

BLOOMSBURY



Half Year Results 2010

Summary - Half Year January - June 2010

- A good performance with revenue and operating profit ahead of 2009 interims
- Strong cashflow generation from operations
- A period of strengthening the management of the Group with four major executive appointments and a new non-executive director
- Roll out of major Bloomsbury digital innovation Public Library Online 15 UK library authorities now subscribing
- Founding of Bloomsbury Australia in important English language market earnings enhancing from 2011
- Significant digital deal signed with Sir Winston Churchill Archive
- E-book sales for the Group up on same period last year from £13k to £291k
- Bloomsbury Qatar Foundation Journals on track to launch QScience, its online platform, including The Aswan Heart Centre Science and Practice series edited by Sir Magdi Yacoub
- Launch by HM the Queen and Her Highness Sheikha Mozah bint Nasser Al Missned of the Bloomsbury Qatar Foundation Publishing Arabic book list at Windsor Castle in April, published under BQFP management services contract



- Turnover £36.8m (2009, £35.3m)
- Gross profit margin 52.5% (2009, 51.0%)
- Adjusted operating margin before amortisation 3.5% (2009, 3.4%) *
- Adjusted operating profit £1.3m (2009, £1.2m) *
- Adjusted pre-tax profit £1.4m (2009, £2.0m) *
- Adjusted basic EPS 1.49p (2009, 1.92p) *
- Interim dividend increased to 0.81p per share (2009, 0.78p)
- Cash £33.5m (31 December 2009, £35.0m)
 - * before intangibles amortisation and goodwill impairment

Consolidated income statement



£ Millions	Six months 30 June	Six months 30 June	Twelve months 31 December
	2010	2009	2009
Revenue	36.8	35.3	87.2
Gross profit	19.3	18.0	43.4
Gross profit %	52.5%	51.0%	49.8%
Marketing and distribution costs	(6.7)	(6.6)	(15.4)
Marketing and distribution costs %	18.2%	18.7%	17.7%
Adjusted administrative expenses *	(11.3)	(10.2)	(21.2)
Adjusted administrative expenses % *	30.7%	28.9%	24.3%
Adjusted operating profit *	1.3	1.2	6.8
Adjusted operating profit margin *	3.5%	3.4%	7.8%
Adjusted pre-tax profit *	1.4	2.0	7.7
* before intangibles amortisation and goodwill impairment			

Gross margin - provisions



£ Millions	30 June	30 June	31 December
	2010	2009	2009
Royalties	4.2	3.8	10.0
% Revenues	11.4%	10.8%	11.5%
Advances	1.4	1.3	3.4
% Revenues	3.8%	3.7%	3.9%
Stock	0.8	1.3	2.2
% Revenues	2.2%	3.7%	2.5%

Rights turnover and operating profit analysis



database income and income derived from third party agencies and management contracts

Consolidated balance sheet



£ Millions	30 June	31 December	·
	2010	2009	
Non-current assets	40.3	40.6	-0.7%
Inventories	16.7	16.4	+1.8%
Receivables	45.3	47.5	-4.6%
Net cash	33.5	35.0	-4.3%
Total liabilities	(23.6)	(26.8)	-11.9%
Equity	112.1	112.7	-0.5%

