BLOOMSBURY PUBLISHING Plc

("Bloomsbury" or "the Group")

Unaudited Interim Results for the six months ended 31 August 2014

Bloomsbury Publishing Plc today announces results for the six months ended 31 August 2014.

Financial highlights

- Turnover £46.6 million (2013: £49.2 million), following the exceptional 2013 comparator year with its new hardcover release of Khaled Hosseini's huge bestseller *And The Mountains Echoed*
- Adjusted profit before taxation £1.7 million (2013: £2.3 million)
- Profit before taxation £0.5 million (2013: £1.1 million)
- Interim dividend pence per share 1.02 pence (2013: 0.98 pence)
- Adjusted Diluted earnings per share 1.97 pence (2013: 2.22 pence)
- Diluted earnings per share 0.56 pence (2013: 1.17 pence)

Operating highlights

Traditionally, sales of trade titles peak for Christmas and sales of academic titles peak in the Autumn at the beginning of the academic year. We expect our sales to therefore be significantly second half weighted.

- **Children's & Educational**
  - Revenue for the period increased by 8% to £11.2 million (2013: £10.4 million)
  - Star performers were *Marmaduke the Different Dragon* by Rachel Valentine and Ed Eaves and *Paper Towns* by John Green

- **Harry Potter phenomenon grows 2014 - 2020**
  - Trilogy of films based on *Fantastic Beasts & Where to Find Them* from Warner Bros, 2016, 2018 and 2020
  - More rich content from J.K. Rowling's Pottermore website
  - Stage play of Harry Potter to be produced by Sonia Friedman
  - Bloomsbury edition of Harry Potter just released with stunning new jackets
  - Harry Potter Book Night on 5th February 2015
  - Fully illustrated edition of Harry Potter released from Autumn 2015

- **Adult division**
  - Key titles this year included paperback release *And The Mountains Echoed* by Khaled Hosseini, *Tom Kerridge's Best Ever Dishes, Before We Met* by Lucie Whitehouse, *Can't We Talk About Something More Pleasant?* by Roz Chast
  - Winner of the IMPAC Dublin Literary Award, winner of the inaugural Folio Prize, Shortlisted for Baileys Women's Prize for Fiction, finalist National Book Award

- Three high profile TV series linked to our books - Grantchester; Jonathan Strange & Mr Norrell; and Tom Kerridge's Best Ever Dishes.

- **Academic & Professional**
  - Division generated 30% of Group revenue this period (2013: 28%)
  - Total revenues were up by 1% to £14.0 million (2013: £13.9m)
  - Digital revenues were up by 65% to £2.0 million representing 15% of total revenues in the division (2013: 9%)
  - Results significantly second half weighted, as in the past
  - Hart trading ahead of expectations
  - Successfully launched a new digital platform, Bloomsbury Collections

- **Strong list for the second half**
  - *Paul Hollywood's British Baking*
  - *Tom Kerridge's Best Ever Dishes*
  - *River Cottage Light & Easy by* Hugh Fearnley-Whittingstall

Commenting on the results, Nigel Newton, Chief Executive, said:

"We have continued to make strong progress in developing Bloomsbury as a wholly integrated trade and academic publisher. In the period revenues were up in all our divisions except Adult, as expected, following the exceptional success of certain books last year. Particularly pleasing was the performance of our Children's & Educational division which has benefitted from the success of investment in the area over the last three years, including the successful launch of new imprint Bloomsbury Activity Books and the Bloomsbury Picture Books list.

Not since the launch of the final Harry Potter book in 2007 has there been such a range of activities in support of the Harry Potter phenomenon. The year ahead will see a huge surge in public interest in Harry Potter with our launch of new children's editions in this period, Warner Bros announcement of a trilogy of films of *Fantastic Beasts & Where to Find Them*, which is published by Bloomsbury, the creation of a stage play of Harry Potter for London's West End, significant new material on J.K. Rowling's highly successful Pottermore website and Harry Potter Book Night in February 2015, in which Bloomsbury Publishing will play a key role. In addition, Bloomsbury has commissioned artist Jim Kay to work on a new edition of Harry Potter with magnificent illustrations on every page which will be launched in Autumn 2015 and has the potential to create as much interest in the Harry Potter books as Tenniel's illustrations of *Alice's Adventures In Wonderland* did.

We have a strong publishing list for the second half including *Paul Hollywood's British Baking, Tom Kerridge's Best Ever Dishes* and *River Cottage Light & Easy* by Hugh Fearnley-Whittingstall. We expect results to continue to be significantly second-half weighted, as in the past. October is the peak for academic book sales and Christmas is the peak season for the sale of general books."

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Overview

For the six months ended 31 August 2014, revenues were up year on year in each of our divisions except for Adult, as anticipated, following the success of some exceptional books in that division last year. In total we generated revenues of £46.6 million, down by 5% on last year, but up by 7% compared to the six months ended 31 August 2012. Within this, revenues from rights and services were up by 15%. Adjusted profit before taxation for the six months ended 31 August 2014 was £1.7 million (2013: £2.3 million).

We expect our results to continue to be significantly second-half weighted, as in the past. October is the peak for academic book sales and Christmas is the peak season for the sales of general books, which this year include cookery titles such as the best-selling *British Baking* by Paul Hollywood*, Tom Kerridge's Best Ever Dishes* and *River Cottage Light & Easy* by Hugh Fearnley-Whittingstall.

