

HAYNES PUBLISHING GROUP P.L.C.

INTERIM RESULTS FOR THE 6 MONTHS ENDED 30 November 2007

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 £14.4m (2006: £14.5m)
- Operating profit on continuing operations of £2.8m (2006: £3.1m)
- Profit before tax on continuing operations of £2.8m (2006: £3.1m)
- Basic earnings per share from continuing operations of 11.3 pence (2006: 12.6 pence)
- Net cash of £4.5m (2006: £1.8m)
- Interim dividend declared of 5.0 pence per share (2006: 5.5 pence)

Enquiries :

Haynes Publishing Group P.L.C.

John Haynes OBE, Chairman	01963 442009
Eric Oakley, Group Chief Executive	01963 442009

Blue Oar Securities Plc

Jerry Keen	0207 448 4492
Mike Coe	0117 933 0020

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 the Group's Interim Management Statement (IMS) released in mid-October, we updated shareholders as to how trading conditions in the important US automotive aftermarket were soft and that trading at the start of the second quarter had continued in a similar manner. It is disappointing to report that these difficult trading conditions persisted through the second quarter. As a consequence, US revenue in local currency ended the six month period 3% down on the comparable period last year. However, the impact of a continuing weak US Dollar, which averaged \$2.03 for the six months to 30 November 2007, against an average of \$1.89 over the same period last year, reduced further US revenue when translated to Sterling by £0.6 million, increasing the shortfall against last year to 10%.

In the UK and Europe, the position has been more encouraging. During the period the UK and European automotive division experienced its fourth consecutive quarter of year-on-year growth, with revenue of the core Haynes Owners Workshop Manuals ending the six month period 9% ahead of the comparable period last year. The UK has also experienced strong growth in its licensing and branded product division with revenue from this division more than double last year. On a less positive note, whilst external revenue in the UK's production division ended the six month period 50% ahead of last year, the characteristic low margins in the competitive UK print market meant that the UK and European operations suffered a marked deterioration in the overall contribution from its external printing operation.

Financial review

Income statement

Group revenue from continuing operations ended the six month period to 30 November 2007 down 1% at £14.4 million (2006: £14.5 million). As mentioned above the difficult trading conditions in the important US automotive aftermarket coupled with a continued weak US Dollar had an obvious impact on Group revenue during the six month period.

Gross profit for the period was £8.5 million, down 8% (2006: £9.2 million). In the US business, the gross margin percentage ended the period slightly below last year due to the lower sales of the core automotive manuals. While in the UK and Europe, the benefits of the improved sales of core manuals and higher income from the licensing and branded product division were largely offset by the lower contribution from external printing. The resulting net impact of the above factors led to an overall decline in the Group's gross margin from continuing operations to 59.1% (2006: 63.3%).

The Group continues to manage a tight control over its overheads and despite the increasing cost of fuel and utilities has been able to reduce overheads by 4% against last year. However, management are conscious of the need to maintain costs in line with revenue trends and will continue to identify ways of trimming the cost base of the businesses without impacting operational capabilities.

During the period, net interest receivable from cash deposits increased by 83% to £106,000 (2006: £58,000). The Group's cash generation remains strong and the increased deposit interest receivable benefited from the higher cash balances following the disposal of Sutton Publishing in January 2007 coupled with the higher deposit rates during the period.

The charge to taxation has been based on an estimated effective tax rate for the 12 months to 31 May 2008 of 34.7% (2006: 33.7%). From April 2008 the UK corporation rate reduces from 30% to 28% and as a consequence, the UK's deferred tax balances have been adjusted to reflect this change.

Basic earnings per share from continuing operations were 11.3 pence (2006: 12.6 pence).

Balance sheet and cash flow

During the six month period, expenditure on property, plant and equipment increased to £1.7 million (2006: £0.2 million). The increased expenditure was principally in relation to the purchase of new freehold

premises in Sydney, Australia for A\$2.3 million (£1.0 million) exclusive of taxes, to house the newly combined Australian businesses as well as £0.3 million of investment in customer display stands, mainly in the US.

