31 August 2016	**30,161**	**3,016**	**52,467**	**55,483**
At 1 March 2015	29,983	2,998	51,970	54,968
Shares issued and fully paid	126	13	332	345
At 31 August 2015	**30,109**	**3,011**	**52,302**	**55,313**

12. Other reserves

	Capital redemption reserve £'000	Merger reserve £'000	Translation reserve £'000	Hedging reserve £'000	Total other reserves £'000
At 1 March 2016	396	21,346	5,719	(987)	26,474
Cash flow hedges					
- Transfer to net profit	-	-	-	1,233	1,233
- Fair value gains in the period	-	-	-	(1,122)	(1,122)
Foreign exchange differences	-	-	1,539	-	1,539
Deferred tax on items taken to equity	-	-	-	(22)	(22)
At 31 August 2016	**396**	**21,346**	**7,258**	**(898)**	**28,102**

	Capital redemption reserve £'000	Merger reserve £'000	Translation reserve £'000	Hedging reserve £'000	Total other reserves £'000
At 1 March 2015	396	21,346	3,258	(50)	24,950
Cash flow hedges					
- Transfer to net profit	-	-	-	63	63
- Fair value gains in the period	-	-	-	101	101
Foreign exchange differences	-	-	(1,195)	-	(1,195)
Deferred tax on items taken to equity	-	-	-	(33)	(33)
At 31 August 2015	**396**	**21,346**	**2,063**	**81**	**23,886**

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

13. Contingencies

From time to time the Group may be engaged in litigation in the ordinary course of business. The Group carries professional indemnity insurance. There are currently no liabilities expected to have a material adverse financial impact on the Group's consolidated results or net assets.

14. Related parties

The Group's related parties are unchanged from 29 February 2016 and there have been no significant related party transactions in the six months ended 31 August 2016.

For further information about the Group's related parties, please refer to the Group's annual financial statements for the year ended 29 February 2016.

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 28 to 31 of the 2016 Annual Report. These include risks associated with our staff and cost structure arising from reliance on key people and our ability to retain our most important and high quality staff; risks arising from commercial, worldwide and external forces such as downturn in market conditions and the risk of increased competition across our various businesses; financial risks including currency exposure, particularly in relation to the value of the US dollar, and liquidity risk associated with the control of our working capital; professional conduct risks such as reputational damage to the Braemar corporate brand or professional error resulting in loss of value of client assets.

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 below.

By order of the board

David Moorhouse CBE, Chairman
Jürgen Breuer
Louise Evans, Finance Director
Alastair Farley
James Kidwell, Chief Executive
Mark Tracey
Alexander Vane, Company Secretary

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 2016 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 2016 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
24 October 2016