

BLOOMSBURY PUBLISHING PLC

RESULTS FOR SIX MONTHS ENDED 31 AUGUST 2013



ONE GLOBAL BLOOMSBURY

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OPERATING HIGHLIGHTS



Good Group result

Group revenue up by 13% to £49.2 million, adjusted PBTA up by 33% to £2.8 million

Strong performance in Academic & Professional division

A&P revenue up 13% to £13.9m, adjusted operating profit up 117% to £1.2m. A&P generated 28% of Group revenue (2012: 28%) and 43% of Group operating profit (2012: 27%)

Further strategic progress in changing business mix

Acquisition of Hart Publishing in September 2013 for up to £6.9m. Academic law publisher, expected to contribute £1.4m to Group revenues in 2013/14

Strong Adult division performance

Adult revenue up 16% to £23.2m, adjusted operating profit up 77% to £1.1m.

Bestsellers include *And The Mountains Echoed* by Khaled Hosseini and *The Bone Season* by Samantha Shannon



FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS



| £m | H1 2013 | H1 2012 | Change % |
|----------------------------|---------|---------|----------|
| Revenue | 49.2 | 43.5 | +13% |
| Operating profit margin | 6% | 5% | +20% |
| Pre-tax profit | 2.8 | 2.1 | +33% |
| Diluted EPS | 2.89p | 2.13p | +36% |
| Operating cash flow | (1.4) | 0.9 | -267% |
| Net cash | 10.0 | 10.6 | -6% |
| Interim dividend per share | 0.98p | 0.94p | +4% |

Notes for all slides:

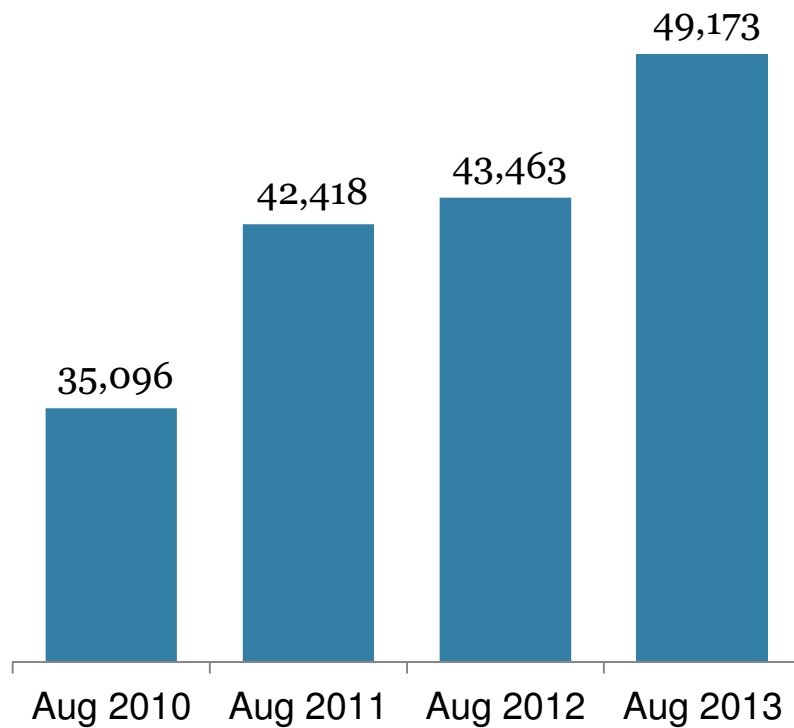
- 1. Underlying numbers exclude the results of Fairchild Books acquired on 30 March 2012 and Applied Visual Arts acquired on 29 June 2012*
- 2. Adjusted numbers exclude highlighted items (see slide 14)*

The above results are Continuing and Adjusted

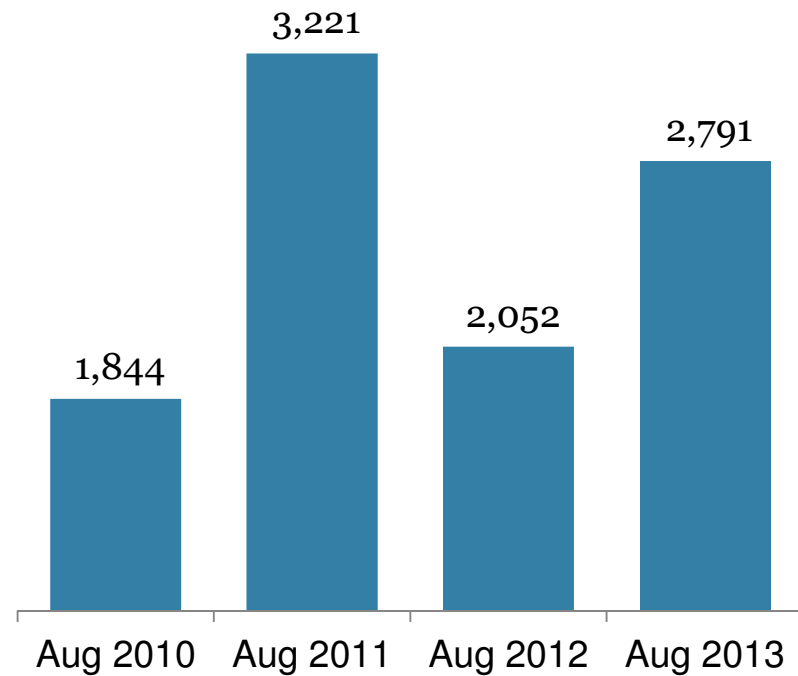
CONTINUING RESULTS HISTORY



Revenue (£000)



