HAYNES PUBLISHING GROUP P.L.C.

INTERIM RESULTS FOR THE 6 MONTHS ENDED
30 November 2014

Haynes Publishing Group P.L.C. (“the Group”) creates and supplies practical information to consumers and professional mechanics in print and digital formats.

Our consumer content is delivered via both print and digital channels throughout the world. Through our Haynes, Chilton and Clymer brands the Group is the worldwide market leader in automotive and motorcycle repair manual sales.

HaynesPro is a leading supplier of technical information to the professional trade. Content is delivered entirely digitally on a subscription basis to over 40,000 workstations across Europe.

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.

Financial Highlights

- Total revenue of £11.9 million (2013: £14.9 million) down 20%
- EBITDA down 44% at £1.9 million (2013: £3.4 million[1])
- Operating profit of £0.3 million (2013: £1.9 million[1])
- Profit before tax of £0.1 million (2013: £1.6 million[1])
- Basic earnings per share of 0.2 pence (2013: 6.1 pence[1])
- Interim dividend declared of 3.5 pence per share (2013: 3.5 pence)
- Local currency North American & Australian revenue down 17% at $10.6 million (2013: $12.7 million)
- UK & European revenue down 21% at £5.4 million (2013: £6.8 million)
- Net funds[2] of £0.4 million (2013: £0.7 million). 1.2 million ordinary shares still held in treasury
- £1.2 million invested in digital product development at HaynesPro

Business Highlights

- Continuing market research and significant progress made towards launching new digital delivery platforms for the Group’s consumer business
- Initial planning regarding HaynesPro entry into the North American professional automotive aftermarket
- HaynesPro geographical expansion into the Scandinavian market

J Haynes, Group Chairman, said: *“Our half-year results reflect the tough trading conditions in all our major consumer markets. A number of our customers have introduced inventory reduction programmes, resulting in reduced orders. Our second half of the financial year is historically stronger and early indications are that replenishment orders are returning to more normal levels. HaynesPro continues to perform in line with expectations.*

“We have been affected by the strength of Sterling against both the Euro and US Dollar, which reduced our total revenue by £500,000. These results also reflect the streamlining of our offering and the subsequent loss of revenue from discontinued, unprofitable publishing lines.

“In the future we are determined to implement a strong digital strategy to complement our print manual sales. We will appoint an executive director shortly with responsibility for rolling out an enhanced consumer sales offering across all digital platforms worldwide.”

[1] 30 November 2013 figures adjusted to exclude £1.5 million of exceptional items (reported operating profit and profit before tax were £0.4 million and £0.1 million respectively; reported losses per share were 1.1 pence and EBITDA was £1.9 million).

[2] 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

In recent years we have broadened the base of the Haynes Group. Through HaynesPro we have expanded into the professional automotive market and through the development of new multi-media platforms to meet the needs of today's DIY consumer, the business is evolving to meet the requirements of professional mechanics and DIY consumers. This evolutionary process is firmly on track and whilst we have faced some challenges in our core consumer printed markets over the last six months, which have impacted our results at the half year, we are confident that through the actions already taken and those actions we are currently taking we are building a solid platform for future growth.

The Group is now firmly established as the leading supplier of technical data to independent workshops in Europe. All content is delivered digitally, on a subscription basis, and is used by professional mechanics in over 40,000 workstations and in 25 languages.

Recent competitive gains include the establishment of a foothold in Scandinavia, a market in which HaynesPro had previously had very little presence. Additional contract wins include a major new parts distribution group based in Switzerland and a renowned UK based repair technology centre. While incremental revenue growth from these new relationships is unlikely to be significant in the current financial year, these valuable new relationships represent revenue growth opportunities for the business going forward.

In our recent statements we have mentioned our intentions to expand our professional presence outside of Europe and following a full strategic review of the US market, including its technical information distribution channels, we believe there is an opportunity to enter the world's most developed professional market and we are presently devising an implementation plan.

