

BLOOMSBURY PUBLISHING PLC

RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2013



ONE GLOBAL BLOOMSBURY

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Bloomsbury's strategy of building a **wholly integrated** publishing company of **general** and **academic** books and **digital information** combined with investment in innovation and productivity through a single management structure across our main markets of the **UK**, the **US**, **Australia** and **India** is delivering good results.

OPERATING HIGHLIGHTS



Fully integrated
academic and trade
publisher

One sales team, one US location, one operating system,
one production resource – cost savings

Strategic progress
in changing
business mix

Acquisitions of Fairchild Books and Applied Visual Arts.
Group non-trade sales up from 28% to 33% of total, Group
non-trade operating profits up from 41% to 61% of total

Excellent digital
sales growth

Total digital sales (e-books and digital subscriptions) grew
by 71% to £10.0m (2011/12: £5.9m)

Successful
Knowledge Hub
launches

Churchill Archive, Drama Online



FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS



£m	2012/13	2011/12	Change %
Revenue	98.5	97.4	+1%
Operating profit margin	12.6%	12.4%	+2%
Pre-tax profit	12.5	12.1	+3%
Diluted EPS*	13.11p	13.27p	-1%
Operating cash flow	7.9	5.0	58%
Net cash	14.6	12.6	+16%
Full year dividend per share	5.50p	5.20p	+6%

Note: * Diluted EPS for 2011/12 includes a credit for use of tax losses from Bloomsbury Verlag of £0.7m

Notes for all slides:

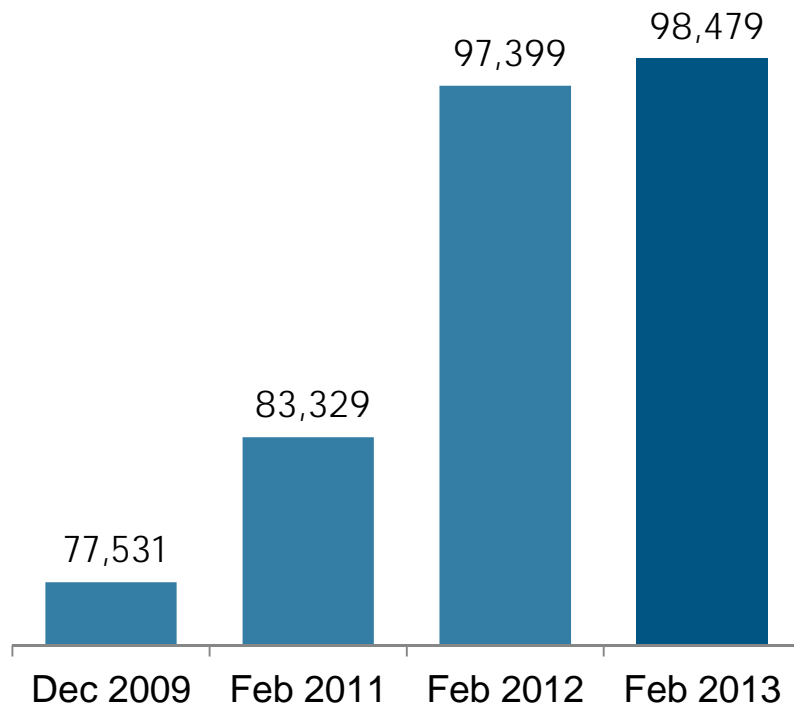
1. Continuing numbers exclude the results of Bloomsbury Verlag, which we contracted to sell on 28 February 2012
2. Underlying numbers are Continuing, but also exclude the results of Fairchild Books acquired on 30 March 2012 and Applied Visual Arts acquired on 29 June 2012
3. Adjusted numbers exclude highlighted items

The above results are Continuing and Adjusted

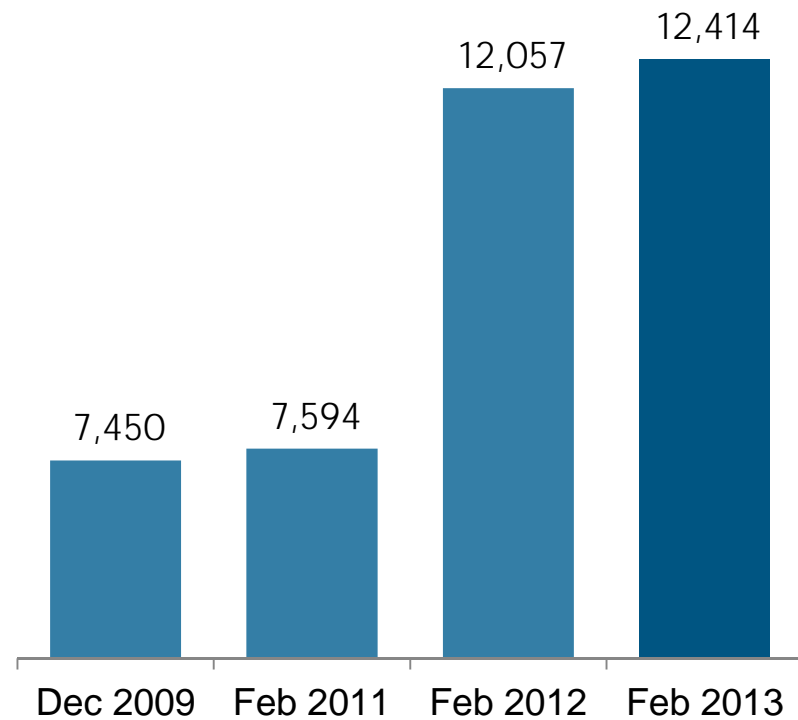
CONTINUING RESULTS HISTORY



Revenue (£000)



