Bloomsbury Publishing Plc
Interim Results for the six months to 30 June 2010

Bloomsbury Publishing Plc today announces interim results for the six months ended 30 June 2010.

Financial Highlights:

- Growth in profit before investment income, finance costs, tax and amortisation of intangible assets to £1.3m (2009, £1.2m)

- Investment income £0.2m (2009, £0.8m) – The high level of investment income in 2009 reflected the extremely favourable rates achieved on fixed term deposits in 2008 before interest rates fell to their current levels

- Basic earnings per share 0.89 pence (2009, 1.70 pence)

- Interim dividend up 4.0% to 0.81p per share (2009, 0.78p)

- Cash balance of £33.5m (31 December 2009, £35.0m)

Operating Highlights:

- Good sales for the period driven by *Operation Mincemeat*, *The Graveyard Book*, *Alex's Adventures in Numberland* and *The Berg Encyclopedia of Fashion and Costume*

- Management strengthened by appointment of Sarah Jane Thomson as Non-Executive Director, Evan Schnittman as Managing Director Group Sales and Marketing and Philip Roeder as Managing Director of Berlin Verlag

- Pipeline of releases from the traditionally stronger second half include re-launch of the Harry Potter series in November with new jackets, coinciding with film release of *Harry Potter and the Deathly Hallows; Eat, Pray, Love* to tie in the Julia Roberts's film, the repackaged *Wombles* series; Hugh Fearnley Whittingstall's *River Cottage* series and Howard Jacobson's *The Finkler Question*, which has been longlisted for the 2010 Man Booker Prize

- Signed contract to digitise and publish Sir Winston Churchill's papers in electronic form

- Launch of Bloomsbury Qatar Foundation Publishing's first Arabic list on behalf of Qatar Foundation

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

"Bloomsbury has delivered an improved operational performance over the period with revenue, EBITA and cash generation ahead of the prior period. The industry is experiencing exciting and unprecedented growth in digital publishing. We have set about positioning ourselves to exploit the new opportunities whilst continuing to focus on our core strength of publishing books of quality."

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Chief Executive's Statement

OVERVIEW

First-half operating performance has been good. We are pleased to report that operating income increased to £1.3 million with strong cashflow generated from operations. We have enjoyed a busy period with key developments and successes across the business.

E-book volumes and demand for digital delivery of intellectual property continue to gather momentum and Bloomsbury is well positioned to take advantage of these developments to generate new revenue streams and find new markets. Many new e-reading devices have been launched in 2010. US e-book revenues for the industry as a whole in the first six months of 2010 were $179.7m against $63.4m for the same period in 2009, some of which is incremental rather than substitutional. The general consensus is that e-readers will not be the only driver of e-books sales. Success will come from sales across many other platforms including mobile devices.

January 2011 will see the launch of a new international company, Bloomsbury Australia Publishing Ltd, under the leadership of Kathleen Farrar, previously Bloomsbury UK's Sales and Marketing Director. Australia has always been a key market and this initiative allows us to benefit fully from what is one of the most exciting and innovative environments for English-language books, digital products and specialist publications. The new business will be based in Sydney.

The first quarter of 2010 was buoyant with a number of titles performing well. The second quarter was less so for a number of reasons including the uncertainties surrounding the UK general election and the emergency budget. Nonetheless revenue for the first six months was up 4.2% at £36.8m compared to £35.3m in 2009. Gross margin increased to 52.5% (2009, 51.0%) which was due to the higher gross margin impact of Tottel Publishing, the law and tax publisher acquired in July 2009 and renamed Bloomsbury Professional, and a higher gross margin in North America through lower returns received during the period.

Marketing and distribution costs were 3.0% higher at £6.8m (2009, £6.6m). Administrative expenses before amortisation of intangibles assets increased 11.9% to £11.3m (2009, £10.1m). £0.6m of increased overhead costs before central cost recharges relate to the acquisition of Tottel Publishing in the second half of 2009. Share option charges also increased by £0.3m to £0.4m (2009, £0.1m). On a like-for-like basis (excluding the acquisition and share option charges) overheads increased 3%. The amortisation charge for intangible assets under IAS38 is becoming more significant. The charge for the first six months of 2010 was £0.5m (2009, £0.2m).

Profit before investment income, finance costs, tax and amortisation of intangible assets increased to £1.3m (2009, £1.2m).

Investment income decreased by 75.0% to £0.2m (2009, £0.8m) as a result of lower interest rates and, to a lesser extent, lower average cash balances held during the six month period. 2009 benefitted from the overhang of longer-term deposits made in prior years at significantly higher interest rates.

Profit before tax was £1.0m (2009, £1.8m).

