

## Haynes Publishing Group P.L.C. ("the Group")

### **Post Half Year Close - Trading Update**

The Group has recently completed trading for the first six months of its financial year ending 31 May 2013. As reported in the Group's first quarter interim management statement (on 28 September), trading conditions during the first quarter for the Group's core automotive manuals were challenging in both its US and UK markets, while the UK business also experienced a notable softening in demand for its non-automotive DIY and general publishing titles.

During the second quarter, trading in the above areas of the Group have shown an improvement. In the US & Australia, revenue in local currency ended the quarter 7% ahead of last year while in the UK & Europe, although sales were stronger in comparison to the first quarter, revenue still ended the second quarter 9% down on the prior year. Overall Group revenue during the second quarter was 2% lower than the prior year.

Twelve months ago the Group experienced a weakening in demand during the first six month period which reduced profits at the half year and, in light of recent trading patterns, management expects a similar position this year. Historically, the second half of the year has been stronger than the first and management sees no reason why this should not again be the case this year.

In the first half, the Group's Vivid subsidiary, which continues to enjoy the growth described in our previous statement, was rebranded as HaynesPro. In doing so the Group is not only extending the strength of the Haynes brand and its automotive industry background to HaynesPro, but it is also recognising that by combining the hands on approach on which all Haynes products have been built, with the technical, technological and linguistic skills of HaynesPro, the Haynes Group of companies can go forward with increased pride and confidence in its ability to provide the type of products and services which the modern, increasingly digital market requires. Using these in-house technological skills, the Group also continues to invest heavily in the creation of digital versions of its automotive and motorcycle repair manuals.

Commenting on the trading update, J Haynes, Group Chairman, said: "we are currently undergoing a fundamental strategic review of the business, exploring ways we can bolster revenues in our traditional print titles and opportunities to develop our digital offering and ensure practices are in place to take the Group back into growth. We expect to complete our thorough review in June 2013.

The Group continues to have a strong balance sheet, no gearing and good cash flow. We are well positioned to get through this difficult period of trading which is also affecting a number of other publishing companies."

A further update will be given when the Group announces its half year results on 31 January 2013.

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