

**ACM Shipping Group plc**

("ACM" or the "Group")

**Interim Announcement for the half year ended 30 September 2007**

ACM Shipping Group plc, a leading international tanker broker, today announces its interim results for the half year ended 30 September 2007.

**Highlights**

- Revenue in US dollars up 9.7% to US\$13.8m (2006: US\$12.6m)
- Profit before tax £1.7m (2006: £1.2m)
- Interim dividend of 2p per share
- Time charter forward order book at record level
- Strongly cash positive with £3.1m cash in bank
- New office formally opens in India this month
- Acquisition of ACM Shipping Services

Commenting on the results, Johnny Plumbe, Chief Executive of ACM Shipping Group plc, said: "I am delighted with these strong results. They reflect the continued growth and success of the business. We have significantly increased our profit, despite the weakness of the US dollar and our order book for time charter is in a very strong position. We continue to expand the business as we enter new markets and I look forward to the exciting opportunities being created."

**- Ends -**

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## **Chairman and Chief Executive's statement**

### **Results**

The business has continued to grow strongly during the first six months of the current year. Our core revenue from ship broking has increased in US dollar terms by 9.7% to US\$13.8m (2006: US\$12.6m). We have executed a similar number of spot fixtures as in the same period last year and our forward income from time charters is yet again at a record level.

Our joint venture and associated activities have provided an increased contribution. ACM Shipping Services (Sale & Purchase) has delivered strong growth and the contribution from the joint venture with GFI Brokers (freight derivatives) has also increased. Profit before taxation increased to £1.7m (2006: £1.2m) despite the continuing weakness of the US dollar, which had an adverse effect on our sterling equivalent revenues. Earnings per share was 7.1 pence (2006: 4.7 pence).

The business remains very cash generative with £2.5m earned in the half year and our current level of cash is £3.1m.

### **Dividend**

In line with our commitment to a progressive dividend policy we are paying a dividend of 2 pence per share for the first 6 months of the year. This dividend is payable on 25 February 2008 to shareholders on the register as at 25 January 2008.

### **Strategy**

ACM's strategy is to expand into an international diversified and integrated shipping services broker, whilst continuing its position as one of the most profitable firms in the tanker broker business. Our aim is to build the right team of brokers to penetrate regional markets and other shipping sectors. This strategy will allow us to gain market share and grow our business with existing and new clients.

### **Current trading**

Trading to date is in line with the Board's expectations. Our business remains promising and the new areas into which we are moving are progressing well. Our new office in India formally opens later this month. As announced today, ACM's acquisition of ACM Shipping Services creates a powerful force in the sale & purchase market.

Peter Sechiari

Johnny Plumbe

Chairman

Chief Executive

## Unaudited consolidated profit and loss account

		Half year to 30 September 2007	Half year to 30 September 2006	Year to 31 March 2007
	Not e	£'000	(restated) £'000	(restated) £'000
<b>Revenue</b>	2	<b>6,896</b>	6,799	13,502
Administrative expenses		<b>(6,118)</b>	(5,824)	(11,521)
<b>Operating profit</b>		<b>778</b>	975	1,981
Share of operating profits in joint ventures and associates	3	<b>802</b>	171	1,480
		<b>1,580</b>	1,146	3,461
Net interest receivable		<b>102</b>	25	215
<b>Profit on ordinary activities before taxation</b>		<b>1,682</b>	1,171	3,676
Taxation on profit on ordinary activities	4	<b>588</b>	448	1,432
<b>Profit for the period</b>		<b>1,094</b>	723	2,244

All of the activities of the ACM Shipping Group are classed as continuing.

