HAYNES PUBLISHING GROUP P.L.C.

RESULTS FOR THE YEAR ENDED
31 May 2013

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 independent 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.

Group financial highlights

- Revenue of £27.6 million (2012: £29.8 million)
- EBITDA of £6.6 million (2012: £7.7 million)
- Operating profit of £3.8 million (2012: £5.1 million)
- Profit before tax slightly ahead of market expectations at £3.6 million (2012: £4.7 million)
- Basic earnings per share of 16.4 pence (2012: 20.0 pence)
- Final dividend declared of 4.0 pence per share, giving a total dividend of 7.5 pence per share (2012: 15.7 pence)
- The largely contractual HaynesPro revenue was 13% ahead of 2012
- Australian revenue 9% ahead of 2012
- Operating profit to cash conversion ratio of 184% (2012: 170%)
- Healthy balance sheet with net funds up 27% at £6.1 million (2012: £4.8 million). Net funds after the acquisition of Clymer and Intertec Manuals on 17 September 2013 were c.£2.4 million. In addition there are 1.2 million ordinary shares held in treasury

Business highlights

- Successful completion of strategic review (post year-end), resulting in new focus on high margin titles
- UK automotive and general publishing editorial teams to be merged
- Embarking on the development of a new, interactive consumer website, available in multiple languages, and accessible on a variety of media devices
- Continued development of Haynes multimedia digital platforms
- Digital manual range extended to over 350 titles; print manual range also expanded
- Completion of rebranding of European professional product range as 'HaynesPro' (formerly Vivid), with strong twelve month growth and two new products launched for professional automotive aftermarket
- Expanded technical team in Romania to further improve digital capabilities
- Continuing to review new acquisition opportunities

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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.

Business Description

The Haynes Group comprises two geographical business segments as follows :

- UK & Europe
- North America & Australia.

The UK & European business has headquarters in Somerset, England and subsidiaries in the Netherlands, Italy, Spain, Romania and Sweden. The core business of the European operations is the digital supply of automotive repair and technical information to the professional automotive markets in twenty three different languages as well as to the DIY aftermarkets in both a printed and digital format. The business also publishes a wide range of titles which are practical, instructional, easy to read and aimed at those with an interest in more general DIY related activities as well as motoring, motor sport, transport, aviation and military.

The North American & Australian business has headquarters near Los Angeles, California and 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 and in both the English and Spanish languages. It has a branch operation in Sydney, Australia which publishes similar products under both the Haynes and Gregory brands. The Australian business also publishes information for the professional automotive market. Through its print facility in Nashville, Tennessee, the North American business is the central print facility for the Group’s printed products.

Chairman’s Statement

Over the past twelve months, we have once again seen strong revenue growth from our professional product ranges in Europe. This follows the successful completion of the rebranding of Vivid to ‘HaynesPro’, which started in September 2012, and has helped us to strengthen the Haynes brand throughout mainland Europe, whilst also allowing the professional side of the business to benefit from the Haynes association when developing new leads in geographical territories where Haynes has a strong brand presence. Demand for our traditional printed Haynes manuals, in both our main geographical markets has remained soft during the year and we have also experienced a noticeable downturn in demand for our domestic general publishing titles.

As a Group, for the most part, we were able to weather the early impact of the economic downturn and, whilst it was unrealistic to expect sustainable growth during this period, we were able to maintain Group profitability. However, over the last two years we have faced a strengthening headwind in our core automotive manual markets and more recently a significant slowdown in the UK general publishing market. The Board recognised that these pressures were unlikely to ease in the foreseeable future and so commenced a strategic review of the business at the end of 2012. This review was completed in September this year and Eric Oakley, our Group Chief Executive, has set out below further details of the key actions we will be undertaking to help return the Group to revenue and profit growth.

Results summary

Over the past twelve months the softer trading conditions for our core automotive manuals and a sharp decline in demand for our domestic general book publishing titles has had a negative effect on Group profitability and, whilst in mainland Europe the strong trading performance from HaynesPro has helped to mitigate these downward pressures, Group revenue ended the year 7% lower at £27.6 million (2012: £29.8 million). Despite a tight control of overheads, the impact of the lower revenue coupled with an increase in HaynesPro development cost amortisation of £0.4 million left Group pre-tax profits at £3.6 million (2012: £4.7 million), down 23%.

The Group’s effective tax rate was 31.3% (2012: 31.6%) leaving basic earnings per share at 16.4 pence (2012: 20.0 pence).