Returns provision analysis

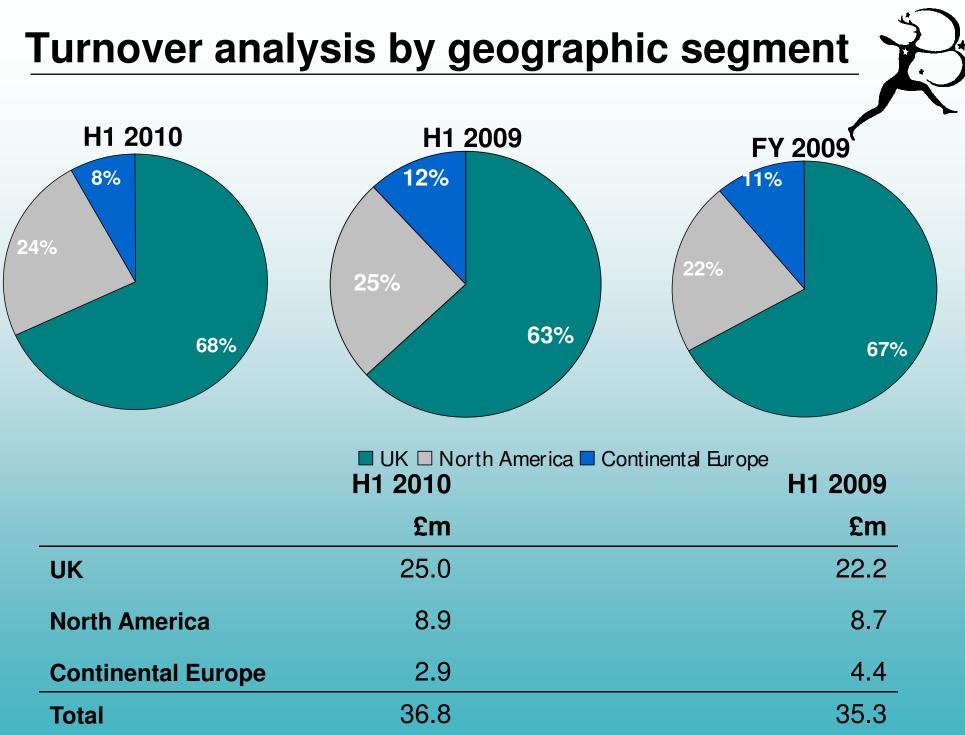


£ Millions	30 June	31 December
	2010	2009
Trade receivables *	21.7	28.1
Returns provision	5.6	6.5
Net trade receivables	16.1	21.6

* net of bad debt provision

Cash flow

£ Millions	30 June 2010	30 June 2009	
	£m	£m	
Net profit before tax	1.0	1.8	
Other (including depreciation, amortisation and share-based payment charge)	1.1	0.7	
Working capital	0.6	(2.1)	
Investment income and finance costs	(0.1)	(0.8)	
Cash generated from/(used in) operations	2.6	(0.4)	
Tax paid	(0.9)	(1.0)	
Net cash inflow/(outflow) from operating activities	1.7	(1.4)	
Net cash (used in)/generated from investing activities	(0.3)	0.8	
Net cash used in financing activities	(2.9)	(2.6)	
Net decrease in cash and cash equivalents Exchange loss on cash and cash equivalents	(1.5) -	(3.2) (0.3)	
Cash and cash equivalents at end of period	33.5	48.4	

