



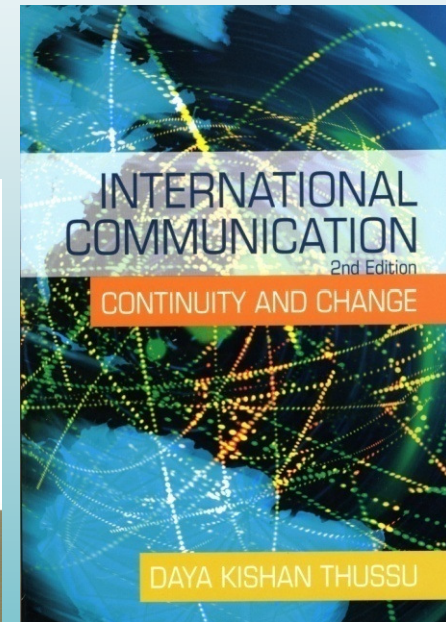
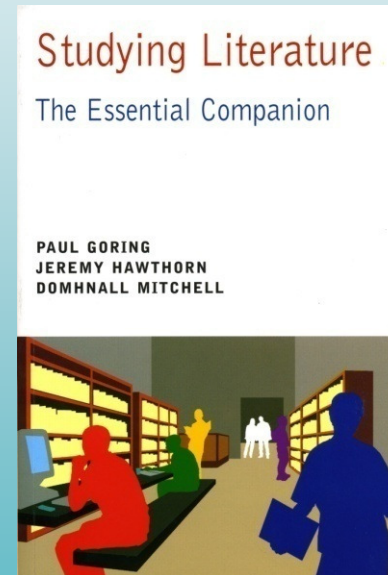
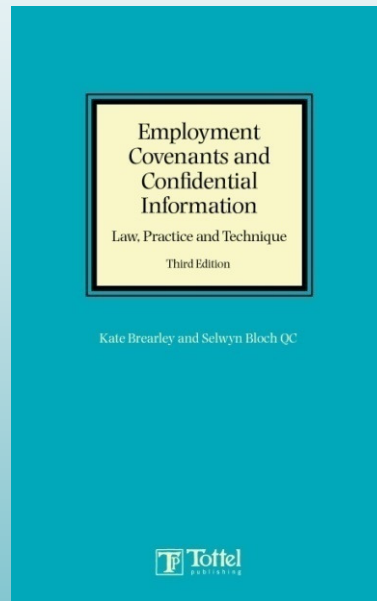
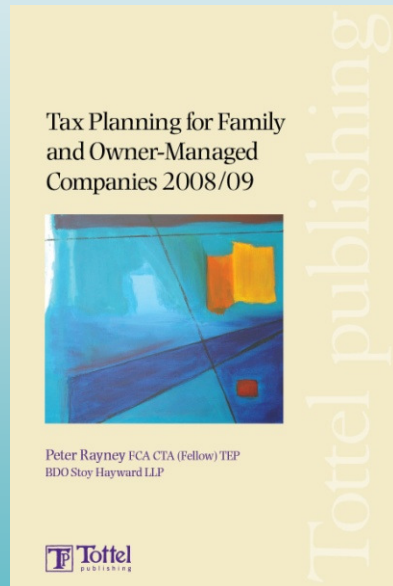
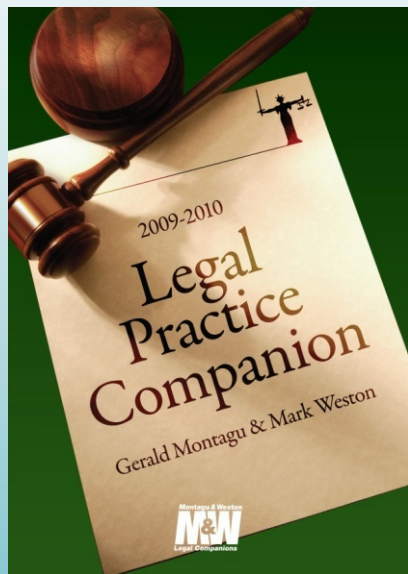
B L O O M S B U R Y

