



# John Menzies plc

## Interim Management Statement

16 May 2014

John Menzies plc, the global aviation services provider and print media distributor, is providing an Interim Management Statement for the period 1 January to the date of this release, in advance of its Annual General Meeting to be held today.

Menzies Aviation contract win momentum has continued. Our targeted approach of securing new business is delivering and contracts won in the period include a number across Europe with charter and scheduled airlines, a significant new ground handling contract outsourced by Delta Airlines to handle some 100,000 turns per annum from 50 base aircraft at their main hub airport in Detroit, USA and a ten year exclusive ground handling and plane fuelling license in Iraq, won by a Menzies led consortium.

Absolute ground handling turns were up 10% reflecting prior year acquisitions and contract wins. Like for like improvement in the period was 2%, as airline carriers continue to maximise seat capacity first before the expected growth in aircraft numbers over the medium term materialises. Cargo tonnes are up 3% on a like-for-like basis and with our cargo portfolio now right-sized, and some strong contract wins, we anticipate cargo handling continuing to deliver a robust performance.

Start-up costs relating to a successful contracting period are higher compared to the same trading period last year and due to a mild winter at the beginning of the year, de-icing activities were reduced resulting in trading at the end of April falling behind the same period last year. Therefore performance in the year will be more second half weighted than usual as a consequence of recent contract wins and an anticipated full summer schedule.

Menzies Distribution is delivering to plan. Overall print media volumes have been in line with our internal forecasts. Sticker sales continue to be a feature as we head towards the FIFA World Cup, but the eventual returns will not be known until Q3 of the year. Good progress has been made in the current rationalisation programme with spoke closures at High Wycombe and Bangor completed and magazine packing for the south east of England consolidated into our hub branch in Maidstone.

Since the announcement of our Final Results in March there has been no material change to the estimated impact of foreign exchange movements for the full year and our balance sheet remains strong allowing us the capacity to support both organic and acquisitive investment opportunities.

Overall the Group's performance at constant currency continues to track towards the Board's expectations and although the second half performance weighting may result in first half results being similar to last year, there is no change to the full year outlook.

### For further information:

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