To ensure HaynesPro maintains its competitive advantage in delivering cutting edge information to our end users, we continue to invest in developing product enhancements and in the Autumn of 2014 we launched our new vehicle warning lights App and Bluetooth multi-meter diagnostic tool, which seamlessly integrates with HaynesPro's electronic software 'VESA'. The commercial opportunities for the new multi-meter are currently being promoted with our customers and early feedback has been positive. Within the next twelve months we will launch a new repair and service labour time database which will be followed soon after by a new "comfort" wiring diagrams database. Both of these new databases have been developed in-house and when fully live are expected to deliver seven figure cost savings to the business as well as provide revenue enhancing opportunities through licensing deals with third parties.

On the consumer side of the business we have identified the need to develop new distribution channels to meet the needs of today's motorists and DIY consumer and it is believed that these new communication platforms will also create cross-selling opportunities for our existing print and online manuals. The first phase of our digital plan is the creation of a global Haynes website which is being developed by HaynesPro and is due to begin Beta testing in the UK within weeks. Once successfully implemented, the new website will be rolled out to our global markets. The second phase will involve delivering information in small data packages from new digital platforms. True to the principles that have created strong brand equity for Haynes, the inherently practical instructions will be vehicle specific and much of the data will come from existing material created by both the consumer and professional sides of the business. These instructions will be enhanced by how-to videos and the creation of this video library has been underway for some time. As with our present content and photography, this video and digital content will be wholly owned by the company.

Recognising the importance of the development and roll-out of the Group's consumer digital strategy we are actively looking to recruit two senior executives with considerable digital media experience. One will strengthen the board as a non-executive director and the other as an executive with global responsibility for the implementation and ongoing management of our digital vision. We will update the market once we have made these appointments.

Trading during the period has been mixed. The early year-on-year growth experienced in the professional side of the business during quarter one softened in the second quarter but local currency revenue still ended the period in line with the prior year. As reported above, during the period HaynesPro continued to develop new products and expand the Group's professional customer base. Presently HaynesPro is trading in line with management's expectations.

As previously announced we have been challenged in all our main consumer markets by inventory reduction programmes which have reduced replenishment orders for our printed manuals. To help minimise the impact on working capital and conserve cash, management have been proactively managing inventory levels during this period. Management believe that the worst of this is behind us, and where the information is available to us we are beginning to see replenishment orders that are moving closer to sales to consumers. The severity of these cut-backs have had the effect of reducing profitability to disappointing levels in the first half and will impact full year performance to the extent that the Group will not meet market expectations. However the second half of our financial year has historically been stronger in terms of sales, as it includes the important spring "DIY season", and following a complete re-budget we remain reasonably positive concerning trading prospects for the remainder of the year.

Financial review

Income statement

Overall Group revenue for the six month period to 30 November 2014 was down 20% at £11.9 million (2013: £14.9 million). With Sterling stronger against both the US Dollar and Euro during the period, this led to an adverse foreign exchange movement on the translation of the Group's US, Australian and European operations which reduced total revenue by £0.5 million.

Revenue in local currency from our North American & Australian operations ended the period 17% down on the prior year which after translation to Sterling was down 20%. In the UK & Europe, local currency revenue in HaynesPro ended the period in line with the prior year but after translation to Sterling was down 7%. In the UK revenue was down 31% impacted by the lower printed manual revenue and the discontinued general publishing lines following last year's restructuring. Overall UK and European revenue ended the six months 21% down on the prior period.

The lower sales of printed manuals in the US, UK and Australia has left the overall Group gross margin 1.2 percentage points lower at 55.1% (2013 adjusted[1]: 56.3%) and the overall gross margin in monetary terms down 23% at £6.5 million (2013 adjusted[1]: £8.4 million). Following the UK restructuring in 2013/14 Group overheads ended the period lower by 6% at £6.2 million (2013 adjusted[1]: £6.6 million) leaving Group operating profit at £0.3 million (2013 adjusted[1]: £1.9 million) down 84% and pre-tax profits were down 94% at £0.1 million (2013 adjusted[1]: £1.6 million).

