



Bloomsbury Publishing Plc

RESULTS FOR THE SIX MONTHS ENDED  
31 AUGUST 2017

# BLOOMSBURY PUBLISHING



Innovative &  
entrepreneurial  
global publisher



Rich in  
intellectual  
property



Growing  
academic digital  
revenues



Editorial  
and design  
excellence



Growth of  
Harry Potter  
brand



Strong financial  
position



# HIGHLIGHTS



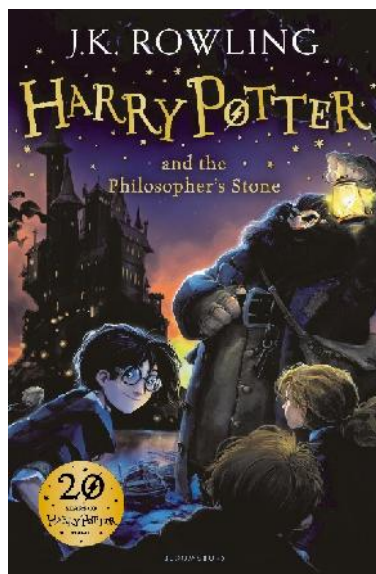
## Group financial performance

- Strong revenue growth of 15% to £72.1m (12% at constant exchange rates) driven by Children's with Harry Potter and Sarah J. Maas
- Adjusted profit before tax grows by £1.0m to £2.5m



## *Bloomsbury 2020*: Investing to grow digital academic & professional revenues

- *Bloomsbury 2020* revenues\* grow 16%
- Strategy on track – two new major digital resources launched so far this year
- Adjusted profit before tax includes net investment of £0.6m in *Bloomsbury 2020*



Good cash generation, with  
**£16.9 million**  
cash at 31/8/17



Dividend increases by **5%**



Note: \* *Bloomsbury 2020* revenues include digital resource and rights & services revenues

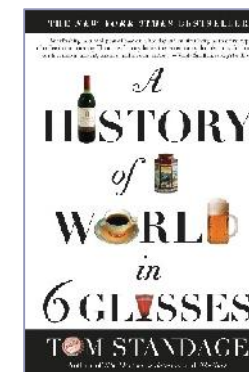
# FINANCIAL HIGHLIGHTS



| H1 £m                                 | 2017/18      | 2016/17      | Change<br>% | Change CER<br>% |
|---------------------------------------|--------------|--------------|-------------|-----------------|
| Revenue                               | 72.1         | 62.7         | 15%         | 12%             |
| <i>Operating profit margin</i>        | <i>3.4%</i>  | <i>2.2%</i>  |             |                 |
| Pre-tax profit                        | 2.5          | 1.5          | 74%         | 78%             |
| <i>Effective tax rate<sup>2</sup></i> | <i>16.5%</i> | <i>15.1%</i> |             |                 |
| Diluted EPS                           | 2.81p        | 1.65p        | 70%         | 75%             |
| Net cash                              | 16.9         | 9.1          | 85%         | 87%             |
| Interim dividend per share            | 1.15p        | 1.10p        | 5%          |                 |

## Notes:

1. The above results are Adjusted by excluding highlighted items, which are shown on slide 24
2. The effective tax rate is the adjusted rate used to calculate adjusted EPS. The reported rate in the period is 19.1% (2016/17: 25.2%)
3. CER is results at constant exchange rates calculated by applying monthly average exchange rates for 2016/17 to the monthly results for 2017/18

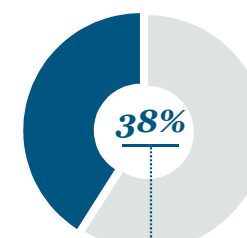
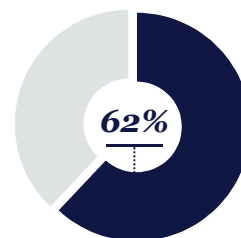


# RESULTS

## BY PUBLISHING DIVISION



H1 revenues as % total:



£m

Revenues H1 2017/18

44.7

27.4

Revenues H1 2016/17

37.3

25.4

*Change %*

*20%*

*8%*

Operating profit H1 2017/18

2.9

(0.4)

Operating profit H1 2016/17

1.8

(0.4)

*Change %*

*66%*

*(11)%*

Non-Consumer profits include £0.9m extra net *Bloomsbury 2020* investment this period

Notes:

1. Prior period profits are amended to reflect a change in the allocation of central costs in order to provide a better understanding of underlying results. Group results are unaffected.
2. The above results are Adjusted by excluding highlighted items, which are shown on slide 24



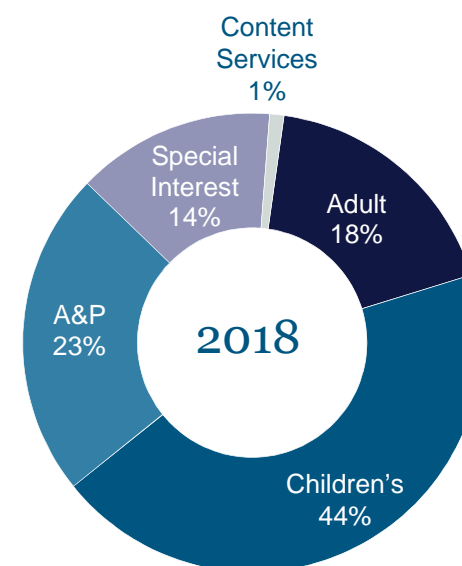
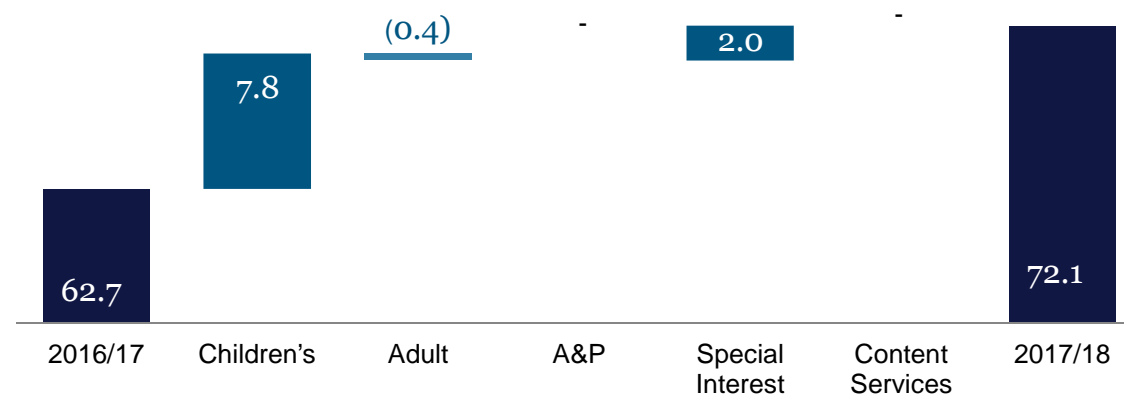
# REVENUE BY SUB-DIVISION



| H1 £m                     | 2017/18     | 2016/17     | Change %   |
|---------------------------|-------------|-------------|------------|
| Adult                     | 13.0        | 13.4        | (3)%       |
| Children's                | 31.7        | 23.9        | 33%        |
| <b>Total Consumer</b>     | <b>44.7</b> | <b>37.3</b> | <b>20%</b> |
| Academic & Professional   | 16.6        | 16.6        | -          |
| Special Interest          | 10.1        | 8.1         | 25%        |
| Content Services          | 0.7         | 0.7         | 6%         |
| <b>Total Non-Consumer</b> | <b>27.4</b> | <b>25.4</b> | <b>8%</b>  |
| <b>Total revenue</b>      | <b>72.1</b> | <b>62.7</b> | <b>15%</b> |