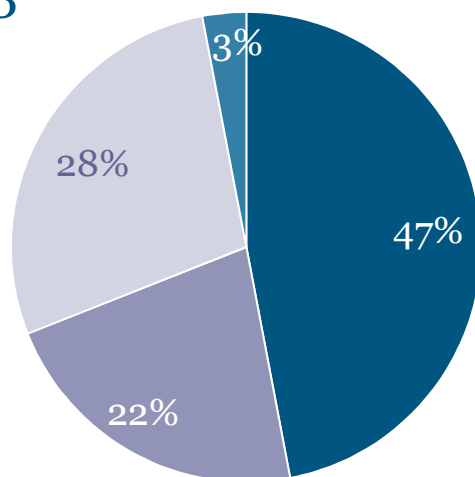
Adjusted Operating Profit (£000)



REVENUE BY PUBLISHING DIVISION

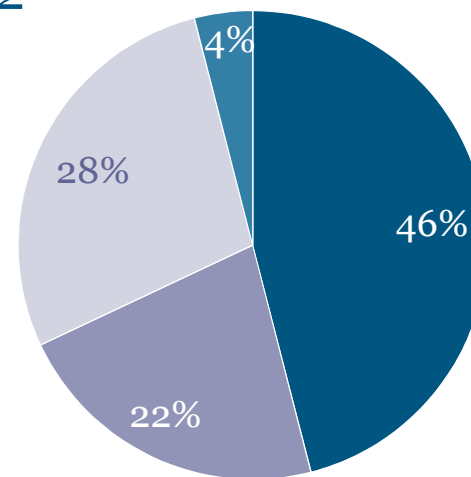


H1 2013



H1 2012

- Adult
- Children's & Educational
- Academic & Professional
- Information



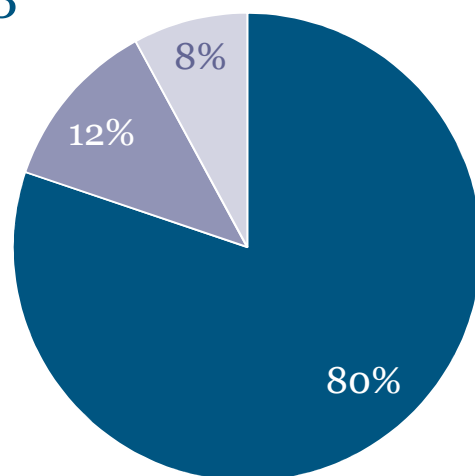
| | H1 2013 £m | H1 2012 £m | Change % | H1 2011 £m |
|---------------------------------|---------------|---------------|-------------|---------------|
| Adult | 23.2 | 20.1 | +16% | 20.1 |
| Children's & Educational | 10.5 | 9.3 | +12% | 12.1 |
| Academic & Professional | 13.9 | 12.3 | +13% | 8.7 |
| Information | 1.6 | 1.8 | -10% | 1.5 |
| Total continuing revenue | 49.2 | 43.5 | +13% | 42.4 |

On an underlying basis in the Academic & Professional division total sales were up 8%, £0.8m