2009 Acquisitions

Tottel Law and Tax Publishing

Hodder Higher Education

Lists



Half Year Results 2009

2009 Summary



- Solid performance despite market conditions and high 2008 comparatives. Notable successes include:
 - The Suspicions of Mr Whicher paperback edition – Number 1
 - The Graveyard Book
 - The Senator's Wife
- Critical mass of academic and professional publishing now achieved
- Further investment to reach digital readiness
- Acquisitions of Tottel Publishing and Hodder Higher Education textbook list in Media and Communications, History and English Literature
- Timeliness of Wisden acquisition in November 2008 with Ashes victory. New edition of Wisden on the Ashes being rushed to market
- Continued performance of long-term rights, database and management contracts

Financial summary

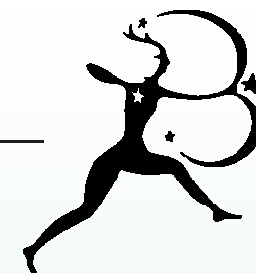


- Turnover £35.3m (2008, £42.1m*)
- Gross profit margin 51.0% (2008, 46.1%)
- Operating margin before amortisation 3.7% (2008, 8.3%)
- Pre-tax profit £1.8m (2008, £5.4m*)
- Basic EPS 1.70p (2008, 4.97p*)
- Interim dividend increased to 0.78p (2008, 0.75p)
- Cash £48.4m (31 December 2008, £51.9m)

*Includes HP 7 PB

Financial summary

Consolidated income statement



£ Millions	30 June 2009	30 June 2008	31 December 2008
Revenue	35.3	42.1*	100.0**
Gross profit	18.0	19.4	43.3
<i>Gross profit %</i>	<i>51.0%</i>	<i>46.1%</i>	<i>43.3%</i>
Marketing and distribution costs	(6.6)	(6.8)	(14.7)
<i>Marketing and distribution costs %</i>	<i>18.7%</i>	<i>16.2%</i>	<i>14.7%</i>
Amortisation of intangible assets	(0.2)	-	(0.1)
Administrative expenses	(10.1)	(9.1)	(20.0)
<i>Administrative expenses %</i>	<i>28.6%</i>	<i>21.6%</i>	<i>20.0%</i>
Operating profit	1.1	3.5	8.4
<i>Operating profit margin</i>	<i>3.1%</i>	<i>8.3%</i>	<i>8.4%</i>

*Includes HP 7 PB **Includes HP 7 PB and Tales of Beedle the Bard



Financial summary

Gross margin - provisions

£ Millions	30 June 2009	30 June 2008	31 December 2008
Royalties	3.8	4.5*	14.0**
<i>% Revenues</i>	<i>10.8%</i>	<i>10.7%</i>	<i>14.0%</i>
Advances	1.3	3.6	9.1
<i>% Revenues</i>	<i>3.7%</i>	<i>8.6%</i>	<i>9.1%</i>
Stock	1.3	0.8	2.8
<i>% Revenues</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>

*Includes HP 7 PB **Includes HP 7 PB and Tales of Beedle the Bard



Financial summary

Rights turnover and operating profit analysis

£ Millions	30 June 2009	30 June 2008	31 December 2008
Rights turnover	4.6	4.4	9.3
Rights operating profit – Specialist division	2.4	2.0	4.5
Rights operating profit – Trade division	0.7	0.5	1.3
Rights operating profit	3.1	2.5	5.8

Rights turnover and operating profit includes subsidiary rights, electronic database income and income derived from third party agencies and management contracts



Financial summary

Consolidated balance sheet

£ Millions	30 June 2009	31 December 2008	
Non-current assets	30.2	31.1	-2.9%
Inventories	16.2	16.6	-2.4%
Receivables	37.7	49.0	-23.1%
Net cash	48.4	51.9	-6.7%
Total liabilities	(23.5)	(34.9)	-32.7%
Equity	109.0	113.7	-4.1%



