HAYNES PUBLISHING GROUP P.L.C.

INTERIM RESULTS FOR THE 6 MONTHS ENDED
30 November 2013

Haynes Publishing Group P.L.C. ("the Group") 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 the Group is a leading European supplier of digital technical information to the motor trade.

The Group also publishes an extensive range of practical and DIY titles covering a wide variety of subjects, as well as a range of light entertainment manuals styled on the iconic Haynes Manual. Its customers are primarily made up of both professionals and DIY mechanics and enthusiasts.

Financial Highlights

- Total revenue up 12% at £14.9 million (2012: £13.3 million) with digital revenue increasing by 23%
- Like-for-like Group revenue, excluding the impact of the acquisition of Clymer & Intertec manuals of £14.5 million, up 9%
- Adjusted EBITDA[1] up 36% at £3.4 million (2012: £2.5 million[2])
- Adjusted operating profit[1] of £1.9 million, up 58% (2012: £1.2 million[2])
- Adjusted profit before tax[1] of £1.6 million, up 78% (2012: £0.9 million[2])
- Adjusted basic earnings per share[1] of 6.1 pence, up 49% (2012: 4.1 pence[2])
- Interim dividend declared of 3.5 pence per share (2012: 3.5 pence)
- Local currency North American & Australian revenue up 18% at $12.7 million (2012: $10.8 million)
- UK & European revenue up 5% at £6.8 million (2012: £6.5 million)
- Special contribution of £0.5 million to UK pension scheme
- Net funds[3] after the acquisition of Clymer & Intertec manuals of £0.7 million (2012: £3.5 million). 1.2 million ordinary shares still held in treasury

Business Highlights

- Implementation of UK restructuring programme focussing non-automotive publishing on higher margin Haynes style manuals, outsourcing UK distribution and relocating the UK business to smaller premises
- Completed acquisition of Clymer and Intertec manuals in the US for $9.25m (£5.85m) adding 432 new titles to US business' range
- Commenced development of new global website

1 Adjusted to exclude £1.5 million of exceptional items (UK restructuring costs of £1.3 million and Clymer acquisition costs of £0.2 million). Reported operating profit and profit before tax were £0.4 million (2012: £1.2 million) and £0.1 million (2012: £0.9 million) respectively. Reported losses per share were 1.1 pence (2012: earnings per share of 4.1 pence). EBITDA including exceptional items was £1.9 million (2012: £2.5 million).

2 The 2012 figures have been restated to reflect the IAS 19 adjustment to pension costs.

3 Net funds defined as cash at bank net of bank overdrafts.

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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 past six months, the Group has experienced an improvement in underlying trading in both its North American & Australian and UK & European business segments, with overall Group revenue ending the period 12% ahead of last year. Against the prior year, the share of revenue derived from the Group's range of digital products increased by 23%.

Following the conclusion of the strategic review, significant progress has been made over the last six months to return the Group to sustainable revenue and profit growth. In September 2013, the Board announced a significant restructuring of the UK business – with the future focus for the business on improving and growing the automotive and non-automotive manual ranges – followed by the acquisition of the Clymer and Intertec manuals business in the US.

Clymer's motorcycle business had been a long-standing target for the Group and the acquisition (announced on 18 September 2013) reinforced the Group's standing as the worldwide market leader in the publication and sale of motorcycle service and repair manuals..

In line with earlier announcements, the restructuring has enabled the UK business to re-focus on the more profitable Haynes manual style titles, rather than the more generalist lower margin coffee table books. By combining and rationalising its automotive and non-automotive editorial departments, the Group has in turn been able to make editorial cost savings.

The Board also announced it would be outsourcing its UK distribution operation to Grantham Book Services, part of the Random House Group. The transfer, expected to complete on 3 February 2014, will avoid the need to invest significant capital expenditure in new distribution systems and will facilitate, in time, the relocation of the UK operation from its freehold five acre site, owned by the Group, to smaller, more appropriately sized, premises. Outsourcing the UK distribution coupled with the relocation of the UK offices will, once completed, provide overhead cost savings for the business going forward.

Financial review

Income statement

Overall Group revenue for the six month period to 30 November 2013 was £14.9 million (2012: £13.3 million), up 12%. Like-for-like Group revenue, excluding the impact of the Clymer acquisition, was up 9% at £14.5 million.

Revenue in local currency from our North American & Australian operations ended the period 17% ahead of the prior year. After translation to Sterling, the increase was 19%. In the UK & Europe, revenue was ahead of the prior year by 5%, with digital sales by HaynesPro to the professional market up 16% in local currency and after translation to Sterling up 23%, whilst UK revenue ended the six month period down 4% on last year.