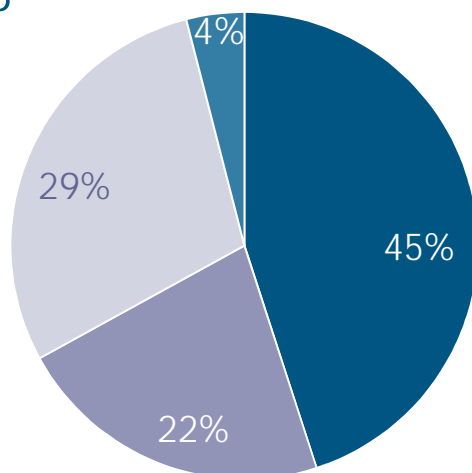
Adjusted Operating Profit (£000)



CONTINUING REVENUE BY PUBLISHING DIVISION

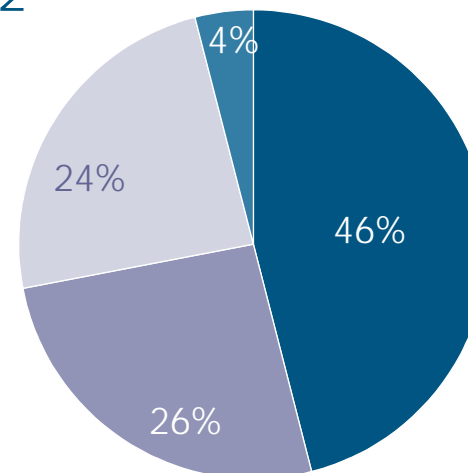


2012/13



2011/12

- Adult
- Children's
- Academic & Professional
- Information



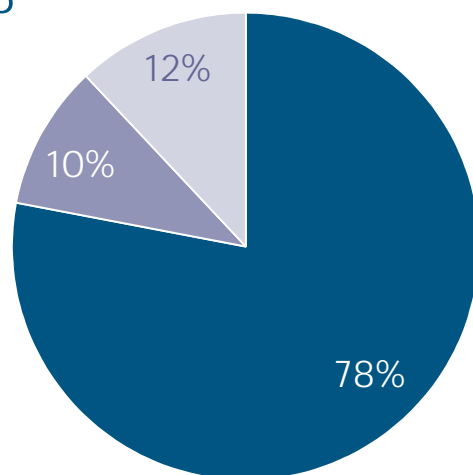
	2012/13 £m	2011/12 £m	% Change: Continuing	2010/11 £m
Adult	44.4	45.1	-2%	43.1
Children's & Educational	21.3	25.6	-17%	23.3
Academic & Professional	29.0	23.1	+26%	14.3
Information	3.8	3.6	+5%	2.6
Total continuing revenue	98.5	97.4	+1%	83.3

On an underlying basis in Academic & Professional division title sales were up 9%, £1.8 million and rights & services revenues reduced by £1.8m, following an exceptional 2011/12.