- Adult e-book sales reduce by 10%
- Industry stats: UK trade e-book sales down 17% calendar 2016 (Source: PA). US adult e-book sales down 3% Jan-May 17 (source: AAP)

## Total revenue £m



# REVENUE MIX

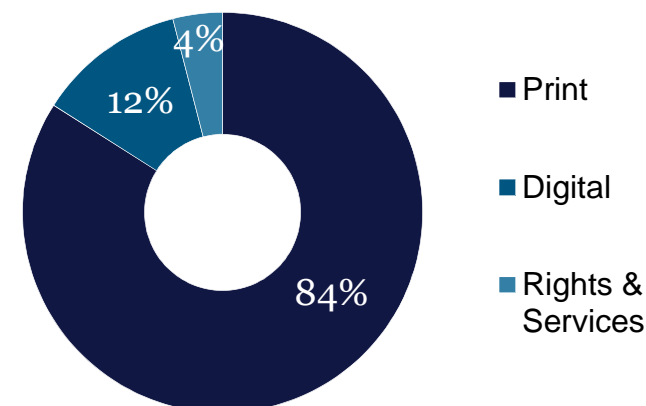


| H1 £m                  | 2017/18     | 2016/17     | Change %   |
|------------------------|-------------|-------------|------------|
| Print                  | 60.1        | 51.7        | 16%        |
| E-books                | 6.6         | 5.7         | 16%        |
| Other digital revenues | 2.3         | 2.0         | 14%        |
| Digital                | 8.9         | 7.7         | 15%        |
| Total book sales       | 69.0        | 59.4        | 16%        |
| Copyright licences     | 2.6         | 2.7         | (2)%       |
| Publishing services    | 0.4         | 0.4         | 11%        |
| Other                  | 0.1         | 0.2         | (52)%      |
| Rights and Services    | 3.1         | 3.3         | (4)%       |
| <b>Total revenue</b>   | <b>72.1</b> | <b>62.7</b> | <b>15%</b> |

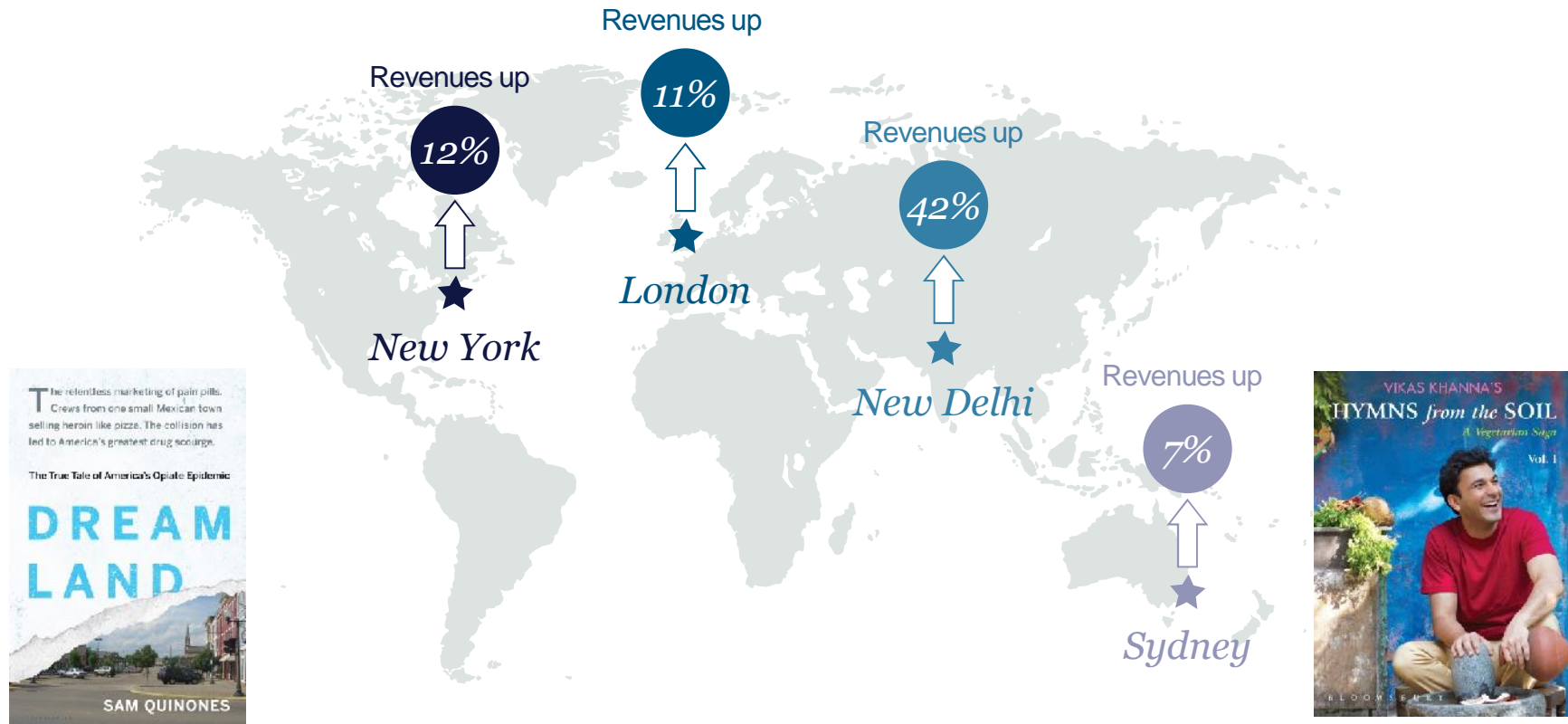
Print books 87% of total book sales – on-going demand for print format

