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

10 May 2017

Preliminary results for the year ended 28 February 2017

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 results for the year ended 28 February 2017.

FINANCIAL KEY POINTS

- After a challenging year, the overall results are ahead of the revised market expectations
- Revenue of £139.8 million (2015/16: £159.1 million)
- Underlying operating profit of £3.5 million (2015/16: £13.8 million)
- Underlying operating profit excludes:
  - Gain on sale of shares in The Baltic Exchange of £1.7 million
  - One off business restructuring costs of £3.0 million, largely in the Technical division
  - Acquisition related expenditure of £2.5 million
- Underlying basic EPS of 8.7p (2015/16: 34.7p)
- Net cash of £7.1 million at 28 February 2017 (29 February 2016: £9.2 million)
- As indicated the recommended final dividend of 5.0p per share is confirmed, giving a full year dividend of 14.0p (2015/16: 26.0p)

OPERATIONAL KEY POINTS

- Shipbroking division achieved a resilient performance in difficult market conditions, with increased transaction volumes in almost all areas
- As previously announced, the Technical division suffered from an industry wide reduction in activity, especially in oil and gas exploration. A programme of business restructuring, led by a new management team, has already been completed and is expected to yield circa £6.0 million of annualised cost savings starting from 2017/18
- Logistics division grew its Agency business significantly, winning several global contracts. In addition, we are implementing a business improvement programme in its smaller Freight Forwarding arm

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

"As previously announced, Braemar experienced a challenging year and all of our divisional teams worked hard to deliver business performance for the Group. Tough action was taken in the Technical division to restructure our businesses and address the cost base in this economic climate. Despite this we have maintained our core skills and capabilities and, as a result, are well placed for the future."

"The current financial year has started in line with the Board's expectations and we remain confident in our long term strategy to grow the business through both organic and acquisitive business development."

SUMMARY FINANCIAL RESULTS

	Underlying* Results		**Reported Results**	
	2016/17	**2015/16**	**2016/17**	**2015/16**
Revenue	£139.8m	£159.1m	£139.8m	£159.1m
Operating Profit / (Loss)	£3.5m	£13.8m	£(0.3)m	£10.3m
Basic Earnings per Share	8.73p	34.70p	(1.66)p	23.23p
Full Year Dividend per Share	14.0p	26.0p	14.0p	26.0p

* Underlying measures above are before non recurring specific items, including restructuring costs, gain on sale of shares in The Baltic Exchange and acquisition related costs:

	Specific Items	
	2016/17	**2015/16**
Restructuring costs	£(3.0)m	-
Gain on sale of investment	£1.7m	-
Acquisition related expenditure	£(2.5)m	£(2.7)m
Acquisition related restructuring	-	£(0.8)m

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

For further information, contact:

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

Alternative Profit Measures ("APMs")

Braemar uses APMs as key financial indicators to assess the underlying performance of the Group. Management considers the APMs used by the Group to better reflect business performance and provide useful information to investors and other interested parties. Our APMs include underlying operating profit and underlying earnings per shares. Explanations of these terms and their calculation are shown in summary above and in detail in our Financial Review.

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 approximately 850 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

PRELIMINARY ANNOUNCEMENT – YEAR ENDED 28 FEBRUARY 2017

CHAIRMAN'S STATEMENT

Results for the year

Revenue for the year was £139.8 million which compared with £159.1 million in 2016/17. Underlying operating profit from continuing operations was £3.5 million compared with £13.8 million in 2015/16 and underlying earnings per share were 8.7 pence compared with 34.7 pence last year. These results were adversely impacted by market conditions and reflect the challenging year that Braemar has experienced.

The Shipbroking division, the largest part of the Group, traded well throughout the year and, although underlying operating profit was lower than last year, we were pleased with the resilience this division has shown.

The Technical division's performance was negatively impacted by the reduced levels of activity in the oil and gas markets. In response to this, we appointed a new management team which completed a significant restructuring programme to reshape the business and cut costs. This action has created a unified management and operating structure under the "Braemar" brand.

Our Logistics division reported a lower level of profitability due to weakness in the freight forwarding sector. Its agency business continues to show strong growth having won several major contracts. The division made progress on its long-term strategy to grow the existing business in the UK and Singapore and expand its presence in the US and Europe.

Dividend

The Directors are recommending, for approval at the Annual General Meeting on 22 June 2017, a final dividend of 5 pence per share. The Board's intention is to pay a dividend appropriately covered by earnings from underlying operations in both the medium and longer term.

This dividend will be paid on 28 July 2017 to those on the register at close of business on 30 June 2017. Together with the 9 pence interim dividend, the Company's dividend for the year will be 14 pence (2016: 26 pence).

Colleagues

The quality of our people is at the centre of what we do and it is the hard work and loyalty of our staff that enables Braemar to build the long-term strength of our brand and reputation to develop and grow our business. The Board would like to recognise and thank everyone who has worked for the Group during a difficult year to help us shape the business for the future.

Outlook

The Board remains committed to its long-term strategy to develop further a diversified portfolio of broking and advisory businesses within its market sectors, through organic and acquisitive growth. We believe the actions we have taken in the Technical division have reset the business platform to be competitive during a challenging part of the cycle. Overall we are confident that the Group is efficiently structured and well positioned to move forward in the years to come.