Following the restructuring of the UK operations and the acquisition of the Clymer and Intertec manuals business in the US, the Group incurred one-off exceptional costs of £1.5 million during the six month period to 30 November 2013. The exceptional items increased reportable Group cost of sales and overheads by £0.7 million and £0.8 million respectively, with approximately 40% of these costs involving non-cash asset write-downs.

The higher US revenue from core manual sales and the growth in European digital revenue has helped to offset the increased development cost amortisation from HaynesPro leaving the Group's gross margin, excluding the impact of the exceptional costs, at 56.3% (2012: 56.6%).

With a continuing tight control over Group overheads, Group operating profit before exceptional costs of £1.5 million was £1.9 million (2012 restated: £1.2 million) up 58% on last year. Group EBITDA before exceptional costs was up 36% at £3.4 million (2012 restated: £2.5 million).

This is the first reporting period for the Group since the amendment to IAS 19 Employee Benefits (Revised) came into force. The new accounting Standard restricts the rate used to calculate the return on a defined benefit pension 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. Furthermore, expenses of a pension scheme must now be charged through the Income Statement. In line with the new reporting requirements, the prior periods have been restated to present the figures as if the change had occurred at the beginning of the reporting period. The impact of the change has been to reduce the Income Statement by £0.3 million. Accordingly, net finance costs which primarily relate to the interest charge on the pension schemes' liabilities net of the expected return on the pension schemes' assets was £0.3 million (2012 restated: £0.2 million), leaving pre-tax profit before exceptional costs up 78% at £1.6 million (2012 restated: £0.9 million).

The effective tax rate before exceptional costs during the period was 40.9% (2012 restated: 34.4%) reflecting the higher mix of US profits and the trading losses in the UK business. Earnings per share before exceptional costs increased by 49% to 6.1 pence (2012 restated: 4.1 pence). The reported loss per share including exceptional costs was 1.1 pence (2012 restated: earnings per share of 4.1 pence).

Operational review

North America & Australia

The North American & Australian operations had a strong start to the year with sales in local currency ending the first quarter 16% ahead of the prior year. Although sales in the second quarter were slower than the first, overall like-for-like sales still ended the six month period 12% up on last year.

In September 2013, following the acquisition of Clymer and Intertec manuals, the US business added a further 432 titles to its range. Although only acquired part way through the period, the new titles added $0.6 million (£0.4 million) of revenue during the period, in line with management expectations at the time of the acquisition and helped increase total local currency revenue for the North American & Australian business against the prior period by 18% to $12.7 million (2012: $10.8 million). After translation to Sterling, revenue ended the period up 19% at £8.1 million (2012: £6.8 million).

In local currency North American & Australian segmental operating profit before interest and excluding exceptional items was $1.8 million (2012: $1.0 million) for the six month period which, after translation to Sterling, was up 83% at £1.1 million (2012: £0.6 million).

UK & Europe

UK & European revenue ended the six month period 5% ahead of last year at £6.8 million (2012: £6.5 million).

In Europe, local currency revenue from HaynesPro ended the six month period 16% ahead of the prior period boosted by new customer gains and growth in licences from existing customers. With Sterling weaker against the Euro during the period, leading to an average exchange rate for the six month period of €1.18 (2012: €1.25), after translation to Sterling, the increase was 23%.

Following the announcement of the UK restructuring at the beginning of the second quarter, the key focus of UK management has been on implementing the changes whilst at the same time protecting underlying trading. The refocussing of the UK publishing programme onto the higher margin Haynes Manual style titles and amalgamating the UK automotive and general publishing editorial functions into a single combined UK editorial department was completed at the end of October 2013. The transfer of the UK distribution operation to Grantham Book Services will complete at the beginning of February 2014, and an exit strategy from the Group owned freehold premises in Sparkford, Somerset is currently being formulated. In the first quarter, UK revenue was 6% down on the prior period however, stronger sales of core automotive manuals in the second quarter helped to reduce the shortfall to 4% by the end of the six month period.

UK & European segmental operating profit before exceptional costs ended the period in line with the prior year at £0.2 million (2012: £0.2 million).

Balance sheet and cash flow

During the period, Group investment in tangible fixed assets was £0.2 million (2012: £0.6 million) and on development costs was £1.3 million (2012: £1.1 million). As at 30 November 2013, the Group’s inventory balances include £1.7 million ($2.8 million) of inventory in relation to Clymer and Intertec manuals.

