HAYNES PUBLISHING GROUP P.L.C.

PRELIMINARY UNAUDITED RESULTS FOR THE YEAR ENDED
31 May 2017

Haynes Publishing Group P.L.C. ("Haynes" or "the Group"), creator and supplier of practical information and data solutions to drivers, enthusiasts and professional mechanics in print and digital formats, today announces its results for the 12 months ended 31 May 2017.

Business and Financial Highlights

	12 months to 31 May 2017	12 months to 31 May 2016	Change YoY (Year-on-Year)
Group revenue[1]	£29.8m	£25.7m	+16%
Adjusted EBITDA[2]	£10.4m	£8.4m	+24%
Adjusted group operating profit[2]	£3.2m	£2.5m	+28%
Adjusted group profit before tax[2]	£2.6m	£1.9m	+37%
Adjusted basic earnings per share[2]	9.4p	7.6p	+24%
Total dividend	7.5p	7.5p	-
Net cash [3/4]	£3.7m	£0.4m	+£3.3m

- Acquisition of OATS Limited in December 2016, a leading global equipment and lubricants database, adding £1.0 million to Group revenue and £0.1 million to Group profit before tax.
- Revenue from the Group's digital products increase YoY by 51% to £11.9 million (2016: £7.9 million) representing 40% of total Group revenue (2016: 31%).
- UK & European revenue up 35% YoY driven by HaynesPro growth in Europe and strong sales of UK non-automotive titles.
- Local currency North American & Australian revenue down 18% YoY.
- Group investment in new product development up 23% to £7.9 million (2016: £6.4 million).
- Property disposals in the US and Australia, and decommissioned US plant & equipment generate £4.3 million of cash inflow.
- Group net cash increased to £3.7 million (2016: £0.4 million).
- Net cash generated from operating activities (after tax) of £9.9 million, up 27% YoY (2016: £7.8 million).

Eddie Bell, Chairman of Haynes Group, commented:

"2016/17 has been a very encouraging year for Haynes. We have implemented a major restructuring programme that has significantly lowered the Group's fixed cost base. The new Executive Management Team has delivered on their financial targets and the Group has realised strong underlying revenue and profit growth.

"Following the acquisition of OATS, a leading global lubricants database, we have strengthened and broadened our professional product offering, whilst our considerable investment in consumer digital initiatives has established a clear path for future growth.

"I would like to thank our staff for all their hard work and dedication during the year. Their considerable efforts have been a major driving force behind the changes we have been able to implement over the past twelve months."

Notes to the financial highlights :

1 Group revenue excluding exchange rate movements of £26.6 million.

2 Adjusted to exclude a credit of £29,000 for exceptional items (2016: costs of £4.4 million). Reported operating profit of £3.2 million (2016: loss of £2.0 million). Reported earnings per share was 9.1 pence (2016: loss per share of 11.8 pence). EBITDA including exceptional items was £10.4 million (2016: £4.0 million).

3 Net cash defined as cash at bank net of bank overdrafts and bank loans.

4 In addition the Group has 1.2 million ordinary shares held in treasury.

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Cautionary Statement :

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

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Chairman's Statement

In my Chairman's Statement last year, I outlined the extensive global Operational and Cost Restructuring ("OCR") programme that the Group would be implementing during its 2016/2017 financial year. I am pleased to be able to report that the operational aspects of this exercise are now complete and that the Group has significantly reduced its fixed cost base.

At the start of the 2016/17 financial year, I further set out clear operational and financial objectives for the Group to be achieved over the 12 month period ahead. I can confirm that the Group has delivered a strong set of results during this period of transformation. For the first time in many years, Haynes has set an internal budget showing revenue and profit growth and been able to deliver on both targets. I am confident that the operational, financial and cultural turnaround of the Group is progressing to plan and I thank the Board and the Executive Management Team for their efforts in making this possible.

Financial highlights

Haynes has experienced mixed trading from Group operations during 2016/17. The Group's UK and European operations have delivered healthy revenue and profit growth. In the UK, following a restructuring in 2013/14, a reinvigorated and re-focussed practical enthusiast publishing programme has helped to boost sales. In mainland Europe, the Group's range of professional data solutions, branded HaynesPro, has enjoyed another excellent year of revenue and profit growth. In the US, trading has been more difficult and Haynes continues to experience a softening of sales with certain of its large retail customers. However, the major cost reduction programme that Haynes implemented during the year in response to this trend has helped mitigate the impact of lower US revenue on Group profits.

With a large proportion of the Group's operations located in Europe and the US, Haynes has benefitted from a weaker Sterling against the Euro and US Dollar during the year. Overall, the impact of the currency movements has increased Group revenue by £3.1 million and profit before tax by £0.6 million. Notwithstanding these currency benefits, the Group has delivered a strong performance over the past 12 months, with overall revenue (including OATS) up 16% at £29.8 million (2016: £25.7 million) and profit before tax and exceptional items up 37% at £2.6 million (2016: £1.9 million).

Exceptional Items

A key recommendation of the OCR was to relocate the Group's Australian employees to new premises. In June 2016, Haynes exchanged contracts on the former Sydney office and, in November 2016, the Australian team moved into more modern leasehold premises on the outskirts of Sydney. In December 2016, the Group completed on the sale of the former freehold property for A$3.8 million (£2.2 million), which led to a gain on the disposal of A$1.7 million (£1.0 million).

Following the successful outsourcing of the Group's US production and distribution operations, the two Nashville freehold sites were decommissioned and marketed for sale. The smaller of the two properties was sold in May 2017 for $1.5 million (£1.2 million) giving rise to a profit on disposal of $0.8million (£0.6 million).

As mentioned in previous Annual Reports, the Group has been investing heavily in the development of digital platforms for its global consumer markets. The benefits of this investment have started to be realised during 2016/17 with the launch of new UK and US websites, the release of our redesigned and responsive online manuals and the recent launch of the Haynes OnDemand platform, which contains nearly 2,000 task specific videos on the top selling vehicles in both the US and UK markets. As part of the Group's digital development programme it has been necessary to replace a large part of its existing digital platform, where it would have been inefficient from a time and cost perspective to integrate with newer technologies going forward. The total write-down of these costs during the year was £1.3 million.