Financial summary

Returns provision analysis

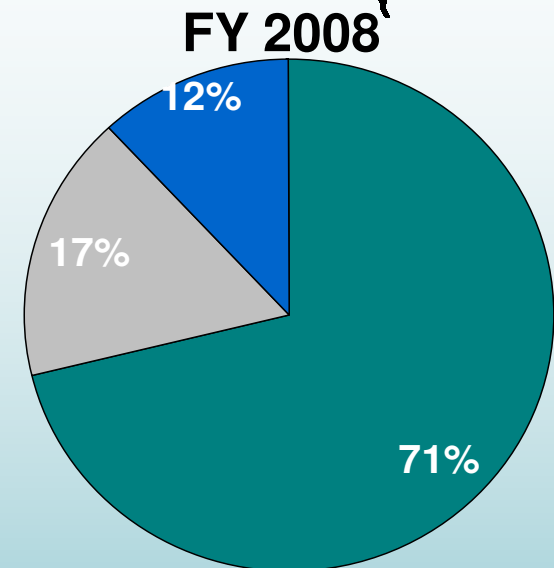
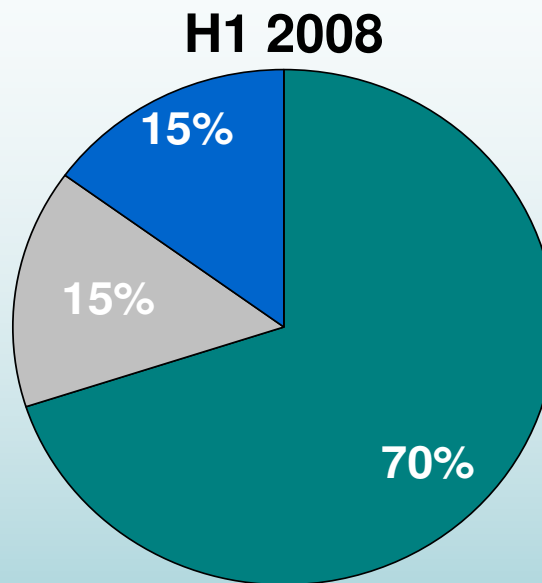
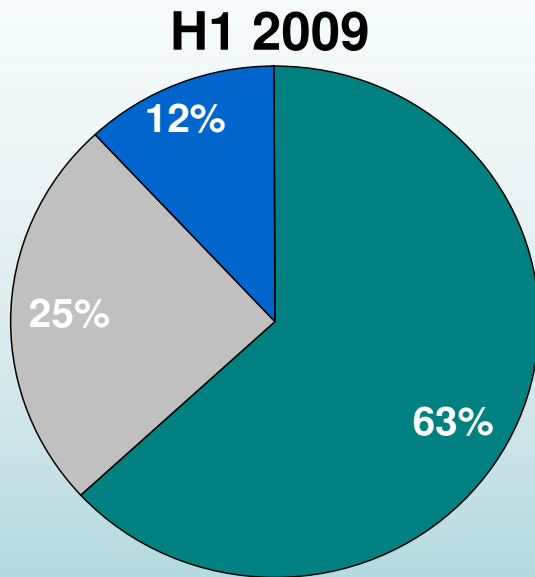
£ Millions	30 June	31 December
	2009	2008
Trade receivables	19.5	30.7
Returns provision	6.2	7.8
	<hr/>	<hr/>
Net trade receivables	13.3	22.9

Cash flow



£ Millions	30 June 2009	30 June 2008
	£m	£m
Net profit before tax	1.8	5.4
Other (including depreciation, amortisation and share-based payment charge)	0.7	0.6
Working capital	(2.1)	7.7
Investment income and finance costs	(0.8)	(1.9)
Cash (used in)/generated from operations	(0.4)	11.8
Tax paid	(1.0)	(3.8)
Net cash (outflow)/inflow from operating activities	(1.4)	8.0
Net cash generated from investing activities	0.8	0.6
Net cash used in financing activities	(2.6)	(2.6)
Net (decrease)/increase in cash and cash equivalents	(3.2)	6.0
Cash and cash equivalents at end of period	48.4	53.8

Turnover analysis by geographic segment



■ UK ■ North America ■ Continental Europe

	H1 2009	H1 2008
	£m	£m
UK	22.2	29.7 *
North America	8.7	6.3
Continental Europe	4.4	6.1
Total	35.3	42.1

