



Press Release

30 November 2010

ACM Shipping Group plc

("ACM" or the "Group")

Interim Results

ACM Shipping Group plc (AIM:ACMG), a leading international shipbroker, today announces its interim results for the half year ended 30 September 2010.

Summary

- Revenue up 16% to £14.5 million (H1 2009: £12.5 million)
- Revenue in US\$ increased by 11% to US\$22.0 million (H1 2009: US\$19.8 million)
- Profit before amortisation and tax of £3.1 million (H1 2009: £3.3 million)
- Interim dividend increased by 9% to 3 pence per share (H1 2009: 2.75 pence per share)
- Adjusted earnings per share of 12.4 pence (H1 2009: 13.1pence)
- Strong cash position of £5.8 million and no debt (£4.3 million as at 31 March 2010)
- New dry cargo division making good progress
- The Group continues to make progress on its global expansion plans with Singapore in particular performing well
- Appointment of Timothy Jaques as non-executive director on 30 November 2010

Commenting on the results, Johnny Plumbe, Chief Executive of ACM Shipping Group plc, said: "This has been a period of considerable progress for the Group and we have continued to gain market share. Notably the number of spot fixtures has increased by 18% in the core tanker business. Our global offices are gaining momentum, and our recent expansion into dry cargo is performing well. The integration of the Endeavour team in Australia and the London and Shanghai offices is on track and looking very positive.

Current trading continues to be good in terms of volumes, although freight rates are still weak; however, there have been signs of improvement in rates in recent weeks, and the Group remains very much on track. The Board is confident that the strategy is right for future growth.”

- Ends -

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Chairman and Chief Executive's Statement

Results

We are pleased to report that these results are in line with expectations, with overall revenue up 11% to US\$22.0 million (H1 2009: US\$19.5 million), and profit before tax and amortisation at £3.1 million (H1 2009: £3.3 million). Whilst the tanker broking business achieved £3.2 million in operating profit before amortisation, the start up operating loss made in the dry cargo business reduced the overall profit slightly as expected. Overall, the Board is pleased with the strategic progress that has been made, and believes that ACM is now well positioned for future growth, having invested in expanding geographically and in terms of business areas.

Global expansion has been successful as the entry into dry cargo in Australia is contributing to revenue and profit, while the Singapore office is performing particularly well following the Group's investment in this region. Endeavour Shipbrokers Pty Limited ("Endeavour"), the Australian dry cargo business acquired by ACM on 24 June 2010, has performed slightly ahead of expectations, although only three months of its results are included in these figures. During the period the Group also invested in opening a new dry cargo venture in London and Shanghai which dovetails this acquisition. The Board is confident that this will prove to be of significant value to the Group as it matures; already this part of the business is building a forward order book.

Spot brokerage had a strong half year, with revenues at £7.4 million, up 51%. ACM continues to gain market share, and the number of spot fixtures is up 18% in the core tanker business (excluding small tankers and dry cargo), including considerable expansion in Singapore. Freight rates in the first quarter were strong, then weakened in the second quarter but volumes have continued to increase.

The revenue from the time charter business was, as expected, down 20% to £3.6 million as a result of market conditions as owners, oil companies and oil traders are reluctant to take on long-term commitments on ships. As expected, the forward order book remains low in comparison to previous years, due to this poor market sentiment. There is now some sign of improvement in this market however, and the Board is confident that the Group has the right team in place to capitalise on any upturn in the market.

Revenues in the sale and purchase division were down slightly to £2.1 million due to a number of timing issues that meant that some deals have not been concluded until after the half year end. These will instead contribute to the full year, and the Board believes that performance in this division will improve. The Shanghai office has now started to contribute to this business.

The Group's joint venture with GFI Group, Inc. to conduct derivative brokerage performed well during the period, and is continuing to gain market share. This venture continues to add significant value to the Group.

Dividend

ACM continues to maintain a progressive dividend policy. The Group has declared an interim dividend of 3 pence per share for the first six months of the year. This is a 9% increase over the previous period and is well covered by first half earnings. This dividend is payable on 25 February 2011 to shareholders on the register as at 21 January 2011. The full year dividend to 31 March 2010 was 9.5 pence per share.

