Bloomsbury Publishing Plc (“Bloomsbury” or “The Group”)
Interim Results for the twelve months ended 31 December 2010

Bloomsbury Publishing Plc today announces twelve month results for the period ended 31 December 2010.

Financial highlights

The highlights for the twelve months ended 31 December 2010 include:

- Revenue of £90.7m (2009: £87.2m)
- Adjusted pre-tax profit pre- highlighted items* of £8.4m (2009, £7.7m)
- Unadjusted pre-tax profit of £5.5m (2009, £7.1m)
- Adjusted basic earnings per share (pre-highlighted items) of 8.50p (2009, 7.56p) Basic earnings per share of 4.61p (2009, 6.77p)
- Profit from Bloomsbury USA of £1.3m before central cost recharges of £0.2m (2009, £0.5m before central cost recharges of £0.2m)
- Net cash of £34.1m (2009, £35.0m). Strong cash inflow from operating activities of £5.1m (2009, outflow £4.3m)

Second interim dividend per share of 3.91p, an increase of 7% on the 2009 final dividend of 3.65p. The intention is to announce a further dividend for the 2 month period to 28 February 2012
*Highlighted items comprise Goodwill impairment, amortisation of intangible assets, acquisition costs, aborted acquisition costs and relocation costs

Operating highlights

- Best performance ever from Bloomsbury US
- Berlin Verlag made an operating profit in the second half
- Bestsellers across the Group:
    - *Eat, Pray, Love* – Elizabeth Gilbert
    - *The Finkler Question* – Howard Jacobson – winner of the 2010 Man Booker Prize
    - *Operation Mincemeat* – Ben Macintyre
    - *Berthold Beitz* – Joachim Kappner
- Acquisition of Bristol Classical Press
- E-book sales have grown eighteen fold in 2010 over 2009 from $131k to $2.3m
- Appointment of two new Non Executive Directors in 2010 and new Group Finance Director in 2011
- Appointment of a Managing Director, Group Sales and Marketing, a Managing Director of new Children’s and Educational division and a new Managing Director of Berlin Verlag
- Major online initiatives including
    - Berg Fashion Library Online
    - Public Library Online in new territories
    - Professional Library Online
    - Winston Churchill Archives digitisation
    - Reeds Nautical Online
- Conception of the strategy for One Global Bloomsbury – Four Worldwide Publishing Divisions. This will be implemented on 1 March 2011 at the start of the new financial year. A&C Black, Berlin Verlag, Berg, Bloomsbury UK and Bloomsbury USA will be replaced by four new worldwide publishing divisions for Adult; Children’s and Educational; Academic and Professional; and Business Development which will be the basis of future management structure and reporting

Commenting on the results and prospects for Bloomsbury, Nigel Newton, Chief Executive, said:
“Bloomsbury had an excellent year with a number of bestselling titles and particularly buoyant sales in the final quarter. We are also benefitting from our strong position in digital publishing which continues to experience exciting and unprecedented growth. With sales of digital devices such as the Kindle, Nook and iPad growing rapidly, 2011 will clearly be the year of the e-book. Our overall trade e-book sales are currently running at just under 10% of print sales, a proportion we expect to increase as more backlist titles are added and as the UK market gains the kind of momentum being seen in the US. We believe that digital publishing creates huge opportunities for Bloomsbury and its authors. On 1 March 2011, we will be implementing a new strategic plan for One Global Bloomsbury with Four Worldwide Publishing Divisions. ”

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Chief Executive's Statement

Bloomsbury is reporting its second set of interim results for the twelve month period to 31st December as its financial year end has moved to 28th February 2011. I am pleased to report that in the second half of 2010 trading in the UK, US and Germany was robust. There were a number of bestselling titles both from new books published during the year and continued sales from books published in previous financial years. Sales were particularly buoyant in the final quarter. In the UK, The Man Booker Prize winner, *The Finkler Question* by Howard Jacobson, *Operation Mincemeat* by Ben Macintyre, the film tie-in edition of *Eat, Pray, Love* by Elizabeth Gilbert and *The Flavour Thesaurus* by Niki Segnit were amongst our top selling new titles. Books published in prior years continued to be in demand, led by *River Cottage Everyday* by Hugh Fearnley-Whittingstall and the seven Harry Potter books, which sold well on the back of the film Harry Potter and the Deathly Hallows Part 1 and the release of the series with new jacket designs.

E-books continued to see extraordinary revenue growth, especially in the US, where fiction e-book sales are estimated to be nearly 15% of total sales. Recent reports from Amazon show new best sellers running at 40% of total sales in e-book format. Bloomsbury in the US is experiencing similar figures, especially with new titles. 42% of US sales of Howard Jacobson's *The Finkler Question*, winner of the 2010 Man Booker Prize, in the first month were e-books. E-book revenues for the Group have grown more than eighteen-fold in 2010 over 2009 from $131K to $2.3m. Global e-book sales are fuelled through a growing range of global sales and distribution partners and the rapid consumer adoption of digital reading, whether through dedicated reading devices, smart phones or tablets.

Our overall trade e-book sales are currently running just under 10% of print sales. This proportion is expected to increase as more negotiations are concluded on e-books for backlist titles and as the UK and elsewhere gains the kind of momentum currently seen in the US.

This Christmas season was dubbed the Kindle season as e-reader sales exceeded high end forecasts. Amazon reported over 8 million Kindles sold last year, over 5 million during Christmas. Apple reported over 7 million iPads sold in the 4th Quarter of 2010 and Barnes & Noble sold over 2.5 million Nooks. Sony, Kobo, and a host of other devices added another million e-reading customers to the legions that already buy e-books. 2011 will clearly be the year of the e-book.

We published nearly 1,800 e-books in 2010. Our focus on e-books is key as many indicators point to the fact that e-book device buyers purchase more e-books than they had in print form before buying an e-book reader. As a long-term focus, we couldn't have a better goal than enabling as much of our business as possible to move to e-book format.