Strong Young Adult authors like Sarah J. Maas drive 16% e-book sales growth

Digital resources revenues on track



# GEOGRAPHIC REVENUES



Revenues increase 12% using constant exchange rates



*Note: The above revenue increases are in local currency*



# STRONG BALANCE SHEET

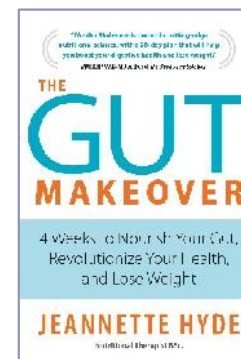
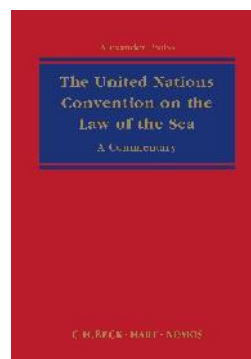
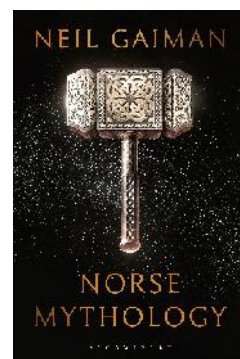


| £m                               | 31.8.17      | 31.8.16      |
|----------------------------------|--------------|--------------|
| Goodwill & acquired intangibles  | 56.0         | 57.6         |
| Internally generated intangibles | 6.8          | 6.7          |
| Property, plant & equipment      | 2.1          | 2.3          |
| Net deferred tax assets          | 2.5          | 0.5          |
| Working capital (ex tax)         | 55.8         | 58.6         |
| Tax (liabilities)/receivables    | (0.8)        | 0.8          |
| Retirement benefit obligations   | (0.3)        | (0.4)        |
| Other                            | 0.3          | (0.1)        |
|                                  | <b>122.4</b> | <b>126.0</b> |
| Net cash                         | 16.9         | 9.1          |
| <b>Net assets</b>                | <b>139.3</b> | <b>135.1</b> |

£2.6m asset recognised on temporary difference on US stock valuation in H2 2016/17

Includes £23.5m advances and £28.0m stock.  
£56.8m at CER. Stock reduces £0.2m, 1% at CER

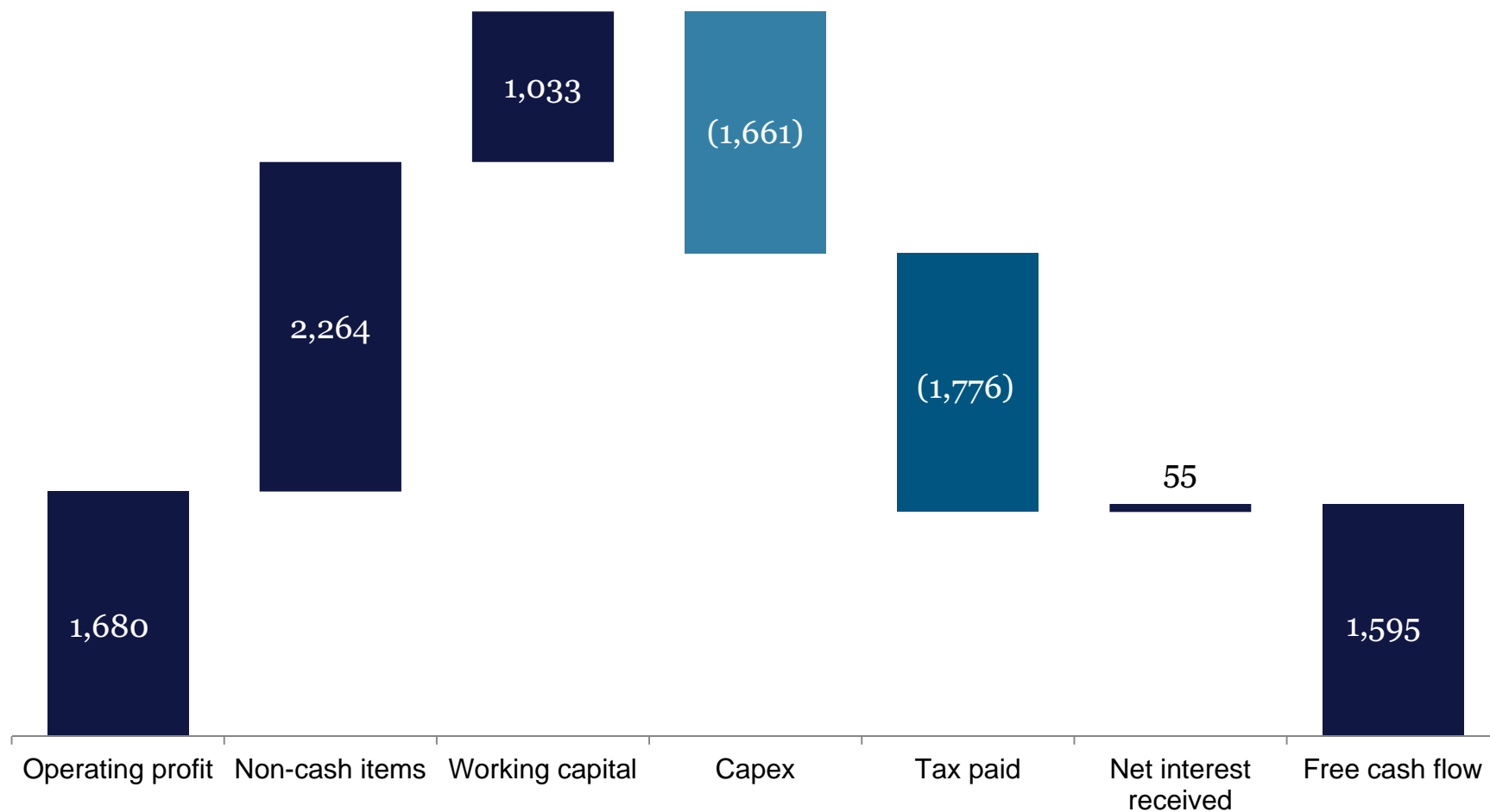
Working capital reduction and good profits have contributed to strong cash generation



# CASH FLOW MOVEMENT



£'000s



# CASH FLOW PRIORITIES



## Free cash flow priorities

- Fund growth through:
  - Organic development
  - Acquisitions
- Deliver a progressive and sustainable dividend
- Maintain a strong balance sheet – (cash at 31.8.17 £16.9 million)



## Dividend

- Interim dividend increasing by 5% to 1.15p per share
- The dividend will be paid 30 November 2017. Record date 3 November 2017. Ex-dividend date is 2 November 2017



# CONSUMER DIVISION: CHILDREN'S TRADE



## Excellent performance



- Revenue up 33% to £31.7m
- E-book sales up 60% to £2.2m
- Revenues excl. HP and SJM up 29%