The Group's effective tax rate for the year ending 31 December 2010 is expected to be 31.1%, compared with 30.1% for the year ended 31 December 2009. The increase in the rate is primarily due to the impact of the share option charge on the lower pre-tax profit.

Basic earnings per share was 0.89 pence (2009, 1.70 pence).

Cash generated from operating activities for the first six months of the year was £1.6m (the six months ended 30 June 2009 saw an outflow of £1.4m). The operating cash inflow was primarily due to key movements within working capital in the first half which included lower payments of royalties to authors than in the same period last year on book and subsidiary rights sales made in the last six months of 2009. Net cash balances at 30 June decreased 4.3% to £33.5m (31 December 2009, £35.0m). As at 30 June 2010, the Group had under contract 1,153 titles (31 December 2009,1,073) for future publication, with a gross investment of £23.1m (31 December 2009, £23.7m). After payment of the initial tranches of advances to authors, our commitment for future cash payments on these contracted titles as at 30 June 2010 was £12.9m (31 December 2008, £13.4m).

Since books sold are often returnable by distributors, the Group makes a provision against books sold in the accounting period. The unused provision at the period end is then carried forward as an offset to trade receivables in the balance sheet, in anticipation of further book returns of previous sales subsequent to the period end. A provision for the Group of £5.6m (31 December 2009, £6.5m) for future returns relating to the six-month period to 30 June 2010 and prior year sales has been carried forward in trade receivables in the balance sheet at 30 June 2010. Net provisions of £1.4m (six months to 30 June 2009, £1.3m) against advances to authors on titles published ('advance provisions') were made in the period.

INTERIM DIVIDEND

The Directors have declared a 4.0% increase in the interim dividend to 0.81 pence per share (2009, 0.78 pence per share), which will be paid on 19 November 2010 to shareholders on the register at close of business on 22 October 2010.

OPERATIONAL REVIEW

Geographical Analysis

UK

£m	Half Year 2010	Half Year 2009	Growth %	Full Year 2009
Revenue	25.0	22.2	12.6%	58.9
Segment result	1.0	1.7	-41.2%	6.6

The increase in revenue and lower segment result is primarily due to the acquisition of Tottel Publishing which is typically loss making in the first half of the year. We launched Bloomsbury's Public Library Online in May 2009, a concurrent-user online-access subscription service to deliver themed digital bookshelves into UK public libraries. Themes include Middle East Voices, Our Environment, Britain and its Empire, Children's History, and Teen Fiction. Online access sold on a subscription basis is a proven digital delivery model for which we have extended to trade fiction and non-fiction. Public Library Online has been developed to enable scalable global growth in all languages and currently reaches over 7.5 million of the UK population and includes content from seven participating third-party publishers in addition to those within the Bloomsbury Group with titles such as Stieg Larsson's *The Girl with the Dragon Tattoo* from the publisher Quercus. Berlin Verlag has also launched a German language version and there is potential for further overseas development. The enhanced distribution platform has enabled a North American site to be launched including shelves from Bloomsbury USA as well as, rights permitting, the participating UK publishers.

Public Library Online Australia is set for launch in January 2011. Thereafter Public Library Online will be launched in various territories and languages.

North America

£m	Half Year 2010	Half Year 2009	Growth %	Full Year 2009
Revenue	8.9	8.7	2.3%	18.8
Segment result before central cost recharges	0.6	0.03	1900.0%	0.5

The US is performing well with ongoing rights sales and good re-orders for backlist titles such as Chelsea Handler's *My Horizontal Life*. There has been a good deal of activity on the front list with titles such as *Captivate* by Carrie Jones, *Hearts at Stake* by Alyxander Harvey and *Rules of Attraction* by Simone Elkeles. E-book sales are beginning to gather momentum in the US spurred on by the high profile launches of e-readers and multi-platform tablets, and the sale of books through online apps stores. 90% of e-book sales are adult titles. We expect US revenues from e-books to be a healthy seven figure sum this year.

The academic publishing list is beginning to build critical mass. We have been publishing The Arden Shakespeare list in the US for a year now and as of 1 May the full publishing responsibility for A&C Black and Methuen Drama was transferred over from the UK and the distribution from its third-party agency arrangement to Bloomsbury US. The combined list gives us, in our view, the best drama list in the US.

Public Library Online was also launched in the summer.