When added to the £0.3 million of professional and restructuring costs associated with the OATS acquisition, the net impact of these events has led to a total exceptional credit in the Income Statement during the year of less than £0.1 million.

Acquisition

A key objective of the Board is to build a business capable of generating long-term sustainable revenue and profit growth. Whilst there are excellent opportunities to achieve this through organic channels, the Board views acquisitions as an important and complementary component of this growth strategy. The first acquisition for the new Management Team was completed in December 2016 with the acquisition of OATS Ltd for £2.4 million.

As reported in July, the Group has been in discussions with Solera Holdings Inc ("Solera") regarding a proposal to acquire the E3 Technical business from Carweb, a UK subsidiary of Solera. These discussions remain ongoing and further announcements in relation to this proposed acquisition will be made as appropriate.

Dividend

The Board is recommending an unchanged final dividend for the year of 4.0 pence which, together with the interim dividend paid in April 2017, maintains the total dividend for the year at 7.5 pence (2016: 7.5 pence). Subject to approval by shareholders, the final dividend will be paid on 16 November 2017 to shareholders on the register at the close of business on 27 October 2017 (with an ex-dividend date of 26 October 2017).

Board

During the year, the Board was strengthened with the appointment of two dynamic non-executive directors, both of whom have considerable experience of working in digital businesses. Steve Daykin has taken on the role as Senior Independent Director and chairs the Audit Committee, while Nina Wright has taken over as Chair of the Remuneration and Nominations Committee. Jim Nicholson, Senior Vice President of Haynes North America Inc, joined the Board on 1 June this year after working for Group for over 25 years and successfully leading the recent restructuring of the US business.

On 18 July 2017, Haynes gained shareholder approval to implement a long term incentive plan ("LTIP") for the senior members of the Executive and Management Team. The Group will benefit from the LTIP which will both recognise the achievement of the Executive and Management Team in turning around the Group and more closely align the long term interests of senior executives to those of shareholders.

Group employees

The past 12 months have presented a number of challenges for employees throughout the Group. In the US and Australia, the businesses have undergone major transformations which will have been disruptive at times. In the UK, the business turnaround continues and, whilst still not yet profitable, significant progress has been made towards restoring profitability. In Europe, employees in the Netherlands, Romania, Spain, Italy and Germany have once again risen to the challenges raised by the rapid growth experienced by HaynesPro.

An important recommendation of the OCR was to roll-out a group wide employee appraisal scheme and discretionary profit share arrangement. Both schemes have now been implemented for all Group employees.

Outlook

The Group's transition from a vertically integrated print publisher to a focussed multi-media content provider is firmly on course.

The way in which Haynes captures, stores and delivers content is at the core of its business model. Haynes is embarking on a major programme of integrating the data capturing, storage and delivery processes across the Group. This exciting initiative will take up to two years to complete and, once in place, will enable the Group to deliver its unique range of content in fresh and dynamic ways.

With a technically skilled and enthusiastic Management Team being supported by a Board that combines youth and sector experience, I believe the Group is well placed to deliver on its growth plans over the next 3 years and beyond.

Eddie Bell
Chairman
13 September 2017

Chief Executive's Review

Overall operational review

The Group has made significant progress towards achieving its objective of becoming a multi-media provider of specialist practical content. The extensive restructuring programme initiated 18 months ago has reduced costs, allowing the Group to invest in new initiatives to improve the experiences of our customers. The restructuring has enabled our team to focus on enhancing our professional datasets and services, increase our practical enthusiasts publishing programme, and develop new digital initiatives for consumers alongside our print manual programme.

The increase in underlying revenue and profit during 2016/17 together with improved earnings per share gives reassurance that we are on the right track.

The Group will continue to pursue growth organically and through strategic acquisitions. The purchase of OATS in December 2016 was a major development for the Group; the addition of a global lubricants dataset provides essential technical data for our professional automotive customers. OATS existing customers realised an immediate benefit through the integration of the HaynesPro vehicle database, which increased the Group's European vehicle coverage to over 98%. During 2017/18, OATS lubricants information will also add value to the Group's consumer-facing offering.

As a result of the Group pivoting from being a vertically integrated print publisher, cost efficiencies have been realised and opened up new publishing opportunities. The highly successful gift manual range "Haynes Explains" illustrates the opportunities that have been created by combining editorial creativity with lower outsourced production costs. As outlined in last year's Annual Report, the full benefit of production savings for the manual range will continue to be realised as inventory is replenished during our year end to 31 May 2018.

Since we put the Group's digital development team in place in 2015/16, we have benefited from an enhanced digital capacity that now includes copywriting, video production and design skills. In 2016/17, Haynes launched new UK and US websites and released an improved responsive online manual which works seamlessly across mobile, tablet and desktop devices.

At the very end of the financial year, the Group completed development work on Haynes OnDemand, a video service that enhances our written and photographic content and presents it through HD video. This information is offered in a task specific format, allowing car owners to access the precise content they need to successfully complete a given activity. The Group's editorial team has created nearly two thousand specific videos covering the top selling US and UK vehicles. These videos will populate the Haynes OnDemand offering.

First Quarter Trading

Through the first quarter of 2017/18, Group trading on a like-for-like basis (excluding exchange rate movements and OATS) is tracking 7% ahead of last year. At an entity level, apart from Australia, where revenue is below last year but following the structural changes made in 2015/16 is ahead of target, all parts of the Group in their local currencies are trading ahead of last year.

Review of operations

Overall Group revenue ended the year up 16% at £29.8 million (2016: £25.7 million). With the cost savings achieved through the OCR restructuring, coupled with favourable exchange rates, the higher revenue helped to increase profit before tax and exceptional items by 37% to £2.6 million (2016: £1.9 million).

North America and Australia

In North American and Australian markets, the main focus has been on implementing the recommendations in last year's OCR review and working closely with retail partners to address excess inventory concerns.

In October 2016, all US manual inventory was relocated to our third party distributor in Chicago. In December 2016, printing ceased at Nashville. Within 6 months, US management decommissioned the Nashville site, sold the plant and machinery for $1.2 million (exceeding target value) and sold one of our two freehold buildings in Nashville for $1.5 million. Shortly after the year-end, Haynes accepted an offer on the second building which should complete in the next few weeks.

