

HAYNES PUBLISHING GROUP P.L.C. (“the Haynes Group”)

Interim Management Statement (IMS)

The Haynes Group presents its first quarter IMS covering the 13 weeks to 31 August 2013 and to the date of publication of this Statement (“the period”) in accordance with DTR 4.3.4.

Business highlights

On 2 September 2013, the Haynes Group announced it would be transferring its UK distribution operation to a third party logistics provider and amalgamating its UK automotive and general book editorial functions. Since the announcement, the transition to the new distributor has commenced and the amalgamation of the UK editorial functions has been completed. The amalgamation of the editorial functions has resulted in five voluntary redundancies. The expected one-off costs of the UK restructuring, which will impact profits in the current year, will be £1.3 million. 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.

On 17 September 2013, as previously reported, the Group acquired the trade and assets of Clymer and Intertec Manuals in the US for £5.9 million. This acquisition compliments the existing successful manuals business, and further strengthens Haynes’ position in the motorcycle market, whilst also bringing access to the new markets of marine, snowmobile and tractors. The acquisition will be earnings enhancing and also release significant efficiencies in print cost, warehousing, distribution and editorial/origination. Applying the Haynes Group digital experience will create opportunities for further growth.

The integration of the Clymer and Intertec business is progressing as planned. All inventory has been relocated to the Haynes Nashville facility from where orders are now being processed and shipped.

First quarter trading

Overall the Haynes Group revenue ended the first quarter 12% up against the prior period, with revenue from the Group’s digital ranges increasing by 18% on last year and now representing just over one fifth of total Group sales. Revenue from the North American & Australian operations, in local currency, ended the first quarter 16% ahead of last year, as sales in both the US and Australian markets benefitted from double digit growth. In the UK and Europe, revenue ended the first quarter 3% ahead of last year as European sales of professional data, in local currency, ended the first quarter up 8% but was partially offset by weaker trading in the UK, where sales in the first quarter were down 6%.

As at 31 August 2013, the Group’s cash balances were £5.6 million. Following the Clymer and Intertec Manuals acquisition in September, the Group’s cash balances reduced to £2.4 million.

The events highlighted above represent the main changes to the Group’s financial position since the Group reported its results for the financial year ended 31 May 2013.

Cautionary Statement :

This report contains certain forward-looking statements with regards 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.

Enquiries :

Haynes Publishing Group P.L.C. +44 1963 442009
J Haynes, Group Chairman
Eric Oakley, Group Chief Executive

Investor Contact: Charles Stanley Securities +44 20 7149 6000
Dugald J Carlean
Karri Vuori

Media Contact: New Century Media +44 20 7930 8033
Nicola Krafft

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 professional mechanics in twenty four different languages, as well as to DIY consumers in both printed manual and digital formats. The business also publishes a wide range of manuals which are practical, instructional, easy to read and aimed at those with an interest in more general DIY related activities.

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, Chilton and Clymer brands and in both the English and Spanish languages. Clymer manuals also cover marine (inboard and outboard) personal watercraft and snowmobiles, while the Intertec brand publishes manuals for agricultural equipment. 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.