Although we are currently experiencing pressure on our core revenue streams, the Group continues to enjoy a healthy balance sheet and strong cash generation. With an operating profit to cash conversion ratio of just over 180%, the Group’s cash balances ended the year up 27% at £6.1 million (2012: £4.8 million).

Post balance sheet event

On 17 September 2013, the Group acquired the trade and certain assets and liabilities including intellectual property, trade receivables and finished goods inventory marketed and sold under the Clymer and Intertec brands from Penton Media, Inc in the USA. The cash consideration for the acquisition was £5.85 million ($9.25 million) funded in part through US internal cash and partly through bank debt. The acquisition of the Clymer and Intertec brands sits perfectly alongside our iconic Haynes manuals as well as expanding the Group’s range of repair manuals to include marine, snowmobiles and tractors.

Dividend and shares

As reported at the time of our Interim Results for the 6 months ended 30 November 2012 (announced on 31 January 2013), the Group has communicated its intention to grow the business through acquisitions, geographical expansion and organic growth and therefore, the Board feels it is appropriate at this time of economic uncertainty to conserve cash within the business. The Board maintains a target dividend cover of 1.5 times. Owing to the short term cash requirements associated with restructuring the loss making UK business, the Board feels it is sensible to exercise prudent cash management.

In light of the above, the Board is recommending a final dividend of 4.0 pence per share (2012: 9.5 pence) which, taken together with the interim dividend of 3.5 pence (2012: 6.2 pence), gives a total dividend for the year of 7.5 pence per share (2012: 15.7 pence). Subject to the approval by shareholders, the final dividend will be paid on 30 October 2013 to shareholders on the register at the close of business on 11 October 2013. The shares will be declared ex-dividend on 9 October 2013.

Board, corporate governance and people

The Board is responsible for ensuring the Group businesses are managed in an efficient and effective manner. Through the forum of regular Board meetings, the Board sets Group strategy, evaluates Group performance, monitors operating and financial risk and considers all matters which are necessary to provide an environment of sound corporate governance. Full details of how the Board has complied with the UK Corporate Governance Code are contained in this year's Annual Report. There have been no changes to the composition of the Group Board during the year.

Whilst the Board sets Group strategy, which management implements, the successful delivery of the strategy is very dependent on the employees who work within the business and we are very fortunate to have a hard working and loyal team which, particularly in the current climate, is willing to adapt to change. I would therefore, like to thank Eric Oakley and my fellow Board members, the Group's management teams and all of our Group wide employees for all their efforts during the year. I am confident that the actions we are taking as a Group will help strengthen the business for the future.

Future prospects

Following the completion of our strategic review, we now have a much clearer focus on those parts of the business which are core operations and which will help to drive future revenue and profit growth to the Group. Whilst the economic landscape remains uncertain, with little prospect of a return to more buoyant trading conditions in the short-term, I am nevertheless genuinely optimistic about the future prospects for the Haynes Group. We have a solid financial base with a strong brand presence throughout the major English speaking territories of the world. These factors, together with our in-house automotive and IT expertise and a proven ability to create and distribute content in multiple languages through our internally developed multimedia platforms, mean we are well placed to fulfil our growth objectives.

J HC Haynes

Group Chairman
20 September 2013

Group Chief Executive's Review

Business overview

The last twelve months have once again thrown up challenges in our traditional sales channels but nevertheless, we continue to make strong progress in other areas of the business. The performance of our professional data business in Europe has continued to perform well, despite the uncertain economic backdrop. Our digital Haynes manuals online are now available in all the Group's major geographic markets. Whilst the revenue from these new Haynes digital ranges remains relatively modest in overall Group terms, the take-up from our end users is increasing and the fact that the development of the platforms and the conversion of the text to digital files has been developed entirely using in-house resources is a testament to the technical capabilities we possess within the Haynes Group.

Strategic review

Towards the end of calendar year 2012, the Board commenced a strategic review of the business, the principal aim of which was to identify a clear pathway for the Group to return to revenue and profit growth. The Board has now concluded its review and has recently commenced action to implement the resulting recommendations.

When we first entered the current economic decline back in 2007, we knew that Group revenue and profitability would come under pressure and yet for the first five years, through a tight control over costs and working capital, we were able to weather the storm well and maintain group profitability. However, some six years later, the challenges still remain and there are few signs that the economic pressures we currently face will ease in the near future. We are also cognisant that there have been some structural changes in the markets we traditionally serve and, as a result, we need to adapt our own business model.