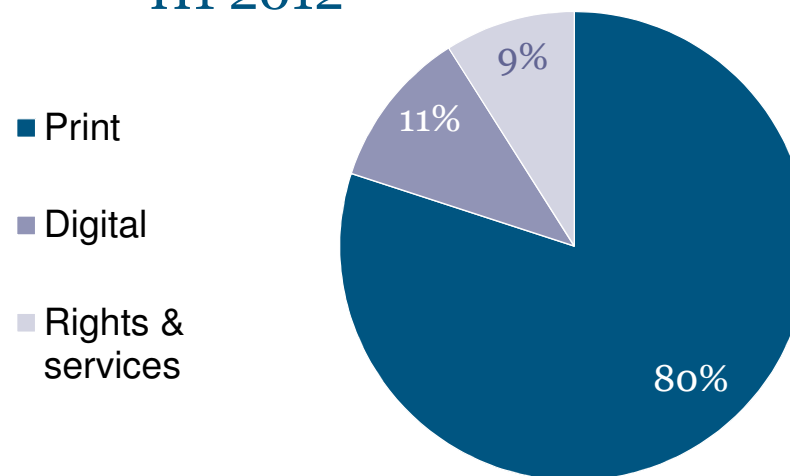
REVENUE BY TYPE



H1 2013



H1 2012

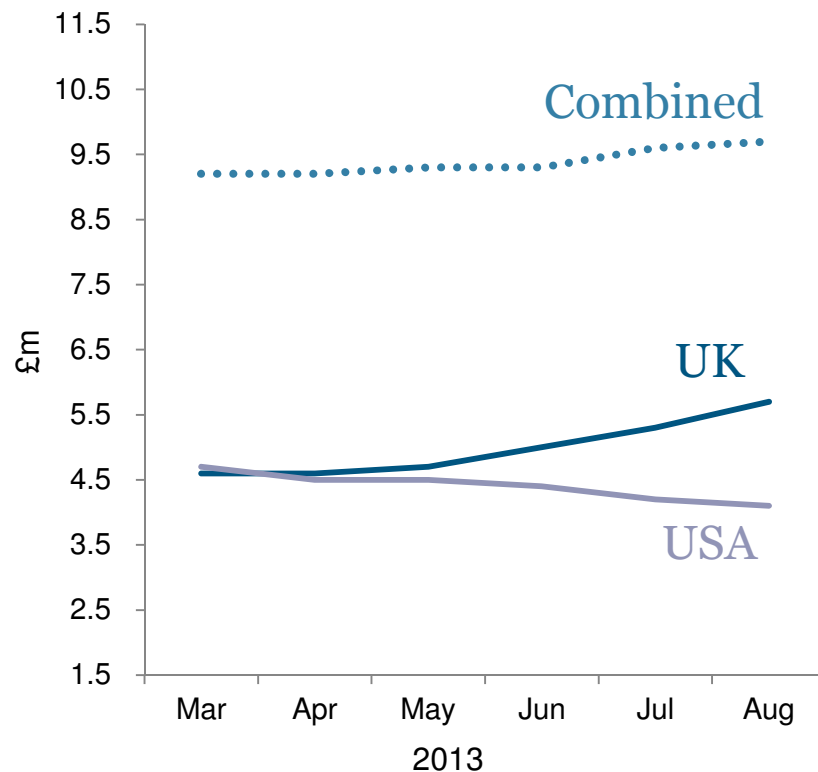


| | H1 2013 £m | H1 2012 £m | Change % | % Change: Underlying | H1 2011 £m |
|---------------------------------|---------------|---------------|-------------|-------------------------|---------------|
| Print | 39.6 | 34.9 | +14% | +12% | 36.5 |
| Digital | 5.8 | 4.8 | +22% | +22% | 2.5 |
| Total title sales | 45.4 | 39.7 | +15% | +13% | 39.0 |
| Rights & services | 3.8 | 3.8 | -2% | -2% | 3.4 |
| Total continuing revenue | 49.2 | 43.5 | +13% | +12% | 42.4 |

E-BOOK REVENUES



Bloomsbury MAT e-book sales H1



- Notes:
1. MAT sales shown in the graph are moving annual totals which eliminate the effect of seasonality to show true trends of sales by source
 2. Sales are from country of source not destination

- Moving annual total e-book sales increasing in UK, but down in USA following bestsellers in 2012
- E-book sales are up 14% year on year to £5.1m (2012: £4.5m)
- E-book sales are 10% of Group sales by value (2012: 10%)
 - 13% in US
 - 10% in UK
- 19% of UK adults have bought e-books v. 12% at the same time last year (As at 9 June 2013, per Nielsen Bookscan)

RIGHTS & SERVICES REVENUE



| £m | H1 2013 | H1 2012 | Change | H1 2011 |
|----------------------|------------|------------|------------|------------|
| Copyright licences | 1.8 | 1.6 | +13% | 1.5 |
| Trademark licences | 0.1 | 0.2 | -44% | - |
| Management contracts | 1.5 | 1.7 | -13% | 1.4 |
| Other | 0.4 | 0.3 | +48% | 0.5 |
| Total | 3.8 | 3.8 | -2% | 3.4 |

Note: All the lines above are Continuing and Adjusted

- Rights & services revenues remain stable
- Rights & services budgeted income for the remainder of the year includes deals which are not yet contracted

GROSS PROFIT MARGIN



| £m | H1 2013 | H1 2012 |
|-------------------------------|-------------|-------------|
| Costs of sale: | | |
| Production costs | 10.3 | 9.7 |
| % Revenues | 21% | 22% |
| Author royalties and advances | 8.6 | 6.8 |
| % Revenues | 17% | 16% |
| Stock costs | 3.0 | 2.4 |
| % Revenues | 6% | 5% |
| Total costs of sale | 21.9 | 18.9 |
| Gross profit margin % | 56% | 57% |

- Further annual print cost savings of £0.4m commencing in H2
- Author costs % increase due to mix change: more e-books, more Trade sales

OTHER COSTS



| £m | H1 2013 | H1 2012 | Change |
|--|-------------|-------------|------------|
| Marketing and distribution costs | 7.4 | 6.3 | +17% |
| % Revenues | 15% | 14% | |
| Administration costs: | | | |
| Acquired and new businesses ¹ | 0.3 | - | |
| Underlying business | 16.8 | 16.2 | +4% |
| Total Administration costs | 17.1 | 16.2 | +6% |

