John Menzies Plc – Interim Results for period ended 30 June 2012

John Menzies plc continues to meet expectations and deliver growth

- Highlights

<table>
<thead>
<tr>
<th></th>
<th>H1 - 2012</th>
<th>H1 - 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (including JVs &amp; Associates)</td>
<td>£988.4m</td>
<td>£1,005.7m</td>
</tr>
<tr>
<td>Underlying profit before taxation [1]</td>
<td>£25.4m</td>
<td>£25.1m</td>
</tr>
<tr>
<td>Underlying earnings per share [2]</td>
<td>32.0p</td>
<td>32.4p</td>
</tr>
<tr>
<td>Menzies Aviation</td>
<td>Underlying operating profit [3]</td>
<td>£14.5m</td>
</tr>
<tr>
<td></td>
<td>Underlying operating profit – constant currency basis [4]</td>
<td>£15.4m</td>
</tr>
<tr>
<td>Menzies Distribution</td>
<td>Underlying operating profit [3]</td>
<td>£14.0m</td>
</tr>
<tr>
<td>Non-recurring items [5]</td>
<td>£3.3m</td>
<td>£0.0m</td>
</tr>
<tr>
<td>Dividend</td>
<td>7.35p</td>
<td>7.0p</td>
</tr>
</tbody>
</table>

- Menzies Aviation
  - Underlying operating profit up 12% on a constant currency basis
  - Significant investment to support new contract wins, expansion into new territories and two acquisitions
  - Cargo performs well with increased profits and the restructure of the loss making UK region

- Menzies Distribution
  - Underlying operating profit up 2%
  - Resilient operating model provides stability
  - Earnings per share suppressed by increased interest charge and adverse foreign exchange movements
  - Strong operational disciplines on cash and costs underpin Group performance and progressive dividend policy

Iain Napier, Chairman said:

“I am very pleased to be announcing another good set of results in this uncertain economic environment. We have made significant investments in Menzies Aviation to support contract wins and acquisitions to add to the momentum of the business and to generate further sustainable earnings.

The underlying performance of the Group is good and our expansion plans remain on track. The resilient business models that we have in place at both operating divisions are allowing the Group to continue to grow.”
## Notes

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Underlying profit before taxation is defined as profit before taxation, intangible amortisation and exceptional items.</td>
</tr>
<tr>
<td>2</td>
<td>Underlying earnings per share is profit after taxation and non-controlling interest, but before intangible amortisation and exceptional items, divided by the weighted average number of ordinary shares in issue.</td>
</tr>
<tr>
<td>3</td>
<td>Underlying operating profit includes each division’s share of pre-tax profit from joint ventures and associates, and excludes intangible amortisation and exceptional items.</td>
</tr>
<tr>
<td>4</td>
<td>Performance at constant currency has been calculated by translating non-Sterling earnings for the six months to 30 June 2012 into Sterling at the exchange rates used for the same period in 2011.</td>
</tr>
<tr>
<td>5</td>
<td>Non-recurring items are those material items which, by virtue of their size or incidence, are reported separately in the income statement to enable a full understanding of the Group’s financial performance.</td>
</tr>
<tr>
<td>6</td>
<td>Free cash flow is defined as the cash generated by the business after net capital expenditure, interest and taxation, before special pension contributions, acquisitions, disposals, ordinary dividends and net spend on shares.</td>
</tr>
<tr>
<td>7</td>
<td>Total debt to EBITDA ratio. Total debt is net debt plus guarantees and excluding financial derivatives and preference shares. EBITDA is underlying operating profit plus depreciation and computer software amortisation.</td>
</tr>
<tr>
<td>8</td>
<td>Interest cover is EBITA divided by external interest charge. EBITA is underlying operating profit plus computer software amortisation. External interest charge excludes net financial income related to pensions.</td>
</tr>
</tbody>
</table>

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### For further information:

Paul Dollman, Group Finance Director, John Menzies plc  
0131 459 8018  
John Geddes, Group Company Secretary, John Menzies plc  
0131 459 8180  
Jonathon Brill/Alex Beagley, FTI Consulting  
020 7831 3113

### Notes to Editors:

1. John Menzies plc is one of Scotland’s largest companies. The company has two operating divisions, Menzies Aviation and Menzies Distribution. Both divisions operate in distinct B2B sectors where success depends on providing an efficient, high quality, time-critical service to their customers and partners. The company was established in 1833 and its head office is in Edinburgh, Scotland. Today the company is an international business with operations worldwide.

2. Menzies Aviation is the fastest growing, and second largest, ground and cargo handling organisation in the world. It also owns AMI, the world’s only global wholesale freight forwarder. The business is highly successful - operating at 136 airports in 32 countries, with annual revenue in excess of US$1.1bn and employing some 17,000 highly trained people. Customers include easyJet, Lufthansa, Air France - KLM, Alaska Airlines, British Airways, Cathay Pacific, Virgin Group, Thai Airways, Aer Lingus & Singapore Airlines. Best in class safety & security as well as great customer service are core to its success and sets it apart from other handlers.

3. 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 around 5 million newspapers and 2.1 million magazines (covering 3,000 magazine titles) each day, with deliveries to more than 25,000 customers. The division employs 4,000 people at 39 sites throughout the UK – and is a strongly cash generative business, with around 45% of the newspaper and magazine wholesale distribution market in the UK. It has a track record of investment in innovation and customer service delivery.

4. Further information on John Menzies plc can be found at: [www.johnmenziesplc.com](http://www.johnmenziesplc.com), [www.menziesdistribution.com](http://www.menziesdistribution.com) and [www.menziesaviation.com](http://www.menziesaviation.com).
Results Overview

The Group has performed well during the first six months and we continue to prosper from our clear and deliverable strategy.

At Menzies Aviation, turnover increased by 2.3% to £340.2m (2011 H1: £332.7m) with underlying operating profit up £0.7m to £14.5m (2011 H1: £13.8m) reflecting the effects of foreign exchange headwinds. At constant exchange rates, underlying profits increased by £1.6m or 12% on last year. Menzies Distribution produced an operating profit of £14.0m, up from £13.7m last year, on turnover of £648.2m which fell by 3.7%.

Menzies Aviation’s reputation for service excellence continues to grow and this helps win and retain contracts. The division continued to grow with contract wins from global carriers such as British Airways and commenced operations in two new countries during the period. Two acquisitions have recently been completed and the growth prospects for the division continue to be real and deliverable.

Menzies Distribution again produced a stable performance. The evolution of the business model continued with a further rationalisation of the branch network. Operating profits were up on the previous period following strong newspaper cover price growth and an excellent control of costs.

Underlying operating profits before interest and tax for the Group were £1.0m higher at £27.9m. The reported interest charge increased to £2.5m impacted by the increased deficit in the pension scheme. As a result, underlying profit before tax rose 1% to £25.4m.

Non-recurring items in the first half included the cost of restructuring labour conditions in Mexico, redundancy costs relating to extra business gained at London Stansted and the restructure of the UK branch network at Menzies Distribution.

Cashflow and Investment

Operating cashflow was £10.0m; down on the previous year due to the impact of working capital movements and a higher level of exceptional costs in the period.

Free cashflow was negative in the half year due to the above factors as well as higher levels of capital expenditure in the period. Capital expenditure was above depreciation in the half and is expected to remain so for the full year, reflecting contract wins and a carryover from the tail end of last year.

The final dividend increased to a total cash cost of £10.9m (2011: £8.1m) and overall the Group net debt increased to £107.5m at the half year. We expect net debt to return below £100m by the year end, however this is dependent on the level of investment activity.

Debt and Interest

Our total debt to EBITDA ratio remained below 1.5 times at the half year and our interest cover increased to 12.3 times from 10.5 times at 30 June 2011.

Our banking facilities remain the same as disclosed in the 2011 Annual Report and all required facilities are secured until 2013 and beyond. The facilities maturing in 2013 will be re-negotiated during the second half of this year.
Menzies Aviation

<table>
<thead>
<tr>
<th></th>
<th>H1 - 2012</th>
<th>H1 - 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (including JVs &amp; Associates)</td>
<td>£340.2m</td>
<td>£332.7m</td>
</tr>
<tr>
<td>Underlying operating profit</td>
<td>£14.5m</td>
<td>£13.8m</td>
</tr>
</tbody>
</table>

Performance

Menzies Aviation has continued to perform well with underlying profits, on a constant currency basis, up £1.6m to £15.4m a 12% rise on last year.