In the UK, our business structure has been based around 'vertical integration' which has allowed us to control the origination, design, printing and distribution of our own titles. However, for the UK operation, the traditional benefits associated with a vertically integrated business have gradually been diminishing as the marketplace for our general publishing titles has changed and as sales volumes have fallen. In recent years, the structure of the business has not afforded us the flexibility we need to ensure our overall cost base reflects present day business performance. Over the last twelve months it has become clear that change is required, not just to the physical structure of the UK business but also in our UK publishing output.

Our current premises in Sparkford, Somerset have served the company well but the site no longer meets the requirements of a modern information publishing business. We have therefore taken the decision to relocate the business to more suitably sized premises in the near term. This decision has called into question the need for the UK business to continue with its in-house distribution facility. The book distribution market has changed significantly from when the business first started and, whilst we are very proud of the service we provide our customers, the investment that would be needed to upgrade the UK facility for the requirements of a modern day logistics operation would far outweigh the future benefit to the business. The Board has therefore, concluded it is no longer commercially feasible to maintain a UK distribution facility and the process of transferring this part of the business to a third party logistics provider will begin shortly.

We have also examined the type and style of books and digital information that we publish. Over the last five years we have been expanding the Haynes brand to capitalise on our position as one of the foremost global suppliers of automotive information. We have done this through adding to our range of iconic Haynes Car and Motorcycle Manuals, new titles covering more general DIY topics such as home, garden and leisure as well as publishing a range of entertainment manuals, from The Lancaster to the USS Enterprise. In each of these areas it is the Haynes brand that brings the products credibility and it is the *Haynes Owners Workshop Manual* format that delivers the highest publishing margins. Therefore, going forward, we will be re-focussing our publishing strategy on these higher margin titles and will be amalgamating our UK automotive and general publishing editorial functions into a single combined UK editorial department.

Once complete, the above restructuring is expected to result in the loss of a relatively small number of roles in the UK business.

In addition to the above measures, we are aware that the key to a successful digital strategy is a strong global shop window from which we can engage with our end users. We will therefore, be designing and implementing a new online consumer facing global website which will allow the Group to interact with our target audiences world-wide, to deliver trustworthy and practical advice in multiple languages and through a range of different media devices.

The first phase of this project will involve the building of a new global website, which we are able to undertake in-house using the IT expertise and language translation skills within HaynesPro.

Alongside the structural repositioning of the UK business, the Board sees growth opportunities for the Group through the development of its professional product range, sold through the HaynesPro brand, in new geographical markets. At the same time we will also actively seek complementary acquisitions to accelerate our growth strategy, provide us with greater market share and drive synergies, or simply help grow the core data upon which our business model is built. Whilst any business decision which impacts on our existing and often long serving employee base is difficult to make, the Board believes that the above changes to the UK operations are vital at this time to put the UK business back on a firm financial footing from which we can grow the business.

Operating results overview

The lower mix of automotive manual income in both the US and the UK, which still represents just over two thirds of overall Group revenues, coupled with the very challenging conditions for our general publishing titles has left overall Group revenue down 7% at £27.6 million (2012: £29.8 million).

The impact of the lower core revenue which traditionally carries a higher margin and an increase in new product development cost amortisation of £0.4 million have combined to lower the Group's overall gross margin to 58.5% (2012: 59.9%). With Group overheads down 3% against the prior period and net finance costs, which almost entirely relate to the movement on the Group's defined pension scheme assets and liabilities, of £0.1 million (2012: £0.4 million) Group pre-tax profits ended the year down 23% at £3.6 million (2012: £4.7 million). Group EBITDA which excludes the above finance costs and development cost amortisation was £6.6 million (2012: £7.7 million).

Segmental overview

North America and Australia

At the half year we reported a 6% reduction in local currency revenue from the North American and Australian operations, as weaker ordering from a small number of key US retailers impacted the performance of the business but was partially offset by strong revenue growth in Australia. During the second six months of the financial year, we experienced some softening of conditions in the Australian markets and with no notable improvement in our important US markets, overall North American and Australian revenue ended the second six month period down 15% and for the year as a whole down 11%. With an average US Dollar exchange rate against Sterling during the year of $1.57 (2012: $1.59), after translation to Sterling the shortfall was 10% at £14.0 million (2012: £15.5 million).