Notes: All the lines above are Adjusted

1. This is the costs the extra months of Fairchild and AVA businesses and Bloomsbury India which were not in 2012

Additional investment of £0.6m per annum in Administration costs includes new staff in IT, Digital Development and Production to further facilitate the strategic move to digital workflows

ADJUSTED OPERATING PROFIT BY PUBLISHING DIVISION



| £m | H1 2013 | H1 2012 | % Change |
|---|------------|------------|-------------|
| Adult | 1.1 | 0.7 | +77% |
| Children's & Educational | - | - | 0% |
| Academic & Professional | 1.2 | 0.6 | +117% |
| Information | 0.5 | 0.8 | -43% |
| Adjusted operating profit | 2.8 | 2.1 | +36% |
| Adjusted operating profit margin % | 6% | 5% | +20% |

- Academic & Professional benefited from good organic growth, including in its online businesses, and the acquisitions of Fairchild and AVA
- Strong new titles in the Adult division included *And the Mountains Echoed* by Khaled Hosseini and *The Bone Season* by Samantha Shannon
- Children's division is developing its new illustrated list, activity books and Bloomsbury Spark. Results reflect these projects
- Information had higher rights and services profit in H1 2012 due to a one-off £0.3m cost write back in that period

HIGHLIGHTED ITEMS



| £m | Charge |
|--|------------|
| Costs of acquisition for Hart Publishing | 0.1 |
| Relocation of US headquarters | 0.1 |
| Acquisition related restructuring costs | 0.2 |
| | 0.4 |
| Intangible amortisation | 1.3 |
| Total | 1.7 |

CONSOLIDATED BALANCE SHEET



| £m | 31 Aug 2013 | 31 Aug 2012 | Change |
|--------------------------|--------------|--------------|-------------|
| Goodwill | 35.1 | 35.4 | -0.3 |
| Other intangible assets | 19.1 | 19.9 | -0.8 |
| Other non-current assets | 5.7 | 5.6 | +0.1 |
| Inventories | 29.9 | 23.3 | +6.6 |
| Receivables | 53.8 | 49.9 | +3.9 |
| Net cash | 10.0 | 10.6 | -0.6 |
| Total liabilities | (38.5) | (34.2) | -4.3 |
| Equity | 115.1 | 110.5 | +4.6 |

Increase in inventories arises from increased level of trading, increasing stock levels in A&P US and exchange rate movements

RECEIVABLES



| £m | 31 Aug 2013 | 31 Aug 2012 | Change |
|------------------------|-------------|-------------|-------------|
| Trade receivables | 30.9 | 27.1 | +3.8 |
| Returns provision | (5.6) | (5.9) | +0.3 |
| % of trade receivables | 18% | 22% | |
| Net trade receivables | 25.3 | 21.2 | +4.1 |
| Advances | 20.0 | 21.6 | -1.6 |
| Other receivables | 8.5 | 7.1 | +1.4 |
| Total | 53.8 | 49.9 | +3.9 |

Trade and other receivables are up as a result of increased level of trading

CASH FLOW



| £m | H1 2013 | H1 2012 |
|---------------------------|--------------|--------------|
| EBITDA | 2.8 | 2.1 |
| Working capital | (3.5) | (1.7) |
| Share based payments | 0.4 | 0.3 |
| Taxes (paid)/refunded | (1.1) | 0.2 |
| Operating cash flow | (1.4) | 0.9 |
| Capital expenditure | (0.7) | (0.4) |
| Investment in intangibles | (0.4) | (0.9) |
| Acquisitions | (2.0) | (1.7) |
| Other changes | (0.1) | - |
| Movement in cash | (4.6) | (2.1) |

- Working capital reduction arises significantly from inventories increase
- H1 2012 benefited from tax repayments due to the utilisation of overseas trading losses



DIVISIONAL REVIEW

ADULT DIVISION



Excellent Adult new book sales contribute to strong results

- Revenue up 16% to £23.2m. Adjusted operating profit up 77% to £1.1m
- Major new titles include *And The Mountains Echoed* by Khaled Hosseini, *The Bone Season* by Samantha Shannon – film rights acquired this week by 20th Century Fox/Chernin Entertainment

