

# Bloomsbury Publishing Plc

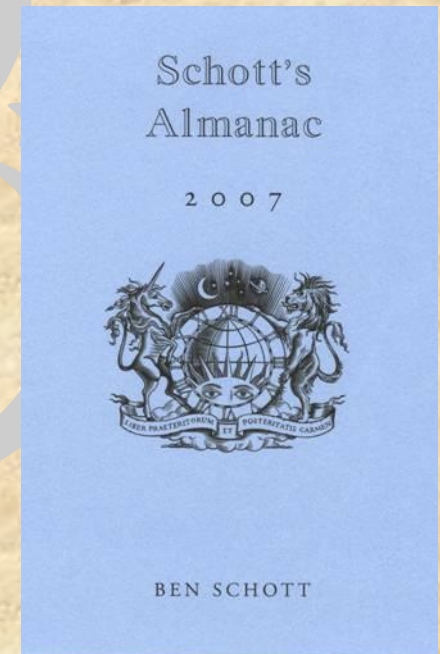


Interim Results  
Six months to 30 June 2006

# Highlights



- Benefits of earlier investment coming through:
  - International businesses well established and linked-up
  - Building up Bloomsbury's biggest publishing programme ever for release in autumn 2006
- Acquisition of Methuen Drama, adding depth to our backlist
- New commissioning editors appointed in UK and USA to generate new revenue streams
- New publishing areas
  - Books on music, film and sport
  - TV tie-in books
  - Titles for electronic download
- Recognition
  - Three Richard and Judy Book Club selections
  - Three Group titles chosen for Man Booker Prize long list
  - Berlin title selected for Man Booker Prize short list