In November 2013, following negotiations with the UK pension scheme Trustees, the UK business made a special contribution of £0.5 million into the UK pension scheme. As at 30 November 2013, the net deficit on the Group’s two defined benefit retirement schemes as reported in accordance with IAS 19 was £12.6 million (31 May 2013: £12.1 million). The combined total assets of the schemes increased to £29.1 million (31 May 2013: £28.5 million) while the total liabilities increased to £41.7 million (31 May 2013: £40.6 million).

The Group’s net cash balances were lower at £0.7 million (2012: £3.5 million) reflecting the £3.3 million of cash utilised for the acquisition of the Clymer and Intertec manuals business, the additional contribution of £0.5 million to the UK pension scheme and £0.5 million of exceptional costs incurred by the end of November 2013. As at 30 November 2013, the Company still holds 1.24 million ordinary shares in treasury.

The acquisition of the Clymer and Intertec manuals business was partly funded by $4.0 million (£2.5 million) of bank borrowing in the US which, when combined with the UK bank overdraft, leaves the Group with net gearing of 5% as at 30 November 2013.

Interim dividend

The Board is declaring an unchanged interim dividend of 3.5 pence per share (2012: 3.5 pence). The interim dividend will be paid on 9 April 2014 to shareholders on the register at the close of business on 21 March 2014. The shares will be declared ex-dividend on 19 March 2014.

Future outlook

The Board is encouraged by current trading patterns in its North American & Australian and UK & European segmental markets. It is, however, cognisant that trading conditions in both markets remain challenging.

In the UK, the focus will remain on the implementation of the restructuring programme and exiting from the discontinued publishing programme. The refocussing of the publishing activity onto the higher margin Haynes manual style titles is expected to improve the profitability of the UK & European business in the longer term although the programme of UK restructuring will have an adverse effect on both revenue and reportable profit in the current financial year.

In the US, local management has implemented a re-merchandising programme with one of its major customers which will lead to the re-racking of over 4,500 stores during the third quarter of the financial year. As a result, the US business will benefit from an initial one-off re-stocking order however, this will be largely offset by an associated return of old stock and higher asset depreciation following the capital expenditure on new display racking. Although, the returns and higher depreciation are likely to offset the benefits in the current financial year, management believes that, once installed, the new displays will help to improve sales of Haynes manuals.

Following the acquisition of Clymer and Intertec manuals announced on 18 September 2013, it is important to point out that, due to the requirement under International Accounting Standards to fair value inventories, the full synergistic benefits of the acquisition will not be realised until the acquired inventory sells through. The US business will also continue to evaluate the opportunities to develop the new markets which came with this acquisition in areas related to the farm equipment, tractors and marine titles.

The building of the new global website is currently in progress and will continue during the second half of the year. Once complete, the website will provide the Group with a digital platform from which it can start to develop its new consumer-facing online strategy.

Following the acquisition during the period, the Group will continue to use its strong financial position to pursue further acquisitions which contribute to profit growth.

Responsibility statement

Pages 14 and 15 of the Annual Report 2013 provide details of the serving Executive and Non-Executive Directors and there have been no changes during the six months to 30 November 2013. A statement of the Directors' responsibilities is contained on page 33 of the Annual Report 2013. A copy of the Annual Report 2013 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 Conduct 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

29 January 2014

Consolidated Income Statement (unaudited)

	6 months to 30 Nov 2013 Before exceptional items £000	6 months to 30 Nov 2013 Exceptional items (note 4) £000	30 Nov 2013 Total £000	Restated [1] 6 months to 30 Nov 2012 Total £000	Restated [1] Year ended 31 May 2013 Total £000
Continuing operations					
Revenue (note 2)	**14,890**	**-**	**14,890**	**13,275**	**27,632**
Cost of sales	(6,503)	(677)	(7,180)	(5,766)	(11,490)
Gross profit	**8,387**	**(677)**	**7,710**	**7,509**	**16,142**
Other operating income	41	-	41	37	59
Distribution costs	(3,055)	-	(3,055)	(3,174)	(6,922)
Administrative expenses	(3,520)	(775)	(4,295)	(3,212)	(5,650)
Operating profit	**1,853**	**(1,452)**	**401**	**1,160**	**3,629**
Finance income (note 5)	603	-	603	529	1,141
Finance costs (note 6)	(876)	-	(876)	(748)	(1,579)
Profit before taxation	**1,580**	**(1,452)**	**128**	**941**	**3,191**
Taxation (note 7)	(647)	357	(290)	(324)	(1,036)
Profit/(loss) for the period	**933**	**(1,095)**	**(162)**	**617**	**2,155**
Attributable to:					
Equity holders of the Company	927	(1,095)	(168)	613	2,145
Non-controlling interests	6	-	6	4	10
	933	**(1,095)**	**(162)**	**617**	**2,155**
Earnings per 20p share - (note 8)	Pence		Pence	Pence	Pence
From continuing operations					
- Basic	6.1		(1.1)	4.1	14.2
- Diluted	6.1		(1.1)	4.1	14.2