[1] Adjusted to exclude exceptional items for 30 November 2013

Operational review

North America & Australia

In the US, revenue in local currency ended the period 17% down on the prior year at $10.6 million (2013: $12.7 million). The softer ordering by a small number of key customers masks the positive revenue contribution from the new Clymer range which added an additional $1.1 million of revenue during the six month period. After translation to Sterling, revenue ended the period down 20% at £6.5 million (2013: £8.1 million).

North American & Australian overheads, excluding exceptional items in the prior period, ended the six month period 2% down on last year, leaving local currency North American & Australian segmental operating profit before interest at $0.2 million for the six month period (2013 adjusted[1]: $1.8 million) which, after translation to Sterling, was down 91% at £0.1 million (2013 adjusted[1]: £1.1 million).

[1] Adjusted to exclude exceptional items for 30 November 2013

UK & Europe

During the first quarter UK consumer manual revenue was 35% down on the prior year as reduced ordering by two key retail customers impacted the UK business. Although sales of automotive manuals were stronger in the second quarter, orders from the same two retailers still fell short of the comparable period last year leaving overall UK revenue down 31% against the prior year. Revenue from the Group's professional automotive aftermarket operations in Europe ended the period in line with the prior year but with an average Euro exchange rate during the period of €1.27 (2013: €1.18) after translation to Sterling, European revenue was £0.2 million or 7% down on last year. Overall UK & European revenue ended the six month period 21% down on last year at £5.4 million (2013: £6.8 million).

The lower cost base of the UK business following the restructuring in 2013/14 helped to reduce UK overheads by £0.2 million against the prior period but the impact of the lower UK printed manual revenue left UK & European operations with a segmental operating loss before interest of £0.4 million (2013 adjusted[1]: profit of £0.2 million).

[1] Adjusted to exclude exceptional items for 30 November 2013

Balance sheet and cash flow

During the six month period the Group invested £0.2 million on tangible fixed assets (2013: £0.2 million) and a further £1.2 million on new product development costs (2013: £1.3 million).

As at 30 November 2014 the net deficit on the Group's two defined benefit retirement schemes as reported in accordance with IAS 19 was £14.9 million (31 May 2014: £11.2 million). During the six month period the combined total assets of the schemes increased by £2.3 million to £31.9 million (31 May 2014: £29.6 million) however a lower UK discount rate assumption of 3.7% (31 May 2014: 4.2%) led to an increase in the UK scheme's liabilities of £3.7 million and was a significant factor in the overall increase in total liabilities of £5.9 million to £46.8 million (31 May 2014: £40.9 million).

The Group's net cash balances ended the period at £0.4 million (2013: £0.7 million) reflecting the weaker first half trading and the repayments on the Clymer acquisition borrowings. As at 30 November 2014, the Group had net debt of £1.0 million (31 May 2014: £1.1 million) giving a net gearing of 3% (31 May 2014: 3%). As at 30 November 2014, the Company still holds 1.2 million shares in treasury.

Interim dividend

The Board is declaring an interim dividend of 3.5 pence per share (2013: 3.5 pence). The interim dividend will be paid on 8 April 2015 to shareholders on the register at the close of business on 13 March 2015.

Future outlook

As previously mentioned, on the consumer side the spring months are historically stronger sales months for the Group's core automotive consumer manuals and together with anticipated higher consumer spending as a result of lower oil prices this should help improve second half performance. Additionally, average revenue should benefit from recently implemented price increases in the UK, US, and Australia.

In our professional markets in Europe the new contract gains during the first half of the year should help benefit performance in the second half of the year.

It will not be possible to recover the revenue and profit shortfall from the first half of the year. However, in light of the factors above and if the early signs of improvement in trading experienced during the first few weeks of the third quarter continues, the Board believes that the performance of the business can return to more normal levels during the second half of the year.

Work will continue on the numerous activities underway in connection with the implementation of the digital initiatives highlighted in the opening of this statement.

The Group will be continuing to develop its digital initiatives both internally and through acquisition and hopes to communicate further on these matters in the near future.