David Moorhouse CBE
Chairman
9 May 2017

CHIEF EXECUTIVE'S STATEMENT

Trading performance

Braemar is a diversified group which operates in the shipping, marine, energy, offshore and insurance markets. The Group's lower overall performance for the year was impacted mainly by the difficulties in our Technical division. As a result revenue for the year fell from £159.1 million to £139.8 million and underlying operating profit was reduced from £13.8 million to £3.5 million.

Revenue in our Shipbroking division in 2016/17 was £63.1 million compared with £70.7 million in 2015/16 and underlying operating profit was £7.9 million compared with £9.7 million in 2015/16. This result highlights the weaker overall rates experienced in shipping markets during the year. However, our teams performed well and recorded an increase in transaction volumes on most of our desks. As expected the tanker markets softened during the year which impacted the overall result, although transaction volumes remained strong. The dry bulk shipping market rose during the second half and we were able to benefit from our earlier investment in a new team. Our sale and purchase department performed well, however we saw little change in the offshore market compared with the previous year.

The Technical division felt the effect of the weaker oil and gas market conditions this year with revenue falling to £42.9 million from £54.3 million last year and an underlying operating loss of £2.9 million compared with an underlying operating profit of £5.2 million in 2015/16. The division suffered as significant contract work in the offshore oil and gas markets came to an end and replacement project work was difficult to find. We took action to restructure the division in order to maintain our core skill sets necessary to carry out the full range of services we offer, whilst scaling the business to match current market activity levels and have reduced the headcount in the division by over 25% to 332 at the end of the year. We also worked hard to ensure our services are commonly-branded and marketed under the Braemar name, on a global basis. The actions already taken will realise annualised cost savings of circa £6.0 million which will be evident in 2017/18.

Revenue in the Logistics division reduced slightly from £34.1 million to £33.8 million and underlying operating profit was £1.3 million compared with £1.6 million in 2015/16. Our port agency business performed extremely well in 2016/17 winning a number of important new customers. However, the freight forwarding side of the business was affected by a reduction in market activity. We continue the strategy to develop our international business as well as grow our strong UK presence.

Strategy

We remain focused on our long-term strategy of building our business and the range of services we offer across our worldwide network of offices.

Our Executive Committee continued to review opportunities for expansion through strategic acquisitions when those opportunities fit with our long-term objectives for the Group. Our structured financing arrangement with HSBC provides us with up to £30 million available for future business development, including an accordion facility of £15 million specifically to support acquisitions. We also continue to seek opportunities to develop our Group organically, specifically targeting strategic recruitment of key individuals or teams to expand and strengthen our service offering.

Our ongoing investment in our global infrastructure continued during the year. We largely completed the roll out of our new common accounting system across all divisions and are now focusing on improved business management tools to better facilitate cross business working to improve client service. These platforms will also provide the basis for future integration of acquired businesses.

We remain committed to the development of all our staff so that individuals' careers can grow over time and to enable succession to take place naturally at any level in the Group.

Our services will not, in our view, be materially impacted by the economic volatility arising from geopolitical events such as changes in US government policy, the Brexit process and forthcoming UK General Election. However, there may be second order economic effects that are difficult to foresee at this time.

There is no doubt that the Group experienced a difficult year. We have significantly reduced the cost base and I believe we started 2017/18 in a stronger position due to the actions taken. We are able to service our clients through a skilled and dedicated team that is capable of delivering to the highest standards. Despite challenging markets, we continue to focus on Braemar's long-term strategy to develop a valued global provider of knowledge and skill-based services to the shipping, marine, energy, offshore and insurance markets.

James Kidwell
Chief Executive
9 May 2017

REVIEW OF OPERATIONS

Shipbroking	**2016/17**	2015/16
Revenue	**£63.1 million**	£70.7 million
Underlying operating profit	**£7.9 million**	£9.7 million

The Shipbroking division reported a solid performance in 2016/17 with all market sectors achieving profits. As expected the business faced tough market conditions marked by falling tanker rates and continued low offshore rates, but managed to deliver strong results in the circumstances. Overall divisional revenues and underlying operating profits were lower than 2015/16 though the strength of our broking teams ensured that our transaction volumes increased in virtually all sectors. Our total forward order book at the year-end was $39 million, of which $20 million relates to 2017/18. We continue our growth strategy by investing in strategic hires of individuals and teams. During the year, we hired a team of dry cargo brokers to build our London dry cargo team, which has proved a successful investment.

Deep Sea Tankers

Following a very strong year in 2015/16, the deep sea tanker market weakened in 2016/17 as the growth in tonnage drove freight rates down and the beneficial effects of low oil prices wore off. Our deep-sea tanker department represents the largest contributor to the Shipbroking division and our teams across our offices performed well and recorded an increased volume of transactions compared with the previous year.

