

BLOOMSBURY PUBLISHING PLC

RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2014

CONTENTS



Operating highlights	Nigel Newton	Page 3
Financial review	Wendy Pallot	Page 4
Divisional review	Richard Charkin/Nigel Newton	Page 17
Appendix		Page 27

OPERATING HIGHLIGHTS



Strong performance in Children's & Educational

Revenue up 8%. Reflects strategic investment and launch of Bloomsbury Activity Books and Bloomsbury Picture Books

Harry Potter

Significant activity will stimulate surge in public interest: books, films, stage play, theme parks and online

Adult strong comparator

Cookery sales continuing strength.
Exceptional Khaled Hosseini prior year performance

Academic & Professional sales growth

Continuing sales growth - notably 65% increase in digital sales.



FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS



£m	H1 2015	H1 2014	Change %
Revenue	46.6	49.2	-5%
EBITDA	2.6	3.1	-15%
Operating profit margin	4%	5%	-22%
Pre-tax profit	1.7	2.3	-26%
Effective tax rate	14.6%	27.7%	+47%
Diluted EPS	1.97p	2.22p	-11%
Net cash	2.8	10.0	-73%
Interim dividend per share	1.02p	0.98p	+4%

The above results are Adjusted. Net cash is after £8.9m paid for acquisitions over the last 12 months.

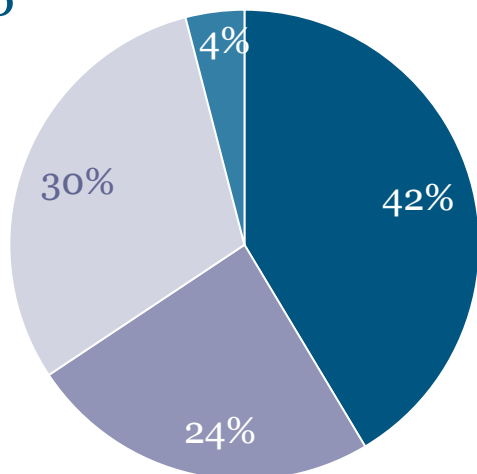
Notes for all slides:

- Underlying numbers exclude the results of Hart Publishing ("Hart") acquired on 2 September 2013. This acquisition is in the Academic & Professional division*
- Adjusted numbers exclude highlighted items (see slide 13), and include adjustments relating to amortisation made following the announcement on 10 July 2014. Full details of the change are shown in Appendix*

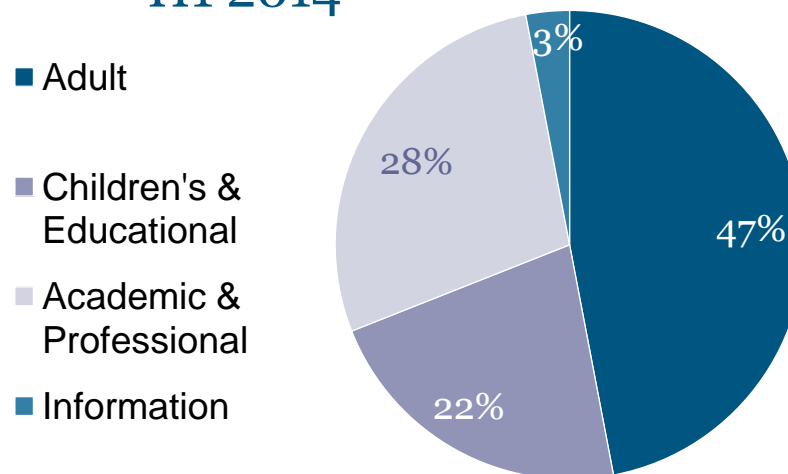
REVENUE BY PUBLISHING DIVISION



H1 2015



H1 2014



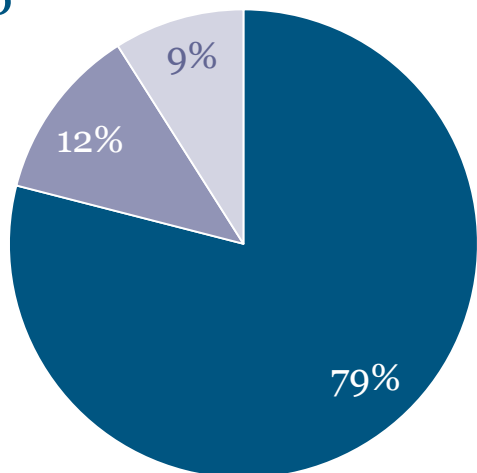
	H1 2015 £m	H1 2014 £m	Change %	Change % CER	H1 2013 £m
Adult	19.4	23.2	-17%	-14%	20.1
Children's & Educational	11.2	10.5	+8%	+12%	9.3
Academic & Professional	14.0	13.9	+1%	+5%	12.3
Information	2.0	1.6	+23%	+24%	1.8
Total revenue	46.6	49.2	-5%	-2%	43.5