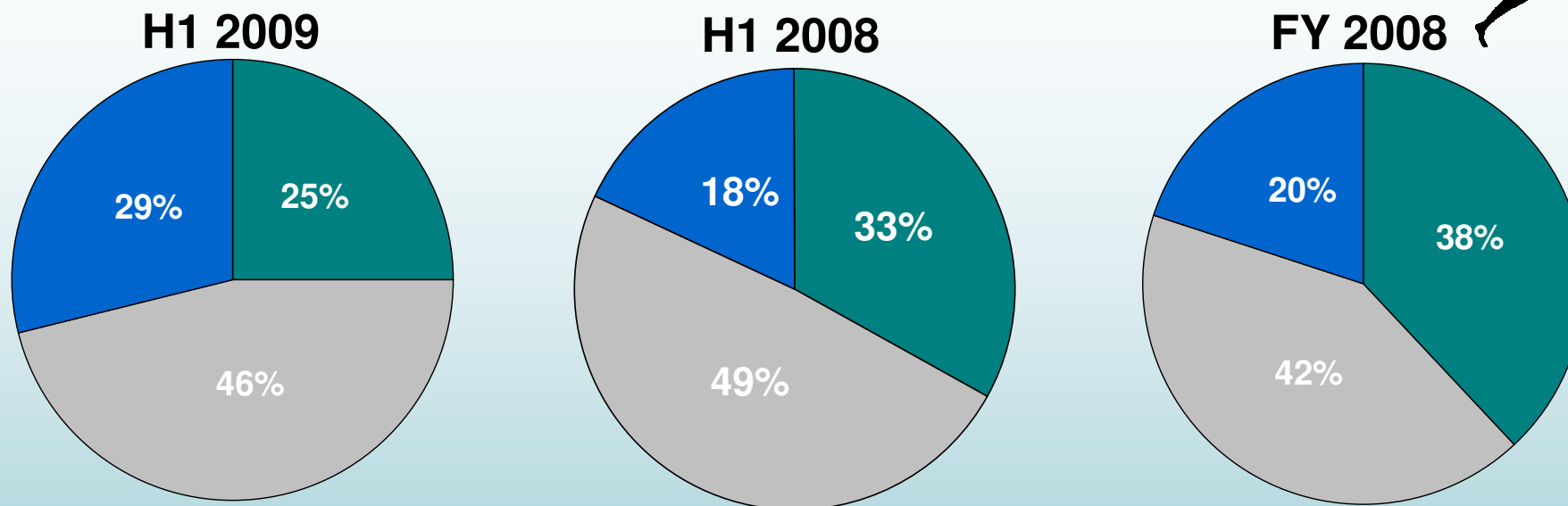
*Includes HP 7 PB

Operating profit/(loss) analysis by geographic segment



£ millions	30 June 2009	30 June 2008	31 December 2008
UK	1.7	3.5	8.1
North America	-	(0.4)	0.4
Continental Europe	(0.5)	0.5	0.2
	<hr/>	<hr/>	<hr/>
Total segment result	1.2	3.6	8.7
Central costs	(0.1)	(0.1)	(0.3)
	<hr/>	<hr/>	<hr/>
Profit before investment income	1.1	3.5	8.4

Turnover analysis by publishing category



■ Children's ■ Adult ■ Reference

	H1 2009	H1 2008	% Change
	£m	£m	
Children's	8.7	14.0 *	-37.9%
Adult	16.4	20.5	-20.0%
Reference	10.2	7.6	+34.2%
Total	35.3	42.1	-16.2%

