HAYNES PUBLISHING GROUP P.L.C.

INTERIM RESULTS FOR THE 6 MONTHS ENDED
30 November 2006

Haynes Publishing Group P.L.C. is the worldwide market leader in the production and sale of automotive and motorcycle repair manuals.

Every Haynes manual is based on a complete vehicle strip-down and rebuild in our workshops, so that the instructions to our customers are inherently practical and easy to follow.

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

Financial Highlights

- Turnover on continuing operations of £14.5m (2005: £16.1m)
- Operating profit on continuing operations of £3.1m (2005: £4.3m)
- Profit before tax on continuing operations of £3.1m (2005: £4.1m)
- Closure costs in relation to France of £0.5m.
- Write-down provisions in relation to disposal of Sutton Publishing of £2.3m
- Basic earnings per share from continuing operations of 12.6 pence (2005: 16.4 pence)
- Net cash of £1.8m (2005: £0.9m)
- Interim dividend declared of 5.5 pence per share (2005: 5.5 pence)

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Cautionary Statement :

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

INTERIM STATEMENT

Business overview

In our 2006 Annual Report, we referred to certain factors which were likely to cause downward pressures on the Group's revenue streams during the early part of the current financial year. This message was reinforced through the Board's trading statement at the time of our Annual General Meeting last October. Firstly, the recent trend of consumers deferring work on their vehicles, as higher energy costs reduced disposable incomes, continues to lead our key customers to manage their inventory more tightly and has had a direct impact on sales of our repair manuals. Secondly, and as anticipated, the US Dollar weakened against Sterling during the period although the magnitude of the movement at 14% was higher than expected with the effect of the currency change, on a like for like basis, accounting for £0.5m of the reduction in Group revenue. In addition, in the US, we experienced some unusual customer purchasing patterns during November 2005, as customers increased stock holdings ahead of the 1 December price increase.

On a positive note, the Group has now completed its strategic review of those areas of the business where trading has remained consistently below management expectations, as outlined in the 2006 Annual Report. On 24th November 2006, the Group announced the closure of its French operation and this was followed on 24th January, by the sale of its 'historical publishing' subsidiary, Sutton Publishing Limited for a consideration of £3.0 million in cash. The combined pre-tax loss of these two operations, over the last five years, has been in excess of £3.7m. In France, management undertook a detailed review of the French operations and whilst the French business had a strong customer base, the high costs of sales and distribution and the relative size of the business in the market place, provided the business with little prospect of turnaround in the next three years. For this reason, management took the decision to withdraw from the French market. In contrast, the sale of Sutton Publishing follows a strategic decision to concentrate management time and resources on the Haynes businesses. Much effort in both management time and financial resource has been spent on the Sutton's business over the last 3 years and significant steps have been taken to make the business profitable. However, management now feel that the available resources could be more productively spent on developing and growing the Haynes businesses. As a result of the above restructuring, the Group has had to take a one-off charge to the Income Statement of £2.9 million.

Financial review

Income statement

As mentioned above, trading has been difficult during the first half of the financial year and as a result Group revenue from continuing activities ended the six month period to 30 November 2006 down 10% at £14.5 million (2005: £16.1 million). During the same period, we experienced continued pressure on our cost base (mainly paper) and whilst the price increases introduced during our last financial year, in both our main geographic markets, helped to mitigate this adverse pressure, we did experience a small decline in our gross margin to 63.3% (2005: 65.4%).

Nevertheless, a continued tight control over operating costs led to a decrease in such costs of 4% against the same period last year. There was also a positive variance in finance income as the Group's cash position shows a marked improvement over last year and there has been a higher than expected return on pension scheme assets.

The net impact of the above, left the Group with a pre-tax profit on continuing activities of £3.1 million, down 24% on the prior period (2005: £4.1 million).

The one-off charge in relation to the discontinued activities was £2.9 million and arises following the closure of the French operations and the disposal of Sutton Publishing. The loss of the combined operations during the six month period was £0.1m whilst the closure costs of the French business amounted to £0.5 million and the loss recognised on the measurement to fair value, less costs to sell, of Sutton Publishing was £2.3 million.