The net contract position, excluding airline failures, saw the division gain a net 22 contracts adding some £14.0m of revenue. The UK in particular had an excellent period with major contracts secured at a number of stations and at London Stansted where a global competitor exited the station.

Airline failures, reflecting the difficult global economic position, resulted in five airline customers ceasing to trade and will result in the loss of some £7.7m of annualised revenue. However, net contract gains have tempered this headwind and the division continues to make steady progress.

Contract renewals saw some 53 contracts renewed, securing annualised revenue of £57.7m with most contract renewals being for three years or more.

Ground Handling

The ground handling business continues to grow. Absolute aircraft movements were up 5.3% with like for like movements up 2.2%. Operating profit was £10.6m, a fall of £1.0m on the previous year reflecting increased start up costs, bad debts and lost revenue from airline failures.

In March, British Airways awarded the division contracts to handle some 19,500 flights out of Manchester, Edinburgh and Glasgow. The award of this contract is testimony to the high levels of customer service delivered by the division and it was pleasing that the investments made into developing a market leading service offering are helping to secure contracts. Operations started successfully in June and provide a strong base to target further expansion with a truly global customer.

With a significant presence at London Heathrow, the division is playing its part in the successful handling of athletes and fans through the airport. This has been a significant operational challenge but one that has been met very successfully.

On 1 August, Menzies Aviation acquired Flight Support a UK based ground handling business, for an initial consideration of £4.75m payable in cash, with a further £0.5m payable over the next two years. Flight Support complements the highly successful UK business and expands operations into Guernsey, Isle of Man and Aberdeen as well as Manchester airport where the acquired operations will be integrated with the existing operation. The acquisition which will add some 34,000 turnarounds per annum, deepens existing customer relationships with FlyBe and easyJet as well as establishing new relationships with CityJet and Blue Island.

New operations commenced in Italy and France during the period. Operationally, both start ups have gone well and we will now look to win further contracts within these stations and then expand our regional density in both countries.

Cargo Handling
Cargo handling produced a solid performance with operating profit increasing to £3.7m, £1.2m ahead of last year. Absolute tonnes were up 3.7% reflecting the annualisation of contracts won in the previous year. Like for like tonnes were down 6.7% as a result of the generally soft cargo market.

Since the period end the division announced a restructuring of the UK cargo business. The focus will now be on London Heathrow with smaller units in Belfast and Aberdeen. As a result, the division will exit operations in Glasgow, Birmingham, East Midlands and Manchester. An exceptional charge of up to £3m is expected but this decisive action will help return the UK cargo business to profitability. This is a significant step forward for the division and is part of an ongoing commitment to turnaround previously highlighted loss making cargo operations. Following the restructuring in the UK, the division’s operations at Chicago are now the only significant loss maker in the portfolio and the division’s management continue to explore turnaround opportunities.

As previously highlighted, cargo is an attractive product category when airport dynamics are good and it is also complementary to the ground handling business. Accordingly, the division acquired Kamino Cargo, a cargo handling business, at Bucharest Airport, Romania. The business was acquired in cash for £1.2m and will bolt on to the existing successful ground handling business in Bucharest allowing a one stop shop offering for all customers.

Cargo Forwarding

The air freight wholesaling business, AMI, continued to make good progress with operating profit of £1.3m, up £0.4m on the previous year. Given its low asset operating model, the business is well placed to outperform the broader cargo market which has begun to soften. With global presence, strong product development and a proven management team, AMI is well placed to continue to grow and develop.

Menzies Distribution

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<table>
<thead>
<tr>
<th></th>
<th>H1 - 2012</th>
<th>H1 – 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (including JVs &amp; Associates)</td>
<td>£648.2m</td>
<td>£673.0m</td>
</tr>
<tr>
<td>Underlying operating profit</td>
<td>£14.0m</td>
<td>£13.7m</td>
</tr>
</tbody>
</table>
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Performance

Menzies Distribution again delivered a strong performance in challenging markets with operating profits of £14.0m, up £0.3m on last year.

Underlying volumes during the period continued to be within our range of estimates. In the newspaper market, volume decline was offset by strong cover price growth with some 12 titles increasing cover price during the period. As a result, despite sales being 3.9% behind last year, the category was marginally earnings positive.

The launch of the Sun on Sunday has had a detrimental effect on the Sunday newspaper market as a whole as it has a lower cover price than The News of the World and has gained volume from other higher margin titles. However, overall the demise of The News of the World and the launch of the Sun on Sunday has not materially affected the financial returns from this category.

Within the magazine category monthly titles (down 4.4%) performed better than weekly titles (down 8.4%). Magazines are still under pressure from UK economic conditions. Sales of monthly titles remain more resilient than weekly titles where price cutting is fierce in the crowded celebrity magazine category, although both were slightly boosted by Jubilee related product.

As expected, the sticker category was significantly ahead of last year as a result of collections relating to the Euro 2012 football tournament.
As part of the ongoing evolution of the cost base, a branch rationalisation within the Scottish central belt and further changes in Yorkshire and the East of England were successfully implemented in the first half. Projected efficiencies following the implementation of SAP are being delivered and this, together with other cost saving initiatives leave the division well on track to deliver its targeted savings for the year. The roll out of SAP into the operations in Ireland is underway and the full benefit of its implementation is expected to be realised early next year.

Within the regional press market the division has been awarded a £12m, five year contract with DC Thomson who have outsourced their local newspaper distribution in the Dundee and surrounding areas. This significant contract gain has allowed the division to exceed its target of achieving £50m new revenue generated from regional press business ahead of schedule.

The division’s investment into systems and customer service was recently recognised after its Customer Service Centres were awarded an industry mark of best practice after an independent assessment praised its procedures and staff morale.

**New Revenue Ventures**

Both Menzies Marketing Services (MMS) and Menzies Select continue to progress and are trading ahead of last year. In July, MMS acquired the retail consultancy arm of the Fore Partnership. This business will be integrated into the existing category management business. The combined business will look after more than 8,000 retail outlets with a combined annual news turnover of £600m which represents 12% of the overall UK market. Its lead customers include Marks & Spencer, Spar, Boots and Martin McColl.

**Outlook and Strategy**

The Group has made a positive start to the second half and is trading in line with the Board’s expectations.

Menzies Aviation is focused on delivering the returns expected from the investment made into recent contract wins and acquisitions to fuel the future growth of the division. The restructuring of the UK cargo handling business, which will help to turnaround one of the highlighted loss making areas within the division, is underway and it is expected to have all changes in place by 31 August. Menzies Distribution has successfully dealt with the many logistical challenges of the London Olympics and, as predicted, additional Olympics related products are not having any significant impact on sales.

Global economic conditions and exchange rate movements, particularly the Euro, continue to provide challenges. However, by operating with two distinct, strong businesses, each with strong cash flows, the Group is financially strong and well placed to provide shareholders with both stability and growth. Within both divisions, particularly Aviation, expansion opportunities exist and we continue to evaluate these against sensible returns criteria.
# GROUP INCOME STATEMENT (unaudited)