# 2006 Interim Financial Highlights

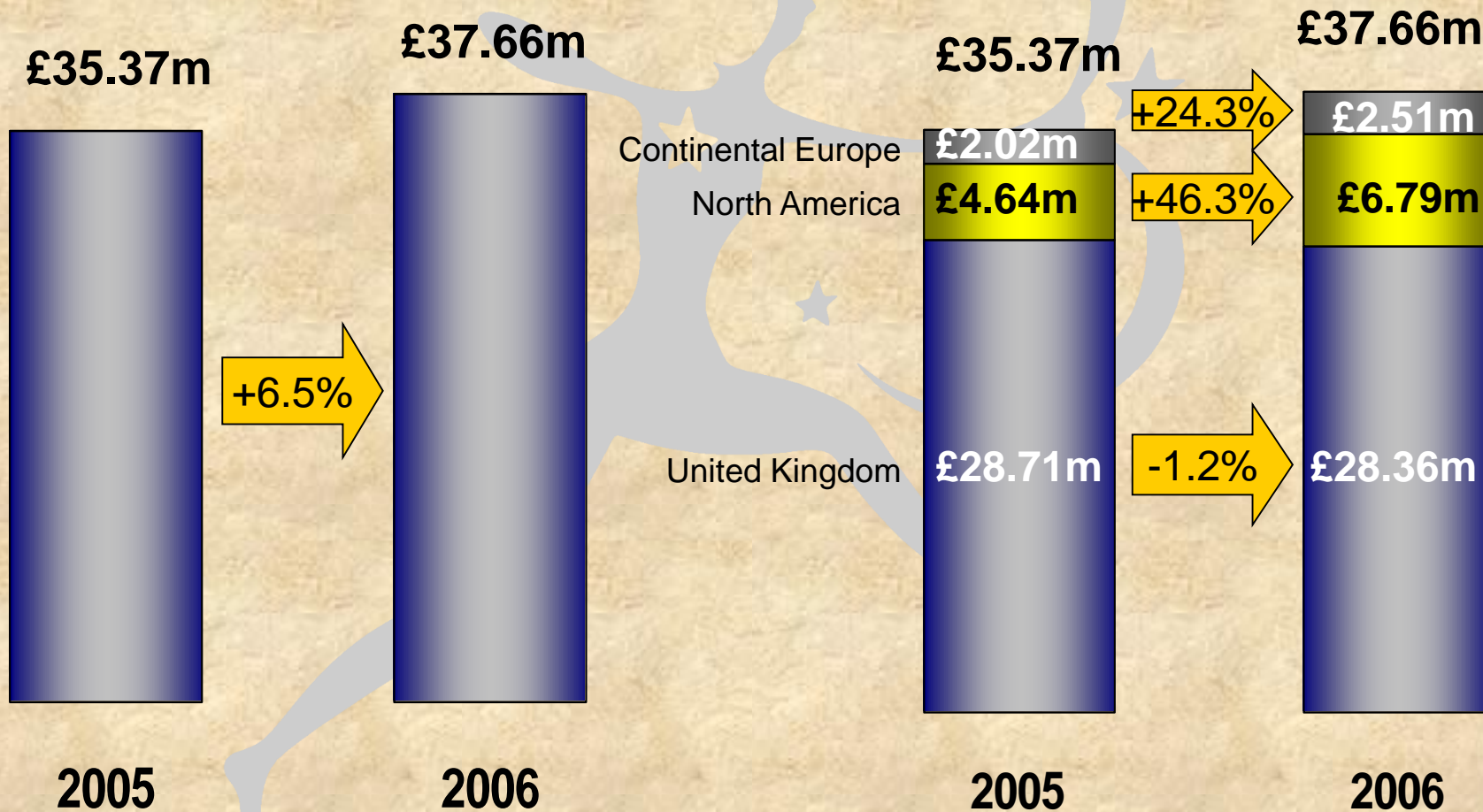


- Revenue increased by 6.5% to £37.66m (2005, £35.37m)
- Pre-tax profit increased by 3.4% to £4.22m (2005, £4.08m)
- Basic earnings per share increased by 2.3% to 4.08 pence (2005, 3.99 pence)
- Dividend increased by 10% to 0.66 pence (2005, 0.60 pence)