The net cash inflow from continuing operations was £3.4 million (2006: £3.8 million). During the period, inventory levels increased by £0.3 million, this following the acquisition of Bookworks in June 2007 which increased inventory levels by £0.5 million. The Group's IAS 19 pension scheme deficit ended the period at £7.0 million, marginally ahead of the £6.9 million as at 31 May 2007. However, there has been a marked improvement in the position since November 2006, when the pension scheme deficit stood at £11.7 million.

Interim dividend

Following the £3.0 million cash in-flow from the disposal of Sutton Publishing in January 2007, the Group's net cash position has more than doubled since this time last year. However, trading remains difficult and with the pressures being placed on lenders the Board feels it is appropriate, at this point in time, to conserve cash within the business to focus on growing the Haynes Group whether through acquisition, geographical expansion or organic growth. Accordingly, the Board is recommending an interim dividend of 5.0 pence per share (2006: 5.5 pence).

The payment of the interim dividend will be made on 22 April 2008 to shareholders on the register at the close of business on 25 March 2008, the shares being declared ex-dividend on 19 March 2008.

Operational Review

North America and Australia

As previously mentioned, the core North American automotive aftermarket experienced soft trading conditions throughout the first six months of the financial year. This had an adverse impact on sales with US revenue, in local currency, ending the period down 3% at \$15.7 million (2006: \$16.2 million). However, the weak US Dollar has had an even more significant impact on the results of the US operation when translated to Sterling, with the average US Dollar exchange rate against Sterling 8% weaker than the equivalent period last year, reducing US revenue by £0.6 million and profit before tax by £0.2 million.

The amalgamation of the newly acquired Bookworks businesses with the existing Haynes Australian operation is close to completion. The new combined Australian operation, located in Sydney, New South Wales is well positioned to grow the business in this region and sales from the enlarged combined operation ended the period, in US Dollars, \$0.9 million ahead of last year.

The new US website came on line shortly before the end of the last quarter and very quickly saw traffic to the website increase significantly. Sales from the website, whilst still modest in volume terms, are starting to grow and the new improved site provides the US business with an important channel to communicate with consumers.

The net impact of the above factors left the North American and Australian business with a segmental profit in local currency down 11%. However, after translation to Sterling, segmental profit ended the period at £2.2 million (2006: £2.7 million), down 19%.

UK and Europe

Revenue from the UK and European operations ended the period 13% ahead of the comparative six month period. Sales of the core Haynes manuals had another strong quarter, with revenue ending the six month period 9% ahead of last year. Sales of our core Manuals also performed well in Scandinavia and although sales during the second quarter did not match the 10% increase experienced in the first three months of the financial year, revenue still ended the six month period 3% ahead of last year. Revenue in the Haynes Book Division ended the six month period marginally ahead of last year. This was another strong performance by the Book Division, with sales of the Motor Racing Season Reviews once again featuring in the top five selling titles and the Haynes Spitfire Manual, the first title to be released in the co-publishing programme with the RAF, ending the period as the Division's top selling title.

The Haynes licensing division has made considerable progress since its inception eighteen months ago. The revenue from this division, whilst modest in Group terms, is derived from a list of prestigious licensing partners which now include Next, Lee Cooper, Pyramid Posters and Trends. The launch of the new Haynes combustion engine toy, in late October, has sold well in the run up to Christmas and will hopefully be the first of a range of toys aimed at educating our younger customers that DIY can be fun.

As mentioned earlier in the statement, the UK's production division had a difficult six months of trading. Despite an increase in the volume of external production passing through the plant, the low margins in this part of the business have had an adverse impact on the profitability of the UK and European businesses.

As a result of the above factors, UK and European segmental revenue from continuing operations increased to £6.7 million (2006: £5.9 million). However, whilst the UK and European businesses benefited from the higher revenue, the lower margins from the external printing meant that the increase in segmental profit was all but eroded ending the period at £0.6 million (2006: £0.6 million).

Future outlook

In the Haynes US business there are no clear signs that difficult market conditions experienced in the first half of the year are set to improve significantly during the second six months. However, with continued marketing initiatives and a price increase effective from 1 January 2008, management will be making every effort to recover some of the shortfall experienced in the first half.