## Harry Potter

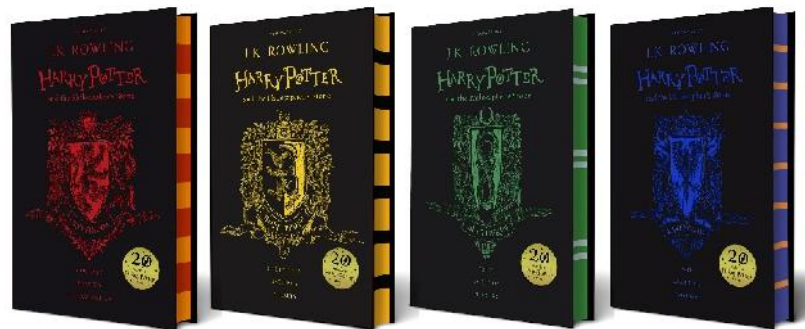
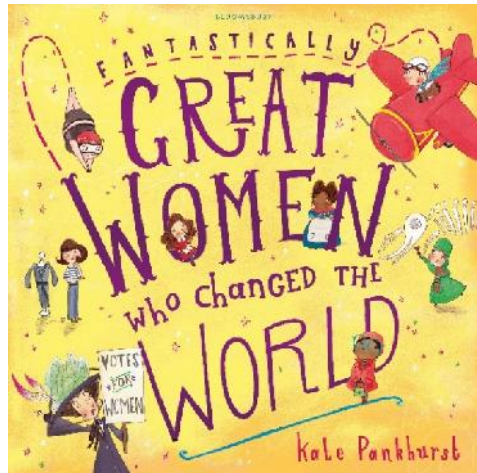


- *Harry Potter and the Philosopher's Stone* new House Editions celebrate 20<sup>th</sup> anniversary of first being published
- Sales of Harry Potter titles grew by 40%

## Sarah J. Maas



- Sales of Sarah J. Maas books grew by 47%
- Bestsellers in year *A Court of Wings and Ruin* and *Tower of Dawn*
- 7 future titles contracted



# CONSUMER DIVISION: ADULT TRADE



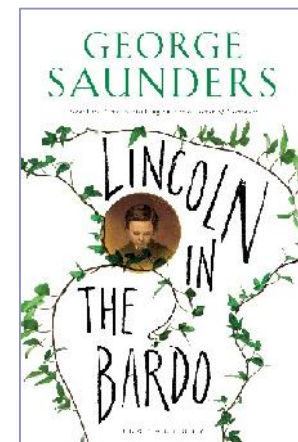
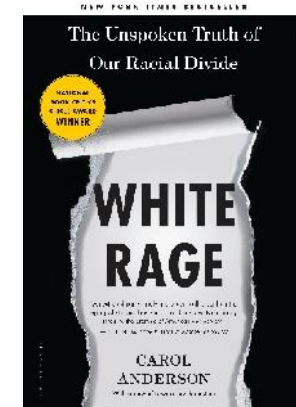
## Financial results

- Revenues £13.0m (16/17: £13.4m)  
Print flat, e-book sales down 10%, following industry trends
- Profits down due to this change in sales mix and incremental overhead investment of £0.1m following recent strategic changes in the division



## Best sellers

- Strong US list includes *Dreamland: The True Tale of America's Opiate Epidemic* and *White Rage: The Unspoken Truth of our Racial Divide*
- In the UK, *Lincoln in the Bardo* wins Man Booker Prize. *Tom Kerridge's Dopamine Diet* and *Norse Mythology* both reach number one in *Sunday Times* lists



# NON-CONSUMER DIVISION: ACADEMIC & PROFESSIONAL



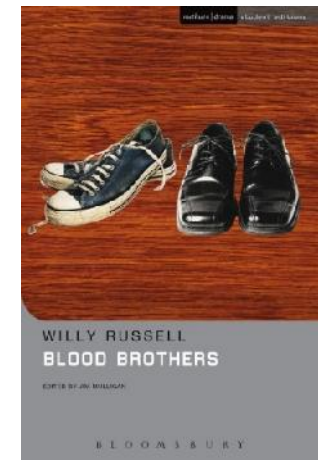
## Financial progress

- Core A&P revenues up 2% excl. Education. Education sales down from strong rights comparative
- A&P digital resources revenues grow 10% to £2.2m, including a 17% increase at Bloomsbury Professional
- Digital revenues now 24% of total book revenues (2016/17: 21%)



## Other achievements

- Methuen Drama: *James Tait Black* Prize for *Cyprus Avenue*
- *Olivier Award for Outstanding Achievement in an Affiliate Theatre* for *Rotterdam*
- Carolyn Cocca's *Superwomen: Gender, Power, and Representation* won the Will Eisner Award for Best Academic/Scholarly Work
- *Animated Landscapes*, edited by Chris Pallant, won the prestigious McLaren-Lambart award for Best Book on the Subject of Animation





# FOCUS ON BLOOMSBURY 2020

## INVESTING TO GROW B2B DIGITAL REVENUES



### Digital resource launches 2017/18 to date

- Bloomsbury Design Library
- Bloomsbury Food Library
- Drama modules: Playwrights Canada Press, Aurora Metro, Bloomsbury Scholarly Collection: Critical Studies and Performance Practice

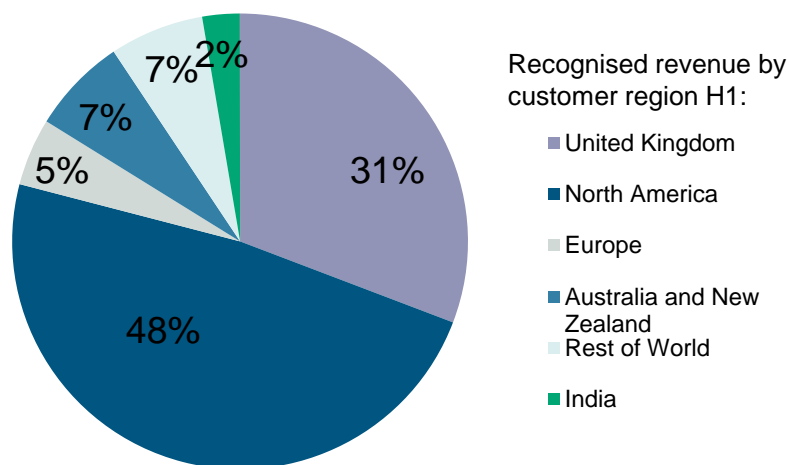
### H2 launches

Launch of further major digital resources in H2:

- Bloomsbury Encyclopedia of Philosophers
- Bloomsbury Cultural History

Bringing total launches of major resources for the year to four, one more than planned

### Significant international customer base



### Financials

- £0.6 net investment in income statement for H1 (2016/17: profit £0.3m)
- Future financial targets unchanged: £15m revenue and £5m profit from digital resources by 2021/22

# BLOOMSBURY DESIGN LIBRARY





# OTHER NON-CONSUMER



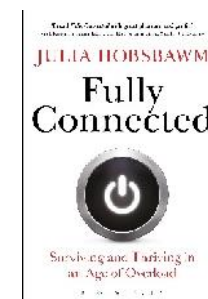
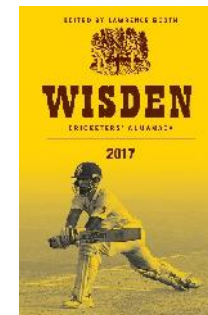
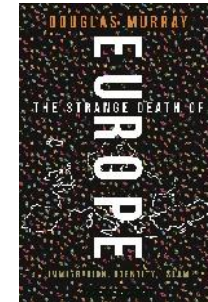
## Special interest