Revenue for the twelve month period was up 4.0% to £90.7m (2009, £87.2m). Gross margin increased to 52.8% (2009, 49.7%) which was due to a number of factors including the full year's trading of the higher margin Bloomsbury Professional acquired in July 2009, lower book returns rates in the UK, higher margins rights and licensing deals, and the moving of the paperback printing of Berlin's business to the UK where the costs are lower.

Marketing and distribution costs were 1.3% lower at £15.2m (2009, £15.4m). Administrative expenses before highlighted items increased 16.5% to £24.7m (2009, £21.2m). £1.2m of increased overhead costs before central cost recharges relate to the additional six months' overhead of Bloomsbury Professional, which was acquired in July 2009. In addition, performance incentives were awarded to staff across the Group. Share option charges also increased to £0.7m (2009, £0.1m). Excluding the share option charge and the incremental cost of the overheads associated with Bloomsbury Professional, administrative expenses increased by 8%. Highlighted items include the amortisation of intangible assets of £0.9m (2009, £0.6m), impairment of goodwill of Berlin Verlag of £1.5m (2009, £nil) costs of £0.3m (2009, £nil) relating to an aborted class one acquisition and costs of £0.1m (2009, £nil) in relation to the relocation of the London offices as part of the Group's reorganisation. We are due to move to the new London offices in August 2011. The impairment of the goodwill in Berlin was made following a review of economic factors affecting Berlin and forecasts not supporting the carrying value. With a new management team and structure, there has been a rationalisation of the publishing programme and reduction of Berlin's cost base as part of the plan to increase profitability in the business.

Profit before investment income, finance costs, tax and highlighted items increased to £8.0m (2009, £6.8m). Unadjusted profit before investment income, finance costs and tax was £5.1m (2009, £6.2m)

Investment income decreased by 72.7% to £0.3m (2009, £1.1m) as a result of lower interest rates and, to a lesser extent, lower average cash balances held during the twelve month period. 2009 benefitted from the overhang of longer-term deposits made in prior years at significantly higher interest rates.

Profit before tax and highlighted items was £8.4m (2009, £7.7m). Unadjusted pre-tax profit was £5.5m (2009, £7.1m).

The adjusted underlying corporation tax rate for 2011 is 28.3%. The Group's effective tax rate for the twelve months ending 31st December 2010 was 38.0% (2009, 30.1%). The increase in the rate is primarily due to highlighted items reducing the pre-tax profit. These highlighted items are the goodwill impairment charge on Berlin of £1.5m (2009, £nil), costs and fees on an aborted class 1 transaction of £0.3m (2009, £nil) and costs associated with the relocation of the London head office of £0.1m (2009, £nil), all of which are disallowable for corporation tax purposes. The adjusted underlying corporation tax rate for 2011 excluding the goodwill impairment charge, abort costs and relocation costs is 28.3%. Within the corporation tax charge itself is a deferred tax credit of £0.4m relating to previously unrecognised losses on the US operation and a write-down of the deferred tax asset of £0.7m on Berlin.

Adjusted basic earnings per share, which excludes highlighted items, was 8.50 pence (2009, 7.56 pence). Basic earnings per share was 4.61 pence (2009, 6.77 pence).

Net cash generated from operating activities for the year was £5.1m (2009, outflow of £4.3m). The operating cash outflow in 2009 included a higher level of royalty payments made in the first half of the year on books sold in the second half of 2008. Net cash balances at 31 December decreased 2.6% to £34.1m (2009, £35.0m). As at 31 December 2010, the Group had under contract 1,322 titles (31 December 2009, 1,073) for future publication, with a gross investment of £21.9m (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 31 December 2010 was £13.4m (31 December 2009, £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 £6.9m (31 December 2009, £6.5m) for future returns relating to the year to 31 December 2010 and prior year sales has been carried forward in trade receivables in the balance sheet at 31 December 2010. Net provisions of £3.1m (2009, £3.4m) against advances to authors on titles published ('advance provisions') were made in the period.

SECOND INTERIM DIVIDEND

The Directors have declared a second interim dividend of 3.91 pence per share, a 7.0% increase on the 2009 final dividend of 3.65 pence per share, which will be paid on 1 June 2011 to shareholders on the register at close of business on 3 May 2011. The intention is to announce a further dividend for the 2 month period to 28 February 2012.

OPERATIONAL REVIEW

Geographical Analysis

UK

£m	Full Year 2010	Full Year 2009	Growth %
Revenue	62.7	58.9	6.5%
Segment result before central cost recharges and highlighted items	7.0	6.9	1.4%

The revenue increase was primarily due to the success of the Adult list and the full year's trading of Bloomsbury Professional which was acquired in July 2009. Bloomsbury's prescient Public Library Online project continues to help libraries offer cost effective online access to books to their communities thereby helping them retain their valued place at the core of a literate society. The service has maintained a 100% renewal rate and is currently available through 18 UK library authorities reaching 7.3 million of the UK population. Based on the success of the service in the UK and its scalability, Public Library Online has now been launched the US, Canada, Australia, New Zealand, Germany and Scandinavia are in discussions with publishers and libraries worldwide to join this publisher led digital library supply service.

North America

£m	Full Year 2010	Full Year 2009	Growth %
Revenue	19.1	18.8	1.6%
Segment result before central cost recharges	1.3	0.5	160%

The US has turned in its best operating performance to date with strong sales both from books and rights. Almost two thirds of the Group's e-book sales originated in the US and we are seeing no signs of abatement in the growth rate. *The Finkler Question* was one of our big successes during the year but we are also seeing continued strength in our backlist of titles which has also contributed to 2010's excellent performance. We had three New York Times bestsellers on the Children's list during the year. The academic list is building critical mass by the launch of the A&C Black list in the first half and augmented by the acquisition of Bristol Classical Press List. The Berg list is expected to come on stream in September 2011.