### Earnings per share

Basic and fully diluted	6	7.1p	4.7p	14.9p
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## Unaudited Group statement of recognised income and expense

	Half year to 30 September 2007 £'000	Half year to 30 September 2006 (restated) £'000	Year to 31 March 2007 (restated) £'000
Profit for the period	1,094	723	2,244
Actuarial gain in respect of defined benefit pension scheme	365	-	297
Deferred tax in respect of defined benefit pension scheme	(110)	-	(89)
Exchange differences on translation of foreign operations	31	-	17
Currency reserve	35	10	5
Deferred tax in respect of currency reserve	(10)	-	-
Total recognised income and expense	<u>1,405</u>	<u>733</u>	<u>2,274</u>

## Unaudited Group balance sheet

	<b>30 September 2007</b>	30 September 2006 (restated)	31 March 2007 (restated)
	<b>£'000</b>	£'000	£'000
<b>Non-current assets</b>			
Property and equipment	423	484	445
Investments	1,975	597	1,981
Deferred tax asset	331	592	457
	<b>2,729</b>	1,673	2,883
<b>Current assets</b>			
Debtors	3,046	2,758	2,807
Cash and cash equivalents	3,098	2,255	566
	<b>6,144</b>	5,013	3,373
<b>TOTAL ASSETS</b>	<b>8,873</b>	6,686	6,256
<b>Current liabilities</b>			
Trade creditors and other payables	(4,352)	(3,690)	(2,669)
Current tax payable	(509)	(767)	(571)
Dividends payable	(306)	-	-
	<b>(5,167)</b>	(4,457)	(3,240)
<b>Non-current liabilities</b>			
Deferred tax liabilities	(44)	(40)	(34)
Pension liability	(1,103)	(1,973)	(1,522)
	<b>(1,147)</b>	(2,013)	(1,556)
<b>TOTAL LIABILITIES</b>	<b>(6,314)</b>	(6,470)	(4,796)
<b>NET ASSETS</b>	<b>2,559</b>	216	1,460
<b>Capital and reserves</b>			
Share capital	153	15	153
Merger reserve	(135)	-	(135)
Retained earnings	2,516	196	1,442
Currency reserve	25	5	-
<b>TOTAL EQUITY</b>	<b>2,559</b>	216	1,460

## Unaudited Group statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Currency reserve £'000	Total £'000
Balance at 1 April 2006 (as restated)	15	-	-	(527)	(5)	(517)
Profit for the period	-	-	-	723	-	723
Currency reserve	-	-	-	-	10	10
<b>Balance at 30 September 2006 (as restated)</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>196</b>	<b>5</b>	<b>216</b>
Profit for the period	-	-	-	1,521	-	1,521
Dividends to equity shareholders	-	-	-	(500)	-	(500)
Share issue costs	-	(513)	-	-	-	(513)
Actuarial gain in respect of defined benefit pension scheme	-	-	-	297	-	297
Deferred tax in respect of defined benefit pension scheme	-	-	-	(89)	-	(89)
Currency translation differences	-	-	-	17	-	17
Creation of merger reserve	135	-	(135)	-	-	-
Currency reserve	-	-	-	-	(5)	(5)
Issue of shares	3	513	-	-	-	516
<b>Balance at 31 March 2007 (as restated)</b>	<b>153</b>	<b>-</b>	<b>(135)</b>	<b>1,442</b>	<b>-</b>	<b>1,460</b>
Profit for the period	-	-	-	1,094	-	1,094
Dividends to equity shareholders	-	-	-	(306)	-	(306)
Actuarial gain in respect of defined benefit pension scheme	-	-	-	365	-	365
Deferred tax in respect of defined benefit pension scheme	-	-	-	(110)	-	(110)
Currency translation differences	-	-	-	31	-	31
Currency reserve	-	-	-	-	35	35
Deferred tax in respect of currency reserve	-	-	-	-	(10)	(10)
<b>Balance at 30 September 2007</b>	<b>153</b>	<b>-</b>	<b>(135)</b>	<b>2,516</b>	<b>25</b>	<b>2,559</b>

