29 August 2008

BLOOMSBURY PUBLISHING PLC
Interim Results for the six months to 30 June 2008

- Profit before investment income increased 6.1% to £3.5m (2007, £3.3m)
- Investment income increased to £1.9m (2007, £0.6m)
- Earnings per share increased 41.2% to 4.97 pence (2007, 3.52 pence)
- Interim dividend up 7.1% to 0.75p per share (2007, 0.70p)
- Strong list for second half including Alice Schroeder's biography of Warren Buffet; *The Snowball; Just Me* by Sheila Hancock; *The Guernsey Literary and Potato Peel Pie Society* by Mary Ann Shaffer; and, on December 4, JK Rowling's *The Tales of Beedle The Bard*
- Net cash balances increased by 13.0% to £53.8m (31 December 2007, £47.6m)
- Well positioned for further organic and acquisition-related growth
- Strongest ever first six months sales performance from the UK Adult trade division

Commenting on the results and prospects for Bloomsbury, Nigel Newton, Chief Executive, said:

"We have had a good first half performance, particularly, in the UK Adult and Specialist Divisions. As well as continuing to enjoy notable success from long-running bestselling titles such as *The Kite Runner*, we are also well positioned with strong publishing lists for the second half and beyond. We are now seeing the benefits of our focused strategy, which is positioning us well for the rest of the financial year and the longer term."

For further information, please contact:

Ben Woodford/Dan de Belder, Bell Pottinger	+44 (0) 20 7861 3232
Nigel Newton, Chief Executive, Bloomsbury Publishing Plc	+44 (0) 20 7494 6015

Chief Executive's statement

OVERVIEW

Bloomsbury has had a good start to the year, making excellent progress against its strategy. This performance has been underpinned by strong sales of *The Kite Runner* and *A Thousand Splendid Suns* in English and German. The emphasis across the Group has been on bottom-line growth and cash flow improvement.

For the first half we saw the benefits of improved distribution terms in the USA and the UK, while improved terms from new sales and distribution contracts in Canada, Europe, India and the Far East will begin to flow through to the bottom line by the fourth quarter. Book sales have remained relatively resilient so far during the credit crunch.

Revenue for the first six months was £42.1m compared to £51.4m in 2007. *Harry Potter and the Deathly Hallows* was released in hardback into the export markets in June 2007, which is why our gross profit decreased 11% in line with our expectation to £19.4m (2007, £21.8m). 29.6% of the Group's revenue was generated from the top ten authors during the six-month period. Gross margin increased to 46.1% (2007, 42.4%) as a result of lower royalties due to authors and stock provisions made.

Marketing and distribution costs were 21.8% lower at £6.8m (2007, £8.7m) and as a percentage of turnover decreased to 16.2% (2007, 16.9%).The higher comparative was due to the costs associated with the release of *Harry Potter and the Deathly Hallows* into the export markets in June 2007. Administrative expenses decreased 8.1% to £9.1m (2007, £9.9m) as a result of cost reductions made across the Group. As a percentage of turnover, administrative expenses increased to 21.6% (2007, 19.3%).

Profit before investment income increased 6.1% to £3.5m (2007, £3.3m).

Investment income increased by 216.7% to £1.9m (2007, £0.6m) primarily as a result of higher average cash balances held during the six month period.

Profit before tax increased 38.5% to £5.4m (2007, £3.9m).

The Group's effective tax rate for the year ending 31 December 2008 is expected to be 31.9%, compared with 33.9% for the year ended 31 December 2007. The reduction in the rate is primarily due to the cut in the UK statutory rate of corporation tax from 30% to 28% with effect from 1 April 2008, combined with a 10% cut in the German corporate tax rate that took effect on 1 January 2008.

The rate has also been reduced by an overall small favourable tax effect of accounting for share based payments, whereas in 2007 the corresponding effect was a 2% increase in the rate. The rate has also benefited from an expected lower level of tax-disallowable expenditure than in 2007.

Losses incurred in the US in the first half of the year cannot be relieved against the Group's taxable profits in the UK and at present there is insufficient certainty that the losses will be relieved against future taxable profits in the US to recognise them as a deferred tax asset. This is the main reason why the Group's effective tax rate exceeds the average UK statutory rate for the period of 28.5%.

Basic earnings per share increased 41.2% to 4.97 pence (2007, 3.52 pence).

