HAYNES PUBLISHING GROUP P.L.C.

INTERIM RESULTS FOR THE 6 MONTHS ENDED
30 November 2012

Haynes Publishing Group P.L.C. is the worldwide market leader in the production and sale of automotive and motorcycle repair manuals. Every Haynes manual is based on a complete vehicle strip-down and rebuild in our workshops, so that the instructions and photographs are inherently practical, accurate and easy to follow. Through HaynesPro we are a leading European supplier of digital technical information to the motor trade. The Group's business now includes both professionals as well as DIY mechanics and enthusiasts.

The Haynes Group publishes many other DIY titles as well as an extensive range of books about motor sport, vehicles and general transport.

Financial Highlights

- Revenue of £13.3 million (2011: £14.3 million)
- Operating profit of £1.2 million (2011: £1.9 million)
- Profit before tax ahead of latest broker's interim forecast at £1.2 million (2011: £1.8 million)
- Basic earnings per share of 5.2 pence (2011: 7.5 pence)
- Interim dividend declared of 3.5 pence per share (2011: 6.2 pence)
- Overheads reduced by 5% (2012: £6.3 million vs 2011: £6.6 million)
- Australian business half year revenue 32% ahead of 2011
- HaynesPro half year revenue 17% ahead of 2011
- Like for like net funds[1] of £5.9 million (2011: £5.0 million)
- Strong balance sheet and cash flow generation maintained

Business Highlights

- Increased digital capabilities though continued development of Haynes multimedia platforms
- Digital manual range extended to over 200 titles
- Successful launch of over 40 new eBook titles
- New Vice President of Sales hired to strengthen US business
- Vivid rebranded as 'HaynesPro' broadening global commercial opportunities
- New offices in Romania purchased to accommodate growing digital technical team
- Strategic consumer-focused review on track for completion by June 2013

[1] Like-for-like net funds of £5.9 million excludes the impact of the purchase of 1.2 million ordinary shares for £2.4 million and placed in treasury during February/March 2012

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Cautionary Statement :

This report contains certain forward-looking statements with regard to the financial condition and results of the operations of Haynes Publishing Group P.L.C. These statements and forecasts involve risk factors which are associated with, but are not exclusive to, the economic and business circumstances occurring from time to time in the countries and sectors in which the Group operates. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by law, Haynes Publishing Group P.L.C. has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

INTERIM STATEMENT

Business overview

Over the six months to 30 November 2012 we have continued the development of our multimedia consumer offering to enable content delivery via various digital platforms and channels. Last year we launched the Group's first 50 digital manuals in the US, delivered through a cloud based platform developed entirely in-house. This was followed in June 2012 by our top 50 selling UK titles. We now have over 200 of our US and UK automotive and motorcycle manuals available in a digital format, and the first 50 Australian manuals will go online shortly. In October 2012, we launched our first general publishing titles in an eBook format, which were also developed entirely in-house. The revenue from the online manuals has already covered the costs of developing both digital product sets.

In September 2012, the Group rebranded '*Vivid*', which has over forty thousand professional repair shop users throughout Europe, as '*HaynesPro*'. The name change will help extend the Haynes brand into a wider European market place, while facilitating the extension of our professional offering to markets where Haynes manuals are already well established.

Over the past eighteen months we have experienced some very challenging conditions for our traditional print products in both the US and UK markets. In particular, a slowdown in sales to a small number of key retailers has had a negative impact on revenue and profit. We are encouraged by recent discussions with some of these retail partners and early signs of their willingness to return to a practice of offering discounts, seasonal promotions and to review merchandising. We have seen sales to some of our smaller retailers, in particular those with an online presence, grow and, whilst in absolute terms their sales growth does not compensate for the lost revenue from the key retailers, it does point to an active DIY market.

We are also encouraged by the performance of HaynesPro, which continues to enjoy revenue growth and market penetration in Europe, whilst also having a significant role in helping the Haynes Group develop its new multimedia digital platforms.

As mentioned in our pre-interim close statement, we are currently undergoing a consumer-focused strategic review of the business. We expect to conclude this review by the start of the new financial year in June 2013.

Financial review

Income statement

Overall Group revenue ended the six month period 7% down on last year at £13.3 million (2011: £14.3 million).

Revenue from our North American & Australian operations, in local currency, ended the period 6% down on last year, as stronger sales in the second quarter helped to partially offset the softer trading at the beginning of the period when revenue was reduced by 11%.

In the UK & Europe, revenue ended the six month period 9% down on the prior year. Weaker sales of the UK's automotive manuals and general publishing titles led to a shortfall against the prior year of 16%. Strong revenue growth in the UK & Europe by HaynesPro, where local revenue was up 17%, helped to partially offset this shortfall, although with an average Sterling exchange rate during the period against the Euro of €1.25 (2011: €1.14) the reportable increase in Sterling was lower at 7%.

