HAYNES PUBLISHING GROUP P.L.C.

INTERIM RESULTS FOR THE 6 MONTHS ENDED
30 November 2008

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, accurate and easy to follow.

Following its acquisition of Vivid Holding BV in February 2008, the Haynes Group has become a leading European supplier of digital technical information to the motor trade, thereby broadening the Group's business to include professional as well as DIY mechanics and enthusiasts.

The Haynes Group also publish 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 £16.4m (2007: £14.4m)
- Operating profit on continuing operations of £1.9m (2007: £2.8m)
- Profit before tax on continuing operations of £1.7m (2007: £2.8m)
- Basic earnings per share from continuing operations of 6.8 pence (2007: 11.3 pence)
- Net debt of £1.4m (2007: net cash of £4.5m)
- Interim dividend declared of 4.0 pence per share (2007: 5.0 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

We are living, and operating, in one of the most remarkable economic periods in world history and are experiencing unprecedented business conditions. In comparison to many other businesses, large and small, the Haynes Publishing Group has so far weathered the storm without experiencing many of the, in some cases quite dramatic, financial difficulties encountered by others, as a direct result of frozen credit markets. Great efforts have been made at Haynes in recent years to reduce Group indebtedness from in excess of £11.0 million, following the acquisitions of the early 2000's, to a positive cash balance. And it is only as a result of the accretive acquisition of Vivid in February 2008 that we now have £1.4 million in net borrowings (an amount that would be discharged by Vivid cash flow alone in a short period).

While the Group is a long way short of being highly leveraged, plans have been implemented which will return us to a positive balance during the early part of the next financial year. The Group remains solidly profitable and cash generative, we have strong banking relationships and also have adequate credit facilities in place.

Having said that, we have been affected by the fact that consumer confidence has been brought to all time lows and consumer spending has been significantly curtailed. High petrol prices have also had a big impact on non essential motoring related expenditure. There is evidence in the US that despite recent falls in fuel prices, there has not been a proportional increase in consumer spending.

Since the US business first felt the impact of the credit crunch in August 2007 there have been several occasions where false hopes have been raised by temporary uplifts in business. The summer of 2008 was the latest example of this.

Trading during the first quarter of our financial year ending 31 May 2009 was comfortably ahead of the prior year, with sales of US automotive repair manuals in local currency 10% ahead of the prior period and sales of UK automotive repair manuals ahead by 5%. Whilst some early signs of what lay ahead were in evidence, the extent of the virtual panic that was to follow was still not apparent until mid-way through our second quarter.

In our first quarter Interim Management Statement we mentioned that trading at the start of the second quarter remained positive. However, in the US, mid-way through the second quarter, it became apparent that sales volumes were softening again as retailers further reduced inventory levels in response to economic necessity. We were able to track lower replenishment during a period when through-the-register sales were holding up reasonably well. This trend was soon to follow in the UK and Australia and by the end of the second quarter we had experienced a marked weakness in trading in all our key geographical markets, with sales of automotive repair manuals in the US down 16% against the second quarter last year and in the UK down 24%. As a consequence, revenue in these two markets ended the six month period as a whole down 3% and 11% respectively against the same six month period last year.

During a similar timeframe there has been a significant strengthening of the US Dollar against Sterling which has had a positive impact on our reported revenue and pre-tax profits during the six month period. By the end of November 2008, the US Dollar exchange rate of $1.53 was 26% higher against Sterling than at the same time last year (2007: $2.06). Whilst not as prominent, the movement in the average rate for the six months ended the period 11% higher at $1.80 (2007: $2.03). As a result of the movement in the average US Dollar exchange rate, reported revenue has increased by £0.9 million and pre-tax profits increased by £0.2 million. It is however pertinent to point to the fact that exchange rate also increased overhead cost, in translation, by £0.4 million.

Financial review

Income statement

Group revenue ended the six month period to 30 November 2008 up 14% at £16.4 million (2007: £14.4 million). On a like-for-like basis, excluding the revenue from Vivid Holding BV and assuming a constant exchange rate, Group revenue was down 6% on the prior interim period.

