



Press Release

3 December 2008

ACM Shipping Group plc

(“ACM” or “the Group”)

Interim Results

ACM Shipping Group plc (AIM:ACMG), a leading international tanker broker, today announces its interim results for the half year ended 30 September 2008.

Highlights

- Revenue in US dollars up 76% to US\$24.4 million (H1 2007: US\$13.8 million)
- Profit before amortisation and tax £3.4 million (H1 2007: £1.7 million)
- Interim dividend increased by 25% to 2.5 pence per share (H1 2007: 2.0 pence per share)
- Adjusted diluted earnings per share increased 93% to 13.7 pence (H1 2007: 7.1 pence)
- Forward order book at record level of US\$43.5 million
- Strong cash position with £1.7 million at half year and no debt
- Acquisition of Harris & Dixon Shipbrokers

Commenting on the results, Johnny Plumbe, Chief Executive of ACM Shipping Group plc, said: “I am delighted with the results for the first half of the year. In line with our strategy all areas of the Group have grown organically. In addition the complementary acquisition of Harris & Dixon has outperformed management expectations in the first half. Prospects for the Group in the second half are strong, recent trading has been encouraging and the Group has a good forward book in time charter and sale and purchase in the second half.

“We are in the fortunate position of not having exposure to the dry bulk cargo market at this time. The fundamentals of the world’s oil consumption are somewhat different to the dry bulk market. The current strength of the dollar will boost the sterling equivalent income and the Board has confidence for the full year.”

- Ends -

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Chairman and Chief Executive's statement

Results

The first six months of the current year delivered an excellent profit before amortisation and tax which more than doubled to £3.4 million on the previous year's £1.7 million. The Group's revenue has increased in US dollar terms by 76 per cent. to US\$24.4 million (2007: US\$13.8 million).

ACM has grown strongly on the back of both organic growth and through acquisition. On a like for like basis the number of spot fixtures rose by 22 per cent. over the previous year and time charter business was up by 32 per cent.. Income was also boosted by strong average freight rates during the period. ACM's forward book continued to expand and is yet again at a record level of US\$43.5 million including time charter of US\$ 29.8 million and sale and purchase of US\$13.7 million.

The sale and purchase activity of the Group now includes ACM Shipping Services Limited ("ACMSS") which was acquired in December 2007. Although it was a difficult market during this period due to a decline in the number of vessels changing ownership, revenue was up and more sale and purchase deals have been contracted which complete in the second half of this year.

The Group acquired the specialist small oil tanker broker, Harris & Dixon Shipbrokers ("Harris & Dixon") in June 2008. Harris & Dixon further diversifies our service offering. The business has outperformed management's expectations since acquisition and has integrated well with ACM's other teams.

The Group's new India office, which opened in December 2007, had a very encouraging start in the first six months. The team of brokers is now well established and has concluded a term contract of affreightment with the main state owned oil company, Indian Oil Company. ACM is confident of continued successes of this office.

After a slower start than expected, our Singapore office is performing well on the clean petroleum products tanker market and is now well established to grow further in the region.

ACM's 50 per cent. joint venture with GFI Group, Inc. returned a profit increase of 45 per cent. in the first half of the year and they are benefiting from more active markets. The tanker freight futures market is being used by many oil companies, oil traders and independent tanker

owners and has a very solid structure to it. We are sure this market will continue to prove positive to ACM'S earning.

Although the US dollar strengthened against the pound towards the end of the period it did not have a significant impact on the first six months of the year with an average exchange rate of US\$1.93 compared to US\$2.00 to sterling last year. It is pleasing to report that adjusted diluted earnings per share at 13.7 pence rose 93 per cent. on the previous period's 7.1 pence.

The Group remains cash generative and ended the period with a strong cash position of £1.7 million and no debt. This was despite paying £2.5 million for Harris & Dixon and £3.0 million deferred consideration for ACMSS. There is some distortion in the cash position as the majority of bonuses are paid in the second half of the year.