Lower revenue from the US and UK automotive manuals, which have a higher margin for the Group than general publishing, coupled with a higher HaynesPro development cost amortisation charge of £0.2 million, has led to a reduction in the Group's gross margin of 2.5 percentage points to 56.6% (2011: 59.1%). This is the fifth and final year of the incremental increase in HaynesPro development costs amortisation.

In our last Annual Report, we mentioned that we were experiencing upward pressure on raw material prices. So far we have absorbed these increases into our cost of goods rather than passing them on to our customers. We commented that if this trend continued into the new financial year we would have little option but to revisit this position. It is disappointing to note that this trend has continued during the first six months of the current financial year and management continues to closely monitor the situation.

A tight control over operational expense budgets coupled with a reduction in central costs has helped to reduce Group overheads by 5% over the prior year. With net finance costs, which primarily relate to the interest charge on pension scheme liabilities net of the expected return on pension scheme assets, in line with last year at £0.1 million (2011: £0.1 million), the Group's pre-tax profits ended the period at £1.2 million (2011: £1.8 million), down 33%, but ahead of the latest broker forecast.

Because a larger proportion of Group profit was generated from the North America & Australia operations, there has been an increase in the effective Group tax rate during the period to 32.3% (2011: 30.6%) leaving basic earnings per share of 5.2 pence (2011: 7.5 pence).

Operational review

North America and Australia

The financial year started slowly with local currency revenue in the first quarter 11% down on the previous year. In the second quarter trading improved slightly, most notably in Australia, where a first quarter revenue shortfall of 6% was turned around to leave revenue in the Australian business 32% ahead at the half year. Overall, this helped North America & Australian revenue end the six month period 6% down on last year at $10.8 million (2011: $11.5 million). A strong contributing factor for the improvement in the Australian sales has been the move by key retailers to new face out display racking.

After translation to Sterling, North America & Australian revenue ended the period at £6.8 million (2011: £7.2 million), down 6%.

As mentioned in previous reports the weaker sales over the last eighteen months have largely been due to a small number of key retailers. We are, therefore, encouraged by recent discussions, in particular relating to new marketing and sales initiatives which we strongly believe could help revitalise sales of our US automotive manuals.

Shortly before the end of the calendar year, the US business strengthened its sales team through the recruitment of a new Vice President of Sales. He has considerable experience in the automotive aftermarket, and is proactively driving new initiatives to add sales.

US management continues to maintain a tight control over expenditure and over the last six months has seen overheads reduce by a further 2% against the prior period. Nevertheless, the reduction in high margin revenue has adversely impacted on profitability, with reportable segmental profit, before interest, ending the period at £0.6 million (2011: £0.9 million).

UK and Europe

Trading in the first quarter was disappointing, particularly the 21% reduction in revenue of our general publishing titles which came against a trend of recent year-on-year sales growth. Sales in the UK during the second quarter were stronger than the first quarter, but were unable to overturn the shortfall against the prior year, with the automotive division ending the six month period 12% down on last year and the general publishing division down 19%.

In contrast, the revenue growth of HaynesPro during the first quarter continued into the second half of the period, helped by recent contract gains and contract extensions, and in local currency ended the period 17% ahead of the prior year. After translation to Sterling this growth was 7%.

UK & European segmental revenue ended the period at £6.5 million (2011: £7.1 million). The lower UK revenue along with the incremental increase in HaynesPro development cost amortisation of £0.2 million had a direct impact on the UK & European segmental profit and although UK & European overheads ended the period 3% lower than last year, segmental profit before interest ended the period at £0.2 million (2011: £0.7 million).

Balance sheet and cash flow

In June 2012, the Group purchased new freehold offices in Bucharest at a cost of €0.5 million to accommodate the growing digital technical team in Romania. This move has reduced establishment costs for the Romanian operation and has provided sufficient space to allow for future growth. Aside from the property purchase, overall capital expenditure was lower than previous periods at £0.1 million. The Group's inventory balances, excluding the impact of exchange rates, ended the period 2% lower at £13.1 million while the £1.5 million reduction in trade and other debtors against last November reflects the lower UK and US sales.

The Group's net cash inflow from continuing operations before tax during the period was £2.2 million (2011: £3.6 million) which represented 181% of Group operating profit (2011: 191%). The Group's net cash balances ended the period at £3.5 million (2011: £5.0 million). However, cash on a like-for-like basis, excluding the impact of the treasury shares purchased in the second half of the last financial year for £2.4 million, was ahead of the prior year by 18% at £5.9 million.

As at 30 November 2012, the net deficit on the Group's two retirement benefit schemes as reported in line with IAS 19 was £9.5 million (31 May 2012: £10.0 million). The combined total assets of the schemes increased by £1.2 million to £26.4 million (31 May 2012: £25.2 million) while the total liabilities increased by £0.7 million to £35.9 million (31 May 2012: £35.2 million).

Interim dividend

The Group has consistently communicated its intention to grow through acquisitions, geographical expansion and organic growth. In addition, as previously reported, a strategic review is currently underway using independent consultants and there are a number of potential initiatives under consideration within the Group. Therefore, the Board feels it is appropriate at this time of economic uncertainty to conserve cash within the business.

