22 May 2012

BLOOMSBURY PUBLISHING Plc

(“Bloomsbury” or “the Group”)

Unaudited Preliminary Results for the year ended 29 February 2012

Bloomsbury Publishing Plc today announces results for the year ended 29 February 2012.

Financial highlights

The highlights for the year ended 29 February 2012 include:

- Total turnover up 11.5% to £103.2 million (2011*: £92.6 million)
- Total continuing turnover up 16.9% to £97.4 million (2011*: £83.3 million)
- Continuing pre-tax profit before highlighted items** up 53% to £12.1 million (2011*: £7.9 million)
- Pre-tax profit before highlighted items** up 25.2% to £9.4 million (2011*: £7.5 million)
- Pre-tax profit up 13.6% to £4.8 million (2011*: £4.2 million)
- Total dividend increased by 10.2% to 5.2 pence per share (year to 31.12.10: 4.72 pence per share)
- Continuing basic earnings per share, before highlighted items** up 36% to 13.63 pence (2011*: 10.03 pence)
- Continuing basic earnings per share up 75% to 9.80 pence (2011*: 5.59 pence)

(* and ** see notes below)

Operating highlights

- **A Transformational year**
  - Acquisition of leading Academic publisher Continuum for net £19.2 million
  - Strong development of intellectual property – Continuing Rights & Services revenue up 88% to £12.6 million (2011*: £6.7 million) demonstrating quality of content, includes partnership with IZA in Germany
  - Sale of loss-making German subsidiary for €2.6 million

- **Development of Academic & Professional business**
  - Now generates 24% of Continuing Group sales (2011*:17%)
  - Acquisitions of Continuum July 2011 and Fairchild Books April 2012
  - Awarded Supplier of the Year by the British and Irish Association of Law Librarians
  - The Churchill Archive and Drama Online – two major digital publishing initiatives to be launched later this year

- **Well placed to benefit from growth of digital sales**
  - Huge ebook growth with sales increasing by 159% to £5.7 million (2011*: £2.2 million)
- **A diversified portfolio of bestsellers across the Group:**
  - A remarkable performance with three novels on the shortlist of six for the 2012 Orange Prize for Fiction: *Painter of Silence* by Georgina Harding, *The Song of Achilles* by Madeline Miller and *State of Wonder* by Ann Patchett
  - Strong sales from market-leading cookery list including Hugh Fearnley-Whittingstall, Heston Blumenthal, Raymond Blanc and the Galvin Brothers
  - Four New York Times ebook best sellers: *Kitchen Confidential*, *Prophet's Prey, History of the World in Six Glasses* and *Salt*.
  - New York Times Series Bestseller List - *The Perfect Chemistry Trilogy* by Simone Elkeles
  - Eight *top* ten ebooks at Barnes & Noble and 19 top ten bestsellers in Kindle UK.
  - Top ten ebook bestsellers worldwide for 2011 calendar year were: *My Horizontal Life, Kitchen Confidential, The Finkler Question, Eat, Pray, Love, Chain Reaction, Salvage the Bones, Rules of Attraction, Jonathan Strange and Mr Norrell, Prophet's Prey* and *Pigeon English.*

- **Strong trade list for 2012**
  - *Three Good Things* by Hugh Fearnley-Whittingstall
  - *Mrs Robinson's Disgrace: The Private Diary of a Victorian Lady* by Kate Summerscale
  - *Waiting for Sunrise* by William Boyd
  - *Hogwart's Library* Box Set by JK Rowling
  - *Princess Academy: Palace of* Stone by Shannon Hale
  - *Coraline 10th Anniversary edition* by Neil Gaiman and Chris Riddell
  - *Zoo Time* by Howard Jacobson
  - *A Lady Cyclist's Guide to Kashgar* by Suzanne Joinson
  - *Double Cross: The True Story of the D-Day Spies* by Ben Macintyre
  - *How to Survive The Titanic or The Sinking of J. Bruce Ismay* – Frances Wilson

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

"We have enjoyed an extremely successful year, with strong performances across the Group.

2011/12 has been a transformational year for the Group as we continue to see the benefit of our One Global Bloomsbury strategy. The acquisition of Continuum has significantly enhanced our academic business as we continue to focus on robust renewable revenue streams. This area will be a key driver of future growth. We have built a uniquely balanced business between trade and academic publishing.