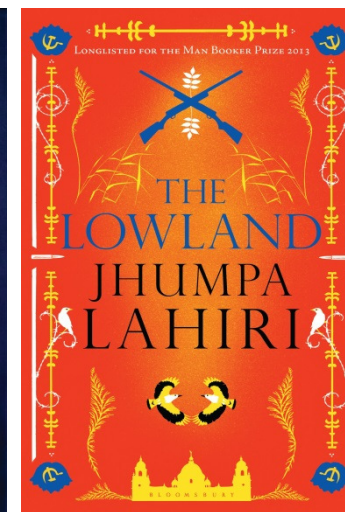
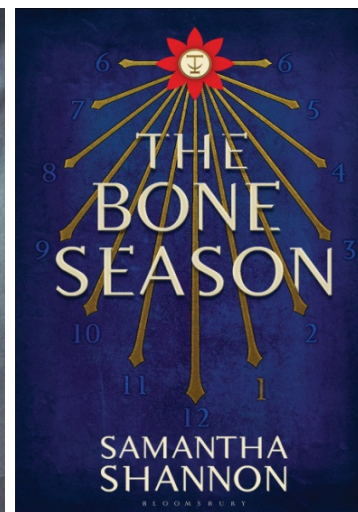
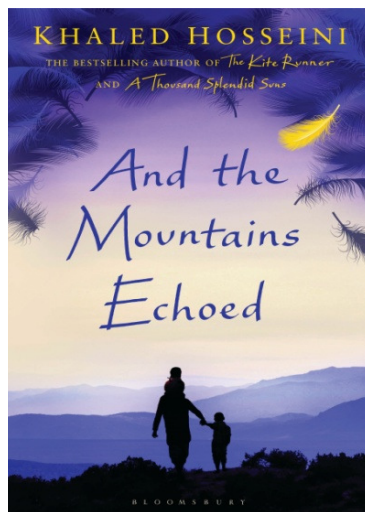
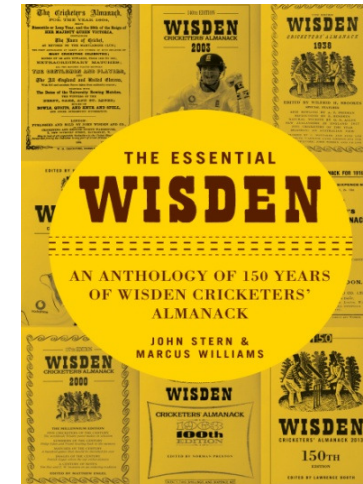
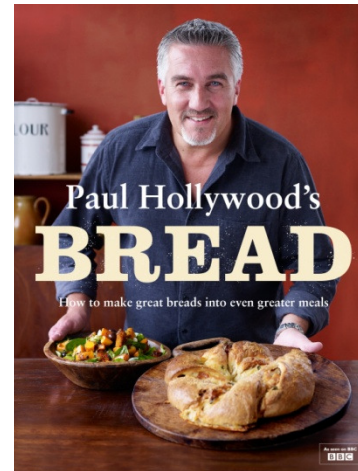
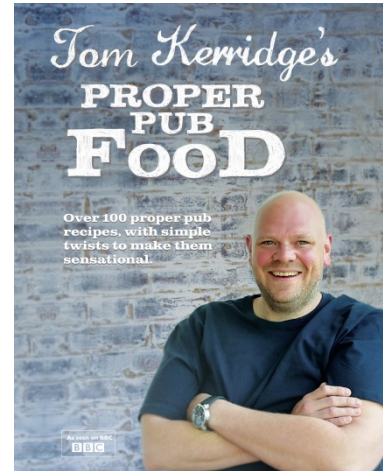
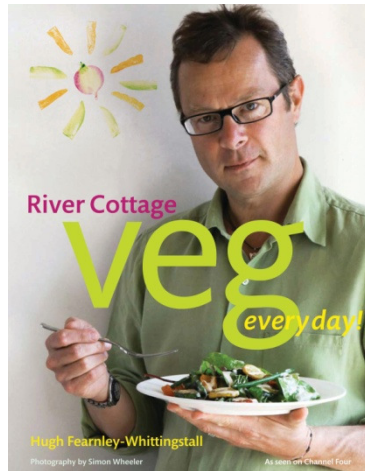
Prize shortlists

- *Return of a King* by William Dalrymple shortlisted for the Samuel Johnson Prize for Non-Fiction 2013
- *The Lowland* by Jumpa Lahiri shortlisted for the Man Booker Prize 2013
- *TransAtlantic* by Colum McCann longlisted for the Man Booker Prize 2013

Continuing cookery strength

- 3 of top 10 Group titles by revenue are cookery
- *Polpo: A Venetian Cookbook* won Gourmand Award for Best Cookbook on Italian Cuisine
- *Tom Kerridge's Proper Pub Food* published in August accompanied by 6 part BBC TV series
- *Paul Hollywood's Pie and Puds* will tie into 20 part BBC TV series

ADULT BESTSELLERS



CHILDREN'S & EDUCATIONAL DIVISION



On track

- Revenue up 12% year on year
- Investing in picture books, activity list and Bloomsbury Spark