## Revenue

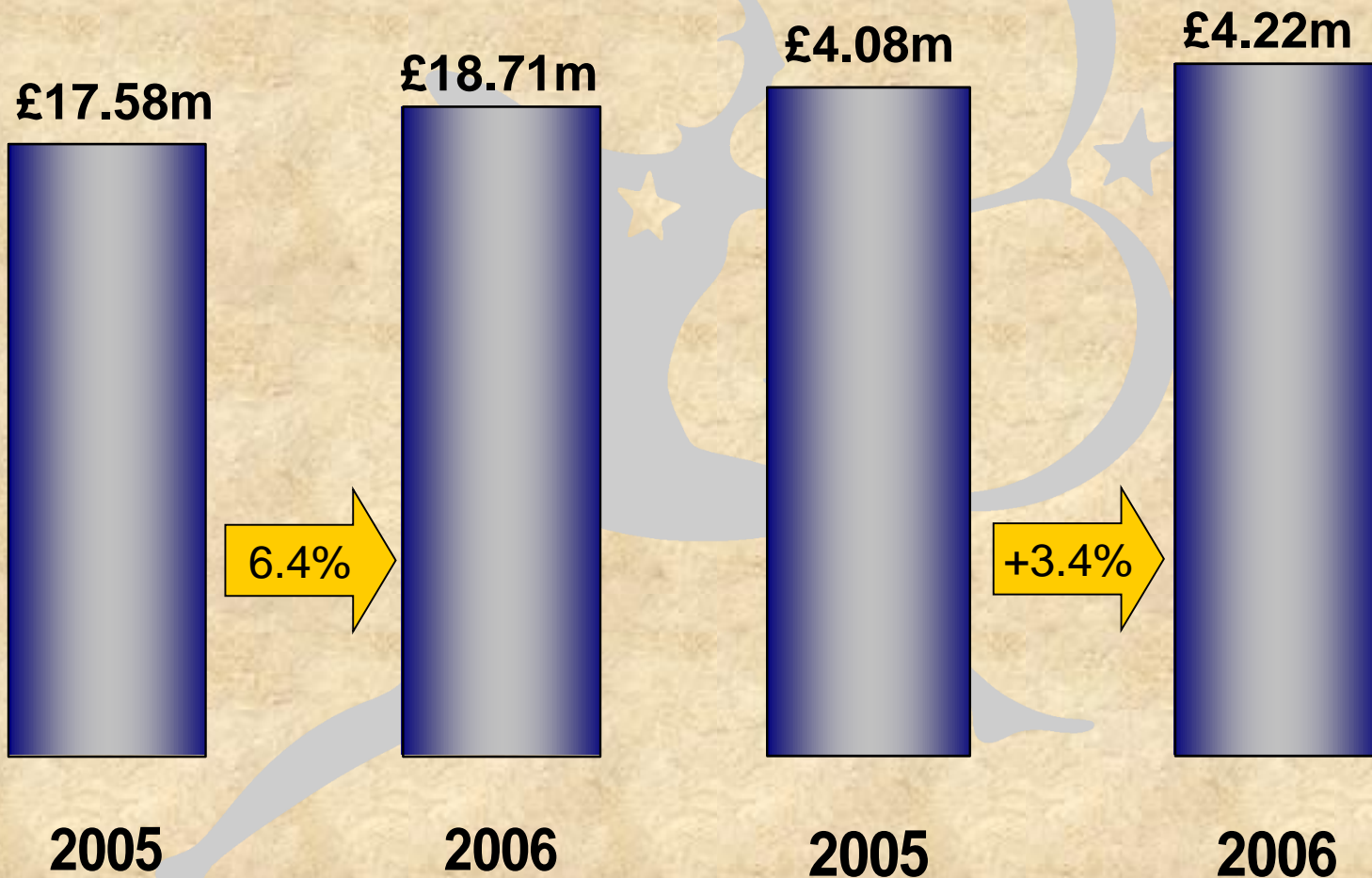
## Segmental Analysis





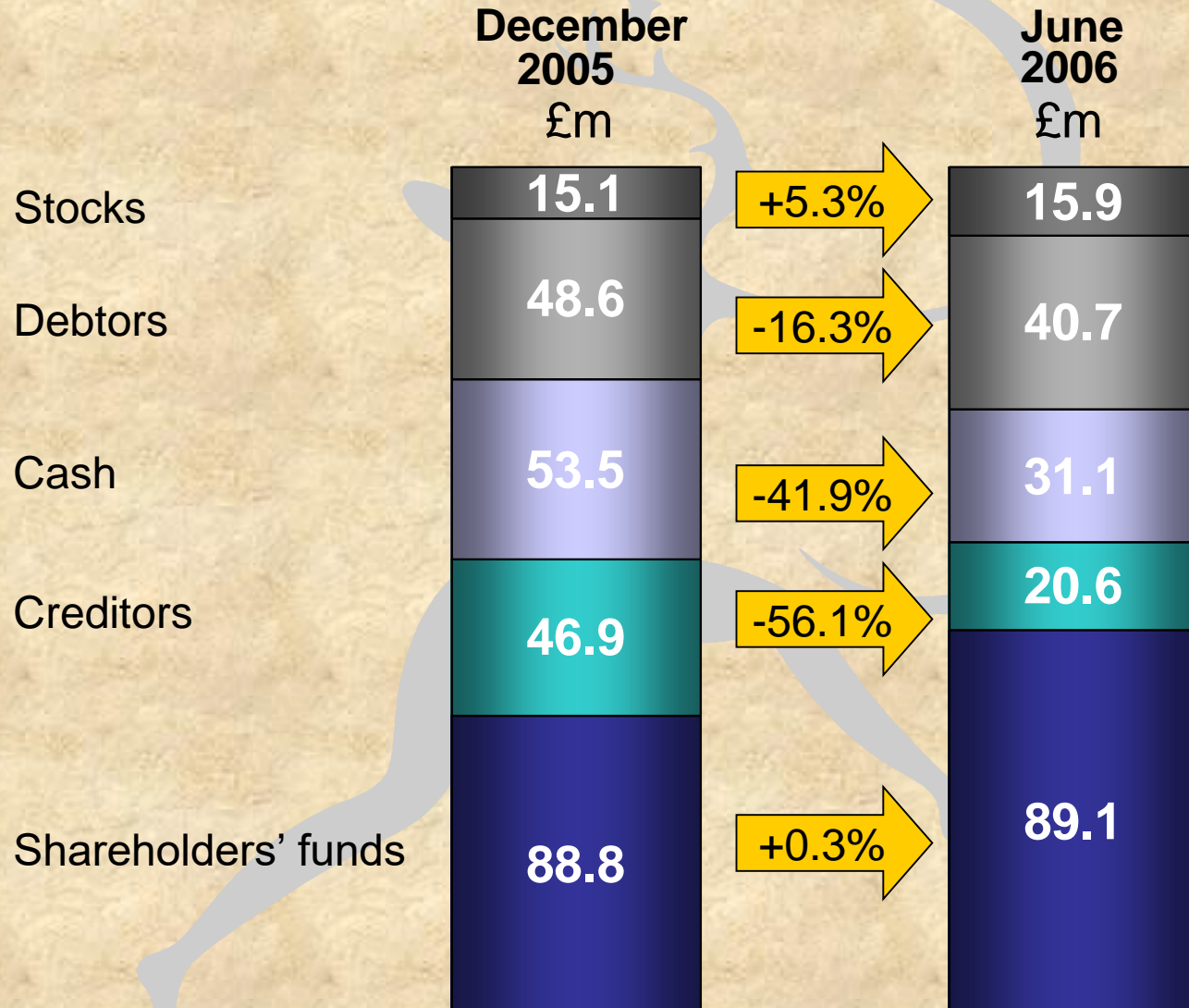
# Gross Profit

# Pre-tax Profit



# Financial Summary

## Consolidated Balance Sheet

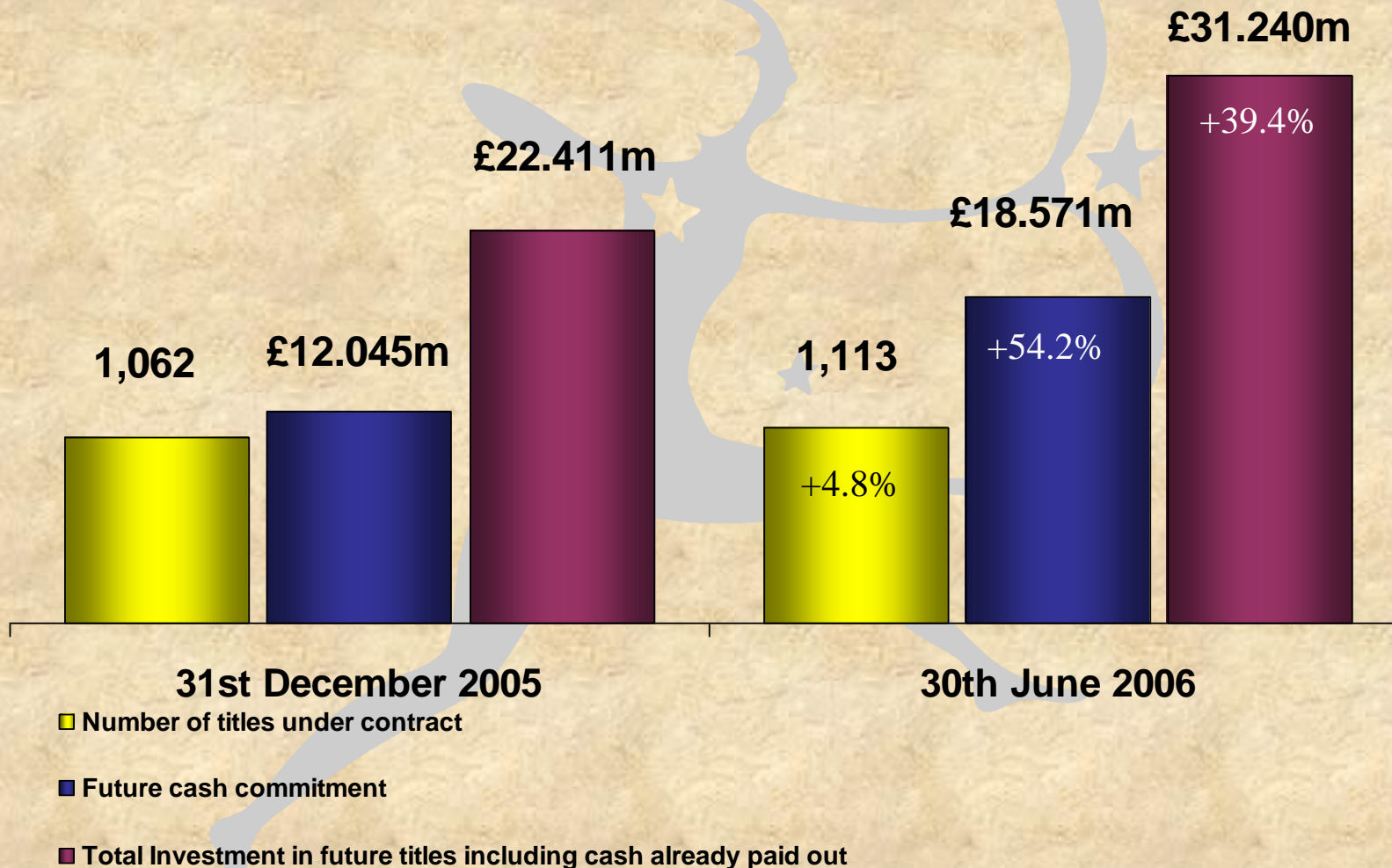


# Cash Flow



	June 2005	June 2006
	£m	£m
<b>Net profit before tax</b>	<b>4.084</b>	<b>4.219</b>