Continental Europe

£m	Half Year 2010	Half Year 2009	Growth %	Full Year 2009
Revenue	2.9	4.4	-34.1%	9.6
Segment result before central cost recharges	-0.6	-0.5	-20.0%	-0.6

Berlin Verlag was loss making in the first half of 2010 although this was mitigated by further reductions in the cost base bringing in a relatively better performance. The market continues to be difficult in addition to under-performance of some key titles and re-scheduling of titles into the second half of the year. In recent years we have seen an increasing dominance of large specialist book retailing chains and this has led to some overexpansion in the retail book selling market. These chains are going through a period of retrenchment in order to reduce costs in the wake of the recession. The increasing dominance of these chains is having a marked effect on independent book stores. Continued belt-tightening by consumers brought on by financial uncertainty continues, with ever-more focus on the few top-selling titles.

Philip Roeder was appointed Managing Director of Berlin Verlag on 1 July. He has a strong track record in German publishing having worked in senior management positions at Suhrkamp, Hoerverlag and most recently Klopotek. He brings strong experience in finance, sales and marketing, and a deep understanding of technology as it is applied to digital publishing and systems. Philip Roeder is carrying out a thorough review of the business.

Business Divisions

Specialist Publishing Division

£m	Half Year 2009	Half Year 2009	Growth %	Full Year 2009
Revenue	12.8	10.2	25.5%	26.3
Segment result before administrative expenses	4.1	3.3	24.2%	8.6

The increase in revenues in the first half of 2010 was attributable to the acquisition of Bloomsbury Professional in July last year. Bloomsbury Professional, which is typically loss making in the first half of the year, has had a good first half in part due to Ireland's new Land and Conveyancing Act 2009. Professor John Wylie, who masterminded the Act, published his authoritative text on this new legislation as well updating one of Bloomsbury Professional's major looseleaf services, *Irish Conveyancing Precedents*. The Scottish list saw the publication of the fourth edition of *The Scottish Parliament* whilst two long-awaited established UK texts, Symes and Jorro's *Asylum Law and Practice* and Buchan's *Personal Injury Schedules* were also published. Berg's sales year-to-date were ahead of our internal budget, with good growth in both book and journals sales. *The Berg Encyclopedia of World Dress and Fashion* was released. A&C Black performed well in the first half of 2010, with strong export sales more than compensating for a challenging home market. We control world rights in the majority of titles and, over the last six months, we have produced books in 20 different languages and set up some significant new trading relationships with foreign publishers.

Bloomsbury has signed a contract with the Sir Winston Churchill Archive Trust and Churchill Heritage Ltd to digitise and publish in electronic form the one million page archive of the papers of Sir Winston Churchill. In 2012 Bloomsbury will publish the entire archive in digital format. Scholars, casual readers and school children will all be able to access the largest and most important collection of primary source material of any individual leader of the 20th century.

In July Bloomsbury Academic launched its online platform in public beta form, enabling readers to access research titles published under a Creative Commons Licence. This is the first time a commercial publisher has launched a Creative Commons based list. Its launch underlines Bloomsbury's commitment to expanding its academic publishing activities. The online platform hosts state-of-the-art features enabling sophisticated search.

In early Autumn Berg will launch the Berg Fashion Library, a major online resource serving the educational community. Sold through Oxford University Press, which has excellent global market penetration, the BFL will be available on a subscription basis. Last year Berg announced a partnership with the Victoria and Albert Museum in London to make 1600 images from the acclaimed V&A collection available through the BFL. In May of this year Berg announced a further partnership with the world-renowned Costume Institute at the Metropolitan Museum of Art in New York. This agreement will see 2000 images from the Met's collection made available through the BFL starting in 2011.

Bloomsbury Information is responsible for the Group's management services agreements with the Qatar Foundation (QF). Bloomsbury Qatar Foundation Publishing (BQFP) launched its list in Arabic and English with a reception at Windsor Castle hosted by Her Majesty the Queen and attended by Sheikha Mozah Bint Nasser Al Missned, Consort of the Emir of Qatar and the QF Chairperson. BQFP's books are now available for sale in Qatar, the Middle East and internationally. With the new business, Bloomsbury Qatar Foundation Journals, good progress has been made including the appointment of key staff. The website www.qfinance.com has an expanding user-base and already has a reputation as an excellent source of online best practice and thought leadership for finance professionals.

Digital publishing and print on demand offer us the opportunity to fully exploit our rich backlist and develop new products from our intellectual property. We have published over 500 new e-books in the first half of 2010 and by the end of the year we will be able to offer well over a thousand e-book from the Specialist Division titles across a range of e-retailers. Highlights of the programme include books from the ornithology imprints Poyser and Helm, which will be available as e-books and back in print as print on demand. Many of these titles have been unavailable for many years and are sought after by collectors. A&C Black will also be publishing a range of applications for the iPad and iPhone this year, including *Black's Medical Dictionary* and *Black's Veterinary Dictionary*.

