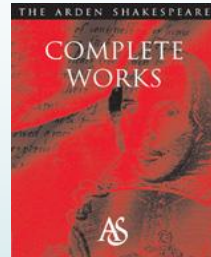


Bloomsbury Preliminary Results 2008

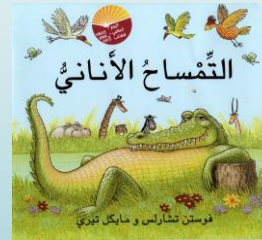
New Opportunities 2009



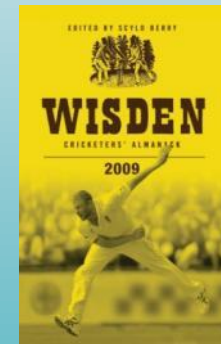
Academic



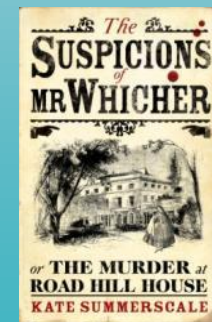
Arabic



Acquisitions



Around the World



2008 Highlights



- Excellent set of results with pre-tax profits of £11.6m
- Group strategy positioning the business well for the future
- Strong cash flow generation from operations of £16.3m
- Major bestsellers during the year in all three main markets
- Expansion in the Gulf continued with new partnership formed with Qatar Foundation generating new revenues
- Academic business building well
- Success of long-term rights, database and management contracts
- Four strategic acquisitions made in 2008 for £7.4m

Financial Highlights



- An excellent performance against an exceptionally strong 2007 when Harry Potter and the Deathly Hallows was launched
- Turnover £100.0m (2007, £150.2m)
- Operating margin 8.4% (2007, 11.0%)
- Pre-tax profit £11.6m (2007, £17.9m)
- Basic EPS 10.65p (2007, 16.06p)
- Dividend for the full year increased to 4.22 pence per share (2007, 4.00p)
- Cash £51.9m (2007, £47.6m) after investing £7.4m in four strategic acquisitions



Financial summary

Consolidated income statement

	2008	2007
	£m	£m
Revenue	100.0	150.2*
Gross profit	43.3	59.2
<i>Gross profit %</i>	<i>43.3%</i>	<i>39.4%</i>
Marketing and distribution costs	(14.7)	(20.5)
<i>Marketing and distribution costs %</i>	<i>14.7%</i>	<i>13.7%</i>
Administrative expenses	(20.1)	(22.2)
<i>Administrative expenses %</i>	<i>20.1%</i>	<i>14.8%</i>
Operating profit	8.4	16.5*
<i>Operating profit margin</i>	<i>8.4%</i>	<i>11.0%</i>

*Launch of HP7



Financial summary

Gross margin - provisions

	2008	2007
	£m	£m
Royalties	14.0	44.0*
<i>% Revenues</i>	<i>14.0%</i>	<i>29.3%</i>
Advances	9.1	9.2
<i>% Revenues</i>	<i>9.1%</i>	<i>6.1%</i>
Stock	2.8	4.3
<i>% Revenues</i>	<i>2.8%</i>	<i>2.9%</i>

*Launch of HP7



Financial summary

Rights turnover and rights operating profit analysis

	2008	2007
	£m	£m
Rights turnover	9.3	5.2
Rights operating profit – Specialist division	4.5	1.9
Rights operating profit – Trade division	1.3	1.0
Rights operating profit	<u>5.8</u>	<u>2.9</u>

Rights turnover and operating profit includes subsidiary rights, electronic database income and income derived from third party agencies and management contracts



Financial summary

Consolidated balance sheet

	2008	2007	
	£m	£m	
Non-current assets	31.1	21.4	+45.3%
Inventories	16.6	14.4	+15.3%
Receivables	49.0	76.2	-35.7%
Net Cash	51.9	47.6	+9.0%
Total Liabilities	(34.9)	(59.5)	-41.3%
Equity	113.7	100.1	+13.6%



Financial summary

Returns provision analysis

	2008	2007
Trade receivables	30.7	60.6
Returns provision	7.8	13.0
Net trade receivables	22.9	17.6
<i>Returns provision margin as a percentage of revenues</i>	7.8%	8.7%