Other	0.248	0.535
Working capital	(6.437)	(19.340)
Investment income and finance costs	(0.648)	(1.204)
<b>Cash used in operations</b>	<b>(2.753)</b>	<b>(15.790)</b>
Tax paid	(2.618)	(2.278)
<b>Net cash outflow from operating activities</b>	<b>(5.371)</b>	<b>(18.068)</b>
Net cash generated from/(used in) investing activities	0.026	(2.344)
Net cash generated from/(used in) financing activities	0.466	(1.946)
<b>Net decrease in cash and cash equivalents</b>	<b>(4.879)</b>	<b>(22.358)</b>

# Investment In Future Years' Titles as at 30<sup>th</sup> June

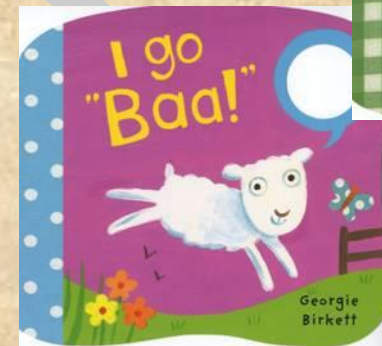
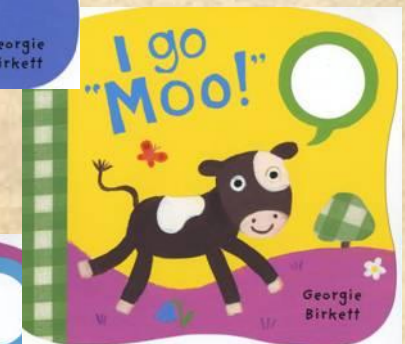
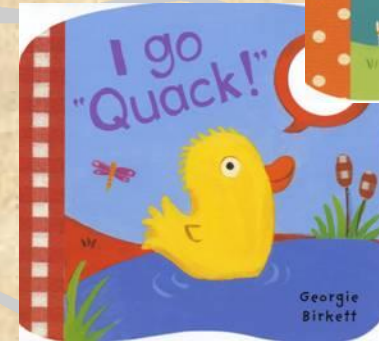
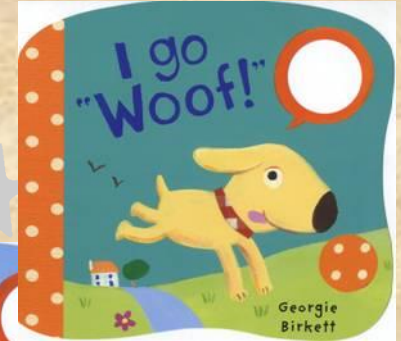