Net cash generated from operations by the Group for the first six months of the year was £11.9m (the six months ended 30 June 2007 saw an outflow of £9.4m). The positive operating cash flow in the first six months of this year was primarily due to improved working capital, the strength of the publishing programme, particularly in the UK and Germany, and lower than anticipated book returns. Key movements within working capital in the first half included receipts from trade receivables as well as the payments of royalties to authors covering book sales made in the last six months of 2007. Net cash balances at 30 June increased 13.0% to £53.8m (31 December 2007, £47.6m). As at 30 June 2008, the Group had under contract 1,222 titles (31 December 2007, 1,240) for future publication, with a gross investment of £26.6m (31 December 2007, £27.6m). After payment of the initial tranches of advances to authors, our liability for future cash payments on these contracted titles as at 30 June 2008 was £15.8m (31 December 2007, £16.3m).

INTERIM DIVIDEND

The Directors have declared a 7.1% increase in the interim dividend to 0.75 pence per share (2007, 0.70 pence per share), which will be paid on 18 November 2008 to shareholders on the register at close of business on 24 October 2008.

OPERATIONAL REVIEW

Specialist Publishing Division

£'000	Half Year 2008	Half Year 2007	Growth %	Full Year 2007
Revenue	7,607	6,222	22%	15,450
Segment result before Administrative expenses	2,355	1,015	132%	2,639

The Specialist Publishing Division had a good start to 2008, with strong growth in turnover and profits. Specialist publishing is positioned to perform well, given its lower discounts and higher price points, lower advances to authors and strong backlist sales.

The programme of digitising our entire English language catalogue has been completed. This will enable us to increase significantly the range of electronic products we can offer both to individual buyers and to resellers serving the library and institutional markets, where we have already made encouraging sales of e-book collections.

Digitisation also enables us to make our titles more easily available as print on demand ("POD"), a particularly appropriate model for specialist publishing where a wide range of titles are sold in small numbers consistently over a long period of time. In addition to digitising the in-print backlist, we are engaged in an active process of digitising out of print titles in order to offer them POD and in a variety of electronic formats.

Don'ts for Husbands and *Don'ts for Wives* continue to sell strongly in 2008. Following their success we published *Don'ts for Golfers* in May and will be publishing *Don'ts for Dancers* this autumn.

We continue to seek acquisitions in our core specialist publishing areas. On 31 March we acquired Featherstone Education, a publisher specialising in books for teachers and carers of 0-7 year olds. This market is expanding rapidly due to government initiatives in preschool and early education. The integration of Featherstone is proceeding according to plan.

The educational list performed strongly in the first half of 2008, backlist sales increased and sales for the relaunch of our 'Developing' series were above expectations. In response to the increasing use of digital and mixed media resources in schools, this year we will be publishing 'Music Express Interactive', a new range of music lessons for the classroom designed to be used on the interactive whiteboards in classrooms across the UK. We will also launch 'Extreme', a new line of books aimed at reluctant boy readers which will sell both in the UK and internationally.

In the Methuen Drama list, we have signed new publishing contracts with two major estates: Arthur Miller and Bernard Shaw and we will be publishing new scholarly editions of their plays, starting in 2008.

New database launches in 2008

In 2007 we agreed a partnership with the Qatar Financial Centre Authority for development of a new information resource: *Qfinance – The Ultimate Resource*. The resource, in print and online, will be aimed at financial professionals from CEOs and CFOs to Junior Accountants. The project is now underway and income is being recognised over several accounting periods from 2008.

In an important new collaboration with Oxford University Press, the 2008 edition of *Who's Who* and the historical archive of *Who's Who* were published on-line alongside the Oxford Dictionary of National Biography. As a subscription service, purchased by academic institutions and libraries worldwide, this biographical database should provide a steadily increasing revenue stream to the Group in the future. Subscription customers signed this year include The Ministry of Defence, The Treasury, The BBC and Morgan Stanley.

This summer we launch the yachtsman's bible, *Reeds Nautical Almanac,* in an online edition. Covering the whole of the UK and Ireland, from Denmark down the Atlantic Coast to the Azores, the site will give navigational, port and marina information updated in real time, with a variety of enhanced search features for easy information retrieval. Reeds Online Almanac will be the first comprehensive site of this kind, providing essential information for sailors in UK coastal waters.