Cash flow

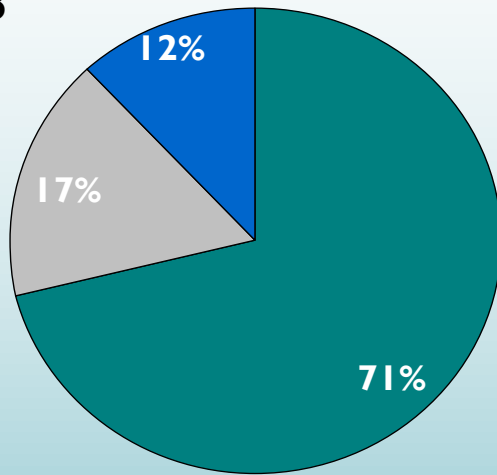


	2008	2007
	£m	£m
Net profit before tax	11.6	17.9
Other	1.3	1.7
Working capital	6.7	8.4
Investment income and finance costs	(3.3)	(1.4)
Cash generated from operations	16.3	26.6
Tax paid	(6.2)	(1.9)
Net cash inflow from operating activities	10.1	24.7
Net cash (used in) / generated from investing activities	(4.7)	1.0
Net cash used in financing activities	(3.1)	(2.5)
Net increase in cash and cash equivalents	2.3	23.2
Exchange gain of cash and cash equivalents	2.0	-
Cash and cash equivalents at end of period	51.9	47.6

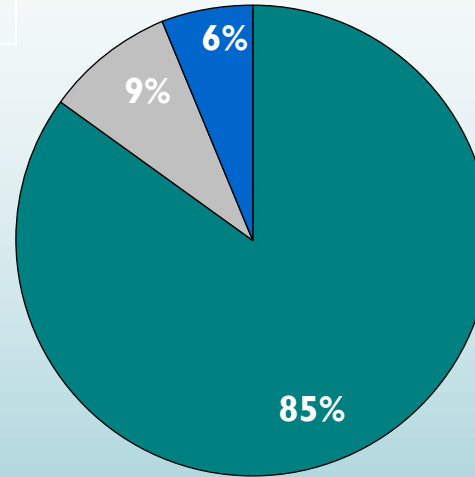
Turnover analysis by geographic segment



2008



2007



- UK
- North America
- Continental Europe

	2008	2007
	£m	£m
UK	71.1	128.3*
North America	17.3	13.4
Continental Europe	11.6	8.5
Total	100.0	150.2*

*Launch of HP7

Operating profit/(loss) analysis by geographic segment



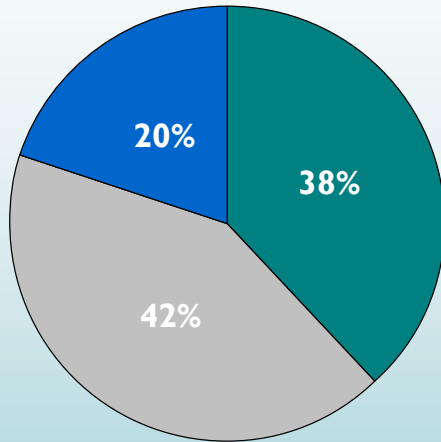
	2008	2007
	£m	£m
UK	8.1	18.1
North America	0.4	(1.6)
Continental Europe	0.2	0.3
	—————	—————
Total segment result	8.7	16.8
Central costs	(0.3)	(0.3)
	—————	—————*
Profit before investment income	8.4	16.5

*Launch of HP7

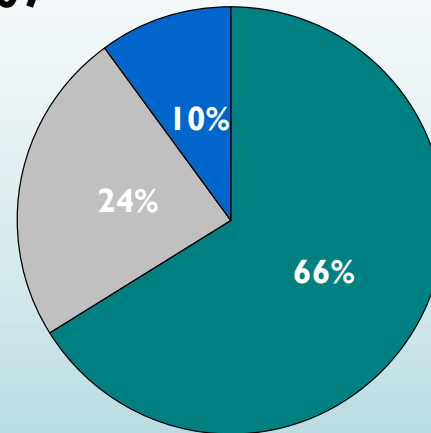
Turnover analysis by publishing category