- Revenues grow 25% to £10.1m
- Key titles in the period include *The Strange Death of Europe*, *Wisden Cricketers' Almanack* and *The Gut Makeover* and *Sod Sitting, Get Moving!* from our new Green Tree health and wellness imprint
- New imprint *Bloomsbury China* to publish works by Chinese authors in English, working with Chinese language publishers



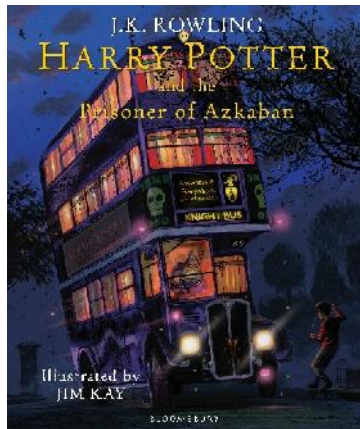
## Content services

- Revenues grow 6% to £0.7m
- Content delivered for new clients Freshfields, Royal Bank Canada and ICAEW
- Key titles in the period include *Leading Organisations* and *Fully Connected*

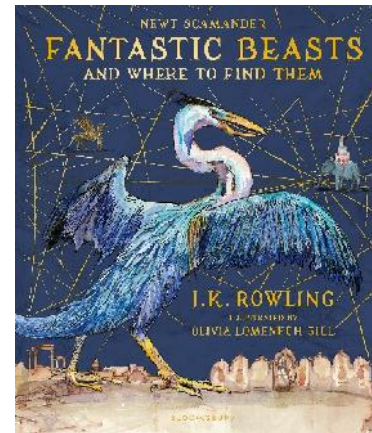


## H2 KEY TITLES

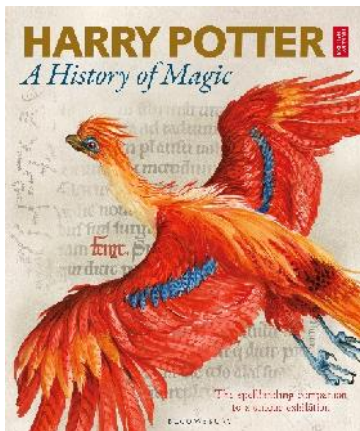
### HARRY POTTER NEW ILLUSTRATED EDITIONS IN 2017/18



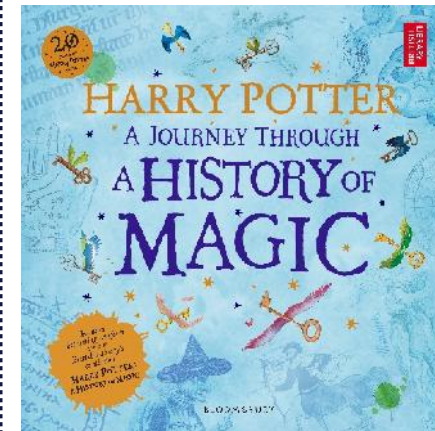
Illustrated  
Edition of *Harry  
Potter and the  
Prisoner of  
Azkaban*



Illustrated Edition  
of *Fantastic  
Beasts and  
Where to Find  
Them*



*Harry Potter –  
A History of  
Magic: The  
Book of the  
Exhibition*



*Harry Potter  
– A Journey  
Through a  
History of  
Magic*



## H2 KEY TITLES

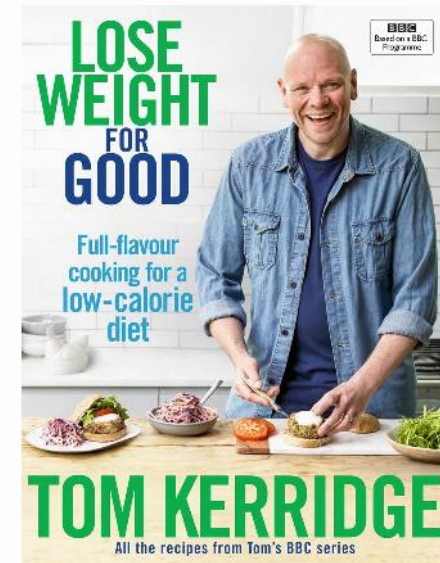
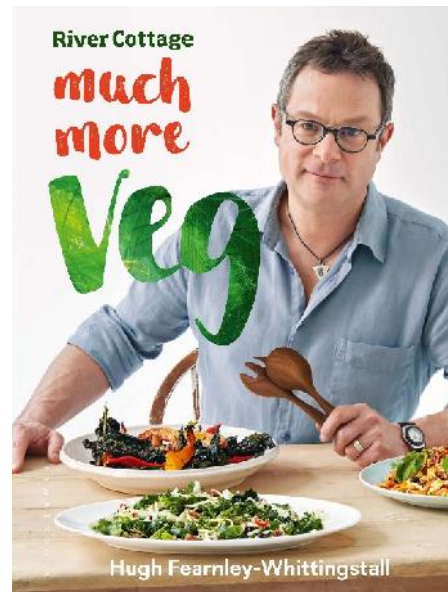
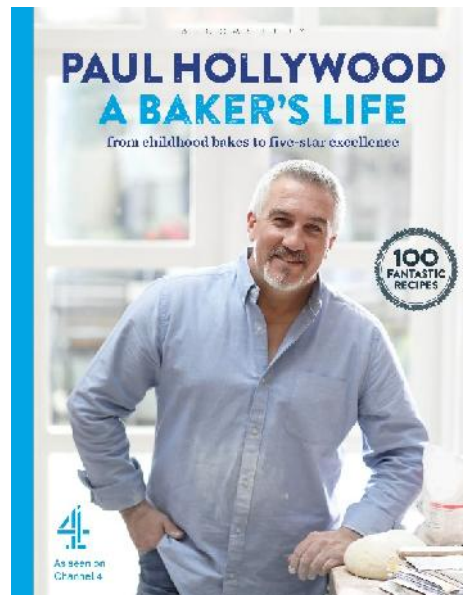
### ANIMATED TRAILER: ILLUSTRATED EDITION OF *HARRY POTTER AND THE PRISONER OF AZKABAN*





# H2 KEY TITLES

## KEY COOKERY TITLES



# OUTLOOK



Trading in line with management's expectations

Bloomsbury 2020 digital publishing H2:  
launch of two more major digital resources:

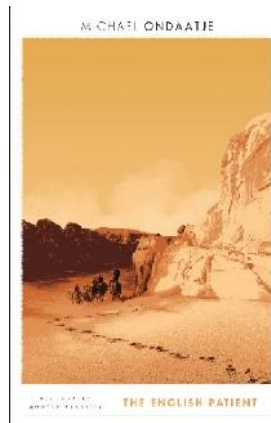
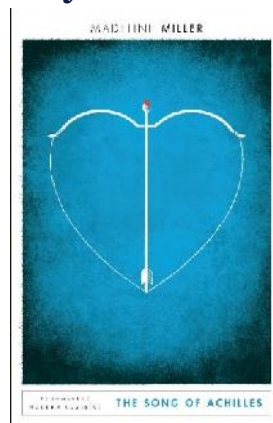
- Bloomsbury Cultural History
- Bloomsbury Encyclopedia of Philosophers