Gross profit for the period was £9.5 million, up 12% (2007: £8.5 million). The gross margin in the US ended the period 2.6 percentage points down on the prior year, as sales volumes were adversely impacted towards the end of the second quarter. In the UK, the gross margin was also down, ending the period 3.4 percentage points below the prior period, this was principally due to the slower sales of automotive repair manuals towards the end of the second quarter and higher revenue from lower margin external printing services. However, a positive impact from the first time inclusion of Vivid Holding BV, helped improve the Group's overall gross margin from continuing operations. The net impact of the above left the gross margin percentage for the first six months at 57.8% (2007: 59.1%). On a like-for-like basis the gross margin percentage was 56.3%.

Management are aware of the need to maintain a tight control over costs. This statement is never truer than in a period of economic decline, where maintaining the relationship between revenue and costs is vital to the future success of the business. It is important to note that the first time inclusion of Vivid Holding BV in the half year statement has added £1.0 million of overhead cost in these reported figures. The increase in the Group's like for like overheads, including the cost of any overhead restructuring, has been maintained at less than the cost of inflation.

While revenue increased as outlined above, the shortfall in higher margin sales in our major markets along with higher raw material prices, adversely affected cost of goods. With Vivid costs included, higher US overheads due to exchange rates and higher US advertising costs designed to increase brand awareness in our largest market, Group operating profit, ended the six month period down by a more significant 32% at £1.9 million (2007: £2.8 million).

Net interest payable on short term bank borrowings of £0.1 million compares to a net receivable position of £0.1 million last year. The swing of £0.2 million is primarily due to the acquisition of Vivid Holding BV in February 2008 which was financed through a combination of internal cash and short term borrowings and £0.5 million ($0.9 million) of deposits paid during the second quarter for a replacement binding line in the US print facility in Nashville, which has been installed during January 2009.

The effective charge to taxation of 36.1% is higher than the six month period last year (2007: 34.7%) primarily due to the higher mix of US profits.

Basic earnings per share from continuing operations were 6.8 pence (2007: 11.3 pence).

Balance sheet and cash flow

The Group's balance sheet has been significantly impacted by the movement in the US Dollar and to a lesser extent the Euro, when compared to the last financial year-end and the comparative interim balance sheet. The magnitude of the distortions caused through a weakened Sterling have been quite significant with intangible assets, inventory and trade and other receivables increasing by £1.6 million, £1.4 million and £1.8 million respectively against the prior financial year-end. The movement against the prior interim period is higher still. In addition, the acquisition of Vivid Holding BV in February 2008 has led to an increase in balance sheet headings against the prior interim period, but most notably intangible assets and trade receivables.

During the six month period, expenditure on property, plant and equipment was £0.3m (2007: £1.7 million) which reflects a more normal level of expenditure for the Group. Last year expenditure was inflated due to the purchase of a freehold property in Australia for £1.0m. A replacement binding line has been installed at the US print facility in Nashville at a cost of $3.0 million. This is anticipated to have a positive impact on cost of goods in future time periods.

The Group's IAS 19 pension scheme deficit ended the period at £7.2 million (2007: £7.0 million). As anticipated the freefall in global stock markets has had a negative impact on equity returns in recent months. However, an increase in the UK discount rate and a lower UK inflation rate has helped to mitigate the lower return on assets.

The net cash inflow generated by the operations was £1.5 million (2007: £3.6 million) which represented 83% of Group operating profit (2007: 129%). The shortfall against the same six month period last year can be explained through the reduction in Group operating profits, the advance payments on the new US binding line and an increase in UK inventories, predominantly higher raw materials.

Interim dividend

Following the financing of the Vivid Holding BV acquisition at the end of February 2008 through internal cash and short term borrowings, the UK operations have moved into a net debt position. In the US, the financing of a replacement binding line installed during January 2009 at a cost of $3.0 million has further impacted the Group's cash position in the short term. Nevertheless, the Haynes Group remains a very profitable business, which enjoys strong cash generation. However, it would be unrealistic to assume the impact of the economic downturn which affected Group trading during the second quarter will not bite further as we move through calendar year 2009. In light of the difficult current trading conditions the Board feels it is prudent to pay down the existing Group debt as a matter of priority and accordingly, the Board is recommending the interim dividend be reduced to 4.0 pence per share (2007: 5.0 pence).