In the UK, reports of a mixed Christmas trading period for retailers and an expectation of a further slow down in consumer spending is a concern. However, sales of the Haynes manuals have been performing well and the focus will continue on developing product and marketing initiatives aimed at growing sales of the core Haynes Manuals.

Responsibility statement

Pages 18 and 19 of the Annual Report & Accounts for the financial year ended 31 May 2007 provide details of the serving Board Directors and there have been no changes during the six months to 30 November 2007. A copy of recent Annual Report & Accounts can be found on the Haynes website www.haynes.co.uk/investor. The 31 May 2007 Annual Report & Accounts also provide a statement of the Directors' responsibilities on page 35.

The Board confirm that to the best of its knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.
- The Interim management report includes a fair review of the information required by the Disclosure and Transparency Rules (DTR).

J H Haynes, OBE
Chairman of the Board

30 January 2008

Consolidated Income Statement (unaudited)

	6 months to 30 Nov 2007	30 Nov 2006	Year ended 31 May 2007
	£'000	£'000	£'000
Continuing operations			
Revenue (note 2)	14,391	14,492	29,202
Cost of sales	(5,888)	(5,321)	(10,498)
Gross profit	8,503	9,171	18,704
Other operating income	73	17	53
Distribution costs	(3,386)	(3,549)	(7,437)
Administrative expenses	(2,440)	(2,493)	(4,169)
Operating profit	2,750	3,146	7,151
Finance income (note 4)	758	528	1,104
Finance costs (note 5)	(669)	(579)	(1,174)
Profit before taxation	2,839	3,095	7,081
Taxation (note 6)	(985)	(1,042)	(1,913)
Profit for the period from continuing operations	1,854	2,053	5,168
Discontinued operations			
Loss for the period from discontinued operations (note 7)	-	(2,945)	(2,946)
Profit/(loss) for the period attributable to the equity holders of the parent	1,854	(892)	2,222
Earnings per 20p share - pence			
Earnings per share from continuing operations			
- Basic	11.3	12.6	31.6
- Diluted	11.3	12.6	31.6
Earnings/(loss) per share from continuing and discontinuing operations			
- Basic	11.3	(5.5)	13.6
- Diluted	11.3	(5.5)	13.6
Loss per share from discontinued operations			
- Basic	-	(18.0)	(18.0)
- Diluted	-	(18.0)	(18.0)

Consolidated Statement of Recognised Income and Expense (unaudited)

	6 months to		Year ended
	30 Nov 2007	30 Nov 2006	31 May 2007
	£000	£000	£000
Exchange differences on translation of foreign operations	(650)	(822)	(940)
Actuarial gains/(losses) on retirement benefit obligation			
- UK Scheme	532	(3,242)	474
- US Scheme	(494)	85	919
Deferred tax on retirement benefit obligation			
- UK Scheme	(149)	973	(142)
- US Scheme	197	(34)	(368)
Deferred tax arising on change in UK tax rate	(115)	-	-
Net expense recognised directly in equity	(679)	(3,040)	(57)
Profit/(loss) for the financial period	1,854	(892)	2,222
Total recognised income/(expense) for the financial period	1,175	(3,932)	2,165

Consolidated Balance Sheet (unaudited)

	30 Nov 2007 £'000	30 Nov 2006 £'000	31 May 2007 £'000
Non-current assets			
Property, plant and equipment	8,183	6,838	6,763
Intangible assets	4,338	4,383	4,359
Deferred tax assets	2,749	4,378	2,802
	15,270	15,599	13,924
Current assets			
Inventories	11,296	11,008	10,810
Trade and other receivables	9,361	10,231	9,801
Cash and cash equivalents	4,546	3,761	6,478
Total current assets	25,203	25,000	27,089
Assets classified as held for sale	-	2,762	-
	25,203	27,762	27,089
Total assets	40,473	43,361	41,013
Current liabilities			
Trade and other payables	(3,815)	(4,665)	(3,857)
Tax liabilities	(616)	(698)	(879)
Bank overdrafts	-	(1,974)	-
Total current liabilities	(4,431)	(7,337)	(4,736)
Liabilities directly associated with assets classified as held for sale	-	(14)	-
	(4,431)	(7,351)	(4,736)
Non-current liabilities			
Deferred consideration	(130)	(203)	(135)
Deferred tax liabilities	(550)	(506)	(384)
Retirement benefit obligation (note 13)	(6,973)	(11,650)	(6,909)
Total non-current liabilities	(7,653)	(12,359)	(7,428)
Total liabilities	(12,084)	(19,710)	(12,164)
Net assets	28,389	23,651	28,849
Equity (note 14)			
Share capital	3,270	3,270	3,270
Share premium	638	638	638
Retained earnings	26,473	20,967	26,283
Foreign currency translation reserve	(1,992)	(1,224)	(1,342)
Total equity	28,389	23,651	28,849