We experienced higher than average book returns mid last year, in particular from Borders. The level of returns from Borders has reduced back down to a normal level and Borders has gone into Chapter 11. The debt is covered by our US distributor so there is no impact on the receivable to us.

Continental Europe

£m	Full Year 2010	Full Year 2009	Growth %
Revenue	8.9	9.6	-7.3%
Segment result before central cost recharges and highlighted items	-0.3	-0.6	50.0%

The first half of 2010 was adversely affected by weak sales and above-average returns. Sales in the second half of the year were significantly higher, driven by a number of bestselling books including the paperback edition of *Eat, Pray, Love,* which was a tie-in to the release of the blockbuster film of the same name in September and the Berthold Beitz biography. A profit of £0.3m was made in the second half of the year.

One of the main focuses for Berlin Verlag was the launch of its e-book publishing programme in the autumn. Sales have been small as expected but will gather momentum in 2011. In addition the German version of Public Library Online was launched in the second half of the year and we are in discussions with other German publishers to host their titles on this platform.

Berlin Academic was added to the Berlin Verlag business in 2010. First steps included establishing a business model and an infrastructure, focusing on innovative electronic publishing services for institutional customers and individual authors, particularly through Open Access publishing models.

Following an assessment of the carrying value of intangible assets at 31 December 2010. an impairment charge of £1.5m has been made in the period to 31 December 2010 to write down goodwill and intangible assets associated with Berlin Verlag to nil. The charge is included within Highlighted items in the income statement.

With our new management team and structure, there is an intense focus on increasing profitability.

Business Divisions

Specialist Publishing Division

£m	Full Year 2010	Full Year 2009	Growth %
Revenue	28.7	26.3	9.1%

Contribution before administrative expenses	9.9	8.6	15.1%

Revenues increased 9.1% to £28.7m (2009, £26.3m) which was primarily due to the full year's trading of Bloomsbury Professional. The growth in the academic list is primarily organic. However, in November 2010 we acquired the Bristol Classical Press list, adding a backlist of 900 titles. Bristol Classical Press features important new scholarly research in Archaeology, Classics, Ancient History and Ancient Philosophy. The combination of Bristol Classical Press with Methuen Drama and Arden Shakespeare within the new Academic & Professional Division establishes Bloomsbury as the leading European publisher of primary texts in the humanities at Higher Education level with over 2000 titles in print.

The contract to digitise and publish online the archives of Sir Winston Churchill was agreed in the middle of 2010. This invaluable collection of a million pages will be published in 2012.

2010 was a year of great opportunity for Bloomsbury Professional, with our new digital strategy starting to take effect, and the promise of much more to come in 2011. Revenue from online licensing was significantly ahead of budget in the year, and this was enhanced by the launch of a range of content using Bloomsbury's Public Library Online platform, rebranded as Professional Library Online. Professional Library Online provides an innovative and intuitive platform delivering Bloomsbury Professional's authoritative law and tax research titles to libraries, institutions and professional service firms. It distinguishes itself by combining simple click-and-read technology with portability and market-changing pricing. Within weeks of the November launch, this had led to major new deals with two of the Big 4 accountancy firms. By the end of 2010, Bloomsbury Professional's content was available online in many of the major law, tax and accounting firms. In the coming year, Bloomsbury Professional will launch a number of new fully searchable online services for the tax and legal profession, and will begin to offer a large proportion of its frontlist and backlist content across a range of hand held devices.

Our main markets remain stable, with some positive signs emerging after the turbulence of recent years. Given the must-have nature of our publishing, this is reflected in the high level of renewals for annuals and subscription services, and in the successful launch of a number of major new books and editions, including *The Law and Practice Relating to Charities 4th ed* by Hubert Picarda QC. Despite the fragility of the Irish economy, our best selling new edition of 2010 was *Irish Land Law 4th ed* by Professor John Wylie, which illustrates the resilience of the market for professional information, and of our list.

Berg Publishers produced the best performance in its trading history. Sales were strongly boosted by the US co-publication of the *Berg Encyclopedia of World Dress and Fashion* with Oxford University Press. This major reference work, in development for five years, performed well above expectations in Berg's domestic and export markets. Along with the Berg Fashion Library, it won the prestigious 2011 Dartmouth Medal, awarded by the American Library Association for "extensive and outstanding multidisciplinary coverage of dress, fashion and its impact on society" and was deemed a "landmark of scholarship." In addition, both the print and online versions were named "Outstanding Reference Sources" by the References and Users Services Association, a division of the American Library Association. Digital plans are integral to Berg's growth strategy. Currently this division is focused on developing a suite of online products in its core subjects for its bespoke platform. There are further plans to enhance the Berg Fashion Library offering through additional modules. Future product launches across the Group will benefit from investment to date in the Berg Fashion Library. Backlist digitisation and IP deployment through digital channels are core strategies for 2011. Physical book sales, exclusive of the exceptional publication of the *Berg Encyclopedia of World Dress and Fashion,* are up 25% on 2009. Journals also continue to perform strongly. Due to the amount of time required to establish subscription products, it is too early to assess the performance of the Berg Fashion Library, but sales to date have exceeded expectations and initial indicators are very positive.

On other specialist lists print on demand and e-book technology has enabled us to republish a range of highly sought after out-of-print titles as print and e-book versions, including fifty books from the prestigious Poyser and Helm ornithology imprints. This successful initiative will be followed up by new ranges and formats in 2011.

The UK education market was challenging in 2010 due to schools' uncertainty about curriculum change from the new government and fear of budget cuts. We anticipate that the market will be somewhat improved in 2011, with increased spending by schools in the first quarter and more certainty concerning budgets which have now been agreed.