Traditional second half  
weighting of book sales and  
delivery of R&S income

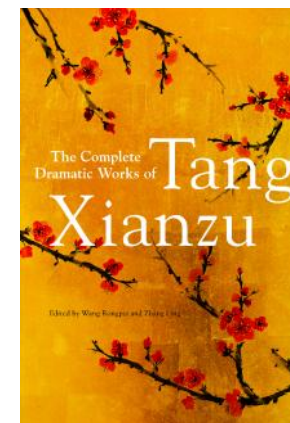
New Illustrated *The Tales of  
Beedle the Bard* for October 2018

Strong H2 publishing list includes:

Bloomsbury Modern Classics



The complete works of  
the 'Shakespeare of the  
East'





QUESTIONS



## APPENDICES

# ADJUSTED INCOME STATEMENT



| H1 £m  | 2017/18    | 2016/17    | Change %    | Change CER% |
|--|------------|------------|-------------|-------------|
| Revenue  | 72.1       | 62.7       | 15%         | 12%         |
| Gross profit   | 36.7       | 31.4       | 17%         |             |
| <i>Gross profit margin %</i>                         | <i>51%</i> | <i>50%</i> | <i>2%</i>   |             |
| Marketing and distribution costs                     | (11.0)     | (9.8)      | 13%         |             |
| <i>Marketing and distribution costs as % revenue</i> | <i>15%</i> | <i>16%</i> | <i>(2)%</i> |             |
| Administrative expenses <sup>1</sup>                 | (23.2)     | (20.2)     | 15%         |             |
| Operating profit <sup>2</sup>                        | 2.5        | 1.4        | 82%         |             |
| <i>Operating profit margin %</i>                     | <i>3%</i>  | <i>2%</i>  | <i>58%</i>  |             |
| Net finance income                                   | -          | 0.1        | (41)%       |             |
| Profit before tax                                    | 2.5        | 1.5        | 74%         | 78%         |
| Tax  | (0.3)      | (0.1)      | 797%        |             |
| Profit after tax                                     | 2.2        | 1.4        | 55%         | 59%         |

Note:

1 A breakdown of administrative expenses can be found on slide 25.

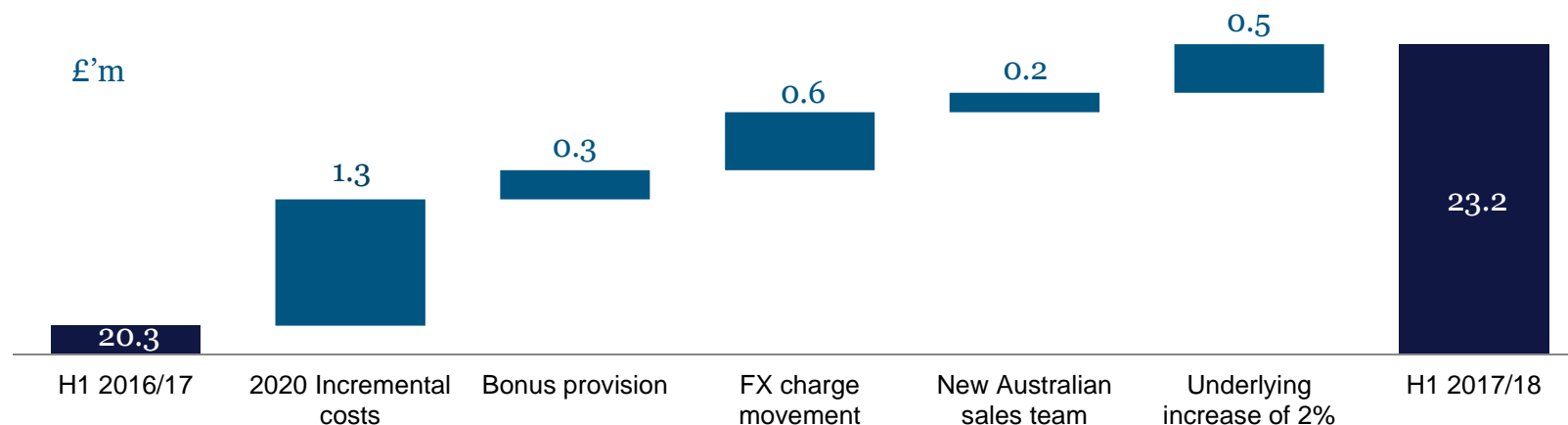
2 The adjusted income statement excludes highlighted items of £0.8m for the amortisation of acquired intangible assets (H1 2016/17: £0.9m for the amortisation of acquired intangible assets and £0.4m for other highlighted items).



# ADMINISTRATIVE EXPENSES



## 1. Administrative expenses movement:



## 2. The effect of the change in allocation methodology for central administrative expenses on the divisional results for the year ended 28.2.17 is shown below:

| £000   | Children's Trade | Adult Trade  | Total Consumer | A&P          | Special Interest | Content Services | Total Non-Consumer | Total Group   |
|--|------------------|--------------|----------------|--------------|------------------|------------------|--------------------|---------------|
| Original operating profit  | 7,610            | 330          | 7,940          | 2,757        | 1,225            | 75               | 4,057              | 11,997        |
| Change in allocation methodology for central administrative expenses | 2,269            | (794)        | 1,475          | (1,058)      | (547)            | 130              | (1,475)            | -             |
| <b>Restated operating profit</b>                                     | <b>9,879</b>     | <b>(464)</b> | <b>9,415</b>   | <b>1,699</b> | <b>678</b>       | <b>205</b>       | <b>2,582</b>       | <b>11,997</b> |