Trade Publishing Division

Adult

£m	Half Year 2010	Half Year 2009	Growth %	Full Year 2009
Revenue	15.9	16.4	-3.0%	37.9
Segment result before administrative expenses	5.7	5.2	9.6%	11.0

For the Adult division the first half was characterised by non-fiction best sellers including Ben Macintyre's *Operation Mincemeat*, Patti Smith's *Just Kids* and Alex Bellos's *Alex's Adventures in Numberland* which was runner up for the Samuel Johnson Prize. This was complemented by Ian Thompson's *The English Lakes*, Daisy Hay's debut *Young Romantics*, Sarah Raven's *Food for Friends & Family* and Jon McGregor's haunting *Even the Dogs*.

Autumn highlights include the tie-in to Julia Roberts's film of Elizabeth Gilbert's record-breaking *Eat, Pray, Love* and her sequel published in January, *Committed*. *Eat, Pray, Love* is currently number one on the UK Neilsen BookScan paperback non-fiction bestseller list and has re-entered *Der Spiegel's* bestseller list in Germany:

Children's

£m	Half Year 2010	Half Year 2009	Growth %	Full Year 2009
Revenue	8.1	8.7	-6.9%	23.0
Segment result before administrative expenses	2.8	2.9	-3.4%	8.3

The highlight for the Children's division was Neil Gaiman winning the Carnegie Medal and the Newbery Medal for *The Graveyard Book* (the first book ever to win these two leading prizes) and the success of Emma Thompson's *Nanny McPhee and The Big Bang*, the novel based on the film of the same name derived from Christianna Brand's Nurse Matilda series. We have agreed a publishing deal with London Zoo whereby we will publish fiction and non-fiction for children from as young as one up to around 10 years of age and feature the ZSL (Zoological Society of London) logo.

In November we launch the re-jacketed edition of the Harry Potter series to coincide with the the seventh film in the series. We are repackaging the fabulous Wombles books, perfect for a new generation of environmentally conscious young readers. We will publish *Revolution* by Jennifer Donnelly, author of the award-winning novel, *A Gathering Light,* which was featured on the Richard and Judy Book Club selection, and then sold half a million copies.,

Board and management

At the AGM in May we announced the retirement of Charles Black as Non-Executive Director and the appointment of Sarah Jane Thomson. Sarah Jane founded Thomson Intermedia Plc in 1997 (now Ebiquity Plc), a media information business using internet and technology to capture and deliver real-time advertising creatives and expenditure data for businesses.

In early July we announced that Evan Schnittman had joined Bloomsbury as Managing Director Group Sales and Marketing, Print and Digital. He is leading Bloomsbury's sales and marketing worldwide across all divisions of the Group. He comes to Bloomsbury after eight years at Oxford University Press where he was vice president of corporate and business development and responsible for digital partnerships and licensing across OUP's various content divisions.

Financial reporting year-end

As mentioned in the 2009 Annual Report, we will be moving the year end from 31 December to 28 February. We will have an additional interim for the six month period to 31 December with a full period-end reporting on 28 February 2011.

Outlook

The opportunities for company acquisitions continue to be strong and we are reviewing a number of possibilities in strategically important areas.

The second half will see a focus on the implementation of a number of systems to support the management, marketing, editorial and production functions in response to the rapidly-developing digital market place. These investments will allow us more effective control of overhead costs while offering an enhanced service to authors and readers.

Second half highlights include the launches of the digital Berg Fashion Library and Bloomsbury Academic's online platform, the expansion and international roll-out of Bloomsbury's Public Library Online, and a strong Autumn list of bestselling titles including the re-jacketed J.K. Rowling's *Harry Potter* series and the film tie-in edition of Elizabeth Gilbert's multi-million best seller, *Eat, Pray, Love*. Alongside our traditional revenue streams we shall also enjoy the fruits of our investments in the e-book market where growth continues apace with US wholesale sales of e-books for the first half of 2010 reaching $180m, an increase of 181% over the same period in 2009.

Against this optimistic background there are as ever significant market risks including recession-related de-stocking by retailers, growing pressure on traditional retailers from internet suppliers and the impact of Government and corporate spending cuts on institutional and database-management income potential. Further details of the principal risks and uncertainties facing the Group are given on page 22 of the 2009 Annual Report.

Our management team, including several important new members, is engaged in seizing the opportunities of digital publishing while building on the success of our print publishing.