Consolidated Cash Flow Statement (unaudited)

	6 months to		Year ended
	30 Nov 2007	30 Nov 2006	31 May 2007
	£'000	£'000	£'000
Net cash generated from operating activities			
- Continuing operations (note 11)	3,438	3,789	7,889
- Discontinued operations (note 11)	-	(861)	(583)
Cash generated by operations	3,438	2,928	7,306
Tax paid	(1,212)	(1,809)	(2,505)
Interest received	106	58	161
Interest paid	-	(4)	(29)
Retirement benefit obligation	115	(34)	(332)
Net cash generated from operation activities	2,447	1,139	4,601
Investing activities			
Proceeds from sale of property, plant and equipment	16	-	-
Disposal of subsidiary	-	-	2,780
Closure of operation	-	-	(141)
Purchases of property, plant and equipment	(1,735)	(184)	(500)
Acquisition costs :			
- Business operation	(660)	-	-
- Deferred consideration	(7)	(122)	(208)
Net cash used in investing activities	(2,386)	(306)	1,931
Financing activities			
Dividends paid	(1,635)	(1,635)	(2,534)
Net cash used in financing activities	(1,635)	(1,635)	(2,534)
Net (decrease)/increase in cash and cash equivalents	(1,574)	(802)	3,998
Cash and cash equivalents at beginning of year	6,478	3,077	3,077
Effect of foreign exchange rate changes	(358)	(488)	(597)
Cash and cash equivalents at end of period	4,546	1,787	6,478

Notes to the Interim Results

1. Basis of accounting

The financial statements for the six months ended 30 November 2007 and 30 November 2006 and for the twelve months ended 31 May 2007 do not constitute statutory accounts for the purposes of Section 240 of the Companies Act 1985. The financial information in relation to the year ended 31 May 2007 is abridged from the Company's Annual Report and Consolidated Financial Statements, a copy of which has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985. The 30 November 2007 statements were approved by a duly appointed and authorised committee of the Board of Directors on 30 January 2008 and are unaudited.

The financial statements for the six months ended 30 November 2007 includes the following accounting policy in relation to acquired intangible assets :-

An intangible asset acquired as part of a business combination is recognised as an asset if it is separately identifiable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefit and its fair value can be measured reliably. An acquired intangible asset with a finite life is amortised on a straight-line basis so as to charge its cost, which represents its fair value at the acquisition date, to the income statement over its expected useful life. An acquired asset with an indefinite life is not amortised but is tested annually for impairment and carried at cost less any recognised impairment losses.

The intangible assets which were acquired through the acquisition of Bookworks in June 2007 and which relate to trademarks and copyright are deemed to have indefinite lives.

Apart from the inclusion of the new accounting policy above, the financial statements have been prepared in accordance with the accounting policies set out in the 2007 Annual Report and Accounts. Along with IFRS 7 'Financial Instruments: Disclosures' and the amendment to IAS 1 'Capital Disclosures', both of which are first effective for accounting periods commencing on or after 1 January 2007, these are the accounting policies which are expected to be followed in the preparation of the full financial statements for the financial year ended 31 May 2008.