The payment of the interim dividend will be made on 23 April 2009 to shareholders on the register at the close of business on 27 March 2009, the shares being declared ex-dividend on 25 March 2009.

Operational Review

North America and Australia

As stated above, the US business has been experiencing the downturn since August of 2007 but the current financial year in the US started in a promising manner, with revenue during the first quarter strongly ahead of the prior period. However, mid-way through the second quarter sales from key customers slowed significantly because of the downturn and as a result revenue in the North American and Australian operating units, in local currency, ended the six month period down 6%. However, following the strengthening of the US Dollar against Sterling, after translation to Sterling the movement was an increase in revenue of 6%.

The US business has been increasing its print advertising to help re-educate motorists to the fact that, especially in the current environment, the use of a Haynes manual can help save a lot of money.

The US business has successfully implemented price increases to all customers. These were effective 1 December 2008.

In Australia, action to reduce the employee cost base of the business was undertaken mid-way through the second quarter and this had an adverse impact on pre-tax profits at the half year. However, the action taken will help to improve the financial position of the Australian operation in future financial periods.

After translation to Sterling, North America & Australian segmental profit ended the period at £1.6 million (2007: £2.2 million), down 27%.

UK and Europe

The UK business experienced similar trading patterns to that in the US, with sales of core automotive repair manuals in the first quarter ahead of the prior period. However, mid-way through the second quarter sales fell away sharply and ended the quarter down 24%. As a result, sales of automotive repair manuals ended the six month period 11% down on the comparative prior period. A price increase during the second quarter will help to protect margins during the second half of the year.

During the first quarter, sales of titles in our Haynes Book Division were 3% down on the prior period but with weaker consumer spending during the second quarter and returns higher than in the comparative period, sales ended the six month period 7% down on the prior period. On a positive note, sales of our top 5 and top 10 selling titles ended the period 21% and 15% ahead of the prior period respectively, which is indicative of a strong new title programme. The Haynes Book Division operates in a competitive market place which is currently characterised by high discounting and increased customer returns. Market conditions remain very challenging and we will be taking great care to ensure that this division performs as well as possible in an uncertain market.

This is the first time we have reported the results of Vivid Holding BV at our half year. Vivid's revenue for the six month period was £1.9 million. Although a high proportion of this revenue is contractually committed, the growth of new business has been slower than anticipated. This is explainable given the current economic climate, where the "dire" conditions have lead to several new projects being deferred by customers and potential customers, thereby reducing planned sales growth.

As a result of the above factors, UK and European segmental revenue from continuing operations increased to £8.2 million (2007: £6.7 million). On a like for like basis, excluding sales from Vivid Holding BV, revenue was down 6%. With a reduction in sales of higher margin automotive manuals being partially compensated for by an increase in lower margin external printing services, segmental profit was lower at £0.2 million (2007: £0.6 million).

Future outlook

During the ongoing worldwide de-leveraging process, retailers have significantly reduced inventory. Such reductions cannot continue endlessly without serious adverse effects on the overall health of our retail customers and we would expect at some point to see replenishments more closely match sales in order to avoid lost sales.

On a more positive note we know that in periods of economic downturn and in particular, in times of high unemployment, overall levels of Do-it-Yourself activity normally increase and at Haynes we have usually seen sales of repair manuals improve during such periods. In light of the above, management remain optimistic that as retailer inventories plateau the Group should benefit and in order to optimise our position in this regard we will continue to promote the fact that users can save significant amounts by using a Haynes Manual to perform work themselves. Despite increased vehicle complexity there remain many tasks that even inexperienced Do-it-Yourselfers can perform with ease and several of these are demonstrated in videos on our Haynes Websites (www.haynes.com and www.haynes.co.uk).

On 9 December 2008 the Group announced it had received an offer from JF Print Ltd to purchase the Group's UK Book Manufacturing operation, located on the Sparkford site in Somerset. Discussions are ongoing and further announcements will be made as necessary.