High product stocks and lower refinery runs caused product carrier earnings to fall steadily throughout the year. Linked closely to developments in the charter markets, tanker asset values continued the steady decline that started in early 2014 for newbuilding prices and the end of 2015 for second hand values. As the world became accustomed to the lower oil price, its impact on oil demand was less marked. Oil demand grew in 2016, driven by transport and petrochemical demand in China and India but also by consumption growth in Europe and the US. Some of last year’s demand was drawn out of ample local product stocks, or from cheap LPG which is likely to continue displacing naphtha as a feedstock for steam crackers, but product stocks are already returning to longer-term average levels. Crude stocks are volatile, and will ultimately hinge on the effectiveness of OPEC’s efforts to remove crude supply from the market.

Heavy delays to newbuildings under construction mean that tankers scheduled for delivery in 2016 slipped into 2017 and beyond and resulted in lower overall fleet growth in 2016 than expected. In 2017, it is expected that there will be similar slippage and also a slightly higher level of demolition, but that overall capacity will increase. This fleet growth is likely to outweigh growth in seaborne trade volume, but tankers’ trading should be protected to some extent by an average lengthening of voyage distance as Atlantic basin sweet light crudes replace lost heavy/medium sour crude production in the Middle East. In 2017, freight rates will reduce if seaborne imports are replaced from local stocks but will hold up if crude exports from the US, Nigeria or Libya rise to fill a void left by others. Refining margins could suffer if crude prices rise and the resulting drop in run rates could hurt the crude sector. However, both crude and product tanker rates stand to recover once local product stocks are drained.

Specialised Tankers

Our specialised tanker department covers the transportation of LNG, LPG, petrochemical gases, chemicals and smaller parcels of products. There has been a continued expansion to the fleet of LPG and LNG vessels, in particular VLGCs, which has put pressure on freight rates in the spot market and challenged demand for time charters. However, fixture volumes remained steady and the teams overall maintained their level of earnings compared with the previous year.

After a challenging first half of 2016, the LNG shipping market saw spot/short-term charter rates improve modestly. The start-up of several new projects in 2016, in the USA, Australia and Malaysia has driven supply to record levels. Asia continued to be the largest importer of LNG during the year, representing 73% of global LNG demand and Qatar retained its position as the biggest LNG exporter, supplying nearly a third of the world's LNG exports. In 2017 Australia is expected to surpass Qatar to become the biggest LNG exporter and it is expected that global LNG production capacity will increase in 2017 led by Australia and the USA. However, there is uncertainty over the exact timing of first production from Australian projects scheduled for start-up in 2017, partly because new LNG capacity will enter the market at a time of weak global LNG demand growth.

LPG freight markets weakened in 2016, with significant downward pressure felt in the VLGC sector. Despite the fall in earnings the spot market remained active, with seaborne LPG trade expanding during the year with most of the growth in LPG exports coming from production in the USA. Saudi Arabia LPG exports rose in 2016 although export growth from other Middle Eastern producers was flat. The opening of the Panama Canal locks in June 2016 provided a shorter route for VLGCs moving LPG from the US Gulf to the Far East and most VLGC trade from Houston to the Far East has taken advantage of the shorter passage.

The petrochemical gas market was turbulent during the year with a significant increase in the number of newbuilding vessels adversely impacting freight, with larger vessels competing for smaller cargoes. As the shipping surplus became evident owners cancelled new-building orders during the year. There was limited new production in the petrochemical segment. In 2017, there is likely to be a significant number of new vessels delivered into the market with apparently very limited product supply growth.

Offshore

Our offshore desk, which operates out of London, Aberdeen, Singapore and Houston, continued to experience challenging markets as global oil and gas exploration and production activity remained low. The team performed well in these tough market conditions to deliver a profitable result for the year. We don't expect much improvement in the market over the next year and it will take some time for any recovery to take effect once exploration and production expenditure increases. We have ensured that our experienced core team has been maintained in this area in readiness for a cyclical recovery.

Dry Bulk

Freight rates in the dry bulk market, which hit an all-time low during the year, were depressed in the first half of the year caused by over-capacity and weaker commodity demand in the core markets. Capesize time charters hit their lowest point in March 2016 while the main Panamax, Supramax and Handysize time charter indices all dropped to levels that did not cover daily operating costs. However, by the end of 2016, spot rates were hitting their best levels in two years, with time charter rates and vessel values appreciating as the market recovered. During the first half of the year, we carried out a cost control programme to ensure the global department is structured appropriately and invested in key hires to strengthen our Cape team. Despite fewer staff, our teams achieved a similar number of transactions compared to the previous year.

In 2017, growth in dry bulk demand is expected to continue considering widely-expected global economic recovery. In the short-term the Chinese government's strategy for the steel and coal sectors will ultimately determine import demand for the two largest dry bulk trades of iron ore and thermal coal that dominate the Cape and Panamax markets. However, there are also positive developments in grain and agricultural trade which are expected to continue growing.

In 2016 the dry bulk fleet grew as the delivery of new vessels exceeded vessels removed from the market for demolition. In 2017 and beyond the main uncertainty is when newbuild ordering will return to a level that will push future supply growth above what is predicted to be stable demand growth.

Sale and Purchase
The sale and purchase team operates out of London, Singapore, Beijing and Shanghai. In 2016/17 the team concluded a higher volume of second hand and demolition vessel transactions compared with 2015/16. However, the average value of vessels was reduced.