Not since the launch of the final Harry Potter book in 2007 has there been such a range of activities in support of the Harry Potter phenomenon. The year ahead will see a huge surge in public interest in Harry Potter with our launch of new children's editions in this period, Warner Bros announcement of a trilogy of films based on *Fantastic Beasts & Where to Find Them*, which is published by Bloomsbury, the creation of a stage play of Harry Potter for London's West End, significant new material on J.K. Rowling's highly successful Pottermore website and Bloomsbury's Harry Potter Book Night in February 2015. In addition, Bloomsbury has commissioned artist Jim Kay to work on the new edition of Harry Potter with magnificent illustrations on every page which will be launched in Autumn 2015 and has the potential to create as much interest in the Harry Potter books as Tenniel's illustrations of *Alice's Adventures In Wonderland* did.

Summary of results

Adjusted profit before tax for the six months ended 31 August 2014 was £1.7 million (2013: £2.3 million). Profit before tax was £0.5 million (2013: £1.1 million). Revenue was £46.6 million (2013: £49.2 million). Within this, print sales were £36.6 million (2013: £39.6 million) and digital sales were £5.6 million (2013: 5.8 million), reflecting reductions of £3.1 million in print sales and £0.8 million in digital sales in the Adult division due to the exceptional nature of the comparator year's books. Rights and services sales increased by 15% to £4.3 million (2013: £3.7 million).

An excellent sales performance in the Children's & Educational division meant adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) increased to £1.2 million from nil last year. Similarly in the Information division sales rose 23%, increasing EBITDA from £0.5 million to £0.7 million. In the Adult division, a £3.9 million reduction in total sales meant that EBITDA reduced by £1.1m to £0.2 million.

In the Academic & Professional division sales rose by 1% year on year to £14.0 million, with the contribution from our new subsidiary, Hart Publishing. We acquired Hart in September 2013. As an academic business, Hart's results are heavily weighted to the second half of our financial year. In the six months ended 31 August 2014 Hart contributed £1.4 million to Group revenues and £0.1 million to adjusted profit before taxation. Total division EBITDA reduced by £0.7 million year on year to £0.6 million.

Highlighted items of £1.2 million (2013: £1.2 million) include £0.9 million (2013: £0.8 million) of amortisation of acquired intangible assets. Other highlighted items in this period include restructuring costs (relating to acquisitions and the One Global Bloomsbury restructure) of £0.3 million. The effective rate of tax for the period was 19% (2013: 23%) reflecting the reduction in the rate of corporation tax and the recognition of further trading losses. Adjusted diluted earnings per share were 1.97 pence (2013: 2.22 pence). Diluted earnings per share for the period were 0.56 pence (2013: 1.17 pence).

The business had £2.8 million of cash at 31 August 2014 (31 August 2013: £10.0 million). Over the last twelve months £9.0 million in cash has been paid for acquisitions, including £1.9 million in the interim period for the final instalments for Fairchild Books and Applied Visual Arts Publishing.

In response to the evolving digital marketplace, the development of online knowledge hubs has become a core part of our business. In light of this, our investment in online platforms, which was previously relatively small, has been increasing. In our statement in July we announced that we had therefore decided to change the treatment in our financial statements of the amortisation of product and systems development assets, our internally generated intangibles. Previously this amortisation was included within highlighted items, it is now included within profit before taxation and highlighted items. The change has no effect on profit before taxation or cash. The prior period results for the six months ended

31 August 2013 have been restated accordingly, with profit before taxation and highlighted items reducing by £0.5 million (2012: £0.3 million).

Academic & Professional

Total revenues in the division were up by 1% to £14.0 million (2013: £13.9m). Using the prior period's average exchange rates, to eliminate the effect of the appreciation of sterling this year, total revenues were up by 5%. The UK had good underlying growth, which was then enhanced by Hart Publishing ("Hart") which was acquired in September 2013 and is performing ahead of our expectations. As an academic law publishing business, Hart's results are heavily weighted into the second half of our financial year. In the six months ended 31 August 2014 Hart contributed £1.4 million to Group revenues and £0.1 million to adjusted profit before taxation. During the period, Hart was moved to Macmillan Distribution, the Group's UK distributor.

In the US, sales for the division year on year were affected by the appreciation of sterling compared to the dollar and further eroded by a high level of Fairchild Books returns in the period. India showed good growth, contributing £0.3m of sales and £0.1m of profit.

Overall the division's EBITDA was £0.6 million (2013: £1.3 million), reflecting Fairchild Books lower net sales and stock write offs.

With an increasing focus on digital publishing, the division's digital revenues are growing quickly. Digital revenues were up by 65% to £2.0 million, boosted by a robust performance from online subscription revenue, and a large backlist digitisation programme. Total subscription revenues were up by 16% in the period. Revenues for the online Berg Fashion Library increased by 12% in the period. Digital revenues now represent 15% of total revenues in the division (2013: 9%).

The division has won two major awards reflecting its rapid development as an academic publisher. In March, it was awarded Academic, Educational and Professional Publisher of the Year at the Bookseller Industry Awards. This is the first time an academic publisher has won the award in two consecutive years. In June, Drama Online received an Innovation Excellence Award from the Stationers' Company. This new award is designed to highlight "the very best of innovation by companies to adapt to the dramatic technological, economic and social changes currently disrupting traditional business models".