Nigel Newton
Chief Executive
26 August 2010

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2010

Continuing operations	**Notes**	**6 months ended 30 June 2010 (unaudited) *£'000***	**6 months ended 30 June 2009 (unaudited) *£'000***	**Year ended 31 December 2009 (unaudited) *£'000***
Revenue	2	36,828	35,290	87,217
Cost of sales		(17,486)	(17,299)	(43,839)
Gross profit		19,342	17,991	43,378
Marketing and distribution costs		(6,757)	(6,642)	(15,441)
Administrative expenses - amortisation of intangible assets		(447)	(158)	(584)
Administrative expenses - other		(11,319)	(10,125)	(21,186)
Profit before investment income, finance costs and tax		819	1,066	6,167
Investment income		180	842	1,105
Finance costs		(50)	(90)	(145)
Profit before taxation	2	949	1,818	7,127
Income tax expense		(295)	(566)	(2,146)
Profit for the period, attributable to owners of the parent		654	1,252	4,981
Basic earnings per share	3	0.89p	1.70p	6.77p
Diluted earnings per share	3	0.89p	1.70p	6.74p

The notes on pages 15 to 24 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2010

	6 months ended 30 June 2010 (unaudited) *£'000*	6 months ended 30 June 2009 (unaudited) *£'000*	Year ended 31 December 2009 (unaudited) *£'000*
Profit for the period	654	1,252	4,981
Other comprehensive income:			
Exchange differences on translating foreign operations	1,314	(3,453)	(2,950)
Deferred tax on share-based payments	(34)	(8)	21
Other comprehensive income for the period net of tax	1,280	(3,461)	(2,929)
Total comprehensive income for the period net of tax attributable to owners of the parent company	1,934	(2,209)	2,052

CONDENSED CONSOLIDATED BALANCE SHEET
at 30 June 2010

	Notes	30 June 2010 (unaudited) *£'000*	30 June 2009 (unaudited) *£'000*	31 December 2009 (unaudited) *£'000*
ASSETS				
Non-current assets				
Property, plant and equipment		847	1,248	1,061
Intangible assets		37,680	26,766	37,598
Deferred tax assets		1,732	2,149	1,965
Total non-current assets		40,259	30,163	40,624
Current assets				
Inventories		16,646	16,249	16,350
Trade and other receivables	4	45,318	37,659	47,509
Cash and cash equivalents		33,513	48,417	35,036
Total current assets		95,477	102,325	98,895
TOTAL ASSETS		135,736	132,488	139,519
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		924	922	922
Share premium		39,388	39,388	39,388
Capital redemption reserve		22	20	20
Share-based payment reserve		2,759	2,427	2,393
Translation reserve		5,918	4,101	4,604
Retained earnings		63,092	62,173	65,357
Total equity		112,103	109,031	112,684
Liabilities				
Non-current liabilities				
Deferred tax		2,153	1,451	2,234
Retirement benefit obligations		110	84	91
Other payables		469	455	353
Total non-current liabilities		2,732	1,990	2,678

Current liabilities			
Trade and other payables	20,644	21,318	23,069
Current tax liabilities	257	149	1,088
Total current liabilities	20,901	21,467	24,157
Total liabilities	23,633	23,457	26,835
TOTAL EQUITY AND LIABILITIES	135,736	132,488	139,519

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT
for the six months ended 30 June 2010

	Ordinary shares £'000	Share premium £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
Attributable to owners of the parent							
Balances at 1 January 2009	922	39,388	20	2,305	7,554	63,483	113,672
Profit for the period	-	-	-	-	-	1,252	1,252
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	(3,453)	-	(3,453)
Deferred tax on share-based payments	-	-	-	-	-	(8)	(8)
Total comprehensive income for the period ended 30 June 2009	-	-	-	-	(3,453)	1,244	(2,209)
Transactions with owners:							
Dividends	-	-	-	-	-	(2,554)	(2,554)
Share-based payments	-	-	-	122	-	-	122
Balances at 30 June 2009 (unaudited)	922	39,388	20	2,427	4,101	62,173	109,031
Profit for the period	-	-	-	-	-	3,729	3,729
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	503	-	503

Deferred tax on share-based payments	-	-	-	-	-	29	29
Total comprehensive income for the period ended 31 December 2009	-	-	-	-	503	3,758	4,261
Transactions with owners:							
Dividends	-	-	-	-	-	(574)	(574)
Share-based payments	-	-	-	(34)	-	-	(34)
Balances at 31 December 2009 (unaudited)	922	39,388	20	2,393	4,604	65,357	112,684
Profit for the period	-	-	-	-	-	654	654
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	1,314	-	1,314
Deferred tax on share-based payments	-	-	-	-	-	(34)	(34)
Total comprehensive income for the period ended 30 June 2010	-	-	-	-	1,314	620	1,934
Transactions with owners:							
Dividends	-	-	-	-	-	(2,698)	(2,698)
Share options exercised	4	-	-	-	-	-	4
Share buy back and cancellation	(2)	-	2	-	-	(187)	(187)
	2	-	2	-	-	(2,885)	(2,881)
Share-based payments	-	-	-	366	-	-	366
Balances at 30 June 2010 (unaudited)	924	39,388	22	2,759	5,918	63,092	112,103