Although trading conditions in Australia softened during the second six months, overall Australian revenue still ended the twelve months 9% ahead of the prior year, as the new display racking and sales initiatives implemented during the prior period had a positive effect on sales. In Australia, we also work closely with some of the large vehicle manufacturers to produce own branded products and whilst the margin from this revenue channel is lower than that enjoyed for our core automotive manuals, it has nevertheless been a solid growth area for this part of the business during the year.

Discussions between senior management and some of our largest US retailers to find solutions to reverse the softer manual sales are continuing. However, US management takes comfort from those retail customers where new marketing initiatives and product promotions have been implemented and have had a positive impact on sales performance.

In light of the softer revenue figures, segmental operating profit in local currency ended the year at $2.8 million (2012: $4.2 million) which after translation to Sterling was down 31% at £1.8 million (2012: £2.6 million).

United Kingdom and Europe

At the half year stage we had experienced a disappointing six months of trading in both our UK automotive and general publishing divisions, with revenue shortfalls against the prior period of 12% and 19% respectively. Whilst, we have experienced a slight improvement in the demand for our UK automotive manuals during the second six months, with sales of owner workshop manuals up 2% and overall automotive manual sales ending the year 7% down on last year, this more positive trend has not carried over into our general publishing division. The difficult trading conditions of the first six months continued into the second half of the year, with revenue from our non-automotive titles during the second six months down 17%, leaving overall revenue in this division 18% lower than the prior year.

In mainland Europe, HaynesPro (having rebranded from Vivid Automotive in September 2012) has experienced another strong year of revenue growth, with local currency revenue ending the year 13% ahead of the prior year. The continued success of the HaynesPro business is built on an ability to design and develop new products and in September 2012, at the Automechanika show in Frankfurt, the business launched *SmartCASE™* a unique database which allows mechanics to resolve issues and problems with help and tips from industry experts, for a wide range of European and Asian vehicles. This was followed by the launch of '*ProFIT*', a new module which allows parts manufacturers to provide on-line installation instructions in 23 different languages on a comprehensive range of platforms including tablets, PCs and smart phones. The new module will also provide HaynesPro with an opportunity to market the product as an alternative solution in geographical regions where parts catalogues with fully integrated technical data sets are not yet widely used.

In light of the lower UK sales, overall UK and European revenue ended the year down 5% at £13.7 million (2012: £14.4 million) and with higher HaynesPro development cost amortisation of £0.4 million, UK and European segmental operating profit ended the period down 50% at £0.9 million (2012: £1.8 million).

Taxation

The Group's charge to taxation during the year was £1.1 million (2012: £1.5 million) with an effective rate of 31.3% (2012: 31.6%). The total charge for taxation during the year reflects that the Haynes Group has trading subsidiaries in a number of different countries around the world, each with their own national rates of corporate tax which are applied to the profits generated locally. This mix of profits in different tax jurisdictions is reflected in the Group's effective tax rate.

Working capital and cash flows

During the year the Group acquired new freehold premises in Bucharest at a cost of €0.5 million to accommodate the growing team of digital technicians in the Romanian business. Yet despite this one-off capital expenditure and the pressures on our core revenue streams during the year, the operating profit to cash conversion rate remained strong, with the Group's net cash inflow from continuing operations before tax ending the year at £6.9 million (2012: £8.7 million) which represented 184% of Group operating profit (2012: 170%).

Revenue from digital sources have increased from just over 10% to nearly 20% in five years and a large proportion of this revenue is either contract or subscription based and in the case of our professional product ranges, the contracts can be up to three years in duration. Therefore, this provides management with an increasingly valuable visibility when forecasting future revenue and cash flows.

Pensions

As at 31 May 2013, the aggregate deficit on the Group's two defined benefit schemes (UK and US) as reported in accordance with IAS 19 was £12.1 million (2012: £10.0 million) with total scheme assets of £28.5 million (2012: £25.2 million) and total scheme liabilities of £40.6 million (2012: £35.2 million). A reduction in the US discount rate from 5.0% to 4.5% and a higher UK inflation assumption from 2.3% to 3.1% are the principal factors contributing to the higher reportable deficit. It is relevant to note that this is the deficit measured under IAS 19 and not the deficit derived from the valuation methodologies adopted by the UK and US Scheme actuaries to determine the level of on-going funding for the two schemes.

An amendment to IAS 19 is effective for companies with financial year-ends beginning on or after 1 January 2013 and will impact the Group for the first time next year. In line with the provisions of the new standard, the Company will be required to use the schemes' discount rate to calculate the return on assets rather than using an average rate of return for each class of asset as appropriate. The change is expected to reduce the income generated by the schemes' assets, as recorded within the Income Statement, by approximately £0.4 million.