On the trading front, the US business was affected by the continuing inventory reduction programmes of two key retailers which has led to a drop in year-on-year revenues; these two retail customers accounted for over 70% of the US revenue shortfall against the prior year. In both cases, it is encouraging to note that new manuals have been ranged in-store and that out of store sales exceeded replenishment purchases of our manuals during the year.

In Australia, we relocated our business in November 2016 and a month later completed on the sale of the former freehold property for A$3.8 million. From a trading perspective, the retail challenges we face in the Australian market are very similar to those in the US with high retail pricing and key retailers holding excess inventory. Australian management continues to work closely with key retailers to address these issues and we are beginning to make progress in this respect.

UK and Europe

The turnaround of Haynes' UK operations is progressing according to plan. Revenue from the sales of automotive manuals through online retailers has continued to grow, and this is now the largest distribution channel for UK automotive print manuals. Sales of UK motorcycle titles had a particularly strong year, with volume sales of motorcycle manuals higher than they were 10 years ago. Last year, the Group took the decision to combine the automotive and non-automotive sales functions. This re-alignment combined with a strong publishing programme, has boosted sales growth from our non-automotive division and helped secure presence in the independent book market. The Group has widened the distribution of our practical enthusiasts' titles, and now sells through an increasing number of supermarket chains and online retailers.

In the Group's professional markets in Europe, Haynes' upgraded electronics module 'VESA MKII', which helps mechanics diagnose and repair complex electronic issues in vehicles, was launched at the Automechanika trade show in Germany in September 2016 and is now firmly established as a market leading product in Europe. The Group's commitment to the highest quality standards was confirmed in October 2016, when HaynesPro was awarded ISO9001 and ISO14001 certifications covering its data departments in the Netherlands and Romania.

People

Since becoming CEO in June 2016, I have spent time with Haynes teams in the UK, US, Australia, the Netherlands and Romania. The opportunity to engage with all Group talent has been highly rewarding and provided insight into further growth opportunities and business ideas. Haynes has talented, dedicated and loyal people around the world, and I wish to thank everyone for their individual and collective achievements during a period of considerable change.

Outlook and future developments

At a Group level, the creation of a global content centre has a clear objective; the integration of our data capturing, storage and delivery processes across all our businesses. By aggregating Haynes' considerable data, the Group will be able to offer customers information that is unique, complete and highly valuable. Managing this integration process will be a priority project over the next two years.

Haynes believes it is important to offer vehicle owners a choice on how they access and use our content. The Group will increase print manual ranges during the year and continue to develop digital content. This will let people access trustworthy, reliable and accurate information in a convenient format of their choosing. Much improved Online Manuals are already fully functional, and have been designed to enable full access and sales opportunities on retail and e-commerce customers' websites.

Haynes OnDemand will be made available for distribution through retail and e-commerce channels later in the year. The video based instructions will help build drivers' confidence in their ability to service, maintain and repair cars.

In the professional market, the integration of OATS will be a key focus as Haynes develops and integrates its enlarged professional offering. HaynesPro will continue to work in close partnership with our distribution and diagnostic equipment partners to help them provide solutions for their end users. The focus will remain on providing excellent technical datasets and diagnostic solutions and services that enable partners to build lasting relationships with their customers and the independent garage trade.

We recognise that challenges remain in our important vehicle print manual business. However, the steps taken to reduce our cost base, continuing investment in new products and services across the consumer and professional businesses, and steady growth in digital revenues gives me confidence about the Group's future prospects.

As a business we have the talent, ambition and clarity of purpose to grow by continuing to offer reliable, accurate and innovative data and information solutions to our customers around the world.

J Haynes
Chief Executive Officer
13 September 2017

Chief Financial Officer's Review

The 2017 financial year represents the 52 weeks to 31 May 2017 ("the financial year") and the comparative period represents the 52 weeks to 31 May 2016 ("prior year").

Group revenue

	2017	2016	Movement
	£m	£m	%
Total Group revenue	**29.8**	25.7	+16%

Boosted by strong revenue growth from the professional product ranges in mainland Europe and a strong first six months of trading from non-automotive titles in the UK, Group revenue ended the year up 16% at £29.8 million (2016: £25.7 million).

The weakness of Sterling since June 2016 against the US Dollar and the Euro, led to an average exchange rate for the year of $1.28 (2016: $1.49) and €1.17 (2016: €1.35) respectively and helped increase Group revenue by £3.1 million. The benefit from exchange rate movements helped to offset softer US revenue which, in local currency, ended the year down 20%.

This is the first set of Group results to include OATS, which added £1.0 million of revenue for the five months since acquisition.

Last year we reported that revenue from the Group's digital product ranges had increased to £7.9 million. This year, total revenue from our digital product ranges has increased to £11.9 million and now represents 40% of total Group revenue (2016: 31%).

Group gross profit

		2017[1]	2016[1]	Movement %
Adjusted gross profit	£m	**18.1**	15.5	+17%
Adjusted gross margin	%	**60.7**	60.3	+40 bps

[1] Adjusted to exclude exceptional items. Reported gross profit was £16.8 million (2016: £13.8 million) with a gross margin of 56.4% (2016: 53.6%)

In monetary terms, overall adjusted Group gross profit ended the 12 month period up 17% at £18.1 million (2016: £15.5 million) with a gross margin of 60.7% (2016: 60.3%). The higher margin from our professional products in mainland Europe was partly offset by softer trading in consumer automotive print manuals in the US.

Group operating profit

		2017[1]	2016[1]	Movement %
Adjusted Group operating profit [1]	£m	**3.2**	2.5	+28%
Adjusted Group operating margin	%	**10.8**	9.6	+120 bps

[1] Adjusted to exclude exceptional items. Reported Group operating profit was £3.2 million (2016: loss of £2.0 million) with a Group operating margin of 10.9% (2016: negative 7.6%)

Group operating profit before exceptional costs was 28% ahead of the prior year at £3.2 million (2016: £2.5 million). The movement in the US and Euro average exchange rates against Sterling during the year has inflated Group overheads, with overheads before exceptional items up 13%. However, excluding currency movements and OATS, overheads before exceptional items were in line with the prior year at £13.1 million (2016: £13.1 million).