The Market

The Group's diversification into dry cargo is proving successful, with the acquisition of Endeavour in Australia already contributing to earnings. The Board's vision of becoming a global integrated shipbroker is on course.

The global demand for oil is still strong and is forecast to increase in the short and medium term (source: IEA), particularly in the far Eastern markets. The Group is well positioned for this increase in demand for oil and the long-term recovery in global economies. Despite freight rates being down during the period, ACM has continued to increase its market share.

The dry bulk fleet is in the midst of a phase of expansion that will see around a 50% increase in the total fleet over the next three to four years. This will coincide with a massive expansion in raw material mining to feed the growing Indian and Chinese Economies causing shifts in vessel trading patterns and the utilisation of the dry fleet. With this in mind, we can expect a period of volatility as supply and demand swing in and out of equilibrium over the next 12 to 18 months. Certainly the major users of dry cargo ships are expecting to take opportunities for lower priced assets on the down swings in the market. The outlook is heavily weighted on expansion in the Chinese and Indian economies and the Board can see enormous commodity trade growth from 2012 onwards which providing there is a market for it will quickly absorb any over capacity in the dry bulk fleet.

Strategy

The Board is pleased with the Group's strategic progress during the period, and as part of the aim to become a global integrated shipbroker, the dry cargo business is performing well. The Board is confident that this diversification will prove a good investment for future growth, and the acquisition of Endeavour, as well as the Group's London joint venture, enables ACM to penetrate the dry cargo market worldwide.

With global expansion plans on target and the international offices working well together, the Group's strategy is very much on track. With offices in London, Singapore, Mumbai, Shanghai, Moscow, Melbourne and Sydney, ACM's strength is considerable. ACM has built a robust group through diversification, whilst continuing to grow its core profitable business with a broad offering and significant depth of market expertise. The Group continuously seeks opportunities for growth, and will consider various expansion opportunities as and when they arise, ensuring that any changes complement the Group's existing offering.

Today an announcement has been made appointing Timothy Jaques as a non-executive director. This appointment is a significant strengthening of the Board, and we look forward to his contribution to the strategic direction of ACM.

Outlook

Current trading is still strong in terms of volumes, although freight rates remain weak. There has been some indication of improvement in rates in recent weeks, and the Group remains very much on track.

Through expanding into new geographies and sectors, the Board will continue its growth strategy whilst simultaneously growing the existing business. The Board is confident that this strategy will successfully deliver attractive shareholder returns.

Peter Sechiari

Chairman

30 November 2010

Johnny Plumbe

Chief Executive

30 November 2010

Unaudited consolidated income statement

	Note	Half year to 30 September 2010	Half year to 30 September 2009	Year to 31 March 2010
		£000	£000	£000
Revenue	2	14,475	12,509	25,852
Administrative expenses		(12,111)	(10,012)	(20,547)
Amortisation of intangible assets		(312)	(218)	(436)
		2,052	2,279	4,869
Share of operating profit in joint venture		645	823	1,325
Operating profit		2,697	3,102	6,194
Net interest		65	(18)	(27)
Profit before taxation		2,762	3,084	6,167
Taxation	3	829	925	1,870
Profit for the period		1,933	2,159	4,297
Minority interest		109	-	-
Profit attributable to equity shareholders		2,042	2,159	4,297

All of the activities are classed as continuing.

Earnings per share	4			
Basic		11.3p	12.2p	24.5p
Fully diluted		11.2p	12.2p	24.4p

Unaudited consolidated statement of comprehensive income

	Half year to 30 September	Half year to 30 September	Year to 31 March
	2010	2009	2010
	£000	£000	£000
Profit for the period	2,042	2,159	4,297
Actuarial loss in respect of defined benefit pension scheme	(437)	(1,495)	(1,264)
Deferred tax in respect of defined benefit pension scheme	99	419	354
Exchange differences on translation of foreign operations	189	15	50
Currency reserve	200	(94)	(155)
Deferred tax in respect of currency reserve	(56)	24	41
Total comprehensive income	<u>2,037</u>	<u>1,028</u>	<u>3,323</u>