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2010

	6 months ended 30 June 2010 (unaudited) *£'000*	6 months ended 30 June 2009 (unaudited) *£'000*	Year ended 31 December 2009 (unaudited) *£'000*
Cash flows from operating activities			
Profit before tax	949	1,818	7,127
Adjustments for:			
Depreciation of property, plant and equipment	336	326	669
Amortisation of intangible assets	447	158	584
Loss / (profit) on sale of property, plant and equipment	-	11	(9)
Share-based payment charges	366	122	88
Investment income	(180)	(842)	(1,105)
Finance costs	50	90	145
	1,968	1,683	7,499
Increase in inventories	(62)	(354)	(76)
Decrease / (increase) in trade and other receivables	2,945	9,092	(98)
Decrease in trade and other payables	(2,288)	(10,856)	(9,888)
Cash generated from / (used in) operations	2,563	(435)	(2,563)
Income taxes paid	(926)	(953)	(1,734)
Net cash generated from / (used in) operating activities	1,637	(1,388)	(4,297)
Cash flows from investing activities			
Purchase of property, plant and equipment	(124)	(161)	(304)
Proceeds from sale of property, plant and equipment	-	3	23
Purchase of businesses, net of cash acquired	-	-	(10,307)
Purchases of intangible assets	(386)	-	-
Interest received	212	982	1,409
Net cash (used in) / generated from investing activities	(298)	824	(9,179)
Cash flows from financing activities			
Share options exercised	4	-	-
Share buy back	(187)	-	-
Equity dividends paid	(2,698)	(2,554)	(3,128)
Interest paid	(18)	(90)	(34)
Net cash used in financing activities	(2,899)	(2,644)	(3,162)

Net decrease in cash and cash equivalents	(1,560)	(3,208)	(16,638)
Cash and cash equivalents at beginning of period	35,036	51,908	51,908
Exchange gain / (loss) on cash and cash equivalents	37	(283)	(234)
Cash and cash equivalents at end of period	33,513	48,417	35,036

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 2010 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' as adopted by the European Union ("EU"). They have also been prepared on a consistent basis with the financial statements for the year ended 31 December 2009 and under the historical cost convention.

Having made enquiries of senior management and reviewed cash flow forecasts, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. The factors taken into account include the level of cash reserves, limited impact of economic downturn on book sales and continuing sources of revenue. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 2009 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. This information was derived from the statutory accounts for the year ended 31 December 2009, 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 498(2) or (3) of the Companies Act 2006.

The accounting policies used in the preparation of the condensed consolidated interim financial statements for the six months ended 30 June 2010 are consistent with those that the directors intend to use in the statutory accounts for the year ending 31 December 2010.

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 434 of the Companies Act 2006.

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 2009 Annual Report.

The following Standards, which were effective for this financial period, have no material impact on the financial statements of the Group:

- IFRS 3 (revised 2008), 'Business combinations'; The revised standard continues to apply the acquisition method to business combinations, with some significant changes in relation to the treatment of acquisition costs, contingent consideration and accounting for business combinations achieved in stages. The amendment also permits two methods for the accounting for goodwill along with additional guidance relating to the recognition and measurement of fair values and the assessment of whether transactions fall to be part of the business combination.
- IAS 27 (revised 2008), 'Consolidated and separate financial statements'; the revised standard provides guidance relating to the accounting for non-controlling interests in loss making subsidiaries, the acquisition of non-controlling interests and the accounting for subsidiaries when control by the entity is lost.
- IAS 28 (amended), 'Investments in associates', and IAS 31 (amended), 'Interests in joint ventures'; the amendment provides additional guidance in situations where significant influence or joint control is lost.
- IAS 39 (amended), 'Eligible Hedged Items'; the amendment provides further clarification in the application guidance.
- IFRS 2 (amended), Group cash-settled Share-based Payment Transactions; the amendment clarifies that an entity that receives goods or services in a share based payment arrangement must account for those goods or services regardless of which entity in the group settles the transaction.
- IFRS 1 (revised 2008), 'First-time adoption of IFRS'; additional exemptions for first time adopters.
- IFRIC 17, Distributions of Non-cash Assets to Owners.
- IFRIC 18, Transfers of Assets to Customers.
- Annual Improvements 2009.

There were no other Standards and Interpretations which were in issue but not effective at the date of authorisation of these financial statements that the directors anticipate will have a material impact on the financial position or performance of the Group.