There is also a fundamental shift happening from print to digital and from the high street to the internet. The decision to digitise our backlist several years ago continues to reap benefits and as a result we have seen significant ebook sales, up 159% year on year.

The business has exciting opportunities for 2012 and beyond as our positioning, platform and industry insights coupled with our strong titles in the UK and US put us in a very healthy position for this dynamic market place. At a time when the traditional books industry is undergoing a revolution, we have built a robust and balanced business with more predictable income streams. Added to this, our highly innovative and entrepreneurial team, strong balance sheet and focused global strategy mean that we can continue to evolve and prosper in this market place."

* The audited statutory results last year were for the fourteen months ended 28 February 2011, following a change in the Company's year-end. All 2011 results referenced here are pro forma unaudited results for the year ended 28 February 2011 and are provided to show a more meaningful comparison of business performance.

**Highlighted items comprise amortisation of intangible assets, acquisition costs, restructuring, relocation costs and the loss on disposal of Bloomsbury Verlag.

Total turnover is turnover for the entire Group i.e. continuing and discontinued operations together.

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Chairman's Statement

This Chairman's Statement marks the end of another year of growth at Bloomsbury. The company operates in a rapidly evolving environment. The business of publishers is the communication of culture in its broadest sense so when cultures change, good publishers thrive. Bloomsbury continues to ready itself for the new order now becoming visible.

At the global level, the developed but indebted economic blocs of the world are sharing their authority and influence with emerging cash-rich regions. The new global Growth Axis which reaches from Asia to South America and includes India, Africa and the Gulf has a GDP growth rate three times that of Europe and the United States of America and it is home to 85% of the world's population. Throughout the history of man such shifts in the planet's power profile have given rise to tension and crisis. It is no different today and the process has barely begun. At the same time, a technological revolution is spanning the globe with indiscriminate speed. Bloomsbury's future is touched by it all.

Even in a steady state economy, challenges and innovation are key to survival. When the macro-economic, political and technological environments all change so fast - and at the same time - a business must move with equal speed and steady nerves in the service of its customers, its shareholders, its employees, and the societies within which it operates.

The Chief Executive's Report gives a detailed impression of how Bloomsbury is moving to take full advantage of the opportunity which this change offers. It is doing it through the acquisition of companies which have the potential for technological versatility and are known for the specialisms of their authors, particularly in its academic and professional business. It has expanded its business further in countries along the Growth Axis. It has focused on the stabilisation and diversification of its revenue streams. It is profitably sharing its expertise, experience and ethos with partners around the world who value the power and integrity of Bloomsbury. It has done it by keeping ahead of the digital wave breaking over business models across industry and commerce around the world. And, through the entrepreneurialism which is part of the DNA of the company and of its Founder and Chief Executive, it is developing new business lines.

All these developments are interlinked. The success of one contributes to the success of the other.

It is worth a few more words here on the development of the new and transformational digital delivery channel. That channel is now so broad and deep that it has had a fundamental – and profitable - impact on the balance of sales across the company and on the shape of the company. There will be more to come. It is a common misconception that the e-reader is the central pillar of the digital channel. It is not. It is one of the vehicles. The digital revolution is a phenomenon so fundamental it is changing the workflows, platforms and buying behaviours of all stakeholders in industry across the planet from the buyer to the supplier, from the customer to the shareholder. Old business models are dying; new ones are being developed. In some cases the latter have already become so powerful they threaten the existence of free market competition (with the longer term implications on ethical behaviour central to all democratic societies). Bloomsbury will play its part in ensuring that the industry's integrity is not called into question. And it is, with the support and commitment of its stakeholder community, changing its business model to reflect the new dynamics of the publishing industry.

As these changes happen across the company, they call on all the resources of a fit and agile corporate enterprise. That demands a sense of common purpose and direction. To help achieve that the company has moved its businesses from sites around the country and from its birth place in Soho Square to a single site in Bedford Square. It has re-organised its business lines. And it continues to hire new talent and to develop those who work within the company.

None of this will happen without leadership. The Board of Bloomsbury is substantially a new one. In this new mix it has the benefit of skills well suited to steer and support the transformation now being executed by the Founder and Chief Executive and his team. Debate within the Non-Executive Committees, Executive Committee and Board is robust and constructive. It does not deliver all the answers. But it helps drive the company to take steps which, whilst many will work and some may not, keeps alive the determination to stay ahead of the breaking wave.