2008



2007



■ Children's
■ Adult
■ Reference

	2008	2007	% Change
	£m	£m	
Children's	38.3	98.9 *	-61.3%
Adult	42.0	35.8	+17.3%
Reference	19.7	15.5	+27.1%
Total	100.0	150.2 *	-33.4%

*Launch of HP7

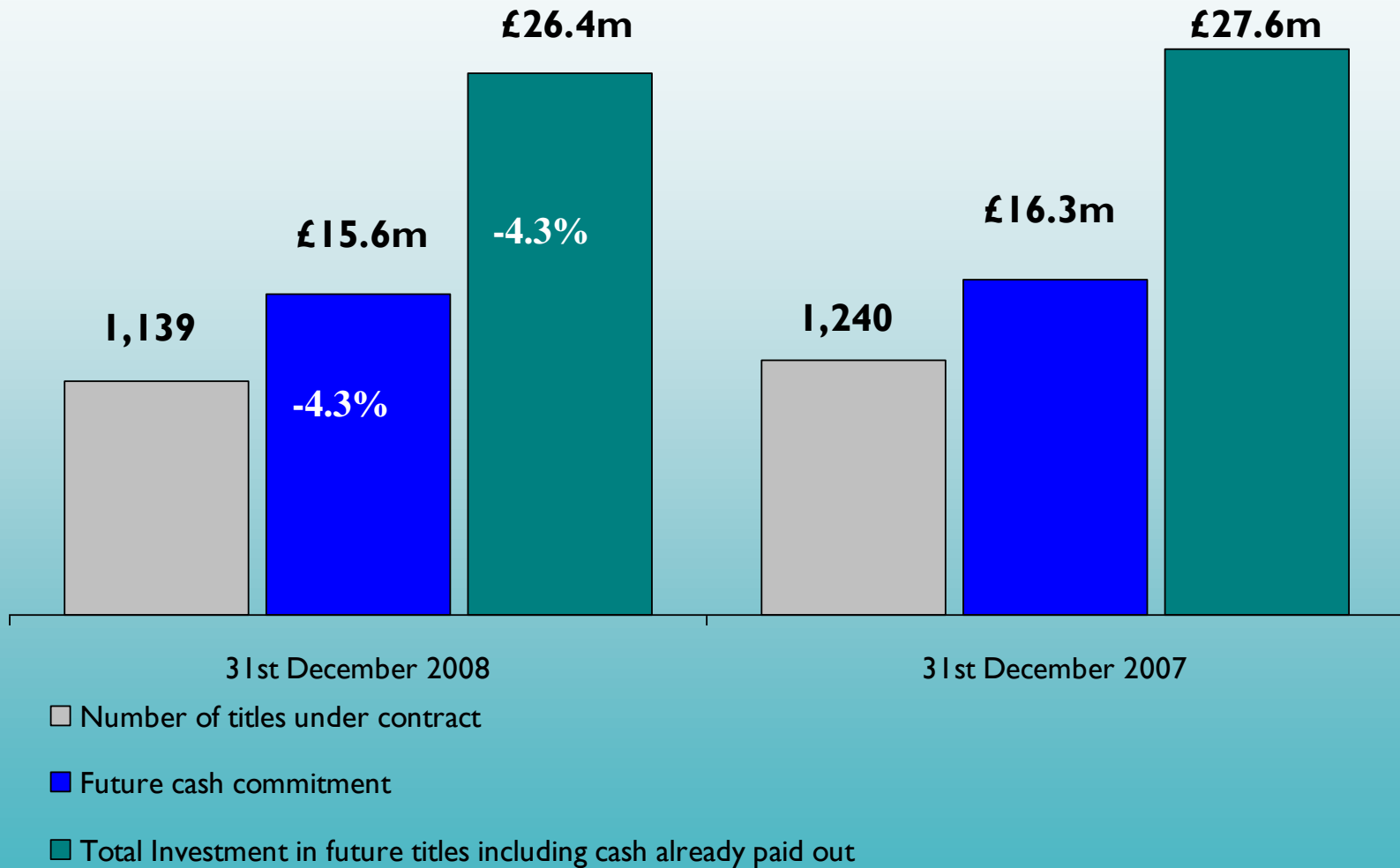


Contribution to divisional operating profit before central costs by publishing category