[1] See Note 1 Restatement of prior years

Consolidated Statement of Comprehensive Income (unaudited)

	6 months to 30 Nov 2013 £000	Restated [1] 6 months to 30 Nov 2012 £000	Restated [1] Year ended 31 May 2013 £000
(Loss)/profit for the period	**(162)**	**617**	**2,155**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial gains/(losses) on retirement benefit obligation			
- UK Scheme	(69)	718	(1,518)
- US Scheme	(1,457)	(501)	(718)
Deferred tax on retirement benefit obligation			
- UK Scheme	14	(165)	349
- US Scheme	583	200	287
Deferred tax arising on change in UK corporation tax rate	(337)	(98)	(98)
	(1,266)	154	(1,698)
Items that will or maybe reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(2,307)	(674)	874
Other comprehensive income recognised directly in equity	**(3,573)**	**(520)**	**(824)**
Total comprehensive income for the financial period	**(3,735)**	**97**	**1,331**
Attributable to:			
Equity holders of the Company	(3,741)	93	1,321
Non-controlling interests	6	4	10
	(3,735)	**97**	**1,331**

[1] See Note 1 Restatement of prior years

Consolidated Balance Sheet (unaudited)

	30 Nov 2013	30 Nov 2012	31 May 2013
	£000	£000	£000
Non-current assets			
Property, plant and equipment (note 14)	9,303	9,885	10,082
Intangible assets (note 15)	21,385	17,348	18,336
Deferred tax assets	5,294	4,093	4,997
Total non-current assets	**35,982**	**31,326**	**33,415**
Current assets			
Inventories	13,657	13,341	13,335
Trade and other receivables	8,595	8,003	8,018
Cash and cash equivalents	1,891	3,531	6,178
Total current assets	**24,143**	**24,875**	**27,531**
Total assets	**60,125**	**56,201**	**60,946**
Current liabilities			
Trade and other payables	(4,639)	(3,969)	(4,472)
Current tax liabilities	(376)	(232)	(932)
Bank overdrafts and loans	(3,630)	(17)	(73)
Total current liabilities	**(8,645)**	**(4,218)**	**(5,477)**
Non-current liabilities			
Deferred tax liabilities	(4,098)	(3,993)	(4,244)
Retirement benefit obligation (note 12)	(12,575)	(9,549)	(12,079)
Total non-current liabilities	**(16,673)**	**(13,542)**	**(16,323)**
Total liabilities	**(25,318)**	**(17,760)**	**(21,800)**
Net assets	**34,807**	**38,441**	**39,146**
Equity			
Share capital	3,270	3,270	3,270
Share premium	638	638	638
Treasury shares	(2,447)	(2,447)	(2,447)
Retained earnings	30,238	33,125	32,276
Foreign currency translation reserve	3,063	3,822	5,370
Capital and reserves attributable to equity shareholders	**34,762**	**38,408**	**39,107**
Equity attributable to non-controlling interests	45	33	39
Total equity	**34,807**	**38,441**	**39,146**

