

**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 2009.

**Highlights**

- Revenue declined by 1% to £12.5 million (2008: £12.7 million)
- Revenue in US\$ declined by 19% to US\$19.8 million (2008:US\$24.4 million)
- Profit before amortisation and tax of £3.3 million (2008: £3.4 million)
- Interim dividend increased by 10% to 2.75p per share (2008: 2.5 p per share)
- Adjusted earnings per share 13.1p (H1 2008: 14.0p)
- Forward order book US\$31.0million: Time charter US\$23.6 million plus S&P US\$7.4 million
- Strong cash position of £6.4 million at half year and no debt (£4.9 million as at 31 March 2009)
- New international offices opened during the period in Moscow and Beijing to add to the existing offices in London, Singapore, Mumbai and Shanghai.

Commenting on the results, Johnny Plumbe, Chief Executive of ACM Shipping Group plc, said: "ACM continues to be one of the most profitable firms in the wet tanker broking business. The Group has had a good start to the year, despite freight levels falling from the exceptional high levels in the previous period. Although revenue from the spot desk was down due to the lower freight rates, we have continued to gain market share and the number of fixtures ACM made was up 11%. The other divisions of the business have continued to experience growth. We are confident that we will meet our expectations for the full year."

**- Ends -**

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**ACM Shipping Group plc**

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

### **Results**

The Group delivered a profit before tax and amortisation of £3.3 million (2008: £3.4 million) for the first six months on revenue of US\$19.8 million (2008: US\$24.4 million). The Board is encouraged by this start to the year, particularly following the expected significant decline in freight rates, and we are confident that we will meet the Group's expectations for the full year.

The fall in revenue solely arose from the spot desk. Following an exceptionally good period, freight rates have fallen and the Group's average freight rate per fixture fell by 64%. However, ACM continues to increase its share of the spot market and the number of spot fixtures was up by 11% compared to the same period in 2008. This has put the Group in a strong position to benefit when freight rates recover.

The other divisions of the Group have continued to see growth. Revenue from time charter fixtures, which provides ACM with a forward order book and visibility on its future earnings, was up 6% to US\$7.1 million (2008: US\$6.7 million). The Group's time charter forward order book currently stands at US\$23.6 million compared to US\$25.3 million at the year end, 31 March 2009. This decline is due to a number of ship owners not wishing to fix their ships for long periods of time whilst freight rates are at a low level. ACM expects to quickly build this back up when rates improve.

Revenue from the sale and purchase desk continues to deliver being up 56% to US\$3.4 million (2008:\$US2.2 million) as the Group maintained a steady rate of contracts for the period.

The Group's joint venture with GFI Group, Inc. to conduct derivative brokerage performed strongly during the period. It increased its customer base and there was a significant rise in the volume of deals and the contribution to profit was up 28%. This venture continues to add significant value to ACM.

The Group benefitted from the strengthening of the US dollar during the period. In pound sterling terms revenue was down just 1% compared to 19% in US\$ terms. The average rate for the period was US\$1.59 compared to US\$1.93 last year. This in effect added £2.2 million to the Group's top line and £0.9 million to profit before taxation.

The success of ACM is dependent on its team of high quality brokers. To ensure the Group is well positioned for the future it has invested in its people both in the UK and overseas. During the period ACM opened offices in Moscow and Beijing. These steps increased administration costs in line with the strategic objective of delivering rewards in the future.

The Group remains cash generative and ended the period with a strong cash position of £6.4 million and no debt.

The pension deficit for the defined benefit scheme has increased to £2.5 million from £1.2 million. This is mainly due to corporate bond yields falling. On the back of a full actuarial valuation as at 31 March 2008 the Group agreed to make additional contributions of £300,000 per annum to the pension scheme. The calculation of the deficit as at 30 September 2009 does not affect the funding plan or the charge to the income statement.

### **Dividend**

ACM continues to maintain a progressive dividend policy. The Group is paying an interim dividend of 2.75 pence per share for the first six months of the year. This is a 10% increase over the previous period and is covered 4.8 times on first half adjusted earnings. This dividend is payable on 26 February 2010 to shareholders on the register as at 22 January 2010. The full year dividend to 31 March 2009 was 8.5 pence per share.

### **The Market**

During the period ACM continued to focus on the wet tanker market. There is still strong global demand for oil and the situation is becoming more optimistic as the world economy recovers, this recovery is likely to assist the strengthening of freight rates. Medium and long term forecasts show a continuing increase in the world demand for oil, particularly in the Far East. ACM is not currently involved in the dry bulk market but continues to review opportunities to enter into this market in a controlled and measured way.