Dividend

In line with these excellent results, the Group is paying a dividend of 2.5 pence per share for the first six months of the year. This is a 25 per cent. increase over the previous period and is covered 5.6 times on first half adjusted earnings. This dividend is payable on 27 February 2009 to shareholders on the register as at 23 January 2009.

The Market

ACM is focussed on the wet tanker market. Recently the wet charter rates have experienced a decline mainly due to sentiment. However the global demand for oil remains strong and trading remains resilient. The world consumption of oil is approximately 86 million barrels a day and the International Energy Agency estimate growth of 300,000 barrels a day for 2009. The geographical demand for oil is shifting away from the USA and there has been a significant increase in consumption of imported oil from Far Eastern economies. ACM is in a good position to maximise on this ongoing opportunity. The oil price has little effect on tanker freight rates; however sustained lower oil prices will drive global consumption and therefore the volume of oil shipped.

The Group has no exposure to the dry bulk market except some transactions carried out by the sale and purchase team.

Strategy

In line with its strategy to become an international diversified and integrated shipping services broker, the Group continues to expand its services and global reach, whilst continuing its position as one of the most profitable firms in the wet tanker broker business. ACM's broking

teams around the world have taken on senior brokers during the period who are making a significant contribution to the Group's ability to generate future business.

Current trading and Outlook

Prospects for the second half are strong. Recent trading has been encouraging and the Group has good fixtures in time charter and sale and purchase booked for the second half. Recently tanker charter rates have declined; however there is still a strong global demand for oil and the wet market is standing very firm compared to the dry bulk shipping market. The Group is constantly looking for services that will broaden its current offering and it is ACM's intention to diversify both organically and through complementary acquisitions.

Given the market, the value of the forward order book and the current strength of the dollar, which will boost the sterling equivalent income, the Group looks forward to the year ahead with confidence.

Peter Sechiari

Chairman

3 December 2008

Johnny Plumbe

Chief Executive

3 December 2008

Unaudited consolidated income statement

		Half year to 30 September 2008	Half year to 30 September 2007	Year to 31 March 2008
	Note	£000	£000	£000
Revenue	2	12,663	6,896	19,638
Administrative expenses		(9,865)	(6,118)	(15,709)
Amortisation of intangible assets		(289)	-	(664)
		2,509	778	3,265
Share of operating profits in joint ventures and associates	3	643	802	1,308
Operating profit		3,152	1,580	4,573
Net interest (payable)/receivable		(24)	102	242
Profit before taxation		3,128	1,682	4,815
Taxation on profit on ordinary activities	4	907	588	1,744
Profit for the period		2,221	1,094	3,071

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

Earnings per share

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Basic		12.8p	7.1p	19.3p
Fully diluted		12.6p	7.1p	19.2p

Unaudited Group statement of recognised income and expense

	Half year to 30 September 2008 £000	Half year to 30 September 2007 £000	Year to 31 March 2008 £000
Profit for the period	2,221	1,094	3,071
Actuarial (loss)/gain in respect of defined benefit pension scheme	(1,073)	365	323
Deferred tax in respect of defined benefit pension scheme	300	(110)	(118)
Exchange differences on translation of foreign operations	(54)	31	21
Currency reserve	(316)	35	1
Deferred tax in respect of currency reserve	88	(10)	-
Total recognised income and expense	<u>1,166</u>	<u>1,405</u>	<u>3,298</u>