# Children's Division



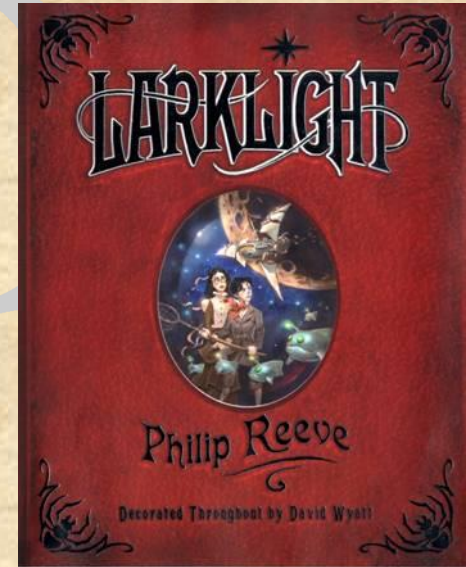
- First full pre-school list publishing programme
- Strong new titles
- Harry Potter and the Half-Blood Prince
  - Launched in paperback in both children's and adult editions
  - Strong sales in English language through German sales force



# Children's Division



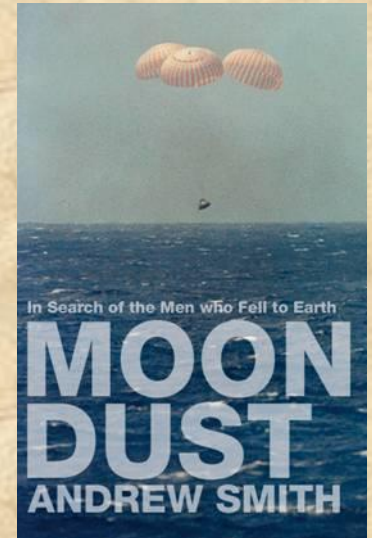
- International appeal – Larklight
  - Acquired world rights including film rights
  - Recouped 100% of investment in book
  - Major film deal brokered by CAA
  - Outright purchase by Warner Bros. – not just an option
  - Rights already sold to 12 foreign publishers
- Increasing demand for character series
- Good list for H2
  - Mermaid S.O.S. – in-house originated
  - Araminta Spook
  - Film and TV tie-in market – Open Season



# Adult Division



- Good start to the year with three Richard and Judy Book Club selections
  - Moondust
  - Empress Orchid
  - The Highest Tide
- ....Plus Joanna Trollope – Second Honeymoon hits number one
- Appointed Richard Atkinson to head up list of food, lifestyle and TV tie-in books
  - Hugh Fearnley-Whittingstall
  - David Dimbleby
  - Heston Blumenthal





# Adult Division

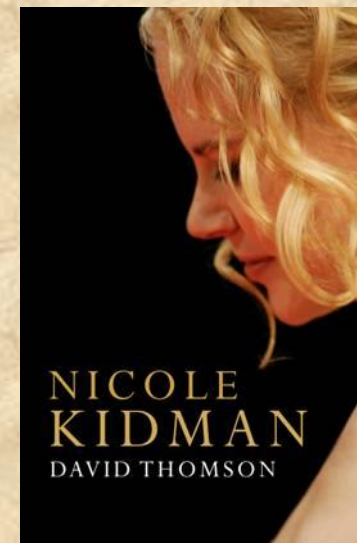
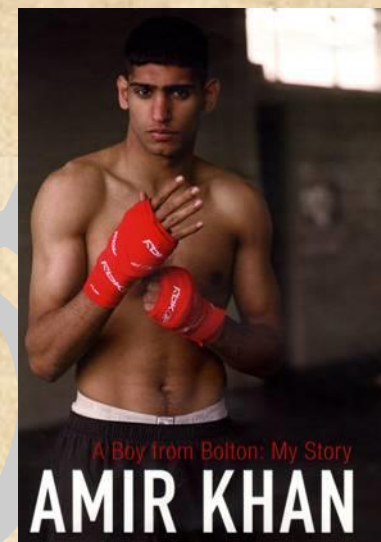
- Man Booker Prize Longlist
  - Jon McGregor
  - Nadine Gordimer
- Autumn list is the strongest ever

## New authors

- William Boyd
- Hugh Fearnley-Whittingstall
- Heston Blumenthal
- Gordon Brown
- David Blunkett
- William Dalrymple
- Amir Khan
- Ruth Badger