*Includes HP 7 PB

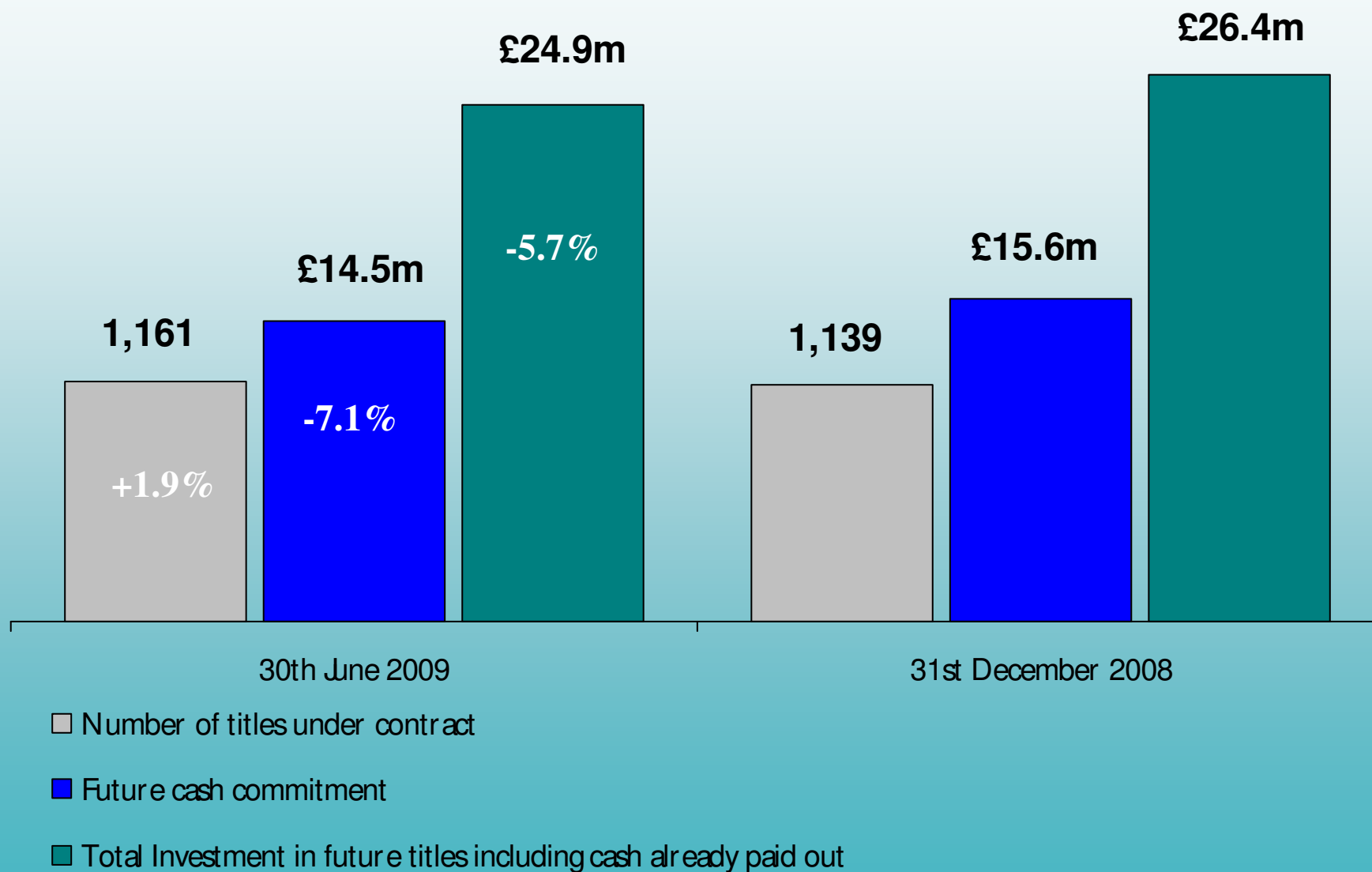
Contribution to divisional operating profit before central costs by publishing category



£ Millions	30 June 2009	30 June 2008	31 December 2008
Adult	5.2	6.7	8.0
Children's	2.9	3.6*	13.6**
Total trade publishing contribution	8.1	10.3	21.6
Reference – specialist publishing contribution	3.3	2.3	6.9
Contribution before central costs	11.4	12.6	28.5
Central costs	(10.3)	(9.1)	(20.1)
Profit before investment income	1.1	3.5	8.4