	2008	2007
	£m	£m
Adult	8.0	6.0
Children's	13.6	30.0*
Total trade publishing	<hr/> 21.6	<hr/> 36.0
Reference – specialist publishing	6.9	2.6
Contribution before central costs	<hr/> 28.5	<hr/> 38.6
Central costs	(20.1)	(22.1)*
Profit before investment income	<hr/> 8.4	<hr/> 16.5*

*Launch of HP7

Investment in future years' titles



Bloomsbury Group Strategy



- Content generation
- Web-based initiatives
- Geographic reach
- Building new author relationships
- Building on success of existing authors
- Acquisitions

Specialist Publishing Division

Overview



- Four quality acquisitions completed during the year totalling £7.4m
 - **Featherstone** acquired March 2008 (Academic)
 - **Berg Publishers** acquired September 2008 (Academic)
 - **John Wisden and Co** acquired November 2008 (Reference)
 - **The Arden Shakespeare** acquired December 2008 (Academic)
- Continued success of long-term revenue generating rights and database income deals and management contracts
- Launch of Bloomsbury Academic with new business model of paid print and free online

Specialist Publishing Division

Acquisitions



I. **Featherstone** acquired in March 2008

- Consideration - £1.2m
- Annual turnover to 31st December 2008 - £0.7m
- Specialist educational publisher of products aimed at teachers and professionals who work with 0-7 year olds
- Complementary to A&C Black's leading lists in primary education and teacher resources
- Now successfully integrated into our schools sales and marketing

Specialist Publishing Division

Acquisitions



2. **Berg Publishers** acquired in September 2008

- Consideration - £2.1m
- Annual turnover to 31st December 2008 - £1.7m
- Specialist Oxford-based academic publisher of books and journals aimed at students and professionals in the subjects of design, fashion, anthropology, history, and craft
- Market leader in its field having pioneered the concept of fashion theory which is now a course widely taught at universities throughout the world
- In the process of creating a major online subscription-based resource, the Berg Fashion Library, for fashion students, lecturers and the broader industry. Scheduled to be launched in 2010
- Potential for the database platform to be scaled out to other facets of the academic operation
- First in a number of academic publishing acquisitions to build critical mass in this key area

Specialist Publishing Division

Acquisitions



3. John Wisden & Co acquired in November 2008

- Consideration - £2.8m
- Annual turnover to 31st December 2008 - £0.7m
- Published annually since 1864
- Strengthens other **long-term assets** owned by the group including Who's Who, Whitakers Almanack, Reeds Nautical Almanac, Methuen Drama, The Arden Shakespeare
- The definitive publication on cricket
- Potential to extend the brand in other major cricketing countries
- Other parts of the sports list will benefit from the adoption of the Wisden brand
- Potential for exploiting content digitally

Specialist Publishing Division

Acquisitions



4. **The Arden Shakespeare** acquired in December 2008

- Consideration - £1.8m
- Annual turnover to 31st December 2008 - £0.7m
- Published since 1899
- The most academically respected Shakespeare editions in print and online
- Strengthens other **long-term assets** owned by the group including Who's Who, Whitakers Almanack, Reeds Nautical Almanac, Methuen Drama, John Wisden & Co
- Being integrated with the Methuen Drama list to create a world leading publishing operation in drama and drama studies but retaining the Arden name



Specialist Publishing Division

Rights, database and management contract income

- Bloomsbury Information Ltd created to bring together major database development and management contracts under one business unit
- Excellent progress on QFinance: The Ultimate Resource
 - Partnership with Qatar Financial Centre Authority
 - Book and online portal to be launched in Autumn 2009
- October 2008 – announcement of new partnership with the Qatar Foundation
 - Publishing operation established in Qatar
 - To publish books in Arabic and English
 - Develop literacy for life through reading and writing development initiatives
 - Transfer publishing skills and knowledge to Qatar
- Creation of new position and appointment of Business Development Director to increase deal-flow on database revenues