Group outlook

The priority over the coming months will be the implementation of the recommendations from the strategic review which will help reduce the cost base of our UK business and focus publishing activities on to the higher margin titles. Some of the recommendations such as the relocation of the UK business may take longer to implement, but work on these important projects will commence shortly.

The expected one-off costs of the restructuring programme which primarily relate to employee and author contract exit costs will be £1.3 million and will have a negative impact on our financial performance in the current year. However, following the restructuring, the cost savings to the UK business are anticipated to be £0.5 million in 2014/15, rising to £0.7 million in 2015/16. I am confident that with the actions we have taken the UK element of the UK & European business will return to profit.

On Tuesday 17 September 2013 the Group acquired the trade and assets of Clymer and Intertec Manuals in the United States. Clymer is the market leader worldwide in DIY repair manuals for Motorcycles thereby making Haynes now the dominant force in DIY repair for motorcycles. Clymer also takes us into new markets for inboard and outboard marine applications, personal watercraft and snowmobiles and Intertec takes us into the agricultural equipment market (primarily farm tractors). The transaction is earnings enhancing with good profit opportunities through synergies and enhancement of product offerings into various digital platforms through the skills at HaynesPro. The deal was a cash transaction funded through existing resources including almost 60% internal cash and the balance in debt. It is anticipated that in simple payback terms it will pay back in under four years on the basis of current sales.

We will also seek to utilise our strong financial position to pursue other acquisitions which will help the Group achieve sustainable revenue and earnings growth.

Eric Oakley
Group Chief Executive
20 September 2013

Consolidated Income Statement

	Note	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Continuing operations			
Revenue	3	27,632	29,814
Cost of sales		(11,490)	(11,964)
Gross profit		16,142	17,850
Other operating income		59	72
Distribution costs		(6,922)	(7,073)
Administrative expenses		(5,526)	(5,756)
Operating profit		3,753	5,093
Finance income	4	1,447	1,405
Finance costs	5	(1,579)	(1,786)
Profit before taxation		**3,621**	**4,712**
Taxation	6	(1,135)	(1,487)
Profit for the period from continuing operations		**2,486**	**3,225**
Attributable to :			
Equity holders of the Company		2,476	3,211
Non-controlling interests		10	14
		2,486	**3,225**
Earnings per 20p share from continuing operations	7	Pence	Pence
- Basic		16.4	20.0
- Diluted		16.4	20.0

Consolidated Statement of Comprehensive Income

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Profit for the period	**2,486**	**3,225**
Other comprehensive income :		
Exchange differences on translation of foreign operations	874	725
Actuarial gains/(losses) on retirement benefit obligation		
- UK Scheme	(1,948)	(888)
- US Scheme	(718)	934
Deferred tax on retirement benefit obligation		
- UK Scheme	448	213
- US Scheme	287	(373)
Deferred tax arising on change in UK corporation tax rate	(98)	(181)
Other comprehensive income recognised directly in equity	**(1,155)**	**430**
Total comprehensive income for the financial period	**1,331**	**3,655**
Attributable to :		
Equity holders of the Company	1,321	3,641
Non-controlling interests	10	14
	1,331	**3,655**

Consolidated Balance Sheet

	Note	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Non-current assets			
Property, plant and equipment		10,082	9,877
Intangible assets		18,336	17,250
Deferred tax assets		4,997	4,316
Total non-current assets		**33,415**	**31,443**
Current assets			
Inventories		13,335	13,376
Trade and other receivables		8,018	8,759
Cash and cash equivalents		6,178	4,775
Total current assets		**27,531**	**26,910**
Total assets		**60,946**	**58,353**
Current liabilities			
Trade and other payables		(4,472)	(4,278)
Current tax liabilities		(932)	(327)
Bank overdrafts		(73)	-
Total current liabilities		**(5,477)**	**(4,605)**
Non-current liabilities			
Deferred tax liabilities		(4,244)	(3,988)
Retirement benefit obligation	10	(12,079)	(9,980)
Total non-current liabilities		**(16,323)**	**(13,968)**
Total liabilities		**(21,800)**	**(18,573)**
Net assets		**39,146**	**39,780**
Equity			
Share capital		3,270	3,270
Share premium		638	638
Treasury shares		(2,447)	(2,447)
Retained earnings		32,276	33,794
Foreign currency translation reserve		5,370	4,496
Capital and reserves attributable to equity shareholders		**39,107**	**39,751**
Equity attributable to non-controlling interests		39	29
Total equity		**39,146**	**39,780**