Responsibility statement

Pages 20 and 21 of the Annual Report 2014 provide details of the serving Executive and Non-Executive Directors and there have been no changes during the six months to 30 November 2014. A statement of the Directors' responsibilities is contained on page 43 of the Annual Report 2014. A copy of the Annual Report 2014 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

28 January 2015

Consolidated Income Statement (unaudited)

	6m to 30 Nov 2014 Total £000	6m to 30 Nov 2013 Before exceptional items £000	6m to 30 Nov 2013 Exceptional items (note 4) £000	6m to 30 Nov 2013 Total £000	Year ended 31 May 2014 Before exceptional items £000	Year ended 31 May 2014 Exceptional items (note 4) £000	Year ended 31 May 2014 Total £000
Continuing operations							
Revenue (note 2)	**11,866**	**14,890**	**-**	**14,890**	**29,284**	**-**	**29,284**
Cost of sales	(5,324)	(6,503)	(677)	(7,180)	(12,264)	(1,519)	(13,783)
Gross profit	**6,542**	**8,387**	**(677)**	**7,710**	**17,020**	**(1,519)**	**15,501**
Other operating income	15	41	-	41	67	-	67
Distribution costs	(3,003)	(3,055)	-	(3,055)	(6,308)	-	(6,308)
Administrative expenses	(3,207)	(3,520)	(775)	(4,295)	(5,961)	(671)	(6,632)
Operating profit	**347**	**1,853**	**(1,452)**	**401**	**4,818**	**(2,190)**	**2,628**
Finance income (note 5)	4	1	-	1	7	-	7
Finance costs (note 6)	(43)	(19)	-	(19)	(76)	-	(76)
Other finance costs – retirement benefits	(253)	(255)	-	(255)	(533)	-	(533)
Profit before taxation	**55**	**1,580**	**(1,452)**	**128**	**4,216**	**(2,190)**	**2,026**
Taxation (note 7)	(21)	(647)	357	(290)	(1,379)	489	(890)
Profit/(loss) for the period	**34**	**933**	**(1,095)**	**(162)**	**2,837**	**(1,701)**	**1,136**
Attributable to:							
Equity holders of the Company	23	927	(1,095)	(168)	2,819	(1,701)	1,118
Non-controlling interests	11	6	-	6	18	-	18
	34	**933**	**(1,095)**	**(162)**	**2,837**	**(1,701)**	**1,136**
Earnings per 20p share - (note 8)	Pence	Pence		Pence	Pence		Pence
From continuing operations							
- Basic	0.2	6.1		(1.1)	18.7		7.4
- Diluted	0.2	6.1		(1.1)	18.7		7.4

Consolidated Statement of Comprehensive Income (unaudited)

	6 months to 30 Nov 2014 £000	6 months to 30 Nov 2013 £000	Year ended 31 May 2014 £000
Profit/(loss) for the period	**34**	**(162)**	**1,136**
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	(2,417)	(69)	(627)
- US Scheme	(1,208)	(1,457)	191
Deferred tax on retirement benefit obligation			
- UK Scheme	483	14	125
- US Scheme	483	583	(76)
Deferred tax arising on change in UK corporation tax rate	-	(337)	(336)
	(2,659)	(1,266)	(723)
Items that will or maybe reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	1,285	(2,307)	(3,082)
Other comprehensive expense recognised directly in equity	**(1,374)**	**(3,573)**	**(3,805)**
Total comprehensive expense for the financial period	**(1,340)**	**(3,735)**	**(2,669)**
Attributable to:			
Equity holders of the Company	(1,351)	(3,741)	(2,687)
Non-controlling interests	11	6	18
	(1,340)	**(3,735)**	**(2,669)**

Consolidated Balance Sheet (unaudited)