Balance sheet and cash flow

The Group's IAS 19 pension deficit at the half year increased to £11.7m (2005: £9.1m) principally due to revised actuarial assumptions adopted by the Scheme's actuaries in preparing their interim valuation. The main driver behind the increase was a move by the UK actuaries to updated mortality tables. However, it should be noted that the IAS 19 liability is an accounting estimate and is subject to high volatility.

During the period, the net cash inflow from continuing operations increased by over 50% to £3.8 million (2005 : £2.5 million) with the reduction in operating profits being more than compensated for by a positive movement in working capital of £2.4 million. With an increase in tax paid to revenue authorities of £0.3 million being offset by a similar reduction in capital expenditure, cash and cash equivalents doubled to £1.8 million (2005: £0.9 million).

Interim dividend

The Board is confident that the recent Group restructuring, whilst having a short-term adverse impact on retained earnings in the current financial year, will strengthen the platform from which to grow the business going forward. Accordingly, the Board is maintaining the interim dividend at 5.5 pence per share (2005: 5.5 pence). The payment of the interim dividend will be made on 24 April 2007 to shareholders on the register at the close of business on 23 March 2007. The shares will be declared ex-dividend on 21 March 2007.

Operational Review

North America and Australia

As mentioned at the beginning of this report, revenue in comparison to the prior period was adversely affected by the unusual buying patterns experienced in November 2005 with the resultant impact of the high prior year sales leaving US revenue, in local currency, down 12% at $16.2 million (2005: $18.4 million). Mainly due to the weakened US Dollar, the reduction in revenue from manual sales in the US, after translation to Sterling, was 17% at £8.6 million (2005: £10.3 million).

Despite a 3% reduction in operating costs and improved net interest receivable, reflecting the stronger US cash position, the impact of the weaker US Dollar meant that after translation to Sterling, US segmental profit ended the period at £2.7 million, down 21% (2005: £3.4 million).

UK and Europe

Sales of UK automotive repair manuals continued to perform below expectations and against the comparable period as car owners deferred repair and maintenance work and key customers maintained a tight control over inventory levels. This was particularly evident during the first quarter of the financial year and whilst sales in the second quarter were also behind the prior period, the shortfall was not as marked as that of the first three months. As a result, sales ended the period down 13% against last year. Sales of the Haynes modifying titles also ended the period down against the prior year, as the trend of modifying vehicles amongst the younger drivers appeared to be slowing. In contrast, sales of Swedish translated manuals performed well, ending the six month period 11% ahead of last year.

The Haynes Book division had a very strong second quarter and ended the period 22% ahead of the first half of 2005/06. The Official Formula 1™ and MotoGP season reviews have once again proven to be very popular titles and with their release coming so close to the end of the racing season they are quickly developing into a 'must have' purchase for motor racing enthusiasts. Building on the success of the range, the division also published its first Official British Super Bike Season Review at the end of October. The division also had considerable success with books on two of the great British motorcycling champions, John Reynolds and Barry Sheene.

Also during the period, Haynes published the first five titles in the exciting new range of Children's books in partnership with Top Trumps; with 'Top Trumps: Dr Who' proving to be a particularly popular title in the run up to Christmas.

As a result of the higher book division and third party printing turnover, UK and European segmental revenue from continuing operations increased by 2% to £5.9 million (2005: £5.8 million). However, as a result of changes in mix of sales, segmental profit from continuing operations ended the period 25% lower at £0.6 million (2005: £0.8 million).

Future outlook

Following recent reductions in oil prices and falling gasoline prices in the US, there have been indications of improved performance. Also, with last year's unusual purchases now behind us, December sales ended substantially ahead of an unusually low December 2005, thereby reducing the overall shortfall against the prior year.

I indicated at our AGM that we could see a further decline in trading performance this year and this continues to be our view. However, with a significant print advertising campaign due in the US in the Spring, we believe that there is a fair chance that recent higher levels of activity will continue for the remainder of the year.