## Existing authors

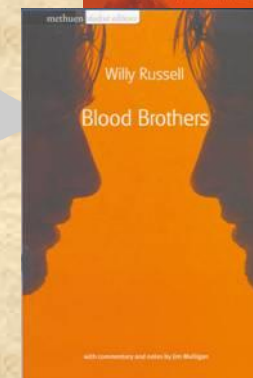
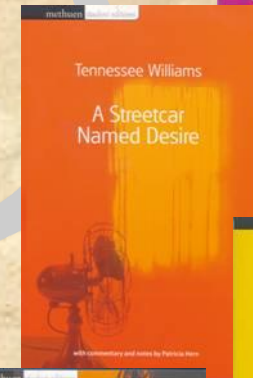
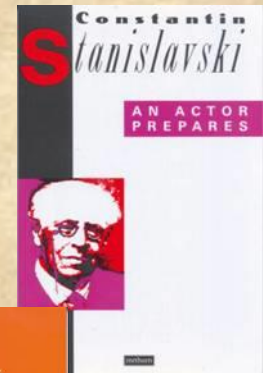
- Ben Schott
- Margaret Atwood
- Susanna Clarke
- Jon McGregor
- Ronan Bennett



# Reference Division



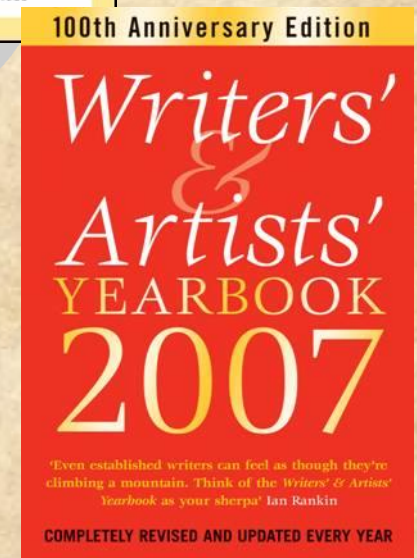
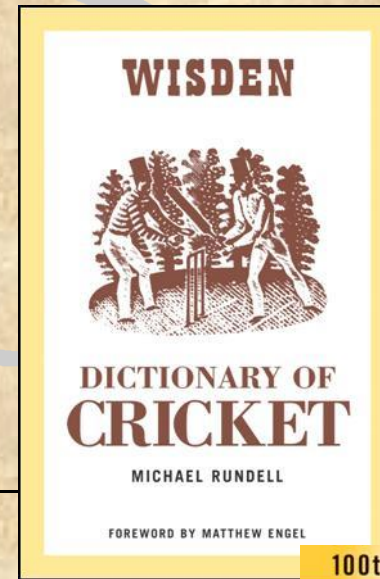
- Acquisition of Methuen Drama in June
  - Consideration £2.35m
  - 700 titles in print, excellent backlist
  - Will fold existing New Mermaids list into Methuen to leverage a more established brand – stronger combined reach
  - Will use existing overhead structure to maximise margin
  - Operation will be fully integrated before year end
  - Increase in sales over next five years



# Reference Division



- Record year for Wisden
- Books in H2
  - Business: The Ultimate Resource
  - The Writers' and Artists' Yearbook – 100<sup>th</sup> Anniversary this year
- Major new electronic and print database projects at advanced planning stage
- Electronic databases may benefit from surge in online advertising and increased use of the internet as a research tool

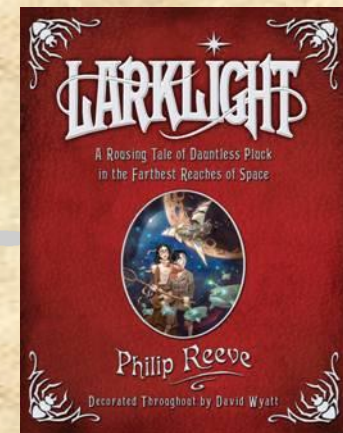
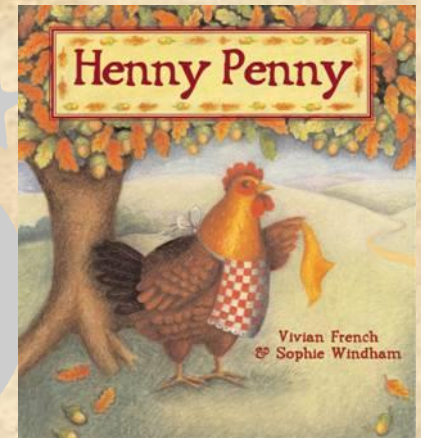