In March 2011, we will launch a new digital product based on Reeds Nautical Almanac, the bible of navigational data for leisure sailors. Reeds Nautical Online will be available to all purchasers of the print almanac as a downloadable application for use at sea or on land. Constantly updated, with live weather data, port updates and a unique route planning tool, Reeds Online will enable sailors to search quickly, plan journeys and browse.

Bloomsbury Information had an excellent year which saw the successful delivery of our key management services goals to the Qatar Foundation assisting them in the successful launch of two businesses: Bloomsbury Qatar Foundation Publishing (BQFP) and Bloomsbury Qatar Foundation Journals (BQFJ). BQFP publishes books in English and Arabic on behalf of the Qatar Foundation and was launched in April at a reception at Windsor Castle hosted by the Queen and attended by Her Highness Sheikha Mozah bint Nasser Al Missned, Consort of the Emir of Qatar and Chairperson of the Qatar Foundation. Since its launch, BQFP has published over 30 titles including the Arabic translation of the worldwide bestseller *The Gruffalo*. BQFP also has an active community outreach programme to encourage a life-long love of reading and writing in Qatar and the region.

In December the astronaut Buzz Aldrin's inspiring talk in Qatar marked the launch of BQFJ, the open-access, online, peer-reviewed, research journals publishing platform (www.qscience.com). This innovative enterprise reflects the commitment of Qatar and the Qatar Foundation to research. The launch journals include Sir Magdi Yacoub's *Aswan Heart Centre: Science and Practice*, healthcare, librarianship, education and Islamic Studies.

The online financial best practice and information resource (www.qfinance.com) also saw sustained growth through the year achieving over 150,000 unique visitors per month by the final quarter of 2010.

Prospects for 2011 are positive as the new businesses continue to grow. Other business development opportunities in the Middle East and elsewhere are under active pursuit.

Trade Publishing Division

Adult

£m	Full Year 2010	Full Year 2009	Growth %
Revenue	42.1	37.9	11.1%
Contribution before administrative expenses	15.7	11.0	42.7%

The Adult division continues to perform well. Revenues for the year were £42.1m (2009, £37.9m) with a contribution before administrative expenses of £15.7m (2009, £11.0m). The strategy for the division has been to focus strongly on the titles with maximum commercial potential whilst keeping tight controls on the level of advance investment, continuing to identify new talented writers and promoting the "long tail" by acquiring established authors' backlists in print and e-book format and moving titles to print on demand. The growth of our food list has been considerable with books published by high profile authors such as Hugh Fearnley-Whittingstall and Heston Blumenthal but also innovative new authors such as Niki Segnit with *The Flavour Thesaurus*. We continue to look for markets that are showing good growth and we have embarked on building a crime list of high quality writers who will deliver a book a year. Our ten-year strategy of building a serious non-fiction list has matured and concentration on the growth of our paperback list has paid off with a wide variety of bestselling books from the novels from Khaled Hosseini to *The Guernsey Literary and Potato Peel Pie Society* to *Eat, Pray, Love* and the books of Ben McIntyre.

The retail landscape is changing with more titles being sold through supermarkets, or online, in print or electronic format. The impact of digitisation is becoming considerable and acquiring world English rights is of premier importance in the digital future. 42% of the US sales of our Booker Prize winner, *The Finkler Question*, were e-books.

In the last 12 months we have had seven hardback bestsellers in the UK with *Alex's Adventures in Wonderland by Alex Belos, The Flavour Thesaurus* by Niki Segnit, which was the winner of a design award, *MI6: The History of the Secret Intelligence Service 1909-1949* by Keith Jeffery*, Operation Mincemeat* by Ben McIntyre*, Just Kids* by Patti Smith, *River Cottage Everyday* by Hugh Fearnley-Whittingstall and *The Finkler Question* by Howard Jacobson and three paperback bestsellers, *Eat, Pray, Love* and *Committed* by Elizabeth Gilbert, *Operation Mincemeat*, , in the *Sunday Times* list. *Operation Mincemeat* was No 1 in both hardback and paperback and *Eat, Pray, Love* was the No 1 bestselling non-fiction book in the year of 2010, with it occupying first place for 23 consecutive weeks.

The Man Booker Prize was won by Howard Jacobson with the *The Finkler Question*, and Patti Smith's *Just Kids* won the National Book Award. We continue to identify and acquire books that are adopted for the Richard & Judy and TV Bookclub promotions. *No and Me* , *Operation Mincemeat*, *Major Pettigrew's Last Stand* were adopted as a Richard & Judy picks and *The Bed I Made* and *Even the Dogs* as TV Bookclub choices.

Children's

£m	Full Year 2010	Full Year 2009	Growth %
Revenue	19.9	23.0	-13.5%
Contribution before administrative expenses	7.1	8.3	-14.5%

Revenues in 2010 were £19.9m (2009, £23.0m) with a corresponding contribution before administrative expenses of £7.1m (2009, £8.3m). Although there were fewer bestselling titles during the year, sales of the seven Harry Potter books were very encouraging on the back of the film Harry Potter and the Deathly Hallows part 1 and the release of the series with new jacket design. What was particularly pleasing was the high level of demand for the paperback box set over the Christmas period. During the year, *The Graveyard Book* by Neil Gaiman won the Carnegie medal.

2011 also sees the launch of the Wombles series of books brought back in to print and being supported by all the chains as well as the independent bookshops.

Board and management

Ian Cormack was appointed as non-executive Director on 1 January 2011 and also became the Senior Independent Director and Chair of the Audit Committee on that date. Ian Cormack replaces Mike Mayer who stepped down from the Board on 31 December 2010, in accordance with the UK Corporate Governance Code, after 9 years of distinguished service to the Board of Bloomsbury. I would like to thank Mike for his long and distinguished service to the Board of Bloomsbury and his immeasurable contribution to the company over many years. We announced on 25th February 2011 the appointment of Wendy Pallot as Group Finance Director starting on 8th April 2011 and we look forward to welcoming Wendy to the Board then. I would also like to take this opportunity to express my enormous gratitude to Colin Adams for his support and contribution over 17 years at Bloomsbury.