for the half year to 30 June 2012

<table>
<thead>
<tr>
<th>Notes</th>
<th>Half year to 30 June 2012</th>
<th>Half year to 30 June 2011</th>
<th>Full year to 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>3</td>
<td>941.0</td>
<td>941.9</td>
<td>1,899.7</td>
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<td>Net operating costs</td>
<td>(921.9)</td>
<td>(922.3)</td>
<td>(1,848.7)</td>
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<tr>
<td>Operating profit</td>
<td>19.1</td>
<td>19.6</td>
<td>51.0</td>
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<td>Share of post-tax results of joint ventures and associates</td>
<td>2.0</td>
<td>3.8</td>
<td>5.4</td>
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<tr>
<td>Operating profit after joint ventures and associates</td>
<td>3</td>
<td>21.1</td>
<td>23.4</td>
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<tr>
<td>Analysed as:</td>
<td></td>
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</tr>
<tr>
<td>Underlying operating profit</td>
<td>3</td>
<td>27.9</td>
<td>26.9</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>4(a)</td>
<td>(3.3)</td>
<td>-</td>
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<td>Associate goodwill impairment</td>
<td>4(b)</td>
<td>(0.9)</td>
<td>(0.9)</td>
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<tr>
<td>Contract amortisation</td>
<td>4(b)</td>
<td>(2.2)</td>
<td>(1.7)</td>
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<td>Share of interest on joint ventures and associates</td>
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<td>0.2</td>
<td>0.4</td>
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<tr>
<td>Share of tax on joint ventures and associates</td>
<td>(0.7)</td>
<td>(1.1)</td>
<td>(2.1)</td>
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<tr>
<td>Operating profit after joint ventures and associates</td>
<td>21.1</td>
<td>23.4</td>
<td>56.4</td>
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<td>Finance income</td>
<td>0.1</td>
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<td>Finance charges</td>
<td>(2.4)</td>
<td>(3.2)</td>
<td>(6.6)</td>
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<td>Other finance (charges)/income - pensions</td>
<td>12b</td>
<td>(0.5)</td>
<td>0.7</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>18.3</td>
<td>21.4</td>
<td>52.5</td>
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<tr>
<td>Taxation</td>
<td>5</td>
<td>(5.5)</td>
<td>(5.2)</td>
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<tr>
<td>Profit for the period</td>
<td>12.8</td>
<td>16.2</td>
<td>42.4</td>
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<tr>
<td>Attributable to equity shareholders</td>
<td>12.8</td>
<td>16.3</td>
<td>41.9</td>
</tr>
<tr>
<td>Attributable to non-controlling interests</td>
<td>-</td>
<td>(0.1)</td>
<td>0.5</td>
</tr>
<tr>
<td>Earnings per ordinary share</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>21.3p</td>
<td>27.9p</td>
<td>71.8p</td>
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<tr>
<td>Diluted</td>
<td>21.2p</td>
<td>27.8p</td>
<td>69.8p</td>
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</tbody>
</table>
GROUP STATEMENT OF COMPREHENSIVE INCOME (unaudited)
for the half year to 30 June 2012

<table>
<thead>
<tr>
<th>Notes</th>
<th>Half year to 30 June 2012</th>
<th>Half year to 30 June 2011</th>
<th>Full year to 31 December 2011 Restated (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period</td>
<td>12.8</td>
<td>16.2</td>
<td>42.4</td>
</tr>
<tr>
<td>Actuarial loss on defined benefit pensions</td>
<td>12b (18.5)</td>
<td>(2.4)</td>
<td>(26.0)</td>
</tr>
<tr>
<td>Income tax effect</td>
<td>4.5</td>
<td>0.2</td>
<td>7.1</td>
</tr>
<tr>
<td>Impact of rate change on deferred tax</td>
<td>(0.7)</td>
<td>-</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Movement on cash flow hedges</td>
<td>0.9</td>
<td>0.3</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Income tax effect</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.2)</td>
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<tr>
<td>Movement on net investment hedges</td>
<td>0.4</td>
<td>(0.2)</td>
<td>1.8</td>
</tr>
<tr>
<td>Income tax effect</td>
<td>(0.1)</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Exchange (loss)/gain on translation of foreign operations</td>
<td>(3.1)</td>
<td>1.6</td>
<td>(8.8)</td>
</tr>
<tr>
<td>Other comprehensive income for the period, net of tax</td>
<td>(16.8)</td>
<td>(0.6)</td>
<td>(27.5)</td>
</tr>
<tr>
<td>Cumulative exchange movement recycled to income on disposal of associate undertaking</td>
<td>-</td>
<td>-</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>(4.0)</td>
<td>15.6</td>
<td>13.6</td>
</tr>
<tr>
<td>Attributable to equity shareholders</td>
<td>(4.0)</td>
<td>15.7</td>
<td>13.1</td>
</tr>
<tr>
<td>Attributable to non-controlling interests</td>
<td>-</td>
<td>(0.1)</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>(4.0)</td>
<td>15.6</td>
<td>13.6</td>
</tr>
</tbody>
</table>

GROUP BALANCE SHEET (unaudited)
as at 30 June 2012

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 30 June 2012</th>
<th>As at 30 June 2011</th>
<th>As at 31 December 2011 Restated (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
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<tr>
<td>Intangible assets</td>
<td>8</td>
<td>105.6</td>
<td>100.2</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>118.5</td>
<td>124.2</td>
<td>123.4</td>
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<tr>
<td>Investments accounted using the equity method</td>
<td>8</td>
<td>30.5</td>
<td>41.6</td>
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<tr>
<td>Deferred tax assets</td>
<td>18.2</td>
<td>9.7</td>
<td>15.3</td>
</tr>
<tr>
<td></td>
<td>272.8</td>
<td>275.7</td>
<td>279.0</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>22.4</td>
<td>17.3</td>
<td>15.3</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>185.8</td>
<td>180.1</td>
<td>169.7</td>
</tr>
<tr>
<td>Derivative financial assets</td>
<td>1.7</td>
<td>1.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>25.1</td>
<td>25.1</td>
<td>24.4</td>
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<tr>
<td></td>
<td>235.0</td>
<td>236.9</td>
<td>210.9</td>
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<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
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<tr>
<td>Borrowings</td>
<td>9</td>
<td>(65.6)</td>
<td>(61.9)</td>
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<tr>
<td>Derivative financial liabilities</td>
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<td>(1.9)</td>
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<tr>
<td>Trade and other payables</td>
<td>(207.0)</td>
<td>(217.0)</td>
<td>(211.6)</td>
</tr>
<tr>
<td>Current income tax liabilities</td>
<td>(12.0)</td>
<td>(12.3)</td>
<td>(12.0)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(2.9)</td>
<td>(2.6)</td>
<td>(2.9)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(288.6)</td>
<td>(297.2)</td>
<td>(231.8)</td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td>(53.6)</td>
<td>(60.3)</td>
<td>(20.9)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>219.2</td>
<td>215.4</td>
<td>258.1</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>9</td>
<td>(67.6)</td>
<td>(73.9)</td>
</tr>
<tr>
<td>Other payables</td>
<td>(1.5)</td>
<td>(1.9)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Derivative financial liabilities</td>
<td>-</td>
<td>-</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(2.1)</td>
<td>(2.3)</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Retirement benefit obligations</td>
<td>12</td>
<td>(78.3)</td>
<td>(45.5)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(149.5)</td>
<td>(123.6)</td>
<td>(170.4)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>69.7</td>
<td>91.8</td>
<td>87.7</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>15.2</td>
<td>15.1</td>
<td>15.2</td>
</tr>
<tr>
<td>Share premium account</td>
<td>17.8</td>
<td>16.4</td>
<td>17.4</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(4.1)</td>
<td>(8.3)</td>
<td>(8.3)</td>
</tr>
<tr>
<td>Other reserves</td>
<td>(3.3)</td>
<td>9.0</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>21.9</td>
<td>38.0</td>
<td>42.4</td>
</tr>
<tr>
<td>Capital redemption reserve</td>
<td>21.6</td>
<td>21.6</td>
<td>21.6</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>69.1</td>
<td>91.8</td>
<td>87.1</td>
</tr>
<tr>
<td>Non-controlling interest in equity</td>
<td>0.6</td>
<td>-</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>69.7</td>
<td>91.8</td>
<td>87.7</td>
</tr>
</tbody>
</table>
## GROUP STATEMENT OF CHANGES IN EQUITY (unaudited)