Although the Group has experienced a reduction in pre-tax profits against the prior period the Haynes Group remains a strongly profitable business. The Group also continues to enjoy strong cash generation. Despite the two acquisitions and the purchase of a freehold property in Australia during the last financial year totalling £8.0 million and the replacement of a new binder line in the US at a cost of £2.0 million ($3.0 million) during the current financial year, management are confident that the Group will reduce net debt during the second half of the year and can return to a cash positive position in the summer of this year. We will continue to do the things that we do well and we will continue to build on these areas. At the same time we will take action to improve areas that do not perform in line with expectations and remove those activities where this is not possible. We continue to explore accretive acquisition opportunities.
It is simple but sensible business management and it is these virtues that have helped to build the Group into the business it is today and the Board is confident will help to serve the business well in the future. While there is no evidence to-date of an early improvement in the global economy, we do, strongly, believe that Haynes will be able to successfully navigate the morass, to do so profitably, and in a fashion that protects the long term interests of our shareholders and employees.

Responsibility statement

Pages 17 and 18 of the Annual Report & Accounts for the financial year ended 31 May 2008 provide details of the serving Board Directors and there have been no changes during the six months to 30 November 2008. A copy of recent Annual Report & Accounts can be found on the Haynes website www.haynes.co.uk/investor . The 31 May 2008 Annual Report & Accounts also provide a statement of the Directors' responsibilities on page 34.

The Board confirm that to the best of its knowledge:

- The condensed set of financial statements has been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRSs) and Article 4 of the IAS Regulation and gives a true and fair view of the assets, liabilities, financial position and profit and loss of the group.
- The Interim management report includes a fair review of the development and performance of the business and the financial position of the group and the parent company, together with a description or the principal risks and uncertainties that they face.

J H Haynes, OBE
Chairman of the Board

28 January 2009

Consolidated Income Statement (unaudited)

	6 months to		Year ended
	30 Nov 2008	30 Nov 2007	31 May 2008
	£'000	£'000	£'000
Continuing operations			
Revenue (note 2)	16,378	14,391	31,122
Cost of sales	(6,910)	(5,888)	(12,050)
Gross profit	9,468	8,503	19,072
Other operating income	26	73	75
Distribution costs	(4,005)	(3,386)	(7,345)
Administrative expenses	(3,626)	(2,440)	(4,835)
Operating profit	1,863	2,750	6,967
Finance income (note 4)	680	758	1,518
Finance costs (note 5)	(811)	(669)	(1,400)
Profit before taxation	**1,732**	**2,839**	**7,085**
Taxation (note 6)	(626)	(985)	(2,043)
Profit for the period from continuing operations	**1,106**	**1,854**	**5,042**
Attributable to:			
Equity holders of the parent	1,103	1,854	5,041
Minority interest	3	-	1
	1,106	**1,854**	**5,042**

Earnings per 20p share - pence

Earnings per share from continuing operations			
- Basic	6.8	11.3	30.8
- Diluted	6.8	11.3	30.8

Consolidated Statement of Recognised Income and Expense (unaudited)

	6 months to		Year ended
	30 Nov 2008	30 Nov 2007	31 May 2008
	£000	£000	£000
Exchange differences on translation of foreign operations	4,561	(650)	284
Actuarial gains/(losses) on retirement benefit obligation			
- UK Scheme	2,176	532	723
- US Scheme	(1,811)	(494)	(625)
Deferred tax on retirement benefit obligation			
- UK Scheme	(609)	(149)	(202)
- US Scheme	724	197	250
Deferred tax arising on change in UK tax rate	-	(115)	-
Net income/(expense) recognised directly in equity	**5,041**	**(679)**	**430**
Profit for the financial period	1,106	1,854	5,042
Total recognised income for the financial period	**6,147**	**1,175**	**5,472**
Attributable to:			
Equity holders of the parent	6,144	1,175	5,471
Minority interest	3	-	1
	6,147	**1,175**	**5,472**

Consolidated Balance Sheet (unaudited)