Group net finance costs ended the year in line with the prior year at £0.1 million (2016: £0.1 million) and primarily relate to interest on servicing the UK overdraft. Other finance costs, which relate to the interest charge on the pension schemes' liabilities net of interest on the pension schemes' assets, also ended the year in line with the prior period at £0.5 million (2016: £0.5 million).

Group earnings and earnings per share

	2017 [1]	2016 [1]	Movement
	£m	£m	%
Adjusted profit before tax	**2.6**	1.9	+37%
Adjusted taxation [2]	**1.2**	0.7	+71%
Adjusted profit for the period [2]	**1.4**	1.2	+17%
	Pence	Pence	
Adjusted basic EPS [2]	**9.4**	7.6	+24%

[1] Adjusted to exclude exceptional items. Reported profit before tax was £2.7 million (2016: loss of £2.5 million), taxation was £1.3 million (2016: credit of £0.8 million) and the reported loss for the period was £1.4 million (2016: loss of £1.8 million). Reported earnings per share were 9.1 pence (2016: loss per share of 11.8 pence).

Group pre-tax profit before exceptional items ended the year up 37% at £2.6 million (2016: £1.9 million). The Group tax charge for the year before exceptional items was £1.2 million (2016: £0.7 million) giving an effective tax rate before exceptional items of 46.0% (2016: 38.6%). The higher effective tax rate being due to the mix of profits from the US and the Netherlands, where the tax rates are higher than in the UK and an unrecognised deferred tax asset in relation to UK losses. Earnings per share before exceptional items increased to 9.4 pence (2016: 7.6 pence).

North America and Australia segmental review

	2017	2016	
	$m	$m	Movement
Segmental revenue	**15.3**	18.6	(18%)
Segmental operating profit before exceptional items and interest	**0.6**	0.5	+20%

	2017	2016	
	£m	£m	Movement
Segmental revenue	**12.0**	12.5	(4%)
Segmental operating profit before exceptional items and interest	**0.5**	0.3	+67%

North American and Australian segmental revenue ended the year down 18% at $15.3 million (2016: $18.6 million) with local currency US revenue down 20% and Australian local currency revenue up 4%. Lower ordering from two key US retailers accounted for over two-thirds of the US revenue shortfall. However, management take comfort that out of store sales in both these US retailers have been tracking ahead of replenishment orders. After translation to Sterling, the movement in the average exchange rate during the year increased the North American and Australia revenue by £1.7 million and left overall segmental revenue for the North American and Australian business down 4% at £12.0 million (2016: £12.5 million).

Despite the decline in US revenue, the cost saving measures implemented during the year have helped to protect the impact on segmental operating profit before exceptional items and interest which, in local currency, ended the year up 20% at $0.6 million (2016: $0.5 million). After translation to Sterling, segmental operating profit before exceptional items and interest was up 67% at £0.5 million (2016: £0.3 million) which included an exchange rate movement related benefit of £0.1 million. Including exceptional costs and interest the segmental profit for the year was £1.8 million (2016: loss of £3.4 million).

UK and Europe segmental review

	2017	2016	
	£m	£m	Movement
Segmental revenue	**17.8**	13.2	+35%
Segmental operating profit before exceptional items and interest	**2.7**	1.5	+80%

Segmental revenue from UK and European operations ended the year up 35% at £17.8 million (2016: £13.2 million). UK consumer revenue was up 13% driven by strong sales of the non-automotive titles. In particular the 'Haynes Explains' titles aimed at the UK gift market helped increase non-automotive title revenue by 36%. UK automotive manual revenue ended the year up 1%. Local currency European revenue was up 18% and revenue from the OATS lubricants data business acquired in December 2016 contributed £1.0 million to overall UK and European revenue. On a like-for-like basis, excluding the impact of exchange movements and excluding the revenue from OATS, UK and European revenue was up 17% at £15.4 million (2016: £13.2 million).

UK and European segmental operating profit before exceptional items and interest was up 80% at £2.7 million (2016: £1.5 million) which includes a benefit from exchange rate movements of £0.5 million. Including exceptional costs and interest, the segmental profit for the year was up 108% at £2.5 million (2016: £1.2 million).

Exceptional items

	2017 **£m**	2016 £m
Write-down of intangible assets	**1.3**	-
Restructuring costs	**0.2**	4.4
Acquisition expenses	**0.1**	-
Gain on property disposals	**(1.6)**	-
	-	4.4

Following the sale of the freehold properties in the US and Australia during the financial year, the Group realised gains on the disposals of £1.6 million which have been shown as exceptional gains in the Income Statement. Netting against these exceptional gains are costs of writing down our digital consumer platform amounting to £1.3 million, where the platform is being superseded by newer technology to allow for greater integration and functionality. The exceptional items also include the costs associated with the OATS acquisition of £0.3 million. Overall the net exceptional credit to the Income Statement was £29,000.

Balance sheet

	2017 **£m**	2016 £m	Movement
Non-current assets	**39.4**	38.0	+1.4
Working capital	**5.6**	6.9	(1.3)
Net cash	**3.7**	0.4	+3.3
Retirement benefit obligation	**(23.0)**	(15.1)	(7.9)
Net other assets/(liabilities)	**(4.4)**	(6.0)	+1.6
Net assets	**21.3**	24.2	(2.9)

During the year, the Group increased its investment in new product development by 23% to £7.9 million (2016: £6.4 million) which included £2.6 million on new consumer content, £1.1 million on new consumer digital platforms and £4.2 million in relation to the Group's professional product ranges.

In December 2016, the Australian business disposed of its freehold property in Sydney for A$3.8 million (£2.2 million) and in May 2017, the US operations sold the smaller of the two Nashville freehold properties for $1.5 million (£1.2 million). The second of the Nashville properties is currently under offer and is due to be sold early in our second quarter. During the year the Group obtained outline planning permission to change the use of its UK Sparkford freehold site for residential development and the site is currently being marketed for sale.

Group net cash ended the year up £3.3 million at £3.7 million (2016: £0.4 million) benefitting from the £4.3 million of property and decommissioned US plant and equipment disposals during the year.

