

Regulatory Announcements

28 June 2005

John Menzies plc - Trading Statement

John Menzies plc, the time-critical logistics company, today issues a trading update ahead of its interim results for the half year ending 25 June 2005, which will be announced on Tuesday 6 September 2005.

The Group is trading in line with expectations. As anticipated, Distribution has traded slightly behind last year while Aviation remains ahead. With interest costs reduced through tight cash control and the refinancing of long term debt, we expect the Group's performance to be ahead of last year for the interim period.

At **Menzies Distribution**, trading got off to a slow start, reflecting the weakness in consumer spending, but we have seen some improvement in the second quarter. Certain products, particularly partworks and monthly magazines, have traded below last year. However, this has been partly offset by increased revenues for weekly magazines and weekend newspapers.

The Office of Fair Trading issued its draft opinion on newspaper and magazine distribution in May and we continue to play a leading role in its further consultations with industry bodies. Contract renewals with publishers are progressing satisfactorily and we expect many to be concluded by the end of 2005. We aim to remain the service provider of choice for publisher and retailer alike.

At **Menzies Aviation**, trading is ahead of last year particularly at UK Cargo, Netherlands Cargo and Mexico. We have experienced like for like^[1] volume growth, notably in ground handling. During the first half, we saw the positive results of our service enhancement initiatives and have won a number of new contracts including Alaska Airlines at their hub in Seattle, which is now our largest station with up to 1,100 flights per week. In the second quarter, sales were a little weaker and we incurred start up costs, as is usual, on new contracts. We expect to see the benefit of these new contracts coming through in the second half of the year.

Outlook

The Board believes that further progress will be achieved in the second half of the year and that trading for 2005 will be consistent with expectations.

Commenting on trading, Patrick Macdonald, Chief Executive, said:

"The outlook for the Group remains encouraging. At Distribution, we are working hard to overcome the challenge of a softer market. At Aviation, we are benefiting from our continued focus on customer service and recent contract wins."

[1] ie. at existing stations, including contract wins and losses

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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. The division employs over 9,700 people across the globe, at 92 airports in 23 countries servicing in excess of 500 aviation customers.