for the half year to 30 June 2012

<table>
<thead>
<tr>
<th></th>
<th>Ordinary shares</th>
<th>Share premium account</th>
<th>Treasury shares</th>
<th>Cash flow hedge reserve</th>
<th>Translation reserve</th>
<th>Retained earnings</th>
<th>Capital redemption reserve</th>
<th>Total shareholders’ equity</th>
<th>Non-controlling interest</th>
<th>Total equity Restated (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>As at 31 December 2011</td>
<td>15.2</td>
<td>17.4</td>
<td>(8.3)</td>
<td>(1.7)</td>
<td>0.5</td>
<td>42.4</td>
<td>21.6</td>
<td>87.1</td>
<td>0.6</td>
<td>87.7</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12.8</td>
<td>-</td>
<td>12.8</td>
<td>-</td>
<td>12.8</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.7</td>
<td>(2.8)</td>
<td>(14.7)</td>
<td>-</td>
<td>(16.8)</td>
<td>-</td>
<td>(16.8)</td>
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<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.7</td>
<td>(2.8)</td>
<td>(1.9)</td>
<td>-</td>
<td>(4.0)</td>
<td>-</td>
<td>(4.0)</td>
</tr>
<tr>
<td>New share capital issued</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.4</td>
<td>-</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.8</td>
<td>-</td>
<td>0.8</td>
<td>-</td>
<td>0.8</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10.9)</td>
<td>-</td>
<td>(10.9)</td>
<td>-</td>
<td>(10.9)</td>
<td>-</td>
<td>(10.9)</td>
</tr>
<tr>
<td>Repurchase of own shares</td>
<td>-</td>
<td>(4.3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4.3)</td>
<td>-</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Disposal of own shares</td>
<td>-</td>
<td>8.5</td>
<td>-</td>
<td>(8.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>As at 30 June 2012</td>
<td>15.2</td>
<td>17.8</td>
<td>(4.1)</td>
<td>(1.0)</td>
<td>(2.3)</td>
<td>21.9</td>
<td>21.6</td>
<td>69.1</td>
<td>0.6</td>
<td>69.7</td>
</tr>
</tbody>
</table>

| As at 31 December 2010 | 15.1             | 16.3                  | (5.9)           | (0.9)                   | 8.3                | 31.2                | 21.6                      | 85.7                      | 0.1                       | 85.8                       |
| Profit for the period | -                | -                     | -               | -                       | -                  | 16.3                | -                         | 16.3                      | (0.1)                     | 16.2                       |
| Other comprehensive income | -              | -                     | -               | 0.5                     | 1.1                | (2.2)               | -                         | (0.6)                     | -                         | (0.6)                      |
| Total comprehensive income | -              | -                     | -               | 0.5                     | 1.1                | 14.1               | -                         | 15.7                      | (0.1)                     | 15.6                       |
| New share capital issued | -              | 0.1                   | -               | -                       | -                  | -                   | -                         | 0.1                       | -                         | 0.1                        |
| Share-based payments | -                | -                     | -               | -                       | 0.8                | -                   | -                         | 0.8                       | -                         | 0.8                        |
| Dividends paid | -                | -                     | -               | (8.1)                   | -                  | (8.1)               | -                         | (8.1)                     | -                         | (8.1)                      |
| Repurchase of own shares | -              | (2.4)                 | -               | -                       | -                  | -                   | -                         | (2.4)                     | -                         | (2.4)                      |
| As at 30 June 2011 | 15.1             | 16.4                  | (8.3)           | (0.4)                   | 9.4                | 38.0                | 21.6                      | 91.8                      | -                         | 91.8                       |
| Profit for the year – restated (Note 2) | -              | -                     | -               | -                       | -                  | 41.9                | -                         | 41.9                      | 0.5                       | 42.4                       |
| Other comprehensive income – restated | -              | -                     | -               | (0.8)                   | (6.5)              | (20.2)              | -                         | (27.5)                    | -                         | (27.5)                     |
| Recycled exchange gains | -              | -                     | -               | (1.3)                   | -                  | -                   | (1.3)                     | (1.3)                     | -                         | (1.3)                      |
| Total comprehensive income | -              | -                     | -               | (0.8)                   | (7.8)              | 21.7               | -                         | 13.1                      | 0.5                       | 13.6                       |
| New share capital issued | 0.1            | 1.1                   | -               | -                       | -                  | -                   | -                         | 1.2                       | -                         | 1.2                        |
| Share-based payments | -                | -                     | -               | -                       | 1.7                | -                   | -                         | 1.7                       | -                         | 1.7                        |
| Dividends paid | -                | -                     | -               | (12.2)                  | -                  | (12.2)              | -                         | (12.2)                    | -                         | (12.2)                     |
| Repurchase of own shares | -              | (2.4)                 | -               | -                       | -                  | (2.4)               | -                         | (2.4)                     | -                         | (2.4)                      |
| As at 31 December 2011 | 15.2             | 17.4                  | (8.3)           | (1.7)                   | 0.5                | 42.4                | 21.6                      | 87.1                      | 0.6                       | 87.7                       |
GROUP STATEMENT OF CASH FLOWS (unaudited)  
for the half year to 30 June 2012

<table>
<thead>
<tr>
<th>Notes</th>
<th>Half year to 30 June 2012 £m</th>
<th>Half year to 30 June 2011 £m</th>
<th>Full year to 31 December 2011 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash generated from operations 10</td>
<td>5.1</td>
<td>22.1</td>
</tr>
<tr>
<td></td>
<td>Interest received</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Interest paid</td>
<td>(2.7)</td>
<td>(3.5)</td>
</tr>
<tr>
<td></td>
<td>Tax paid</td>
<td>(4.8)</td>
<td>(4.9)</td>
</tr>
<tr>
<td></td>
<td>Net cash from operating activities</td>
<td>(2.2)</td>
<td>14.1</td>
</tr>
<tr>
<td></td>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Investment in joint ventures and associates</td>
<td>-</td>
<td>(0.2)</td>
</tr>
<tr>
<td></td>
<td>Loan repaid by joint ventures and associates</td>
<td>-</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Acquisitions</td>
<td>(1.3)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Net cash acquired with subsidiaries</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Purchase of property, plant and equipment</td>
<td>(13.9)</td>
<td>(8.3)</td>
</tr>
<tr>
<td></td>
<td>Intangible asset additions</td>
<td>(0.7)</td>
<td>(1.8)</td>
</tr>
<tr>
<td></td>
<td>Proceeds from sale of property, plant and equipment</td>
<td>1.9</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Dividends received</td>
<td>1.7</td>
<td>2.6</td>
</tr>
<tr>
<td></td>
<td>Net cash used in investing activities</td>
<td>(12.3)</td>
<td>(5.4)</td>
</tr>
<tr>
<td></td>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Proceeds from issue of ordinary share capital</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>Purchase of own shares</td>
<td>(4.3)</td>
<td>(2.4)</td>
</tr>
<tr>
<td></td>
<td>Repayment of borrowings</td>
<td>(32.4)</td>
<td>(0.1)</td>
</tr>
<tr>
<td></td>
<td>Proceeds from borrowings</td>
<td>49.9</td>
<td>11.3</td>
</tr>
<tr>
<td></td>
<td>Dividends paid to ordinary shareholders</td>
<td>(10.9)</td>
<td>(8.1)</td>
</tr>
<tr>
<td></td>
<td>Net cash from financing activities</td>
<td>2.7</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>(Decrease)/increase in net cash and cash equivalents</td>
<td>9</td>
<td>(11.8)</td>
</tr>
<tr>
<td></td>
<td>Effects of exchange rate movements</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Opening net cash and cash equivalents</td>
<td>23.2</td>
<td>18.2</td>
</tr>
<tr>
<td></td>
<td>Closing net cash and cash equivalents*</td>
<td>9</td>
<td>11.4</td>
</tr>
</tbody>
</table>

*Net cash and cash equivalents include cash at bank and in hand and bank overdrafts.
Notes to the Interim Accounts

1. INTRODUCTION

These interim consolidated financial statements are for the half year to 30 June 2012. They were approved by the Board on 13 August 2012 and are unaudited. These interim financial results do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. Statutory accounts for the year to 31 December 2011, prepared in accordance with IFRS, which carried an unqualified Auditors’ Report, have been filed with the Registrar of Companies.

2. BASIS OF PREPARATION

These interim financial statements have been prepared on the basis of the accounting policies set out in the Group's 2011 Annual Report and in accordance with IAS34 "Interim Financial Reporting" as adopted by the European Union and the Disclosure and Transparency Rules of the Financial Services Authority. These interim financial statements have been prepared on the going concern basis as the directors, having considered available relevant information, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

During the period the provisional fair value attributed to the 2011 acquisition of Swissport Menzies was finalised. In accordance with IFRS3, the net impact of the adjustment to the provisional fair value has been recognised as if the accounting for the business combination had been completed at the relevant acquisition date. As such, all affected balances and amounts have been restated in the financial statements. To this effect, the Consolidated Income Statement, Consolidated Balance Sheet and affected notes present restated comparative information for the year ended 31 December 2011. Further details of the adjustment made to the provisional fair value can be found in Note 4.