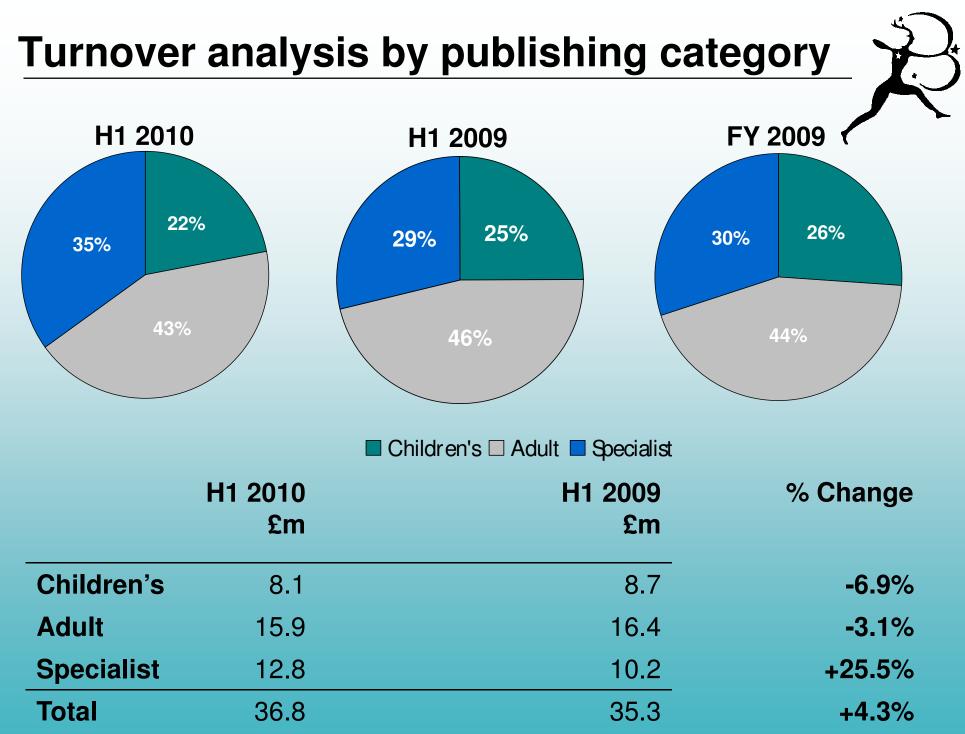


Operating profit/(loss) analysis by geographic segment

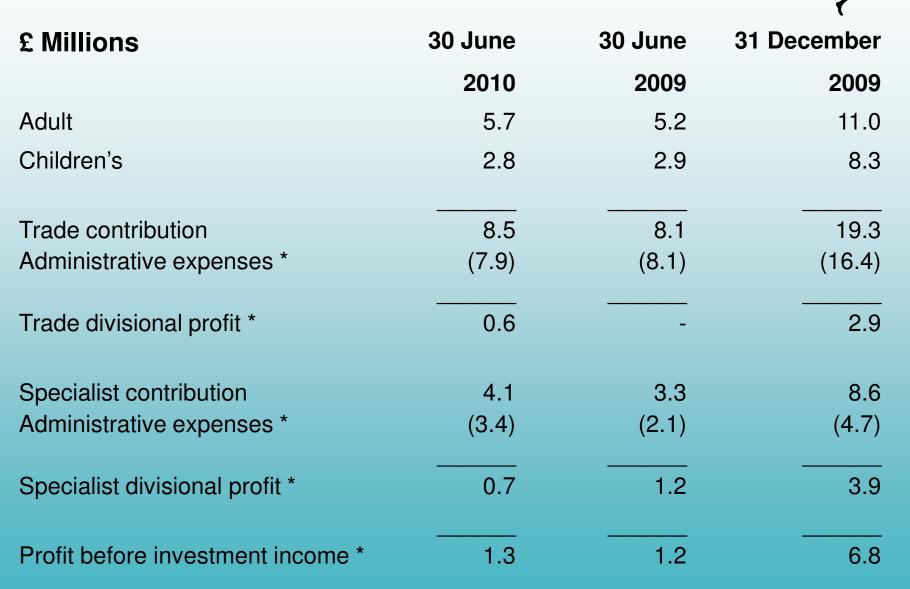


£ millions	30 June	30 June	31 December
	2010	2009	2009
UK *	1.4	1.7	6.9
North America	0.5	-	0.5
Continental Europe	(0.6)	(0.5)	(0.6)
Total segment result before			
investment income *	1.3	1.2	6.8

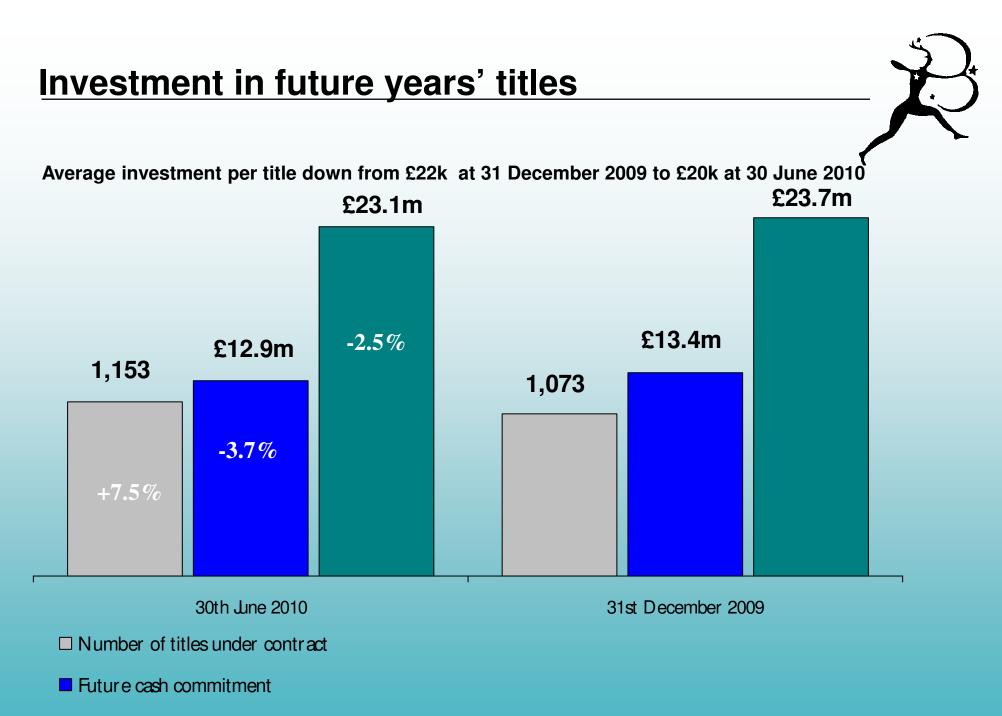
* before intangibles amortisation and goodwill impairment