Unaudited Group balance sheet

	30 September 2008	30 September 2007	31 March 2008
	£000	£000	£000
Non-current assets			
Property, plant and equipment	553	423	484
Intangible assets	10,951	-	8,702
Investments	1,734	1,975	1,509
Deferred tax asset	672	331	293
	<u>13,910</u>	<u>2,729</u>	<u>10,988</u>
Current assets			
Trade and other receivables	5,531	3,046	3,979
Cash and cash equivalents	1,665	3,098	3,565
	<u>7,196</u>	<u>6,144</u>	<u>7,544</u>
TOTAL ASSETS	<u>21,106</u>	<u>8,873</u>	<u>18,532</u>
Current liabilities			
Trade and other payables	(8,526)	(4,352)	(8,097)
Current tax payable	(1,049)	(509)	(1,131)
Dividends payable	(698)	(306)	-
	<u>(10,273)</u>	<u>(5,167)</u>	<u>(9,228)</u>
Non-current liabilities			
Deferred tax liabilities	(369)	(44)	(394)
Pension liability	(2,084)	(1,103)	(1,045)
	<u>(2,453)</u>	<u>(1,147)</u>	<u>(1,439)</u>
TOTAL LIABILITIES	<u>(12,726)</u>	<u>(6,314)</u>	<u>(10,667)</u>
NET ASSETS	<u>8,380</u>	<u>2,559</u>	<u>7,865</u>
Capital and reserves			
Share capital	175	153	173
Share premium account	3,730	-	3,730
Merger reserve	(135)	(135)	(135)
Retained earnings	4,783	2,516	4,087
Other reserves	(173)	25	10
TOTAL EQUITY	<u>8,380</u>	<u>2,559</u>	<u>7,865</u>

Unaudited Group statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Other reserves £000	Total £000
Balance at 1 April 2007	153	-	(135)	1,442	-	1,460
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)
Balance at 30 September 2007	153	-	(135)	2,516	25	2,559
Profit for the period	-	-	-	1,977	-	1,977
Dividends to equity shareholders	-	-	-	(346)	-	(346)
Actuarial gain in respect of defined benefit pension scheme	-	-	-	(42)	-	(42)
Deferred tax in respect of defined benefit pension scheme	-	-	-	(8)	-	(8)
Currency translation differences	-	-	-	(10)	-	(10)
Currency reserve	-	-	-	-	(34)	(34)
Deferred tax in respect of currency reserve	-	-	-	-	10	10
Issue of shares	20	3,730	-	-	-	3,750
Fair value of share based payments	-	-	-	-	9	9
Balance at 31 March 2008	173	3,730	(135)	4,087	10	7,865
Profit for the period	-	-	-	2,221	-	2,221
Dividends to equity shareholders	-	-	-	(698)	-	(698)
Actuarial gain in respect of defined benefit pension scheme	-	-	-	(1,073)	-	(1,073)
Deferred tax in respect of defined benefit pension scheme	-	-	-	300	-	300
Currency translation differences	-	-	-	(54)	-	(54)
Currency reserve	-	-	-	-	(316)	(316)
Deferred tax in respect of currency reserve	-	-	-	-	88	88
Issue of shares	2	-	-	-	-	2
Fair value of share based payments	-	-	-	-	45	45
Balance at 30 September 2008	175	3,730	(135)	4,783	(173)	8,380

Unaudited Group cash flow statement

	Half year to 30 September	Half year to 30 September	Year to 31 March
	2008	2007	2008
	£000	£000	£000
Profit before taxation	3,128	1,682	4,815
Depreciation	104	78	166
Interest receivable	24	(102)	(242)
Shares of operating profits in joint ventures and associates	(643)	(802)	(1,308)
Amortisation of intangibles	289	-	664
Share-based payments	45	-	9
Operating cash flow before changes in working capital and provisions	2,947	856	4,104
(Increase) in debtors	(1,552)	(238)	(394)
Increase/(decrease) in creditors	3,069	1,771	1,019
Provision for pension scheme costs	178	87	167
Pension scheme contributions paid	(206)	(93)	(221)
Cash generated from operating activities	4,436	2,383	4,675
Taxation paid	(1,005)	(538)	(2,063)
Net cash from operating activities	3,431	1,845	2,612
Cash flows from investing activities			
Purchase of property and equipment	(173)	(56)	(195)
Acquisitions, net of cash acquired	(5,555)	-	(232)
Dividends received from associates	-	240	240
Amounts received from joint ventures	425	461	1,101
Interest (paid)/received	(30)	42	125
Net cash used in investing activities	(5,333)	687	1,039
Cash flow from financing activities			
Dividends paid	-	-	(652)
Issue of new shares	2	-	-
Net cash from financing activities	2	-	(652)
Net decrease/(increase) in cash and cash equivalents	(1,900)	2,532	2,999
Cash and cash equivalents at the beginning of the period	3,565	566	566
Cash and cash equivalents at the end of the period	1,665	3,098	3,565

1. Accounting policies

These statements have been prepared in accordance the Companies Act and those EU endorsed IFRS standards and IFRIC interpretations issued and effective as at the time of preparing these statements.