Accordingly, the Board is declaring an interim dividend of 3.5 pence per share (2011: 6.2 pence). The Board is currently using a target dividend cover of 1.5 times. The interim dividend will be paid on 10 April 2013 to shareholders on the register at the close of business on 22 March 2013. The shares will be declared ex-dividend on 20 March 2013.

Future outlook

This has been a challenging period, particularly for the Group's automotive manual and general publishing operations. Although on-board diagnostics have added to the complexity of cars, as long as cars have moving parts there will be tasks that drivers can undertake which will help to maintain their vehicle in a safe, roadworthy and legal condition while at the same time saving money.

Through our extensive technical database along with our enhanced in-house IT, web development and language translation skills we are ideally placed to develop new multimedia products that assist drivers in maintaining and servicing their vehicles. We also expect to see increased interest in our products from younger customers as our manuals become more interactive with advanced online functionality.

The Group is committed to further growth of the HaynesPro business. We will continue to invest in the development of appropriate technologies and functionality to ensure that we can offer HaynesPro customers leading edge, value added service provision.

The consumer-focused strategic review we are undertaking will focus on our key brand strengths and enable us to concentrate our activities on those areas of the business which offer the greatest growth and profit potential. Despite the current challenges we have a healthy balance sheet and strong cash flow, and we are well placed to take the necessary action to drive the business forward.

Responsibility statement

Pages 14 and 15 of the Annual Report 2012 provide details of the serving Executive and Non-Executive Directors and there have been no changes during the six months to 30 November 2012. A statement of the Directors' responsibilities is contained on page 33 of the Annual Report 2012. A copy of the Annual Report 2012 can be found on the Haynes website www.haynes.co.uk/investor.

The Board confirms that to the best of its knowledge the condensed set of financial statements gives a true and fair view of the assets and liabilities, financial position and profit of the Group and has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by the Disclosure and Transparency Rules as issued by the Financial Services Authority, namely:

- DTR 4.2.7: An indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

- DTR 4.2.8: Details of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the enterprise during that period. Together with any changes in the related parties transactions described in the last annual report that could have a material effect on the enterprise in the first six months of the current financial year.

J H C Haynes
Chairman of the Board

30 January 2013

Consolidated Income Statement (unaudited)

	6 months to		Year ended
	30 Nov 2012	30 Nov 2011	31 May 2012
	£000	£000	£000
Continuing operations			
Revenue (note 2)	**13,275**	**14,332**	**29,814**
Cost of sales	(5,766)	(5,858)	(11,964)
Gross profit	**7,509**	**8,474**	**17,850**
Other operating income	37	46	72
Distribution costs	(3,174)	(3,184)	(7,073)
Administrative expenses	(3,154)	(3,446)	(5,756)
Operating profit	**1,218**	**1,890**	**5,093**
Finance income (note 4)	687	768	1,405
Finance costs (note 5)	(748)	(884)	(1,786)
Profit before taxation	**1,157**	**1,774**	**4,712**
Taxation (note 6)	(374)	(542)	(1,487)
Profit for the period	**783**	**1,232**	**3,225**
Attributable to:			
Equity holders of the Company	779	1,230	3,211
Non-controlling interests	4	2	14
	783	**1,232**	**3,225**

Earnings per 20p share - (note 7)	Pence	Pence	Pence
Earnings per share from continuing operations			
- Basic	5.2	7.5	20.0
- Diluted	5.2	7.5	20.0

Consolidated Statement of Comprehensive Income (unaudited)

	6 months to		Year ended
		Restated [1]	
	30 Nov 2012	30 Nov 2011	31 May 2012
	£000	£000	£000
Profit for the period	**783**	**1,232**	**3,225**
Other comprehensive income			
Exchange differences on translation of foreign operations	(674)	912	725
Actuarial gains/(losses) on retirement benefit obligation			
- UK Scheme	502	379	(888)
- US Scheme	(501)	776	934
Deferred tax on retirement benefit obligation			
- UK Scheme	(115)	(95)	213
- US Scheme	200	(310)	(373)
Deferred tax arising on change in UK corporation tax rate	(98)	(90)	(181)
Other comprehensive income recognised directly in equity	**(686)**	**1,572**	**430**
Total comprehensive income for the financial period	**97**	**2,804**	**3,655**
Attributable to:			
Equity holders of the Company	93	2,802	3,641
Non-controlling interests	4	2	14
	97	**2,804**	**3,655**

[1] See Note 1 Restatement of prior years

Consolidated Balance Sheet (unaudited)