In addition I would like to thank one member of the senior management of Bloomsbury, Jill Coleman, Managing Director of A&C Black who leaves the company on 25th March 2011 after 30 years with A&C Black. Finally, I would like to welcome Emma Hopkin as Managing Director of our new worldwide Children's and Educational Publishing Division who joins us next month.

Outlook

The final two months of the extended financial year to 28 February 2011 are normally fairly quiet for the business which, due to seasonality, are typically loss making. However we are still seeing a lot of activity, with some of our backlist titles, including *Major Pettigrew's Last Stand*, by Helen Simonson performing well. For new titles, Battle *Hymn of the Tiger Mother* has gone to No 3 in *The Sunday Times* bestseller list. Into the new 2011 financial year, we have a novel from Orange-Prize winner, Ann Patchett, and the graphic novel of *The Kite Runner* by Khaled Hosseini coming. We are publishing four previous Booker shortlist authors: Paul Bailey, Magnus Mills, Abdulrazak Gurnah and Justin Cartwright. New books from Hugh Fearnley-Whittingstall and Heston Blumenthal and new authors Raymond Blanc and Paul Hollywood join our food list.

With effect from 1 March 2011, Bloomsbury will undergo an organisation change. With the huge growth in digital publishing the market for books is becoming more global. Our major customers are also becoming more global, and, indeed, so is the media with whom we promote our books. The increasing demand for e-books means that acquiring world rights to books and exploiting them globally is becoming the most effective way of protecting our territorial copyrights. The Group will be divided into four Global publishing divisions: Adult; Children's & Educational; Academic & Professional; and Bloomsbury Information & Business Development. The two major supporting service divisions for this will be a single unified structure for Sales, Marketing and Rights across the Group and a Group Production function. This is a redeployment of valuable resources within the Group to position us more effectively as a global publisher in print and digital. This is a very exciting move for Bloomsbury as it provides us with a more flexible structure to capitalise on current and future changes in the market place.

Nigel Newton
Chief Executive
28 February 2011

CONDENSED CONSOLIDATED INCOME STATEMENT
for the twelve months ended 31 December 2010

Continuing operations	Notes	6 months ended 31 Dec 2010 (unaudited) *£'000*	12 months ended 31 Dec 2010 (unaudited) *£'000*	6 months ended 31 Dec 2009 (unaudited) *£'000*	Year ended 31 Dec 2009 (unaudited) *£'000*
Revenue	2	53,832	90,660	51,927	87,217
Cost of sales		(25,288)	(42,774)	(26,540)	(43,839)
Gross profit		28,544	47,886	25,387	43,378
Marketing and distribution costs		(8,465)	(15,222)	(8,799)	(15,441)
Administrative expenses - highlighted items	8	(2,421)	(2,868)	(426)	(584)
Administrative expenses – other		(13,335)	(24,654)	(11,061)	(21,186)
Administrative expenses – total		(15,756)	(27,522)	(11,487)	(21,770)
Profit before investment income, finance costs, tax and highlighted items		6,744	8,010	5,527	6,751
Highlighted items	8	(2,421)	(2,868)	(426)	(584)
Profit before investment income, finance costs and tax		4,323	5,142	5,101	6,167
Investment income		160	340	263	1,105
Finance costs		50	-	(55)	(145)
Profit before taxation and highlighted items		6,954	8,350	5,735	7,711
Highlighted items	8	(2,421)	(2,868)	(426)	(584)
Profit before taxation	2	4,533	5,482	5,309	7,127
Income tax expense		(1,786)	(2,081)	(1,580)	(2,146)
Profit for the period, attributable to owners of the parent		2,747	3,401	3,729	4,981
Basic earnings per share	3	3.72p	4.61p	5.07p	6.77p
Diluted earnings per share	3	3.72p	4.61p	5.04p	6.74p

The notes on pages 15 to 27 form an integral part of these condensed consolidated interim financial statements**.**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the twelve months ended 31 December 2010

	6 months ended 31 Dec 2010 (unaudited) *£'000*	12 months ended 31 Dec 2010 (unaudited) *£'000*	6 months ended 31 Dec 2009 (unaudited) *£'000*	Year ended 31 Dec 2009 (unaudited) *£'000*
Profit for the period	2,747	3,401	3,729	4,981
Other comprehensive income:				
Exchange differences on translating foreign operations	(653)	644	503	(2,950)
Deferred tax on share-based payments	34	-	29	21
Other comprehensive income for the period net of tax	(619)	644	532	(2,929)
Total comprehensive income for the period net of tax attributable to owners of the parent company	2,128	4,045	4,261	2,052

CONDENSED CONSOLIDATED BALANCE SHEET
at 31 December 2010

	Notes	31 December 2010 (unaudited) £'000	31 December 2009 (unaudited) £'000
ASSETS			
Non-current assets			
Property, plant and equipment		827	1,061
Intangible assets		37,539	37,598
Deferred tax assets		1,649	1,965
Total non-current assets		40,015	40,624
Current assets			
Inventories		17,372	16,350
Trade and other receivables	4	52,739	47,509
Cash and cash equivalents		34,110	35,036
Total current assets		104,221	98,895
TOTAL ASSETS		144,236	139,519
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Ordinary Shares		924	922
Share premium		39,388	39,388
Capital redemption reserve		22	20
Share-based payment reserve		3,128	2,393
Translation reserve		5,248	4,604
Retained earnings		65,275	65,357
Total equity		113,985	112,684
Liabilities			
Non-current liabilities			
Deferred tax liabilities		2,163	2,234
Retirement benefit obligations		57	91
Other payables		453	353
Total non-current liabilities		2,673	2,678
Current liabilities			
Trade and other payables		25,865	23,069
Current tax liabilities		1,713	1,088
Total current liabilities		27,578	24,157
Total liabilities		30,251	26,835
TOTAL EQUITY AND LIABILITIES		144,236	139,519