At 31 May 2017, the net deficit, as reported in accordance with IAS 19, on the Group's two defined benefit retirement schemes increased by £7.9 million to £23.0 million (2016: £15.1 million) with the UK scheme deficit increasing to £22.7 million (2016: £14.4 million) and the US deficit reducing to £0.3 million (2016: £0.7 million). The combined total assets of the schemes increased to £34.2 million (2016: £31.4 million) while the total liabilities increased to £57.2 million (2016: £46.5 million). Lower UK bond yields during the year have had a knock on impact on the UK discount rate which fell to 2.4% (2016: 3.4%) and with each 0.25% reduction in the UK discount rate adding approximating to £2.5 million to the UK liabilities this has had been the major contributing factor in the increase of the overall Group IAS 19 pensions deficit.

Cash flow

	2017 £m	2016 £m
Net cash generated from operations before tax	**9.7**	8.4
Tax paid	**0.2**	(0.7)
Investing activities	**(5.7)**	(6.4)
Financing activities	**(1.4)**	(2.5)
Net movement in cash during the year	**2.8**	(1.2)
Cash and cash equivalents at the beginning of the year	**0.5**	1.5
Effect of foreign exchange rates	**0.4**	0.2
Cash and cash equivalents at the end of the period	**3.7**	**0.5**

The Group's net cash generated from operations before tax for the year was up 15% at £9.7 million (2016: £8.4 million) which represented 303% of adjusted Group operating profit (2016: 344%).

James Bunkum
Chief Financial Officer
13 September 2017

Consolidated Income Statement

		31 May 2017			31 May 2016		
	Note	Before exceptional items £'000	Exceptional items (note 2) £'000	Total £'000	Before exceptional items £'000	Exceptional items (note 2) £'000	Total £'000
Continuing operations							
Revenue	3	29,774	-	29,774	25,710	-	25,710
Cost of sales		(11,694)	(1,282)	(12,976)	(10,201)	(1,716)	(11,917)
Gross profit		**18,080**	**(1,282)**	**16,798**	**15,509**	**(1,716)**	**13,793**
Other operating income		31	-	31	82	-	82
Distribution costs		(8,039)	(209)	(8,248)	(7,008)	(1,563)	(8,571)
Administrative expenses		(6,864)	1,520	(5,344)	(6,127)	(1,143)	(7,270)
Operating profit/(loss)		**3,208**	**29**	**3,237**	**2,456**	**(4,422)**	**(1,966)**
Finance income	5	5	-	5	8	-	8
Finance costs	6	(60)	-	(60)	(73)	-	(73)
Other finance costs – retirement benefits		(518)	-	(518)	(518)	-	(518)
Profit/(loss) before taxation		**2,635**	**29**	**2,664**	**1,873**	**(4,422)**	**(2,549)**
Taxation	7	(1,211)	(79)	(1,290)	(723)	1,493	770
Profit/(loss) for the period		**1,424**	**(50)**	**1,374**	**1,150**	**(2,929)**	**(1,779)**
Earnings/(loss) per 20p share	8	Pence		Pence	Pence		Pence
From continuing operations							
- Basic		9.4		9.1	7.6		(11.8)
- Diluted		9.4		9.1	7.6		(11.8)

Consolidated Statement of Comprehensive Income

	Year Ended 31 May 2017 £'000	Year Ended 31 May 2016 £'000
Profit/(loss) for the period	**1,374**	**(1,779)**
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods:		
Actuarial gains/(losses) on retirement benefit obligation		
- UK Scheme	(8,392)	(727)
- US Scheme	451	36
Deferred tax on retirement benefit obligation		
- UK Scheme	1,427	131
- US Scheme	(180)	(14)
Deferred tax arising on change in UK corporation tax rate	(144)	(268)
	(6,838)	(842)
Items that will or maybe reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	3,678	1,477
Other comprehensive (expense)/income recognised directly in equity	**(3,160)**	**635**
Total comprehensive expense for the financial period	**(1,786)**	**(1,144)**

Consolidated Balance Sheet

	Note	Year Ended 31 May 2017 £'000	Year Ended 31 May 2016 £'000
Non-current assets			
Property, plant and equipment		4,011	8,434
Intangible assets		27,696	22,381
Deferred tax assets		7,669	7,196
Total non-current assets		**39,376**	**38,011**
Current assets			
Inventories		3,965	4,614
Trade and other receivables		7,806	7,499
Tax recoverable		130	926
Cash and short-term deposits		7,036	2,548
Total current assets		**18,937**	**15,587**
Non-current assets classified as held for sale		1,483	-
Total assets		**59,796**	**53,598**
Current liabilities			
Trade and other payables		(7,674)	(5,188)
Borrowings		(3,331)	(2,163)
Provisions		(1,164)	(3,656)
Total current liabilities		**(12,169)**	**(11,007)**
Non-current liabilities			
Deferred tax liabilities		(3,287)	(3,255)
Retirement benefit obligation	11	(23,024)	(15,101)
Total non-current liabilities		**(26,311)**	**(18,356)**
Total liabilities		**(38,480)**	**(29,363)**
Net assets		**21,316**	**24,235**
Equity			
Share capital		3,270	3,270
Share premium		638	638
Treasury shares		(2,447)	(2,447)
Retained earnings		11,602	18,199
Foreign currency translation reserve		8,253	4,575
Total equity		**21,316**	**24,235**

Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Treasury shares £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Sub total £'000	Non-controlling interests £'000	Total £'000
Balance at 31 May 2015	**3,270**	**638**	**(2,447)**	**3,098**	**21,947**	**26,506**	**70**	**26,576**
Loss for the period	-	-	-	-	(1,779)	(1,779)	-	(1,779)
Other comprehensive income :								
Currency translation adjustments	-	-	-	1,477	-	1,477	-	1,477
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	(842)	(842)	-	(842)
Total other comprehensive income	**-**	**-**	**-**	**1,477**	**(842)**	**635**	**-**	**635**
Total comprehensive income	**-**	**-**	**-**	**1,477**	**(2,621)**	**(1,144)**	**-**	**(1,144)**
Dividends (note 9)	-	-	-	-	(1,133)	(1,133)	-	(1,133)
Increase in subsidiary shareholding	-	-	-	-	6	6	(70)	(64)
Balance at 31 May 2016	**3,270**	**638**	**(2,447)**	**4,575**	**18,199**	**24,235**	**-**	**24,235**
Profit for the period	-	-	-	-	1,374	1,374	-	1,374
Other comprehensive income :								
Currency translation adjustments	-	-	-	3,678	-	3,678	-	3,678
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	(6,838)	(6,838)	-	(6,838)
Total other comprehensive income	**-**	**-**	**-**	**3,678**	**(6,838)**	**(3,160)**	**-**	**(3,160)**
Total comprehensive income	**-**	**-**	**-**	**3,678**	**(5,464)**	**(1,786)**	**-**	**(1,786)**
Dividends (note 9)	-	-	-	-	(1,133)	(1,133)	-	(1,133)
Balance at 31 May 2017	**3,270**	**638**	**(2,447)**	**8,253**	**11,602**	**21,316**	**-**	**21,316**