We have successfully launched a new digital platform, Bloomsbury Collections, which will deliver unique online collections of scholarly e-books for the institutional market on a subscription basis. Since the official launch on September 22nd, we have seen strong interest in the service. The first orders are largely from outside the UK, demonstrating the potential to grow international digital revenues. This new service will respond to the growing demand for e-books from academic libraries worldwide, and will offer new opportunities for scholars and students to discover and make the most of the full wealth of Bloomsbury's academic publishing portfolio. The site will have approximately 4,000 titles on the platform by February 2015, bringing together innovative current research publications alongside more than a century's worth of authoritative scholarship from the backlists of imprints such as Hart, T&T Clark, Bristol Classical Press, Continuum, Berg and the Arden Shakespeare. New collections in further subject areas will follow in future releases, and all newly published academic monographs will go directly on to the Bloomsbury Collections site in digital form.

In addition, work has commenced on an online Business Advice Compliance Service due to launch at the end of November 2014.

Adult

Revenue for the period was £19.3 million (2013: £23.2 million) resulting in EBITDA reducing to £0.2 million (2013: £1.3 million). This follows an exceptional result in the period to 31 August 2013 which included the release of *And The Mountains Echoed* by Khaled Hosseini.

Our key titles in this period were the paperback release of *And The Mountains Echoed* by Khaled Hosseini, *Tom Kerridge's Best Ever Dishes*, *Before We Met* by Lucie Whitehouse and Roz Chast's *Can't We Talk About Something More Pleasant?* which has been in *The New York Times* graphic hardcover bestseller list for 17 weeks, with 8 weeks at number one and is a finalist for the 2014 National Book Award.

It has been a good first half for literary prizes; highlights include *Tenth of December* by George Saunders winning the inaugural Folio Prize, *The Sound of Things Falling* by Juan Gabriel Vasquez (translated by Anne McLean) winning the IMPAC Dublin Literary Award and *The Lowland* by Jhumpa Lahiri being shortlisted for the Baileys Women's Prize for Fiction. Two of our paperbacks, *And the Mountains Echoed* by Khaled Hosseini and *Before We Met* by Lucie Whitehouse, were chosen for the Richard & Judy

Summer Book Club with *And the Mountains Echoed* being chosen by readers as their favourite of all the titles.

In India in September we have won five Excellence in Book Production awards announced by the Federation of Indian Publishers, in just our second year of publishing. This is the highest number of awards to any publisher in the English language publications category.

In September 2014, Bloomsbury acquired Conway, the maritime, naval and military history imprint with a list of over 200 titles which will be integrated into Bloomsbury's existing Adlard Coles Nautical imprint and will consolidate Bloomsbury's position as the global leader in the nautical publishing field.
Our Cookery list continues to flourish. Absolute Press, one of our cookery imprints, was awarded Specialist Consumer Publisher Of The Year 2014 at the Independent Publishing Guild Awards.

Children's & Educational

The excellent result in this division reflects the success of our previous strategic investment. This has been a three year investment plan involving a reshaping of the team and a focusing of priorities on commercial global acquisitions for the consumer lists and targeted strategic marketing of our strong brands, together with the launch of new imprint Bloomsbury Activity Books and the Bloomsbury Picture Books list.

Revenue for the period was £11.2 million (2013: £10.4 million). EBITDA increased to £1.2 million from nil last year. A star performer in the UK in picture books was *Marmaduke the Different Dragon* by Rachel Valentine and Ed Eaves and in fiction, *Paper Towns* by John Green. New print editions of the six *Music Express* titles from our A&C Black Music imprint, which published from March to June, have sold strongly and since June have been the bestselling titles on Bloomsbury.com.

We launched new children's editions of our seven *Harry Potter* novels by J.K. Rowling, with jackets from Jonny Duddle and saw a 69% increase week on week in retail sales in the first week. The jackets have been well reviewed by fans and retailers – and in the first week of September *Harry Potter and the Philosopher's Stone* was the third bestselling title at Waterstones, seventeen years after its launch. In October 2014 Warner Bros announced that the *Fantastic Beasts* film will be the first in a trilogy, to be launched in 2016, 2018 and 2020. J.K. Rowling is also collaborating with a writer to bring a Harry Potter stage play to London's West End to be produced by Sonia Friedman. Harry Potter Book Night will take place on February 5th 2015. It is a moment in the book calendar to celebrate the Harry Potter books and to reawaken the excitement of the midnight openings which were such a mark of the original publications. Sign-ups for the Harry Potter Event Kit to participate in this event were at 1,148 just one week after the announcement.

In the US sales highlights include *Heir Of Fire* by Sarah J. Maas which went to number 4 on the New York Times bestseller list, following a huge global publication and marketing campaign. Key acquisitions in this period include new books from Louis Sachar, *Fuzzy Mud,* and a novel from Neil Gaiman.

Music Express Online launched on schedule on August 29th. It is a visually appealing subscription website enabling primary class teachers to teach the music curriculum even if they cannot read music or play instruments themselves. It has sold 500 subscriptions in the first two weeks. Our ambition is for this to be available in all primary schools in the UK.