Unaudited consolidated balance sheet

	30 September 2010	30 September 2009	31 March 2010
	£000	£000	£000
Non-current assets			
Property, plant and equipment	405	471	393
Intangible assets	15,892	10,401	10,183
Investments	1,050	1,440	1,208
Deferred tax asset	766	697	598
	<u>18,113</u>	<u>13,009</u>	<u>12,382</u>
Current assets			
Trade and other receivables	6,317	5,130	5,850
Cash and cash equivalents	5,834	6,391	4,266
	<u>12,151</u>	<u>11,521</u>	<u>10,116</u>
TOTAL ASSETS	<u>30,264</u>	<u>24,530</u>	<u>22,498</u>
Current liabilities			
Trade and other payables	(7,992)	(7,544)	(6,046)
Current tax payable	(1,023)	(1,014)	(1,014)
Dividend payable	(1,283)	(1,059)	-
	<u>(10,298)</u>	<u>(9,617)</u>	<u>(7,060)</u>
Non-current liabilities			
Deferred tax liabilities	(414)	(77)	-
Pension liability	(2,301)	(2,488)	(2,089)
	<u>(2,715)</u>	<u>(2,565)</u>	<u>(2,089)</u>
TOTAL LIABILITIES	<u>(13,013)</u>	<u>(12,182)</u>	<u>(9,149)</u>
NET ASSETS	<u>17,251</u>	<u>12,348</u>	<u>13,349</u>
Capital and reserves			
Share capital	195	176	177
Share premium account	6,760	3,730	3,730
Retained earnings	10,735	8,258	10,125
Other reserves	(439)	184	(683)
	<u>17,251</u>	<u>12,348</u>	<u>13,349</u>
TOTAL EQUITY	<u>17,251</u>	<u>12,348</u>	<u>13,349</u>

Unaudited Group statement of changes in equity

	Share capital £000	Share premium £000	Retained earnings £000	Other reserves £000	Total £000
Balance at 1 April 2009	176	3,730	8,219	62	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	8,258	184	12,348
Profit for the period	-	-	2,138	-	2,138
Dividends to equity shareholders	-	-	(472)	-	(472)
Actuarial gain in respect of defined benefit pension scheme	-	-	231	-	231
Deferred tax in respect of defined benefit pension scheme	-	-	(65)	-	(65)
Currency translation differences	-	-	35	-	35
Currency reserve	-	-	-	(61)	(61)
Deferred tax in respect of currency reserve	-	-	-	17	17
ESOP shares acquired	-	-	-	(1,025)	(1,025)
Issue of shares	1	-	-	-	1
Fair value of share based payments	-	-	-	202	202
Balance at 31 March 2010	177	3,730	10,125	(683)	13,349
Profit for the period	-	-	2,042	-	2,042
Dividends to equity shareholders	-	-	(1,283)	-	(1,283)
Actuarial loss in respect of defined benefit pension scheme	-	-	(437)	-	(437)
Deferred tax in respect of defined benefit pension scheme	-	-	99	-	99
Currency translation differences	-	-	189	-	189
Currency reserve	-	-	-	200	200
Deferred tax in respect of currency reserve	-	-	-	(56)	(56)
Fair value of share based payments	-	-	-	209	209
Issue of shares	18	3,030	-	-	3,048
Issue of shares from ESOP	-	-	-	1	1
Treasury shares acquired	-	-	-	(1)	(1)
Minority interest	-	-	-	(109)	(109)
Balance at 30 September 2010	195	6,760	10,735	(439)	17,251