Excluding the results of Hart Publishing, Academic & Professional sales in H1 2015 were £12.6m

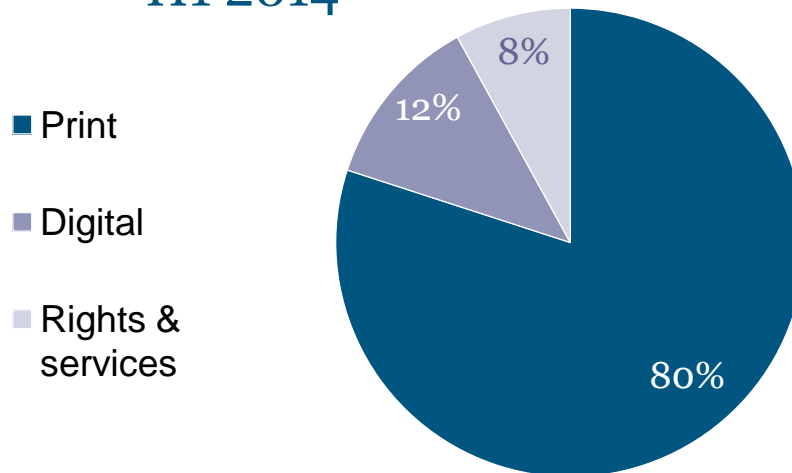
REVENUE BY TYPE



H1 2015



H1 2014



- Print
- Digital
- Rights & services

	H1 2015 £m	H1 2014 £m	Change %	Change % CER	H1 2013 £m
Print	36.7	39.6	-7%	-4%	34.9
Digital	5.6	5.8	-3%	0%	4.8
Total title sales	42.3	45.4	-7%	-3%	39.7
Rights & services	4.3	3.8	15%	16%	3.8
Total revenue	46.6	49.2	-5%	-2%	43.5

DIGITAL SALES



£m	H1 2015	H1 2014	Change %
E-book			
Adult	2.8	3.5	-23%
Children's & Educational	0.8	1.0	-15%
Academic & Professional	1.2	0.5	154%
Information	-	0.1	-103%
	4.8	5.1	-5%
Online	0.8	0.7	+9%
Total	5.6	5.8	-3%

- E-book sales are 10% of Group sales by value (H1 2014: 10%)
 - 15% in US
 - 10% in UK
 - 14% of Adult sales (H1 2014: 15%)
- Bloomsbury titles available as e-books up 28% to 16,700 (28 February 2014: 13,000)

RIGHTS & SERVICES REVENUE



£m	H1 2015	H1 2014	Change	H1 2013
Copyright licences	2.0	1.8	+15%	1.6
Trademark licences	0.1	0.1	-34%	0.2
Management contracts	1.9	1.5	+31%	1.7
Other	0.3	0.4	-14%	0.3
Total	4.3	3.8	+15%	3.8

GROSS PROFIT MARGIN



£m	H1 2015	H1 2014
Cost of sales:		
Production costs	10.1	10.3
% Total sales	22%	21%
Author royalties and advances	6.9	8.6
% Total sales	15%	17%
Stock costs	3.2	3.0
% Total sales	7%	6%
	20.2	21.9
Gross profit margin before amortisation	56.7%	55.6%
Amortisation of internally generated intangibles	0.3	-*
Total cost of sales	20.5	21.9
Gross profit margin	56.0%	55.6%

* Amortisation of £0.3m is included in administrative expenses in H1 2014

OTHER COSTS



£m	H1 2015	H1 2014	Change %
Marketing and distribution costs	6.9	7.4	-7%
% Revenues	15%	15%	-1%
Administration costs:			
Acquired and new businesses ²	0.3	-	n/a
Amortisation of internally generated intangibles	0.3	0.5	-41%
Underlying business	16.9	17.2	-1%
Total Administration costs	17.5	17.7	-1%

Notes: 1. All the lines above are Adjusted
2. This is the costs of Hart in H1 2015