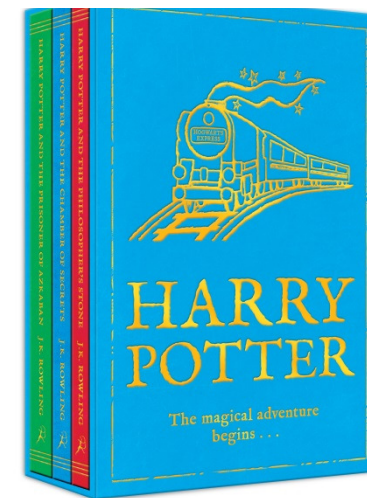
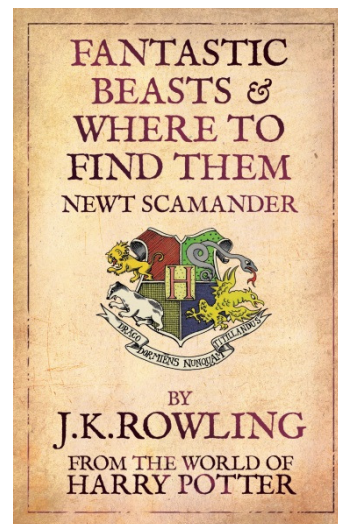
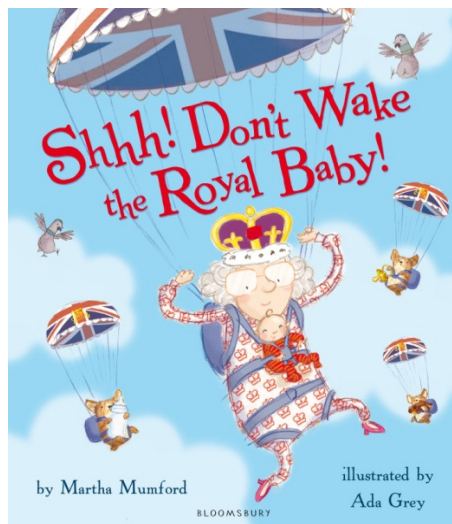
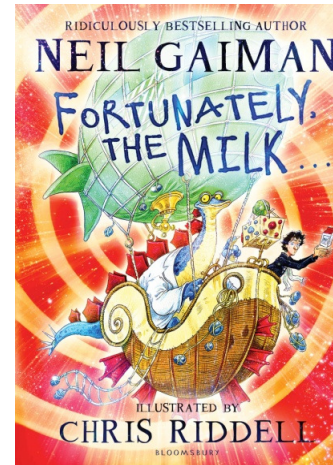
Bestsellers

- Bestsellers include *Wednesday's at the Castle* by Jessica Day George, *Crown of Midnight* by Sarah J Maas, *Shh! Don't Wake the Royal Baby* by Martha Mumford and Ada Gray and *Fortunately, the Milk...* by Neil Gaiman

Digital developments

- Developing a new edition of Music Express to fit the new curriculum to support primary school teachers delivering music lessons in the classroom. Subscription product will be launched in print and online September 2014

CHILDREN'S BESTSELLERS



ACADEMIC & PROFESSIONAL DIVISION



Strong operating performance

- Revenue up 13% to £13.9m, operating profit up 117% to £1.2m
- Digital revenues grew 49% to £1.2m, boosted by robust online subscription revenue (Drama Online & Churchill Archive)
- A&P generated 28% of Group revenue (2012: 28%) and 43% of Group operating profit (2012: 27%)

Acquisitions

- Hart Publishing, acquired September 2013 for up to £6.9m
- Expect revenue contribution in H2 of £1.4m

Major awards

- IPG Independent Publisher of the Year 2013
- Frankfurt Book Fair Academic & Professional Publisher of the Year 2013
- Bookseller Academic, Educational and Professional Publisher of the Year 2013

ACADEMIC & PROFESSIONAL DIVISION BLOOMSBURY COLLECTIONS



The screenshot shows the Bloomsbury Collections website. At the top, there's a navigation bar with links: About, What's new, Subscriber services, Contact us, UCL Access, and not UCL?. Below this is the Bloomsbury Collections logo with the tagline 'AT THE HEART OF RESEARCH'. A search bar is present with a dropdown menu showing 'J. Smith's collections' and 'Not J. Smith?'. Below the search bar, there's a 'Browse by subject' section with a list of subjects: Anthropology, Classical Studies, Education, History, Literary Studies, Philosophy, Politics & International Relations, Sociology, Biblical Studies, Economics, Film & Media Studies, Linguistics, Music & Sound Studies, Politics, Religious Studies, and Theology. A large image of a library shelf is shown below the subject list. The main heading 'BLOOMSBURY COLLECTIONS' is followed by a paragraph: 'Delivers online access to scholarly books from Bloomsbury's award-winning Academic division. Spanning the humanities and social sciences, the site features the latest research publications from Bloomsbury, T&T Clark and The Arden Shakespeare, alongside prestigious imprints Continuum, Berg and Bristol Classical Press. New frontlist collections are'. Below this, there's a carousel of book covers with the following titles: 'GLOBALIZATION', 'SPICE AND SOCIETY IN CENTRAL BRAZIL', 'The Novel: An Alternative History: Beginnings to 1600', 'The Bloomsbury Companion to Islamic Studies', and 'The Bloomsbury Companion to Islamic Studies'. At the bottom, there's a table with four rows: 'ABOUT' (Features and benefits, Subscription Information), 'COLLECTIONS AVAILABLE' (View title lists, Find collections to complete your library), 'WHAT'S NEW' (April 1, 2014, Bloomsbury Collections launches with 1,750 books in 12 subject areas), and 'AWARDS' (IPG AWARDS 2013, BOOKSELLER INDUSTRY AWARDS 2013). The footer includes the Bloomsbury logo, Privacy & Cookies, Terms & Conditions, Mobile site, Copyright © 2014 Bloomsbury Publishing Plc, Registered in England No. 01984336, and social media icons for Twitter, Facebook, and LinkedIn.