We also expect the Dollar to remain weak against Sterling for the rest of the financial year and this will undoubtedly negate some of the benefits of these anticipated higher activity levels.

In the UK and Europe, the recently completed restructuring will allow management to focus on developing new product initiatives from its core automotive database, as well as pursuing opportunities for growth in its general publishing and licensing markets. The development of a new product range, utilising the Haynes technical data base and aimed at the professional market is progressing well. In relation to the Haynes licensing programme, early indications are that sales are performing well, with the new Haynes gift range being widely distributed through the direct to retail and independent gift market sectors. The development of the Haynes brand continues to provide the Group with promising opportunities.

In the UK, contracts have now been signed with a software supplier to implement a new integrated IT system for the UK business. The new system implementation is expected to begin in March and be completed before the end of the calendar year.

In the US, development of a new Haynes.com website is well advanced and work is underway on the development of a website for use by professional installers. It is our hope that the new sites will be functional by the end of the financial year.

With the Group's cash position enhanced following the disposal of Sutton Publishing, Haynes will continue to pursue new opportunities for expansion, whether through organic development or complimentary acquisition as and when such opportunities arise.

J H Haynes, OBE
Chairman
31 January 2007

Consolidated Income Statement (unaudited)

	6 months to 30 Nov 2006 £'000	6 months to 30 Nov 2005 £'000	Year ended 31 May 2006 £'000
Continuing operations			
Revenue (note 2)	14,492	16,101	30,572
Cost of sales	(5,321)	(5,577)	(9,830)
Gross profit	9,171	10,524	20,742
Other operating income	17	23	40
Distribution costs	(3,549)	(3,976)	(7,115)
Administrative expenses	(2,493)	(2,309)	(4,814)
Operating profit	3,146	4,262	8,853
Finance income (note 4)	528	417	804
Finance costs (note 5)	(579)	(571)	(1,127)
Profit before taxation	**3,095**	**4,108**	**8,530**
Taxation (note 6)	(1,042)	(1,419)	(2,772)
Profit for the period from continuing operations	**2,053**	**2,689**	**5,758**
Discontinued operations			
Loss for the period from discontinued operations (note 7)	(2,945)	(156)	(194)
(Loss)/profit for the period	**(892)**	**2,533**	**5,564**
(Loss)/earnings per share from all operations – pence (note 8) *			
- On basic earnings	(5.5)	15.5	34.0
Earnings per share from continuing operations (note 8) *			
- On basic earnings	12.6	16.4	35.2

* As there were no potentially dilutive shares in issue on either of the Company's two classes of shares during the periods under review, no separate diluted earnings per share has been shown**.**

Consolidated Statement of Recognised Income and Expense (unaudited)

	6 months to		Year ended
	30 Nov 2006	30 Nov 2005	31 May 2006
	£000	£000	£000
Exchange differences on translation of foreign operations	(822)	774	(569)
Actuarial (losses)/gains on retirement benefit obligation	(3,157)	514	1,048
Deferred tax on retirement benefit obligation	939	(154)	(327)
Net (expense)/income recognised directly in equity	**(3,040)**	**1,134**	**152**
(Loss)/profit for the financial period	(892)	2,533	5,564
Total recognised (expense)/income for the financial period	**(3,932)**	**3,667**	**5,716**

Consolidated Balance Sheet (unaudited)