ADJUSTED EBITDA BY PUBLISHING DIVISION



£m	H1 2015	H1 2014	Change
Adult	0.2	1.3	-1.1
Children's & Educational	1.2	0.0	+1.2
Academic & Professional	0.6	1.3	-0.7
Information	0.6	0.5	+0.1
Adjusted EBITDA	2.6	3.1	-0.5
Adjusted EBITDA margin %	6%	6%	

Key factors driving EBITDA movements:

- Adult: lower sales due to exceptional comparator
- Children's & Educational: strong sales
- Academic & Professional: Fairchild related adjustments: Lower net sales due to higher returns and stock write off
- Information: strong sales

HIGHLIGHTED ITEMS



£m	Charge
Restructuring costs, including Hart Publishing	0.3
Amortisation of acquired intangible assets	0.9
Total	1.2

Notes:

Amortisation from internally generated intangible assets is now excluded from highlighted items and deducted from operating profit in administration costs and cost of sales. This change was effective from 1 March 2014, further detail is included in the Appendix (see slide 30)

CONSOLIDATED BALANCE SHEET



£m	31 Aug 2014	31 Aug 2013	Change
Goodwill and acquired intangible assets	55.6	50.6	+5.0
Other intangible assets	5.2	3.6	+1.6
Other non-current assets	5.1	5.7	-0.6
Inventories	29.5	29.9	-0.4
Receivables	54.4	53.8	+0.6
Net cash	2.8	10.0	-7.2
Total liabilities	(35.7)	(38.5)	+2.8
Net assets	116.9	115.1	+1.8

Goodwill has increased through acquisitions of Hart and New Holland in H2 2014
 Cash spend on acquisitions in the last 12 months is £9.0 million

RECEIVABLES



£m	31 Aug 2014	31 Aug 2013	Change
Trade receivables	30.6	30.9	-0.3
Returns provision	(4.3)	(5.6)	+1.3
% of trade receivables	14%	18%	
Net trade receivables	26.3	25.3	+1.0
Advances	19.3	20.0	-0.7
Other receivables	8.8	8.5	+0.3
Total	54.4	53.8	+0.6

CASH FLOW



£m	H1 2015	H1 2014
EBITDA after highlighted items	2.3	2.8
Working capital	(4.9)	(3.5)
Share based payments	0.3	0.4
Taxes paid	(0.9)	(1.1)
Operating cash flow	(3.2)	(1.4)
Capital expenditure	(0.2)	(0.7)
Investment in intangibles	(1.4)	(0.4)
Acquisitions	(2.4)	(2.0)
Other changes	(0.1)	(0.1)
Movement in cash	(7.3)	(4.6)



DIVISIONAL REVIEW

ADULT DIVISION



Strong comparator

- Revenue £19.3m (2013: £23.2 million) - Cookery sales continuing strength against exceptional Khaled Hosseini prior year performance