Delivers online access to
scholarly books on an
annual subscription basis

ACADEMIC & PROFESSIONAL DIVISION DRAMA ONLINE



The screenshot shows the Drama Online website. At the top, there's a dark header with the 'DRAMA ONLINE BETA' logo on the left, a search bar in the center, and login links on the right: 'Not logged in to DramaOnline | Log in' and 'Not signed in to My DramaOnline | Sign in'. Below the header is a navigation menu with links: 'Home', 'Plays', 'Playwrights & Practitioners', 'Genres', 'Periods', 'Context & Criticism', 'Theatre Craft', 'About', 'Subscriber Services', and 'Help'. The main content area features a large blue box on the left with the text 'Discover Read Study Perform' and 'A new way to experience plays From curriculum classics to contemporary writing Accompanied by theory and practice'. Below this is a 'Read more...' link and '1000+ plays 100+ scholarly works'. To the right is a black and white image of a man in a top hat, with the text 'Play Tools offer Character Grids and Part Books' and 'Image © Graham Brandon, V&A Images'. At the bottom, there's a dark footer with a Twitter icon and the text 'For latest news and events follow @dramaonlinelib', and two orange links: 'Find monologues' and 'Find plays'.

“The platform offers robust original functionality beneath a clear and simple user interface, providing a tool which clearly enhances the study and performance of drama” - The Association of Learned Society and Professional Publishers

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 Roland Berger
- Publishing of management, finance and reference titles

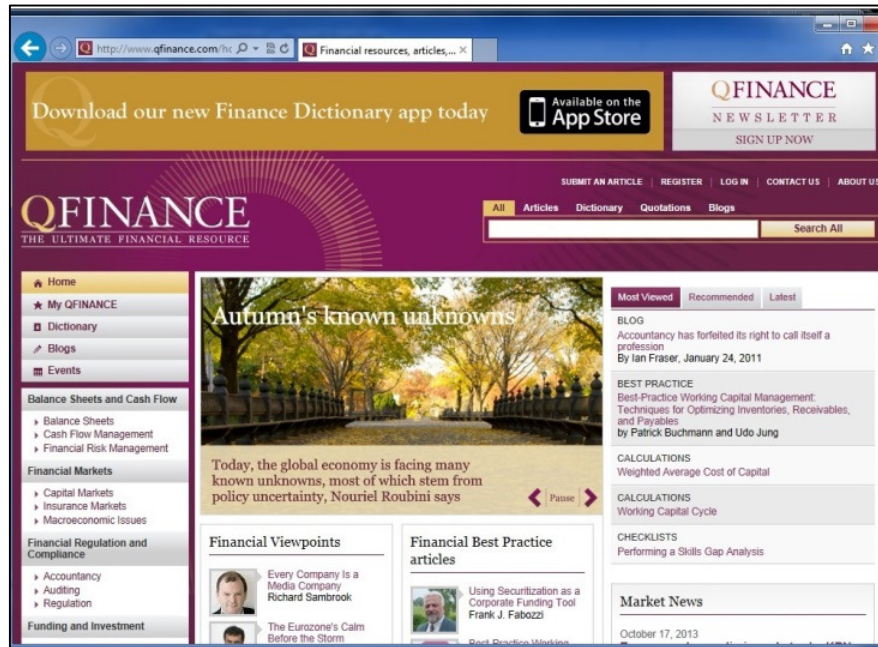
Knowledge hubs

- Development of the IZA World of Labor knowledge hub, launch on 18 November 2013 in Washington DC at the World Bank

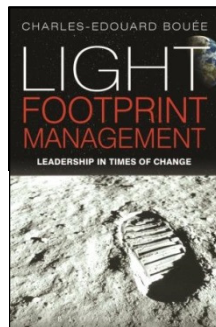
Key activities

- Prize nominations for *Imperfect Perfection: Early Islamic Glass* (Book Design and production Award) and *Light-Footprint Management* (CMI Business Book Award)
- New business relationships with World Bank and EY

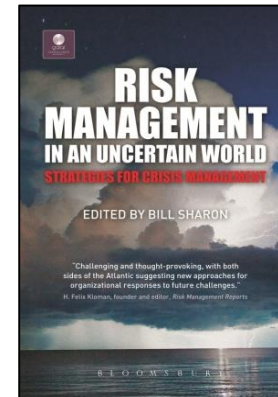
BLOOMSBURY INFORMATION KNOWLEDGE HUBS & MANAGEMENT SERVICES



QFINANCE.com



Light Footprint Management
Shortlisted for the CMI
Management Book of the
Year Award 2013