It also helps inform another critical dynamic in times like this – the evolution of new skills in the company. The need for a new vision and the opportunity that presents is clear to those at the top. And the new and rapidly developing digital architecture is exciting, motivating and inspiring new generations making their way up. But it is not always easy for those between the two to understand how to make the change happen. And that community is as central to success as the other two. Bloomsbury, from top to bottom, comprises people striving, with increasing success, to meet these challenges.

In this regard, the Remuneration Committee has had its work cut out this year. The subject is topical anyway. But, in adhering to the basic principle that remuneration must be tied to performance, in recognising shareholder concern last year that this principle had been observed, and, above all, in seeking appropriate reward for change on this scale, the Remuneration Committee went back to basics. You will see further comment in the Chief Executive's Report and in the Directors' Remuneration Report, but, in summary, recognition has been given to those who have, by their actions, brought about the vital short and long term changes – the cost of some of them in the Highlighted items in the accounts - which position Bloomsbury for the future whilst building the value and returns for all those who have invested in the company, financially or otherwise. The adjustment process is not over yet, however, and the Remuneration Committee will be looking further to support the Board and the company in the review of parameters which reflect properly the need to reward success and not failure.

Finally, at the heart of the company's success are the authors whose work, subject matter, loyalty and commitment serve so well the readers for whom they write. It is Bloomsbury's role to connect the two for the benefit of both. In times of such significant change in the environment in which it operates, the company must adapt and develop to ensure that it provides for the needs of those communities.

And that comes down to its people. The team at Bloomsbury is committed, professional, expert and experienced. Upon each of those making up that team rests the success of the authors, readers, shareholders, retailers, suppliers and all other stakeholders who take advantage of Bloomsbury's publishing services. On behalf of the Board and all those stakeholders I would like to take this opportunity in the Chairman's Statement to convey our sincere thanks and appreciation to them for their dedication, hard work and unremitting endeavour in a year of so much change outside and within this remarkable company.

Chief Executive's Review

Overview

The Group has had a successful year with total profit before tax and highlighted items of £9.4 million, up 25% on the year ended 28 February 2011 of £7.5 million (fourteen months ended 28 February 2011: £7.7 million). Profit before tax was £4.8 million, up 14% on the year ended 28 February 2011 of £4.2 million (fourteen months ended 28 February 2011: £4.2 million).

The results of our German subsidiary, Bloomsbury Verlag GmbH, which was sold on 28 February 2012, have been treated as discontinued in our accounts. Continuing profit before tax and highlighted items was £12.1 million, up 53% on the year ended 28 February 2011 of £7.9 million (fourteen months ended 28 February 2011: £8.3 million). Continuing profit before tax was £8.5 million, up 60% on the year ended 28 February 2011 of £5.3 million (fourteen months ended 28 February 2011: £5.5 million).

We have enjoyed a dynamic year of innovation and acquisitions. Our acquisition of Continuum International Publishing Group ("Continuum") in July 2011 for a net cash outflow of £19.2 million significantly enhanced our academic publishing business, giving us momentum in the US, the largest academic publishing market in the world, and scale throughout the world, particularly in Asia. This represented a major step forward in our core strategic objective to increase the proportion of academic and professional publishing revenues within the business. During the course of the year we have also acquired a number of other smaller lists including the National Archives Publishing programme backlist and the Absolute Press cookery list. In October 2011 we announced the licensing of the Wisden brand in India and legal content online with Practical Law Company. In line with our strategy of focusing on publishing books worldwide in the English language, we announced the formation of a new publishing business in India which is due to begin trading in June 2012. On 28 February 2012 we contracted to sell our loss-making German subsidiary and simultaneously announced a strategic partnership for the licensing of our brands in Germany and an option to the sale of German language rights to our UK trade publications. Since the year end we have acquired Fairchild Books, a US based fashion publisher for US$6.1 million, further strengthening our US and international academic business. Our publishing services contracts this year included a partnership with Forschungsinstitut zur Zukunft der Arbeit (IZA) in Germany which will generate £4.3m of revenue over five years. We continue to embrace online initiatives, which enable our content to reach wider communities. This year we announced Drama Online, Irish Law & Tax, UK Tax Online, Reed's Nautical Online, the Bloomsbury Reader, Wisden Extra online magazine and the Churchill Archive Online.