*Includes HP 7 PB **Includes HP7 PB and Tales of Beedle the Bard

Investment in future years' titles



Specialist Publishing Division

Acquisitions



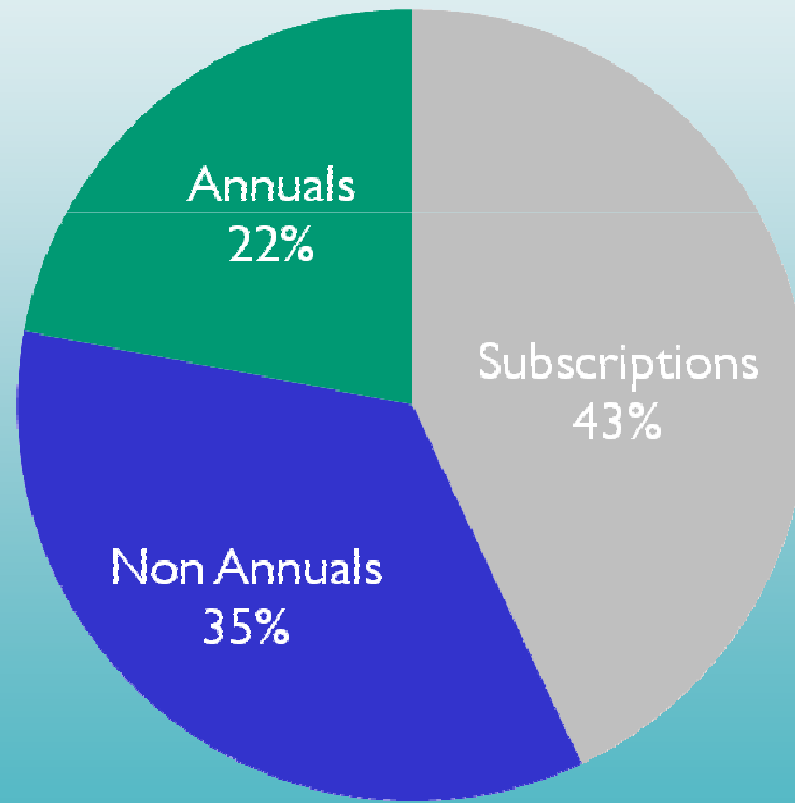
- Acquisition of Tottel Publishing
 - A leading specialist publisher of tax, law books and journals
 - Acquired for £9.96m
 - Annual revenues £6.25m
 - EBITDA £1.19m
- Renamed Bloomsbury Professional (“BP”)
- Currently being integrated
- Subscription based revenue ideal for online delivery
- BP to be used as a platform for further similar acquisitions
- Major step forward in the delivery of our specialist publishing strategy

Specialist Publishing Division

Acquisitions (continued)



Tottel - Income analysis for the twelve months to 31st December 2008

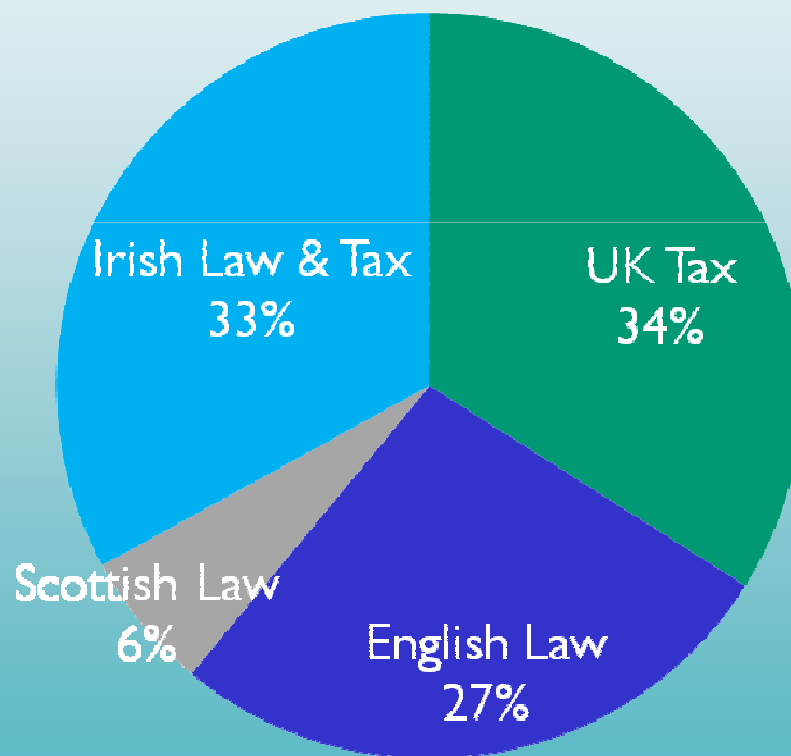


Specialist Publishing Division

Acquisitions (continued)



Tottel - Market analysis of revenues for the twelve months to 31st December 2008



Specialist Publishing Division

Acquisitions (continued)



- Acquisition of Hodder Higher Education textbook lists in Media and Communications, History and English Literature
 - Acquired for £0.46m
 - Annual revenues of £0.4m
 - Operating profit margin in excess of 20%
 - Will provide immediate scale to Bloomsbury Academic which was launched in 2008