CONTINUING REVENUE BY TYPE

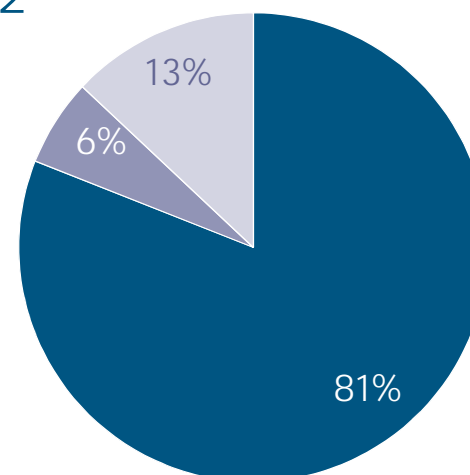


2012/13



2011/12

■ Print
■ Digital
■ Rights & Services

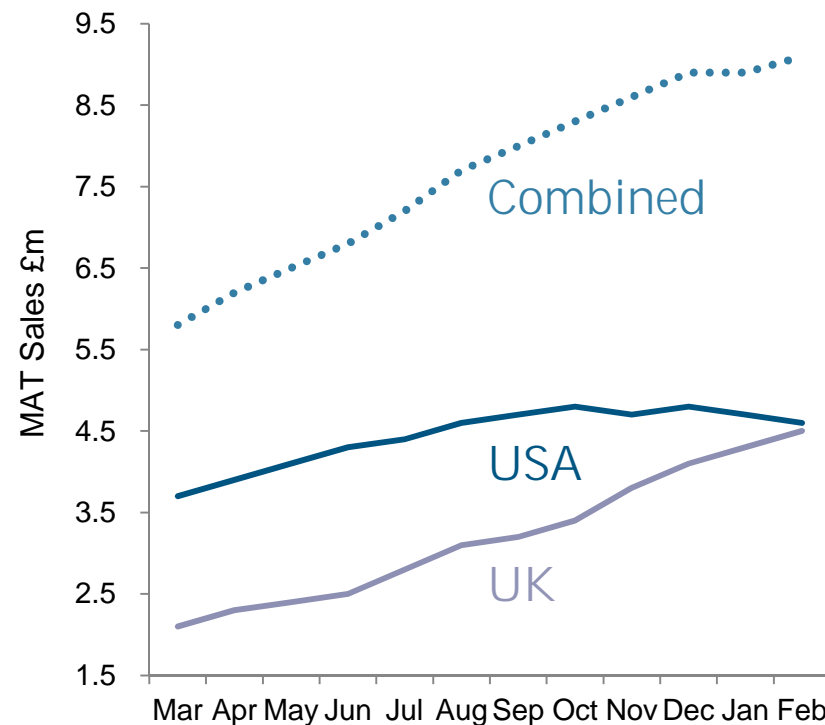


	2012/13 £m	2011/12 £m	% Change: Continuing	% Change: Underlying	2010/11 £m
Print	77.0	78.9	-2%	-10%	74.4
Digital	10.0	5.9	+71%	+67%	2.2
Title Sales	87.0	84.8	+3%	-4%	76.6
Rights & Services	11.5	12.6	-9%	-9%	6.7
Total continuing revenue	98.5	97.4	+1%	-5%	83.3

E-BOOK SALES



MAT Sales 2012/13 (note 1)



- Notes: 1 MAT sales shown in the graph are moving annual totals which eliminate the effect of seasonality to show true trends of sales by source
- 2 Sales are from country of source not destination

- E-book sales are up 61% year on year to £9.1m (2011/12: £5.7m)
- E-book sales are 9% of Group continuing sales by value (2011/12: 6%)
 - 16% in US
 - 7% in UK
 - 13% of Adult continuing sales (2011/12: 9%)
- Bloomsbury titles available as e-books now 9,000 (29 February 2012: 8,000, 28 February 2011: 7,500)

RIGHTS & SERVICES REVENUE



£m	2012/13	2011/12	Change	2010/11*
Copyright licences	6.3	6.3	0%	3.6
Trademark licences	0.7	1.2	-42%	-
Management contracts	4.0	3.4	+19%	2.1
Other	0.5	1.7	-71%	1.0
Total	11.5	12.6	-9%	6.7

Note: * Financials for 2010/11 are unaudited for the year ended 28 February 2011 following the change in year end
All the lines above are Continuing and Adjusted

GROSS PROFIT MARGIN IMPROVES



£m	2012/13	2011/12
Costs of sale:		
Production costs	20.7	22.0
% Revenues	21%	23%
Author royalties and advances	16.3	15.6
% Revenues	17%	16%
Stock costs	4.2	4.6
% Revenues	4%	5%
Total costs of sale	41.2	42.2
Gross profit margin %	58%	57%

Note: All the lines above are Continuing and Adjusted

Increasing non-print revenues and production cost savings improve the gross margin

OTHER COSTS TIGHTLY CONTROLLED



£m	2012/13	2011/12	Change
Marketing and distribution costs	12.7	14.2	-11%
% Revenues	13%	15%	
Administration costs:			
Acquired and new businesses ²	3.4	-	
Underlying business	28.7	29.0	-1.0%
Total Administration costs	32.1	29.0	+11%

Notes: 1. All the lines above are Continuing and Adjusted

2. This is the costs of the Fairchild and AVA businesses , Bloomsbury India and the extra 4 months of Continuum costs which were not in 2011/12

CONTINUING ADJUSTED OPERATING PROFIT BY PUBLISHING DIVISION



£m	2012/13	2011/12	% Change: Continuing
Adult	3.7	4.8	-22%
Children's & Educational	1.1	2.3	-50%
Academic & Professional	5.3	4.1	+26%
Information	2.3	0.9	+171%
Continuing adjusted operating profit	12.4	12.1	+3%
Continuing adjusted operating profit margin %	12.6%	12.4%	+2%

- Academic & Professional benefitted from the acquisitions of Fairchild and AVA and a full year of Continuum. On an underlying basis profits were down 22%
- Adult and Children's divisions worked against strong 2011/12 comparatives including Harry Potter (final film) and *River Cottage Veg Every Day!*
- Information had higher rights and services income from IZA and lower overheads in 2012/13

HIGHLIGHTED ITEMS



£m	Charge
Costs of acquisitions (Fairchild Books, AVA), Bloomsbury India set up	0.2
Negative goodwill on purchase of Fairchild Books	(0.2)
Restructuring costs	0.3
	0.3
Intangible amortisation	2.3
Total	2.6

CONSOLIDATED BALANCE SHEET



£m	28 Feb 2013	29 Feb 2012	Change
Goodwill	35.1	34.6	+0.5
Other intangible assets	20.1	18.2	+1.9
Other non-current assets	4.9	5.4	-0.5
Inventories	25.6	20.2	+5.4
Receivables	53.7	55.4	-1.7
Net cash	14.6	12.6	+2.0
Total liabilities	(39.2)	(37.2)	-2.0
Equity	114.8	109.2	+5.6

Key movements are from the two academic acquisitions

Average total investment per title 2013: £6k (2012: £8.7k)

RECEIVABLES



£m	28 Feb 2013	29 Feb 2012	Change
Trade receivables	29.1	28.2	+0.8
Sales returns provision	(5.3)	(4.7)	-0.6
% of trade receivables	18%	17%	
Net trade receivables	23.7	23.5	+0.2
Advances	21.0	20.9	+0.1
Other receivables	9.0	11.0	-2.0
Total	53.7	55.4	-1.7

Other receivables at 29 February 2012 included £3.7m in relation to the disposal of Bloomsbury Verlag