## **Strategy**

ACM continues to be a growing and profitable wet tanker broker. The Group has built a solid structure for future growth. In line with its strategy to become an international diversified and integrated shipping services broker, ACM continues to expand its services and global reach. Since the Group floated in December 2006 it has opened offices in India, Shanghai, Beijing and Moscow as well as having made two strategic and complementary acquisitions. ACM has expanded its teams both in the UK and in Singapore and has also started a gas desk. All of these developments are key to the Group's future growth. The Group is continuously looking for opportunities for growth and continues to consider expanding into new shipping sectors including the dry cargo market. Whilst expansion in these areas remains a key consideration, the Group maintains a prudent view to growing its service offering and will not make changes that could jeopardise the underlying profitable and growing business.

## **Outlook**

Despite the decline in freight rates, ACM had an encouraging start to the financial year, the volume of trades held up and the Group has continued to increase its market share. Based on current trading conditions the Group expects the full year performance to be in line with the Board's expectations. The Group's strategy has proven to be highly successful and has laid the foundations for future growth. The Board is confident that in continuing to execute its strategy of expanding its offering through the addition of new services and offices in new locations, particularly in the Far East, that it should enhance shareholder returns over the medium and longer term future.

**Peter Sechiari**

**Chairman**

3 December 2009

**Johnny Plumbe**

**Chief Executive**

3 December 2009

## Unaudited consolidated income statement

	Note	Half year to 30 September 2009	Half year to 30 September 2008	Year to 31 March 2009
		£000	£000	£000
Revenue	2	12,509	12,663	30,143
Administrative expenses		(10,012)	(9,865)	(22,907)
Amortisation of intangible assets		(218)	(289)	(606)
		<b>2,279</b>	2,509	6,630
Share of operating profit in joint venture		823	643	1,490
<b>Operating profit</b>		<b>3,102</b>	3,152	8,120
Net interest payable		(18)	(24)	(5)
<b>Profit before taxation</b>		<b>3,084</b>	3,128	8,115
Taxation	3	925	907	2,275
<b>Profit for the period</b>		<b>2,159</b>	2,221	5,840

All of the activities are classed as continuing.

### Earnings per share

	4			
Basic		12.2p	12.8p	33.4p
Fully diluted		12.2p	12.6p	33.2p

## Unaudited consolidated statement of recognised income and expense

	Half year to 30 September	Half year to 30 September	Year to 31 March
	2009	2008	2009
	£000	£000	£000
Profit for the period	2,159	2,221	5,840
Actuarial loss in respect of defined benefit pension scheme	(1,495)	(1,073)	(652)
Deferred tax in respect of defined benefit pension scheme	419	300	183
Exchange differences on translation of foreign operations	15	(54)	(100)
Currency reserve	(94)	(316)	9
Deferred tax in respect of currency reserve	24	88	-
Total recognised income and expense	<b>1,028</b>	1,166	5,280

## Unaudited consolidated balance sheet

	30 September 2009	30 September 2008	31 March 2008
	£000	£000	£000
<b>Non-current assets</b>			
Property, plant and equipment	471	553	550
Intangible assets	10,401	10,951	10,619
Investments	1,440	1,734	1,493
Deferred tax asset	697	672	338
	<u>13,009</u>	<u>13,910</u>	<u>13,000</u>
<b>Current assets</b>			
Trade and other receivables	5,130	5,531	5,997
Cash and cash equivalents	6,391	1,665	4,935
	<u>11,521</u>	<u>7,196</u>	<u>10,932</u>
<b>TOTAL ASSETS</b>	<u>24,530</u>	<u>21,106</u>	<u>23,932</u>
<b>Current liabilities</b>			
Trade and other payables	(7,544)	(8,526)	(9,014)
Current tax payable	(1,014)	(1,049)	(1,317)
Dividends payable	(1,059)	(698)	-
	<u>(9,617)</u>	<u>(10,273)</u>	<u>(10,331)</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	(77)	(369)	(208)
Pension liability	(2,488)	(2,084)	(1,206)
	<u>(2,565)</u>	<u>(2,453)</u>	<u>(1,414)</u>
<b>TOTAL LIABILITIES</b>	<u>(12,182)</u>	<u>(12,726)</u>	<u>(11,745)</u>
<b>NET ASSETS</b>	<u>12,348</u>	<u>8,380</u>	<u>12,187</u>
<b>Capital and reserves</b>			
Share capital	176	175	176
Share premium account	3,730	3,730	3,730
Merger reserve	(135)	(135)	(135)
Retained earnings	8,258	4,783	8,219
Other reserves	319	(173)	197
	<u>12,348</u>	<u>8,380</u>	<u>12,187</u>
<b>TOTAL EQUITY</b>	<u>12,348</u>	<u>8,380</u>	<u>12,187</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 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 loss 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
Fair value of share based payments	-	-	-	-	45	45
Issue of shares	2	-	-	-	-	2
Balance at 30 September 2008	175	3,730	(135)	4,783	(173)	8,380
Profit for the period	-	-	-	3,619	-	3,619
Dividends to equity shareholders	-	-	-	(441)	-	(441)
Actuarial gain in respect of defined benefit pension scheme	-	-	-	421	-	421
Deferred tax in respect of defined benefit pension scheme	-	-	-	(117)	-	(117)
Currency translation differences	-	-	-	(46)	-	(46)
Currency reserve	-	-	-	-	325	325
Deferred tax in respect of currency reserve	-	-	-	-	(88)	(88)
Issue of shares	1	-	-	-	-	1
Fair value of share based payments	-	-	-	-	133	133
Balance at 31 March 2009	176	3,730	(135)	8,219	197	12,187
Profit for the period	-	-	-	2,159	-	2,159
Dividends to equity shareholders	-	-	-	(1,059)	-	(1,059)
Actuarial loss in respect of defined benefit pension scheme	-	-	-	(1,495)	-	(1,495)
Deferred tax in respect of defined benefit pension scheme	-	-	-	419	-	419
Currency translation differences	-	-	-	15	-	15
Currency reserve	-	-	-	-	(94)	(94)
Deferred tax in respect of currency reserve	-	-	-	-	24	24
Fair value of share based payments	-	-	-	-	192	192
Balance at 30 September 2009	176	3,730	(135)	8,258	319	12,348