	30 Nov 2008	30 Nov 2007	31 May 2008
	£'000	£'000	£'000
Non-current assets			
Property, plant and equipment (note 14)	8,096	8,183	8,240
Intangible assets	13,301	4,338	11,688
Deferred tax assets	3,115	2,749	2,566
	24,512	15,270	22,494
Current assets			
Inventories	13,170	11,296	11,114
Trade and other receivables	13,893	9,361	11,733
Cash and cash equivalents	766	4,546	2,506
Total current assets	27,829	25,203	25,353
Assets classified as held for sale (note 14)	489	-	-
	28,318	25,203	25,353
Total assets	**52,830**	**40,473**	**47,847**
Current liabilities			
Trade and other payables	(5,280)	(3,815)	(4,832)
Tax liabilities	(237)	(616)	(570)
Bank overdrafts	(2,147)	-	(2,310)
Total current liabilities	(7,664)	(4,431)	(7,712)
Non-current liabilities			
Other creditors	(87)	(130)	(67)
Deferred tax liabilities	(1,523)	(550)	(1,392)
Retirement benefit obligation (note 11)	(7,244)	(6,973)	(6,794)
Total non-current liabilities	(8,854)	(7,653)	(8,253)
Total liabilities	**(16,518)**	**(12,084)**	**(15,965)**
Net assets	**36,312**	**28,389**	**31,882**
Equity (note 12)			
Share capital	3,270	3,270	3,270
Share premium	638	638	638
Retained earnings	28,884	26,473	29,018
Foreign currency translation reserve	3,503	(1,992)	(1,058)
Equity attributable to equity holders of the parent	**36,295**	**28,389**	**31,868**
Minority interest	17	-	14
Total equity	**36,312**	**28,389**	**31,882**

Consolidated Cash Flow Statement (unaudited)

	6 months to 30 Nov 2008 £'000	6 months to 30 Nov 2007 £'000	Year ended 31 May 2008 £'000
Net cash generated from operating activities			
Cash generated by operations (note 9)	1,549	3,553	6,978
Tax paid	(1,189)	(1,212)	(2,184)
Interest received	18	106	161
Interest paid	(44)	-	(34)
Net cash generated from operating activities	**334**	**2,447**	**4,921**
Investing activities			
Proceeds from sale of property, plant and equipment	7	16	111
Purchases of property, plant and equipment	(288)	(1,735)	(1,997)
Expenditure on purchased software	(69)	-	(57)
Acquisition costs :			
- Business operation	-	(660)	(7,010)
- Deferred consideration	-	(7)	(68)
Net cash used in investing activities	**(350)**	**(2,386)**	**(9,021)**
Financing activities			
Dividends paid	(1,717)	(1,635)	(2,453)
Net cash used in financing activities	**(1,717)**	**(1,635)**	**(2,453)**
Net (decrease)/increase in cash and cash equivalents	**(1,733)**	**(1,574)**	**(6,553)**
Cash and cash equivalents at beginning of year	196	6,478	6,478
Effect of foreign exchange rate changes	156	(358)	271
Cash and cash equivalents at end of period	**(1,381)**	**4,546**	**196**

Notes to the Interim Results

1. Basis of accounting

The interim financial statements for the six months ended 30 November 2008 and 30 November 2007 and for the twelve months ended 31 May 2008 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 2008 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 2008 statements were approved by a duly appointed and authorised committee of the Board of Directors on 28 January 2009 and although not audited are subject to a formal review by our auditors.

The interim financial statements have been prepared in accordance with the accounting policies set out in the 2008 Annual Report and Accounts and it is these accounting policies which are expected to be followed in the preparation of the full financial statements for the financial year ended 31 May 2009. New accounting standards from the IASB and interpretations from IFRIC which take affect for the first time during the current financial year are IFRIC 12 'Service Concession Arrangements', IFRIC 13 'Service Concession Arrangements' and IFRIC 14 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'. It is not anticipated that the new interpretations will have a material impact on the financial statements of the Group in the period of initial application.

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
	2008	2007	2008
	£000	£000	£000
Revenue by geographical destination on continuing operations :			
United Kingdom	5,514	5,217	10,719
Rest of Europe	2,743	1,052	3,090
United States of America	6,705	6,598	14,322
Rest of World	1,416	1,524	2,991
Total consolidated revenue *	**16,378**	**14,391**	**31,122**
*** Analysed as follows :**			
Sales of goods	12,819	12,861	27,001
Rendering of services	3,239	1,251	3,730
Royalties	320	279	391
	16,378	**14,391**	**31,122**