	30 Nov 2014 £000	30 Nov 2013 £000	31 May 2014 £000
Non-current assets			
Property, plant and equipment (note 13)	9,338	9,303	9,265
Intangible assets (note 14)	21,705	21,385	21,219
Deferred tax assets	5,357	5,294	4,141
Total non-current assets	**36,400**	**35,982**	**34,625**
Current assets			
Inventories	12,466	13,657	12,281
Trade and other receivables	8,046	8,595	9,347
Cash and short-term deposits	2,203	1,891	2,348
Total current assets	**22,715**	**24,143**	**23,976**
Total assets	**59,115**	**60,125**	**58,601**
Current liabilities			
Trade and other payables	(3,845)	(4,639)	(4,536)
Current tax liabilities	(357)	(376)	(757)
Bank overdrafts and loans	(3,209)	(3,630)	(1,234)
Total current liabilities	**(7,411)**	**(8,645)**	**(6,527)**
Non-current liabilities			
Borrowings	-	-	(2,178)
Deferred tax liabilities	(3,374)	(4,098)	(3,307)
Retirement benefit obligation (note 11)	(14,930)	(12,575)	(11,245)
Total non-current liabilities	**(18,304)**	**(16,673)**	**(16,730)**
Total liabilities	**(25,715)**	**(25,318)**	**(23,257)**
Net assets	**33,400**	**34,807**	**35,344**
Equity			
Share capital	3,270	3,270	3,270
Share premium	638	638	638
Treasury shares	(2,447)	(2,447)	(2,447)
Retained earnings	28,298	30,238	31,538
Foreign currency translation reserve	3,573	3,063	2,288
Capital and reserves attributable to equity shareholders	**33,332**	**34,762**	**35,287**
Equity attributable to non-controlling interests	68	45	57
Total equity	**33,400**	**34,807**	**35,344**

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 2014	3,270	638	(2,447)	2,288	31,538	35,287	57	35,344
Profit for the period	-	-	-	-	23	23	11	34
Other comprehensive income:								
Currency translation adjustments	-	-	-	1,285	-	1,285	-	1,285
Actuarial losses on defined benefit plans (net of tax)	-	-	-	-	(2,659)	(2,659)	-	(2,659)
Total other comprehensive income	**-**	**-**	**-**	**1,285**	**(2,659)**	**(1,374)**	**-**	**(1,374)**
Total comprehensive income	**-**	**-**	**-**	**1,285**	**(2,636)**	**(1,351)**	**11**	**(1,340)**
Dividends (note 9)	-	-	-	-	(604)	(604)	-	(604)
Balance at 30 November 2014	**3,270**	**638**	**(2,447)**	**3,573**	**28,298**	**33,332**	**68**	**33,400**
Prior 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 year :								
Balance at 1 June 2013	3,270	638	(2,447)	5,370	32,276	39,107	39	39,146
Profit for the period	-	-	-	-	1,118	1,118	18	1,136
Other comprehensive income:								
Currency translation adjustments	-	-	-	(3,082)	-	(3,082)	-	(3,082)
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	(723)	(723)	-	(723)
Total other comprehensive income	**-**	**-**	**-**	**(3,082)**	**(723)**	**(3,805)**	**-**	**(3,805)**
Total comprehensive income	**-**	**-**	**-**	**(3,082)**	**395**	**(2,687)**	**18**	**(2,669)**
Dividends (note 9)	-	-	-	-	(1,133)	(1,133)	-	(1,133)
Balance at 31 May 2014	**3,270**	**638**	**(2,447)**	**2,288**	**31,538**	**35,287**	**57**	**35,344**

Consolidated Cash Flow Statement (unaudited)