	30 Nov 2012	Restated[1] 30 Nov 2011	31 May 2012
	£000	£000	£000
Non-current assets			
Property, plant and equipment (note 12)	9,885	10,173	9,877
Intangible assets (note 13)	17,348	17,450	17,250
Deferred tax assets	4,093	4,200	4,316
Total non-current assets	**31,326**	**31,823**	**31,443**
Current assets			
Inventories	13,341	13,466	13,376
Trade and other receivables	8,003	9,551	8,759
Cash and cash equivalents	3,531	5,040	4,775
Total current assets	**24,875**	**28,057**	**26,910**
Total assets	**56,201**	**59,880**	**58,353**
Current liabilities			
Trade and other payables	(3,969)	(4,203)	(4,278)
Current tax liabilities	(232)	(261)	(327)
Bank overdrafts	(17)	-	-
Total current liabilities	**(4,218)**	**(4,464)**	**(4,605)**
Non-current liabilities			
Deferred tax liabilities	(3,993)	(3,976)	(3,988)
Retirement benefit obligation (note 10)	(9,549)	(9,127)	(9,980)
Total non-current liabilities	**(13,542)**	**(13,103)**	**(13,968)**
Total liabilities	**(17,760)**	**(17,567)**	**(18,573)**
Net assets	**38,441**	**42,313**	**39,780**
Equity			
Share capital	3,270	3,270	3,270
Share premium	638	638	638
Treasury shares	(2,447)	-	(2,447)
Retained earnings	33,125	33,705	33,794
Foreign currency translation reserve	3,822	4,683	4,496
Capital and reserves attributable to equity shareholders	**38,408**	**42,296**	**39,751**
Equity attributable to non-controlling interests	33	17	29
Total equity	**38,441**	**42,313**	**39,780**

[1] See Note 1 Restatement of prior years

Consolidated Statement of Changes in Equity (unaudited)

	Share capital £000	Share premium £000	Treasury shares £000	Foreign currency translation reserve £000	Retained earnings £000	Sub total £000	Non-controlling interests £000	Total £000
Current interim period :								
Balance at 1 June 2012	3,270	638	(2,447)	4,496	33,794	39,751	29	39,780
Profit for the period	-	-	-	-	779	779	4	783
Other comprehensive income:								
Currency translation adjustments	-	-	-	(674)	-	(674)	-	(674)
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	(12)	(12)	-	(12)
Total other comprehensive income	**-**	**-**	**-**	**(674)**	**(12)**	**(686)**	**-**	**(686)**
Total comprehensive income	**-**	**-**	**-**	**(674)**	**767**	**93**	**4**	**97**
Dividends (note 8)	-	-	-	-	(1,436)	(1,436)	-	(1,436)
Balance at 30 November 2012	**3,270**	**638**	**(2,447)**	**3,822**	**33,125**	**38,408**	**33**	**38,441**
Prior interim period :								
Balance at 1 June 2011	3,270	638	-	3,818	32,791	40,517	15	40,532
Prior year adjustment	-	-	-	(47)	577	530	-	530
Balance at 1 June 2011 restated[1]	3,270	638	-	3,771	33,368	41,047	15	41,062
Profit for the period	-	-	-	-	1,230	1,230	2	1,232
Other comprehensive income:								
Currency translation adjustments restated[1]	-	-	-	912	-	912	-	912
Actuarial gains on defined benefit plans (net of tax)	-	-	-	-	660	660	-	660
Total other comprehensive income restated[1]	**-**	**-**	**-**	**912**	**660**	**1,572**	**-**	**1,572**
Total comprehensive income restated[1]	**-**	**-**	**-**	**912**	**1,890**	**2,802**	**2**	**2,804**
Dividends (note 8)	-	-	-	-	(1,553)	(1,553)	-	(1,553)
Balance at 30 November 2011 restated[1]	**3,270**	**638**	-	**4,683**	**33,705**	**42,296**	**17**	**42,313**
Prior year :								
Balance at 1 June 2011	3,270	638	-	3,818	32,791	40,517	15	40,532
Prior year adjustment	-	-	-	(47)	577	530	-	530
Balance at 1 June 2011 restated[1]	3,270	638	-	3,771	33,368	41,047	15	41,062
Profit for the period	-	-	-	-	3,211	3,211	14	3,225
Other comprehensive income:								
Currency translation adjustments	-	-	-	725	-	725	-	725
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	(295)	(295)	-	(295)
Total other comprehensive income	**-**	**-**	**-**	**725**	**(295)**	**430**	**-**	**430**
Total comprehensive income	**-**	**-**	**-**	**725**	**2,916**	**3,641**	**14**	**3,655**
Dividends (note 8)	-	-	-	-	(2,490)	(2,490)	-	(2,490)
Purchase of shares for treasury	-	-	(2,447)	-	-	(2,447)	-	(2,447)
Balance at 31 May 2012	**3,270**	**638**	**(2,447)**	**4,496**	**33,794**	**39,751**	**29**	**39,780**

[1] See Note 1 Restatement of prior years

Consolidated Cash Flow Statement (unaudited)