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 2013	3,270	638	(2,447)	5,370	32,276	39,107	39	39,146
(Loss)/Profit for the period	-	-	-	-	(168)	(168)	6	(162)
Other comprehensive income:								
Currency translation adjustments	-	-	-	(2,307)	-	(2,307)	-	(2,307)
Actuarial losses on defined benefit plans (net of tax)	-	-	-	-	(1,266)	(1,266)	-	(1,266)
Total other comprehensive income	**-**	**-**	**-**	**(2,307)**	**(1,266)**	**(3,573)**	**-**	**(3,573)**
Total comprehensive income	**-**	**-**	**-**	**(2,307)**	**(1,434)**	**(3,741)**	**6**	**(3,735)**
Dividends (note 9)	-	-	-	-	(604)	(604)	-	(604)
Balance at 30 November 2013	**3,270**	**638**	**(2,447)**	**3,063**	**30,238**	**34,762**	**45**	**34,807**
Prior 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 restated [1]	-	-	-	-	613	613	4	617
Other comprehensive income:								
Currency translation adjustments	-	-	-	(674)	-	(674)	-	(674)
Actuarial gains/(losses) on defined benefit plans (net of tax) restated [1]	-	-	-	-	154	154	-	154
Total other comprehensive income restated [1]	**-**	**-**	**-**	**(674)**	**154**	**(520)**	**-**	**(520)**
Total comprehensive income	**-**	**-**	**-**	**(674)**	**767**	**93**	**4**	**97**
Dividends (note 9)	-	-	-	-	(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 year :								
Balance at 1 June 2012	3,270	638	(2,447)	4,496	33,794	39,751	29	39,780
Profit for the period restated [1]	-	-	-	-	2,145	2,145	10	2,155
Other comprehensive income:								
Currency translation adjustments	-	-	-	874	-	874	-	874
Actuarial losses on defined benefit plans (net of tax) restated [1]	-	-	-	-	(1,698)	(1,698)	-	(1,698)
Total other comprehensive income restated [1]	**-**	**-**	**-**	**874**	**(1,698)**	**(824)**	**-**	**(824)**
Total comprehensive income	**-**	**-**	**-**	**874**	**447**	**1,321**	**10**	**1,331**
Dividends (note 9)	-	-	-	-	(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**

[1] See Note 1 Restatement of prior years

Consolidated Cash Flow Statement (unaudited)

	6 months to 30 Nov 2013 £000	Restated [1] 6 months to 30 Nov 2012 £000	Restated [1] Year ended 31 May 2013 £000
Cash flows from operating activities - continuing			
(Loss)/profit after tax	(162)	617	2,155
Adjusted for :			
Income tax expense	290	324	1,036
Interest payable and similar charges	19	-	2
Interest receivable	(1)	(6)	(14)
Interest charges on pension liabilities less expected return on pension assets	255	225	450
Operating profit	401	1,160	3,629
Depreciation on property, plant and equipment	406	427	843
Amortisation of intangible assets	1,119	908	1,963
IAS 19 pensions current service cost net of contributions paid	(1,183)	(429)	(612)
Loss/(gain) on disposal of property, plant and equipment	20	-	(7)
	763	**2,066**	**5,816**
Changes in working capital :			
Decrease /(increase) in inventories	905	(212)	133
(Increase)/decrease in receivables	(533)	616	854
Increase/(decrease) in payables	338	(271)	103
Net cash generated from operations	**1,473**	**2,199**	**6,906**
Tax paid	(982)	(262)	(433)
Net cash generated by operating activities	**491**	**1,937**	**6,473**
Investing activities			
Acquisition costs – business combinations	(5,854)	-	-
Proceeds on disposal of property, plant and equipment	-	-	10
Purchases of property, plant and equipment	(169)	(558)	(963)
Expenditure on development costs	(1,339)	(1,140)	(2,389)
Interest received	1	6	14
Net cash used in investing activities	**(7,361)**	**(1,692)**	**(3,328)**
Financing activities			
Net proceeds of new borrowings	2,443	-	-
Dividends paid	(604)	(1,436)	(1,965)
Interest paid	(19)	-	(2)
Net cash used in financing activities	**1,820**	**(1,436)**	**(1,967)**
Net (decrease)/increase in cash and cash equivalents	**(5,050)**	**(1,191)**	**1,178**
Cash and cash equivalents at beginning of year	6,105	4,775	4,775
Effect of foreign exchange rate changes	(351)	(70)	152
Cash and cash equivalents at end of period	**704**	**3,514**	**6,105**

[1] See Note 1 Restatement of prior years

Notes to the Interim Results

1. Accounting policies - Basis of accounting

The interim financial statements for the six months ended 30 November 2013 and 30 November 2012 and for the twelve months ended 31 May 2013 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 2013 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 2013 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 2013 statements were approved by the Board of Directors on 29 January 2014 and although not audited are subject to a review by the Group's auditors.

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

The interim financial statements have been prepared on a consistent basis with the accounting policies set out in the Annual Report 2013 and should be read in conjunction with that Annual Report. The Group's annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS's) and International Financial Reporting Interpretations Committee (IFRIC) pronouncements as adopted by the European Union and the Annual Report 2013 provides details of other new standards, amendments and interpretations which come into effect for the first time during the current financial year. 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 and apart from the adoption of IAS 19 'Employee Benefits (revised)', the impact of which is explained under 'Restatement of prior years' below, 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 2014.