Academic Publishing

Bloomsbury intends to expand the academic part of its Specialist Publishing Division and a number of acquisitions under consideration. We have appointed Jonathan Glasspool as Managing Director of Bloomsbury Academic. The recent growth of the Methuen Drama list, many titles of which sell to higher education students and lecturers, illustrates how well Bloomsbury can reach the academic and higher education markets.

There are a number of reasons why this market is attractive:

- Many of the sales go via library suppliers and direct to readers.
- The market is characterised by low book returns, and lower trade discount.
- Demand is more predictable.

- The economics of short-run publication have improved as a result of the introduction of digital print-on-demand.
- The market is global and is less dependent upon the UK, where much of Bloomsbury's current sales are generated.
- Lower internet technology costs make it possible for nimbler players to compete with the larger university presses and academic publishers.

Trade Publishing Division

Adult

£'000	Half Year 2008	Half Year 2007	Growth %	Full Year 2007
Revenue	20,538	15,353	34%	35,845
Segment result before Administrative expenses	6,672	2,508	166%	6,012

Bloomsbury UK Adult sales performance for the first six months of this year across UK and export markets is the strongest we have seen yet to date. Sales of Bloomsbury books out of UK outlets monitored by Nielsen BookScan show an increase of 29.2% over the same period last year.

We are continuing to acquire book rights for publication across the Group. We are responding to a bestseller-driven marketplace by publishing a lower number of titles and concentrating heavily on the sales of our paperback list with an emphasis on innovative digital marketing.

Notable non-fiction successes in the first half of this year include Sally Brampton's *Shoot the Damn Dog,* which won the Good Housekeeping Non-Fiction book of the year award and *The Suspicions of Mr Whicher,* which spent a number of weeks at No 2 in the Sunday Times bestseller list and won the Samuel Johnson Prize for Non-fiction.

Important publications to follow in the second half of this year include *The Guernsey Literary and Potato Peel Pie Society* by Mary Ann Shaffer and *Payback* by Margaret Atwood*,* Heston Blumenthal's *The Big Fat Duck Cookbook, Wartime Courage* by Gordon Brown, *The Snowball*, Alice Schroeder's biography of Warren Buffett, *Schott's Almanac 2009* and Sheila Hancock's follow-up to her bestseller *The Two of Us*, titled *Just Me*.

Children's

£'000	Half Year 2008	Half Year 2007	Growth %	Full Year 2007
Revenue	13,995	29,835	-53%	98,916
Segment result before Administrative expenses	3,570	9,601	-63%	30,005

The Children's division is working against a strong 2007 comparative which includes the publication for the export market of *Harry Potter and the Deathly Hallows* in hardback.

2008 started well with the inclusion of a new Neil Gaiman novel as one of the World Book Day Books. *Odd and the Frost Giants* has sold over 150,000 copies and is a brilliant start to what is going to be an important year for us in publishing new titles from Neil Gaiman concluding with his much anticipated novel for children, *The Graveyard Book.*

We have a new two-book contract with Debi Gliori, with her books to be published in 2009 and 2010. We have another Dinosaur story coming from Michael Foreman, and Joseph Theobalds has written and illustrated a sequel to his successful *Marvin Wants More,* titled *Marvin Gets Mad!*

Television continues to be a strong influence on buying patterns, and we have benefited this year from the success of the television series *Gossip Girl* with an increase in sales of the book series.

We look forward to the publication of J K Rowling's *The Tales of Beedle The Bard* on 4th December, which will raise money for her charity, the Children's High Level Group.

Bloomsbury USA

£'000	Half Year 2008	Half Year 2007	Growth %	Full Year 2007
Revenue	6,361	5,777	10%	13,392
Segment result	(354)	(892)	60%	(1,644)

Our sharing of copyrights across the Atlantic and other initiatives have resulted in a considerable year-on-year improvement in the results of Bloomsbury USA, with sales growth of 10% and a 60% reduction in operating losses. In addition we are paying greater attention to export sales (where the weak dollar has been an advantage) and have established new arrangements for distribution with Penguin Canada and through the Bloomsbury sales network.

The first half saw success in terms of both profitabity and revenue in all our key areas of publishing: in fiction with Katie Hickman's *Aviary Gate*, in non-fiction with Kate Summerscale's *The Suspicions of Mr Whicher*, in Bloomsbury Press with Brian Fagan's *The Great Warming* and in Children's with Shannon Hale's *Princess Academy*.