Consolidated Statement of Changes in Equity

	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
Balance at 1 June 2011	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 on defined benefit plans (net of tax)	-	-	-	-	(295)	(295)	-	(295)
Total other comprehensive income restated	**-**	**-**	**-**	**725**	**(295)**	**430**	**-**	**430**
Total comprehensive income restated	**-**	**-**	**-**	**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 1 June 2012	**3,270**	**638**	**(2,447)**	**4,496**	**33,794**	**39,751**	**29**	**39,780**
Profit for the period	-	-	-	-	2,476	2,476	10	2,486
Other comprehensive income :								
Currency translation adjustments	-	-	-	874	-	874	-	874
Actuarial losses on defined benefit plans (net of tax)	-	-	-	-	(2,029)	(2,029)	-	(2,029)
Total other comprehensive income	**-**	**-**	**-**	**874**	**(2,029)**	**(1,155)**	**-**	**(1,155)**
Total comprehensive income	**-**	**-**	**-**	**874**	**447**	**1,321**	**10**	**1,331**
Dividends (note 8)	-	-	-	-	(1,965)	(1,965)	-	(1,965)
Balance at 31 May 2013	**3,270**	**638**	**(2,447)**	**5,370**	**32,276**	**39,107**	**39**	**39,146**

Consolidated Cash Flow Statement

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Cash flows from operating activities - continuing		
Profit after tax	2,486	3,225
Adjusted for :		
Income tax expense	1,135	1,487
Interest payable and similar charges	2	1
Interest receivable	(14)	(23)
Interest charges on pension liabilities less expected returns on pension assets	144	403
Operating profit	3,753	5,093
Depreciation on property, plant and equipment	843	962
Amortisation of intangible assets	1,963	1,599
IAS 19 pensions current service cost net of contributions paid	(736)	(867)
Gain on disposal of property, plant and equipment	(7)	(26)
	5,816	6,761
Changes in working capital :		
Decrease in inventories	133	310
Decrease in receivables	854	1,814
Increase/(decrease) in payables	103	(208)
Net cash generated from operations	**6,906**	**8,677**
Tax paid	(433)	(1,545)
Net cash generated by operating activities	**6,473**	**7,132**
Investing activities		
Proceeds on disposal of property, plant and equipment	10	29
Purchases of property, plant and equipment	(963)	(731)
Expenditure on development costs	(2,389)	(2,198)
Interest received	14	23
Net cash used in investing activities	**(3,328)**	**(2,877)**
Financing activities		
Dividends paid	(1,965)	(2,490)
Purchase of treasury shares	-	(2,447)
Interest paid	(2)	(1)
Net cash used in financing activities	**(1,967)**	**(4,938)**
Net increase in cash and cash equivalents	**1,178**	**(683)**
Cash and cash equivalents at beginning of year	4,775	5,383
Effect of foreign exchange rate changes	152	75
Cash and cash equivalents at end of year (net funds)	**6,105**	**4,775**

Notes to the Results Announcement

1. Accounting policies

Basis of preparation

Haynes Publishing Group P.L.C. (the "Company") is a company domiciled in the United Kingdom. The consolidated financial statements of the Company for the year ended 31 May 2013 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The Group financial statements have been prepared on the historical cost basis except for the treatment of certain financial instruments and are presented in sterling, with all values rounded to the nearest thousand pounds (£'000) except as indicated otherwise.

The financial information contained in this report does not constitute the Company's statutory accounts for the year ended 31 May 2013 or for the year ended 31 May 2012. Statutory accounts for the years ended 31 May 2013 and 31 May 2012 have been reported on by the Independent Auditors and the Independent Auditors' Report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The statutory accounts for the year ended 31 May 2012 have been filed with the Registrar of Companies and the statutory accounts for the year ended 31 May 2013 will be filed with the Registrar of Companies following the AGM on 23 October 2013.

The Annual Report 2013 was approved by the Board of Directors and authorised for issue on 20 September 2013 and signed on its behalf by J Haynes and E Oakley.

Basis of accounting

The accounting policies used to prepare this results announcement are consistent with those applied in the 2012 consolidated financial statements, apart from the following new standards and amendments to standards which became effective for the first time during the year :

- IFRS 7 (amendment): 'Financial Instruments: Disclosures', has been introduced to help investors and other financial statement users to better assess the effect or potential effect of offsetting arrangements on a company's financial position.
- IAS 12 (amendment): 'Income Taxes', IAS 12 requires an entity to measure the deferred tax relating to an asset, depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will normally be through sale.