There has been an acceleration of technological change in our industry and it is clear that, while print has a long and secure future, many readers have opted for digital formats for reasons of convenience, storage and retrieval, searchability, portability and cost. Our preparations over the last five years have allowed us to respond rapidly to the hugely increased demand for ebooks and for aggregated information for libraries. There will be further changes but our core assets of intellectual property, protected by copyright, allow us to maintain and build sales through whatever new media develop. We are confident that any downturn in the traditional High Street market will be compensated if not increased by new routes to market.

Ebook sales were £5.7 million, up by £3.5 million, 159% compared to the year ended 28 February 2011. They now represent 6% of continuing sales (year ended 28 February 2011: 3%). In the US, ebook sales were 23% of continuing sales compared to the UK where they were 3% of continuing sales. We anticipate most markets will reach the US level of ebook sales in the near to medium term future.

Financial results

Following a change in the Company's year end, prior period audited statutory results were for the 14 months ended 28 February 2011. However, to provide a more meaningful year on year comparison of business performance, we are also disclosing unaudited pro forma numbers for the year ended 28 February 2011. During the year we have completed on a number of earnings enhancing acquisitions, the most significant of which is that of Continuum. Underlying numbers disclosed below are Continuing numbers, which also exclude the results of Continuum. The disposal of Bloomsbury Verlag, the acquisition of Continuum and various other strategic initiatives have resulted in a numbers of costs which have been highlighted separately in these accounts. Adjusted numbers below exclude these highlighted items. Group financial results are summarised in the table below.

	Unaudited Year ended 29.2.12 £m	Unaudited Year ended 28.2.11 £m	% increase year on year	Audited 14 months ended 28.2.11 £m
Adjusted profit before tax	9.4	7.5	25%	7.7
Adjusted continuing profit before tax	12.1	7.9	53%	8.3
Profit before tax	4.8	4.2	14%	4.2
Continuing turnover	97.4	83.3	17%	93.1
Underlying turnover	90.3	83.3	8.4%	93.1
Total turnover	103.2	92.6	12%	103.4

Continuing print sales were up by 6% year on year to £78.9 million and continuing digital sales (which comprise ebook and digital subscription sales) were up 170% year on year to £5.9 million. Continuing Rights & Services revenue increased by £5.9 million year on year to £12.6 million largely due to increased licensing and rights activity demonstrating the value inherent in our content. Almost half of this income related to digital products. It included £1.5 million received for the brand licensing and rights agreements which were signed on 28 February 2012 with Bonnier AB in Germany.

The continuing operating profit margin before highlighted items increased from 9.1% to 12.4% year on year (fourteen months ended 28 February 2011: 8.5%), partly due to the increased proportion of higher margin Rights & Services income.

The Academic & Professional division grew the most year on year with a £2.9 million increase in continuing adjusted operating profit, due to both the acquisition of Continuum and a significant increase in income from content licensing deals.

Highlighted items of £4.6 million include £1.6 million for the recurring amortisation of intangible assets and £3.0 million of non-recurring costs which have been invested in order for the Group to achieve its strategic aims. These costs have been highlighted to provide a fair representation of the underlying results for the Group. They comprise £0.4 million for the establishment of a group head office to bring together our many acquisitions, £0.3 million of acquisition costs, £1.3 million of restructuring costs following the acquisition of

Continuum and for the elimination of duplicate roles following the strategic global reorganisation of the Group and a £1.0 million loss on the disposal of Bloomsbury Verlag, our subsidiary in Germany.

The continuing effective rate of tax for the year was 16.2% (fourteen months ended 28 February 2011: 23.8%). The rate this year was reduced by 8.2% from 24.4% as a result of the offset of the losses of Bloomsbury Verlag against UK generated profits.

Adjusted continuing basic earnings per share, which exclude highlighted items, were up by 36% year on year to 13.63 pence (fourteen months ended 28 February 2011: 8.93 pence, year ended 28 February 2011: 10.03 pence). Continuing basic earnings per share for the year were 9.80 pence (fourteen months ended 28 February 2011: 5.68 pence, year ended 28 February 2011: 5.59 pence).