We launched our first Andrew Brodie apps in March for Ages 6-7 and 10-11, both of which appeared in the New and Noteworthy section of the Apple app store for six weeks. To date each has sold over 2,100 copies. Four further apps for different age ranges will be launched in early October.

In the UK William Sutcliffe's *The Wall* was shortlisted for the Carnegie Medal and *Winter Damage* by Natasha Carthew was shortlisted for the Brandford Boase award. *What Makes You You?* by Gill Arbothnot was shortlisted for the Royal Society's Young People's Book Prize.

Bloomsbury Information

Revenue for the Information division this period was £2.0 million (2013: £1.6 million). EBITDA was £0.7 million compared to £0.5 million in 2013.

This period saw the official launch of the IZA World of Labor knowledge hub (http://wol.iza.org), a multi-year project Bloomsbury manages on behalf of the IZA, a private independent economic research institute focused on the analysis of global labour markets. Our business list published Hugh Pym's *Inside the Banking Crisis*: *The Untold Story,* and our partnership with the National Archives resulted in the publication of the second edition of *Census: The Family Historian's Guide.* The division's management services agreement with the Qatar Foundation for its book publishing business was extended on the same terms to December 2015, and the intention of the parties is to enter into a long term renewal.

Dividend

The Directors have declared an interim dividend of 1.02 pence per share which is a 4% increase on the dividend paid for the six months ended 31 August 2013 of 0.98 pence per share. The dividend will be paid on 4 December 2014 to shareholders on the register at close of business on 7 November 2014.

Outlook

Bloomsbury's strong second half list includes *Paul Hollywood's British Baking, Tom Kerridge's Best Ever Dishes* and *River Cottage Light & Easy* by Hugh Fearnley-Whittingstall. In addition, there are three high profile TV series linked to our books - Grantchester; Jonathan Strange & Mr Norrell; and Tom Kerridge's Best Ever Dishes.

As usual, the Group is targeting a number of new contracts from which we expect to deliver rights and services income in the second half of our financial year.

We continue to focus investment and development on digital publishing, including Bloomsbury Collections, Bloomsbury Fashion Central and Drama Online. We expect to be making further announcements on new digital developments in the second half, as the result of our investment in this area of our publishing.

We expect our results to continue to be significantly second-half weighted, as in the past. October is the peak for academic book sales and Christmas is the peak season for the sales of general books.

Notes:
Adjusted results are calculated before deducting highlighted items. Highlighted items comprise amortisation of acquired intangible assets, legal and other professional costs relating to acquisitions and restructuring costs.
EBITDA is adjusted profit before tax, interest, depreciation and amortisation.

Condensed Consolidated Interim Income Statement

For the six months ended 31 August 2014

	Notes	**6 months ended 31 August 2014 £'000**	6 months ended 31 August 2013 £'000	Year ended 28 February 2014 £'000
Revenue	3	**46,580**	49,173	109,496
Cost of sales		**(20,499)**	(21,851)	(47,183)
Gross profit		**26,081**	27,322	62,313
Marketing and distribution costs		**(6,896)**	(7,378)	(14,890)
Administrative expenses		**(18,696)**	(18,826)	(37,913)
Operating profit before highlighted items		**1,689**	2,292	11,985
Highlighted items*	4	**(1,200)**	(1,174)	(2,475)
Operating profit		**489**	1,118	9,510
Finance income		**21**	17	49
Finance costs		**(1)**	(2)	(80)
Profit before taxation and highlighted items		**1,709**	2,307	11,954
Highlighted items*	4	**(1,200)**	(1,174)	(2,475)
Profit before taxation	3	**509**	1,133	9,479
Taxation		**(97)**	(256)	(1,776)
Profit for the period attributable to owners of the Company		**412**	877	7,703
Earnings per share attributable to owners of the Company				
Basic earnings per share	6	**0.56p**	1.21p	10.57p
Diluted earnings per share	6	**0.56p**	1.17p	10.43p

*See note 2b)

The accompanying notes form an integral part of this condensed consolidated interim financial report.

Condensed Consolidated Interim Statement of Comprehensive Income
For the six months ended 31 August 2014

	6 months ended 31 August 2014 £'000	6 months ended 31 August 2013 £'000	Year ended 28 February 2014 £'000
Profit for the period	**412**	877	7,703
Other comprehensive income			
Items that may be reclassified to the income statement:			
Currency translation differences on foreign operations	**228**	(900)	(3,169)
Items that may not be reclassified to the income statement:			
Remeasurements on the defined benefit pension scheme	**(55)**	-	(13)
Other comprehensive income/ (expense) for the period	**173**	(900)	(3,182)
Total comprehensive income/ (expense) for the period attributable to owners of the Company	**585**	(23)	4,521