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

2. Revenue

	6 months to		Year ended
	30 Nov	30 Nov	31 May
	2007	2006	2007
	£000	£000	£000
Turnover by geographical destination on continuing operations :			
United Kingdom	5,217	4,282	9,510
Rest of Europe	1,052	1,104	2,054
United States of America	6,598	7,863	15,213
Rest of World	1,524	1,243	2,425
Total consolidated turnover	14,391	14,492	29,202

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:

	UK & Europe 6 months to 30 Nov 2007 £'000	North America & Australia 6 months to 30 Nov 2007 £'000	Discontinued Operations 6 months to 30 Nov 2007 £'000	Eliminations/ Reclassification of discontinued Operations 6 months to 30 Nov 2007 £'000	Consolidated 6 months to 30 Nov 2007 £'000
Revenue					
External sales	6,682	7,709	-	-	14,391
Inter-segmental sales ^[1]	114	340	-	(454)	-
Total revenue	6,796	8,049	-	(454)	14,391
Result					
Segment operating profit	597	2,248	-	-	2,845
Unallocated head office income less expense					(95)
Finance income					758
Finance costs					(669)
Consolidated profit before tax					2,839
	UK & Europe 6 months to 30 Nov 2006 £'000	North America & Australia 6 months to 30 Nov 2006 £'000	Discontinued Operations 6 months to 30 Nov 2006 £'000	Eliminations/ Reclassification of discontinued Operations 6 months to 30 Nov 2006 £'000	Consolidated 6 months to 30 Nov 2006 £'000
Revenue					
External sales	5,917	8,575	2,038	(2,038)	14,492
Inter-segmental sales ^[1]	108	383	764	(1,255)	-
Total revenue	6,025	8,958	2,802	(3,293)	14,492
Result					
Segment operating profit	558	2,659	-	-	3,217
Unallocated head office income less expense					(71)
Finance income					528
Finance costs					(579)
Consolidated profit before tax					3,095

^[1] Inter-segmental sales are charged at the prevailing market rates

	UK & Europe Year ended 31 May 2007 £'000	North & Australia & Australia Year ended 31 May 2007 £'000	Discontinued Operations Year ended 31 May 2007 £'000	Eliminations/ Reclassification of discontinued Operations Year ended 31 May 2007 £'000	Consolidated Year ended 31 May 2007 £'000
Revenue					
External sales	11,755	17,447	2,600	(2,600)	29,202
Inter-segmental sales ^[1]	231	849	890	(1,970)	-
Total revenue	11,986	18,296	3,490	(4,570)	29,202
Result					
Segment operating profit	1,086	5,865	(100)	100	6,951
Unallocated head office income less expense					200
Finance income					1,104
Finance costs					(1,174)
Consolidated profit before tax					7,081

^[1] Inter-segmental sales are charged at the prevailing market rates

4. Finance income

	6 months to 30 Nov 2007 £000	6 months to 30 Nov 2006 £000	Year ended 31 May 2007 £000
Interest receivable on bank deposits	106	58	161
Expected return on pension scheme assets	652	470	943
	758	528	1,104

5. Finance costs

	6 months to 30 Nov 2007 £000	6 months to 30 Nov 2006 £000	Year ended 31 May 2007 £000
Finance costs can be analysed as follows:			
Interest payable on bank loans and overdrafts	-	-	29
Interest charge on pension scheme liabilities	669	583	1,170
	669	583	1,199
Less: Amounts included in profit from discontinued operations	-	(4)	(25)
	669	579	1,174

6. Taxation

The charge for taxation for the six months ending 30 November 2007 has been based on an estimated full year effective tax rate of 34.7% (30 November 2006: 33.7%) The rate reflects the significant proportion of profit generated by overseas subsidiaries with a higher corporate tax rate and an adjustment to the UK's deferred tax calculations to reflect the reduction in UK corporation tax rates from April 2008.

7. Discontinued operations

On 24 November 2006 the Group announced the closure of its French operation, Editions Haynes SARL and this was followed on 24 January 2007 by the sale of Suttons Publishing Limited for a consideration of £3.0 million in cash.

8. Acquisition

On 5 June 2007, the Board announced the acquisition of certain assets and liabilities including finished goods inventory, work in progress, intellectual property and equipment from Bookworks Pty Ltd, Rellim Pty Ltd, Motordata Pty Ltd and Stan H Earle Pty Ltd all private Australian companies in the book origination, printing and distribution business. The total consideration for the acquisition was A\$1.5 million (£0.6 million).