	30 Nov 2006 £'000	30 Nov 2005 £'000	31 May 2006 £'000
Non-current assets			
Property, plant and equipment	6,838	7,705	7,209
Goodwill	4,383	6,430	6,055
Deferred tax assets	4,378	3,379	3,482
	15,599	17,514	16,746
Current assets			
Inventories	11,008	12,683	13,371
Trade and other receivables	10,231	12,856	10,961
Cash and cash equivalents	3,761	2,436	4,854
Total current assets	25,000	27,975	29,186
Assets classified as held for sale	2,762	-	-
	27,762	27,975	29,186
Total assets	**43,361**	**45,489**	**45,932**
Current liabilities			
Trade and other payables	(4,665)	(5,105)	(4,248)
Current tax liabilities	(698)	(898)	(1,486)
Bank overdrafts	(1,974)	(1,559)	(1,777)
Total current liabilities	(7,337)	(7,562)	(7,511)
Liabilities directly associated with assets classified as held for sale	(14)	-	-
	(7,351)	(7,562)	(7,511)
Non-current liabilities			
Other creditors	(203)	(327)	(214)
Deferred tax liabilities	(506)	(407)	(472)
Retirement benefit obligation	(11,650)	(9,124)	(8,517)
Total non-current liabilities	(12,359)	(9,858)	(9,203)
Total liabilities	**(19,710)**	**(17,420)**	**(16,714)**
Net assets	**23,651**	**28,069**	**29,218**
Equity (note 13)			
Share capital	3,270	3,270	3,270
Share premium	638	638	638
Foreign currency translation reserve	(1,224)	1,002	(402)
Retained earnings	20,967	23,159	25,712
Total equity	**23,651**	**28,069**	**29,218**

Consolidated Cash Flow Statement (unaudited)

	6 months ended		Year ended
	30 Nov 2006	30 Nov 2005	31 May 2006
	£'000	£'000	£'000
Net cash generated from operating activities			
- Continuing operations (note 10)	3,789	2,491	8,433
- Discontinued operations (note 10)	(861)	(182)	(686)
Tax paid	(1,809)	(1,467)	(2,485)
Interest received	58	11	33
Interest paid	(4)	(2)	(14)
Retirement benefit obligation	(34)	(86)	(164)
Net cash generated from operation activities	**1,139**	**765**	**5,117**
Investing activities			
Proceeds on disposal of property, plant and equipment	-	7	9
Purchases of property, plant and equipment	(184)	(529)	(671)
Acquisition costs – deferred consideration	(122)	(81)	(307)
Sale of investments	-	-	2
Net cash used in investing activities	**(306)**	**(603)**	**(967)**
Financing activities			
Dividends paid	(1,635)	(1,553)	(2,453)
Net cash used in financing activities	**(1,635)**	**(1,553)**	**(2,453)**
Net (decrease)/increase in cash and cash equivalents	**(802)**	**(1,391)**	**1,697**
Cash and cash equivalents at beginning of year	3,077	1,772	1,772
Effect of foreign exchange rate changes	(488)	496	(392)
Cash and cash equivalents at end of period	**1,787**	**877**	**3,077**

Notes to the Interim Results

1. Basis of accounting

The financial statements for the six months ended 30 November 2006 and 30 November 2005 and for the twelve months ended 31 May 2006 do not constitute statutory accounts for the purposes of Section 240 of the Companies Act 1985. The results for the year end 31 May 2006 and the balance sheet as at that date are abridged from the Company's Annual Report and Financial Statements 2006 which have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985. The 30 November 2006 statements were approved by a duly appointed and authorised committee of the Board of Directors on 31 January 2007 and are unaudited.

The financial statements have been prepared in accordance with the accounting policies set out in the 2006 Annual Report and Accounts and which are expected to be followed in the preparation of the full financial statements for the financial year ended 31 May 2007.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union and comply with the requirements of the Listing Rules issued by the Financial Services Authority. The Group has chosen not to adopt IAS 34 'Interim financial statements' in preparing the interim consolidated financial statements.

2. Revenue

	6 months to		Year ending
	30 Nov 2006	30 Nov 2005	31 May 2006
	£000	£000	£000
Turnover by geographical destination on continuing operations :			
United Kingdom	4,282	4,065	8,838
Rest of Europe	1,104	1,097	2,089
United States of America	7,863	9,629	16,949
Rest of World	1,243	1,310	2,696
Total consolidated turnover	**14,492**	**16,101**	**30,572**

3. Segmental analysis

For management purposes, the Group is currently organised into two geographical operating segments. These geographical segments are the basis on which the Group reports its primary segment information.

