

Regulatory Announcements

14 December 2005

John Menzies plc - Pre-close Trading Statement

John Menzies plc, the time critical logistics company, today issues a trading statement ahead of its preliminary results for the year ending 31 December 2005, which it expects to announce in March 2006.

We expect the Group's performance for the year ended December 2005 to be satisfactory and well above last year.

At **Menzies Distribution**, trading has reflected the overall weakness in consumer spending. Partworks and monthly magazines have traded behind last year, whilst weekly magazines and weekend newspapers have shown some improvement. The division has also benefited in the second half from tight cost control and the 53rd week.

The Office of Fair Trading continues to assess its position on arrangements for newspaper and magazine distribution and we do not expect any further announcement until early next year. Contract renewals with publishers continue to progress satisfactorily and many are now concluded. Although as anticipated we have experienced some margin reduction, we are pleased to secure these contracts for another five years and have marginally increased market share through additional business.

At **Menzies Aviation**, trading continues to be well ahead of last year and we have experienced like for like volume growth in ground handling. However, in line with industry trends, we have experienced some slowdown in cargo volumes in the second half.

At Heathrow, we have not retained the BAA airside inter-terminal bussing and baggage transfer contract and this will end in April 2006; however, we have won the new BAA landside "Heathrow LOOP" bussing contract which starts in January 2007. Our operations at Cancun have experienced severe disruption from Hurricane Wilma and the effects of this will continue into 2006. Overall, we remain a net winner of contracts and recently secured easyJet in Belfast and Singapore Airlines in Melbourne and Auckland, amongst others.

Outlook

Despite more difficult trading conditions, progress has been achieved in the second half of the year. There will be a continued focus on tight cost control at Menzies Distribution and an increased emphasis on investment for growth at Menzies Aviation whilst maintaining appropriate capital disciplines. The Group expects to make progress in 2006 despite the current challenging trading environment.

Commenting, Patrick Macdonald, Chief Executive, said:

"In 2005, we have built upon our success in 2004, demonstrating the benefits of tight management controls and strong customer service. Our strategy remains to build on this base, maintaining performance in difficult trading conditions within Distribution while growing our Aviation business for the long term both organically and through acquisitions."

Accounting

The Group will prepare its consolidated financial statements for 2005 under UK GAAP, supplemented with pro forma IFRS financial information, rather than under IFRS as previously indicated. This is to comply with the Companies Act 1985 (as amended November 2004) and is a result of the current accounting year commencing on 26 December 2004 prior to the IFRS adoption date of 1 January 2005. We do not anticipate that this will have any substantial impact on our reported results.

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NOTES TO EDITORS

1. John Menzies plc, the time-critical logistics company, is one of Scotland's largest companies. The company has two operating divisions, Menzies Distribution and Menzies Aviation. These divisions operate in two distinct sectors where success depends on providing an efficient, high quality, time-critical service to their customers and partners.
2. In the year ended 25 December 2004, Menzies reported turnover of £1,369.2m (2003 - £1,297.7m) and Group profit on ordinary activities before tax and exceptionals of £30.3m (2003 - £17.1m). Turnover at the Distribution division was £1,109.4m (2003 - £1,058.0m) whilst pre-exceptional operating profit was £30.6m (2003 - £26.2m). In the Aviation division turnover was £259.8m (2003 - £239.7m) and pre-exceptional operating profit was £10.4m against £2.4m in 2003.
3. The company was established in 1833 and its head office is in Edinburgh, Scotland. Today the company is an international operation with offices, partners and contracts located in Europe, North and South America, Australasia and Africa.
4. Menzies Distribution is a leading provider of added value distribution and marketing services to the newspaper and magazine supply chain in the UK. The division handles 4.5 million newspapers (6 million on Sundays) and 2.5 million magazines (covering over 3,000 magazine titles) each day, with deliveries to more than 21,500 customers.
5. Menzies Aviation is one of the world's major independent suppliers of ground handling services to the aviation market providing passenger, ramp and cargo services for many of the world's leading airlines and some of the busiest international airports. Including joint ventures and associate companies, the division employs over 10,000 people across the globe, at 92 airports in 23 countries servicing in excess of 500 aviation customers.