	6 months to 30 Nov 2014 £000	6 months to 30 Nov 2013 £000	Year ended 31 May 2014 £000
Cash flows from operating activities - continuing			
Profit/(loss) after tax	34	(162)	1,136
Adjusted for :			
Income tax expense	21	290	890
Interest payable and similar charges	43	19	76
Interest receivable	(4)	(1)	(7)
Interest charges on pension liabilities less expected return on pension assets	253	255	533
Operating profit	347	401	2,628
Depreciation on property, plant and equipment	417	406	882
Amortisation of intangible assets	1,150	1,119	2,377
IAS 19 pensions current service cost net of contributions paid	(248)	(1,183)	(1,750)
Loss/(gain) on disposal of property, plant and equipment	9	20	(19)
	1,675	**763**	**4,118**
Changes in working capital :			
Decrease in inventories	423	905	2,084
Decrease/(increase) in receivables	1,781	(533)	(1,481)
(Decrease)/increase in payables	(917)	338	279
Net cash generated from operations	**2,962**	**1,473**	**5,000**
Tax paid	(539)	(982)	(1,311)
Net cash generated by operating activities	**2,423**	**491**	**3,689**
Investing activities			
Acquisition costs – business combinations	-	(5,854)	(5,854)
Proceeds on disposal of property, plant and equipment	14	-	38
Purchases of property, plant and equipment	(245)	(169)	(718)
Expenditure on development costs	(1,220)	(1,339)	(2,813)
Interest received	4	1	7
Net cash used in investing activities	**(1,447)**	**(7,361)**	**(9,340)**
Financing activities			
Net proceeds of new borrowings	-	2,443	2,394
Repayments of borrowings	(804)	-	(216)
Dividends paid	(604)	(604)	(1,133)
Interest paid	(43)	(19)	(76)
Net cash (used in)/ from financing activities	**(1,451)**	**1,820**	**969**
Net decrease in cash and cash equivalents	**(475)**	**(5,050)**	**(4,682)**
Cash and cash equivalents at beginning of year	1,114	6,105	6,105
Effect of foreign exchange rate changes	(271)	(351)	(309)
Cash and cash equivalents at end of period	**368**	**704**	**1,114**

Notes to the Interim Results

1. Accounting policies - Basis of accounting

The interim financial statements for the six months ended 30 November 2014 and 30 November 2013 and for the twelve months ended 31 May 2014 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 2014 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 2014 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 2014 statements were approved by the Board of Directors on 28 January 2015 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 2014 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 2014 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 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 2015.

2. Revenue

	6 months to		Year ended
	30 Nov 2014	30 Nov 2013	31 May 2014
	£000	£000	£000
Revenue by geographical destination on continuing operations :			
United Kingdom	2,421	3,108	5,950
Rest of Europe	2,786	3,214	6,591
United States of America	5,216	6,342	12,685
Australia	1,054	1,723	2,751
Rest of World	389	503	1,307
Total consolidated revenue *	**11,866**	**14,890**	**29,284**
*** Analysed as follows :**			
Revenue from sales of printed products	9,056	11,879	22,955
Revenue from sales of digital data	2,698	2,901	6,073
Revenue from royalty and licensing arrangements	112	110	256
	11,866	**14,890**	**29,284**

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. The unallocated head office liabilities primarily relate to the deficit on the UK's multi-employer defined benefit pension scheme and tax liabilities.

3. Segmental analysis (continued)

Analysis of geographic operating segments

Revenue and results:	UK & Europe 6 months to 30 Nov 2014 £000	North America & Australia 6 months to 30 Nov 2014 £000	Consolidated 6 months to 30 Nov 2014 £000
Segmental revenue			
Total segmental revenue	5,510	7,294	12,804
Inter-segment sales	(128)	(810)	(938)
Total external revenue	**5,382**	**6,484**	**11,866**
Segment result			
Segment operating (loss)/profit before interest	(387)	145	(242)
Interest receivable	-	4	4
Interest payable	(14)	(29)	(43)
Segment (loss)/profit after and interest	**(401)**	**120**	**(281)**
Unallocated head office income less expenses			(88)
Segment loss before tax and adjustments			**(369)**
Reconciliation to consolidated profit before tax:			
IAS 16 Property, plant & equipment			61
IAS 19 Employee benefits			257
IFRS 3 Business combinations			106
Consolidated profit before tax			**55**
Taxation			(21)
Consolidated profit after tax			**34**