At 29 February 2012 the Group had net cash of £12.6 million (28 February 2011: £36.9 million). Cash reduced by £24.3 million in the year, mainly reflecting £5.0 million of net cash generated from operating activities less a net cash outflow of £19.7 million on acquisitions, capital expenditure of £4.1 million, payment of a dividend of £3.7 million and an outflow of £2.0 million to acquire Bloomsbury Publishing shares for the Employee Benefit Trust. During March 2012 the Group received cash consideration of £2.1 million for the disposal of Bloomsbury Verlag and £1.5 million in respect of the rights and trademark deals with the acquirer announced at the same time.

Divisional Review

Academic & Professional

Bloomsbury took the decision in 2008 to build a new academic and professional business that was not reliant on the UK retail sector and with a significant and growing proportion of revenues from digital, subscription-based services. In the year ended 29 February 2012 this division has grown substantially through the integration of a number of high quality, complementary acquisitions; substantial organic growth in print and digital publishing and innovative licensing deals with publishing partners.

The Academic & Professional division generated 24% of Group continuing sales this year (year ended 28 February 2011: 17%) and 34% of Group adjusted continuing operating profit (year ended 28 February 2011: 15%). The division's excellent financial results are summarised below.

	Unaudited Year ended 29.2.12 £m	Unaudited Year ended 28.2.11 £m	% increase year on year	Audited 14 months ended 28.2.11 £m
Adjusted continuing operating profit	4.2	1.2	242%	1.7
Adjusted underlying operating profit	3.3	1.2	173%	1.7
Continuing turnover	23.1	14.3	61%	16.2
Underlying turnover	17.5	14.3	22%	16.2

A large part of the increase in underlying turnover was a £2.3 million, 57% year on year rise in continuing Rights & Services revenue to £4.1 million, largely as a result of content licensing deals, which are reflected in the high profit margin for the year.

We have built up a significant holding in humanities and social sciences publishing, with a vibrant and growing tax and law business. This comprises Methuen Drama, Berg Publishers, Tottel Publishing (now Bloomsbury Professional), Arden Shakespeare, Bristol Classical Press and Continuum International. On 2 April 2012, Bloomsbury announced it had purchased Fairchild Books, the market-leading publisher of textbooks and educational resources for students of fashion, merchandising, retailing and interior design. The Fairchild list is highly complementary to Bloomsbury's existing academic list in the Visual Arts, which was bolstered by the acquisition of Berg Publishers in 2008, the launch of the award-winning Berg Fashion Library www.bergfashionlibrary.com in 2010 and the acquisition of a fashion photography archive in 2011 with more than 600,000 images.

With this acquisition, Bloomsbury will enhance its US presence and raise its profile through association with a leading brand in a market niche where it is already well established. Fairchild's renown as a textbook publisher will create synergies with complementary products published under the Berg imprint that are aimed at more advanced students and researchers, but are sold to the same institutions. The combined businesses provide significant opportunities for new digital initiatives and significant growth in the burgeoning markets in Asia.

Our first digital subscription service, Berg Fashion Library, which launched in September 2010, received five library and scholarly awards in 2011 including the Dartmouth Medal in 2011, the prize awarded by US librarians for the best reference work of the year. When we purchased Berg in 2008, we did so largely on the basis of growing its digital resource in fashion studies. It has considerably exceeded our budget this year for subscription revenue.

Bloomsbury Professional launched its first online services in Irish Law and Tax, and UK Tax Online in June and October 2011. This has been a particularly exciting development for Bloomsbury Professional, as we compete against much larger entrenched companies in the market. With more focused resources we have been able to turn this to our advantage with UK Tax Online, with a direct-to-user pricing model that severely undercuts competitors whilst offering content packages that are much more suited to the high street practitioner.

We were particularly pleased therefore to be awarded Supplier of the Year by the British and Irish Association of Law Librarians (BIALL). This is the first time BIALL has awarded the prize to a book publisher. In autumn 2011 Bloomsbury Professional won a three year contract to publish PricewaterhouseCooper's Manuals of Accounting in print and online. These are the standard works of regulatory commentary for company accountants and finance directors worldwide.

We also concluded a large multi-year licensing deal in August 2011 with Practical Law Company, who are integrating some of our legal content into their corporate software service.