The principal activities of the two primary segments are as follows :-

- The origination, production and sale of automotive repair manuals in the UK and Europe
- The origination, production and sale of automotive repair manuals in North America and Australia

Analysis of results by geographical segment :

	6 months to		6 months to		Year ending	
	30 Nov 2006 £000	30 Nov 2006 £000	30 Nov 2005 £000	30 Nov 2005 £000	31 May 2006 £000	31 May 2006 £000
Revenue - continuing operations						
US - External	8,575	8,575	10,333	10,333	19,431	19,431
US - Inter-segmental *	383		352		352	
	8,958		10,685		19,783	
UK - External	5,917	5,917	5,768	5,768	11,141	11,141
UK - Inter-segmental *	108		109		245	
	6,025		5,877		11,386	
Total revenue		**14,492**		**16,101**		**30,572**

* Inter-segmental sales are charged at the prevailing market rates.

	30 Nov 2006 £000	30 Nov 2005 £000	31 May 2006 £000
Result – continuing operations			
US - Segmental profit	2,659	3,352	7,017
UK - Segmental profit	558	803	1,756
	3,217	4,155	8,773
Unallocated head office expense less income	(71)	107	80
Finance income	528	417	804
Finance costs	(579)	(571)	(1,127)
Profit before taxation	**3,095**	**4,108**	**8,530**

4. Finance income

	6 months to		Year ending
	30 Nov 2006 £000	30 Nov 2005 £000	31 May 2006 £000
Interest receivable on bank deposits	58	11	33
Expected return on pension scheme assets	470	406	771
	528	**417**	**804**

5. Finance costs

	6 months to 30 Nov 2006 £000	30 Nov 2005 £000	Year ending 31 May 2006 £000
Interest payable on bank loans and overdrafts	-	2	4
Interest charge on pension scheme liabilities	579	569	1,123
	579	**571**	**1,127**

6. Taxation

The charge for taxation for the six months ending 30 November 2006 has been based on the estimated effective tax rate of 33.7% (12 months to 31 May 2006: 32.5%) of which £54,000 (2005: £189,000) relates to the UK and £988,000 (£2005: £1,230,000) to overseas operations.

7. Discontinued operations

	6 months to 30 Nov 2006 £000	30 Nov 2005 £000	Year ending 31 May 2006 £000
Revenue	2,038	1,770	3,605
Cost of sales	(1,138)	(1,024)	(2,014)
Gross profit	900	746	1,591
Distribution costs	(770)	(691)	(1,339)
Administrative expenses	(220)	(211)	(436)
Operating profit	(90)	(156)	(184)
Finance costs	(4)	-	(10)
Profit before taxation	(94)	(156)	(194)
Taxation	-	-	-
Profit after taxation	(94)	(156)	(194)
Costs of terminating French operations	(535)	-	-
Write-down of net assets held for sale to fair value less expected costs of sale	(2,316)	-	-
	(2,945)	**(156)**	**(194)**

On 24 January 2007, the Group announced the sale of Sutton Publishing Limited to a UK based publisher for £3.0 million, excluding debt in the business at the date of disposal.

8. Earnings per share

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

	6 months to 30 Nov 2006 £000	30 Nov 2005 £000	Year ending 31 May 2006 £000
Earnings :			
Profit after tax – continuing operations	2,053	2,689	5,758
Profit after tax – discontinuing operations	(2,945)	(156)	(194)
Profit after tax – all operations	(892)	2,533	5,564
	No.	No.	No.
Number of shares :			
Weighted average number of shares	16,351,540	16,351,540	16,351,540

As at 30 November 2006, 31 May 2006 and 30 November 2005 there were no potentially dilutive shares in issue on either of the Company's two classes of shares. Accordingly, there is no difference between the weighted average number of shares used in the basic and diluted earnings per share calculation.