	6 months to 30 Nov 2012 £000	6 months to 30 Nov 2011 £000	Year ended 31 May 2012 £000
Cash flows from operating activities - continuing			
Profit after tax	783	1,232	3,225
Adjusted for :			
Income tax expense	374	542	1,487
Interest payable and similar charges	-	-	1
Interest receivable	(6)	(14)	(23)
Interest charges on pension liabilities less expected return on pension assets	66	130	403
Operating profit	1,217	1,890	5,093
Depreciation on property, plant and equipment	427	476	962
Amortisation of intangible assets	908	780	1,599
IAS 19 pensions current service cost net of contributions paid	(486)	(330)	(867)
Loss on disposal of property, plant and equipment	-	(8)	(26)
	2,066	**2,808**	**6,761**
Changes in working capital :			
(Increase)/decrease in inventories	(212)	104	310
Decrease in receivables	616	1,003	1,814
Decrease in payables	(271)	(308)	(208)
Net cash generated from operations	**2,199**	**3,607**	**8,677**
Tax paid	(262)	(824)	(1,545)
Net cash generated by operating activities	**1,937**	**2,783**	**7,132**
Investing activities			
Proceeds on disposal of property, plant and equipment	-	9	29
Purchases of property, plant and equipment	(558)	(575)	(731)
Expenditure on development costs	(1,140)	(1,143)	(2,198)
Interest received	6	14	23
Net cash used in investing activities	**(1,692)**	**(1,695)**	**(2,877)**
Financing activities			
Dividends paid	(1,436)	(1,553)	(2,490)
Purchase of treasury shares	-	-	(2,447)
Interest paid	-	-	(1)
Net cash used in financing activities	**(1,436)**	**(1,553)**	**(4,938)**
Net decrease in cash and cash equivalents	**(1,191)**	**(465)**	**(683)**
Cash and cash equivalents at beginning of year	4,775	5,383	5,383
Effect of foreign exchange rate changes	(70)	122	75
Cash and cash equivalents at end of period	**3,514**	**5,040**	**4,775**

Notes to the Interim Results

1. Accounting policies - Basis of accounting

The interim financial statements for the six months ended 30 November 2012 and 30 November 2011 and for the twelve months ended 31 May 2012 do not constitute statutory accounts for the purposes of Section 434 of the Companies Act 2006. The Annual Report and Financial Statements for the year ended 31 May 2012 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 31 May 2012 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.The 30 November 2012 statements were approved by the Board of Directors on 30 January 2013 and although not audited are subject to a review by our auditors.

The financial information has been prepared in accordance with the Disclosure and Transparency rules of the Financial Services Authority and in compliance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as endorsed by the European Union.

The interim financial statements have been prepared in accordance with the accounting policies set out in the 2012 Annual Report and which the Group expects to follow in its next Annual Report. During the period under review, the new standards, amendments to standards and interpretations which apply to the Group for the first time in this financial year have been reviewed by management. At the present time management do not believe that the new standards, amendments to standards or interpretations will have a material impact on the Group's financial statements for the financial year ended 31 May 2013.

Summarised below are details of the new standards, significant amendment to standards and interpretations which have been issued by the IASB and IFRIC but not adopted by the Group during the period as application is not mandatory in the current financial year :

Standard/Interpretation	Title	Effective date
- IAS 19 (amendment)	Employee benefits	1 January 2013
- IFRS 10:	Consolidated financial statements	1 January 2013
- IFRS 11:	Joint arrangements	1 January 2013
- IFRS 12:	Disclosure of interests in other entities	1 January 2013
- IFRS 13:	Fair value measurement	1 January 2013
- IAS 27 (revised):	Separate financial statements	1 January 2013
- IAS 28 (revised):	Investments in associates and joint ventures	1 January 2013
- IAS 32 (amendments):	Financial Instruments: Presentation	1 January 2014
- IFRS 9:	Financial instruments	1 January 2015

Restatement of prior years

As reported in our Annual Report 2012, in the US, the Group provides a supplemental executive retirement plan (SERP) to compensate certain executives for contributions that would have been made under the qualified defined benefit plan if not for limitations imposed by the Internal Revenue Code on the defined benefit scheme. Prior to 31 May 2012, no deferred tax asset was recognised on the contributions made into the scheme which are disallowed for corporation tax relief in the computations notwithstanding that, upon death, retirement or termination of the employment of the executives, the US subsidiary will be entitled to tax relief based on the cash surrender value of the policies provided to the executive. At each financial year end a deferred tax asset in relation to the tax recovery that will benefit the US subsidiary in future periods should be recognised. Accordingly, an appropriate amount was included for the financial year ended 31 May 2012 and has been recognised in the current period and a retrospective adjustment has been applied to the prior interim period. The impact of the restatement on the 30 November 2011 figures is shown below :

- To increase exchange gains on the translation of foreign operations in the Consolidated Statement of Comprehensive Income by £24,000
- To increase the deferred tax asset by £554,000
- To increase the Group's net assets by £554,000
- To increase retained earnings by £577,000
- To decrease the foreign currency translation reserve by £23,000

2. Revenue

	6 months to		Year ended
	30 Nov 2012	30 Nov 2011	31 May 2012
	£000	£000	£000
Revenue by geographical destination on continuing operations :			
United Kingdom	3,187	3,779	7,415
Rest of Europe	2,861	2,833	5,918
United States of America	5,252	5,884	12,888
Australia	1,476	1,219	2,496
Rest of World	499	617	1,097
Total consolidated revenue *	**13,275**	**14,332**	**29,814**
*** Analysed as follows :**			
Revenue from sales of printed products	10,802	11,995	24,692
Revenue from sales of digital data	2,354	2,124	4,698
Revenue from royalty and licensing arrangements	119	213	424
	13,275	**14,332**	**29,814**