Segment assets:	UK & Europe 30 Nov 2014 £000	North America & Australia 30 Nov 2014 £000	Eliminations 30 Nov 2014 £000	Consolidated 30 Nov 2014 £000
Property, plant and equipment	843	5,079	-	5,922
Intangible assets	5,745	5,282	-	11,027
Working capital assets	8,454	14,647	(356)	22,745
Segment total assets	**15,042**	**25,008**	**(356)**	**39,694**
Unallocated head office assets and eliminations				9,425
				49,119
Reconciling items from internal reporting to consolidated total assets				9,996
Consolidated total assets				**59,115**
Segment liabilities:				
Working capital liabilities	5,274	4,377	(935)	8,716
Unallocated head office liabilities and eliminations				14,887
Reconciling items from internal reporting to consolidated total liabilities				2,112
Consolidated total liabilities				**25,715**

3. Segmental analysis (continued)

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 receivable	-	1	1
Interest payable	(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 and eliminations				9,800
				50,803
Reconciling items from internal reporting to consolidated total assets				9,322
Consolidated total assets				**60,125**
Segment liabilities:				
Working capital liabilities	4,823	5,864	(952)	9,735
Unallocated head office liabilities and eliminations				13,246
Reconciling items from internal reporting to consolidated total liabilities				2,337
Consolidated total liabilities				**25,318**

3. Segmental analysis (continued)

Revenue and results:	UK & Europe Year ended 31 May 2014 £000	North America & Australia Year ended 31 May 2014 £000	Consolidated Year ended 31 May 2014 £000
Segmental revenue			
Total segmental revenue	13,664	17,645	31,309
Inter-segment sales	(314)	(1,711)	(2,025)
Total external revenue	**13,350**	**15,934**	**29,284**
Segment result			
Underlying segment operating profit before exceptional items and interest	949	2,612	3,561
Exceptional items	(2,433)	(257)	(2,690)
Interest receivable	3	4	7
Interest payable	(19)	(56)	(75)
Segment (loss)/profit after exceptional items and interest	**(1,500)**	**2,303**	**803**
Unallocated head office income less expenses			(22)
Segment operating profit before tax and adjustments			**781**
Reconciliation to consolidated profit before tax:			
IAS 16 Property, plant & equipment			43
IAS 19 Employee benefits			987
IFRS 3 Business combinations			215
Consolidated profit before tax			**2,026**
Taxation			(890)
Consolidated profit after tax			**1,136**

Segment assets:	UK & Europe 31 May 2014 £000	North America & Australia 31 May 2014 £000	Eliminations 31 May 2014 £000	Consolidated 31 May 2014 £000
Property, plant and equipment	897	5,001	-	5,898
Intangible assets	5,801	5,041	-	10,842
Working capital assets	9,289	15,195	(507)	23,977
Segment total assets	**15,987**	**25,237**	**(507)**	**40,717**
Unallocated head office assets and eliminations				9,276
				49,993
Reconciling items from internal reporting to consolidated total assets				8,608
Consolidated total assets				**58,601**
Segment liabilities:				
Working capital liabilities	4,756	4,367	(1,035)	8,088
Unallocated head office liabilities and eliminations				11,825
Reconciling items from internal reporting to consolidated total liabilities				3,344
Consolidated total liabilities				**23,257**

4. Exceptional items

	6 months to 30 Nov 2014 £000	6 months to 30 Nov 2013 £000	Year ended 31 May 2014 £000
Exceptional costs included in cost of sales :			
- UK restructuring costs	-	677	1,519
Exceptional costs included in administrative expenses :			
- UK restructuring costs	-	587	344
- Acquisition expenses	-	188	327
	-	**1,452**	**2,190**

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 2014 £000	6 months to 30 Nov 2013 £000	Year ended 31 May 2014 £000
Interest receivable on bank deposits	4	1	7

6. Finance costs

	6 months to 30 Nov 2014 £000	6 months to 30 Nov 2013 £000	Year ended 31 May 2014 £000
Interest payable on bank loans and overdrafts	43	19	76

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 2015. The charge for taxation for the six months to 30 November 2014 of £21,000 (30 November 2013: £290,000 / 31 May 2014 £890,000) reflects the lower mix of US profits and trading losses in 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.