Condensed Consolidated Interim Statement of Financial Position
At 31 August 2014

	Notes	31 August 2014 £'000	31 August 2013 £'000	28 February 2014 £'000
Assets				
Goodwill		**39,537**	35,064	39,511
Other intangible assets		**21,290**	19,147	21,310
Property, plant and equipment		**3,029**	3,341	3,145
Deferred tax assets		**2,053**	2,341	2,095
Total non-current assets		**65,909**	59,893	66,061
Inventories		**29,510**	29,920	25,203
Trade and other receivables	7	**54,376**	53,766	56,783
Cash and cash equivalents		**2,752**	10,011	10,037
Total current assets		**86,638**	93,697	92,023
Total assets		**152,547**	153,590	158,084
Liabilities				
Retirement benefit obligations		**179**	119	124
Deferred tax liabilities		**3,165**	2,925	3,177
Other payables		**311**	474	566
Provisions		**420**	450	420
Total non-current liabilities		**4,075**	3,968	4,287
Trade and other payables		**31,015**	32,887	35,226
Current tax liabilities		**554**	1,567	2,012
Provisions		**23**	23	523
Total current liabilities		**31,592**	34,477	37,761
Total liabilities		**35,667**	38,445	42,048
Net assets		**116,880**	115,145	116,036
Equity				
Share capital		**924**	924	924
Share premium		**39,388**	39,388	39,388
Translation reserve		**2,103**	4,144	1,875
Other reserves		**3,708**	3,130	3,402
Retained earnings		**70,757**	67,559	70,447
Total equity attributable to owners of the Company		**116,880**	115,145	116,036

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 31 August 2014

	Share capital £'000	Share premium £'000	Translation reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2014	924	39,388	1,875	22	4,582	(1,202)	70,447	116,036
Profit for the period	-	-	-	-	-	-	412	412
Other comprehensive income								
Currency translation differences on foreign operations	-	-	228	-	-	-	-	228
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	(55)	(55)
Total comprehensive income for the period	**-**	**-**	**228**	**-**	**-**	**-**	**357**	**585**
Transactions with owners								
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(47)	(47)
Share-based payment transactions	-	-	-	-	306	-	-	306
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**306**	**-**	**(47)**	**259**
At 31 August 2014	**924**	**39,388**	**2,103**	**22**	**4,888**	**(1,202)**	**70,757**	**116,880**
At 1 March 2013	924	39,388	5,044	22	3,985	(1,693)	67,138	114,808
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**877**	**877**
Other comprehensive income								
Currency translation differences on foreign operations	-	-	(900)	-	-	-	**-**	(900)
Total comprehensive income for the period	**-**	**-**	**(900)**	**-**	**-**	**-**	**877**	**(23)**
Transactions with owners								
Share options exercised	-	-	-	-	-	491	(491)	-
Deferred tax on share-based payment transactions	-	-	-	-	-	-	35	35
Share-based payment transactions	-	-	-	-	325	-	-	325
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**325**	**491**	**(456)**	**360**
At 31 August 2013	**924**	**39,388**	**4,144**	**22**	**4,310**	**(1,202)**	**67,559**	**115,145**

	Share capital £'000	Share premium £'000	Translation reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2013	924	39,388	5,044	22	3,985	(1,693)	67,138	114,808
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**7,703**	**7,703**
Other comprehensive income								
Currency translation differences on foreign operations	-	-	(3,169)	-	-	-	-	(3,169)
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	(13)	(13)
Total comprehensive income for the year	**-**	**-**	**(3,169)**	**-**	**-**	**-**	**7,690**	**4,521**
Transactions with owners								
Dividend to equity holders of the Company	-	-	-	-	-	-	(4,041)	(4,041)
Share options exercised	-	-	-	-	-	491	(491)	-
Deferred tax on share-based payment transactions	-	-	-	-	-	-	151	151
Share-based payment transactions	-	-	-	-	597	-	-	597
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**597**	**491**	**(4,381)**	**(3,293)**
At 28 February 2014	**924**	**39,388**	**1,875**	**22**	**4,582**	**(1,202)**	**70,447**	**116,036**

Condensed Consolidated Interim Statement of Cash Flows
For the six months ended 31 August 2014

	6 months ended 31 August 2014 £'000	6 months ended 31 August 2013 £'000	Year ended 28 February 2014 £'000
Cash flows from operating activities			
Profit before taxation	**509**	1,133	9,479
Finance income	**(21)**	(17)	(49)
Finance costs	**1**	2	80
Operating profit	**489**	1,118	9,510
Adjustments for:			
Depreciation of property, plant and equipment	**329**	300	624
Amortisation of intangible assets	**1,526**	1,317	2,764
Loss on sale of property, plant and equipment	**4**	30	39
Share-based payment charges	**344**	364	686
	2,692	3,129	13,623
Increase in inventories	**(4,141)**	(4,791)	(303)
Decrease / (increase) in trade and other receivables	**2,113**	(583)	(4,759)
(Decrease) / increase in trade and other payables	**(2,916)**	1,899	4,815
Cash (used in) / generated from operating activities	**(2,252)**	(346)	13,376
Income taxes paid	**(983)**	(1,106)	(2,264)
Net cash (used in) / generated from operating activities	**(3,235)**	(1,452)	11,112
Cash flows from investing activities			
Purchase of property, plant and equipment	**(225)**	(700)	(839)
Proceeds from sale of property, plant and equipment	**7**	-	-
Purchase of businesses, net of cash acquired	**(2,384)**	(2,001)	(8,507)
Purchases of intangible assets	**(1,487)**	(382)	(1,684)
Interest received	**21**	17	24
Net cash used in investing activities	**(4,068)**	(3,066)	(11,006)
Cash flows from financing activities			
Equity dividends paid	**-**	-	(4,041)
Interest paid	**(1)**	(2)	(55)
Net cash used in financing activities	**(1)**	(2)	(4,096)
Net decrease in cash and cash equivalents	**(7,304)**	(4,520)	(3,990)
Cash and cash equivalents at beginning of period	**10,037**	14,625	14,625
Exchange gain / (loss) on cash and cash equivalents	**19**	(94)	(598)
Cash and cash equivalents at end of period	**2,752**	10,011	10,037

Notes to the Condensed Consolidated Interim Financial Statements

1. Reporting entity

Bloomsbury Publishing Plc (the "Company") is a Company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 August 2014 comprises the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the publication of books and other related services.