Consolidated Cash Flow Statement

	Year Ended 31 May 2017 £'000	Year Ended 31 May 2016 £'000
Cash flows from operating activities - continuing		
Profit / (loss) after tax	1,374	(1,779)
Adjusted for :		
Income tax expense	1,290	(770)
Interest payable and similar charges	60	73
Interest receivable	(5)	(8)
Retirement benefits finance costs	518	518
Operating profit / (loss)	3,237	(1,966)
Depreciation on property, plant and equipment	782	866
Amortisation of intangible assets	6,421	5,061
Impairment of intangible assets	1,249	-
IAS 19 pensions current service cost net of contributions paid	(636)	(501)
Movement in provisions	(2,492)	3,656
Gain on disposal of property, plant and equipment	(963)	(119)
	7,598	**6,997**
Changes in working capital :		
Decrease in inventories	1,111	149
Decrease in receivables	724	699
Increase in payables	285	604
Net cash generated from operations	**9,718**	**8,449**
Tax paid	159	(692)
Net cash generated by operating activities	**9,877**	**7,757**
Investing activities		
Acquisition costs – business combinations, net of cash acquired	(1,729)	(125)
Proceeds on disposal of property, plant and equipment	4,329	340
Purchases of property, plant and equipment	(415)	(264)
Expenditure on product development	(7,922)	(6,389)
Increase in subsidiary shareholding	-	(64)
Interest received	5	8
Net cash used in investing activities	**(5,732)**	**(6,494)**
Financing activities		
Repayment of borrowings	(177)	(1,292)
Dividends paid	(1,133)	(1,133)
Interest paid	(60)	(73)
Net cash used in financing activities	**(1,370)**	**(2,498)**
Net increase/(decrease) in cash and cash equivalents	**2,775**	**(1,235)**
Cash and cash equivalents at beginning of year	540	1,547
Effect of foreign exchange rate changes	390	228
Cash and cash equivalents at end of year (net funds)	**3,705**	**540**

Notes to the Results Announcement

1. Accounting policies

Basis of preparation

Haynes Publishing Group P.L.C. (the "Company") is a company domiciled in the United Kingdom. The consolidated financial statements of the Company for the year ended 31 May 2017 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The Group financial statements have been prepared on the historical cost basis except for the treatment of certain financial instruments and are presented in Sterling, with all values rounded to the nearest thousand pounds (£'000) except as indicated otherwise.

The financial information contained in this report does not constitute the Company's statutory accounts for the year ended 31 May 2017 or for the year ended 31 May 2016. Statutory accounts for the years ended 31 May 2016 have been reported on by the Independent Auditors and the Independent Auditors' Report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The statutory accounts for the year ended 31 May 2016 have been filed with the Registrar of Companies.

The 2017 figures are based on unaudited accounts for the year ended 31 May 2017. Statutory accounts for the year ended 31 May 2017 will be finalised based on the information presented in this announcement and the auditors will report on those accounts once they are finalised. The statutory accounts for the year ended 31 May 2017 will be delivered to the Registrar in due course.

The preliminary announcement has been approved by the Board of Directors and authorised for issue on 13 September 2017. The Annual Report 2017 will be approved by the Board of Directors and authorised for issue on 20 September 2017.

Basis of accounting

The accounting policies used to prepare this results announcement are consistent with those applied in the 2016 consolidated financial statements. The International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) have issued standards, amendments and interpretations with an effective date falling after the Company's financial year-end.

These standards, amendments and interpretations will be adopted in accordance with their effective dates and have not been adopted in these financial statements. The directors are currently assessing the impact of the new standards, amendments and interpretations which are effective for periods beginning after 1 January 2017 and which have not been adopted early.

Foreign exchange rates

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

	Year-end rate		Average rate	
	2017	2016	2017	2016
US dollar	1.29	1.45	1.28	1.49
Euro	1.15	1.31	1.17	1.35
Australian dollar	1.74	2.01	1.70	2.04

2. Exceptional items

	31 May 2017 £000	31 May 2016 £'000
Exceptional costs included in cost of sales:		
- Write down of intangible assets	1,282	-
- Restructuring costs	-	1,716
Exceptional costs included in selling and distribution expenses:		
- Restructuring costs	209	1,563
Exceptional (gains)/costs included in administrative expenses:		
- Gain on sale of property	(1,608)	-
- Restructuring costs	-	1,143
- Acquisition expenses	88	-
Exceptional (gains)/losses	**(29)**	**4,422**

The gain from the sale of properties have arisen following the implementation of the global operational, cost and structure review undertaken during the prior year and relates to the sale of properties in the US and Australia.

The 31 May 2017 acquisition expenses and restructuring costs relate to the successful acquisition of OATS Limited in December 2016.

The write down of intangible assets relates to consumer digital platform costs previously capitalised which are now in the process of being superseded.

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

3. Revenue

	31 May 2017 £'000	31 May 2016 £'000
Revenue by geographical destination on continuing operations :		
United Kingdom	6,873	4,918
Rest of Europe	10,527	7,971
United States of America	10,490	11,021
Australasia	1,322	1,093
Rest of World	562	707
Total consolidated revenue	**29,774**	**25,710**

4. Segmental analysis

For management and internal reporting purposes, the Group is organised into two geographical operating segments:

- UK and Europe
- North America and Australia

The UK and European business with headquarters in Sparkford, Somerset has subsidiaries in the UK, Netherlands, Italy, Spain, Romania and Germany. Its core business is the publication and supply of automotive repair and technical information to the DIY and professional automotive aftermarkets in both a print and digital format. Following the acquisition of OATS Limited in December 2016, the UK and European business has expanded its operations to include a global lubricants database business.