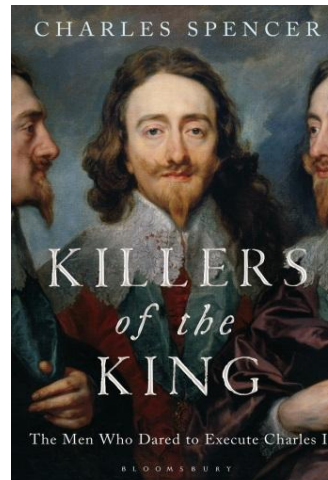
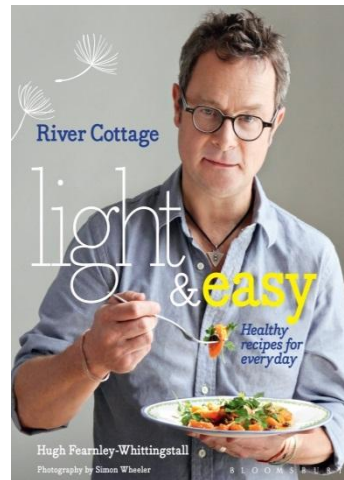
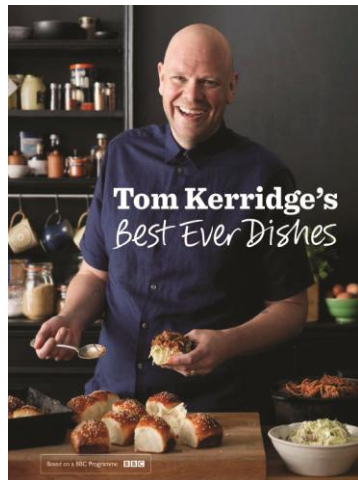
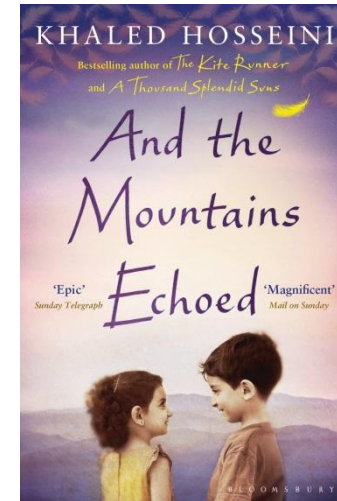
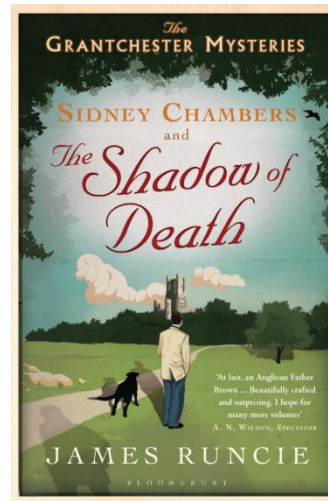
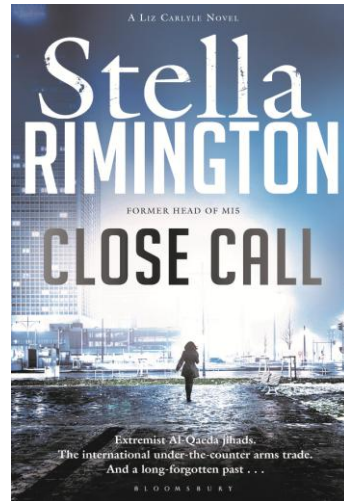
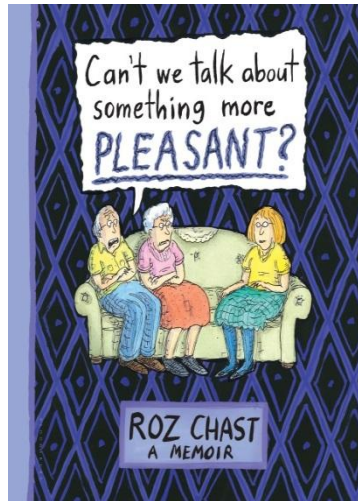
H1 Key titles

- Paperback of *And The Mountains Echoed* by Khaled Hosseini
- *Tom Kerridge's Best Ever Dishes* accompanied by BBC TV series
- *Before We Met* by Lucie Whitehouse
- Roz Chast's *Can't We Talk About Something More Pleasant?*

Prizes

- *Tenth of December* by George Saunders wins Folio Prize
- *The Sound of Things Falling* by Juan Gabriel Vasquez wins IMPAC Dublin Literary Award
- *The Lowland* by Jumpa Lahiri shortlisted for the Baileys Women's Prize for Fiction
- Roz Chast's *Can't We Talk About Something More Pleasant?* finalist for National Book Award

ADULT BESTSELLERS



CHILDREN'S & EDUCATIONAL DIVISION



Excellent result

- Revenue up 8% year on year, EBITDA to £1.2m (2013: Nil), reflects success of previous strategic investment and launch of Bloomsbury Activity Books and Bloomsbury Picture Books