2. Significant accounting policies

a) Basis of preparation

These 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 are unaudited and do not constitute statutory accounts. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 28 February 2014.

Except as described below, the condensed set of financial statements have been prepared on a consistent basis with the financial statements for the year ended 28 February 2014 and should be read in conjunction with the Annual Report 2014. The annual consolidated 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 EU. The 2014 Annual Report refers to other new standards effective from 1 March 2014. None of these standards have had a material impact in these financial statements.

The comparative financial information for the year ended 28 February 2014 does not constitute statutory accounts for that financial year. This information was extracted from the statutory accounts for the year ended 28 February 2014, 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 condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 22 October 2014.

b) Restatement of highlighted items

An operating profit before highlighted items figure has been disclosed because in the view of the Directors this gives a fairer reflection of the core business performance. The basis for inclusion within highlighted items has changed in the period to more accurately reflect this and the 31 August 2013 and 28 February 2014 comparison has been restated accordingly.

In response to the evolving digital marketplace the development of online knowledge hubs is now a core part of our business. In the light of this, our investment in online platforms, which was previously relatively small, has been increasing. We have therefore decided to change the treatment in our financial statements of the amortisation of product and systems development assets, our internally generated intangibles.

Amortisation within highlighted items now only includes amortisation of acquired intangible assets. Internally generated intangible asset amortisation has been removed from highlighted items as it is considered to be a recurring and standard cost of the business.

Internally generated intangible asset amortisation of £499,000 for the 6 months ended 31 August 2013 and £1,054,000 for the year ended 28 February 2014 have been removed from highlighted items.

The adjusted profit figure used in the calculation of adjusted earnings per share has been restated to remove the internally generated intangible asset amortisation from highlighted items. The effect is to decrease the adjusted profit.

The operating segment comparative information has been amended to reflect this change. System development amortisation is now allocated to divisions in the operating results reviewed by the Chief Operating Decision Maker. The comparative information has been amended to reflect this change.

c) Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements. The factors taken into account in developing this expectation include the level of cash within the business, the Group's bank facilities, and the limited impact of the economic downturn on book sales and continuing sources of revenue. The Group's bank facilities consist of a one year £2 million overdraft facility repayable on demand and a £10 million revolving committed loan facility which expires in July 2016.

d) Uses of estimates and judgments

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets liabilities, income and expenses. Actual results may differ from these estimates. Critical judgments and areas where the use of estimates is significant are set out in the 2014 Annual Report.

3. Segmental analysis

The Group is comprised of four worldwide publishing divisions: Adult, Children's & Educational, Academic & Professional and Information. These divisions are the basis on which the Group primarily reports its segment information. Segments derive their revenue from book publishing, sale of publishing and distribution rights, management and other publishing services. The analysis by segment is shown below:

Six months ended 31 August 2014	Adult £'000	Children's & Educational £'000	Academic & Professional £'000	Information £'000	Unallocated £'000	Total £'000
External revenue	19,326	11,226	14,006	2,022	-	46,580
Cost of sales	(9,457)	(4,728)	(5,866)	(448)	-	(20,499)
Gross profit	9,869	6,498	8,140	1,574	-	26,081
Marketing and distribution costs	(2,960)	(1,783)	(2,105)	(48)	-	(6,896)
Contribution before administrative expenses	6,909	4,715	6,035	1,526	-	19,185
Administrative expenses excluding highlighted items	(7,066)	(3,678)	(5,864)	(888)	-	(17,496)
Operating (loss)/profit before highlighted items / segment results	**(157)**	**1,037**	**171**	**638**	**-**	**1,689**
Amortisation of acquired intangible assets	(42)	(112)	(759)	(3)	-	(916)
Other highlighted items	-	-	-	-	(284)	(284)
Operating (loss) / profit	(199)	925	(588)	635	(284)	489
Finance income	-	-	-	-	21	21
Finance costs	-	-	-	-	(1)	(1)
(Loss) / Profit before taxation	(199)	925	(588)	635	(264)	509
Taxation	-	-	-	-	(97)	(97)
(Loss) / Profit for the period	(199)	925	(588)	635	(361)	412

Operating (loss)/profit before highlighted items / segment results	**(157)**	**1,037**	**171**	**638**	**-**	**1,689**
Depreciation	134	78	106	11	-	329
Amortisation of internally generated intangibles	201	47	349	13	-	610
EBITDA	**178**	**1,162**	**626**	**662**	**-**	**2,628**

