

# Smiths News PLC

## Smiths News PLC Interim Management Statement

Smiths News PLC (“the Group”), the largest UK newspaper and magazine wholesaler and a leading UK book wholesaler, is today issuing its Interim Management Statement covering the 19 week period (“the period”) from 1 March 2010 to 10 July 2010.

The Group continues to trade in line with expectations.

During the period total Group revenues increased by 37.7% compared to last year, having benefitted from the acquisition of Bertrams and contract awards in 2009. Newspaper like for like revenues declined by 4.5%, in part due to ongoing promotional price discounting by the tabloids. Magazine revenues were 1.6% down on a like for like basis over the period, an improvement on the first half of the year, driven largely by sales of World Cup product.

Completing the integration of the former Dawson News distribution territories remains a key business objective. We are therefore pleased to report that progress continues to generate tangible improvements to service and we remain confident that the associated cost savings will be delivered as per the plans announced in our interim results in April 2010.

The consultation process on the proposed relocation of Bertram Library Services from its existing site in Leeds to Norwich, as announced in April 2010, has been concluded with the move expected to complete early in the next financial year. This will reduce costs, but just as importantly improve service by reducing the lead time for the processing of library books – one of the key measures of service identified by the library consortia.

There has been no change in the underlying financial position of the Group since the half year ended 28 February 2010. The Group continues to operate well within its bank facilities.

Further to our announcement on 22 April in which we announced that Alan Humphrey, Group Finance Director of Smiths News PLC, is to retire from the business, we are pleased to announce that Nick Gresham will join the Group as Chief Financial Officer on 1 August 2010.

The Group will announce its preliminary results for the year ending 31 August 2010 on 21 October 2010.

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**About Smiths News PLC:**

Smiths News PLC (“the 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 62 distribution centres across England and Wales, and employs 5,500 staff.