The North American and Australian business with headquarters near Los Angeles, California publishes DIY repair manuals for cars and motorcycles in both a print and digital format. The business publishes titles under the Haynes, Chilton and Clymer brands, in both English and Spanish. Up to and including 31 May 2017, it also has a branch operation in Sydney, Australia which publishes similar products under both the Haynes and Gregory's brands. From 1 June 2017, the Australian branch incorporated as a separate legal entity (Haynes Australia Pty Limited) and became a 100% subsidiary of Haynes Publishing Group P.L.C.

For the year under review the above two operating segments were each organised and managed separately and treated as distinct operating and reportable segments in line with the provisions of IFRS 8. The identification of the two operating segments has been based on the reports reviewed by the chief operating decision maker, which form the basis for operational decision making.

Analysis of geographic operating segments

Revenue and results :	UK & Europe 2017 £'000	North America & Australia 2017 £'000	Consolidated 2017 £'000
Segmental revenue			
Total segmental revenue	18,129	12,543	30,672
Inter-segmental sales [1]	(342)	(556)	(898)
Total external revenue	**17,787**	**11,987**	**29,774**
Segment result			
Underlying segment operating profit before exceptional items and interest	2,748	477	3,225
Exceptional items [5]	(213)	1,285	1,072
Interest receivable	2	3	5
Interest payable	(50)	(2)	(52)
Segment profit after exceptional items and interest	**2,487**	**1,763**	**4,250**
Unallocated head office income less expenses			(1,729)
Segment operating profit before tax and adjustments			**2,521**
Reconciliation to consolidated profit before tax :			
IAS 16 Property, plant and equipment [2]			9
IAS 19 Employee benefits [3]			134
Consolidated profit before tax			**2,664**
Taxation [4]			(1,290)
Consolidated profit after tax			**1,374**

[1] Inter-segment sales are charged at the prevailing market rates.
[2] In the segmental reporting freehold buildings are depreciated over 40 years - under IAS 16 the residual value of buildings reflect the expected value at the end of their useful life resulting in an adjustment to depreciation.
[3] In the segmental reporting, pension contributions are expensed and the assets and liabilities of a defined benefit pension scheme are held separately from the Group - under IAS 19 the Income Statement and Statement of Comprehensive Income are adjusted to reflect the annual current service cost and actuarial gains and losses arising on a defined benefit pension scheme and the net surplus/(deficit) on the scheme is included in the balance sheet.
[4] The charge to taxation relates to the consolidated Group. Included within the charge to taxation is £659,000 which relates to the UK & European operations and £614,000 which relates to the North American & Australian operations.
[5] Details of the exceptional items are shown in note 2 of this Results Announcement.

4. Segmental analysis (continued)

Revenue and results :	UK & Europe 2016 £'000	North America & Australia 2016 £'000	Consolidated 2016 £'000
Segmental revenue			
Total segmental revenue	13,508	14,236	27,744
Inter-segmental sales [1]	(277)	(1,757)	(2,034)
Total external revenue	**13,231**	**12,479**	**25,710**
Segment result			
Underlying segment operating profit before exceptional items and interest	1,471	340	1,811
Exceptional items [5]	(268)	(3,710)	(3,978)
Interest receivable	1	7	8
Interest payable	(38)	(30)	(68)
Segment profit/(loss) after exceptional items and interest	**1,166**	**(3,393)**	**(2,227)**
Unallocated head office income less expenses			(644)
Segment operating loss before tax and adjustments			**(2,871)**
Reconciliation to consolidated loss before tax :			
IAS 16 Property, plant and equipment [2]			61
IAS 19 Employee benefits [3]			261
Consolidated loss before tax			**(2,549)**
Taxation [4]			770
Consolidated loss after tax			**(1,779)**

[1] Inter-segment sales are charged at the prevailing market rates.
[2] In the segmental reporting freehold buildings are depreciated over 40 years - under IAS 16 the residual value of buildings reflect the expected value at the end of their useful life resulting in an adjustment to depreciation.
[3] In the segmental reporting, pension contributions are expensed and the assets and liabilities of a defined benefit pension scheme are held separately from the Group - under IAS 19 the Income Statement and Statement of Comprehensive Income are adjusted to reflect the annual current service cost and actuarial gains and losses arising on a defined benefit pension scheme and the net surplus/(deficit) on the scheme is included in the balance sheet.
[4] The charge to taxation relates to the consolidated Group. Included within the charge to taxation is £257,000 which relates to the UK & European operations and £960,000 credit which relates to the North American & Australian operations.
[5] Details of the exceptional items are shown in note 2 of this Results Announcement.

5. Finance income

	31 May 2017 £'000	31 May 2016 £'000
Interest receivable on bank deposits	**5**	**8**

6. Finance costs

	31 May 2017 £'000	31 May 2016 £'000
Interest payable on bank loans and overdrafts	**60**	**73**

7. Taxation

	31 May 2017 £'000	31 May 2016 £'000
Analysis of charge during the period :		
Current tax		
- UK corporation tax on profits for the period	-	-
- Foreign tax	847	(616)
- Adjustments in respect of prior periods	32	(117)
	879	**(733)**
Deferred tax		
- Origination and reversal of temporary differences	411	(37)
Total taxation in the Consolidated Income Statement	**1,290**	**(770)**

The effective rate of tax is higher than the standard rate of UK corporation tax due to the mix of profits from overseas operations where the tax rates are higher than in the UK. There is an unrecognised deferred tax asset for temporary timing differences associated with the Group's UK entities. Had the asset been recognised it would have reduced the tax charge by £456,000 giving an overall effective tax rate of 31.3% for the year.

In April 2017, the rate of UK corporation tax was reduced from 20% to 19% giving an effective rate of 19.8% for the financial year ended 31 May 2017. In the Summer Budget 2015, the UK government announced legislation setting the main rate of corporation tax at 18% for the year beginning 1 April 2020. In March 2016, the government announced a further reduction to the main rate of corporation tax for the year starting 1 April 2020 to 17%. The relevant UK deferred tax balances have been re-measured accordingly.