3. SEGMENT INFORMATION

For management purposes the Group is organised into two operating divisions: Distribution and Aviation.

These two divisions are organised and managed separately based upon their key markets. The Distribution segment provides newspaper and magazine distribution services across the UK along with marketing services. The Aviation segment provides cargo and passenger ground handling services across the world.

The information presented to the Board for the purpose of resource allocation and assessment of segment performance is focused on the performance of each division as a whole but also contains performance information on a number of operating segments within the Aviation division. The Board assesses the performance of the operating segments based on a measure of adjusted segment result before exceptional items and intangibles amortisation. Net finance income and expenditure are not allocated to segments as this type of activity is driven by the central treasury function. The Board does not monitor assets and liabilities on a divisional basis.

Segment information is presented in respect of the Group's reportable segments together with additional geographic and balance sheet information. Transfer prices between segments are set on an arm's length basis.

### Business Segment Information

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue</th>
<th>Pre-exceptional operating profit/(loss)*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Half</td>
<td>Full</td>
</tr>
<tr>
<td></td>
<td>Half year to 30 June</td>
<td>Half year to 31 December</td>
</tr>
<tr>
<td>Distribution</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>2012</td>
<td>648.2</td>
<td>673.0</td>
</tr>
<tr>
<td>Aviation</td>
<td></td>
<td>14.0</td>
</tr>
<tr>
<td>- ground handling</td>
<td>206.6</td>
<td>202.4</td>
</tr>
<tr>
<td>- cargo handling</td>
<td>78.7</td>
<td>78.5</td>
</tr>
<tr>
<td>- cargo forwarding</td>
<td>54.9</td>
<td>51.8</td>
</tr>
<tr>
<td>- unallocated costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>340.2</td>
<td>332.7</td>
<td>676.8</td>
</tr>
<tr>
<td>(1.1)</td>
<td>(1.2)</td>
<td>(3.6)</td>
</tr>
</tbody>
</table>

John Menzies Plc | Interim Results Announcement | 14 August 2012
A reconciliation of segment pre-exceptional operating profit/(loss) to profit before tax is provided below.

### (a) Interim 2012

<table>
<thead>
<tr>
<th></th>
<th>Distribution</th>
<th>Aviation</th>
<th>Corporate</th>
<th>Group £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>11.6</td>
<td>8.1</td>
<td>(0.6)</td>
<td>19.1</td>
</tr>
<tr>
<td>Share of post-tax results of joint ventures</td>
<td>0.8</td>
<td>1.6</td>
<td>-</td>
<td>2.4</td>
</tr>
<tr>
<td>Share of post-tax results of associates</td>
<td>-</td>
<td>(0.4)</td>
<td>-</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Operating profit after joint ventures and associates</td>
<td>12.4</td>
<td>9.3</td>
<td>(0.6)</td>
<td>21.1</td>
</tr>
<tr>
<td>Net finance expense</td>
<td>(2.8)</td>
<td></td>
<td></td>
<td>18.3</td>
</tr>
</tbody>
</table>

Analysed as:
- Pre-exceptional operating profit/(loss)* 14.0 14.5 (0.6) 27.9
- Rationalisation costs (1.5) (1.8) - (3.3)
- Impairment provision - (0.9) - (0.9)
- Contract amortisation (0.1) (2.1) - (2.2)
- Share of interest on joint ventures and associates - 0.3 - 0.3
- Share of tax on joint ventures and associates - (0.7) - (0.7)
- Operating profit after joint ventures and associates 12.4 9.3 (0.6) 21.1

### (b) Interim 2011

<table>
<thead>
<tr>
<th></th>
<th>Distribution</th>
<th>Aviation</th>
<th>Corporate</th>
<th>Group £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>12.8</td>
<td>7.4</td>
<td>(0.6)</td>
<td>19.6</td>
</tr>
<tr>
<td>Share of post-tax results of joint ventures</td>
<td>0.9</td>
<td>2.4</td>
<td>-</td>
<td>3.3</td>
</tr>
<tr>
<td>Share of post-tax results of associates</td>
<td>-</td>
<td>0.5</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Operating profit after joint ventures and associates</td>
<td>13.7</td>
<td>10.3</td>
<td>(0.6)</td>
<td>23.4</td>
</tr>
<tr>
<td>Net finance expense</td>
<td>(2.0)</td>
<td></td>
<td></td>
<td>21.4</td>
</tr>
</tbody>
</table>

Analysed as:
- Pre-exceptional operating profit/(loss)* 13.7 13.8 (0.6) 26.9
- Impairment provision - (0.9) - (0.9)
- Contract amortisation - (1.7) - (1.7)
- Share of interest on joint ventures and associates - 0.2 - 0.2
- Share of tax on joint ventures and associates - (1.1) - (1.1)
- Operating profit after joint ventures and associates 13.7 10.3 (0.6) 23.4
### (c) Full year 2011 – restated (Note 2)

<table>
<thead>
<tr>
<th></th>
<th>Distribution £m</th>
<th>Aviation £m</th>
<th>Corporate £m</th>
<th>Group £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>25.2</td>
<td>27.1</td>
<td>(1.3)</td>
<td>51.0</td>
</tr>
<tr>
<td>Share of post-tax results of joint ventures</td>
<td>0.7</td>
<td>4.2</td>
<td>-</td>
<td>4.9</td>
</tr>
<tr>
<td>Share of post-tax results of associates</td>
<td>-</td>
<td>0.5</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Operating profit after joint ventures and associates</td>
<td>25.9</td>
<td>31.8</td>
<td>(1.3)</td>
<td>56.4</td>
</tr>
<tr>
<td>Net finance expense</td>
<td></td>
<td></td>
<td></td>
<td>(3.9)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td></td>
<td></td>
<td></td>
<td>52.5</td>
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</tbody>
</table>

Analysed as:

<table>
<thead>
<tr>
<th></th>
<th>Distribution £m</th>
<th>Aviation £m</th>
<th>Corporate £m</th>
<th>Group £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-exceptional operating profit/(loss)*</td>
<td>28.8</td>
<td>32.3</td>
<td>(1.2)</td>
<td>59.9</td>
</tr>
<tr>
<td>Gain on disposal of interest in associate - restated</td>
<td>-</td>
<td>8.2</td>
<td>-</td>
<td>8.2</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>-</td>
<td>-</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Rationalisation costs</td>
<td>(2.5)</td>
<td>(1.7)</td>
<td>-</td>
<td>(4.2)</td>
</tr>
<tr>
<td>Onerous lease provision</td>
<td>-</td>
<td>-</td>
<td>(1.1)</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Impairment provision</td>
<td>-</td>
<td>(1.8)</td>
<td>-</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Contract amortisation - restated</td>
<td>-</td>
<td>(3.9)</td>
<td>-</td>
<td>(3.9)</td>
</tr>
<tr>
<td>Share of interest on joint ventures and associates</td>
<td>-</td>
<td>0.4</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>Share of tax on joint ventures and associates</td>
<td>(0.4)</td>
<td>(1.7)</td>
<td>-</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Operating profit after joint ventures and associates</td>
<td>25.9</td>
<td>31.8</td>
<td>(1.3)</td>
<td>56.4</td>
</tr>
</tbody>
</table>

* Pre-exceptional operating profit/(loss) is defined as operating profit/(loss) excluding intangible amortisation and exceptional items but including the pre-tax share of results from joint ventures and associates.
### (a) Interim 2012

<table>
<thead>
<tr>
<th>Segment</th>
<th>Distribution £m</th>
<th>Aviation £m</th>
<th>Corporate £m</th>
<th>Group £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment assets</td>
<td>190.7</td>
<td>270.0</td>
<td>3.7</td>
<td>464.4</td>
</tr>
<tr>
<td>Unallocated assets</td>
<td></td>
<td></td>
<td></td>
<td>43.4</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
<td></td>
<td>507.8</td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>(114.8)</td>
<td>(86.9)</td>
<td>(13.1)</td>
<td>(214.8)</td>
</tr>
<tr>
<td>Unallocated liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(223.3)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(438.1)</td>
</tr>
<tr>
<td>Segment net assets/(liabilities)</td>
<td>75.9</td>
<td>183.1</td>
<td>(9.4)</td>
<td>249.6</td>
</tr>
<tr>
<td>Unallocated net liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(179.9)</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
<td></td>
<td>69.7</td>
</tr>
</tbody>
</table>

Unallocated assets comprise deferred tax assets, cash and cash equivalents.