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 who each confirm that to the best of their 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 directors and their functions are:

J J O'B Wilson – Non-Executive Chairman
J N Newton – Chief Executive
C R Adams ACA – Group Finance Director
R D P Charkin – Executive Director
M J Mayer – Independent Non-Executive Director
S J Thomson - Non-Executive Director

The financial information included in this document has been approved for issue by the directors on 26 August 2010.

2. Segmental analysis

As the main thrust of the Group's growth is to develop its international publishing strategy, the internal reporting to the chief operating decision maker is by geographical segments. Management has determined the operating segments based on these reports. All segments derive their revenue from book publishing, sale of publishing and distribution rights, sponsorship and database contracts. The analysis by geographical segment is shown below.

Six months ended 30 June 2010 (unaudited)	United Kingdom	North America	Continental Europe	Eliminations and unallocated costs	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External sales	25,026	8,930	2,872	-	36,828
Inter-segment sales*	589	-	63	(652)	-
Total revenue	25,615	8,930	2,935	(652)	36,828
Result					
Segment result before central costs	803	581	(565)	-	819
Central cost recharges	153	(75)	(78)	-	-
Segment result	956	506	(643)	-	819
Investment income	178	2	-	-	180
Finance costs	(50)	-	-	-	(50)
Profit before taxation	1,084	508	(643)	-	949

Six months ended 30 June 2009 (unaudited)	United Kingdom	North America	Continental Europe	Eliminations and unallocated costs	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External sales	22,207	8,708	4,375	-	35,290
Inter-segment sales*	206	-	55	(261)	-
Total revenue	22,413	8,708	4,430	(261)	35,290

Result					
Segment result before central costs	1,533	27	(494)	-	1,066
Central cost recharges	150	(75)	(75)	-	-
Segment result	1,683	(48)	(569)	-	1,066
Investment income	839	3	-	-	842
Finance costs	(90)	-	-	-	(90)
Profit before taxation	2,432	(45)	(569)	-	1,818

Year ended 31 December 2009 (unaudited)	United Kingdom	North America	Continental Europe	Eliminations and unallocated costs	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External sales	58,888	18,777	9,552	-	87,217
Inter-segment sales*	480	-	134	(614)	-
Total revenue	59,368	18,777	9,686	(614)	87,217
Result					
Segment result before central costs	6,284	450	(567)	-	6,167
Central cost recharges	284	(152)	(132)	-	-
Segment result	6,568	298	(699)	-	6,167
Investment income	1,101	4	-	-	1,105
Finance costs	(145)	-	-	-	(145)
Profit before taxation	7,524	302	(699)	-	7,127

*Inter-segment sales are charged at prevailing market rates

2. Segmental analysis (continued)

Business Divisions

The Group's business divisions are organised into three areas: Trade Adult, Trade Children's and Specialist. The following table provides the analysis for these areas.

Six months ended 30 June 2010 (unaudited)	Trade (Adult)	Trade (Children's)	Total Trade	Specialist	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	15,927	8,136	24,063	12,765	-	36,828
Cost of sales	(7,551)	(4,032)	(11,583)	(5,903)	-	(17,486)
Gross profit	8,376	4,104	12,480	6,862	-	19,342
Marketing and distribution costs	(2,663)	(1,297)	(3,960)	(2,797)	-	(6,757)
Contribution before administrative expenses	5,713	2,807	8,520	4,065	-	12,585
Administrative expenses			(7,969)	(3,507)	(290)	(11,766)
Divisional result			551	558	(290)	819
Investment income			-	-	180	180
Finance costs			-	-	(50)	(50)
Profit before taxation			551	558	(160)	949

Six months ended 30 June 2009 (unaudited)	Trade (Adult)	Trade (Children's)	Total Trade	Specialist	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	16,384	8,728	25,112	10,178	-	35,290
Cost of sales	(8,132)	(4,416)	(12,548)	(4,751)	-	(17,299)
Gross profit	8,252	4,312	12,564	5,427	-	17,991
Marketing and distribution costs	(3,025)	(1,440)	(4,465)	(2,177)	-	(6,642)
Contribution before administrative expenses	5,227	2,872	8,099	3,250	-	11,349
Administrative expenses			(8,062)	(2,203)	(18)	(10,283)
Divisional result			37	1,047	(18)	1,066
Investment income			-	-	842	842
Finance costs			-	-	(90)	(90)
Profit before taxation			37	1,047	734	1,818

Year ended 31 December 2009 (unaudited)	Trade (Adult)	Trade (Children's)	Total Trade	Specialist	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	37,892	22,977	60,869	26,348	-	87,217
Cost of sales	(20,056)	(11,427)	(31,483)	(12,356)	-	(43,839)
Gross profit	17,836	11,550	29,386	13,992	-	43,378
Marketing and distribution costs	(6,814)	(3,203)	(10,017)	(5,424)	-	(15,441)
Contribution before administrative expenses	11,022	8,347	19,369	8,568	-	27,937
Administrative expenses			(16,470)	(5,013)	(287)	(21,770)
Divisional result			2,899	3,555	(287)	6,167
Investment income			-	-	1,105	1,105
Finance costs			-	-	(145)	(145)
Profit before taxation			2,899	3,555	673	7,127

Due to the seasonality of the business, the Group's sales, segment and divisional result are weighted towards the second half of the year.