8. Earnings per share

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

	Before exceptional items 2017 £'000	After exceptional items 2017 £'000	Before exceptional items 2016 £'000	After exceptional items 2016 £'000
Earnings/(loss) :				
Profit/(loss) after tax attributable to equity holders of the Company– continuing operations	1,424	1,374	1,150	(1,779)
	No.	No.	No.	No.
Number of shares :				
Weighted average number of shares [a]	15,111,540	15,111,540	15,111,540	15,111,540
Basic earnings/(loss) per share (pence)	9.4	9.1	7.6	(11.8)

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

As at 31 May 2017 and 31 May 2016 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 calculations.

9. Dividends

	31 May 2017	31 May 2016
	£'000	£'000
Amounts recognised as distributions to equity holders :		
Final dividend for the year ended 31 May 2016 of 4.0p per share (2015: 4.0p per share)	604	604
Interim dividend for the year ended 31 May 2017 of 3.5p per share (2016: 3.5p per share)	529	529
	1,133	**1,133**
Proposed final dividend for the year ended 31 May 2017 of 4.0p per share (2016: 4.0p per share)	604	604

As at 31 May 2017, the Company holds 1,240,000 Ordinary shares in treasury which represents 16.9% of the Ordinary share capital and 7.6% of the Company's total share capital. The Company is not able to vote on the treasury shares and the treasury shares carry no right to receive any dividend or other distribution of assets other than in relation to an issue of bonus shares.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting to be held on 8 November 2017 and has not been included as a liability in these financial statements.

Subject to final approval by shareholders the final dividend will be paid on 16 November 2017 to shareholders on the register at the close of business on 27 October 2017.

10. Analysis of the changes in net funds

	As at 1 June 2016	Cash flow	Exchange movements	As at 31 May 2017
	£'000	£'000	£'000	£'000
Cash at bank and in hand	2,548	4,098	390	7,036
Bank overdrafts	(2,008)	(1,323)	-	(3,331)
	540	**2,775**	**390**	**3,705**

11. Retirement benefit obligation

The Group has 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.

As at 31 May 2017 the financial position of the two defined benefit schemes have been updated by qualified independent actuaries in line with the requirements of IAS 19 and the combined movements on the two schemes are shown below:

	31 May 2017	31 May 2016
	£'000	£'000
Consolidated retirement benefit obligation at beginning of period	(15,101)	(14,348)
Movement in the period :		
- Total expenses charged in the income statement	(1,397)	(1,662)
- Contributions paid	1,515	1,645
- Actuarial losses taken directly to reserves	(7,941)	(691)
- Foreign currency exchange rate movements	(100)	(45)
Consolidated retirement benefit obligation at end of period	**(23,024)**	**(15,101)**

12. Acquisition

On 15 December 2016, Haynes Publishing Group P.L.C., acquired 100% of the share capital of OATS Limited ("OATS"), a UK based private limited business for a total consideration of £2.4 million. OATS is a niche technology business that provides information and productivity solutions for the lubricants sector of the oil industry. OATS has developed a world leading comprehensive equipment and lubricants database that supports customers from across the lubricants marketing and supply chain. OATS' customers have access to an unrivalled source of information about lubricants that enables them to recommend the most appropriate oil to their end users. The acquisition of OATS complements Haynes' professional offering by providing HaynesPro customers with comprehensive information on lubricants as part of its technical database. It will further strengthen the relationship between Haynes, parts distributors and oil companies.

	Carrying value £'000	Recognised on acquisition £'000
Assets Acquired		
Property, plant and equipment	6	6
Intangible assets [1]	233	2,472
Trade and other receivables	351	351
Taxation recoverable	163	163
Cash at bank and in hand	241	241
Trade and other payables [2]	(791)	(827)
Deferred tax arising on acquisition of intangible assets	-	(403)
Fair value of net assets	203	2,003
Goodwill arising on acquisition [3]		397
Total consideration		**2,400**
Cash consideration		1,845
Liabilities assumed on acquisition		555
Total consideration		**2,400**

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

Cash consideration	1,845
Liabilities assumed on acquisition	555
Costs of acquisition (included in cash flows from operating activities) [4]	88
Net cash outflow	**2,488**

[1] Prior to completion, the intangible asset valuation was based on the external cost of translations and a multiple of subscription revenue. Applying a multiple of subscription revenue is not a compliant methodology under IAS 38 Intangible Assets and therefore, the intangible asset was revalued at the carrying value of the external cost of translations only. A fair value adjustment of £2,239,000 was applied to the OATS Limited intangible asset to bring the valuation methodology into line with IAS 38 and to accord with Haynes group policy on development costs.

[2] Other payables has been increased by £41,000 to reflect a fair value adjustment to the property lease. Prior to acquisition, the lease was expensed on a cash paid basis however, in line with IAS 17 the expense has been re-calculated over the entire length of the lease on a straight-line basis.

[3] Intangible assets amounting to £397,000 could not be individually separated and reliably measured and accordingly, have been included as goodwill (the costs are deductible for income tax purposes). The goodwill assets include OATS standing in its particular market place and anticipated synergies following its acquisition by the Haynes Group.

[4] The acquisition costs of £88,000 were expensed as incurred and were included as an exceptional item within administrative expenses (note 2).

In the period from acquisition to 31 May 2017, OATS contributed £1,000,000 to Group revenue and £88,000 to consolidated operating profit before exceptional items. If the acquisition occurred at the start of the financial period the revenue from the acquired business would have been £2,300,000. It is not practical to quantify the associated profit contribution during this period during the change in accounting policy in relation to capitalisation and amortisation of development costs.

13. Other information

The Directors Report and audited Report & Accounts for the financial year ended 31 May 2017 will be posted to shareholders on 29 September 2017 and delivered to the Registrar of Companies following the Annual General Meeting which will be held on 8 November 2017. Copies of the Directors' report and audited Report & Accounts will be available from the Group Company Secretary, Haynes Publishing Group P.L.C., Sparkford, Near Yeovil, Somerset BA22 7JJ (telephone 01963 440635) after 30 September.

This results announcement is not being posted to shareholders, but is available on the UK website http://www.haynes.co.uk/investor.