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	Before exceptional items	After exceptional items
	6 months to 30 Nov 2014	6 months to 30 Nov 2013	6 months to 30 Nov 2013	Year ended 31 May 2014	Year ended 30 May 2014
	£000	£000	£000	£000	£000
Earnings :					
Profit/(loss) after tax – continuing operations [a]	23	927	(168)	2,819	1,118
	No.	No.	No.	No.	No.
Number of shares :					
Weighted average number of shares [b]	15,111,540	15,111,540	15,111,540	15,111,540	15,111,540
Basic earnings/(loss) per share (pence)	0.2	6.1	(1.1)	18.7	7.4

[a] Adjusted to exclude a profit of £11,000 (30 November 2013: £6,000 / 31 May 2014: £18,000) attributable to non-controlling interests.

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

As at 30 November 2014, 31 May 2014 and 30 November 2013 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 2014	30 Nov 2013	31 May 2014
	£000	£000	£000
Amounts recognised as distributions to equity holders :			
Final dividend of 4.0p per share (2013: 4.0p)	604	604	604
Interim dividend of 3.5p per share	-	-	529
	604	**604**	**1,133**

An interim dividend of 3.5p per share (2013: 3.5p) amounting to £528,904 (2013: £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 8 April 2015 to shareholders on the register at the close of business on 13 March 2015.

10. Analysis of the changes in net funds

	As at 1 June 2014	Cash flow	Exchange movements	As at 30 Nov 2014
	£000	£000	£000	£000
Cash at bank and in hand	2,348	126	(271)	2,203
Bank overdrafts	(1,234)	(601)	-	(1,835)
	1,114	(475)	(271)	368

11. 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 2014. This valuation has been updated by the Scheme's actuaries on an approximate basis for the six month period ending 30 November 2014.

The movements in the retirement benefit obligation were as follows:

	6 months to 30 Nov 2014 £000	6 months to 30 Nov 2013 £000	Year ended 31 May 2014 £000
Retirement benefit obligation at beginning of period	(11,245)	(12,079)	(12,079)
Movement in the period :			
- Total expenses charged in the income statement	(560)	(579)	(1,043)
- Contributions paid	555	1,507	2,260
- Actuarial losses taken directly to reserves	(3,625)	(1,526)	(436)
- Foreign currency exchange rates	(55)	102	53
Retirement benefit obligation at end of period	**(14,930)**	**(12,575)**	**(11,245)**

12. 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 2014	30 Nov 2013	31 May 2014	30 Nov 2014	30 Nov 2013	31 May 2014
US dollar	1.56	1.64	1.68	1.64	1.57	1.62
Euro	1.26	1.20	1.23	1.27	1.18	1.20
Swedish krona	11.66	10.72	11.21	11.65	10.30	10.58
Australian dollar	1.84	1.80	1.80	1.82	1.72	1.78

13. Property, plant and equipment

	Total
	£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**

	£000
Net book value at 1 June 2014	9,265
Exchange rate movements	267
Additions	245
Disposals	(22)
Depreciation	(417)
Net book value at 30 November 2014	**9,338**

The Group had no capital expenditure which had been contracted but had not been provided for as at 30 November 2014 (2013: £nil).

14. Intangible assets

	Total
	£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**

	£000
Carrying value at 1 June 2014	21,219
Exchange rate movements	416
Additions	1,220
Amortisation	(1,150)
Carrying value at 30 November 2014	**21,705**

15. Related party transactions

During the six months to 30 November 2014 there were no new material related party transactions or material changes to the related party transactions as reported in the Annual Report 2014.

16. 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 2014 under the following headings and page references, continue to be the major risks and uncertainties facing the Group :

- The Group's principal operational risks and uncertainties (pages 15 – 16)
- The processes adopted by the Board to identify and monitor risk (page 29)
- The Group's principal financial risks and uncertainties (pages 77 – 79)

A copy of the Annual Report 2014 can be found on the Group's corporate website www.haynes.co.uk/investor.

17. 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 2014 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 2014 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
28 January 2015

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