Given the proximity of the acquisition to the date of the publication of the Consolidated Financial Statements for the year ended 31 May 2007 it was not possible to determine the fair values of any intangible assets arising on the acquisition. Accordingly, provisional fair values were included in these Consolidated Financial Statements. Following a review undertaken post acquisition, intangible assets of £144,000 (A\$334,000) have been identified in relation to the trademarks (£26,000) and copyrights (£118,000) held by the Bookworks companies.

The table below shows the fair values arising on the acquisition :

	Carrying value £'000	Recognised on acquisition £'000
Assets acquired		
Property, plant and equipment	75	105
Intangible assets	-	144
Inventories	504	540
Other creditors	(40)	(40)
Deferred tax arising on recognition of intangible assets	-	(49)
Fair value of net assets	539	700
Excess of acquirer's interest in the net fair value of the identifiable assets and liabilities over cost		(40)
Total consideration		660
Consideration		606
Costs associated with the acquisition		54
Total consideration		660
The cash outflow on acquisition was as follows :		
Cash paid		660
Net cash outflow		660

In August 2007 new premises in Sydney, Australia were acquired for a consideration of A\$2.3 million (£1.0 million) exclusive of taxes, which has enabled the Group's Australian businesses to be combined and operate from one location. As a result of the amalgamation during the period it is impracticable to determine the amount of profit for the period, which would have been derived solely from the newly acquired business as required by Paragraph 67(i) of IFRS 3 'Business Combinations'.

Paragraph 70 (a) and (b) of IFRS 3 requires an acquirer to disclose the Group revenue and Group profit attributable to equity holders of the parent, as if the acquisition had been effected at the beginning of the financial period. However, as the acquisition of the Bookworks businesses was completed at the beginning of the financial period there is no difference between the basis as required under IFRS 3 above and that shown in the Consolidated Income Statement.

The excess of the acquirer's interest in the net fair value of the identifiable assets and liabilities over cost of £40,000 has been included within other operating income in the Consolidated Income Statement.

9. Earnings per share

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

	6 months to 30 Nov 2007 £000	6 months to 30 Nov 2006 £000	Year ended 31 May 2007 £000
Earnings :			
Profit after tax – continuing operations	1,854	2,053	5,168
Profit after tax – discontinuing operations	-	(2,945)	(2,946)
Profit after tax – all operations	1,854	(892)	2,222
	No.	No.	No.
Number of shares :			
Weighted average number of shares	16,351,540	16,351,540	16,351,540

As at 30 November 2007, 31 May 2007 and 30 November 2006 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.

10. Dividends

	6 months to 30 Nov 2007 £000	6 months to 30 Nov 2006 £000	Year ended 31 May 2007 £000
Amounts recognised as distributions to equity holders :			
Final dividend of 10.0p per share (2006: 10.0p)	1,635	1,635	1,635
Interim dividend of 5.5p per share	-	-	899
	1,635	1,635	2,534

An interim dividend of 5.0p per share (2006: 5.5p) amounting to £817,577 (2006: £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 22 April 2008 to shareholders on the register at the close of business on 25 March 2008. The shares will be declared ex-dividend on 19 March 2008.

11. Cash flow analysis

	6 months to 30 Nov 2007 £000	30 Nov 2006 £000	Year ended 31 May 2007 £000
Cash flows from operating activities - continuing			
Profit after tax	1,854	2,053	5,168
Adjusted for :			
Income tax expense	985	1,042	1,913
Interest payable and similar charges	-	-	4
Interest receivable	(106)	(58)	(161)
Excess of acquirer's interest in the net fair value of the identifiable assets and liabilities over cost	(40)	-	-
IAS 19 pension charge for defined benefit scheme	17	109	227
Operating profit	2,710	3,146	7,151
Depreciation on property, plant and equipment	329	374	735
Gain/(loss) on disposal of property, plant and equipment	(14)	-	-
	3,025	3,520	7,886
Changes in working capital :			
(Increase)/decrease in inventories	54	(116)	(215)
(Increase)/decrease in receivables	440	(204)	526
Increase/(decrease) in payables	(81)	589	(308)
	3,438	3,789	7,889
Cash flows from operating activities - discontinuing			
Loss after tax	-	(2,945)	(2,946)
Adjusted for :			
Interest payable and similar charges	-	4	25
Loss on disposal of subsidiary	-	-	2,288
Closure of operation	-	-	533
Operating loss	-	(2,941)	(100)
Depreciation on property, plant and equipment	-	20	22
Write-down of assets for sale to fair value less costs to sell	-	2,316	-
	-	(605)	(78)
Changes in working capital :			
(Increase)/decrease in inventories	-	(266)	(235)
(Increase)/decrease in receivables	-	57	(280)
Increase/(decrease) in payables	-	(47)	10
	-	(861)	(583)