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 2008 £'000	North America & Australia 6 months to 30 Nov 2008 £'000	Eliminations 6 months to 30 Nov 2008 £'000	Consolidated 6 months to 30 Nov 2008 £'000
Revenue				
External sales	8,181	8,197	-	16,378
Inter-segmental sales [1]	88	410	(498)	-
Total revenue	**8,269**	**8,607**	**(498)**	**16,378**
Result				
Segment operating profit	197	1,632		1,829
Unallocated head office income less expense				34
Finance income				680
Finance costs				(811)
Consolidated profit before tax				**1,732**

	UK & Europe 6 months to 30 Nov 2007 £'000	North America & Australia 6 months to 30 Nov 2007 £'000	Eliminations 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**

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

3. Segmental analysis (continued)

	UK & Europe Year ended 31 May 2008 £'000	North America & Australia Year ended 31 May 2008 £'000	Eliminations Year ended 31 May 2008 £'000	Consolidated Year ended 31 May 2008 £'000
Revenue				
External sales	13,912	17,210	-	31,122
Inter-segmental sales [1]	236	706	(942)	-
Total revenue	**14,148**	**17,916**	**(942)**	**31,122**
Result				
Segment operating profit	1,258	5,469	-	6,727
Unallocated head office income less expense				240
Finance income				1,518
Finance costs				(1,400)
Consolidated profit before tax				**7,085**

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

4. Finance income

	6 months to 30 Nov 2008 £000	6 months to 30 Nov 2007 £000	Year ended 31 May 2008 £000
Interest receivable on bank deposits	18	106	161
Expected return on pension scheme assets	662	652	1,357
	680	**758**	**1,518**

5. Finance costs

	6 months to 30 Nov 2008 £000	6 months to 30 Nov 2007 £000	Year ended 31 May 2008 £000
Interest payable on bank loans and overdrafts	74	-	34
Interest charge on pension scheme liabilities	737	669	1,366
	811	**669**	**1,400**

6. Taxation

The effective tax charge for the six months ending 30 November 2008 is 36.1% (2007: 34.7%). The increase in the rate reflects the higher proportion of profits generated from overseas operations where the corporate tax rates are higher than in the UK.

7. Earnings per share

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

	6 months to		Year ended
	30 Nov	30 Nov	31 May
	2008	2007	2008
	£000	£000	£000
Earnings :			
Profit after tax – continuing operations	1,103	1,854	5,041
	No.	No.	No.
Number of shares :			
Weighted average number of shares	16,351,540	16,351,540	16,351,540

As at 30 November 2008, 31 May 2008 and 30 November 2007 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.

8. Dividends

	6 months to		Year ended
	30 Nov	30 Nov	31 May
	2008	2007	2008
	£000	£000	£000
Amounts recognised as distributions to equity holders :			
Final dividend of 10.5p per share (2007: 10.0p)	1,717	1,635	1,635
Interim dividend of 5.0p per share	-	-	818
	1,717	**1,635**	**2,453**

An interim dividend of 4.0p per share (2007: 5.0p) amounting to £654,062 (2007: £817,577) 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 23 April 2009 to shareholders on the register at the close of business on 27 March 2009. The shares being declared ex-dividend on 25 March 2009.

9. Cash flow analysis

	6 months to		Year ended
	30 Nov	30 Nov	31 May
	2008	2007	2008
	£000	£000	£000
Cash flows from operating activities - continuing			
Profit after tax	1,106	1,854	5,042
Adjusted for :			
Income tax expense	626	985	2,043
Interest payable and similar charges	74	-	34
Interest receivable	(18)	(106)	(161)
IAS 19 pension charge for defined benefit scheme	75	17	9
Operating profit	1,863	2,750	6,967
Depreciation on property, plant and equipment	383	329	765
Amortisation of intangible assets	100	-	43
Funding of pension and past retirement benefits	17	115	(27)
Excess of acquirer's interest in the net fair value of the identifiable assets and liabilities over cost.	-	(40)	(38)
Gain/(loss) on disposal of property, plant and equipment	(3)	(14)	(90)
	2,360	3,140	7,620
Changes in working capital :			
(Increase)/decrease in inventories	(634)	54	236
(Increase)/decrease in receivables	(144)	440	(604)
Increase/(decrease) in payables	(33)	(81)	(274)
	1,549	**3,553**	**6,978**

10. Analysis of the changes in net funds

	As at 1 June 2008 £'000	Cashflow £'000	Exchange movements £'000	As at 30 Nov 2008 £'000
Cash at bank and in hand	2,506	(1,896)	156	766
Bank overdrafts	(2,310)	163	-	(2,147)
	196	**(1,733)**	**156**	**(1,381)**

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 2008 and this valuation has been updated by the Scheme's actuaries on an approximate basis to 30 November 2008.