3. Segmental analysis

For management and internal reporting purposes, the Group is organised into two geographical operating segments as follows:

- UK and Europe
- North America and Australia

The UK and European business with headquarters in Sparkford, Somerset has subsidiaries in the Netherlands, Italy, Spain, Romania and Sweden. Its core business is the publication and supply of automotive repair and technical information to the professional automotive and DIY aftermarkets in both a printed and digital format.

The North American and Australian business with headquarters near Los Angeles, California publishes DIY repair manuals for cars and motorcycles in both a printed and digital format. The business publishes titles under the Haynes and Chilton brands, in both the English and Spanish languages. It also has a branch operation in Sydney, Australia which publishes similar products under both the Haynes and Gregory's brands.

The above two operating segments are each organised and managed separately and are treated as distinct operating and reportable segments in line with the provisions of IFRS 8. The identification of the two operating segments is based on the reports reviewed by the chief operating decision maker, which form the basis for operational decision making. Inter-segmental sales are charged at the prevailing market rates in a manner similar to transactions with third parties.

The adjustments below have been made in the segmental tables which follow to reconcile the internal reports as reviewed by the chief operating decision maker to the financial information as reported under IFRS in the Group Financial Statements:

- In the segmental reporting freehold buildings are depreciated over 40 years - under IAS 16 the residual value of buildings reflect the expected value at the end of their useful life resulting in an adjustment to depreciation.
- In the segmental reporting pension contributions are expensed and the assets and liabilities of a defined benefit pension scheme are held separately from the Group - under IAS 19 the Income Statement and Statement of Comprehensive Income are adjusted to reflect the annual current service cost and actuarial gains and losses arising on a defined benefit pension scheme and the net surplus/(deficit) on the scheme is included in the balance sheet.
- In the segmental reporting goodwill is amortised over a period not exceeding 20 years - under IFRS 3 goodwill is reviewed annually for impairment but not amortised.
- In the segmental reporting the excess of the net assets acquired on a business combination over the consideration is shown as goodwill – under IAS 38 specific intangible assets are created and adjusted for deferred tax arising on acquisition.
- The unallocated head office assets primarily relate to freehold property, deferred tax assets and amounts owed by subsidiary undertakings.

3. Segmental analysis (continued)

Analysis of geographic operating segments

Revenue and results:	UK & Europe 6 months to 30 Nov 2012 £000	North America & Australia 6 months to 30 Nov 2012 £000	Consolidated 6 months to 30 Nov 2012 £000
Segmental revenue			
Total segmental revenue	6,675	7,873	14,548
Inter-segment sales	(208)	(1,065)	(1,273)
Total external revenue	**6,467**	**6,808**	**13,275**
Segment result			
Segment operating profit before interest	151	648	799
Interest received	-	6	6
Segment profit after interest	**151**	**654**	**805**
Unallocated head office income less expenses			(163)
Segment profit before tax and adjustments			642
Reconciliation to consolidated profit before tax:			
IAS 16 Property, plant & equipment			27
IAS 19 Employee benefits			379
IFRS 3 Business combinations			109
Consolidated profit before tax			**1,157**
Taxation			(374)
Consolidated profit after tax			**783**

Segment assets:	UK & Europe 30 Nov 2012 £000	North America & Australia 30 Nov 2012 £000	Eliminations 30 Nov 2012 £000	Consolidated 30 Nov 2012 £000
Property, plant and equipment	848	5,634	-	6,482
Intangible assets	5,179	1,965	-	7,144
Working capital assets	10,197	15,686	(1,016)	24,867
Segment total assets	**16,224**	**23,285**	**(1,016)**	**38,493**
Unallocated head office assets				11,437
Unallocated head office eliminations				(2,166)
				47,764
Reconciliation to consolidated total assets:				
IAS 16 Property, plant & equipment				1,240
IAS 19 Employee benefits				2,292
IAS 38 Intangible assets				1,306
IFRS 3 Business combinations				3,599
Consolidated total assets				**56,201**

3. Segmental analysis (continued)

Revenue and results:	UK & Europe 6 months to 30 Nov 2011 £000	North America & Australia 6 months to 30 Nov 2011 £000	Consolidated 6 months to 30 Nov 2011 £000
Segmental revenue			
Total segmental revenue	7,318	8,382	15,700
Inter-segment sales	(174)	(1,194)	(1,368)
Total external revenue	**7,144**	**7,188**	**14,332**
Segment result			
Segment operating profit before interest	736	911	1,647
Interest received	2	12	14
Segment profit after interest	**738**	**923**	**1,661**
Unallocated head office income less expenses			(191)
Segment profit before tax and adjustments			**1,470**
Reconciliation to consolidated profit before tax:			
IAS 16 Property, plant & equipment			15
IAS 19 Employee benefits			180
IFRS 3 Business combinations			109
Consolidated profit before tax			**1,774**
Taxation			(542)
Consolidated profit after tax			**1,232**