Unallocated liabilities comprise retirement benefit obligations, borrowings, current income tax liabilities and deferred tax liabilities.

### (b) Interim 2011

<table>
<thead>
<tr>
<th>Segment</th>
<th>Distribution £m</th>
<th>Aviation £m</th>
<th>Corporate £m</th>
<th>Group £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment assets</td>
<td>189.2</td>
<td>272.0</td>
<td>3.7</td>
<td>464.9</td>
</tr>
<tr>
<td>Unallocated assets</td>
<td></td>
<td></td>
<td></td>
<td>47.7</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
<td></td>
<td>512.6</td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>(122.7)</td>
<td>(89.1)</td>
<td>(15.4)</td>
<td>(227.2)</td>
</tr>
<tr>
<td>Unallocated liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(193.6)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(420.8)</td>
</tr>
<tr>
<td>Segment net assets/(liabilities)</td>
<td>66.5</td>
<td>182.9</td>
<td>(11.7)</td>
<td>237.7</td>
</tr>
<tr>
<td>Unallocated net liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(145.9)</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
<td></td>
<td>91.8</td>
</tr>
</tbody>
</table>

### (c) Full year 2011

<table>
<thead>
<tr>
<th>Segment</th>
<th>Distribution £m</th>
<th>Aviation £m</th>
<th>Corporate £m</th>
<th>Group £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment assets - restated</td>
<td>174.9</td>
<td>271.2</td>
<td>4.0</td>
<td>450.1</td>
</tr>
<tr>
<td>Unallocated assets</td>
<td></td>
<td></td>
<td></td>
<td>39.8</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
<td></td>
<td>489.9</td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>(112.3)</td>
<td>(93.2)</td>
<td>(16.8)</td>
<td>(222.3)</td>
</tr>
<tr>
<td>Unallocated liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(179.9)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(402.2)</td>
</tr>
<tr>
<td>Segment net assets/(liabilities)</td>
<td>62.6</td>
<td>178.0</td>
<td>(12.8)</td>
<td>227.8</td>
</tr>
<tr>
<td>Unallocated net liabilities</td>
<td></td>
<td></td>
<td></td>
<td>(140.1)</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
<td></td>
<td>87.7</td>
</tr>
</tbody>
</table>
4 (a) EXCEPTIONAL ITEMS

<table>
<thead>
<tr>
<th>Notes</th>
<th>Half year to 30 June 2012</th>
<th>Half year to 30 June 2011</th>
<th>Full year to 31 December 2011 Restated (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain on disposal of interest in associate (i)</td>
<td>-</td>
<td>-</td>
<td>8.2</td>
</tr>
<tr>
<td>Rationalisation costs (ii)</td>
<td>(3.3)</td>
<td>-</td>
<td>(4.2)</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment (iii)</td>
<td>-</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td>Onerous lease provision (iv)</td>
<td>-</td>
<td>-</td>
<td>(1.1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(3.3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(3.9)</td>
</tr>
</tbody>
</table>

(i) On 6 July 2011 Menzies Aviation and Swissport Handling SA signed a termination agreement bringing the 39% associate undertaking arrangement in Spain to an end. The termination agreement split the existing 6 airport operations whereby Menzies Aviation acquired 100% control of the operations at Alicante, Murcia, Jerez and Almeria while Swissport Handling acquired 100% control of the operations at Madrid and Lanzarote. The split was agreed following an independent review of the individual operations and the calculation of the gain on the transaction was subject to an ongoing completion valuation exercise. This independent valuation exercise was completed during the period and resulted in an additional gain of £4.2m (note 2).

(ii) Costs of rationalising excess capacity comprised asset write-downs and staff redundancy costs in Distribution £1.5m (2011: £2.5m) and in Aviation £1.8m (2011: £1.7m).

(iii) During 2011 the Group sold a surplus freehold property for consideration of £2.5m.

(iv) This provision is in respect of future obligations on a vacated leasehold property following the sub-tenant entering administration.

4 (b) INTANGIBLE AMORTISATION

<table>
<thead>
<tr>
<th>Notes</th>
<th>Half year to 30 June 2012</th>
<th>Half year to 30 June 2011</th>
<th>Full year to 31 December 2011 Restated (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill impairment (i)</td>
<td>(0.9)</td>
<td>(0.9)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Contract amortisation (ii)</td>
<td>(2.2)</td>
<td>(1.7)</td>
<td>(3.9)</td>
</tr>
<tr>
<td></td>
<td>(3.1)</td>
<td>(2.6)</td>
<td>(5.7)</td>
</tr>
</tbody>
</table>
(i) As permitted under the transitional requirements of IFRS 1, the acquisition accounting of business combinations completed prior to the transition date has not been restated. As a result, assets which were previously capitalised as goodwill have not been reclassified as other intangible assets. Accordingly, these financial statements include an impairment charge of £0.9m (June 2011: £0.9m, December 2011: £1.8m) reflecting the remaining life of the current licence at Menzies Macau Aviation Services Ltd.

(ii) This charge relates to contracts capitalised as intangible assets on the acquisition of businesses following the adoption of IFRS.

5. TAXATION

The underlying effective rate for the full year is estimated at 25% (December 2011: actual 23.4%). The underlying effective rate used for the half year to June is 25% (June 2011: 25%). The share of results from joint ventures and associates is after taxation of £0.7m (June 2011: £1.1m).

In June 2010 the UK Government announced its intention to reduce the main rate of corporation tax from 28 per cent to 24 per cent. The fall was to be phased in over a period of four years with a 1 per cent reduction in the main corporation tax rate for each year starting on 1 April 2011. Subsequently, in March 2012 the UK Government announced that the main corporation tax rate would be 24 per cent from 1 April 2012 (rather than 25 per cent as previously enacted) and that it would fall to 22 per cent (rather than 23 per cent) from 1 April 2014. The reduction in the main rate of corporation tax to 24 per cent, effective from 1 April 2012, was substantively enacted on 26 March 2012 and this rate reduction is reflected in the amounts recognised at 30 June 2012. The Finance Act 2012, substantively enacted on 3 July 2012, included legislation to reduce the main rate of corporation tax from 24 per cent to 23 per cent from 1 April 2013. The reduction in the tax rate to 23 per cent was not substantively enacted at 30 June 2012, therefore the change has not been reflected in the amounts recognised at that date.

The estimated effect of the proposed reductions in rate by 2014, not currently reflected in the amounts recognised at 30 June 2012, would be to decrease the net deferred tax asset by £0.9m. Most of the UK deferred tax asset relates to the UK pension deficit and it is expected that the majority of the reduction will be debited to other comprehensive income and will not have a material effect on the effective tax rate or on the profit for the year.

6. DIVIDENDS

<table>
<thead>
<tr>
<th></th>
<th>Half year to 30 June 2012</th>
<th>Half year to 30 June 2011</th>
<th>Full year to 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends on equity shares:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- final paid in respect of 2011, 17p per share</td>
<td>10.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- interim paid in respect of 2011, 7p per share</td>
<td>-</td>
<td>-</td>
<td>4.1</td>
</tr>
<tr>
<td>- final paid in respect of 2010, 14p per share</td>
<td>-</td>
<td>8.1</td>
<td>8.1</td>
</tr>
<tr>
<td>- paid in respect of 2009 performance share plan</td>
<td>0.7</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.9</td>
<td>8.1</td>
<td>12.2</td>
</tr>
</tbody>
</table>

Dividends of £0.3m were waived by employee trusts during 2011.