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT
for the twelve months ended 31 December 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 (unaudited)	922	39,388	20	2,305	7,554	63,483	113,672
Profit for the period	-	-	-	-	-	4,981	4,981
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	(2,950)	-	(2,950)
Deferred tax on share-based payments	-	-	-	-	-	21	21
Total comprehensive income for the year ended 31 December 2009	-	-	-	-	(2,950)	5,002	2,052
Transactions with owners:							
Dividends	-	-	-	-	-	(3,128)	(3,128)
Share-based payments	-	-	-	88	-	-	88
Balances at 31 December 2009 (unaudited)	922	39,388	20	2,393	4,604	65,357	112,684
Profit for the period	-	-	-	-	-	3,401	3,401
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	644	-	644
Deferred tax on share-based payments	-	-	-	-	-	-	-
Total comprehensive income for the year ended 31 December 2010	-	-	-	-	644	3,401	4,045

Transactions with owners:

Dividends	-	-	-	-	-	(3,296)	(3,296)
Share options exercised	4	-	-	-	-	-	4
Share buy back and cancellation	(2)	-	2	-	-	(187)	(187)
	2	-	2	-	-	(3,483)	(3,479)
Share-based payments	-	-	-	735	-	-	735
Balances at 31 December 2010 (unaudited)	924	39,388	22	3,128	5,248	65,275	113,985

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the twelve months ended 31 December 2010

	12 months ended 31 December 2010 (unaudited) £'000	Year ended 31 December 2009 (unaudited) £'000
Cash flows from operating activities		
Profit before tax	5,482	7,127
Adjustments for:		
Depreciation of property, plant and equipment	615	669
Amortisation of intangible assets	925	584
Impairment of goodwill	1,532	-
Profit on sale of property, plant and equipment	-	(9)
Share-based payment charges	735	88
Investment income	(340)	(1,105)
Finance costs	-	145
	8,949	7,499
Increase in inventories	(779)	(76)
Increase in trade and other receivables	(4,845)	(98)
Increase / (decrease) in trade and other payables	2,922	(9,888)
Cash generated from / (used in) operations	6,247	(2,563)
Income taxes paid	(1,188)	(1,734)
Net cash generated from / (used in) operating activities	5,059	(4,297)
Cash flows from investing activities		
Purchase of property, plant and equipment	(382)	(304)
Proceeds from sale of property, plant and equipment	-	23
Purchase of businesses, net of cash acquired	(1,160)	(10,307)
Purchases of intangible assets	(1,327)	-
Interest received	354	1,409
Net cash used in investing activities	(2,515)	(9,179)
Cash flows from financing activities		
Share options exercised	4	-
Share buy back	(187)	-
Equity dividends paid	(3,296)	(3,128)
Interest paid	(3)	(34)
Net cash used in financing activities	(3,482)	(3,162)
Net decrease in cash and cash equivalents	(938)	(16,638)
Cash and cash equivalents at beginning of period	35,036	51,908
Exchange gain / (loss) on cash and cash equivalents	12	(234)
Cash and cash equivalents at end of period	34,110	35,036

1. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 31 December 2010 and the twelve months ended 31 December 2010 do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. 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 under the historical cost convention.

Having made enquiries of senior management and reviewed cash flow forecasts, the Directors have a reasonable expectation that the Group has 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 condensed consolidated interim 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 extracted 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 31 December 2010 and the twelve months ended 31 December 2010 are consistent with those that the Directors intend to use in the statutory accounts for the fourteen month period ending 28 February 2011.

The accounting policies used in the preparation of the condensed consolidated interim financial statements for the six months ended 31 December 2010 and the twelve months ended 31 December 2010 are consistent with those used in the statutory accounts for the year ended 31 December 2009 other than changes arising from the implementation of the amendments to IFRS3 as detailed below, which impacts the treatment of the acquisition made in the period and future acquisitions but is not applied retrospectively.

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 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 adoption of IFRS 3 (revised 2008) in the period has lead to a change in accounting policy. This accounting policy applies prospectively and hence has no impact on comparative periods. The revised accounting policy is as follows:

Consolidation

The consolidated financial statements comprise the accounts of the Company and its subsidiaries. The results of the subsidiaries are accounted for in the income statement from the date of acquisition.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies to obtain economic benefit from their activities. Subsidiaries are fully consolidated from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange.

Costs directly attributable to the acquisition are expensed as incurred. Previously such costs were capitalised as part of the consideration transferred.

Changes in contingent consideration arising from additional information, obtained within one year of the acquisition date, about facts or circumstances that existed at the acquisition date are recognised as an adjustment to goodwill. Other changes in contingent consideration are recognised through profit or loss, unless the contingent consideration is classified as equity. In such circumstances, changes are recognised within equity. Previously subsequent changes to contingent consideration were recognised as an adjustment to goodwill.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date irrespective of the extent of any minority interest.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

- 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 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 requirements of the Disclosure and Transparency Rules ('DTR') of the United Kingdom's Financial Services Authority in respect of half-yearly financial reports. 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 twelve months ended 31 December 2010 and description of the principal risks and uncertainties for the remaining two months of the period to 28 February 2011, 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.

Principal risks and uncertainties

The Group, like all businesses, faces a number of risks and uncertainties as it conducts its operations. There are a number of factors that could impact the Group's long-term performance and steps are taken to understand and evaluate these in order to achieve our objective of creating long-term, sustainable returns for shareholders.