The second half will see an acceleration in our fiction paperback publishing with new novels from Douglas Coupland, Ronan Bennett, Will Self and others. The publication in English for the first time of *Resistance: A Woman's Journal of Struggle and Defiance in Occupied France* looks set to be a major title. Walker Books continues its strong publishing schedule with some outstanding non-fiction such as *The Last Days of Old Beijing* by Michael Meyer, *Stalin's Children* by Owen Matthews and an updated verson of Larry J. Sabato's bestselling *A Perfect Constitution* to coincide with the US presidential election. Both the Bloomsbury and Walker children's lists have a range of titles from established and new authors and illustrators for children.

Berlin Verlag

£'000	Half Year 2008	Half Year 2007	Growth %	Full Year 2007
Revenue	6,098	3,421	78%	8,529
Segment result	506	605	-16%	283

Berlin Verlag has a strong publishing programe in 2008 although it is working against strong comparatives in 2007 which benefited from sales commission from the sale of *Harry Potter and the Deathly Hallows* into the German and Austrian markets in June 2007. The ongoing success of the German language editions of Khaled Hosseini's *Kite Runner*, which has now been in the bestseller list for over two years, and his second novel, *A Thousand Splendid Suns,* has provided our German operation with continued momentum. On the Berlin Verlag hardback list, our Spring lead title, *Die Wohlgesinnten* by Jonathan Littell, performed extremely well reaching the *Spiegel* Top 10 and being featured on the influential TV show *LESEN!*. Other key performances are *Restless* by William Boyd, a title shared with the rest of the Bloomsbury Group, and *Eat Pray Love*, shared with Bloomsbury UK. In the Children's area we are now seeing improved performance in terms both of turnover and margin following a planned reduction in the number of titles published. Our investment in the business is paying off and Berlin is now generating positive cashflow for the Group.

The German book market continues to be stable in financial terms with, however, increasing consolidation on the retail side as the large chains expand into the hitherto strong independent sector. Berlin Verlag's strategy of enhancing relationships with the key chains continues to bear fruit. Costs remain under constant review with further improvements achieved via a new agreement with one of our main printers effective from the second half of 2008. The prospects for the rest of 2008 are positive.

Outlook

One of Bloomsbury's strengths is the ability to respond to different market trends. To this end we have completed the process of digitising all our English-language catalogue and have created a digital archive which will respond to electronic demand in all forms – print on demand, e-books, institutional site licences. We are further developing our global sales and marketing infrastructure to ensure that our authors' works are known and available throughout the world via bookshops, the internet, electronic delivery and strong alliances with other media – TV, film, social networks, radio, newspapers and magazines.

We look forward to the publication on 29 September of Alice Schroeder's remarkable biography of Warren Buffett, *The Snowball.* Many years in the writing, this will be one of the most important books of the year.

The Group's cash position has been strong with £53.8m of cash on deposit (31 December 2007, £47.6m) enabling us to focus on the business going forward and take advantage of opportunities for company and book acquisitions. We have strong publishing lists for the second half and beyond and current trading remains in line with our expectations.

Nigel Newton
Chief Executive
29 August 2008

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2008

Continuing operations	Notes	6 months ended 30 June 2008 (unaudited) *£'000*	6 months ended 30 June 2007 (unaudited) *£'000*	Year ended 31 December 2007 (audited) *£'000*
Revenue	2	42,140	51,410	150,211
Cost of sales		(22,722)	(29,609)	(91,042)
Gross profit		19,418	21,801	59,169
Marketing and distribution costs		(6,821)	(8,677)	(20,513)
Administrative expenses		(9,146)	(9,873)	(22,181)
Profit before investment income	2	3,451	3,251	16,475
Investment income		1,937	621	1,480
Finance costs		(16)	(15)	(99)
Profit before taxation		5,372	3,857	17,856
Income tax expense		(1,713)	(1,274)	(6,052)
Profit for the period, attributable to equity holders of the parent company		3,659	2,583	11,804
Basic earnings per share	3	4.97p	3.52p	16.06p
Diluted earnings per share	3	4.96p	3.42p	15.63p

The notes on pages 15 to 19 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET
at 30 June 2008