Towards the end of the year an increased interest in the market for older vessels caused the second hand value of bulk carriers to rise substantially. There has also been some renewed interest in newbuilding bulk carriers. As new ballast water treatment regulations come into effect in 2019/20, there is likely to be an increase in the scrapping of older vessels potentially either reducing the overall fleet and/or stimulating newbuilding demand.

Sale and purchase activity in the tanker market has been relatively quiet as tanker freight rates have remained at a level where owners have been able to achieve good earnings from the relatively new fleet.

Technical	**2016/17**	2015/16
Revenue	**£42.9 million**	£54.3 million
Underlying operating (loss) / profit	**£(2.9)million**	£5.2 million

The division reported revenue of £42.9 million in 2016/17 compared with £54.3 million in 2015/16. The underlying operating loss was £2.9m compared with an underlying operating profit of £5.2 million last year. The performance of the division was severely affected by the slowdown in oil and gas exploration and production development activity where a significant proportion of revenue has previously been earned.

In the oil and gas sectors, the upstream sector was hit as the benefits of pre-existing hedging and long term contracts came to an end and producers advised that debt incurred in anticipation of ongoing high commodity prices had become onerous. Drilling activity has also reduced which affected service companies and suppliers across the globe with demand for offshore construction, heavy lift vessels, supply boats and anchor handlers all reducing significantly. This fall in drilling activity caused a significant reduction in offshore energy premiums for insurance services businesses. Finally, although the world shipping fleet continued to grow, there was a general downward trend in claim numbers and claim values with premium levels in the hull and machinery and cargo sectors continuing to decline.

The focus of the Technical division in 2016/17 was to realign all areas of the business to form an appropriate structure for the future with no diminution in service capability. We put in place a new management team in the first half of the year under a newly appointed divisional Managing Director, Grant Smith. Fundamental to the future success of the division was creating a unified business which focuses on customer service through the development and implementation of uniform best practice under a matrix service structure. A new senior management team has been put in place which share responsibility for the service lines we offer and the regions in which we operate. Michael Chan takes responsibility for our offshore energy marine warranty surveying service line and regional responsibility for the Asia Pacific region. Geoff Jones takes global responsibility for both adjusting and marine service lines and heads our Europe, Middle East and Africa ("EMEA") region. Sheila McClain has taken on the responsibility for engineering and naval architecture as well as regional responsibility for the Americas. Finally, Zal Rustom has responsibility for our global response service business.

This new structure has taken affect from the start of 2017/18 and we believe will create greater internal and external clarity of the way in which we operate, as well as enabling more efficient utilisation of fee-earning staff. The division, which will ultimately operate under a single brand name, will continue to develop standardised processes and procedures across all our offices. Our substantial restructuring programme is now complete and we expect the effect of our actions to generate circa £6 million annualised cost savings and generate opportunities for revenue growth through closer cooperation.

The performance of the division in 2016/17 is summarised as follows:

Offshore

Braemar Offshore, our marine warranty surveying and engineering consultancy business located in the Asia Pacific region, was affected considerably by project delays and reduced activity due to the low oil price and reduced exploration and construction activity in the region. We have reduced the cost base across all offices in the region. Our workforce is now scaled appropriately to operate efficiently in current and foreseeable market conditions.

Engineering

Braemar Engineering, our consulting engineering business, successfully concluded its three-year project for the design, site supervision and crew training for six LNG ("liquefied natural gas") carriers in the first half of the year. On completion of this material project and in response to the downturn in LNG sector activity, we took the opportunity to refocus the team in the UK by targeting core skills and re-locating staff to our integrated divisional London office. Our office in Houston continued its involvement in the development of new technology for the containment of LNG which it started in 2015. Our teams in both London and Houston are now focusing on growing our engineering activity and, at the end of the year, started to see an increase in tender enquiries in both the marine and onshore LNG markets.

Adjusting

Braemar Adjusting, our energy loss adjusting business, reported a profitable performance in the year despite challenging market conditions. Our office in the Middle East performed particularly well with a high level of utilisation. We continue to maximise the utilisation of staff across the business by relocating staff to project locations whenever possible.

Marine
Braemar Marine, (formerly the Salvage Association), which specialises in hull and machinery damage surveying and marine consultancy, experienced reduced activity with a lower level of instructions received. The business has also taken action to address its cost base to ensure it is appropriately resourced for the future and towards the end of the year, we saw an increase in utilisation as a result of these actions.

Response
Braemar Response (formerly 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. During the year, the business focused on developing its UK operations, particularly retained services and framework agreements with major customers. We terminated our activities in West and Central Africa at the end of contracted business. Braemar Response reset its cost base to cater for this change in focus while ensuring that its core skill and knowledge will enable it to provide response to larger incidents as required.

Logistics	**2016/17**	2015/16
Revenue	**£33.9 million**	£34.1 million
Underlying operating profit	**£1.3 million**	£1.6 million

Cory Brothers has extensive industry experience and maintains a worldwide reputation for meeting customer's expectations as measured by their key performance indicators. The business performed well in competitive Ship Agency and Freight Forwarding markets. In particular we have developed our international presence, notably in the US and Europe. The business provides a high quality service which is carried out from an efficient office network.