Principal risks and uncertainties to the business fall into the following categories:

Title Acquisition
Advances to authors have the potential to reduce margins when portions of those advances remain unearned. When considering a title acquisition, an initial purchase evaluation process is carried out and signed off at a senior level. There is also a system of continuous review, analysis and feedback on title performance to better inform future acquisitions.

Market
Consumers may not buy a book that has been sold to retailers, and unsold books are returned for credit. Also, customers seek to price promote many titles which can reduce margins. The steps taken to protect and grow revenues are as outlined in the Chief Executive's Review.

Business Continuity
The security and robustness of our systems, in particular our IT systems, are important in all aspects of our business, whether in respect of the editorial and production processes, publicity, marketing and sales, or in respect of stock monitoring and order fulfilment. IT processes are continually updated and security improved, with daily offsite back-up of electronic files. The performance of our key print and distribution suppliers is regularly monitored.
These risks, together with the financial risks are discussed in more detail in the group financial statements for the year to 31 December 2009. The same risks will apply to the 14 month period to 28 February 2011.

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 (resigned 31 December 2010)
S J Thomson - Non-Executive Director
I Cormack - Independent Non-Executive Director (appointed 1 January 2011)

The financial information included in this document has been approved and authorised for issue by the Directors on 28 February 2011.

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 31 December 2010 (unaudited)	United Kingdom	North America	Continental Europe	Eliminations and unallocated costs	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External sales	37,673	10,149	6,010	-	53,832
Inter-segment sales*	326	-	85	(411)	-
Total revenue	37,999	10,149	6,095	(411)	53,832
Result					
Segment result before central costs and highlighted items	5,757	705	282	-	6,744
Highlighted items	(889)	-	(1,532)	-	(2,421)
Central cost recharges	121	(78)	(43)	-	-
Segment result	4,989	627	(1,293)	-	4,323
Investment income	158	2	-	-	160
Finance costs	50	-	-	-	50
Profit before taxation	5,197	629	(1,293)	-	4,533

Year ended 31 December 2010 (unaudited)	United Kingdom	North America	Continental Europe	Eliminations and unallocated costs	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External sales	62,699	19,079	8,882	-	90,660
Inter-segment sales*	915	-	148	(1,063)	-
Total revenue	63,614	19,079	9,030	(1,063)	90,660
Result					
Segment result before central costs and highlighted items	7,007	1,286	(283)	-	8,010
Highlighted items	(1,336)	-	(1,532)	-	(2,868)
Central cost recharges	274	(153)	(121)	-	-

Segment result	5,945	1,133	(1,936)	-	5,142
Investment income	336	4	-	-	340
Finance costs	-	-	-	-	-
Profit before taxation	6,281	1,137	(1,936)	-	5,482

Six months ended 31 December 2009 (unaudited)	United Kingdom	North America	Continental Europe	Eliminations and unallocated costs	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External sales	36,681	10,069	5,177	-	51,927
Inter-segment sales*	274	-	79	(353)	-
Total revenue	36,955	10,069	5,256	(353)	51,927
Result					
Segment result before central costs and highlighted items	5,177	423	(73)	-	5,527
Highlighted items	(426)	-	-	-	(426)
Central cost recharges	134	(77)	(57)	-	-
Segment result	4,885	346	(130)	-	5,101
Investment income	262	1	-	-	263
Finance costs	(55)	-	-	-	(55)
Profit before taxation	5,092	347	(130)	-	5,309

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 and highlighted items	6,868	450	(567)	-	6,751
Highlighted items	(584)	-	-	-	(584)
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 31 December 2010 (unaudited)	Trade (Adult)	Trade (Children's)	Total Trade	Specialist	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	26,162	11,763	37,925	15,907	-	53,832
Cost of sales	(12,281)	(5,919)	(18,200)	(7,088)	-	(25,288)
Gross profit	13,881	5,844	19,725	8,819	-	28,544
Marketing and distribution costs	(3,924)	(1,568)	(5,492)	(2,973)	-	(8,465)
Contribution before administrative expenses	9,957	4,276	14,233	5,846	-	20,079
Administrative expenses			(9,954)	(3,574)	(2,228)	(15,756)
Divisional result			4,279	2,272	(2,228)	4,323
Investment income			-	-	160	160
Finance costs			-	-	50	50
Profit before taxation			4,279	2,272	(2,018)	4,533

Year ended 31 December 2010 (unaudited)	Trade (Adult)	Trade (Children's)	Total Trade	Specialist	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	42,089	19,899	61,988	28,672	-	90,660
Cost of sales	(19,832)	(9,951)	(29,783)	(12,991)	-	(42,774)
Gross profit	22,257	9,948	32,205	15,681	-	47,886
Marketing and distribution costs	(6,587)	(2,865)	(9,452)	(5,770)	-	(15,222)
Contribution before administrative expenses	15,670	7,083	22,753	9,911	-	32,664
Administrative expenses			(17,923)	(7,081)	(2,518)	(27,522)

Divisional result	4,830	2,830	(2,518)	5,142
Investment income	-	-	340	340
Finance costs	-	-	-	-
Profit before taxation	4,830	2,830	(2,178)	5,482

Six months ended 31 December 2009 (unaudited)	Trade (Adult)	Trade (Children's)	Total Trade	Specialist	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	21,508	14,249	35,757	16,170	-	51,927
Cost of sales	(11,924)	(7,011)	(18,935)	(7,605)	-	(26,540)
Gross profit	9,584	7,238	16,822	8,565	-	25,387
Marketing and distribution costs	(3,789)	(1,763)	(5,552)	(3,247)	-	(8,799)
Contribution before administrative expenses	5,795	5,475	11,270	5,318	-	16,588
Administrative expenses			(8,408)	(2,810)	(269)	(11,487)
Divisional result			2,862	2,508	(269)	5,101
Investment income			-	-	263	263
Finance costs			-	-	(55)	(55)
Profit before taxation			2,862	2,508	(61)	5,309