## Unaudited Group cash flow statement

	Half year to 30 September	Half year to 30 September	Year to 31 March
	2009	2008	2009
	£000	£000	£000
<b>Profit before taxation</b>	<b>3,084</b>	3,128	8,115
Depreciation	113	104	228
Net interest	18	24	5
Share of operating profit in joint venture	(823)	(643)	(1,490)
Amortisation of intangibles	218	289	606
Share-based payments	192	45	178
<b>Operating cash flow before changes in working capital and provisions</b>	<b>2,802</b>	2,947	7,642
Decrease/(increase) in debtors	866	(1,552)	(2,018)
(Decrease)/increase in creditors	(1,542)	3,069	3,831
Provision for pension scheme costs	38	178	228
Pension scheme contributions paid	(280)	(206)	(695)
<b>Cash generated from operating activities</b>	<b>1,884</b>	4,436	8,988
Taxation paid	(1,275)	(1,005)	(2,137)
<b>Net cash from operating activities</b>	<b>609</b>	3,431	6,851
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	(40)	(173)	(267)
Investment	-	-	(44)
Acquisition of subsidiary, net of cash required	-	(3,017)	(3,017)
Acquisition of business	-	(2,538)	(2,538)
Dividends received from associates	-	-	78
Amounts received from joint ventures	876	425	1,472
Interest received/(paid)	11	(30)	(29)
<b>Net cash from investing activities</b>	<b>847</b>	(5,333)	(4,345)
<b>Cash flow from financing activities</b>			
Dividends paid	-	-	(1,139)
Issue of new shares	-	2	3
<b>Net cash from financing activities</b>	<b>-</b>	2	(1,136)
<b>Net decrease/(increase) in cash and cash equivalents</b>	<b>1,456</b>	(1,900)	1,370
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,935</b>	3,565	3,565
<b>Cash and cash equivalents at the end of the period</b>	<b>6,391</b>	1,665	4,935

## 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 2009 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;

	<b>Half year to 30 September 2009 £000</b>	Half year to 30 September 2008 £000	Year to 31 March 2009 £000
Spot brokerage	<b>4,880</b>	7,591	15,750
Time charter	<b>4,467</b>	3,499	8,339
Demurrage	<b>950</b>	435	1,103
Sale and purchase	<b>2,212</b>	1,138	4,951
	<b>12,509</b>	12,663	30,143

## 3. Taxation

The tax charge for the half year to 30 September 2009 has been provided at the estimated rate of 30% (2008:29%) applicable for the year.

#### 4. 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 2009 £000	Half year to 30 September 2008 £000	Year to 31 March 2009 £000
<b>Earnings</b>			
Earnings for the period	2,159	2,221	5,840
Adjust for amortisation of intangibles	218	289	606
Adjust for deferred taxation impact of amortisation of intangibles	(61)	(81)	(170)
<b>Earnings for adjusted EPS</b>	<b>2,316</b>	<b>2,429</b>	<b>6,276</b>
<b>Number of shares</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Weighted average number of shares	17,641,514	17,349,756	17,463,980
Dilution effect of share plans	90,479	330,577	115,827
<b>Diluted weighted average number of shares</b>	<b>17,731,993</b>	<b>17,680,333</b>	<b>17,579,807</b>
<b>Earnings per share (pence)</b>			
Basic	12.2	12.8	33.4
Diluted	12.2	12.6	33.2
Adjusted	13.1	14.0	35.9
Adjusted diluted	13.1	13.7	35.7

#### 5. Dividends

The interim dividend for the half year ended 30 September 2009 is 2.75p per share payable on 26 February 2010 to shareholders on the register on 22 January 2010. An interim dividend of 2.5p was paid in the previous year which together with a final dividend of 6p resulted in a total dividend of 8.5p in respect of the year to 31 March 2009.

#### 6. 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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