

# Smiths News PLC

## **Smiths News PLC AGM and Interim Management Statement**

Smiths News PLC (“the Group”), the UK’s leading wholesaler of newspapers, magazines and books, will today hold its AGM at Wakefield House Swindon.

This release covers the 19-week period (“the period”) from 1 September 2009 to 9 January 2010 and constitutes the Group’s Interim Management Statement as required by the UK Listing Authority’s Disclosure and Transparency Rules.

At the AGM, to be held at 11.30am today, Mark Cashmore, Group Chief Executive will make the following statement:

“Whilst economic conditions in the UK remain challenging, the Group continues to make significant progress across a number of key business objectives. As a result, the board remains confident about current trading prospects and expects a year of growth.”

During the period total Group revenues increased by 52.1% compared to last year, benefiting from the acquisition of Bertrams in March 2009 and the early adoption of former Dawson News territories in August 2009. Whilst revenues for Smiths News declined 2.1% on a like for like basis (after adjusting for newspaper price discounting from which our margin is protected) this compares favourably with the trends experienced in the preceding year and indicates an underlying improvement in the market, particularly in magazines.

We are also pleased to announce further new regional press contract gains with Trinity Mirror and Newsquest that are expected to generate an additional £11m of revenue on an annualised basis. The new territories are in Newcastle and Birmingham (Trinity Mirror) and Oxford (Newsquest) with titles including Birmingham Mail, Oxford Mail and Newcastle Journal.

Integration of the former Dawsons news distribution territories remains our primary business objective. The installation of SAP, rationalisation of the network and implementation of our logistics systems and KPIs are critical to synchronising business processes and to the reduction of inherited operating cost. We are progressing well with 8 of 17 depots now successfully converted and the closure of 5 locations across the estate. Management remain confident of completing the integration during the current year within expected cost.

Bertrams has made excellent progress under the Group’s ownership and reported good trading over the Christmas period together with strong sales to overseas customers.

There has been no change in the underlying financial position of the Group since the year ended 31 August 2009. The Group continues to operate well within its bank facilities.

“The Group will announce its interim results for the six months ending 28 February 2010, on 22 April 2010.”

15 January 2010

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**About Smiths News PLC:**

Smiths News PLC ("Group") comprises Smiths News, the UK's leading wholesaler of newspapers and magazines and Bertrams, a leading UK book wholesaler. The Group was formed on 1 September 2006 following the demerger of WH Smith PLC.

Smiths News distributes newspapers and magazines on behalf of all the major national publishers as well as a large number of regional publishers. The business serves approximately 30,000 customers across England and Wales, supplying large general retailers as well as smaller independent newsagents. Smiths News has an approximate 55% share of the newspaper and magazine wholesaling market in the UK. In addition to its distribution activities, Smiths News collects and processes returns, supplies sales information to publishers and provides a range of services for its retail customers.

Bertrams, which was acquired on 20 March 2009, supplies books to a mix of independent booksellers, on-line and multiple retailers, and libraries. Bertrams has an approximate 45% share of the wholesale book market.

The Group operates from 64 distribution centres across England and Wales, and employs 5,800 staff.