CASH FLOW



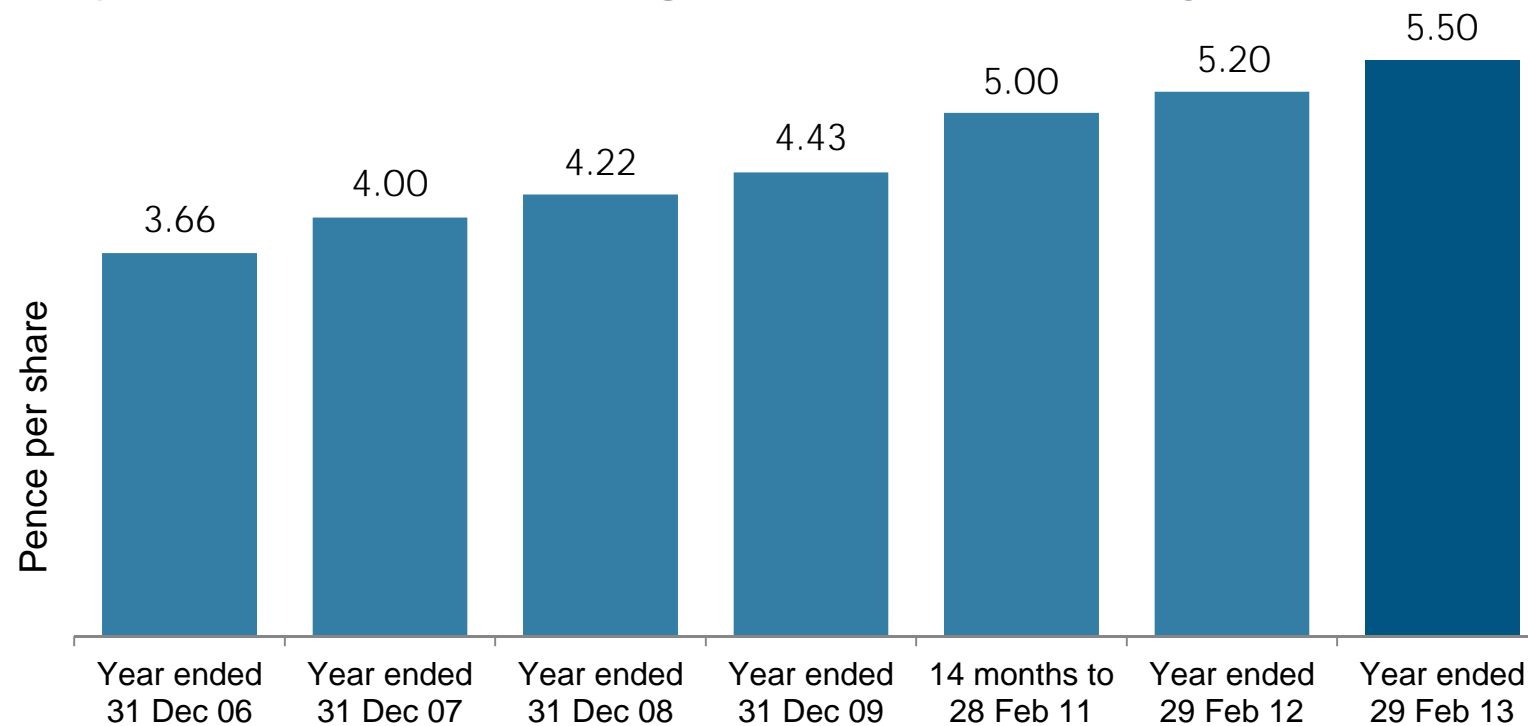
£m	2012/13	2011/12
EBITDA	12.6	10.0
Working capital	(4.6)	(4.2)
Share based payments	0.6	0.3
Gain on bargain purchase	(0.2)	-
Taxes paid	(0.5)	(1.1)
Operating cash flow	7.9	5.0
Capital expenditure	(0.5)	(2.5)
Investment in intangibles	(2.4)	(1.6)
Buy back of own shares for EBT	-	(2.0)
Acquisitions	(1.7)	(19.7)
Disposal	2.2	-
Dividends	(3.8)	(3.7)
Other changes	-	0.2
Movement in cash	1.7	(24.3)

DIVIDEND GROWTH



2012/13 Dividend yield 4.8%¹

Compound annual dividend growth of 7.0% over 6 years



Notes: 1 Yield calculation assumes share price of 115p

2 Dividend for 14 months ended 28 February 2011 included 0.28 pence per share for the two months ended 28 February 2011



DIVISIONAL REVIEW

ACADEMIC & PROFESSIONAL DIVISION:



Acquisitions

- Fairchild Books acquired on 30 March 2012 for £3.8m
- AVA acquired on 29 June 2012 for £1.7m
- Now a leading global publisher in Visual Arts

Major Awards

- IPG Independent Publisher of the Year 2013
- FBF Academic & Professional Publisher of the Year 2013
- Bookseller Academic, Educational and Professional Publisher of the Year 2013