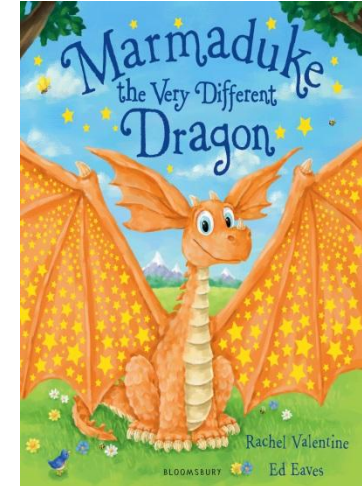
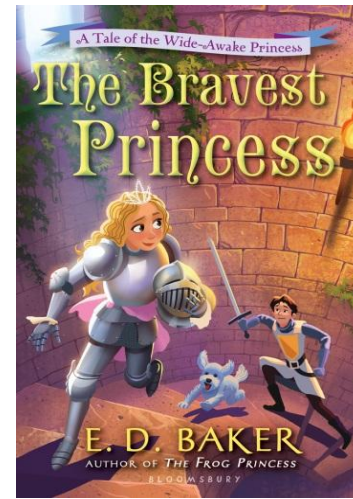
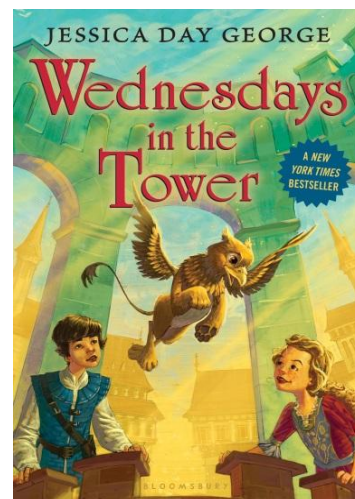
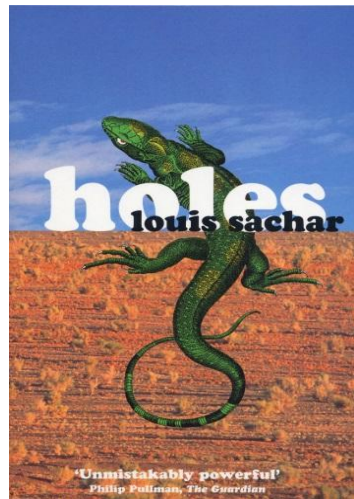
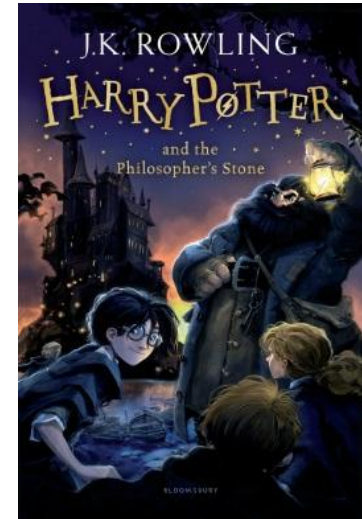
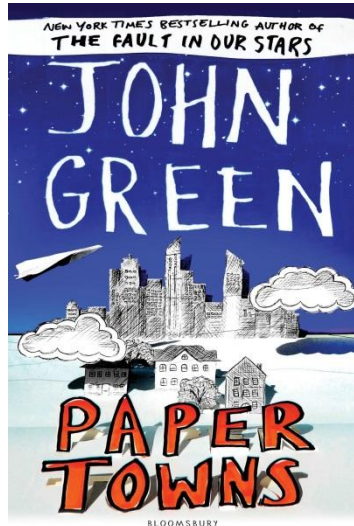
Harry Potter

- Launch of new children's editions
- Warner Bros film trilogy based on *Fantastic Beasts & Where to Find Them*
- *Harry Potter* stage play
- Significant new material on J.K. Rowling's Pottermore website
- Illustrated editions of *Harry Potter* books launching Autumn 2015

Bestsellers

- Bestsellers include *Paper Towns* by John Green, the mega-selling author of the moment, *Marmaduke the Different Dragon* by Rachel Valentine and Ed Eaves, newly re-jacketed *Harry Potter* titles

CHILDREN'S BESTSELLERS



ACADEMIC & PROFESSIONAL DIVISION



Digital strategy progress

- Digital revenues grew 65% to £2.0m, boosted by robust online subscription revenue
- Bloomsbury Collections launched September 2014