	Notes	30 June 2008 (unaudited) *£'000*	30 June 2007 (unaudited) *£'000*	31 December 2007 (audited) *£'000*
ASSETS				
Non-current assets				
Property, plant and equipment		1,658	2,118	1,877
Intangible assets	6	18,890	17,581	17,716
Deferred tax assets		1,841	1,917	1,848
Total non-current assets		22,389	21,616	21,441
Current assets				
Inventories		15,405	22,749	14,406
Trade and other receivables	4	37,373	70,646	76,213
Cash and cash equivalents		53,840	13,323	47,558
Total current assets		106,618	106,718	138,177
TOTAL ASSETS		129,007	128,334	159,618
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital		920	920	920
Share premium		39,191	39,191	39,191
Capital redemption reserve		20	20	20
Share-based payment reserve		2,319	1,648	2,114
Translation reserve		(277)	(1,491)	(899)
Retained earnings		59,833	49,897	58,723
Total equity		102,006	90,185	100,069
Liabilities				
Non-current liabilities				
Deferred tax liabilities		204	176	135
Retirement benefit obligations		39	63	77
Other payables		522	477	390
Total non-current liabilities		765	716	602
Current liabilities				
Trade and other payables		25,421	37,308	55,852
Current tax payable		815	125	3,095
Total current liabilities		26,236	37,433	58,947

Total liabilities	27,001	38,149	59,549
TOTAL EQUITY AND LIABILITIES	129,007	128,334	159,618

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
Balances at 1 January 2007	918	38,915	20	1,104	(1,236)	49,612	89,333
Exchange differences on translating foreign operations	-	-	-	-	(255)	-	(255)
Deferred tax on share-based payments	-	-	-	-	-	(95)	(95)
Expense recognised directly in equity	-	-	-	-	(255)	(95)	(350)
Profit for the period	-	-	-	-	-	2,583	2,583
Total recognised income and expense for the period	-	-	-	-	(255)	2,488	2,233
Share-based payments	-	-	-	544	-	-	544
Dividends	-	-	-	-	-	(2,203)	(2,203)
Share issues	2	276	-	-	-	-	278
Balances at 30 June 2007	920	39,191	20	1,648	(1,491)	49,897	90,185
Exchange differences on translating foreign operations	-	-	-	-	592	-	592
Deferred tax on share-based payments	-	-	-	-	-	120	120
Income recognised directly in equity	-	-	-	-	592	120	712
Profit for the period	-	-	-	-	-	9,221	9,221
Total recognised income and expense for the period	-	-	-	-	592	9,341	9,933
Share-based payments	-	-	-	466	-	-	466
Dividends	-	-	-	-	-	(515)	(515)

Share issues	-	-	-	-	-	-	-
Balances at 31 December 2007	920	39,191	20	2,114	(899)	58,723	100,069
Exchange differences on translating foreign operations	-	-	-	-	622	-	622
Deferred tax on share-based payments	-	-	-	-	-	13	13
Income recognised directly in equity	-	-	-	-	622	13	635
Profit for the period	-	-	-	-	-	3,659	3,659
Total recognised income and expense for the period	-	-	-	-	622	3,672	4,294
Share-based payments	-	-	-	205	-	-	205
Dividends	-	-	-	-	-	(2,428)	(2,428)
Share issues	-	-	-	-	-	-	-
Purchase of shares by the Employee Benefit Trust	-	-	-	-	-	(134)	(134)
Balances at 30 June 2008	920	39, 191	20	2,319	(277)	59,833	102,006