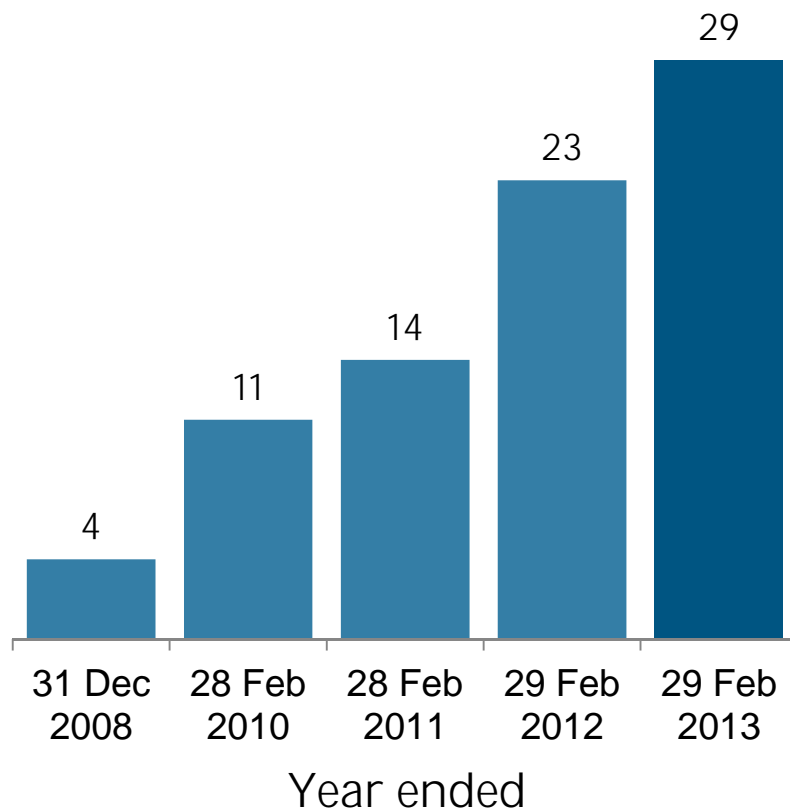
Knowledge Hub success

- [Launched in 2011/12](#): Berg Fashion Library, Bloomsbury Professional Online
- [Launched in 2012/13](#): Churchill Archive, Drama Online
- [Launching 2013/14](#): Fashion Photography Archive, Bloomsbury Collections
- Growing pipeline of major digital products and services for 2013-15

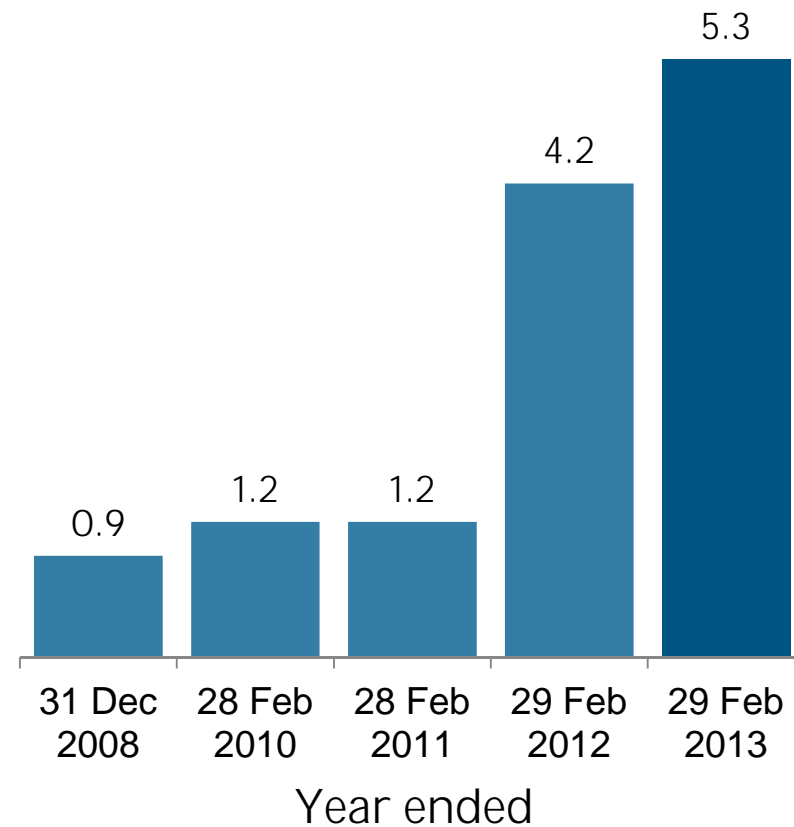
ACADEMIC & PROFESSIONAL DIVISION RESULTS HISTORY



Revenue (£m)



Operating Profit (£m)



ADULT DIVISION



Operations

- E-book sales continue to grow
- Cookery frontlist and backlist flourishing
- Global rights acquisition delivering strong pipeline

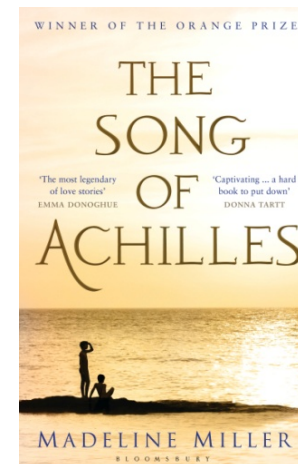
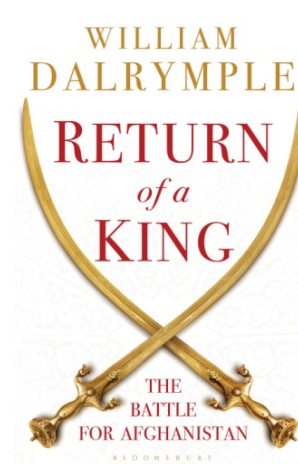
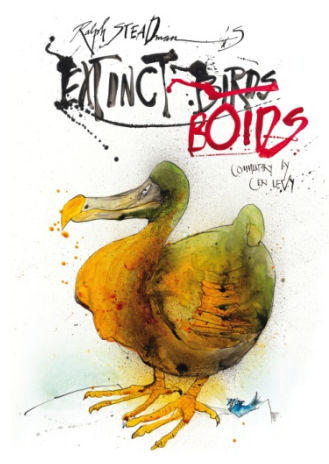
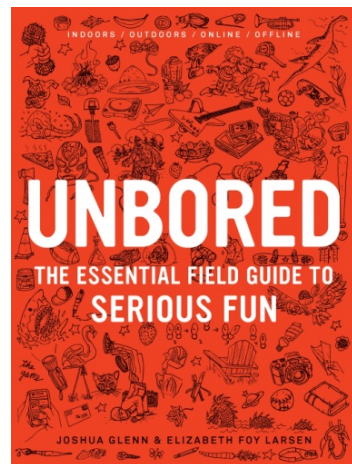
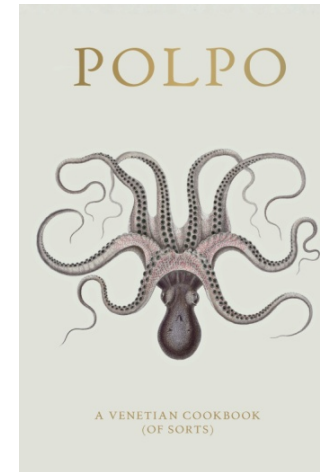
Major awards