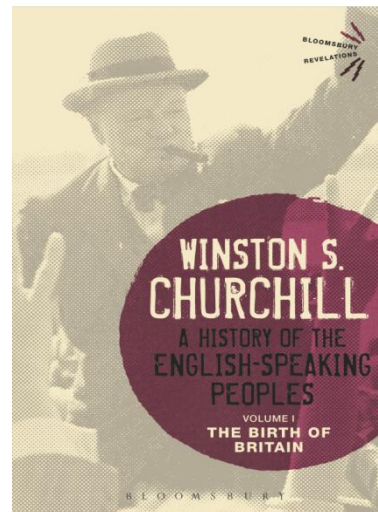
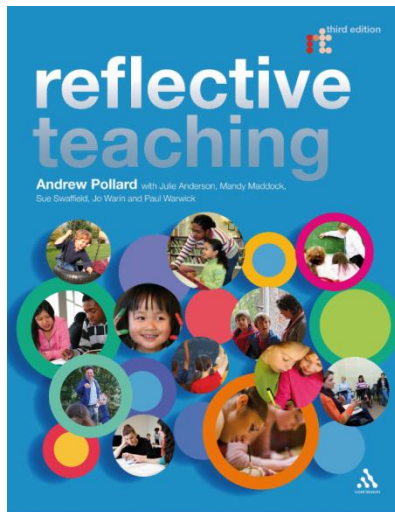
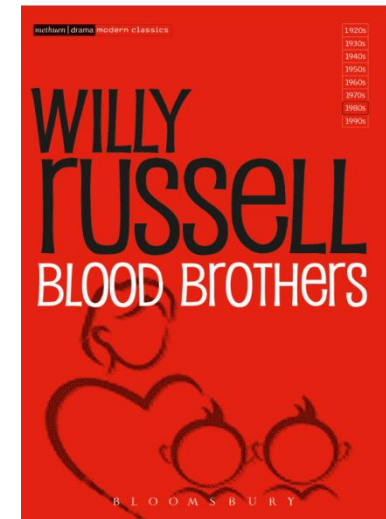
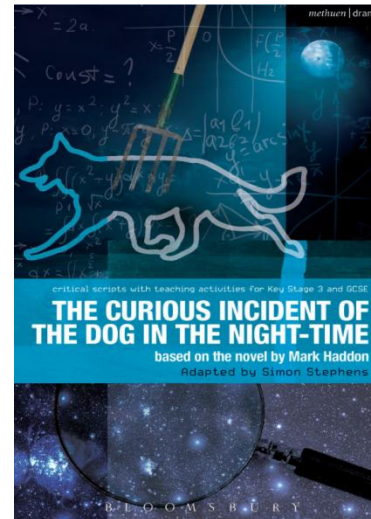
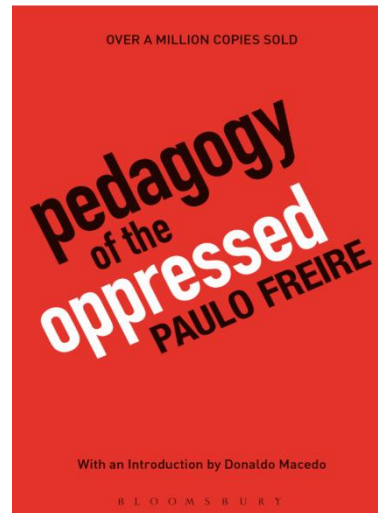
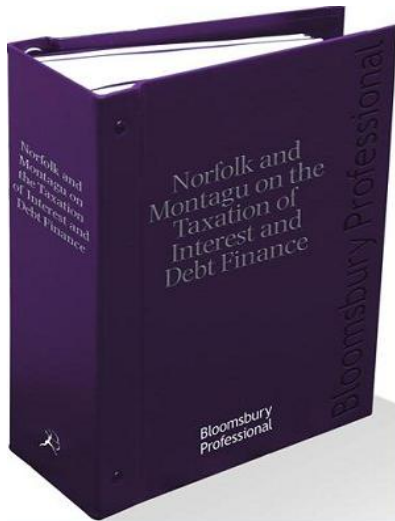
Continuing sales growth

- Academic & Professional generated 30% of Group revenue (2013: 28%). Total sales up 1% to £14.0m
- Good UK result, bolstered by Hart performing to forecast
- US affected by appreciation of sterling, Fairchild related high returns and stock write off

Major awards

- For second year, Bloomsbury voted Bookseller Academic, Educational and Professional Publisher of the Year 2014
- Drama Online won Innovation Excellence Award from the Stationers' Company

ACADEMIC & PROFESSIONAL BESTSELLERS



BLOOMSBURY INFORMATION



Strategic focus

- Development of IP-rich knowledge hubs in cooperation with external partners
- Provision of management and publishing services including to Qatar Foundation and Lloyds Bank
- Publishing of management, finance and reference titles