Specialist Publishing Division

Academic and Specialist Publishing

- Two major relationships with Qatar Financial Centre and Qatar Foundation progressing well
- QFCA project delivered on time
- Worldwide launch of Qfinance :The Ultimate Resource at conference in Doha on 29th September to be attended by leading international financiers and government ministers
- Major database projects under consideration by interested third parties
- Outcome for the year will be affected by the outcome of negotiations for these projects under consideration

Specialist Publishing Division

Academic and Specialist Publishing



- Development of Berg Fashion Library (“BFL”) going to plan
 - Launch planned for May 2010
 - Potential to roll out platform to other genres
 - New partnership with Victoria & Albert Museum to use their images in BFL
- First Wisden Almanack published by us since its acquisition by A&C Black
 - New titles added to the imprint this year
 - Wisden on the Ashes (May)
 - “What are the butchers for?” and other splendid cricket quotations (October)
 - The Cricinfo Guide to International Cricket 2010 (November)
 - Success of Wisden on the Ashes following Ashes victory
 - Almanack available in e-book format for the first time

Trade Publishing Division

Overview



- Working against a strong first half 2008 comparative
 - Success of The Kite Runner and A Thousand Splendid Suns in 2008 and HP 7 in paperback
- 2009 publishing programme success significantly second half weighted
- Success of developing food and lifestyle list
 - Heston Blumenthal
 - Hugh Fearnley-Whittingstall
 - Monty Don
 - Sarah Raven
 - Leith's Cookery Bible series

Trade Publishing Division

First half highlights



- The Senator's Wife – Sue Miller – Richard & Judy Summer read selection
- The Guernsey Literary and Potato Peel Pie Society PB – Mary Ann Shaffer - UK Independent Booksellers' bestseller
- The Women – T C Boyle
- The Winter Vault – Anne Michaels
- The Last Bachelor – Jay McInerney
- The Rapture – Liz Jensen - Film rights bought by Warner Brothers
- Septimus Heap: Magyk – signed by Warner Bros. Set to be the next fantasy franchise
- Harry Potter and the Half-Blood Prince - was the highest grossing film in UK history following July launch



Trade Publishing Division

Digital books and Bloomsbury library online

- Digital delivery of books gaining momentum
- Bloomsbury Library Online launched this year
 - Offers access to collection of books through the public library system
 - Books can be read online with text search
 - Additional material available which includes author interviews, reviews, press features and reading group guides
 - New revenue stream which is an annual subscription
 - Charged according to population served
 - Access through existing technology in libraries so minimum barrier to entry
 - Books can be accessed remotely through use of library cards
 - 203 public library authorities in the UK
 - Initial library authorities purchasing it include Essex, Thurrock, Southend, and Poole – and also The British Library

Bloomsbury USA (BUSA)



- Revenues £8.7m (2008, £6.4m) – 36% increase
- Continuing focus on cost and stock control
- US retail trade still in recession
- Balancing trade with new academic business. The Arden Shakespeare and Bloomsbury Academic now being sold through BUSA
- A&C Black sales and distribution will move to BUSA in 2010
- Segmental result – profit £0.03m (2008, loss £0.4m)



- Turnover £4.4m (2008, £6.1m) – 28% decrease
- Working against a strong 2008 comparative which included bestsellers from Jonathan Littel and Khaled Hosseini
- Difficult economic conditions affecting the whole German book market
- Further round of cost reductions underway to boost second-half performance which include
 - Marketing expenditure
 - Printing costs
- Segmental result - loss £0.5m (2008, profit £0.5m)



Current Trading and Outlook

- Strong second half publishing programme
- Further acquisitions under consideration, particularly in the Specialist division
- Major database contracts under consideration
- Well positioned financially, structurally and managerially
- Global economic environment remains challenging
- Risks due to the recession highlighted at the 2008 results announcement remain, namely: new launches of bestselling authors selling below budgets; backlist high sellers selling fewer copies; potentially reduced rights, database and management contract income; bad debts and loss of distribution channels and decreased government spending on books in schools, universities and libraries
- Strong balance sheet with £48.4m of cash at the half year (31st December 2008 £51.9m)

Launch of QFINANCE: The Ultimate Resource in Qatar on 29th September