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2008

	6 months ended 30 June 2008 (unaudited) £'000	6 months ended 30 June 2007 (unaudited) £'000	Year ended 31 December 2007 (audited) £'000
Cash flows from operating activities			
Profit before tax	5,372	3,857	17,856
Adjustments for:			
Depreciation of property, plant and equipment	342	334	680
Amortisation of publishing relationships	18	18	35
(Profit) / loss on sale of property, plant and equipment	(4)	(2)	1
Share-based payment charges	205	544	1,010
Investment income	(1,937)	(621)	(1,480)
Finance costs	16	15	99
	4,012	4,145	18,201
(Increase) / decrease in inventories	(784)	(7,006)	1,540
Decrease / (increase) in trade and other receivables	39,527	(23,234)	(28,113)
(Decrease) / increase in trade and other payables	(30,835)	16,722	34,971
Cash generated from / (used in) operations	11,920	(9,373)	26,599
Income taxes paid	(3,890)	(155)	(1,928)
Net cash inflow / (outflow) from operating activities	8,030	(9,528)	24,671
Cash flows from investing activities			
Purchase of property, plant and equipment	(211)	(118)	(230)
Proceeds from sale of property, plant and equipment	7	-	9
Purchase of businesses, net of cash acquired	(1,021)	-	(75)
Interest received	1,819	621	1,349
Net cash generated from investing activities	594	503	1,053
Cash flows from financing activities			
Share options exercised	-	278	278
Purchase of shares by the Employee Benefit Trust	(134)	-	-
Equity dividends paid	(2,428)	(2,203)	(2,718)
Interest paid	(16)	(15)	(99)
Net cash used in financing activities	(2,578)	(1,940)	(2,539)
Net increase / (decrease) in cash and cash equivalents	6,046	(10,965)	23,185
Cash and cash equivalents at beginning of period	47,558	24,304	24,304
Exchange gain / (loss) on cash and cash equivalents	236	(16)	69
Cash and cash equivalents at end of period	53,840	13,323	47,558

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2008 do not constitute full statutory accounts. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They have also been prepared on a consistent basis with the financial statements for the year ended 31 December 2007 and under the historical cost convention. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union. The financial information for the year ended 31 December 2007 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. This information was derived from the statutory accounts for the year ended 31 December 2007, a copy of which has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The accounting policies used in the preparation of the condensed consolidated interim financial statements for the six months ended 30 June 2008 are consistent with those that the Directors intend to use in the statutory accounts for the year ended 31 December 2008.

The condensed consolidated interim financial statements are unaudited but have been reviewed by the auditors in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of the Interim Financial Information performed by the independent Auditor of the Entity." The interim results do not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985.

The preparation of condensed consolidated financial statements requires the use of certain critical accounting assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas requiring a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in the 2007 Annual Report.

The interim report complies with the Disclosure and Transparency Rules ("DTR") of the United Kingdom's Financial Services Authority in respect of the requirement to produce a half-yearly financial report. The interim report is the responsibility of, and has been approved by, the directors. We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the EU;
- the interim management report includes a fair review of the important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year, as required by DTR 4.2.7R; and
- the interim management report includes a fair review of disclosure of related party transactions and changes therein, as required by DTR 4.2.8R.

The financial information included in this document has been approved for issue by the Directors on 29 August 2008.

2. Segmental analysis

Geographical segments

The Group considers that as the main thrust of its growth is to develop its international publishing strategy, the primary segmental reporting should be based on geographical segments. The analysis by geographical segment is shown below.

External revenue (by source)	**6 months ended 30 June 2008 (unaudited) £'000**	**6 months ended 30 June 2007 (unaudited) £'000**	**Year ended 31 December 2007 (audited) £'000**
United Kingdom	29,681	42,212	128,290
North America	6,361	5,777	13,392
Continental Europe	6,098	3,421	8,529
	42,140	51,410	150,211

Segment result (by source)	**6 months ended 30 June 2008 (unaudited) £'000**	**6 months ended 30 June 2007 (unaudited) £'000**	**Year ended 31 December 2007 (audited) £'000**
United Kingdom	3,466	3,617	18,160
North America	(354)	(892)	(1,644)
Continental Europe	506	605	283
Segment result	3,618	3,330	16,799
Unallocated central costs	(167)	(79)	(324)
Profit before investment income	3,451	3,251	16,475

Business Segments

The Group's business is organised into three operating areas: Adult, Children's and Reference. The following table provides the analysis for these areas.

External revenue (by source)	**6 months ended 30 June 2008 (unaudited) £'000**	**6 months ended 30 June 2007 (unaudited) £'000**	**Year ended 31 December 2007 (audited) £'000**
Adult	20,538	15,353	35,845
Children's	13,995	29,835	98,916

Reference	7,607	6,222	15,450
	42,140	51,410	150,211

Segment result (by source)	**6 months ended 30 June 2008 (unaudited) £'000**	**6 months ended 30 June 2007 (unaudited) £'000**	**Year ended 31 December 2007 (audited) £'000**
Adult	6,672	2,508	6,012
Children's	3,570	9,601	30,005
Reference	2,355	1,015	2,639
Segment result	12,597	13,124	38,656
Administrative expenses	(9,146)	(9,873)	(22,181)
Profit before investment income	3,451	3,251	16,475

Due to the seasonality of the business, the Group's sales and operating profits are weighted towards the second half of the year.