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	11,022	8,347	19,369	8,568	-	27,937

administrative expenses				
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 31 December 2010 is based on the earnings of £2,747,000 (2009, £3,729,000) and on a weighted average number of Ordinary Shares in issue of 73,870,734 (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 2010 is based on the earnings of £3,401,000 (2009, £4,981,000) and on a weighted average number of Ordinary Shares in issue of 73,731,665 (2009, 73,594,863) after deducting 88,760 (2009, 88,760) shares held by the Employee Benefit Trust. The diluted earnings per share for the six months to 31 December 2010 has been calculated by reference to a weighted average number of Ordinary Shares of 73,874,809 (six months to 31 December 2009, 73,920,795, year ended 31 December 2010, 73,735,740, year ended 31 December 2009, 73,920,795) which takes account of share options and awards.

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 31 December 2010 (unaudited) Number	Year ended 31 December 2010 (unaudited) Number	6 months ended 31 December 2009 (unaudited) Number	Year ended 31 December 2009 (unaudited) Number
Weighted average number of shares for basic earnings per share	73,870,734	73,731,665	73,594,863	73,594,863
Dilutive effect of share options and awards	4,075	4,075	325,932	325,932
Weighted average number of shares for diluted earnings per share	73,874,809	73,735,740	73,920,795	73,920,795

The earnings per share are shown below:

	6 months ended 31 December 2010 (unaudited)	Year ended 31 December 2010 (unaudited)	6 months ended 31 December 2009 (unaudited)	Year ended 31 December 2009 (unaudited)

Basic earnings per share	3.72p	4.61p	5.07p	6.77p
Diluted earnings per share	3.72p	4.61p	5.04p	6.74p

The adjusted earnings per share before amortisation of intangible assets and other highlighted items in note 8 are shown below:

	6 months ended 31 December 2010 (unaudited)	Year ended 31 December 2010 (unaudited)	6 months ended 31 December 2009 (unaudited)	Year ended 31 December 2009 (unaudited)
Adjusted basic earnings per share	7.00p	8.50p	5.65p	7.56p
Adjusted diluted earnings per share	7.00p	8.50p	5.62p	7.53p

4. Trade and other receivables

	31 December 2010 (unaudited) £'000	31 December 2009 (unaudited) £'000
Recoverable within 12 months:		
Trade receivables	25,047	21,601
Income tax recoverable	604	56
Other receivables	824	429
Prepayments and accrued income	24,224	22,576
	50,699	44,662
Recoverable after 12 months:		
Prepayments and accrued income	2,040	2,847
	52,739	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 £6.9m (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 £1.7m since 30 June 2010 (six months to 31 December 2009 £2.2m, year to 31 December 2010, £3.1m, 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 31 December 2010 (unaudited) £'000	Year ended 31 December 2010 (unaudited) £'000	6 months ended 31 December 2009 (unaudited) £'000	Year ended 31 December 2009 (unaudited) £'000
Advance provisions	1,684	3,076	2,158	3,438
Write back of returns provision*	-	-	(581)	(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 during the six month period to 31 December 2010 was £nil (12 months to 31 Dec 2010, £nil, 6 months to 31 December 2009, £0.6m, year to 31 December 2009, £0.6m).

5. Dividends

The Directors have declared a second interim dividend of 3.91 pence per share, a 7.0% increase on the 2009 final dividend of 3.65 pence per share, which will be paid on 1 June 2011 to shareholders on the register at close of business on 3 May 2011.

An interim dividend of 0.81 pence per share (£597,423) was paid to the equity shareholders on 16 November 2010, being the amount proposed by the Directors (2009, 0.78 pence per share, £575,000).

A final dividend for 2009 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 31 December 2010 the number of own shares held were 88,760 ordinary shares (31 December 2009, 88,760).

During the period the Company also repurchased and cancelled 171,500 of its shares at a market value of £187,000.

7. Acquisition

On 1 November 2010 A&C Black acquired the business and net assets of Duckworth Academic for a cash consideration of £1,100,000. It was renamed to Bristol Classical Press and will be managed under the Bloomsbury Academic imprint. The acquisition has been accounted for by the acquisition method of accounting. Goodwill of £28,000 and other intangible assets of £930,000 arising on the acquisition have been capitalised in the Group balance sheet.

The Directors consider the assets acquired and the impact of results is not material.

8. Highlighted items

	6 months ended 31 December 2010 (unaudited)	Year ended 31 December 2010 (unaudited)	6 months ended 31 December 2009 (unaudited)	Year ended 31 December 2009 (unaudited)

Amortisation of intangible assets	478	925	426	584
Impairment of goodwill	1,532	1,532	-	-
Professional fees on acquisitions	25	25	-	-
Relocation of headquarters	104	104	-	-
Aborted acquisition costs	282	282	-	-
	2,421	2,868	426	584

The goodwill impairment charge relates to goodwill attributable to Berlin Verlag. This was a result of an impairment review assessing the carrying value of the investments, which took account of economic factors in Berlin and forecasts not supporting the carrying value. With new management team and structure, there will be a rationalisation of the publishing programme and continuing reduction of Berlin's cost base as part of the plan to increase profitability in the business.

Legal costs of £25,000 were incurred in relation to the acquisition of Duckworth Academic.

The Group has incurred costs of £104,000 relating to its planned relocation of its Head Office to Bedford Square in July 2011.

Aborted acquisition costs of £282,000 related to professional fees in connection with an acquisition of a business which did not go ahead following the due diligence process.

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 interim financial report for the period ended 31 December 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 27. We have read the other information contained in the interim 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 interim financial report, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing and presenting the interim 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 interim 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 interim 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 interim financial report for the period ended 31 December 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
25 Farringdon Street
London EC4A 4AB

28 February 2011