- [Song of Achilles](#) won Orange Prize for Fiction 2012
- [Even the Dogs](#) won International IMPAC Dublin Award 2012

Indian company

- Promoting our authors and developing sales and markets
- P&L investment of £0.2m (Budget 2012/13: loss of £0.5m)
- Year 1 best sellers include [The City of Devi](#), [The Return of a King](#) and first edition of the [Wisden India Almanack](#)

ADULT BEST SELLERS



CHILDREN'S AND EDUCATIONAL DIVISION



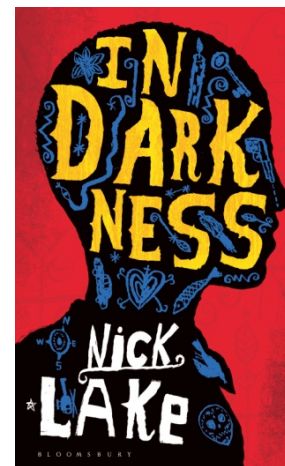
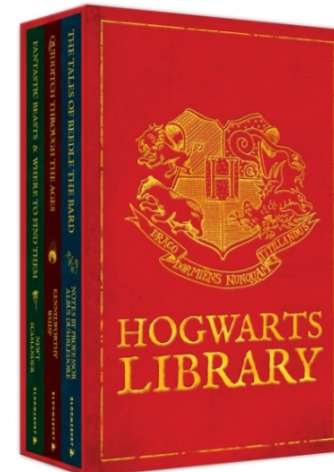
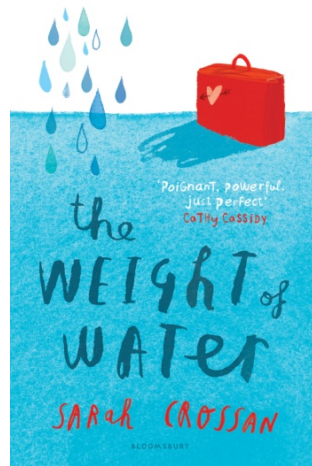
Innovative team delivers

- Interactive colour e-books
- App marketing
- E-first imprint: Bloomsbury Spark
- Educational digital products: Music Express Online

Launches

- Bloomsbury Activity Books imprint
- Illustrated list

CHILDREN'S BEST SELLERS



BLOOMSBURY INFORMATION



Strategic focus

- Development of IP-rich knowledge hubs in cooperation with external partners
- Provision of management and publishing services
- Publishing of management, finance and reference titles

Knowledge Hubs

- Good growth of www.QFinance.com digital knowledge hub, now attracts over 300,000 unique visitors per month
- Development of the IZA World of Labor knowledge hub, launch scheduled for 2013



STRATEGY FOR GROWTH

STRATEGY FOR GROWTH



Knowledge
hubs

Publishing
services

Intellectual Property,
Innovation, Brand

E-books

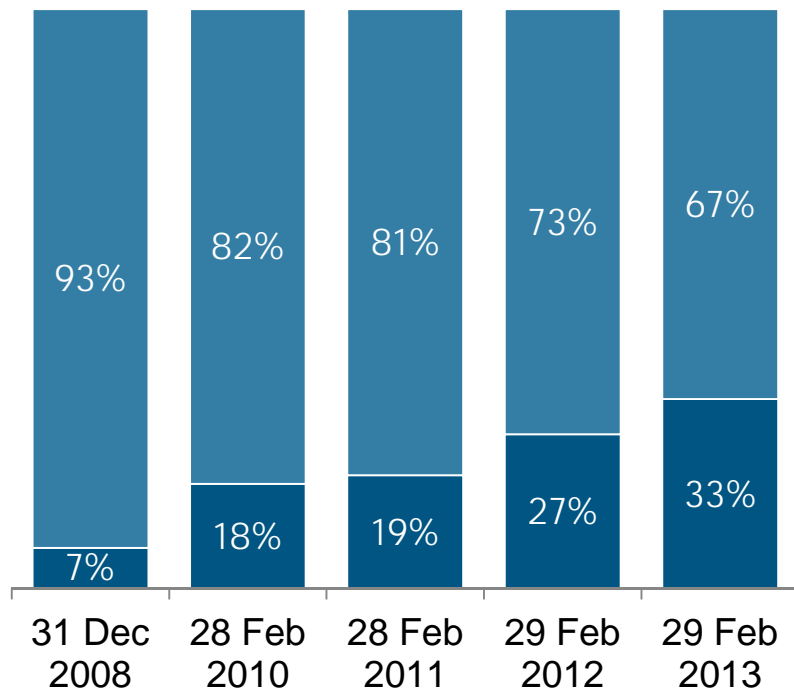
Global growth
(India, Latin America, China)