## Unaudited Group cash flow statement

	Half year to 30 September	Half year to 30 September	Year to 31 March
	2007	2006	2007
	£'000	(restated) £'000	(restated) £'000
<b>Profit before taxation</b>	<b>1,682</b>	1,171	3,676
Depreciation	78	71	143
Interest receivable	(102)	(25)	(215)
Shares of operating profits in joint ventures and associates	(802)	(171)	(1,480)
<b>Operating cashflow before changes in working capital and provisions</b>	<b>856</b>	1,046	2,124
(Increase) in debtors	(238)	(77)	(376)
Increase/(decrease) in creditors	1,771	(449)	(1,400)
Provision for pension scheme costs	87	-	188
Pension scheme contributions paid	(93)	-	(253)
<b>Cash generated from operating activities</b>	<b>2383</b>	520	283
Taxation paid	(538)	-	(1,007)
<b>Net cash from operating activities</b>	<b>1,845</b>	520	(724)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	(56)	(31)	(64)
Investment		-	(1,006)
Dividends received from associates	240	350	502
Amounts received from joint ventures	461	38	919
Interest received	42	52	110
<b>Net cash used in investing activities</b>	<b>687</b>	409	461
<b>Cash flows from financing activities</b>			
Dividends paid	-	-	(500)
Issue of new shares, less share issue costs	-	-	3
<b>Net cash used in financing activities</b>	<b>-</b>	-	(497)
<b>Net decrease in cash and cash equivalents</b>	<b>2,532</b>	929	(760)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>566</b>	1,326	1,326
<b>Cash and cash equivalents at the end of the period</b>	<b>3,098</b>	2,255	566

## 1. Accounting policies

The consolidated condensed interim financial statements are for the six months ended 30 September 2007. They have been prepared under the historical cost convention and in accordance with current International Financial Reporting Standards (IFRSs), and are covered by IFRS 1, "First-time Adoption of International Financial Reporting Standards", because they are part of the period covered by the Group's first IFRS financial statements for the year ended 31 March 2008. The interim financial statements are unaudited. These interim statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The policies set out below have been consistently applied to all the periods presented. The Group has made use of the exemption available under IFRS 1 where cumulative translation differences for all foreign operations are deemed to be zero at the date of transition. Additionally, as permitted by IFRS 1, the Group has adopted IAS 31 "Financial instruments: disclosure and presentation" and IAS 39 "Financial instruments: recognition and measurement", prospectively from 1 April 2006

The Group's consolidated financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) until 31 March 2007. UK GAAP differs in some areas from IFRS. In preparing the 2007 consolidated interim financial statements, management has amended certain accounting and valuation methods applied in the UK GAAP financial statements to comply with IFRS. The comparative figures in respect of prior periods were restated to reflect these adjustments as disclosed in the reconciliations and descriptions of the effect of the transition from UK GAAP to IFRS on the Group's equity and its net income and cash flows are shown in Note 7.

The interim financial information has been prepared on the basis of the recognition and measurement requirements of IFRS in issue that either are endorsed by the EU and effective (or available for early adoption) at 31 March 2008 or are expected to be endorsed and effective (or available for early adoption) at 31 March 2008, the Group's first annual reporting date at which it is required to use adopted IFRSs. In addition, the adopted IFRS that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 March 2008 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 March 2008.

The comparative figures for the year ended 31 March 2007, prior to the adjustments required on transition to IFRS as described below and in Note 7, have been extracted from the Group's financial statements, a copy of which has been delivered to the Registrar of Companies. The auditors' report on those statements was unqualified and did not include a statement under Section 237(2) or (3) of the Companies Act 1985. The interim financial information does not constitute statutory accounts as defined under Section 240 of the Companies Act 1985.