All principal accounting policies of the Group are consistent with those set out in the Annual Report and Accounts for 2008 and have been consistently applied to all periods presented.

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:

	Half year to 30 September 2008 £000	Half year to 30 September 2007 £000	Year to 31 March 2008 £000
Spot brokerage	7,591	4,128	9,139
Time charter	3,499	2,316	5,212
Demurrage	435	268	565
Sale and purchase	1,138	184	4,722
	<hr/> 12,663 <hr/>	<hr/> 6,896 <hr/>	19,638

3. Share of operating profits of joint ventures and associates

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

	Half year to 30 September 2008 £000	Half year to 30 September 2007 £000	Year to 31 March 2008 £000
Joint ventures	643	444	865
Associates	-	358	443
	<hr/> 643 <hr/>	<hr/> 802 <hr/>	1,308

4. Taxation on profit on ordinary activities

The tax charge for the half year to 30 September 2008 has been provided at the estimated rate of 29% applicable for the year. The rate is lower than that in previous periods due to the use of overseas losses in the current period whereas previous periods suffered from unutilised losses.

5. Earnings per share

Earnings per share (EPS) 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.

	Half year to 30 September 2008 £000	Half year to 30 September 2007 £000	Year to 31 March 2008 £000
Earnings			
Earnings for the year	2,221	1,094	3,071
Adjust for amortisation of intangibles	289	-	664
Adjust for taxation impact of amortisation of intangibles	(81)	-	(186)
Earnings for adjusted EPS	<u>2,429</u>	1,094	<u>3,549</u>
Number of shares	Number	Number	Number
Weighted average number of shares	17,349,756	15,318,511	15,940,665
Dilution effect of share plans	330,577	-	65,665
Diluted weighted average number of shares	<u>17,680,233</u>	15,318,511	<u>16,006,330</u>
Earnings per share (pence)			
Basic	12.8	7.1	19.3
Diluted	12.6	7.1	19.2
Adjusted	14.0	7.1	22.3
Adjusted diluted	<u>13.7</u>	7.1	<u>22.2</u>

6. Dividends

The interim dividend for the half year ended 30 September 2008 is 2.5 pence per share payable on 27 February 2009 to shareholders on the register on 23 January 2009. An interim dividend of 2 pence was paid in the previous year which together with a final dividend of 4 pence resulted in a total dividend of 6 pence in respect of the year to 31 March 2008.

7. Share capital

The increase in share capital is due to 180,000 ordinary shares of 1p each being issued under the Group's Long Term Investment Plan to an existing employee of the Group.

8. Business combinations

On 23 June 2008 the Group acquired the ship broking business of Harris & Dixon Shipbrokers Limited ("Harris & Dixon") for a total cash consideration of £2.5 million plus expenses of £38,000.

The provisional fair value of the assets acquired was:

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Intangible assets	-	1,005	1,005
Goodwill			<u>1,533</u>
			<u>2,538</u>

Consideration:	
Cash	2,500
Directly attributable costs	38
	<u>2,538</u>

In the period Harris & Dixon contributed £80,000 to the net profit of the Group after amortisation of intangible assets.

Included in the £1,533,000 of goodwill recognised above are certain intangible assets that cannot be individually separated and reliably measured due to their nature. These items include an assembled workforce and the detailed knowledge and expertise of the specialist markets.

£1,005,000 of intangible assets were separated from goodwill as part of this business combination and relate to the forward order book and customer relationships. The fair values of these intangible assets were calculated by an independent valuer using the net present value of future cashflows.

9. 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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