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

	6 months to		Year ended
	30 Nov 2008 £000	30 Nov 2007 £000	31 May 2008 £000
Retirement benefit obligation at beginning of period	(6,794)	(6,909)	(6,909)
Movement in the period :			
- Total expenses charged in the income statement	(620)	(575)	(1,104)
- Contributions paid	528	443	1,122
- Actuarial gains/(losses) taken directly to reserves	365	38	98
- Foreign currency exchange rates	(723)	30	(1)
Retirement benefit obligation at end of period	**(7,244)**	**(6,973)**	**(6,794)**

12. Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Foreign exchange translation reserve £'000	Retained earnings £'000	Total £'000	Minority Interest £'000	Total £'000
Current interim period :							
Balance at 1 June 2008	3,270	638	(1,058)	29,018	31,868	14	31,882
Profit for the period	-	-	-	1,103	1,103	3	1,106
Currency translation adjustments	-	-	4,561	-	4,561	-	4,561
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	480	480	-	480
Dividends	-	-	-	(1,717)	(1,717)	-	(1,717)
Balance at 30 November 2008	**3,270**	**638**	**3,503**	**28,884**	**36,295**	**17**	**36,312**
Prior interim period :							
Balance at 1 June 2007	3,270	638	(1,342)	26,283	28,849	-	28,849
Profit for the period	-	-	-	1,854	1,854	-	1,854
Currency translation adjustments	-	-	(650)	-	(650)	-	(650)
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	(29)	(29)	-	(29)
Dividends	-	-	-	(1,635)	(1,635)	-	(1,635)
Balance at 30 November 2007	**3,270**	**638**	**(1,992)**	**26,473**	**28,389**	**-**	**28,389**
Prior year :							
Balance at 1 June 2007	3,270	638	(1,342)	26,283	28,849	-	28,849
Profit for the period	-	-	-	5,042	5,042	-	5,042
Currency translation adjustments	-	-	284	-	284	-	284
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	146	146	-	146
Dividends	-	-	-	(2,453)	(2,453)	-	(2,453)
Business combinations	-	-	-	-	-	14	14
Balance at 31 May 2008	**3,270**	**638**	**(1,058)**	**29,018**	**31,868**	**14**	**31,882**

13. Exchange rates

The foreign exchange rates used in the financial statements to consolidate the overseas subsidiaries are as follows (local currency equivalent to £1):

	Period End Rate			Average Rate		
	30 Nov 2008	30 Nov 2007	31 May 2008	30 Nov 2008	30 Nov 2007	31 May 2008
US dollar	1.53	2.06	1.98	1.80	2.03	2.01
Euro	1.21	1.40	1.27	1.25	1.45	1.38
Swedish krona	12.43	13.14	11.87	12.15	13.46	12.85
Australian dollar	2.36	2.32	2.07	2.22	2.35	2.26

14. Capital expenditure

	Property, plant and equipment £'000
Net book values at 1 June 2007	6,763
Exchange rate movements	(89)
Additions	1,735
Additions relating to business combinations	105
Disposals	(2)
Depreciation and amortisation	(329)
Net book values at 30 November 2007	**8,183**

	£'000
Net book values at 1 June 2008	8,240
Exchange rate movements	444
Additions	288
Disposals	(4)
Depreciation and amortisation	(383)
Fixed assets included in assets reclassified for resale *	(489)
Net book values at 30 November 2008	**8,096**

As at 30 November 2008 the Group had capital expenditure, contracted but not provided for of £1,062,000 (2007: £nil).

* The fixed assets included in assets reclassified for resale relate to plant and equipment and fixture and fittings used in the UK Book Manufacturing operation.

15. Related party transactions

During the six months to 30 Nov 2008 there were no material related party transactions.

16. 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 26 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 6 of this report.

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 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 2008 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 2008 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

28 January 2009