The amendments to IAS1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

Restatement of prior years

As reported in our Annual Report 2013, the amendments to IAS 19 Employee Benefits (revised) impact the Group for the first time in the current financial year. The main impact on the Group has been to restrict the rate used to calculate the return on the Group's defined benefit pension schemes' assets to the schemes' discount rate, rather than using a rate of return which is more appropriate to the various classes of asset.

The Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and affected Notes to the Interim Statement have been restated for the periods ending 30 November 2012 and 31 May 2013. The impact of the restatement on the 30 November 2012 and 31 May 2013 figures are as shown below :

- To increase Administrative expenses in the Consolidated Income Statement by £58,000 in November 2012 and £124,000 in May 2013.
- To reduce Finance Income in the Consolidated Income Statement by £158,000 in November 2012 and £306,000 in May 2013.
- To reduce the amount of taxation in the Consolidated Income Statement by £50,000 in November 2012 and £99,000 in May 2013.

The above restatements have been reflected in the Consolidated Statement of Comprehensive Income and there was no impact on the disclosed defined benefit obligation at either 30 November 2012 or 31 May 2013.

2. Revenue

	6 months to		Year ended
	30 Nov 2013	30 Nov 2012	31 May 2013
	£000	£000	£000
Revenue by geographical destination on continuing operations :			
United Kingdom	3,108	3,187	6,808
Rest of Europe	3,214	2,861	6,106
United States of America	6,342	5,252	11,164
Australia	1,723	1,476	2,553
Rest of World	503	499	1,001
Total consolidated revenue *	**14,890**	**13,275**	**27,632**
*** Analysed as follows :**			
Revenue from sales of printed products	11,879	10,802	22,209
Revenue from sales of digital data	2,901	2,354	5,160
Revenue from royalty and licensing arrangements	110	119	263
	14,890	**13,275**	**27,632**

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. Following the acquisition of the Clymer and Intertec manuals business in September 2013 the US operation now also publishes titles under the Clymer and Intertec 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 2013 £000	North America & Australia 6 months to 30 Nov 2013 £000	Consolidated 6 months to 30 Nov 2013 £000
Segmental revenue			
Total segmental revenue	6,970	9,073	16,043
Inter-segment sales	(167)	(986)	(1,153)
Total external revenue	**6,803**	**8,087**	**14,890**
Segment result			
Underlying segment operating profit before exceptional items and interest	168	1,122	1,290
Exceptional items	(1,264)	(188)	(1,452)
Interest received	-	1	1
Interest paid	(1)	(17)	(18)
Segment (loss)/profit after exceptional items and interest	**(1,097)**	**918**	**(179)**
Unallocated head office income less expenses			(591)
Segment loss before tax and adjustments			**(770)**
Reconciliation to consolidated profit before tax:			
IAS 16 Property, plant & equipment			49
IAS 19 Employee benefits			738
IFRS 3 Business combinations			111
Consolidated profit before tax			**128**
Taxation			(290)
Consolidated loss after tax			**(162)**

Segment assets:	UK & Europe 30 Nov 2013 £000	North America & Australia 30 Nov 2013 £000	Eliminations 30 Nov 2013 £000	Consolidated 30 Nov 2013 £000
Property, plant and equipment	951	4,920	-	5,871
Intangible assets	5,702	5,244	-	10,946
Working capital assets	9,762	15,126	(702)	24,186
Segment total assets	**16,415**	**25,290**	**(702)**	**41,003**
Unallocated head office assets				12,173
Unallocated head office eliminations				(2,373)
				50,803
Reconciliation to consolidated total assets:				
IAS 16 Property, plant & equipment				1,308
IAS 19 Employee benefits				2,872
IAS 38 Intangible assets				1,406
IFRS 3 Business combinations				3,736
Consolidated total assets				**60,125**

3. Segmental analysis (continued)

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 restated [1]			163
IFRS 3 Business combinations			109
Consolidated profit before tax restated [1]			**941**
Taxation restated [1]			(324)
Consolidated profit after tax restated [1]			**617**

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**

[1] See Note 1 Restatement of prior years

3. Segmental analysis (continued)

Revenue and results:	UK & Europe Year ended 31 May 2013 £000	North America & Australia Year ended 31 May 2013 £000	Consolidated Year ended 31 May 2013 £000
Segmental revenue			
Total segmental revenue	14,022	16,162	30,184
Inter-segment sales	(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 received	5	9	14
Segment profit after interest	**890**	**1,755**	**2,645**
Unallocated head office income less expenses			(152)
Segment profit before tax and adjustments			**2,493**
Reconciliation to consolidated profit before tax:			
IAS 16 Property, plant & equipment			70
IAS 19 Employee benefits restated [1]			406
IFRS 3 Business combinations			222
Consolidated profit before tax restated [1]			**3,191**
Taxation restated [1]			(1,036)
Consolidated profit after tax restated [1]			**2,155**