The above amendments were either not relevant to or did not have a material impact on the Group during the year.

Issued standards, amendments to standards and interpretations which become applicable for the Group after the year-end will be adopted in accordance with their effective dates. The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements of the Group in the period of initial application with the exception of IAS19 (revised). The amendments to IAS 19 Employee Benefits (Revised) are applicable for companies with financial year ends beginning on or after 1 January 2013 and so will impact the Group for the first time next year. The main impact for the Group will be to restrict the rate used to calculate the return on the scheme's assets, to the scheme's discount rate, rather than using a rate of return which is more appropriate to the various classes of asset. The change is expected to increase the net pension interest cost in next year's Consolidated Income Statement by approximately £0.35m.

Foreign exchange rates

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

	Year-end rate		Average rate	
	2013	2012	2013	2012
US dollar	1.52	1.54	1.57	1.59
Euro	1.17	1.24	1.22	1.18
Swedish krona	10.06	11.19	10.38	10.59
Australian dollar	1.58	1.59	1.53	1.53

2. Segmental analysis

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

– 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 DIY and professional automotive 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.

Analysis of geographic operating segments

Revenue and results :	UK & Europe 2013 £'000	North America & Australia 2013 £'000	Consolidated 2013 £'000
Segmental revenue			
Total segmental revenue	14,022	16,162	30,184
Inter-segmental sales [1]	(356)	(2,196)	(2,552)
Total external revenue	**13,666**	**13,966**	**27,632**
Segment result			
Segment operating profit before interest	885	1,746	2,631
Interest receivable	5	9	14
Interest payable	-	-	-
Segment profit after interest	**890**	**1,755**	**2,645**
Unallocated head office income less expenses			(152)
Segment operating profit before tax and adjustments			**2,493**
Reconciliation to consolidated profit before tax :			
IAS 16 Property, plant and equipment [2]			70
IAS 19 Employee benefits [3]			836
IFRS 3 Business combinations [4]			222
Consolidated profit before tax			**3,621**
Taxation [5]			(1,135)
Consolidated profit after tax			**2,486**

[1] Inter-segment sales are charged at the prevailing market rates.
[2] 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.
[3] 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.
[4] 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.
[5] The charge to taxation relates to the consolidated Group. Included within the charge to taxation is £106,000 which relates to the UK & European operations and £780,000 which relates to the North American & Australian operations.

2. Segmental analysis (continued)

Revenue and results :	UK & Europe 2012 £'000	North America & Australia 2012 £'000	Consolidated 2012 £'000
Segmental revenue			
Total segmental revenue	14,780	17,745	32,525
Inter-segmental sales [1]	(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 receivable	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 operating profit before tax and adjustments			**4,141**
Reconciliation to consolidated profit before tax :			
IAS 16 Property, plant and equipment [2]			30
IAS 19 Employee benefits [3]			322
IFRS 3 Business combinations [4]			219
			4,712
Taxation [5]			(1,487)
Consolidated profit after tax			**3,225**

[1] Inter-segment sales are charged at the prevailing market rates.
[2] 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.
[3] 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.
[4] 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.
[5] The charge to taxation relates to the consolidated Group. Included within the charge to taxation is £206,000 which relates to the UK & European operations and £1,024,000 which relates to the North American & Australian operations.

3. Revenue

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Revenue by geographical destination on continuing operations :		
United Kingdom	6,808	7,415
Rest of Europe	6,106	5,918
United States of America	11,164	12,888
Australia	2,553	2,496
Rest of World	1,001	1,097
Total consolidated revenue	**27,632**	**29,814**

4. Finance income

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Interest receivable on bank deposits	14	23
Expected return on pension scheme assets	1,433	1,382
	1,447	**1,405**

5. Finance costs

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Interest payable on bank loans and overdrafts	2	1
Interest charge on pension scheme liabilities	1,577	1,785
	1,579	**1,786**

6. Taxation

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Analysis of charge during the period :		
Current tax		
- UK corporation tax on profits for the period	(70)	70
- Foreign tax	1,083	1,088
- Adjustments in respect of prior periods	8	(3)
	1,021	**1,155**
Deferred tax		
- Origination and reversal of temporary differences	114	332
Total taxation in the Consolidated Income Statement	**1,135**	**1,487**

In April 2013 the rate of UK corporation tax was reduced from 24% to 23% giving an effective tax rate of 23.8% for the financial year ended 31 May 2013. The relevant deferred tax balances have been re-measured accordingly. Included in the deferred tax charge above is an amount of £16,000 arising from the change in the UK tax rate.