# International Operations

## Bloomsbury USA



- Revenues up 46.3% to £6.79m (£4.64m)
- Profits H2 weighted
- Strong demand for 2005 autumn titles in first half
- Strong advance orders for 2006 titles
- Launch of new mass market editions of Jonathan Strange and Mr Norrell and Faerie Wars

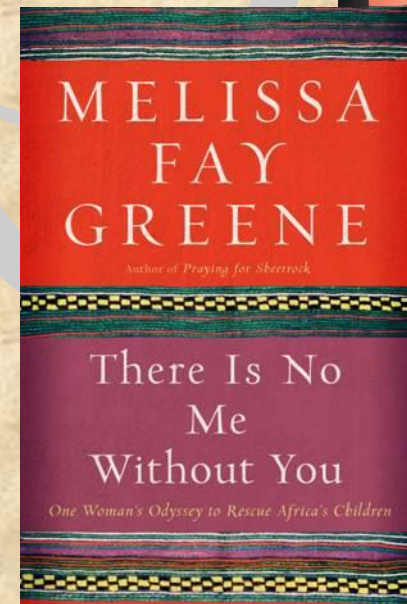
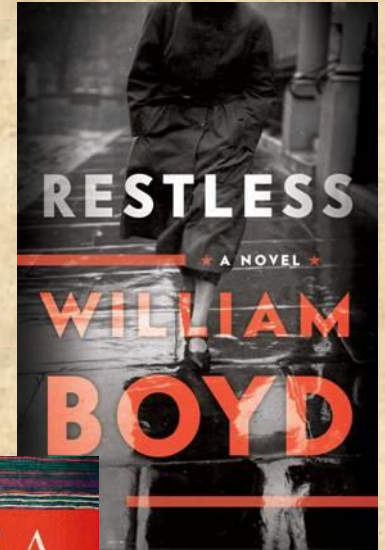


# International Operations

## Bloomsbury USA



- Appointment of new publishers – non-fiction titles on sports, politics and current events
- Reduction of printing costs
- Strong autumn list
  - Ben Schott
  - Melissa Fay Greene
  - William Boyd





# International Operations

## Berlin Verlag



- Revenues increased 24.3% to £2.51m (£2.02m)
- Three Schott titles performing well - all three on Der Spiegel bestseller list in Spring
- Der Teppichhändler by Meg Mullins and Der Drachenläufer by Khaled Hosseini
- Redesign of paperback list
  - Increasing subscription levels of new titles
  - Increasing sell through of backlist

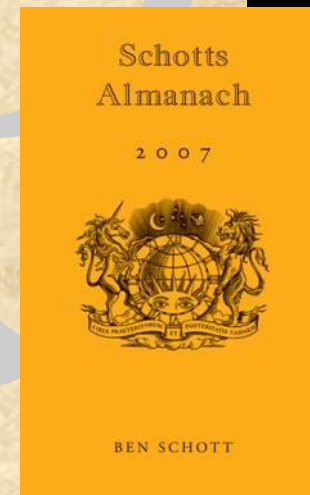


# International Operations

## Berlin Verlag



- Cost reduction opportunities
- Sales of English-language titles continue to grow
- Strong list for second half
  - Schott's Almanac 2007
  - Impuls
  - Die Kommende Welt
- Kiran Desai's *Erbin des verlorenen Landes* shortlisted for Man Booker prize
- Launch of children's non-fiction list in October using books acquired by Bloomsbury UK and local titles



# Summary and Outlook



- Strong H2 publishing programme
- Major authors to be published in the second half
  - Ben Schott
  - Margaret Atwood
  - Susanna Clarke
  - Ronan Bennett
  - William Boyd
  - Hugh Fearnley-Whittingstall
  - Heston Blumenthal
  - Gordon Brown
  - Jon McGregor
  - David Blunkett
  - William Dalrymple
  - Amir Khan
  - Ruth Badger

# Summary and Outlook



- International benefits
- Strong balance sheet to enable continued organic and acquisition growth
- Satisfactory outlook for year
- Well positioned for future growth