Divisional contribution and operating profit by publishing category



* before intangibles amortisation and goodwill impairment

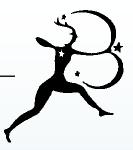


Total Investment in future titles including cash already paid out

Revenues generated by top ten author	rs in first six mo	onths
£ millions	2010	2009
Combined value of revenues from top ten authors *	6.9	6.2
Revenue of highest selling author *	1.3	2.2
Revenue generated by second highest selling author *	1.0	1.0

* net of returns provision

Specialist Publishing Division Highlights



- A&C Black sales now marketed and distributed through Bloomsbury USA
- Bloomsbury Academic launched Beta version of its online platform enabling readers to access research titles published under a creative commons licence
- One million pages of Sir Winston Churchill's archive to be digitised by Bloomsbury Academic in major new collaboration to create the first UK online Prime Minister library. Project will be launched in 2012
- Public Library Online continues to gather momentum
- Management services for Qatar Foundation include successful launch of Bloomsbury Qatar Foundation Publishing by HM the Queen and Her Highness Sheikha Mozah bint Nasser Al Missned of the BQFP Arabic book list at Windsor Castle and key executive appointments at Bloomsbury Qatar Foundation Journals prior to launch in December 2010

Specialist Publishing Division Public Library Online



- Prototype launched in May 2009 with a 100% renewal
- 15 UK library authorities now subscribing
- Currently reaches over 7.5 million of the UK population
- New revenue stream generating subscription income and driving e-book and book sales
- Protects copyright and access
- Promotes authors and books to a wider audience
- Delivers themed digital bookshelves to public libraries
- Content from seven participating third party publishers
- Major third party books such as Stieg Larsson's The Girl With the Dragon Tattoo

Specialist Publishing Division

Public Library Online

- German language version already launched via Berlin Verlag
- North American site launched June 2010
- Bloomsbury Australia launch in January 2011
- Launch into other territories in 2011 and 2012
- Potential world English-language market

– UK	– 60 million
 USA and Canada 	– 340 million
– Australia	– 20 million
– EU	– 440 million

Speakers of English worldwide – 1.8 billion



Specialist Publishing Division

Berg Fashion Library ("BFL")

- Full launch this Autumn
- Subscription based model to Higher Education, Further Education colleges and libraries worldwide with sophisticated search and browse functionality
- Research and learning tool for academics and students
- Using the sales infrastructure of Oxford University Press to sell into HE, FE colleges and libraries worldwide
- Two major partnerships already announced to date to supply high quality content via BFL
 - Victoria and Albert Museum (1,600 images)
 - Costume Institute at the Metropolitan Museum of Art in New York (2,000 images) – available in 2011
- The BFL model planned to be rolled out across other subject areas throughout Bloomsbury