STRATEGY FOR GROWTH: BALANCING THE PORTFOLIO

A core part of the Group's growth strategy:
Balancing trade and non-trade revenues

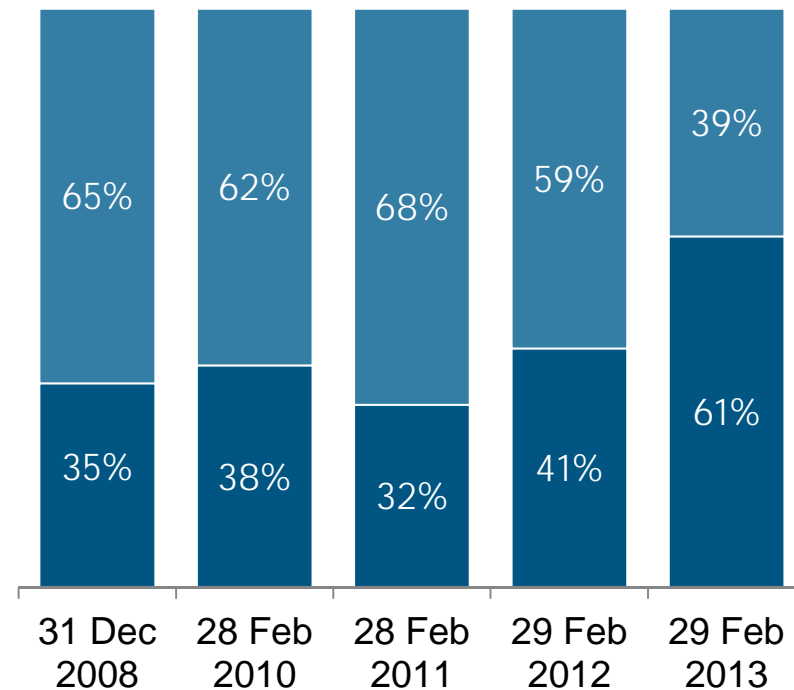


Revenue



Year ended

Operating profit



Year ended

■ A&P/Information

■ Adult/Children

ACADEMIC & PROFESSIONAL STRATEGY FOR GROWTH WHERE WE WANT TO BE IN 5 YEARS TIME



1	Number 1 independent humanities and social science publisher in Europe
2	Number 1 Applied Visual Arts publisher in the world
3	Provide 50% of Group turnover in 2017/18 (2012/13: 29%) and 70% of profits (2012/13: 42%)
4	50% digital and subscription-based, 50% print (2012/13: 9% digital and subscription-based)

ACADEMIC & PROFESSIONAL DIVISION

STRATEGY FOR GROWTH

HOW WE WILL ACHIEVE IT



Increase percentage of digital services sold direct to academic institutions

1

Increase percentage of professional customers purchasing digital services rather than print

2

Focus acquisition activity on complementary bolt-on businesses

3

Repurposing backlist IP to create innovative new digital services and new licensing relationships

4

ADULT DIVISION

STRATEGY FOR GROWTH

WHERE WE WANT TO BE IN 5 YEARS TIME



1	Number 1 publisher of choice in cookery, sport, natural history
2	Top ten in quality fiction worldwide
3	First choice for quality authors
4	50% digital, 50% print (2012/13: 14% digital, 86% print)
5	50% new, 50% backlist (2012/13: 64% new, 36% backlist)
6	50% general, 50% special (2012/13: 74% general, 26% special)

ADULT DIVISION

STRATEGY FOR GROWTH

HOW WE WILL ACHIEVE IT



Focus on global rights
acquisition and marketing

1

Digital innovation in specialist
niches eg Reeds Almanac for
iPad, Bird identification digital
guides, self-publishing
opportunities with Writers'
& Artists' Yearbook

2

Growth in Australia, India
and Latin America opened up
by our Academic & Professional
division

3

Increasing the number of e-
books and cloud based
subscriptions, repackaging e-
books, including literary estates

4

Focus on lifestyle titles with dedicated communities –
food and drink, cycling, sailing

CHILDREN'S & EDUCATIONAL DIVISION

STRATEGY FOR GROWTH

WHERE WE WANT TO BE IN 5 YEARS TIME



1	Bloomsbury Activity Books will be a leading, profit generating list
2	Bloomsbury Children's Books will be known for author care, independent spirit and innovation
3	75% print, 25% digital (2012/13: 90% print, 10% digital)
4	Trade frontlist – 50% illustrated, 50% fiction (2012/13: 7% illustrated, 93% fiction)
5	Significant growth in sales to schools, education and general

CHILDREN'S & EDUCATIONAL DIVISION

STRATEGY FOR GROWTH

HOW WE WILL ACHIEVE IT



Focused, commercial book acquisition and monetisation of rights from new management team

1

Targeted and focused investment in growing brands

2

Digital innovation - interactive colour e-books, apps, e-first imprints, online digital products

3

Development of Bloomsbury Activity Books - imprint launched October 2012

4

Brand management and regrowth of Harry Potter – launch of much anticipated illustrated Harry Potter