Within the division, the integration of Continuum International, purchased in July 2011, has been successfully managed and its UK staff have moved into Bedford Square in May 2012 as we have been fortunate to secure a lease for two floors in the building next door to our Head Office. The Continuum lists accounted for approximately 24% of the full financial year turnover of the Academic and Professional Division over the eight-month period under Bloomsbury management and are performing to expectations. Delivery of synergies is on track. Continuum systems were robust and scalable and there have been clear management benefits from this acquisition across the Division. A project to exploit intellectual property from this backlist is underway, and product lines that have enjoyed considerable success are being rolled out across the division. Continuum lists will be rebranded as Bloomsbury later this year.

Bloomsbury Academic & Professional division is embracing digital publishing. We are collaborating with developers and other publishers to add value to our existing content by creating new platforms which build communities and enhance revenues. The Churchill Archive http://www.churchillarchive.com and Drama Online http://www.dramaonlinelibrary.com are two major digital initiatives being launched later this year. The sales campaign for both has begun and the response from the marketplace is encouraging.

Adult

The Adult division generated 46% of Group continuing sales this year (year ended 28 February 2011: 52%). The division's financial results are summarised below.

	Unaudited Year ended 29.2.12 £m	Unaudited Year ended 28.2.11 £m	% increase year on year	Audited 14 months ended 28.2.11 £m
Adjusted continuing operating profit	4.8	3.8	26%	3.6
Adjusted underlying operating profit	4.8	3.8	26%	3.6
Continuing turnover	45.1	43.1	5%	48.0
Underlying turnover	43.6	43.1	1%	48.0

During the year our German subsidiary made losses of £2.7 million, of which £1.9 million was within the Adult division. Ebook sales in the division rose 169% year on year to £4.2 million. This represents 9% of the division's total continuing sales (year ended 28 February 2011: 4%). In the US ebook sales were 23% of continuing sales and in the UK they were 5% of continuing sales. We anticipate most markets reaching the US level in the near to medium future. Rights & Services revenue rose by 61% to £3.8 million (year ending 28 February 2011: £1.5 million) and included a share of income from Bonnier for the sale of Bloomsbury Verlag and the licensing of Wisden in India which will generate US$3.2 million of revenue over five years, plus a royalty share.

The fastest year-on-year growth in our Adult division came from the US where our global publishing and marketing strategy is bearing fruit not least with our first National Book Award winner, *Salvage the Bones* by Jesmyn Ward.

In the UK we saw significant sales increases in our exceptional cookery list with Hugh Fearnley-Whittingstall, Heston Blumenthal, Raymond Blanc, the Galvin brothers, and many others being market leaders. *River Cottage Veg Every Day!* is still in the bestseller lists six months after publication and is Hugh Fearnley-Whittingstall's fastest and bestselling cookbook ever. His new cookbook *Three Good Things,* which will be published this year, is accompanied by a 50 part Channel 4 TV series in autumn 2012. We have three novels on the shortlist of six for the 2012 Orange Prize for Fiction: *Painter of Silence* by Georgina Harding, *The Song of Achilles* by Madeline Miller and *State of Wonder* by Ann Patchett. This is the first time in the history of the prize that one publisher has had half the shortlist and is a remarkable testimony to our editorial team. We also have two novels shortlisted for the 2012 International IMPAC DUBLIN Literary Award: *The Memory of Love* by Aminatta Forna and *Even the Dogs* by Jon McGregor. *Pao* by Kerry Young is on the shortlist for the Commonwealth Book Prize and we have some strong candidates for the Man Booker prize.

Sales growth in Australia was hindered by Redgroup Retail going out of business plus the growing trend of Australian readers buying their books from overseas internet retailers. Our focus is to ensure our books are marketed as effectively as possible in Australia and we are rapidly gaining a reputation for being the most innovative and author-supportive operation in the country.

The key driver of our strategy is significantly to increase the proportion of sustainable, annuity-type income from the monetization of our strong backlist and through innovative business models such as Public Library Online digital subscriptions and direct debit direct-to-consumer marketing for our annual reference volumes.