3. Earnings per share

The basic earnings per share for the six months to 30 June 2010 is based on the earnings of £654,000 (2009, £1,252,000) and on a weighted average number of Ordinary Shares in issue of 73,706,962 (2009, 73,594,863) after deducting 88,760 (2009, 88,760) shares held by the Employee Benefit Trust. The earnings per share for the twelve months to 31 December 2009 is based on the earnings of £4,981,000 and a weighted average number of Ordinary Shares in issue after deducting 88,760 shares held by the Employee Benefit Trust of 73,594,863. The diluted earnings per share for the six months to 30 June 2010 has been calculated by reference to a weighted average number of Ordinary Shares of 73,709,690 (six months to 30 June 2009, 73,594,863, year ended 31 December 2009, 73,920,795) which takes account of share options.

The reconciliation between the weighted average number of shares for the basic earnings per share and the diluted earnings per share is as follows:

	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2009 (unaudited)	Year ended 31 December 2009 (unaudited)
	Number	Number	Number
Weighted average number of shares for basic earnings per share	73,706,962	73,594,863	73,594,863
Dilutive effect of share options and awards	2,728	-	325,932
Weighted average number of shares for diluted earnings per share	73,709,690	73,594,863	73,920,795

4. Trade and other receivables

	30 June 2010 (unaudited) £'000	30 June 2009 (unaudited) £'000	31 December 2009 (unaudited) £'000
Recoverable within 12 months:			
Trade receivables	16,072	13,247	21,601
Income tax recoverable	-	-	56
Other receivables	715	401	429
Prepayments and accrued income	25,983	20,611	22,576
	42,770	34,259	44,662
Recoverable after 12 months:			
Prepayments and accrued income	2,548	3,400	2,847
	45,318	37,659	47,509

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 £5.61m (30 June 2009, £6.16m, 31 December 2009, £6.51m) at margin for future returns relating to current year and prior sales has been offset against trade receivables in the balance sheet.

The Group makes a provision against published titles' 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 advance provision'). The advance provision for the Group has been increased by £1.4m since 31 December 2009 (6 months to 30 June 2009, £1.3m, year to 31 December 2009, £3.4m). The net advance is included within prepayments and accrued income.

Profit is stated after charging / (crediting) the following amounts in respect of the above:

	6 months ended 30 June 2010 (unaudited) £'000	6 months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (unaudited) £'000
Advance provisions	1,392	1,280	3,438
Write back of returns provision*	-	-	(581)

*The write-back of the returns provision in the year to 31 December 2009 related to changes in assumptions made in respect of the provision brought forward from the prior year which, as a result of the level of returns actually received during the year, was no longer required. The value of the write back to the Income Statement account during the period was £nil (6 months to 30 June 2009, £nil, year to 31 December 2009, £0.6m).

5. Dividends

The directors have proposed an interim dividend of 0.81 pence per share (2009, 0.78 pence per share), which will be paid on 19 November 2010 to shareholders on the register at close of business on 22 October 2010. Based on the number of shares in issue at 30 June 2010, the interim dividend will be £598,000 (2009, £575,000).

A final dividend of 3.65 pence per share (£2,698,000) was paid to the equity shareholders on 1 July 2010, being the amount proposed by the directors, and subsequently approved by the shareholders at the 2010 Annual General Meeting (2009, final dividend for 2008 paid in 2009 of 3.47 pence per share, £2,554,000). Payment was made to Capita Registrars on 28

June 2010 to meet the dividend funding requirement for the dividend payment by Capita Registrars to the shareholders on 1 July 2010.

6. Own shares

'Own shares' are shares held by the Employee Benefit Trust for the purpose of satisfying certain equity-based awards where such shares have not vested unconditionally in employees of the Group. At 30 June 2010 the number of own shares held were 88,760 ordinary shares (30 June 2009, 88,760, 31 December 2009, 88,760).

During the period the Company also repurchased and cancelled 171,500 of its shares at a market value of £187,649.

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 2010 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity, condensed consolidated cash flow statement, and related explanatory notes set out on pages 15 to 24. 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 is made solely to the Company 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 and for the purpose of the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

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 and Transparency Rules of the United Kingdom's Financial Services 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 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 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

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

26 August 2010