Segment assets:	UK & Europe 30 Nov 2011 £000	North America & Australia 30 Nov 2011 £000	Eliminations 30 Nov 2011 £000	Restated[1] Consolidated 30 Nov 2011 £000
Property, plant and equipment	516	6,191	-	6,707
Intangible assets	4,964	2,222	-	7,186
Working capital assets	11,527	17,175	(695)	28,007
Segment total assets	**17,007**	**25,588**	**(695)**	**41,900**
Unallocated head office assets				11,904
Unallocated head office eliminations				(2,454)
				51,350
Reconciliation to consolidated total assets:				
IAS 16 Property, plant & equipment				1,206
IAS 19 Employee benefits				2,358
IAS 38 Intangible assets				1,519
IFRS 3 Business combinations				3,447
Consolidated total assets				**59,880**

[1] See Note 1 Restatement of prior years

3. Segmental analysis (continued)

Revenue and results:	UK & Europe Year ended 31 May 2012 £000	North America & Australia Year ended 31 May 2012 £000	Consolidated Year ended 31 May 2012 £000
Segmental revenue			
Total segmental revenue	14,780	17,745	32,525
Inter-segment sales	(423)	(2,288)	(2,711)
Total external revenue	**14,357**	**15,457**	**29,814**
Segment result			
Segment operating profit before interest	1,759	2,606	4,365
Interest received	3	20	23
Interest payable	-	(1)	(1)
Segment profit after interest	**1,762**	**2,625**	**4,387**
Unallocated head office income less expenses			(246)
Segment profit before tax and adjustments			**4,141**
Reconciliation to consolidated profit before tax:			
IAS 16 Property, plant & equipment			30
IAS 19 Employee benefits			322
IFRS 3 Business combinations			219
Consolidated profit before tax			**4,712**
Taxation			(1,487)
Consolidated profit after tax			**3,225**

Segment assets:	UK & Europe 31 May 2012 £000	North America & Australia 31 May 2012 £000	Eliminations 31 May 2012 £000	Consolidated 31 May 2012 £000
Property, plant and equipment	457	5,976	-	6,433
Intangible assets	4,892	2,153	-	7,045
Working capital assets	11,294	16,587	(961)	26,920
Segment total assets	**16,643**	**24,716**	**(961)**	**40,398**
Unallocated head office assets				11,551
Unallocated head office eliminations				(2,180)
				49,769
Reconciliation to consolidated total assets:				
IAS 16 Property, plant & equipment				1,232
IAS 19 Employee benefits				2,447
IAS 38 Intangible assets				1,271
IFRS 3 Business combinations				3,634
Consolidated total assets				**58,353**

4. Finance income

	6 months to 30 Nov 2012 £000	6 months to 30 Nov 2011 £000	Year ended 31 May 2012 £000
Interest receivable on bank deposits	6	14	23
Expected return on pension scheme assets	681	754	1,382
	687	**768**	**1,405**

5. Finance costs

	6 months to 30 Nov 2012 £000	6 months to 30 Nov 2011 £000	Year ended 31 May 2012 £000
Interest payable on bank loans and overdrafts	-	-	1
Interest charge on pension scheme liabilities	748	884	1,785
	748	**884**	**1,786**

6. Taxation

The tax charge for the six months ended 30 November 2012 is based on an estimate of a full year effective tax rate of 32.3% (30 November 2011: 30.6% / 31 May 2012: 31.6%). The increase in the effective tax rate reflects the larger mix of profits from overseas operations where the tax rates are higher than in the UK.

7. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following:-

	6 months to 30 Nov 2012 £000	6 months to 30 Nov 2011 £000	Year ended 31 May 2012 £000
Earnings :			
Profit after tax – continuing operations [1]	779	1,230	3,211
	No.	No.	No.
Number of shares : [2]			
Weighted average number of shares	15,111,540	16,351,540	16,082,851
Basic earnings per share (pence)	5.2	7.5	20.0

[1] Adjusted to exclude a profit of £4,000 (2011: £2,000) attributable to non-controlling interests.

[2] In February/March 2012 the Company purchased 1,240,000 of its ordinary shares for placing in treasury.

As at 30 November 2012, 31 May 2012 and 30 November 2011 there were no outstanding options on either of the Company's two classes of shares and there is no difference between the earnings used in the basic and diluted earnings per share calculation.

8. Dividends

	6 months to		Year ended
	30 Nov 2012	30 Nov 2011	31 May 2012
	£000	£000	£000
Amounts recognised as distributions to equity holders :			
Final dividend of 9.5p per share (2011: 9.5p)	1,436	1,553	1,553
Interim dividend of 6.2p per share	-	-	937
	1,436	**1,553**	**2,490**

An interim dividend of 3.5p per share (2011: 6.2p) amounting to £528,904 (2011: £936,915) has been declared during the period but has not been reflected in the interim accounts. The payment of the interim dividend will be made on 10 April 2013 to shareholders on the register at the close of business on 22 March 2013, the shares being declared ex-dividend on 20 March 2013.