The directors are proposing an interim dividend in respect of the half year to 30 June 2012 of 7.35 pence per ordinary share, which will absorb an estimated £4.5m of shareholders’ funds. Payment will be made on 23 November 2012 to shareholders on the register at the close of business on 26 October 2012.
7. Earnings Per Share

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th></th>
<th></th>
<th>Underlying*</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Half year to 30 June 2012</td>
<td>Half year to 30 June 2011</td>
<td>Restated (Note 2)</td>
<td>Half year to 30 June 2012</td>
<td>Half year to 30 June 2011</td>
<td>Restated (Note 2)</td>
</tr>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Operating profit</td>
<td>19.1</td>
<td>19.6</td>
<td>51.0</td>
<td>19.1</td>
<td>19.6</td>
<td>51.0</td>
</tr>
<tr>
<td>Share of post-tax results of joint ventures and associates</td>
<td>2.0</td>
<td>3.8</td>
<td>5.4</td>
<td>2.0</td>
<td>3.8</td>
<td>5.4</td>
</tr>
<tr>
<td>add back: exceptional items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.3</td>
<td>-</td>
<td>(3.9)</td>
</tr>
<tr>
<td>intangible amortisation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.1</td>
<td>2.6</td>
<td>5.7</td>
</tr>
<tr>
<td>share of interest on joint ventures and associates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.3)</td>
<td>(0.2)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>share of tax on joint ventures and associates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.7</td>
<td>1.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(2.8)</td>
<td>(2.0)</td>
<td>(3.9)</td>
<td>(2.5)</td>
<td>(1.8)</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>18.3</td>
<td>21.4</td>
<td>52.5</td>
<td>25.4</td>
<td>25.1</td>
<td>56.4</td>
</tr>
<tr>
<td>Taxation</td>
<td>(5.5)</td>
<td>(5.2)</td>
<td>(10.1)</td>
<td>(6.2)</td>
<td>(6.3)</td>
<td>(10.1)</td>
</tr>
<tr>
<td>Exceptional tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-</td>
<td>0.1</td>
<td>(0.5)</td>
<td>-</td>
<td>0.1</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Earnings for the period</td>
<td>12.8</td>
<td>16.3</td>
<td>41.9</td>
<td>19.2</td>
<td>18.9</td>
<td>42.7</td>
</tr>
</tbody>
</table>

**Basic**
- Earnings per ordinary share (pence) 21.3 27.9 71.8
- Diluted earnings per ordinary share (pence) 21.2 27.8 69.8

**Underlying***
- Earnings per ordinary share (pence) 32.0 32.4 73.2
- Diluted earnings per ordinary share (pence) 31.8 32.2 71.2

**Number of ordinary shares in issue (millions)**
- Weighted average 60.056 58.415 58.363
- Diluted weighted average 60.346 58.715 59.989

The weighted average number of fully paid ordinary shares in issue during the period excludes those held by the employee share trusts. The diluted weighted average is calculated by adjusting for those outstanding share options which are potentially dilutive i.e. where the exercise price is less than the average market price of the shares during the period.

*Underlying earnings are presented as an additional performance measure. They are stated before exceptional items and intangible amortisation.

8. Intangible Assets

Intangible assets comprise goodwill of £50.4m (June 2011: £50.6m), contracts of £43.2m (June 2011: £39.4m) and capitalised software development costs of £12m (June 2011: £10.2m).

Investments also include goodwill in respect of joint ventures and associates of £2.4m (June 2011: £4.6m).
9. ANALYSIS OF CHANGES IN NET BORROWINGS

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2011 £m</th>
<th>Half year cash flows £m</th>
<th>Currency translation £m</th>
<th>As at 30 June 2012 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>24.4</td>
<td>0.7</td>
<td>-</td>
<td>25.1</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>(1.2)</td>
<td>(12.5)</td>
<td>-</td>
<td>(13.7)</td>
</tr>
<tr>
<td>Net cash and cash equivalents</td>
<td>23.2</td>
<td>(11.8)</td>
<td>-</td>
<td>11.4</td>
</tr>
<tr>
<td>Bank loans due within one year</td>
<td>(1.9)</td>
<td>(49.9)</td>
<td>-</td>
<td>(51.8)</td>
</tr>
<tr>
<td>Loan stock due within one year</td>
<td>(0.1)</td>
<td>-</td>
<td>-</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Preference shares</td>
<td>(1.4)</td>
<td>-</td>
<td>-</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Finance leases</td>
<td>(0.2)</td>
<td>-</td>
<td>-</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Debt due after one year</td>
<td>(99.0)</td>
<td>33.0</td>
<td>-</td>
<td>(66.0)</td>
</tr>
<tr>
<td>Net derivative financial (liabilities)/assets</td>
<td>(0.7)</td>
<td>(0.6)</td>
<td>1.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Net borrowings</td>
<td>(80.1)</td>
<td>(29.3)</td>
<td>1.9</td>
<td>(107.5)</td>
</tr>
</tbody>
</table>

10. CASH GENERATED FROM OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Half year to 30 June 2012 £m</th>
<th>Half year to 30 June 2011 £m</th>
<th>Full year to 31 December 2011 Restated (Note 2) £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>19.1</td>
<td>19.6</td>
<td>51.0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11.7</td>
<td>11.1</td>
<td>22.5</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>2.6</td>
<td>2.9</td>
<td>6.2</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>0.8</td>
<td>0.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Onerous lease provision</td>
<td>-</td>
<td>-</td>
<td>1.1</td>
</tr>
<tr>
<td>Cash spend on onerous leases</td>
<td>(0.9)</td>
<td>(0.6)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Gain on sale of property, plant and equipment</td>
<td>-</td>
<td>(0.1)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Gain on disposal of investment in associate</td>
<td>-</td>
<td>-</td>
<td>(8.2)</td>
</tr>
<tr>
<td>Exceptional gain on disposal of property, plant and equipment</td>
<td>-</td>
<td>-</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Pension charge</td>
<td>0.4</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Pension credit</td>
<td>(0.1)</td>
<td>-</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Pension contributions in cash</td>
<td>(5.3)</td>
<td>(4.4)</td>
<td>(8.7)</td>
</tr>
<tr>
<td>Rationalisation costs</td>
<td>3.3</td>
<td>-</td>
<td>4.2</td>
</tr>
<tr>
<td>Cash spend on rationalisation costs</td>
<td>(3.3)</td>
<td>-</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Increase in inventories</td>
<td>(7.1)</td>
<td>(3.7)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Increase in trade and other receivables</td>
<td>(16.1)</td>
<td>(13.2)</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Increase in trade and other payables and provisions</td>
<td>-</td>
<td>9.3</td>
<td>1.7</td>
</tr>
<tr>
<td></td>
<td>5.1</td>
<td>22.1</td>
<td>62.2</td>
</tr>
</tbody>
</table>
11. CONTINGENT LIABILITIES

In the normal course of business, the Company has guaranteed certain trading obligations to its subsidiaries.

12. RETIREMENT BENEFIT OBLIGATIONS

(a) In deriving the results the Actuary used the projected unit method and the following financial assumptions:

<table>
<thead>
<tr>
<th></th>
<th>Half year to 30 June 2012</th>
<th>Half year to 30 June 2011</th>
<th>Full year to 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of increase in salaries</td>
<td>2.60%</td>
<td>3.30%</td>
<td>2.80%</td>
</tr>
<tr>
<td>Rate of increase in pensions (prior to 1 May 2006)</td>
<td>3.30%</td>
<td>3.60%</td>
<td>3.40%</td>
</tr>
<tr>
<td>Rate of increase in pensions (from 1 May 2006 to 1 June 2010)</td>
<td>2.50%</td>
<td>2.40%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Rate of increase in pensions (after 1 June 2010)</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>Price inflation</td>
<td>2.60%</td>
<td>3.40%</td>
<td>2.80%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>4.50%</td>
<td>5.50%</td>
<td>4.90%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Value at 30 June 2012</th>
<th>Value at 30 June 2011</th>
<th>Value at 31 Dec 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value of assets</td>
<td>246.2 £m</td>
<td>245.7 £m</td>
<td>242.0 £m</td>
</tr>
<tr>
<td>Defined benefit obligation</td>
<td>(324.5) £m</td>
<td>(291.2) £m</td>
<td>(306.3) £m</td>
</tr>
<tr>
<td>Recognised in balance sheet</td>
<td>(78.3) £m</td>
<td>(45.5) £m</td>
<td>(64.3) £m</td>
</tr>
<tr>
<td>Related deferred tax asset</td>
<td>18.8 £m</td>
<td>11.8 £m</td>
<td>16.1 £m</td>
</tr>
<tr>
<td>Net pension liabilities</td>
<td>(59.5) £m</td>
<td>(33.7) £m</td>
<td>(48.2) £m</td>
</tr>
</tbody>
</table>