9. Dividends

	6 months to 30 Nov 2006 £000	30 Nov 2005 £000	Year ending 31 May 2006 £000
Amounts recognised as distributions to equity holders :			
Final dividend of 10.0p per share (2005: 9.5p)	1,635	1,553	1,554
Interim dividend of 5.5p per share	-	-	899
	1,635	**1,553**	**2,453**

An interim dividend of 5.5p per share (2005: 5.5p) amounting to £899,335 (2005: £899,335) 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 24 April 2007 to shareholders on the register at the close of business on 23 March 2007. The shares will be declared ex-dividend on 21 March 2007.

10. Cash flow analysis

	6 months to 30 Nov 2006 £000	30 Nov 2005 £000	Year ending 31 May 2006 £000
Cash flows from operating activities - continuing			
Profit after tax	2,053	2,689	5,758
Adjusted for :			
Income tax expense	1,042	1,419	2,772
Interest payable and similar charges	-	2	4
Interest receivable	(58)	(11)	(33)
IAS 19 pension charge for defined benefit scheme	109	163	352
Operating profit	3,146	4,262	8,853
Depreciation on property, plant and equipment	374	377	759
Gain/(loss) on disposal of property, plant and equipment	-	(7)	5
	3,520	4,632	9,617
Changes in working capital :			
(Increase)/decrease in inventories	(116)	(272)	(690)
(Increase)/decrease in receivables	(204)	(1,691)	(53)
Increase/(decrease) in payables	589	(178)	(441)
	3,789	**2,491**	**8,433**
Cash flows from operating activities - discontinuing			
Loss after tax	(2,945)	(156)	(194)
Adjusted for :			
Interest payable and similar charges	4	-	10
Operating profit	(2,941)	(156)	(184)
Depreciation on property, plant and equipment	20	24	47
Gain/(loss) on disposal of property, plant and equipment	-	-	(5)
Write-down of assets for sale to fair value less costs to sell	2,316	-	-
	(605)	(132)	(142)
Changes in working capital :			
(Increase)/decrease in inventories	(266)	(187)	(457)
(Increase)/decrease in inventories	57	(268)	(11)
Increase/(decrease) in payables	(47)	405	(76)
	(861)	**(182)**	**(686)**

11. Analysis of the changes in net funds

	As at 1 June 2006 £'000	Cashflow £'000	Exchange movements £'000	As at 30 Nov 2006 £'000
Cash at bank and in hand	4,854	(605)	(488)	3,761
Bank overdrafts	(1,777)	(197)	-	(1,974)
	3,077	**(802)**	**(488)**	**1,787**

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 2006 and this valuation has been updated by the Scheme's actuaries on an approximate basis to 30 November 2006.

The movements in the retirement benefit obligation were as follows :-

	6 months to 30 Nov 2006 £000	30 Nov 2005 £000	Year ending 31 May 2006 £000
Retirement benefit obligation at beginning of period	(8,517)	(9,438)	(9,438)
Movement in the period :			
- Total expenses charged in the income statement	(692)	(681)	(1,412)
- Contributions paid	617	604	1,224
- Actuarial (losses)/gains taken directly to reserves	(3,157)	514	1,048
- Foreign currency exchange rates	99	(123)	61
Retirement benefit obligation at end of period	**(11,650)**	**(9,124)**	**(8,517)**

13. Consolidated Statement of Changes in Equity

	6 months to		Year ending
	30 Nov 2006	30 Nov 2005	31 May 2006
	£000	£000	£000
Opening shareholders' equity	29,218	25,955	25,955
Profit for the period attributable to shareholders	(892)	2,533	5,564
Dividends	(1,635)	(1,553)	(2,453)
Actuarial gains/(losses) on retirement benefit obligations net of tax	(2,218)	360	721
Currency translation adjustments	(822)	774	(569)
Closing shareholders' equity	**23,651**	**28,069**	**29,218**

14. 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 UK website at www.haynes.co.uk/investor.

Independent Review Report to Haynes Publishing Group P.L.C.

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 November 2006 which comprises a consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Our report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Listing Rules of the Financial Services Authority. 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 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.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Auditing Standards (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 November 2006.

BDO Stoy Hayward LLP
Chartered Accountants
Southampton

31 January 2007