Specialist Publishing Division

Bloomsbury Academic



- New division with innovative business model to exploit intellectual property
- Specialising initially in humanities and social sciences
- Publications will be available on the internet free of charge under the Creative Commons Licence
- Simultaneous sale of print editions around the world, often using Print on Demand for high price (circa £50) short print run specialist monographs

Trade Publishing Division

Overview



- Excellent year for bestsellers
 - Harry Potter and the Deathly Hallows paperback edition in July – JK Rowling
 - The Tales of Beedle The Bard* in December – JK Rowling
 - A Thousand Splendid Suns and The Kite Runner – Khaled Hosseini (English and German)
 - Eat, Pray, Love – Elizabeth Gilbert (English and German)
 - My Horizontal Life – Chelsea Handler
 - The Snowball: Warren Buffett and the Business of Life – Alice Schroeder
 - The Suspicions of Mr. Whicher – Kate Summerscale
- Credit insurance being withdrawn on many customers
- Successfully managing exposure to customers with cash flow difficulties

*Published by The Children's High Level Group charity

Trade Publishing Division

Overview



- Successfully identifying new bestselling authors
- Benefit of cost reductions made in prior years
- Continued focus on key cost areas such as printing (quantity and cost) and more effective author advance and marketing spend
- Key titles have been digitised and a significant deal has been signed for their distribution on the Sony e-reader and other devices



- Revenues £17.3m (2007, £13.4m)
- Operating profit £0.4m (2007, operating loss £1.6m)
- Overhead reductions made in 2007 and 2008 in excess of \$1.2m (US) annualised
- Stronger selling titles in 2008
- The Tales of Beedle the Bard Canadian sale
- Increased rights and database income deals

Bloomsbury USA

Improving future profitability



- Continued review and reduction of operating costs
- Sourcing more titles from the UK
- Will take on US list of The Arden Shakespeare in 2009 and A&C Black US sales
- Reviewing taking on more specialist business from within the Group
- US Launch of Finance: The Ultimate Resource in 2009



- Turnover of £11.6m (2007, £8.5m)
- Profit of £0.2m (2007, £0.3m) – includes additional stock and advance provisions of £0.8m (2007, £0.6m)
- Operation cash flow positive in 2008
- Improved systems in place
- Operation continuing to benefit from Bloomsbury UK originated titles
 - The Kite Runner
 - A Thousand Splendid Suns
 - Eat, Pray, Love
 - Schott's Almanac

Risks and opportunities in 2009 and beyond



Opportunities

- New titles by five of the Group's most successful authors scheduled for Autumn, making one of our strongest author lists in the second half
- Strong pipeline of database projects currently on offer to potential partners, exceeding the number of projects at same point in 2008
- Ability to use our cash to build profits through acquisitions

Risks

- Risk of 2009 new launches of bestselling authors selling smaller quantities than 2008 ones due to recession-induced caution in global booktrade in addition to normal title performance risk
- Risk of backlist high sellers selling fewer copies in 2009 than in 2008
- Risk of reduced rights, database and management contract income due to possible future impact of global economy on appetite of third party customers and partners
- Risk of bad debts, bankruptcies and loss of entire distribution channels which make books available to the public and which are irreplaceable in the short term with subsequent loss of future budgeted sales and risk of decreased government spending on books in schools, universities and libraries

Current Trading and Outlook



- Increased acquisition opportunities in 2009
- Building portfolio of long-term revenue generating rights and database contracts
- Academic business building critical mass
- Excellent publishing programme in 2009
- Robust balance sheet, £51.9m of cash (2007, £47.6m) puts us in a strong position to continue to invest in the business
- Impact of the global economy on the Group's business unpredictable for quarters two through four



Autumn 2009 Highlights

JOHN IRVING



LAST NIGHT
IN TWISTED
RIVER

MARGARET
ATWOOD



THE
YEAR
OF THE
FLOOD

From the author of *Restless*, winner of the Costa Novel of the Year

WILLIAM BOYD

ORDINARY THUNDERSTORMS



B L O O M S B U R Y

THE ARDEN SHAKESPEARE

COMPLETE WORKS

REVISED EDITION

AS

EDITED BY SCYLD BERRY



WISDEN

CRICKETERS' ALMANACK

2009