The adoption of the above IFRS did not result in substantial changes to the Group's accounting policies under UK GAAP and as set out in the Group's financial statements for the year ended 31 March 2007. In summary:

- IAS 1 "Presentation of Financial Statements" and IAS 7 "Cash Flow Statements" have affected the overall presentation and certain disclosures.
  - IFRS "Operating Segments" has no material effect on the Group's policy. The Group continues to operate in only one business segment being that of tanker broking and this has been identified as the Group's primary segment. Geography is the Group's secondary segment.
  - IAS 21 "The Effects of Changes in Foreign Exchange Rates" has meant that foreign exchange gains and losses following the sale of revenue income into Sterling is now treated within administrative expenses rather than within revenue.
  - IAS 19 "Retirement Benefits" has meant that the Group no longer offsets the deferred tax asset arising from the pension deficit against the deficit but shows this asset separately within non-current assets.
- IFRS 3 "Business combinations" has no material impact as the merger in 2006 falls outside the

scope of this standard.

- IAS 32 and 39 "Financial Instruments" has meant the Group now recognises the fair value of forward foreign exchange deals. The Group uses these deals to hedge its risk and the movement in these assets are taken to reserves.

The remaining standards are either not applicable to the business or have no material effect on the Group's policies.

All other principal accounting policies of the Group are consistent with those set out in the Annual Report and Accounts for 2007.

ACM Shipping Group plc was formed on 7 November 2006. The first statutory accounts for ACM Shipping Group plc reflected the results for the year to 31 March 2007.

The consolidated financial statements include the accounts of ACM Shipping Limited and its subsidiary and associated undertakings and joint venture arrangements.

## 2. Segmental analysis

The Group has taken early adoption of IFRS8 "Operating Segments". The Group operates in one business sector and does not report internally any segmental information other than revenue streams. As a result no additional business sector information is provided. Business is the Group's primary business segment. Geographical information is not produced and is not readily available. In view of management the cost of developing this information would be excessive.

Analysis of Group's revenue;

	<b>Half year to 30 September 2007 £'000</b>	Half year to 30 September 2006 £'000	Year to 31 March 2007 £'000
Spot brokerage	<b>4,128</b>	4,466	8,357
Time charter	<b>2,316</b>	1,771	3,825
Demurrage	<b>268</b>	288	571
Sale and purchase	<b>184</b>	274	749
	<b>6,896</b>	6,799	13,502

## 3. Share of operating profits of joint ventures and associates

The Group's share of operating profits of joint ventures and associates was:

	<b>Half year to 30 September 2007 £'000</b>	Half year to 30 September 2006 £'000	Year to 31 March 2007 £'000
Joint ventures	<b>444</b>	38	919
Associates	<b>358</b>	133	561
	<b>802</b>	171	1,480

#### **4. Taxation on profit on ordinary activities**

The tax charge for the half year to 30 September 2007 has been provided at the estimated rate applicable for the year.

#### **5. Earnings per share**

Earnings per share is calculated by dividing the profit attributable to equity shareholders in the period ended by the weighted average number of shares in issue during each relevant period, adjusting for the effect of the share exchange. There were no dilutive ordinary shares.

The profit attributable to equity shareholders was £1,094,000 (2006 half year: £723,000 and 2006 full year £2,244,000). The weighted average number of shares in issue was 15,318,511 (2006 half year: 15,000,000 and 2006 full year: 15,100,353).

#### **6. Dividends**

The interim dividend for the half year ended 30 September 2007 is 2p per share payable on 25 February 2008 to shareholders on the register on 25 January 2008. A final dividend of 2p per share in respect of the period from 6 December 2006 (ACM's IPO date) to 31 March 2007 at a total value of £306,000 was paid on 9 October 2007. The directors of ACM Shipping Limited approved the payment of a dividend to holders of shares in ACM Shipping Limited in respect of the six months ended 30 September 2006 prior to Admission to AIM at a cost of £500,000.