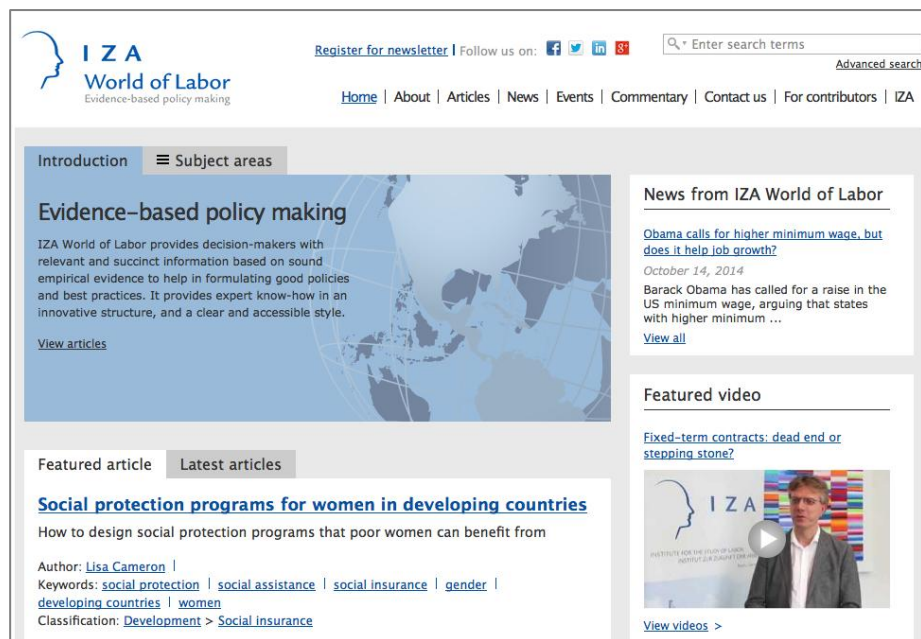
Knowledge hubs

- Official launch of IZA World of Labor on 1 May 2014, now includes over 100 articles

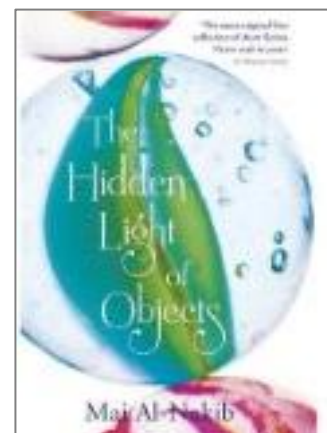
Qatar Foundation

- Extension of Qatar Foundation management services agreement to 31 December 2015 on the same terms and the intention of the parties is to enter into a long term renewal

BLOOMSBURY INFORMATION



wol.iza.org



The Hidden Light of Objects
Nominated for the Edinburgh International
Book Festival First Book Award



Member of Qatar Foundation



دار بلومزبري - مؤسسة قطر للنشر
BLOOMSBURY
QATAR FOUNDATION
PUBLISHING



OUTLOOK



- Strong H2 Adult division programme
 - *Paul Hollywood's British Baking*
 - *Tom Kerridge's Best Ever Dishes*
 - *River Cottage Light & Easy* by Hugh Fearnley-Whittingstall
- 3 TV series linked to Bloomsbury books: Grantchester, Jonathan Strange & Mr Norrell, Tom Kerridge's Best Ever Dishes
- Results continue to be H2 weighted because of the importance of Christmas trade sales and academic peak in October
- Targeting significant Rights & Services contracts for H2 that are not yet contracted, as last year
- Focus on digital publishing – Bloomsbury Collections, Bloomsbury Fashion Central and Drama Online. More knowledge hubs to come



APPENDIX

APPENDIX

ADJUSTED INCOME STATEMENT



£m	H1 2015	H1 2014	Change %	Change % CER
Revenue	46.6	49.2	-5%	-2%
Gross profit	26.1	27.3	-5%	-2%
Gross profit margin %	56%	56%	1%	0%
Marketing and distribution costs	(6.9)	(7.4)	7%	12%
Marketing and distribution costs as % revenue	15%	15%	1%	10%
Administrative expenses	(17.5) ¹	(17.7) ¹	1%	-6%
Operating profit	1.7	2.3	-26%	-28%
Operating profit margin %	4%	5%	-22%	-27%
Pre-tax profit	1.7	2.3	-26%	-28%
Tax	(0.1)	(0.3)	-10%	

Note: 1. There is a £0.3m increase year on year from having extra months of Hart. Excluding these costs, Administrative expenses are down 3% year on year.
 2. CER is results restated based on constant exchange rates

APPENDIX

ADJUSTED SEGMENTAL ANALYSIS H1 2015



£000	Adult		Children's & Educational		Academic & Professional		Information		Total	
Print sales	15,424	80%	9,557	86%	11,455	82%	201	10%	36,637	79%
Digital sales	2,780	14%	829	7%	2,037	15%	-	-%	5,646	12%
Rights & services	1,122	6%	840	7%	514	3%	1,821	90%	4,297	9%
Total revenue	19,326	100%	11,226	100%	14,006	100%	2,022	100%	46,580	100%
% of total	42%		24%		30%		4%		100%	
UK	13,091	68%	6,722	60%	8,879	63%	1,991	98%	30,683	66%
US	4,527	23%	3,228	29%	4,535	32%	22	1%	12,312	26%
Australia	1,518	8%	1,019	9%	255	2%	9	1%	2,801	6%
India	190	1%	257	2%	337	3%	-	0%	784	2%
Total revenue	19,326	100%	11,226	100%	14,006	100%	2,022	100%	46,580	100%
Gross margin	9,869		6,498		8,140		1,574		26,081	
Gross margin %	51%		58%		58%		78%		56%	
Marketing and distribution	(2,960)		(1,783)		(2,105)		(48)		(6,896)	
Contribution	6,909		4,715		6,035		1,526		19,185	
Administrative expenses	(7,066)		(3,678)		(5,864)		(888)		(17,496)	
Operating (loss) / profit	(157)		1,037		171		638		1,689	
Operating profit %	-1%		9%		1%		32%		4%	
% of total	-9%		61%		10%		38%		100%	
EBITDA	178		1,162		626		662		2,628	