Trade Publishing Division Highlights

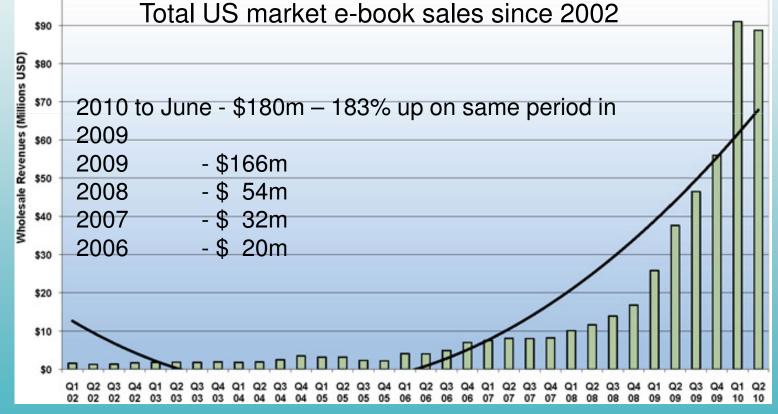


- E-book sales for the first six months of this year £291k (six months to 30 June 2009 - £13k)
- Proliferation of new e-readers in first half plus launch of ipad continuing to drive change in revenue streams.
- Bloomsbury Australia launch in January 2011 provides opportunity for growth
- The Finkler Question by Howard Jacobson is longlisted for the Booker Prize
- Alex's Adventures in Numberland stays in bestseller list for 14 weeks boosted by being runner-up for Samuel Johnson Prize.
- Neil Gaiman wins Carnegie Medal and Newberry Medal with bestselling The Graveyard Book

Trade Publishing Division E-book sales



- First six months US e-book revenues for the industry extremely robust
- Bloomsbury targeting seven figure revenues from e-books in 2010



http://www.idpf.org/doc_library/industrystats.htm

Trade Publishing Division Bloomsbury Australia



- Sales and marketing operation established to sell books directly into the ANZ market rather than through a third party
- Earnings enhancing from launch in January 2011
- Kathleen Farrar, currently Sales and Marketing Director of Bloomsbury UK, to lead new company based in Sydney
- Using sales and distribution services of our award winning agents Allen & Unwin
- Potential to start publishing operation
- Public Library Online to be launched in Australia in January 2011

Bloomsbury USA

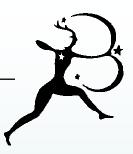


- Revenue £8.9m (2009, £8.7m)
- US Specialist Division augmented by the launch of A&C Black list in first half
- Ongoing bestsellerdom of My Horizontal Life (print and digital)
- Success of Captivate Carrie Jones

Hearts at Stake - Alexander Harvey

Rules of Attraction - Simone Elkeles

- US Public Library Online to be launched in second half of the year
- Segmental result profit £0.6m (2009, profit £0.03m)



- Revenue £2.9m (2009, £4.4m)
- Difficult trading conditions
- New Managing Director appointed Philip Roeder from Suhrkamp and Klopotek
- Major review of operation being undertaken by new MD
- Success in cutting costs including moving paperback printing to the UK
- Investment in Berlin Academic mirroring Group strategy
- Major marketing campaign for film tie-in edition of Eat Pray Love in German – already in the Spiegel best seller list
- Segmental result loss £0.6m (2009, loss £0.5m)

Major Management and Board Appointments

- Evan Schnittman Managing Director, Group Sales and Marketing, Print and Digital
- Philip Roeder Managing Director, Berlin Verlag
- Kathleen Farrar Managing Director, Bloomsbury Australia
- Martin Casimir Publishing Director, Bloomsbury Professional
- Sarah Jane Thomson Non-Executive Director

Current Trading and Outlook

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- Current trading is in line with management expectations and we continue to depend on the commercial success of our forthcoming titles and negotiations of new business contracts
- Major projects under consideration which are part of new business in the 2010 forecast
- Berg Fashion Library launched online on 23 August
- Harry Potter re-launch on 1 November 2010 with new jackets to coincide with launch of the first part of the Warner Bros film of Harry Potter and The Deathly Hallows
- Other key titles for the rest of the year are:
 - The Official History of the Secret Intelligence Service 1909 1949 Keith Jeffery
 - The Home Cookbook Monty and Sarah Don
 - Operation Mincemeat PB Ben Macintyre
 - Let the Great World Spin PB Colum McCann
 - Blockbuster film launch of Eat Pray Love in October already driving sales for Bloomsbury UK and Berlin Verlag