# ADJUSTED SEGMENTAL ANALYSIS

## H1 2017/18



| £000                             | Children's Trade | Adult Trade    | Total Consumer |             | A&P           | Special Interest | Content Services | Total Non-Consumer |             | Total Group   |             |
|----------------------------------|------------------|----------------|----------------|-------------|---------------|------------------|------------------|--------------------|-------------|---------------|-------------|
| Print sales                      | 28,407           | 10,703         | 39,110         | 88%         | 12,092        | 8,613            | 307              | 21,012             | 77%         | 60,122        | 84%         |
| Digital sales                    | 2,246            | 1,955          | 4,201          | 9%          | 3,861         | 732              | 82               | 4,675              | 17%         | 8,876         | 12%         |
| Rights & Services                | 1,034            | 350            | 1,384          | 3%          | 655           | 748              | 328              | 1,731              | 6%          | 3,115         | 4%          |
| <b>Total revenue</b>             | <b>31,687</b>    | <b>13,008</b>  | <b>44,695</b>  | <b>100%</b> | <b>16,608</b> | <b>10,093</b>    | <b>717</b>       | <b>27,418</b>      | <b>100%</b> | <b>72,113</b> | <b>100%</b> |
| <i>% of total</i>                | <i>44%</i>       | <i>18%</i>     | <i>62%</i>     |             | <i>23%</i>    | <i>14%</i>       | <i>1%</i>        | <i>38%</i>         |             | <i>100%</i>   |             |
| UK                               | 17,797           | 6,512          | 24,309         | 55%         | 11,801        | 7,113            | 610              | 19,524             | 71%         | 43,833        | 61%         |
| US                               | 9,900            | 5,004          | 14,904         | 33%         | 4,194         | 2,108            | 64               | 6,366              | 23%         | 21,270        | 29%         |
| Australia                        | 3,022            | 948            | 3,970          | 9%          | 321           | 766              | 14               | 1,101              | 4%          | 5,071         | 7%          |
| India                            | 968              | 544            | 1,512          | 3%          | 292           | 106              | 29               | 427                | 2%          | 1,939         | 3%          |
| <b>Total revenue</b>             | <b>31,687</b>    | <b>13,008</b>  | <b>44,695</b>  | <b>100%</b> | <b>16,608</b> | <b>10,093</b>    | <b>717</b>       | <b>27,418</b>      | <b>100%</b> | <b>72,113</b> | <b>100%</b> |
| <b>Gross margin</b>              | <b>16,021</b>    | <b>5,309</b>   | <b>21,330</b>  |             | <b>9,834</b>  | <b>5,046</b>     | <b>486</b>       | <b>15,366</b>      |             | <b>36,696</b> |             |
| <i>Gross margin %</i>            | <i>51%</i>       | <i>41%</i>     | <i>48%</i>     |             | <i>59%</i>    | <i>50%</i>       | <i>68%</i>       | <i>56%</i>         |             | <i>51%</i>    |             |
| Marketing and distribution       | (5,070)          | (2,389)        | (7,459)        |             | (2,008)       | (1,505)          | (57)             | (3,570)            |             | (11,029)      |             |
| <b>Contribution</b>              | <b>10,951</b>    | <b>2,920</b>   | <b>13,871</b>  |             | <b>7,826</b>  | <b>3,541</b>     | <b>429</b>       | <b>11,796</b>      |             | <b>25,667</b> |             |
| Administrative expenses          | (6,243)          | (4,712)        | (10,955)       |             | (8,572)       | (3,177)          | (489)            | (12,238)           |             | (23,193)      |             |
| <b>Operating profit/(loss)</b>   | <b>4,708</b>     | <b>(1,792)</b> | <b>2,916</b>   |             | <b>(746)</b>  | <b>364</b>       | <b>(60)</b>      | <b>(442)</b>       |             | <b>2,474</b>  |             |
| <i>Operating profit/(loss) %</i> | <i>15%</i>       | <i>(14%)</i>   | <i>7%</i>      |             | <i>(4%)</i>   | <i>4%</i>        | <i>(8%)</i>      | <i>(2%)</i>        |             | <i>3%</i>     |             |
| <i>% of total</i>                | <i>190%</i>      | <i>(72%)</i>   | <i>118%</i>    |             | <i>(30%)</i>  | <i>15%</i>       | <i>(3%)</i>      | <i>(18%)</i>       |             | <i>100%</i>   |             |
| <b>PBTA</b>                      |                  |                |                |             |               |                  |                  |                    |             | <b>2,529</b>  |             |

# ADJUSTED SEGMENTAL ANALYSIS

## H1 2016/17



| £000  | Children's Trade | Adult Trade    | Total Consumer     | A&P           | Special Interest | Content Services | Total Non-Consumer | Total Group        |
|---|------------------|----------------|--------------------|---------------|------------------|------------------|--------------------|--------------------|
| Print sales   | 21,621           | 10,812         | 32,433 87%         | 12,192        | 6,909            | 185              | 19,286 76%         | 51,719 83%         |
| Digital sales   | 1,401            | 2,176          | 3,577 10%          | 3,427         | 626              | 65               | 4,118 16%          | 7,695 12%          |
| Rights & Services   | 875              | 393            | 1,268 3%           | 1,032         | 534              | 424              | 1,990 8%           | 3,258 5%           |
| <b>Total revenue</b>  | <b>23,897</b>    | <b>13,381</b>  | <b>37,278 100%</b> | <b>16,651</b> | <b>8,069</b>     | <b>674</b>       | <b>25,394 100%</b> | <b>62,672 100%</b> |
| <i>% of total</i>   | <i>38%</i>       | <i>21%</i>     | <i>59%</i>         | <i>27%</i>    | <i>13%</i>       | <i>1%</i>        | <i>41%</i>         | <i>100%</i>        |
| UK  | 13,039           | 7,300          | 20,339 55%         | 11,732        | 5,900            | 630              | 18,262 72%         | 38,601 61%         |
| US  | 7,909            | 4,476          | 12,385 33%         | 4,409         | 1,731            | 20               | 6,160 24%          | 18,545 30%         |
| Australia   | 2,335            | 1,197          | 3,532 9%           | 298           | 427              | 16               | 741 3%             | 4,273 7%           |
| India   | 614              | 408            | 1,022 3%           | 212           | 11               | 8                | 231 1%             | 1,253 2%           |
| <b>Total revenue</b>  | <b>23,897</b>    | <b>13,381</b>  | <b>37,278 100%</b> | <b>16,651</b> | <b>8,069</b>     | <b>674</b>       | <b>25,394 100%</b> | <b>62,672 100%</b> |
| <b>Gross margin</b>   | <b>11,872</b>    | <b>5,787</b>   | <b>17,659</b>      | <b>9,793</b>  | <b>3,642</b>     | <b>319</b>       | <b>13,754</b>      | <b>31,413</b>      |
| <i>Gross margin %</i>   | <i>50%</i>       | <i>43%</i>     | <i>47%</i>         | <i>59%</i>    | <i>45%</i>       | <i>47%</i>       | <i>54%</i>         | <i>50%</i>         |
| Marketing and distribution  | (3,882)          | (2,652)        | (6,534)            | (2,085)       | (1,106)          | (73)             | (3,264)            | (9,798)            |
| <b>Contribution</b>   | <b>7,990</b>     | <b>3,135</b>   | <b>11,125</b>      | <b>7,708</b>  | <b>2,536</b>     | <b>246</b>       | <b>10,490</b>      | <b>21,615</b>      |
| Administrative expenses   | (4,772)          | (4,593)        | (9,365)            | (7,418)       | (3,017)          | (453)            | (10,888)           | (20,253)           |
| <b>Operating profit /(loss)</b>   | <b>3,218</b>     | <b>(1,458)</b> | <b>1,760</b>       | <b>290</b>    | <b>(481)</b>     | <b>(207)</b>     | <b>(398)</b>       | <b>1,362</b>       |
| <i>Operating profit /(loss) %</i>   | <i>13%</i>       | <i>(11%)</i>   | <i>5%</i>          | <i>2%</i>     | <i>(6%)</i>      | <i>(31%)</i>     | <i>(2%)</i>        | <i>2%</i>          |
| <i>% of total</i>   | <i>236%</i>      | <i>(107%)</i>  | <i>129%</i>        | <i>21%</i>    | <i>(35%)</i>     | <i>(15%)</i>     | <i>(29%)</i>       | <i>100%</i>        |
| <b>PBTA</b>   |                  |                |                    |               |                  |                  |                    | <b>1,456</b>       |
| The results for the period ended 31 August 2016 have been restated to reflect a change in the allocation of central administration costs, in order to provide a better understanding of underlying divisional results as follows: |                  |                |                    |               |                  |                  |                    |                    |
| Change in allocation  | 727              | (245)          | 482                | (435)         | (111)            | 64               | (482)              | -                  |
| <b>Original operating profit</b>  | <b>2,491</b>     | <b>(1,213)</b> | <b>1,278</b>       | <b>725</b>    | <b>(370)</b>     | <b>(271)</b>     | <b>84</b>          | <b>1,362</b>       |