Port Agency
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 year, we have achieved strong business development and an improved financial performance. We have won a number of substantial client accounts and are developing them internationally by delivering consistently high levels of service. As well as maintaining our strong UK business, our key focus remains the expansion of our service in North America and Europe.

Freight Forwarding
The Freight Forwarding business experienced a tough market this year resulting in a lower level of activity. We have performed a detailed review of all aspects of the business and we are implementing a business improvement programme across all service areas which we expect to generate an improved performance in the future.

FINANCIAL REVIEW

Summary Income Statement

	2017 £'000	2016 £'000	2015 £'000
Revenue	**139,842**	159,125	145,601
Cost of sales	**(28,339)**	(33,365)	(37,700)
Operating costs	**(105,287)**	(109,329)	(93,749)
Central costs	**(2,721)**	(2,673)	(2,621)
Underlying operating profit before specific items	**3,495**	13,758	11,531
Restructuring costs	**(3,008)**	-	-
Gain on disposal of investment	**1,664**	-	5,409
Acquisition-related expenditure	**(2,485)**	(2,668)	(3,738)
Acquisition-related restructuring	**-**	(777)	(7,619)
Operating (loss) / profit	**(334)**	10,313	5,583

Divisional highlights

	2017 £'000	2016 £'000	2015 £'000
Shipbroking			
Revenue	**63,132**	70,699	53,589
Underlying operating profit	**7,882**	9,653	5,588
Underlying operating profit margin	**12.5%**	13.7%	10.4%
Employee numbers(i)	**291**	334	327
Technical			
Revenue	**42,860**	54,283	49,646
Underlying operating (loss) / profit	**(2,920)**	5,201	6,289
Underlying operating profit margin	**(6.8)%**	9.6%	12.7%
Employee numbers(i)	**350**	444	410
Logistics			
Revenue	**33,850**	34,143	42,366
Underlying operating profit	**1,254**	1,577	2,275
Underlying operating profit margin	**3.7%**	4.6%	5.4%
Employee numbers(i)	**206**	189	192

(i) Average annual equivalent number of employees. Note that the Technical Division have substantially reduced headcount during the year and employed 332 staff at 28 February 2017. The Shipbroking and Logistics employee numbers at 28 February 2017 were materially in line with the annual average.

Overview

Group revenue has fallen across each of our divisions and primarily reflects the prevailing market conditions that each of them has faced during the year. This has had an impact on the underlying operating profit and margin in each division. The combination of underlying performance and the net impact of the Specific Items (detailed below) has resulted in an operating loss of £0.3 million for the year (2015/16: £10.3 million profit).

Direct and operating costs

Cost of sales comprises freight and haulage costs incurred in the Logistics division and payments to sub-contractors, materials, and other costs directly associated with the revenue to which they relate in other divisions. Costs of sales are lower than the previous year, principally due to the lower levels of sub-contracted activity in the Technical division. In particular, Braemar Engineering completed the project for the design, site supervision and crew training for six LNG carriers in May 2016 which has significantly reduced comparative cost of sales. Operating costs are also lower than the previous year, reflecting the lower average number of staff employed by the Group during the year.

Specific Items

We have separately identified certain items that we do not consider to be part of the ongoing trade of the Group. These significant items are material in both size and nature and we believe may distort understanding of the underlying performance of the business. These include:

Restructuring costs

During the year we incurred £3.0 million of restructuring related costs. £2.8 million of these costs were in the Technical division and relate to the restructure of the division to create a more aligned business with an appropriate cost base for the future. The effect of this restructure is expected to generate annualised cost savings of circa £6.0 million.

Gain on sale of investment

During the year we disposed of our shares in The Baltic Exchange to the Singapore Exchange. We recognised a profit on sale of the shares of £1.7 million including a special dividend of £0.2 million which was linked to the sale.

Acquisition-related expenditure

We incurred £2.5 million (2015/16: £2.7 million) acquisition-related expenditure during the year. When we acquired ACM Shipping Group plc in July 2014, we established a share plan which we put in place to retain key staff. The cost of this share plan is categorised as acquisition-related expenditure and the charge in the year was £1.5 million (2015/16: £1.6 million). The annual charge relating to these awards will reduce as these awards vest, and we will incur approximately £1.1 million in 2017/18. During the year we also incurred a charge of £0.5 million (2015/16: £1.1 million) in relation to the amortisation of intangible assets arising from acquisitions and £0.5 million associated with other acquisition related activity.

There were no acquisition-related restructuring costs during the year. The costs incurred in the prior year related to the completion of the integration of the Shipbroking businesses following the merger of Braemar Seascope and ACM Shipping.

Finance costs

The net finance cost for the year of £0.3 million (2015/16: £0.4 million) reflects the cost of working capital and the facilities structures that we have in place with HSBC.

Capital expenditure
In 2016/17 total capital expenditure was £1.0 million (2015/16: £2.1 million). The most significant item of capital expenditure was the implementation of our new global accounting system which is now largely complete. The level of capital expenditure is lower than the last two years when we invested a significant amount in our offices in London.

Balance sheet
Net assets at 28 February 2017 were £100.2 million (2016: £107.3 million). There have been no significant capital transactions during the year and the main movement in the year has been the revaluation of the defined benefit pension scheme (noted below).