**7. Adoption of IAS**  
**(i) Restatement of Balance Sheets**

	At 31 March 2006 (date of transition)			At 30 September 2006 (comparable interim period)			At 31 March 2007 (end of previous year)			
note	Under UK GAAP £'000	Effect of transition £'000	Under IAS £'000	Under UK GAAP £'000	Effect of transition £'000	Under IAS £'000	Under UK GAAP £'000	Effect of transition £'000	Under IAS £'000	
<b>Non-current assets</b>										
Property and equipment	524		524	484		484	445		445	
Investments	a	420	573	993	181	416	597	1,320	661	1,981
Deferred tax asset	b	-	592	592		592	-	457	457	
		944	2,109	665		1,673	1,765		2,883	
<b>Current assets</b>										
Debtors	a,c	3,092	(578)	2,514	3,169	(411)	2,758	3,468	(661)	2,807
Cash and cash equivalents		1,326		1,326	2,255		2,255	566		566
		4,418		3,840	5,424		5,013	4,034		3,573
<b>TOTAL ASSETS</b>		<b>5,362</b>		<b>5,949</b>	<b>6,089</b>		<b>6,686</b>	<b>5,799</b>		<b>6,256</b>
<b>Current liabilities</b>										
Trade creditors and other payables		(4,098)		(4,098)	(3,690)		(3,690)	(2,669)		(2,669)
Current tax payable		(355)		(355)	(767)		(767)	(571)		(571)
Dividends payable		-		-	-		-	-		-
		(4,453)		(4,453)	(4,457)		(4,457)	(3,240)		(3,240)
<b>Non-current liabilities</b>										
Deferred tax liabilities		(40)		(40)	(40)		(40)	(34)		(34)
Pension liability	b	(1,381)	(592)	(1,973)	(1,381)	(592)	(1,973)	(1,065)	(457)	(1,522)
		(1,421)		(2,013)	(1,421)		(2,013)	(1,099)		(1,556)
<b>TOTAL LIABILITIES</b>		<b>(5,874)</b>		<b>(6,466)</b>	<b>(5,878)</b>		<b>(6,470)</b>	<b>(4,339)</b>		<b>(4,796)</b>
<b>NET ASSETS</b>		<b>(512)</b>		<b>(517)</b>	<b>211</b>		<b>216</b>	<b>1,460</b>		<b>1,460</b>
<b>Capital and reserves</b>										
Share capital		15		15	15		15	153	-	153
Merger reserve		-		-	-		-	(135)	-	(135)
Retained earnings		(527)		(527)	196		196	1,442	-	1,442
Currency reserve	c	-	(5)	(5)	-	5	5	-	-	-
<b>TOTAL EQUITY</b>		<b>(512)</b>		<b>(517)</b>	<b>211</b>		<b>216</b>	<b>1,460</b>		<b>1,460</b>

Explanation of transitional adjustments

- a The Group has investments in joint ventures which under UK GAAP were classified as joint arrangements not an entity. Balances owing were included within debtors. In accordance with IFRS the balance has been reclassified as an investment.
- b The pension scheme deficit creates a deferred tax asset. This is included as a non-current asset under IFRS whereas previously it was deducted from pension scheme liability.
- c The Group takes out forward foreign exchange deals to hedge against fluctuations in exchange rates. The fair value of those deals is recognised in the balance sheet and where those contracts satisfy the requirements for hedge accounting any gains or losses are recognised through a currency reserve.
- d The currency reserve creates a deferred tax asset or liability which is included as a non-current asset or non-current liability as appropriate.

**(ii) Restatement of consolidated profit and loss account**

	Half year to 30 September 2006 £'000	Year to 31 March 2007 £'000
Revenue:		
Under UK GAAP	6,625	13,180
Effect of transition (e)	174	322
Under IAS	<u>6,799</u>	<u>13,502</u>

- e Foreign exchange gains and losses following the sale of revenue income from US dollars into Sterling are now treated within administrative expenses rather than within revenue. Administrative expenses have changed by a similar amount to revenue.

There is no change to the operating profit for the Group under IAS.

**8. Nature of financial information**

The Interim Announcement set out above does not represent statutory accounts for ACM Shipping Group plc or for any of the entities comprising the ACM Shipping Group.

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