5

Growth of digital via Bloomsbury Spark and subscription based educational product

6

BLOOMSBURY INFORMATION DIVISION STRATEGY FOR GROWTH



Expanded high-margin publishing services working with partners:

- Publishing management services
- Knowledge hub development
- Archive/digitization

1

Global reach – rather than current UK base

2

GROUP PRODUCTION STRATEGY FOR GROWTH



Effect shift in emphasis from 'book' to 'content' via implementation of XML-based workflows across Group's output to ensure multi-format, multi-platform availability of our IP in the global market

1

Ensure lowest possible cost-base through regular Group-based tender processes for high-spend areas and through operations initiatives – without compromising quality

2

Deliver content to schedule, making increased use of local printing world-wide to ensure simultaneous release across territories

3

OUTLOOK



- Exceptionally strong Adult division publishing programme for 2013/14
 - *And the Mountains Echoed* by Khaled Hosseini
 - *The Signature of All Things* by Elizabeth Gilbert
 - *The Bone Season* by Samantha Shannon
 - *MasterChef: the finalists*
- Ongoing innovation in digital - interactive colour e-books, apps, e-first imprints, online knowledge hubs and other digital products
- Excellent pipeline of new Academic & Professional digital services:
 - For 2013: National Infrastructure Planning Service, Business Advice and Compliance Service, Actors & Performers Online
 - For 2014: Fashion Photography Online, Bloomsbury Collections Online
- Ongoing internal operational improvements and cost savings
- Good potential for our investment in Indian market
- Further exploitation of the valuable Bloomsbury brand



APPENDIX

APPENDIX

SUMMARY CONTINUING ADJUSTED INCOME STATEMENT



£m	2012/13	2011/12
Revenue	98.5	97.4
Gross profit	57.2	55.2
Gross profit margin %	58%	57%
Marketing and distribution costs	(12.7)	(14.2)
Marketing and distribution costs as % revenue	13%	15%
Administrative expenses	*(32.1)	(29.0)
Operating profit	12.4	12.1
Operating profit margin %	13%	12%
Net finance income	0.1	-
Pre-tax profit	12.5	12.1
Tax	(2.0)	(1.4)

Note: * £3.4m of this increase year on year is from having Fairchild and AVA costs and extra 4 months of Continuum.
Excluding these acquisitions, Administration expenses are down 1% year on year

APPENDIX

CONTINUING ADJUSTED SEGMENTAL ANALYSIS 2012/13



£000	Adult		Children's & Educational		Academic & Professional		Information		Total	
Print sales	34,333	77%	17,889	84%	24,465	84%	248	7%	76,935	78%
Digital sales	5,607	13%	2,038	10%	2,260	8%	129	3%	10,034	10%
Rights & Services	4,400	10%	1,363	6%	2,313	8%	3,434	90%	11,510	12%
Total revenue	44,340	100%	21,290	100%	29,038	100%	3,811	100%	98,479	100%
% of total	45%		22%		29%		4%		100%	
UK	29,425	66%	12,486	59%	17,874	62%	3,811	100%	63,596	65%
US	11,200	26%	7,069	33%	10,737	37%	-	0%	29,006	29%
Australia	3,592	8%	1,690	8%	301	1%	-	0%	5,583	6%
India	123	0%	46	0%	125	0%	-	0%	294	0%
Total revenue	44,340	100%	21,291	100%	29,037	100%	3,811	100%	98,479	100%
Gross margin	22,330		11,200		19,997		3,710		57,237	
Gross margin %	50%		53%		69%		97%		58%	
Marketing and distribution	(5,962)		(3,304)		(3,397)		(70)		(12,733)	
Contribution	16,368		7,896		16,600		3,640		44,504	
Administrative expenses	(12,658)		(6,756)		(11,361)		(1,315)		(32,090)	
Operating profit	3,710		1,140		5,239		2,325		12,414	
Operating profit margin %	8%		5%		18%		61%		13%	
% of total	30%		9%		42%		19%		100%	

APPENDIX

CONTINUING ADJUSTED SEGMENTAL ANALYSIS 2011/12



£000	Adult		Children's & Educational		Academic & Professional		Information		Total	
Print sales	37,067	82%	23,024	90%	18,528	80%	259	7%	78,878	81%
Digital sales	4,241	9%	1,143	4%	462	2%	26	1%	5,872	6%
Rights & Services	3,804	8%	1,424	6%	4,063	18%	3,358	92%	12,649	13%
Total revenue	45,112	100%	25,591	100%	23,053	100%	3,643	100%	97,399	100%
% of total	46%		26%		24%		4%		100%	
UK	29,165	65%	15,772	62%	18,658	81%	3,643	100%	67,238	69%
US	12,086	27%	7,558	30%	4,205	18%	-	0%	23,849	24%
Australia	3,861	9%	2,261	9%	190	1%	-	0%	6,312	6%
Total revenue	45,112	100%	25,591	100%	23,053	100%	3,643	100%	97,399	100%
Gross margin	23,192		12,459		16,803		2,744		55,198	
Gross margin %	51%		49%		73%		75%		57%	
Marketing and distribution	(6,583)		(4,104)		(3,401)		(69)		(14,157)	
Contribution	16,609		8,355		13,402		2,675		41,041	
Administrative expenses	(11,845)		(6,073)		(9,250)		(1,816)		(28,984)	
Operating profit	4,764		2,282		4,152		859		12,057	
Operating profit margin %	11%		9%		18%		24%		12%	
% of total	40%		19%		34%		7%		100%	