Segment assets:	UK & Europe 31 May 2013 £000	North America & Australia 31 May 2013 £000	Eliminations 31 May 2013 £000	Consolidated 31 May 2013 £000
Property, plant and equipment	999	5,613	-	6,612
Intangible assets	5,650	1,952	-	7,602
Working capital assets	10,746	17,804	(929)	27,621
Segment total assets	**17,395**	**25,369**	**(929)**	**41,835**
Unallocated head office assets				11,815
Unallocated head office eliminations				(2,368)
				51,282
Reconciliation to consolidated total assets:				
IAS 16 Property, plant & equipment				1,296
IAS 19 Employee benefits				2,934
IAS 38 Intangible assets				1,520
IFRS 3 Business combinations				3,914
Consolidated total assets				**60,946**

[1] See Note 1 Restatement of prior years

4. Exceptional items

	6 months to 30 Nov 2013 £000	30 Nov 2012 £000	Year ended 31 May 2013 £000
Exceptional costs included in cost of sales :			
- UK restructuring costs	677	-	-
Exceptional costs included in administrative expenses :			
- UK restructuring costs	587	-	-
- Acquisition expenses	188	-	-
	1,452	**-**	**-**

Further details of the UK restructuring costs are outlined in the Business Overview. The acquisition expenses relate to the acquisition of the Clymer and Intertec manuals business in the US.

Exceptional items are those significant items which warrant separate disclosure by virtue of their scale and nature to enable a full understanding of the Groups financial performance.

5. Finance income

	6 months to 30 Nov 2013 £000	Restated [1] 6 months to 30 Nov 2012 £000	Restated [1] Year ended 31 May 2013 £000
Interest receivable on bank deposits	1	6	14
Expected return on pension scheme assets	602	523	1,127
	603	**529**	**1,141**

[1] See Note 1 Restatement of prior years

6. Finance costs

	6 months to 30 Nov 2013 £000	30 Nov 2012 £000	Year ended 31 May 2013 £000
Interest payable on bank loans and overdrafts	19	-	2
Interest charge on pension scheme liabilities	857	748	1,577
	876	**748**	**1,579**

7. Taxation

The tax charge in the Consolidated Income Statement is calculated using the tax rates which each of the Group's operating entities expects to adopt for the financial year ended 31 May 2014. The charge for taxation for the six months to 30 November 2013 of £290,000 (30 November 2012 restated[1]: £324,000 / 31 May 2013 restated[1] £1,036,000) reflects the higher mix of US profits and the impact of the restructuring costs on the UK business. The Group continues to expect its effective corporation tax rate to be higher than the standard UK rate due to the trading profits it generates in overseas subsidiaries where the tax rates are higher than the UK

The Finance Act 2013, which had been enacted at the balance sheet date, reduces the main rate of UK corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015. An adjustment has been made to the Group's UK deferred tax balances to reflect the forthcoming changes in the UK tax rate.

[1] See Note 1 Restatement of prior years

8. Earnings per share

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

	Before exceptional items	After exceptional items	Restated [1]	Restated [1]
	6 months to	6 months to	6 months to	Year ended
	30 Nov 2013	30 Nov 2013	30 Nov 2012	31 May 2013
	£000	£000	£000	£000
Earnings :				
Profit/(loss) after tax – continuing operations [a]	927	(168)	613	2,145
	No.	No.	No.	No.
Number of shares : [b]				
Weighted average number of shares	15,111,540	15,111,540	15,111,540	15,111,540
Basic earnings per share (pence)	6.1	(1.1)	4.1	14.2

[a] Adjusted to exclude a profit of £6,000 (30 November 2012: £4,000 / 31 May 2013: £10,000) attributable to non-controlling interests.

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

1 See Note 1 Restatement of prior years

As at 30 November 2013, 31 May 2013 and 30 November 2012 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.

9. Dividends

	6 months to		Year ended
	30 Nov 2013	30 Nov 2012	31 May 2013
	£000	£000	£000
Amounts recognised as distributions to equity holders :			
Final dividend of 4.0p per share (2012: 9.5p)	604	1,436	1,436
Interim dividend of 3.5p per share	-	-	529
	604	**1,436**	**1,965**

An interim dividend of 3.5p per share (2012: 3.5p) amounting to £528,904 (2012: £528,904) 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 9 April 2014 to shareholders on the register at the close of business on 21 March 2014, the shares being declared ex-dividend on 19 March 2014.