The Group has focused on working capital improvement and cash collections and in particular the level of provision against trade receivables to ensure that the policy is appropriate for the different industries across the Group. At the end of the year trade and other receivables had fallen by £0.9 million to £57.2 million and the value of the provision against trade receivables fell from 13.6% to 12.9%. The effect of the strengthening of the US dollar versus pound sterling has increased the value of our trade receivables by approximately £3 million.

Borrowings and cash
At the balance sheet date, the Group had facilities of £30 million, made up of a revolving credit facility of £15 million and an accordion facility of £15 million provided by HSBC. The Group also has access to global cash management opportunities, notably in our regional hubs of UK and Singapore. At the end of the year the Group had net cash of £7.1 million (2016: £9.2 million) made up of £7.7 million of cash and £0.6 million of net drawings of the revolving credit facilities against our pooled cash.

Retirement benefits
The Group has a defined benefit pension scheme which was closed to new members during 2015/16. The scheme has a net liability of £4.3 million (2016: £1.2 million) which is recorded on the balance sheet at 28 February 2017. The current level of scheme specific funding is an annual cash contribution of £0.45 million and the next triennial funding valuation for the scheme will be carried out as at 31 March 2017.

Foreign exchange
The US dollar exchange rate has moved from US$1.39/£1 at the start of the year to US$1.24/£1 at the end of the year. A significant proportion of the Group's revenue is earned in US dollars. At 28 February 2017, the Group held forward currency contracts to sell US$20.5 million at an average rate of $1.325/£1 and options over a further US$4.5 million at an average rate of $1.298:£1.

Taxation
The Group's effective tax rate in relation to continuing operations in 2016/17 was 19.3% (2016: 23.9%). The rate is lower than the UK standard rate of corporation tax of 20% due to the impact of UK prior year adjustment credits and the real effective tax rate is similar to prior year. In general, the effective rate of tax is usually higher than the UK standard rate of corporation tax as a result of disallowed business expenses, the effect of tax deducted on repatriating cash from overseas and higher overseas corporate tax rates. We expect the Group's effective tax rate to follow the movement in UK standard rate of corporation tax as it falls from 20% to 19% in 2017/18 and then to 18% in 2020/21.

Capital management

The Group manages its capital structure and adjusts it in response to changes in economic conditions and its capital needs. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group has a policy of maintaining positive cash balances whenever possible which can be supported by short-term use of its revolving credit facility. This is drawn down as required to provide cover against the cyclical nature of the shipping industry.

ESOP Trust

During the year the Company requested that SG Kleinwort Hambros Trust Company (CI) Ltd, as trustee of the Company's ESOP Trust, purchase shares in Braemar Shipping Services plc. During the year the trustees purchased 150,000 ordinary shares in the Company.

As announced on 2 March 2017, the Company entered into a trading plan with the trustee for the period 6 March 2017 to 9 May 2017. This plan enables the Trustee to operate with discretion and independence to purchase ordinary shares in the Company for the ESOP. During this period the Trustee has purchased 250,000 shares in the Company. At 9 May 2017 the ESOP holds 786,386 shares.

Dividend

The directors are recommending, for approval at the Annual General Meeting on 22 June 2017, a final dividend of 5 pence. Together with the interim dividend, the Company's dividend for the year will be 14 pence (2016: 26 pence). The Board's future intention is to pay a dividend appropriately covered by earnings from underlying operations. Our target is to achieve dividend cover of 1.5 times in the medium to long term and pay interim and full year dividends in a ratio of 1:2. However we may vary this policy to ensure we have sufficient flexibility in our capital structure to make appropriate financing and investment decisions.

Louise Evans FCA
Group Finance Director
9 May 2017

CONSOLIDATED INCOME STATEMENT
for the year ended 28 February 2017

Continuing operations	28 Feb 2017 Underlying £'000	28 Feb 2017 Specific items £'000	28 Feb 2017 Total £'000	29 Feb 2016 Underlying £'000	29 Feb 2016 Specific items £'000	29 Feb 2016 Total £'000
Revenue	**139,842**	**–**	**139,842**	159,125	–	159,125
Cost of sales	**(28,339)**	**–**	**(28,339)**	(33,365)	–	(33,365)
Gross profit	**111,503**	**–**	**111,503**	125,760	–	125,760
Operating income / (expense):						
Other operating costs	**(108,008)**	**–**	**(108,008)**	(112,002)	–	(112,002)
Restructuring costs	**–**	**(3,008)**	**(3,008)**	–	–	–
Gain on sale of investment	**–**	**1,664**	**1,664**	–	–	–
Acquisition-related expenditure	**–**	**(2,485)**	**(2,485)**	–	(2,668)	(2,668)
Acquisition-related restructuring	**–**	**–**	**–**	–	(777)	(777)
	(108,008)	**(3,829)**	**(111,837)**	(112,002)	(3,445)	(115,447)
Operating profit / (loss)	**3,495**	**(3,829)**	**(334)**	13,758	(3,445)	10,313
Finance income	**61**	**–**	**61**	45	–	45
Finance costs	**(364)**	**–**	**(364)**	(432)	–	(432)
Profit / (loss) before taxation	**3,192**	**(3,829)**	**(637)**	13,371	(3,445)	9,926
Taxation	**(616)**	**764**	**148**	(3,198)	372	(2,826)
Profit / (loss) for the year	**2,576**	**(3,065)**	**(489)**	10,173	(3,073)	7,100
Loss for the year from discontinued operations	**–**	**–**	**–**	–	(290)	(290)
Profit / (loss) for the year attributable to equity shareholders of the parent	**2,576**	**(3,065)**	**(489)**	10,173	(3,363)	6,810
Earnings per ordinary share						
Basic	**8.73p**		**(1.66)p**	34.70p		23.23p
Diluted	**7.90p**		**(1.66)p**	31.53p		21.10p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2017