Six months ended 31 August 2013 *	Adult £'000	Children's & Educational £'000	Academic & Professional £'000	Information £'000	Unallocated £'000	Total £'000
External revenue	23,237	10,441	13,856	1,639	-	49,173
Cost of sales	(11,966)	(5,016)	(4,648)	(221)	-	(21,851)
Gross profit	11,271	5,425	9,208	1,418	-	27,322
Marketing and distribution costs	(3,492)	(1,805)	(2,061)	(20)	-	(7,378)
Contribution before administrative expenses	7,779	3,620	7,147	1,398	-	19,944
Administrative expenses excluding highlighted items	(6,777)	(3,714)	(6,225)	(936)	-	(17,652)
Operating profit / (loss) before highlighted items / segment result	**1,002**	**(94)**	**922**	**462**	**-**	**2,292**
Amortisation of acquired intangible assets	(72)	(113)	(630)	(3)	-	(818)
Other highlighted items	-	-	-	-	(356)	(356)
Operating profit / (loss)	930	(207)	292	459	(356)	1,118
Finance income	-	-	-	-	17	17
Finance costs	-	-	-	-	(2)	(2)
Profit / (loss) before taxation	930	(207)	292	459	(341)	1,133
Taxation	-	-	-	-	(256)	(256)
Profit / (loss) for the period	930	(207)	292	459	(597)	877

Operating profit/(loss) before highlighted items / segment results	**1,002**	**(94)**	**922**	**462**	**-**	**2,292**
Depreciation	101	63	125	11	-	300
Amortisation of internally generated intangibles	183	49	253	14	-	499
EBITDA	**1,286**	**18**	**1,300**	**487**	**-**	**3,091**

Year ended 28 February 2014 *	Adult £'000	Children's & Educational £'000	Academic & Professional £'000	Information £'000	Unallocated £'000	Total £'000
External revenue	49,907	23,617	32,096	3,876	-	109,496
Cost of sales	(24,288)	(10,791)	(11,459)	(645)	-	(47,183)
Gross profit	25,619	12,826	20,637	3,231	-	62,313
Marketing and distribution costs	(6,848)	(3,585)	(4,404)	(53)	-	(14,890)
Contribution before administrative expenses	18,771	9,241	16,233	3,178	-	47,423
Administrative expenses excluding highlighted items	(13,645)	(7,359)	(12,310)	(2,124)	-	(35,438)
Operating profit before highlighted items / segment result	**5,126**	**1,882**	**3,923**	**1,054**	**-**	**11,985**
Amortisation of acquired intangible assets	(179)	(218)	(1,308)	(5)	-	(1,710)
Other highlighted items	-	-	-	-	(765)	(765)
Operating profit / (loss)	4,947	1,664	2,615	1,049	(765)	9,510
Finance income	-	-	-	-	49	49
Finance costs	-	-	-	-	(80)	(80)
Profit / (loss) before taxation	4,947	1,664	2,615	1,049	(796)	9,479
Taxation	-	-	-	-	(1,776)	(1,776)
Profit / (loss) for the year	4,947	1,664	2,615	1,049	(2,572)	7,703

Operating profit before highlighted items / segment results	**5,126**	**1,882**	**3,923**	**1,054**	**-**	**11,985**
Depreciation	289	135	173	27		624
Amortisation of internally generated intangibles	307	103	613	31	-	1,054
EBITDA	**5,722**	**2,120**	**4,709**	**1,112**	**-**	**13,663**

*See note 2b)

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

Total assets	**31 August 2014 £'000**	31 August 2013 £'000	28 February 2014 £'000
Adult	**16,962**	13,840	16,372
Children's & Educational	**11,902**	10,043	11,478
Academic & Professional	**59,108**	53,675	55,940
Information	**307**	600	261
Unallocated	**64,268**	75,432	74,033
Total assets	**152,547**	153,590	158,084

4. Highlighted items

	Six months ended 31 August 2014 £'000	Six months ended 31 August 2013* £'000	Year ended 28 February 2014* £'000
Other highlighted items:			
Legal and other professional fees	**4**	108	218
Restructuring costs	**280**	248	547
Other highlighted items	**284**	356	765
Amortisation of acquired intangible assets	**916**	818	1,710
Total highlighted items	**1,200**	1,174	2,475

*See note 2b)

Highlighted items charged to operating profit comprise significant non-cash charges and non-recurring items which are highlighted in the income statement because, in the opinion of the Directors, separate disclosure is helpful in understanding the underlying performance of the business.

Legal and other professional fees to 31 August 2014 of £4,000 arose mainly on the acquisition of the Conway publishing list (six months to 31 August 2013: £108,000 arose on the acquisition of Hart Publishing Limited and the trade and assets of New Holland list and year ended 28 February 2014: £218,000 was incurred in relation to the acquisition of Hart Publishing Limited and the trade and assets of New Holland).

Restructuring costs of £280,000 were incurred as a result of the Group's acquisition activities and the One Global Bloomsbury strategic reorganisation (six months to 31 August 2013: £248,000 and year ended 28 February 2014: £547,000).

5. Dividends

	Six months ended 31 August 2014 £'000	Six months ended 31 August 2013 £'000	Year ended 28 February 2014 £'000
Amounts arising in respect of the period			
Interim dividend for the period	**745**	715	715
Final dividend for the year	**-**	-	3,531
Total dividend for the period	**745**	715	4,246

The proposed interim dividend of 1.02 pence per ordinary share will be paid to the equity shareholders on 4 December 2014 to shareholders registered at close of business on 7 November 2014. The final dividend for 28 February 2014 was paid on 24 September 2014.

