

PRESS RELEASE

John Menzies plc – Interim Management Statement

JOHN MENZIES PLC today announces its Interim Management Statement in accordance with its obligations under Section 4.3 of the Disclosure and Transparency Rules.

The **GROUP** focus remains on cash generation and debt reduction. Both divisions are pursuing their strategies whilst remaining cash generative and the Group continues to trade from a sound financial platform. Overall the Group is trading in line with current market expectations.

At **MENZIES AVIATION**, the closure of large parts of European air space for seven days after the volcanic activity in Iceland materially impacted the division. Flight schedules have now returned and volumes are back to their pre-closure levels. It is too early to assess accurately the cost of the disruption but overall the estimated cost is expected to be around £2.5m.

Underlying earnings in the period were boosted by increased de-icing revenue in the early part of the year and a general recovery in trading. In particular, cargo handling benefited from an increase in volumes across the network. In the first quarter like for like cargo volumes were up by around 20%, albeit against weak comparators.

Contract gain momentum has continued with notable contracts secured with Malaysian Airways in Australia, Emirates in Czech Republic and a number of other attractive airlines across the network. The division is delivering on its growth strategy whilst remaining cash generative.

As a result, the division is still expected to be in line with current market forecasts.

MENZIES DISTRIBUTION continues to trade in line with our expectations.

Newspaper and weekly magazine sales have been disappointing but this has been offset by an improved performance from monthly magazines. Cost initiatives continue to make a positive contribution and plans are underway to rationalise the branch network following the increased business won last year.

FOR FURTHER INFORMATION:

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