3. Earnings per share

The earnings per share for the six months to 30 June 2008 is based on the earnings of £3,659,000 (2007, £2,583,000) and on a weighted average number of Ordinary Shares in issue of 73,561,799 (2007, 73,473,564). The earnings per share for the twelve months to 31 December 2007 is based on the earnings of £11,804,000 and a weighted average number of Ordinary Shares in issue of 73,518,044. The diluted earnings per share for the six months to 30 June 2008 has been calculated by reference to a weighted average number of Ordinary Shares of 73,803,266 (2007, 75,552,061, year ended 31 December 2007, 75,529,183) which takes account of share options.

4. Trade and other receivables

	30 June 2008 (unaudited) £'000	**30 June 2007 (unaudited) £'000**	**31 December 2007 (audited) £'000**
Amounts falling due within one year:			
Trade receivables	10,706	36,433	47,531
Income tax recoverable	-	75	-
Other receivables	628	659	777
Prepayments and accrued income	21,777	31,044	24,448
	33,111	68,211	72,756

Amounts falling due after more than one year:			
Prepayments and accrued income	4,262	2,435	3,457
	37,373	70,646	76,213

As books are returnable by customers, the Group makes a provision against books sold in the accounting period which is then carried forward in trade receivables in the balance sheet in anticipation of book returns received subsequent to the year end. A provision for the Group of £8.97m (31 December 2007, £13.03m) at margin for future returns relating to 2007 and prior sales has been included in trade receivables in the balance sheet at 30 June 2008.

The Group makes a provision against published advances which may not be covered by anticipated future sales, paperback editions or contracts for subsidiary rights receivable. At the end of each financial year a review is carried out on all published titles advances. If it is unlikely that royalties from future sales, paperback sales or subsidiary rights will fully earn down the advance, a provision is made to the income statement for the difference between the carrying value and the anticipated recoverable amount from future earnings. The provision for the Group has been increased by £2.2m since 31 December 2007 (6 months to 30 June 2007, £1.4m, year to 31 December 2007, £8.5m). The net advance is included within prepayments and accrued income.

5. Post balance sheet events

The directors have proposed an interim dividend of 0.75 pence per share (2007, 0.70 pence per share), which will be paid on 18 November 2008 to shareholders on the register at close of business on 24 October 2008. Based on the number of shares in issue at 30 June 2008, the interim dividend will be £552,000 (2007, £515,000).

A final dividend of 3.30p per share (£2,428,000) was paid to the equity shareholders on 1 July 2008, being the amount proposed by the directors, and subsequently approved by the shareholders at the 2008 Annual General Meeting (2007, 3.00p per share, £2,203,000).

6. Acquisition

On 31 March 2008 A&C Black acquired 100% of Featherstone Education Limited, an educational publisher, for a net cash consideration of £1m. The acquisition has had no significant impact on the condensed consolidated interim financial statements. The process for assessing the fair value of the net assets acquired is ongoing and a provisional figure of £942,000 in relation to goodwill and other intangibles is included within intangible assets in the balance sheet at 30 June 2008.

7. Employee Benefit Trust

The Employee Benefit Trust acquired 88,760 of the Company's shares on 2 January 2008. The total paid to acquire the shares was £134,000 which has been deducted from shareholders' equity.

8. Related party transactions

There were no related party transactions in the period.

INDEPENDENT REVIEW REPORT TO BLOOMSBURY PUBLISHING PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 which comprises condensed consolidated income statement, condensed consolidated balance sheet, condensed consolidated statement of changes in equity, condensed consolidated cash flow statement, accounting policies and related explanatory notes set out on pages 9 to 19. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report, including the conclusion, has been prepared for and only for the Company for the purpose of meeting the requirements of the Disclosure Rules and Transparency Rules issued by the United Kingdom Listing Authority and for no other purpose. We do not, therefore, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Directors' Responsibilities

The half-yearly financial report, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing and presenting the half-yearly financial report in accordance with the Disclosure Rules and Transparency Rules issued by the United Kingdom Listing Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union, and the Disclosure Rules and Transparency Rules issued by the United Kingdom Listing Authority.

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

29 August 2008