9. Analysis of the changes in net funds

	As at 1 June 2012	Cash flow	Exchange movements	As at 30 Nov 2012
	£000	£000	£000	£000
Cash at bank and in hand	4,775	(1,174)	(70)	3,531
Bank overdrafts	-	(17)	-	(17)
	4,775	(1,191)	(70)	3,514

10. Retirement benefit obligation

The Group operates a number of different retirement programmes in the countries within which it operates. The principal pension programmes are a contributory defined benefit scheme in the UK and a non contributory defined benefit plan in the US. The assets of all schemes are held independently of the Group and its subsidiaries.

During the period the financial position of the above pension arrangements have been updated in line with the anticipated annual cost for current service, the expected return on scheme assets, the interest on scheme liabilities and cash contributions made to the schemes.

The last full IAS 19 actuarial valuation was carried out by a qualified independent actuary as at 31 May 2012 and this valuation has been updated by the Scheme’s actuaries on an approximate basis to 30 November 2012.

10. Retirement benefit obligation (continued)

The movements in the retirement benefit obligation were as follows:

	6 months to 30 Nov 2012 £000	6 months to 30 Nov 2011 £000	Year ended 31 May 2012 £000
Retirement benefit obligation at beginning of period	(9,980)	(10,434)	(10,434)
Movement in the period :			
- Total expenses charged in the income statement	(400)	(569)	(1,160)
- Contributions paid	761	769	1,501
- Actuarial gains taken directly to reserves	59	1,155	170
- Foreign currency exchange rates	11	(48)	(57)
Retirement benefit obligation at end of period	**(9,549)**	**(9,127)**	**(9,980)**

11. Exchange rates

The foreign exchange rates used in the financial statements to consolidate the overseas subsidiaries are as follows (local currency equivalent to £1):

	Period end rate			Average rate		
	30 Nov 2012	30 Nov 2011	31 May 2012	30 Nov 2012	30 Nov 2011	31 May 2012
US dollar	1.60	1.57	1.54	1.59	1.60	1.59
Euro	1.23	1.17	1.24	1.25	1.14	1.18
Swedish krona	10.67	10.61	11.19	10.67	10.42	10.59
Australian dollar	1.54	1.53	1.59	1.53	1.53	1.53

12. Property, plant and equipment

	Total £000
Net book value at 1 June 2011	9,850
Exchange rate movements	225
Additions	575
Disposals	(1)
Depreciation	(476)
Net book value at 30 November 2011	**10,173**

	£000
Net book value at 1 June 2012	9,877
Exchange rate movements	(123)
Additions	558
Disposals	-
Depreciation	(427)
Net book value at 30 November 2012	**9,885**

The Group had no capital expenditure which had been contracted but had not been provided for as at 30 November 2012 (2011: £nil).

13. Intangible assets

	Total
	£000
Carrying value at 1 June 2011	17,022
Exchange rate movements	65
Additions	1,143
Amortisation	(780)
Carrying value at 30 November 2011	**17,450**

	£000
Carrying value at 1 June 2012	17,250
Exchange rate movements	(134)
Additions	1,140
Amortisation	(908)
Carrying value at 30 November 2012	**17,348**

14. Related party transactions

During the six months to 30 November 2012 there were no new material related party transactions or material changes to the related party transactions as reported in the Annual Report 2012.

15. Principal risks and uncertainties

The principal risks and uncertainties facing the Group during the second half of the financial year are outlined in the Interim Statement and summarised below :

- The UK and Global economic outlook and in particular, the consequential impact on consumer confidence and businesses.
- Movements in the exchange rate of the US Dollar and Euro against Sterling.
- The impact of movements in interest rates, inflation and investment performance on the Group's retirement benefit schemes.

The Board considers that the above, along with the principal risks and uncertainties which were discussed at more length in the Annual Report 2012 under the following headings and page references, continue to be the major risks and uncertainties facing the Group :

- The processes adopted by the Board to identify and monitor risk (page 25)
- The Group's principal financial risks and uncertainties (pages 65 – 67)
- The Group's principal operational risks and uncertainties (pages 8 – 12)

A copy of the Annual Report 2012 can be found on the Group's corporate website www.haynes.co.uk/investor.

16. Other information

A copy of this half-year report will be distributed to all shareholders and will also be available to members of the public from the Company's registered office at Sparkford, Near Yeovil, Somerset BA22 7JJ. A copy of the interim report will also be available on the Group's corporate website at www.haynes.co.uk/investor.

INDEPENDENT REVIEW REPORT TO HAYNES PUBLISHING GROUP P.L.C.

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2012 which comprises a consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting its responsibilities in respect to half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

BDO LLP
Chartered Accountants and Registered Auditors
Southampton
United Kingdom
30 January 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number 0C305127).