10. Analysis of the changes in net funds

	As at 1 June 2013	Cash flow	Exchange movements	As at 30 Nov 2013
	£000	£000	£000	£000
Cash at bank and in hand	6,178	(3,936)	(351)	1,891
Bank overdrafts	(73)	(1,114)	-	(1,187)
	6,105	(5,050)	(351)	704

11. Acquisition

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).

The table below shows the fair values of the assets and liabilities arising on the acquisition. The fair values are provisional pending the completion of the fair value exercise in respect of each class of asset which will be finalised during the second half of the financial year :

	Carrying value £'000	Recognised on acquisition £'000
Assets Acquired		
Property, plant and equipment	98	23
Intangible assets	-	2,960
Trade receivables[1]	451	451
Inventories	1,382	1,783
Other payables	(75)	(75)
Fair value of net assets	1,856	5,142
Goodwill arising on acquisition[2]		712
Total consideration		**5,854**
Cash consideration		5,854
Total consideration		**5,854**

The net cash outflows arising on the acquisition were as follows :

Cash consideration	5,854
Costs of acquisition (included in cash flows from operating activities)[3]	188
Net cash outflow	**6,042**

[1] The gross amount of trade receivables at the date of acquisition was £463,000. Management estimate that £12,000 of this amount will not be recoverable.

[2] There will be certain intangible assets included in the Goodwill arising on acquisition of £712,000 (which is deductible for income tax purposes) that cannot be individually separated and reliably measured due to their nature. These items include Clymer's strong position and profitability in its market and anticipated synergies after its acquisition by the Group.

[3] The costs of acquisition of £188,000 were expensed as incurred in the period and were included as an exceptional item within administrative expenses (note 4).

The acquisition of the Clymer and Intertec brands contributed £0.4 million of revenue during the period. However as the trade and assets have been amalgamated with the US business it is not possible to quantify the amount of profit contribution from the acquired business during the period. If the acquisition had been made at the start of the financial period the revenue from the acquired business would have been £1.1 million but for the reasons outlined above it is not possible to quantify the associated profit contribution during this period.

12. 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 2013 and this valuation has been updated by the Scheme's actuaries on an approximate basis to 30 November 2013.

The movements in the retirement benefit obligation were as follows:

	6 months to 30 Nov 2013 £000	Restated [1] 6 months to 30 Nov 2012 £000	Restated [1] Year ended 31 May 2013 £000
Retirement benefit obligation at beginning of period	(12,079)	(9,980)	(9,980)
Movement in the period :			
- Total expenses charged in the income statement	(579)	(558)	(1,145)
- Contributions paid	1,507	761	1,308
- Actuarial gains taken directly to reserves	(1,526)	217	(2,236)
- Foreign currency exchange rates	102	11	(26)
Retirement benefit obligation at end of period	**(12,575)**	**(9,549)**	**(12,079)**

[1] See Note 1 Restatement of prior years

13. 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 2013	30 Nov 2012	31 May 2013	30 Nov 2013	30 Nov 2012	31 May 2013
US dollar	1.64	1.60	1.52	1.57	1.59	1.57
Euro	1.20	1.23	1.17	1.18	1.25	1.22
Swedish krona	10.72	10.67	10.06	10.30	10.67	10.38
Australian dollar	1.80	1.54	1.58	1.72	1.53	1.53

14. Property, plant and equipment

	Total
	£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**

	£000
Net book value at 1 June 2013	10,082
Exchange rate movements	(545)
Additions	169
Additions resulting from business combinations	23
Disposals	(20)
Depreciation	(406)
Net book value at 30 November 2013	**9,303**

The Group had no capital expenditure which had been contracted but had not been provided for as at 30 November 2013 (2012: £nil).

15. Intangible assets

	Total
	£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**

	£000
Carrying value at 1 June 2013	18,336
Exchange rate movements	(843)
Additions	1,339
Additions resulting from business combinations	3,672
Amortisation	(1,119)
Carrying value at 30 November 2013	**21,385**

16. Related party transactions

During the six months to 30 November 2013 there were no new material related party transactions or material changes to the related party transactions as reported in the Annual Report 2013.

17. 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 2013 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 2013 can be found on the Group's corporate website www.haynes.co.uk/investor.

18. 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 2013 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 Conduct 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 Conduct 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 2013 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 Conduct Authority.

BDO LLP
Chartered Accountants and Registered Auditors
Southampton
United Kingdom
29 January 2014

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