	28 Feb 2017 £'000	29 Feb 2016 £'000
(Loss)/profit for the year	**(489)**	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	**(2,956)**	(296)
Items that are or may be reclassified to profit or loss:		
Foreign exchange differences on retranslation of foreign operations	**2,172**	2,461
Cash flow hedges – net of tax	**305**	(937)
Total comprehensive (expense) / income for the year attributable to equity shareholders of the parent	**(968)**	8,038

CONSOLIDATED BALANCE SHEET
as at 28 February 2017

	As at 28 Feb 2017 £'000	As at 29 Feb 2016 £'000
Non-current assets		
Goodwill	**77,806**	76,912
Other intangible assets	**2,215**	2,684
Property, plant and equipment	**4,561**	5,104
Investments	**1,356**	1,537
Deferred tax assets	**3,584**	2,177
Other long-term receivables	**385**	355
	89,907	88,769
Current assets		
Trade and other receivables	**57,199**	58,135
Cash and cash equivalents	**7,674**	11,497
	64,873	69,632
Total assets	**154,780**	158,401
Liabilities		
Current liabilities		
Derivative financial instruments	**852**	1,233
Trade and other payables	**45,855**	43,020
Short-term borrowings	**622**	1,800
Current tax payable	**996**	1,640
Provisions	**854**	729
	49,179	48,422
Non-current liabilities		
Long-term borrowings	**-**	500
Deferred tax liabilities	**836**	430
Provisions	**288**	533
Pension deficit	**4,305**	1,211
	5,429	2,674
Total liabilities	**54,608**	51,096
Total assets less total liabilities	**100,172**	107,305
Equity		
Share capital	**3,018**	3,011
Share premium	**52,510**	52,314
Shares to be issued	**(2,962)**	(3,439)
Other reserves	**28,951**	26,474
Retained earnings	**18,655**	28,945
Total equity	**100,172**	107,305

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 28 February 2017

	28 Feb 2017 £'000	29 Feb 2016 £'000
Cash flows from operating activities		
Cash generated from operations	**6,630**	13,459
Interest received	**61**	45
Interest paid	**(364)**	(432)
Tax paid	**(1,656)**	(2,688)
Net cash generated from operating activities	**4,671**	10,384
Cash flows from investing activities		
Purchase of property, plant and equipment and computer software	**(990)**	(2,098)
Proceeds from sale of investments	**1,779**	–
Other long-term assets	**(30)**	(111)
Net cash used in investing activities	**759**	(2,209)
Cash flows from financing activities		
Proceeds from borrowings	**622**	–
Repayment of borrowings	**(2,300)**	(6,800)
Proceeds from issue of ordinary shares, excluding acquisitions	**203**	357
Dividends paid	**(7,858)**	(7,648)
Purchase of own shares	**(650)**	(428)
Net cash used in financing activities	**(9,983)**	(14,519)
(Decrease)/increase in cash and cash equivalents	**(4,553)**	(6,344)
Cash and cash equivalents at beginning of the period	**11,497**	16,289
Foreign exchange differences	**730**	1,552
Cash and cash equivalents at end of the period	**7,674**	11,497

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY
for the year ended 28 February 2017

	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 year	–	–	–	–	6,810	6,810
Actuarial loss on employee benefits schemes – net of tax	–	–	–	–	(296)	(296)
Foreign exchange differences	–	–	–	2,461	–	2,461
Cash flow hedges net of tax	–	–	–	(937)	–	(937)
Total recognised income in the year	–	–	–	1,524	6,514	8,038
Dividends paid	–	–	–	–	(7,648)	(7,648)
Issue of shares	13	344	–	–	–	357
Purchase of own shares	–	–	(428)	–	–	(428)
ESOP shares allocated	–	–	600	–	(600)	–
Credit in respect of share option schemes	–	–	–	–	2,698	2,698
Deferred tax on items taken to equity	–	–	–	–	15	15
At 29 February 2016	3,011	52,314	(3,439)	26,474	28,945	107,305
Loss for the year	–	–	–	–	(489)	(489)
Actuarial loss on employee benefits schemes – net of tax	–	–	–	–	(2,956)	(2,956)
Foreign exchange differences	–	–	–	2,172	–	2,172
Cash flow hedges net of tax	–	–	–	305	–	305
Total recognised income in the year	–	–	–	2,477	(3,445)	(968)
Dividends paid	–	–	–	–	(7,858)	(7,858)
Issue of shares	7	196	–	–	–	203
Purchase of own shares	–	–	(650)	–	–	(650)
ESOP shares allocated	–	–	1,127	–	(1,127)	–
Credit in respect of share option schemes	–	–	–	–	2,793	2,793
Deferred tax on items taken to equity	–	–	–	–	(653)	(653)
At 28 February 2017	**3,018**	**52,510**	**(2,962)**	**28,951**	**18,655**	**100,172**