(b) Components of pension expense

<table>
<thead>
<tr>
<th></th>
<th>Half year to 30 June 2012</th>
<th>Half year to 30 June 2011</th>
<th>Full year to 31 Dec 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts charged/(credited) to operating profit</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Current service cost</td>
<td>0.4 £m</td>
<td>0.4 £m</td>
<td>0.7 £m</td>
</tr>
<tr>
<td>Gains on curtailments and settlements</td>
<td>(0.1) £m</td>
<td>- £m</td>
<td>(0.1) £m</td>
</tr>
<tr>
<td></td>
<td>0.3 £m</td>
<td>0.4 £m</td>
<td>0.6 £m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts included in finance costs</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Expected return on pension scheme assets</td>
<td>6.9 £m</td>
<td>8.4 £m</td>
<td>16.8 £m</td>
</tr>
<tr>
<td>Interest on pension liabilities</td>
<td>(7.4) £m</td>
<td>(7.7) £m</td>
<td>(15.4) £m</td>
</tr>
<tr>
<td>Net financial (charge)/income</td>
<td>(0.5) £m</td>
<td>0.7 £m</td>
<td>1.4 £m</td>
</tr>
<tr>
<td>Pension charge/(income)</td>
<td>0.8 £m</td>
<td>(0.3) £m</td>
<td>(0.8) £m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts recognised in the Statement of Comprehensive Income</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Loss on assets</td>
<td>(2.2) £m</td>
<td>(4.7) £m</td>
<td>(12.5) £m</td>
</tr>
</tbody>
</table>
(Loss)/gain on defined benefit obligation  
\[ (16.3) \quad 2.3 \quad (13.5) \]

Actuarial loss  
\[ (18.5) \quad (2.4) \quad (26.0) \]

<table>
<thead>
<tr>
<th>Change in scheme assets during the period</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of assets at start of period</td>
<td>242.0</td>
<td>241.8</td>
<td>241.8</td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>6.9</td>
<td>8.4</td>
<td>16.8</td>
</tr>
<tr>
<td>Company contributions</td>
<td>5.3</td>
<td>4.4</td>
<td>8.7</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>0.5</td>
<td>0.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Assets distributed on settlements</td>
<td>-</td>
<td>-</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Benefits and expenses paid</td>
<td>(6.3)</td>
<td>(4.8)</td>
<td>(13.6)</td>
</tr>
<tr>
<td>Loss on assets</td>
<td>(2.2)</td>
<td>(4.7)</td>
<td>(12.5)</td>
</tr>
<tr>
<td>Fair value of assets at end of period</td>
<td>246.2</td>
<td>245.7</td>
<td>242.0</td>
</tr>
</tbody>
</table>

The actual return on scheme assets was a gain of £4.7m (June 2011: a gain of £3.7m).

<table>
<thead>
<tr>
<th>Change in defined benefit obligation during the period</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation at start of period</td>
<td>306.3</td>
<td>289.6</td>
<td>289.6</td>
</tr>
<tr>
<td>Current service cost</td>
<td>0.4</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Interest cost</td>
<td>7.4</td>
<td>7.7</td>
<td>15.4</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>0.5</td>
<td>0.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Liabilities extinguished on settlements</td>
<td>(0.1)</td>
<td>-</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Benefits and expenses paid</td>
<td>(6.3)</td>
<td>(4.8)</td>
<td>(13.6)</td>
</tr>
<tr>
<td>Loss/(gain) on defined benefit obligation</td>
<td>16.3</td>
<td>(2.3)</td>
<td>13.5</td>
</tr>
<tr>
<td>Defined benefit obligation at end of period</td>
<td>324.5</td>
<td>291.2</td>
<td>306.3</td>
</tr>
</tbody>
</table>
13. ACQUISITIONS

In the 2011 annual report and accounts, the fair values on acquisition of Swissport Menzies were provisional due to the timing of the transaction. The fair values have now been finalised resulting in adjustments to the provisional fair values attributed. The following table summarises the adjustments made to the provisional fair values during the period.

<table>
<thead>
<tr>
<th>Name</th>
<th>Provisional fair values</th>
<th>Adjustment to provisional values</th>
<th>Restated fair values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swissport Menzies</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Date of acquisition</td>
<td>06/07/2011</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase consideration</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of assets disposed</td>
<td>9.8</td>
<td>4.2</td>
<td>14.0</td>
</tr>
<tr>
<td>Total purchase consideration</td>
<td>9.8</td>
<td>4.2</td>
<td>14.0</td>
</tr>
<tr>
<td>Fair value of net assets acquired</td>
<td>9.8</td>
<td>4.2</td>
<td>14.0</td>
</tr>
<tr>
<td>Goodwill</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The assets and liabilities arising from the acquisition are as follows:

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>Provisional fair values</th>
<th>Adjustment to provisional values</th>
<th>Restated fair values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets (contracts) - fair value</td>
<td>5.1</td>
<td>4.2</td>
<td>9.3</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2.9</td>
<td></td>
<td>2.9</td>
</tr>
<tr>
<td>Current assets</td>
<td>4.6</td>
<td></td>
<td>4.6</td>
</tr>
<tr>
<td>Cash</td>
<td>0.5</td>
<td></td>
<td>0.5</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(3.3)</td>
<td></td>
<td>(3.3)</td>
</tr>
</tbody>
</table>

Net assets acquired 9.8 4.2 14.0

As a result of the uplift in the fair value of assets acquired, an additional £4.2m has been recognised on the gain on the transaction (note 4).

As a consequence of this adjustment, the amortisation charge relating to intangible assets for the period to 31 December 2011 has been restated by £0.2m from £3.7m to £3.9m. The currency movement on the investment has also been restated for the period from acquisition to 31 December 2011, resulting in an increase in the exchange loss on translation of foreign operations from £8.5m to £8.8m.

14. RELATED PARTY TRANSACTIONS

During the period the Group transacted with related parties in the normal course of business and on an arm’s length basis. Details of these transactions are shown below:

<table>
<thead>
<tr>
<th>Related party</th>
<th>Group shareholding %</th>
<th>Sales to related party £m</th>
<th>Amounts owed by/(to) related party at 30 June 2012 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hyderabad Menzies Air Cargo Private Ltd</td>
<td>49</td>
<td>0.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Menzies Bobba Ground Handling Services Private Ltd</td>
<td>51</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Menzies Macau Airport Services Ltd</td>
<td>29</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>EM News (NI) Ltd</td>
<td>50</td>
<td>0.2</td>
<td>(5.4)</td>
</tr>
<tr>
<td>EM News (Ireland) Ltd</td>
<td>50</td>
<td>0.4</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Certain activities, including treasury, taxation, insurance, pension and legal matters are provided by the parent company to subsidiary companies and are recharged on a cost-plus basis.
15. EVENTS AFTER THE REPORTING PERIOD

On 5 July 2012 Menzies Distribution acquired Fore Partnership, a retail consultancy business, for a consideration of £0.4m.

On 1 August 2012 Menzies Aviation acquired Flight Support, a regional UK ground handling business, for consideration of £5.25m, of which £0.5m is deferred and on 6 August acquired 100% of the share capital of Kamino Cargo SRL, based at Bucharest airport, for consideration of £1.2m.

Risks & Uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed in the Annual Report for 31 December 2011, a copy of which is available on the Group website at www.johnmenziesplc.com. The Board considers that these remain a current reflection of the risk and uncertainties facing the business for the remaining 6 months of the financial year.

Directors’ Responsibility Statement in respect of the Condensed Interim Financial Statements

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union, and that the interim management report includes a fair review of the information required by Disclosure and Transparency Rules of the Financial Services Authority, paragraphs DTR 4.2.7 and DTR 4.2.8.

The directors of John Menzies plc are listed in the John Menzies plc Annual Report for 31 December 2011. A list of current directors is maintained on the John Menzies plc website: www.johnmenziesplc.com