Unaudited Group cash flow statement

	Half year to 30 September	Half year to 30 September	Year to 31 March
	2010	2009	2010
	£000	£000	£000
Profit before taxation	2,762	3,084	6,167
Depreciation	105	113	227
Net interest	(64)	18	27
Share of operating profit in joint venture	(645)	(823)	(1,325)
Amortisation of intangibles	312	218	436
Share-based payments	209	192	394
Operating cash flow before changes in working capital and provisions	2,679	2,802	5,926
(Increase)/decrease in debtors	(467)	866	148
Increase)/(decrease) in creditors	2,126	(1,542)	(3,073)
Provision for pension scheme costs	77	38	76
Pension scheme contributions paid	(245)	(280)	(510)
Cash generated from operating activities	4,170	1,884	2,567
Taxation paid	(900)	(1,275)	(2,247)
Net cash from operating activities	3,270	609	320
Cash flows from investing activities			
Purchase of property and equipment	(43)	(40)	(70)
Acquisition of business	(2,342)	-	-
Amounts received from joint ventures	670	876	1,610
Interest received	7	11	26
Net cash from investing activities	(1,708)	847	1,566
Cash flow from financing activities			
Dividends paid	-	-	(1,531)
Shares acquired for ESOP	-	-	(1,025)
Shares acquired for treasury	(1)	-	-
Issue of new shares	7	-	1
Net cash from financing activities	6	-	(2,555)
Net increase/(decrease) in cash and cash equivalents	1,568	1,456	(669)
Cash and cash equivalents at the beginning of the period	4,266	4,935	4,935
Cash and cash equivalents at the end of the period	5,834	6,391	4,266

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 2010 and have been consistently applied to all periods presented.

2. Segmental analysis

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 revenue;

	Half year to 30 September 2010 £000	Half year to 30 September 2009 £000	Year to 31 March 2010 £000
Tanker broking:			
Spot brokerage	7,353	4,880	10,997
Time charter	3,587	4,467	8,073
Demurrage	541	950	1,419
Sale and purchase	2,080	2,212	5,363
	13,561	12,509	25,852
Dry cargo broking	914	-	-
	14,475	12,509	25,852

Analysis of Group profit before amortisation of intangible assets and taxation;

	Half year to 30 September 2010 £000	Half year to 30 September 2009 £000	Year to 31 March 2010 £000
Tanker broking	3,182	3,320	6,630
Dry cargo broking	(173)	-	-
	3,009	3,320	6,630
Interest	65	(18)	(27)
Profit before taxation	3,074	3,302	6,603

Analysis of Group profit before taxation;

	Half year to 30 September 2010 £000	Half year to 30 September 2009 £000	Year to 31 March 2010 £000
Tanker broking	3,024	3,102	6,194
Dry cargo broking	(327)	-	-
	2,697	3,102	6,194
Interest	65	(18)	(27)
	2,762	3,084	6,167

3. Taxation

The tax charge for the half year to 30 September 2010 has been provided at the estimated rate of 30% (2009:30%) 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 2010 £000	Half year to 30 September 2009 £000	Year to 31 March 2010 £000
Earnings			
Earnings for the period	2,042	2,159	4,297
Adjust for amortisation of intangibles	312	218	436
Adjust for taxation impact of amortisation of intangibles	(87)	(61)	(122)
Earnings for adjusted EPS	2,267	2,316	4,611
Number of shares	Number	Number	Number
Weighted average number of shares	18,116,667	17,641,514	17,540,144
Dilution effect of share plans	153,676	90,479	103,898
Diluted weighted average number of shares	18,270,343	17,731,993	17,644,042
Earnings per share (pence)			
Basic	11.3	12.2	24.5
Diluted	11.2	12.2	24.4
Adjusted	12.5	13.1	26.3
Adjusted diluted	12.4	13.1	26.1

5. Dividends

The interim dividend for the half year ended 30 September 2010 is 3.0 pence per share payable on 25 February 2011 to shareholders on the register on 21 January 2011. An interim dividend of 2.75pence was paid in the previous year which together with a final dividend of 6.75 pence resulted in a total dividend of 9.5 pence in respect of the year to 31 March 2010.

6. Business combination

On 24 June the Group acquired the business of Endeavour Shipbrokers a dry cargo shipbroker based in Melbourne and Sydney, Australia. The acquisition was for a consideration of £5.4 million made up of £2.3 million cash plus 1,815,000 shares in ACM Shipping Group plc.

Endeavour is highly complementary with the Group's recently started venture for dry cargo in the UK and China.

7. 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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