7. Earnings per share

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

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Earnings :		
Profit after tax – continuing operations [1]	2,476	3,211
	No.	No.
Number of shares :		
Weighted average number of shares [2]	15,111,540	16,082,851
Basic earnings per share (pence)	16.4	20.0

[1] Figure has been adjusted for a profit of £10,000 (2012: £14,000) attributable to non-controlling interests.

[2] During the year the Company held 1,240,000 of its ordinary shares in treasury.

As at 31 May 2013 and 31 May 2012 there were no potentially dilutive shares in issue on either of the Company's two classes of shares. Accordingly, there is no difference between the weighted average number of shares used in the basic and diluted earnings per share calculations.

8. Dividends

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Amounts recognised as distributions to equity holders :		
Final dividend for the year ended 31 May 2012 of 9.5p per share (2011: 9.5p per share)	1,436	1,553
Interim dividend for the year ended 31 May 2013 of 3.5p per share (2012: 6.2p per share)	529	937
	1,965	**2,490**
Proposed final dividend for the year ended 31 May 2013 of 4.0p per share (2012: 9.5p per share)	604	1,436

As at 31 May 2013, the Company holds 1,240,000 Ordinary shares in treasury which represents 16.9% of the Ordinary share capital and 7.6% of the Company's total share capital. The Company is not able to vote on the treasury shares and the treasury shares carry no right to receive any dividend or other distribution of assets other than in relation to an issue of bonus shares.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting to be held on 23 October 2013 and has not been included as a liability in these financial statements.

Subject to final approval by shareholders the final dividend will be paid on 30 October 2013 to shareholders on the register at the close of business on 11 October 2013. The shares will be declared ex-dividend on 9 October 2013.

9. Analysis of the changes in net funds

	As at 1 June 2012 £'000	Cash flow £'000	Exchange movements £'000	As at 31 May 2013 £'000
Cash at bank and in hand	4,775	1,251	152	6,178
Bank overdrafts	-	(73)	-	(73)
	4,775	**1,178**	**152**	**6,105**

10. Retirement benefit obligation

The Group has 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.

As at 31 May 2013 the financial position of the two defined benefit schemes have been updated by qualified independent actuaries in line with the requirements of IAS 19 and the combined movements on the two schemes are shown below :

	Year Ended 31 May 2013 £'000	Year Ended 31 May 2012 £'000
Consolidated retirement benefit obligation at beginning of period	(9,980)	(10,434)
Movement in the period :		
- Total expenses charged in the income statement	(839)	(1,160)
- Contributions paid	1,308	1,501
- Actuarial (loss)/gain taken directly to reserves	(2,542)	170
- Foreign currency exchange rate movements	(26)	(57)
Consolidated retirement benefit obligation at end of period	**(12,079)**	**(9,980)**

11. Post balance sheet event – acquisition of a business

On 17 September 2013, Haynes North America Inc, a 100% subsidiary of the Group, acquired the trade and certain assets and liabilities including intellectual property, trade receivables and finished goods inventory marketed and sold under the Clymer and Intertec brands from Penton Media, Inc in the USA. Clymer is the world leader in the sales of motorcycle and ATV repair manuals as well as producing a range of titles on marine and outdoor garden equipment, personal watercraft, snowmobiles and tractors. The cash consideration for the acquisition was £5.85 million ($9.25 million).

Due to the proximity of the acquisition to the date the financial statements were authorised for issue by the Board it has not been possible to provide all of the information required for disclosure in accordance with IFRS 3 'Business Combinations'. The main areas of non-disclosure include a qualitative description of the factors which make up goodwill and a fair value of the trade receivables and the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed. Full disclosure of the items required under IFRS 3 will be included in the November 2013 half year report.

12. Other information

The Directors Report and audited Report & Accounts for the financial year ended 31 May 2013 will be posted to shareholders on 23 September 2013 and delivered to the Registrar of Companies following the Annual General Meeting which will be held on 23 October 2013. Copies of the Directors' report and audited Report & Accounts will be available from the Group Company Secretary, Haynes Publishing Group P.L.C., Sparkford, Near Yeovil, Somerset BA22 7JJ (telephone 01963 440635) after 23 September.

This results announcement is not being posted to shareholders, but is available on the UK website http://www.haynes.co.uk/investor.