# ADJUSTED SEGMENTAL ANALYSIS

## H1 2017/18 AT CONSTANT EXCHANGE RATES



| £000                       | Children's Trade | Adult Trade    | Total Consumer |             | A&P           | Special Interest | Content Services | Total Non-Consumer |             | Total Group   |             |
|----------------------------|------------------|----------------|----------------|-------------|---------------|------------------|------------------|--------------------|-------------|---------------|-------------|
| Print sales                | 27,404           | 10,254         | 37,658         | 88%         | 11,839        | 8,372            | 298              | 20,509             | 76%         | 58,167        | 83%         |
| Digital sales              | 2,133            | 1,883          | 4,016          | 9%          | 3,835         | 732              | 82               | 4,649              | 17%         | 8,665         | 13%         |
| Rights & Services          | 1,003            | 341            | 1,344          | 3%          | 641           | 745              | 328              | 1,714              | 7%          | 3,058         | 4%          |
| <b>Total revenue</b>       | <b>30,540</b>    | <b>12,478</b>  | <b>43,018</b>  | <b>100%</b> | <b>16,315</b> | <b>9,849</b>     | <b>708</b>       | <b>26,872</b>      | <b>100%</b> | <b>69,890</b> | <b>100%</b> |
| <i>% of total</i>          | <i>44%</i>       | <i>18%</i>     | <i>62%</i>     |             | <i>23%</i>    | <i>14%</i>       | <i>1%</i>        | <i>38%</i>         |             | <i>100%</i>   |             |
| UK                         | 17,797           | 6,512          | 24,309         | 57%         | 11,801        | 7,113            | 610              | 19,524             | 73%         | 43,833        | 63%         |
| US                         | 9,147            | 4,632          | 13,779         | 32%         | 3,964         | 1,952            | 59               | 5,975              | 22%         | 19,754        | 28%         |
| Australia                  | 2,734            | 840            | 3,574          | 8%          | 288           | 687              | 13               | 988                | 4%          | 4,562         | 7%          |
| India                      | 862              | 494            | 1,356          | 3%          | 262           | 97               | 26               | 385                | 1%          | 1,741         | 2%          |
| <b>Total revenue</b>       | <b>30,540</b>    | <b>12,478</b>  | <b>43,018</b>  | <b>100%</b> | <b>16,315</b> | <b>9,849</b>     | <b>708</b>       | <b>26,872</b>      | <b>100%</b> | <b>69,890</b> | <b>100%</b> |
| <b>Gross margin</b>        | <b>15,522</b>    | <b>5,067</b>   | <b>20,589</b>  |             | <b>9,688</b>  | <b>4,954</b>     | <b>484</b>       | <b>15,126</b>      |             | <b>35,715</b> |             |
| <i>Gross margin %</i>      | <i>51%</i>       | <i>41%</i>     | <i>48%</i>     |             | <i>59%</i>    | <i>50%</i>       | <i>68%</i>       | <i>56%</i>         |             | <i>51%</i>    |             |
| Marketing and distribution | (4,830)          | (2,260)        | (7,090)        |             | (1,965)       | (1,449)          | (55)             | (3,469)            |             | (10,559)      |             |
| <b>Contribution</b>        | <b>10,692</b>    | <b>2,807</b>   | <b>13,499</b>  |             | <b>7,723</b>  | <b>3,505</b>     | <b>429</b>       | <b>11,656</b>      |             | <b>25,156</b> |             |
| Administrative expenses    | (6,035)          | (4,534)        | (10,569)       |             | (8,418)       | (3,148)          | (488)            | (12,054)           |             | (22,623)      |             |
| <b>Operating profit</b>    | <b>4,657</b>     | <b>(1,727)</b> | <b>2,930</b>   |             | <b>(695)</b>  | <b>357</b>       | <b>(59)</b>      | <b>(397)</b>       |             | <b>2,533</b>  |             |
| <i>Operating profit %</i>  | <i>15%</i>       | <i>(14%)</i>   | <i>7%</i>      |             | <i>(4%)</i>   | <i>4%</i>        | <i>(8%)</i>      | <i>(1%)</i>        |             | <i>4%</i>     |             |
| <i>% of total</i>          | <i>184%</i>      | <i>(68%)</i>   | <i>116%</i>    |             | <i>(28%)</i>  | <i>14%</i>       | <i>(2%)</i>      | <i>(16%)</i>       |             | <i>100%</i>   |             |
| <b>PBTA</b>                |                  |                |                |             |               |                  |                  |                    |             | <b>2,587</b>  |             |

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

# ACTIVE DIGITAL RESOURCES



| Product                                    | Market            | Model                     |
|--|-------------------|---------------------------|
| Arcadian Library                           | Institutional     | Purchase                  |
| Berg Fashion Library                       | Institutional     | Subscription              |
| Bloomsbury Design Library                  | Institutional     | Purchase and Subscription |
| Bloomsbury Food Library                    | Institutional     | Subscription              |
| Bloomsbury Popular Music                   | Institutional     | Subscription              |
| Bloomsbury Professional Law & Tax Products | B2B               | Subscription              |
| Bloomsbury Collections                     | Institutional     | Purchase                  |
| Reeds Almanac Online                       | B2C               | Subscription              |
| Churchill Archive                          | Institutional     | Purchase and Subscription |
| Churchill Central                          | B2C               | Sponsorship funded        |
| Churchill for Schools                      | Secondary Schools | Sponsorship funded        |
| Cooked.com                                 | B2C               | Joint Venture             |
| Drama Online                               | Institutional     | Purchase and Subscription |
| Fairchild Books Fashion (textbook rental)  | B2C               | Purchase and Rental       |
| Fairchild Books Library                    | Institutional     | Subscription              |
| Fashion Photography Archive                | Institutional     | Purchase and Subscription |
| IZA World of Labor                         | Institutional     | Sponsorship Funded        |
| Whitakers Online                           | B2C               | Subscription              |

# ADJUSTING ITEMS



★ All metrics and commentary in this presentation are at reported foreign exchange rates and include Adjusting items unless stated otherwise

★ Adjusting items are highlighted items as shown on slide 24

★ Adjusted results are included in this presentation as, in the opinion of the Directors, they provide additional understanding of the ongoing performance of the Group

★ Certain financial data within this presentation has been rounded. All percentage movements are based on the results to the nearest thousand

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