6. Earnings per share

The basic earnings per share for the six months ended 31 August 2014 is calculated using a weighted average number of Ordinary Shares in issue of 72,946,480 (31 August 2013: 72,718,689 and 28 February 2014: 72,852,467) after deducting shares held by the Employee Benefit Trust.

The diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares to take account of all dilutive potential Ordinary Shares, which are in respect of unexercised share options and the performance share plan.

	Six months ended 31 August 2014 Number	Six months ended 31 August 2013 Number	Year ended 28 February 2014 Number
Weighted average shares in issue	**72,946,480**	72,718,689	72,852,467
Dilution	**1,058,764**	2,325,902	1,009,084
Diluted weighted average shares in issue	**74,005,244**	75,044,591	73,861,551
	£'000	£'000	£'000
Profit after tax attributable to owners of the Company	**412**	877	7,703
Basic earnings per share	**0.56p**	1.21p	10.57p
Diluted earnings per share	**0.56p**	1.17p	10.43p

	Six months ended 31 August 2014 £'000	Six month ended 31 August 2013 £'000	Year ended 28 February 2014 £'000
Adjusted profit attributable to owners of the Company[1]	**1,460**	1,669	9,456
Adjusted basic earnings per share	**2.00p**	2.30p	12.98p
Adjusted diluted earnings per share	**1.97p**	2.22p	12.80p

Adjusted profit is derived as follows:

	Six months ended 31 August 2014 £'000	Six months ended 31 August 2013 (restated)[1] £'000	Year ended 28 February 2014 (restated)[1] £'000
Profit before tax	**509**	1,133	9,479
Amortisation of acquired intangible assets[1]	**916**	818	1,710
Other highlighted items	**284**	356	765
Adjusted profit before tax[1]	**1,709**	2,307	11,954
Tax expense	**97**	256	1,776
Deferred tax movements on goodwill and acquired intangible assets	**93**	325	582
Tax expense on other highlighted items	**59**	57	140
Adjusted tax	**249**	638	2,498
Adjusted profit [1]	**1,460**	1,669	9,456

[1]Adjusted profit has been restated for the six months ended 31 August 2013 and the year ended 28 February 2014, see note 2b).

7. Trade and other receivables

	31 August 2014 £'000	31 August 2013 £'000	28 February 2014 £'000
Gross trade receivables	**31,057**	31,543	32,133
Less: provision for impairment of receivables	**(430)**	(675)	(498)
Less: provision for returns	**(4,330)**	(5,649)	(4,749)
Net trade receivables	**26,297**	25,219	26,886
Income tax recoverable	**11**	471	584
Other receivables	**1,649**	1,160	1,464
Prepayments and accrued income	**26,419**	26,916	27,849
Total trade and other receivables	**54,376**	53,766	56,783

As at 31 August 2014 £4,655,000 (31 August 2013: £4,372,000 and 28 February 2014: £5,120,000) of prepayments and accrued income are expected to be recovered after more than 12 months.

Trade receivables principally comprise amounts receivable from the sale of books due from distributors. The majority of trade debtors are secured by credit insurance and in certain territories by third party distributors.

A provision for the return of books by customers is made with reference to the historic rate of returns.

Prepayments and accrued income include net advances. A provision is held against gross advances payable in respect of published titles advances which may not be fully earned down by anticipated future sales.

Responsibility Statement of the Directors in Respect of the Interim Financial Statements

Directors	
Sir Anthony Salz	Independent Non-Executive Chairman
Nigel Newton	Chief Executive
Ian Cormack	Independent Non-Executive Director Senior Independent Director Chair of the Audit Committee
Jill Jones	Independent Non-Executive Director Chair of the Remuneration Committee
Stephen Page	Independent Non-Executive Director
Richard Charkin	Executive Director
Wendy Pallot	Finance Director

Each of the directors confirms 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 European Union;

- the interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial period and their impact on the condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial period; and

  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial period and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Nigel Newton Wendy Pallot

22 October 2014

Principal risks and uncertainties

Bloomsbury has a systematic and embedded risk management process for identifying and addressing the short to long-term risks and uncertainties for its operations worldwide. The strategy implemented by the Board aims to mitigate the main risks and exploit opportunities to create sustainable returns for shareholders. A summary of the risks to the business that the Board considers to be most significant (in no priority order) is as follows:

- The book market is evolving from print to digital and from high street to internet bookshops. There is uncertainty, especially for trade publishing, over whether migration to e-books will result in changes in consumer book-spending patterns.
- The timing for completing rights and services deals depends on performance by third parties.
- The profit from trade publishing depends significantly on the unpredictable sales of a small number of front-list titles.
- Government cutbacks or constraints on institutional library budgets and student spending could affect academic sales.
- The increasing importance of digital publishing places demands on the Group’s technology systems. A risk is that systems could fail to keep pace.
- Copyright could be eroded by government or other agencies.
- Piracy of titles in print or digital form remains a threat.

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 31 August 2014 which comprises condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of financial position, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows and the related explanatory notes. 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 the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated interim 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 UK. 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.

Review 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 31 August 2014 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

John Bennett
For and on behalf of KPMG LLP
Chartered Accountants
22 October 2014
15 Canada Square
London
E14 5GL