12. Analysis of the changes in net funds

	As at 1 June 2007 £'000	Cashflow £'000	Exchange movements £'000	As at 30 Nov 2007 £'000
Cash at bank and in hand	6,478	(1,574)	(358)	4,546
	6,478	(1,574)	(358)	4,546

13. 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 2007 and this valuation has been updated by the Scheme's actuaries on an approximate basis to 30 November 2007.

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

	6 months to 30 Nov 2007 £000	30 Nov 2006 £000	Year ended 31 May 2007 £000
Retirement benefit obligation at beginning of period	(6,909)	(8,517)	(8,517)
Movement in the period :			
- Total expenses charged in the income statement	(575)	(692)	(1,330)
- Contributions paid	443	617	1,435
- Actuarial gains/(losses) taken directly to reserves	38	(3,157)	1,393
- Foreign currency exchange rates	30	99	110
Retirement benefit obligation at end of period	(6,973)	(11,650)	(6,909)

14. Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Foreign exchange translation reserve £'000	Retained earnings £'000	Total £'000
Current interim period :					
Balance at 1 June 2007	3,270	638	(1,342)	26,283	28,849
Profit for the period	-	-	-	1,854	1,854
Currency translation adjustments	-	-	(650)	-	(650)
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	(29)	(29)
Dividends	-	-	-	(1,635)	(1,635)
Balance at 30 November 2007	3,270	638	(1,992)	26,473	28,389
Prior interim period :					
Balance at 1 June 2006	3,270	638	(402)	25,712	29,218
Profit for the period	-	-	-	(892)	(892)
Currency translation adjustments	-	-	(822)	-	(822)
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	(2,218)	(2,218)
Dividends	-	-	-	(1,635)	(1,635)
Balance at 30 November 2006	3,270	638	(1,224)	20,967	23,651
Prior year :					
Balance at 1 June 2006	3,270	638	(402)	25,712	29,218
Profit for the period	-	-	-	2,222	2,222
Currency translation adjustments	-	-	(940)	-	(940)
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	883	883
Dividends	-	-	-	(2,534)	(2,534)
Balance at 31 May 2007	3,270	638	(1,342)	26,283	28,849

15. 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 2007	30 Nov 2006	31 May 2007	30 Nov 2007	30 Nov 2006	31 May 2007
US Dollar	2.06	1.97	1.98	2.03	1.89	1.93
Euro	1.40	1.48	1.47	1.45	1.47	1.48
Swedish Krona	13.14	13.46	13.67	13.46	13.57	13.61

16. Capital expenditure

	Property, plant and equipment £'000
Net book values at 1 June	6,763
Exchange rate movements	(89)
Additions	1,735
Additions resulting from business combinations	105
Disposals	(2)
Depreciation and amortisation	(329)
	<hr/> 8,183 <hr/>

The property, plant and equipment additions include £1.0 million (A\$2.3 million) for the purchase of new freehold premises in Sydney, Australia and £0.3 million of investment in customer display stands.

17. Related party transactions

During the six months to 30 Nov 2007 there were no material related party transactions.

18. Principal risks and uncertainties

The Board is primarily responsible for identifying and monitoring risk and the manner in which the Board manages this process is outlined in the Corporate Governance report on page 28 of the Group's Annual Report, a copy of which is available on the Group's website www.haynes.co.uk/investor.

The principal financial risks and uncertainties affecting the Group for the remaining six months of the year are outlined in the Interim Statement on pages 2 to 4 of this report.

19. 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 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 2007 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 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 Services 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 Services 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 2007 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 Services Authority.

*BDO Stoy Hayward LLP
Chartered Accountants
Southampton*

30 January 2008