Note: The above results include amortisation of internally generated intangible assets as follows:

Cost of sales	68	-	250	-	318
Administrative expenses	133	47	99	13	291
Total	201	47	349	13	610

APPENDIX

ADJUSTED SEGMENTAL ANALYSIS H1 2014

RESTATED



£000	Adult		Children's & Educational		Academic & Professional		Information		Total	
Print sales	18,523	80%	8,935	86%	11,997	86%	135	8%	39,590	80%
Digital sales	3,560	15%	974	9%	1,233	9%	67	4%	5,834	12%
Rights & services	1,154	5%	532	5%	626	5%	1,437	88%	3,749	8%
Total revenue	23,237	100%	10,441	100%	13,856	100%	1,639	100%	49,173	100%
% of total	47%		22%		28%		3%		100%	
UK	14,742	64%	6,014	58%	7,523	54%	1,622	99%	29,901	61%
US	5,838	25%	3,597	34%	5,967	43%	5	0%	15,407	31%
Australia	2,082	9%	687	7%	309	2%	12	1%	3,090	6%
India	575	2%	143	1%	57	1%	–	0%	775	2%
Total revenue	23,237	100%	10,441	100%	13,856	100%	1,639	100%	49,173	100%
Gross margin	11,271		5,425		9,208		1,418		27,322	
Gross margin %	49%		52%		66%		87%		56%	
Marketing and distribution	(3,492)		(1,805)		(2,061)		(20)		(7,378)	
Contribution	7,779		3,620		7,147		1,398		19,944	
Administrative expenses	(6,777)		(3,714)		(6,225)		(936)		(17,652)	
Operating profit / (loss)	1,002		(94)		922		462		2,292	
Operating profit %	4%		-1%		7%		28%		5%	
% of total	44%		-4%		40%		20%		100%	
EBITDA	1,286		18		1,300		487		3,091	

Note: Restated for the change in treatment of amortisation of internally generated intangible assets which is excluded from highlighted items. This increases administrative expenses in the above restated results by the amounts below:

Administrative expenses	183	49	253	14	499
-------------------------	-----	----	-----	----	-----

APPENDIX

ADJUSTED SEGMENTAL ANALYSIS H1 2015

AT CONSTANT EXCHANGE RATES



£000	Adult		Children's & Educational		Academic & Professional		Information		Total	
Print sales	15,983	80%	9,967	86%	11,939	82%	206	10%	38,095	79%
Digital sales	2,872	14%	876	7%	2,077	14%	-	0%	5,825	12%
Rights & services	1,142	6%	865	7%	524	4%	1,819	90%	4,350	9%
Total revenue	19,997	100%	11,708	100%	14,540	100%	2,025	100%	48,270	100%
% of total	42%		24%		30%		4%		100%	
UK	13,090	65%	6,722	58%	8,879	61%	1,991	98%	30,682	64%
US	4,976	25%	3,547	30%	4,993	34%	24	1%	13,540	28%
Australia	1,714	9%	1,148	10%	287	2%	10	1%	3,159	6%
India	217	1%	291	2%	381	3%	-	0%	889	2%
Total revenue	19,997	100%	11,708	100%	14,540	100%	2,025	100%	48,270	100%
Gross margin	10,153		6,759		8,379		1,576		26,867	
Gross margin %	51%		58%		58%		78%		56%	
Marketing and distribution	(2,921)		(1,761)		(1,793)		(46)		(6,521)	
Contribution	7,232		4,998		6,586		1,530		20,346	
Administrative expenses	(7,440)		(3,929)		(6,436)		(890)		(18,695)	
Operating (loss) / profit	(208)		1,069		150		640		1,651	
Operating profit %	-1%		9%		1%		32%		3%	
% of total	-13%		65%		9%		39%		100%	
EBITDA	(3)		1,150		1,131		665		2,943	

Constant exchange rate results for H1 2015 for overseas subsidiaries are calculated using the average exchange rate for the same period last year.