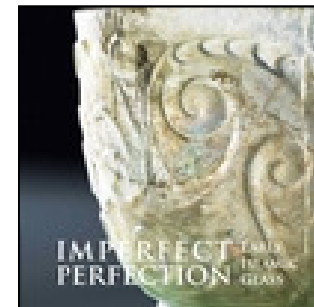
QFINANCE
Key Concepts Series

**Imperfect Perfection:
Early Islamic Glass**

Shortlisted for the BPIF
Book Design and
Production Awards 2013



QFINANCE
4th Edition



Member of Qatar Foundation

OUTLOOK



- Strong H2 Adult division programme
 - *The Signature of All Things* by Elizabeth Gilbert
 - *MasterChef: the finalists*
 - *Paul Hollywood's Pies and Puds*
 - *Tom Kerridge's Proper Pub Food*
- Results continue to be H2 weighted because of Christmas trade sales and academic peak at the beginning of the academic year
- Targeting significant Rights & Services contracts for H2 that are not yet contracted, as last year
- Integration of Hart Publishing acquisition
- H2 print cost savings and investment in Operations and Digital
- Move to Group-wide XML-based workflows complete by Jan 2014 enabling deployment of content in all digital and print formats at no extra cost
- Strengthened by new Board appointments of Sir Anthony Salz as Chairman and Stephen Page and Jill Jones as Non-Executive Directors



APPENDIX

APPENDIX

SUMMARY CONTINUING ADJUSTED INCOME STATEMENT



| £m | H1 2013 | H1 2012 |
|---|---------------------|---------|
| Revenue | 49.2 | 43.5 |
| Gross profit | 27.3 | 24.6 |
| Gross profit margin % | 56% | 57% |
| Marketing and distribution costs | (7.4) | (6.3) |
| Marketing and distribution costs as % revenue | 15% | 14% |
| Administrative expenses | (17.1) ¹ | (16.2) |
| Operating profit | 2.8 | 2.1 |
| Operating profit margin % | 6% | 5% |
| Net finance income | - | 0.1 |
| Pre-tax profit | 2.8 | 2.1 |
| Tax | (0.3) | (0.2) |

Note: 1. £0.3m of this increase year on year is from having extra months of Fairchild and AVA costs (1 and 4 months respectively) and Bloomsbury India. Excluding these costs, Administrative expenses are up 4% year on year.

APPENDIX

SEGMENTAL ANALYSIS ADJUSTED RESULTS

SIX MONTHS ENDED 31 AUGUST 2013



| £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 | (6,632) | | (3,665) | | (5,934) | | (922) | | (17,153) | |
| Operating profit | 1,147 | | (45) | | 1,213 | | 476 | | 2,791 | |
| Operating profit % | 5% | | 0% | | 9% | | 29% | | 6% | |
| % of total | 41% | | -2% | | 44% | | 17% | | 100% | |

APPENDIX

SEGMENTAL ANALYSIS ADJUSTED RESULTS

SIX MONTHS ENDED 31 AUGUST 2012



| £000 | Adult | | Children's & Educational | | Academic & Professional | | Information | | Total | |
|----------------------------|---------------|-------------|--------------------------|-------------|-------------------------|-------------|--------------|-------------|---------------|-------------|
| Print sales | 15,920 | 79% | 8,036 | 86% | 10,762 | 88% | 153 | 8% | 34,871 | 80% |
| Digital sales | 3,048 | 15% | 885 | 10% | 825 | 7% | 16 | 1% | 4,774 | 11% |
| Rights & services | 1,105 | 6% | 411 | 4% | 650 | 5% | 1,652 | 91% | 3,818 | 9% |
| Total revenue | 20,073 | 100% | 9,332 | 100% | 12,237 | 100% | 1,821 | 100% | 43,463 | 100% |
| % of total | 46% | | 22% | | 28% | | 4% | | 100% | |
| UK | 13,096 | 65% | 5,282 | 57% | 6,913 | 57% | 1,810 | 99% | 27,101 | 62% |
| US | 5,112 | 26% | 3,395 | 36% | 5,192 | 42% | 11 | 1% | 13,710 | 32% |
| Australia | 1,865 | 9% | 655 | 7% | 118 | 1% | – | 0% | 2,638 | 6% |
| India | – | 0% | – | 0% | 14 | 0% | – | 0% | 14 | 0% |
| Total revenue | 20,073 | 100% | 9,332 | 100% | 12,237 | 100% | 1,821 | 100% | 43,463 | 100% |
| Gross margin | 9,908 | | 5,041 | | 7,808 | | 1,824 | | 24,581 | |
| Gross margin % | 49% | | 54% | | 64% | | 100% | | 57% | |
| Marketing and distribution | (2,857) | | (1,710) | | (1,692) | | (36) | | (6,295) | |
| Contribution | 7,051 | | 3,331 | | 6,116 | | 1,788 | | 18,286 | |
| Administrative expenses | (6,402) | | (3,329) | | (5,557) | | (946) | | (16,234) | |
| Operating profit | 649 | | 2 | | 559 | | 842 | | 2,052 | |
| Operating profit % | 3% | | 0% | | 5% | | 46% | | 5% | |
| % of total | 32% | | 0% | | 27% | | 41% | | 100% | |