Note 1 – General Information
The financial information set out above does not constitute the Group's statutory accounts for the years ended 28 February 2017 or 29 February 2016 but is derived from those accounts. Statutory accounts for 2016 have been delivered to the registrar of companies, and those for 2017 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Note 2 – Accounting Policies
Whilst the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted for use in the European Union, this announcement does not itself contain sufficient information to comply with IFRSs. The Group expects to distribute full accounts that comply with IFRSs as adopted for use in the European Union on 1 June 2016.

Note 3 – Segmental Results

2017	Shipbroking £'000	Technical £'000	Logistics £'000	Central £'000	**Total £'000**
Revenue	63,132	42,860	33,850	–	**139,842**
Underlying operating profit	7,882	(2,920)	1,254	(2,721)	**3,495**
Restructuring costs	(64)	(2,852)	(92)	-	**(3,008)**
Gain on sale of investment	1,538	-	126	-	**1,664**
Acquisition-related expenditure	(1,707)	(236)	(33)	(509)	**(2,485)**
Operating profit / (loss)	7,649	(6,008)	1,255	(3,230)	**(334)**
Finance expense – net					**(303)**
Loss before taxation					**(637)**
Taxation					**148**
Profit for the year from continuing operations					**(489)**

2016	Shipbroking £'000	Technical £'000	Logistics £'000	Central £'000	**Total £'000**
Segment revenue	70,699	55,612	34,143	–	**160,454**
Inter-segment revenue	–	(1,329)	–	–	**(1,329)**
Revenue	70,699	54,283	34,143	–	**159,125**
Underlying operating profit	9,653	5,201	1,577	(2,673)	**13,758**
Acquisition-related expenditure	(2,476)	(159)	(33)	–	**(2,668)**
Acquisition-related restructuring	(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 year from continuing operations					**7,100**

Note 4 – Specific Items

The following is a summary of specific items incurred:

	2017 £'000	2016 £'000
Restructuring costs	**(3,008)**	-
Gain on sale of investment	**1,664**	-
Acquisition-related expenditure		
Amortisation charge of intangible assets	**(501)**	(1,080)
Group share retention plan directly attributable to the acquisition of ACM Shipping Group plc	**(1,475)**	(1,588)
Other acquisition related costs	**(509)**	-
	(2,485)	(2,668)
Acquisition-related restructuring		
Acquisition-related restructuring following the acquisition of ACM Shipping Group plc	**-**	(777)

Note 5 – Dividend

The Directors are proposing a final dividend in respect of the financial year ended 28 February 2017 of 5 pence per share, taking the total dividend for the year to 14 pence (2016: 26 pence). This will absorb an estimated £1.5 million (2016: £5.0 million) of shareholders funds.

Note 6 - Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding 657,123 ordinary shares held by the Employee Share Ownership Plans (2016: 760,409 shares) which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive ordinary shares. The Group has one class of potential dilutive ordinary shares being those options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year.

Total operations	**2017 £'000**	2016 £'000
(Loss)/profit for the year attributable to shareholders	**(489)**	6,810

	pence	pence
Basic earnings per share	**(1.66)**	23.23
Effect of dilutive share options	**-**	(2.13)
Diluted earnings per share	**(1.66)**	21.10

Underlying operations	2017 £'000	2016 £'000
Underlying profit for the year attributable to shareholders	**2,576**	10,173

	pence	pence
Basic earnings per share	**8.73**	34.70
Effect of dilutive share options	**(0.83)**	(3.17)
Diluted earnings per share	**7.90**	31.53

	Shares	shares
Weighted average number of ordinary shares	**29,514,736**	29,318,887
Effect of dilutive share options	**3,096,058**	2,947,075
Diluted weighted average number of ordinary shares	**32,610,794**	32,265,962

Note 7 - Reconciliation of operating profit to net cash flow from operating activities

	2017 £'000	2016 £'000
(Loss)/profit before tax for the year from continuing operations	**(637)**	9,926
Loss before tax for the year from discontinued operations	**-**	(290)
Adjustments for:		
– Depreciation of property, plant and equipment	**1,083**	1,540
– Amortisation of computer software	**549**	573
Specific Items		
– Restructuring costs	**3,008**	–
– Gain on disposal of investment	**(1,664)**	–
– Amortisation of other intangible assets	**501**	1,080
– Other specific items	**1,984**	2,365
– Finance income	**(61)**	(45)
– Finance expense	**364**	432
– Share-based payments (excluding restricted share plan)	**1,315**	1,110
– Net foreign exchange gains and financial instruments	**(307)**	(524)
Changes in working capital:		
– Trade and other receivables	**254**	(1,527)
– Trade and other payables	**3,062**	750
Contribution to defined benefit pension scheme	**(450)**	(488)
Expenditure on restructuring	**(2,152)**	(1,632)
Provisions	**(219)**	189
Cash generated from operations	**6,630**	13,459