Children's & Educational

The division generated 26% of Group continuing sales this year (year ended 28 February 2011: 28%). Continuing turnover in the Children's & Educational division was £25.6 million, up 9.9% on £23.3 million for the year ended 28 February 2011 (fourteen months ended 28 February 2011: £26.1 million). Continuing operating profit before highlighted items was £2.3 million, up 58.7% on £1.4 million for the year ended 28 February 2011 (fourteen months ended 28 February 2011: £1.5 million). This division had no contribution from the results of Continuum.

Ebook sales in the division rose 303% year on year to £1.1 million, representing 4% of total continuing sales (year ended 28 February 2011: 1%). In June we announced our ebook partnership with JK Rowling. Bloomsbury will receive a share of the revenues from the sale of ebooks from Pottermore.com, which has just commenced. This website builds an exciting online experience around the reading of JK Rowling's hugely successful Harry Potter books.

The sales increase in the UK included the effect of the release of the final Harry Potter movie in July and new Harry Potter Box sets at Christmas. Strong sales also came from Elizabeth Beresford, Angie Sage, Mark Walden, Neil Gaiman and Louis Sachar. Educational sales of £4.2 million were at last year's levels with slightly higher operating profits of £1.9 million before the allocation of central costs. Although sales from the US were down slightly year on year, the increase in sales from Australia, which began trading in January 2011, more than compensated for the US shortfall. We have won several prizes for children's books during the year including Winner of the Blue Peter Award for Best Children's Book - *The Considine Curse* by Gareth Jones.

We appointed a new Global Children's Managing Director in 2011 and more recently have new Children's Publishing Directors in the UK and the US. We have strengthened our international relationships and global strategy is now at the forefront of our acquisition process. Cost management systems are working well and processes are audited and improved regularly.

In 2012 we have a much improved children's frontlist across all divisions and a strong frontlist pipeline going forward. We also have improved integrated sales and marketing plans driving frontlist sales. A new communities marketing team will increase our ability to market effectively into schools and a newly increased export team gives us good opportunities across all territories – especially in India with the creation of Bloomsbury India.

We are celebrating the 15th anniversary of *Harry Potter and the Philosopher's Stone* on June 26th 2012 with a large consumer competition to drive people into bookshops and libraries - giving us strong promotional activity for JK Rowling over the summer months. We are publishing illustrated editions of Harry Potter from 2013 and this year we will be publishing *Hogwarts Library* a three book box set. During the first few months of 2012 the children's UK and US trade markets have picked up considerably due to the success of *Hunger Games*. There is now a new trend for dystopian Young Adult books and this new genre should lead to the growth we have seen for paranormal writing in past years. Our key divisional priorities are our digital development and enriching our acquisition of high quality and commercial titles from a growing number of talented authors and illustrators. We intend to increase our children's illustrated publishing and have put a team of five new staff in place in the UK to drive this. We will continue to invest in digital innovation across the children's and educational lists. The UK market, which generates 62.0% of the division's continuing sales, is robust.

Bloomsbury Information

The division generated 4% of Group continuing sales this year (year ended 28 February 2011: 3%) and 7% of Group continuing operating profit before highlighted items (year ended 28 February 2011: 15%). Continuing turnover in the Bloomsbury Information division was £3.6 million, up 40% on £2.6 million for the year ended 28 February 2011 (fourteen months ended 28 February 2011: £2.8 million). Continuing operating profit before highlighted items was £0.9 million, down 26% compared to £1.2 million in the year ended 28 February 2011 (fourteen months ended 28 February 2011: £1.1 million) following an allocation of central overhead costs of £0.9 million (2011: 0.5 million). Rights & Services revenue of £3.4 million made up 92% of total continuing sales. This comprised £1.8 million of management services fees for the businesses we manage in Qatar and £1.6 million for other publishing services. This year these other publishing services included revenue of £0.5 million from the partnership with IZA in Germany for the development and provision of a reference and information resource in labour economics, which will generate £4.3 million of revenue over five years.

The businesses we manage for the Qatar Foundation have continued to progress well, and in particular Bloomsbury Qatar Foundation Publishing (BQFP) is ahead of its budget having published over 70 titles since its launch in April 2010, which is also ahead of its title target, more than half of which are in Arabic. The children's list in particular is gaining recognition in the Middle East as a publisher of high-quality Arabic-language titles for younger age groups. International recognition is also increasing with two groups of BQFP authors completing successful reading tours of the UK. The venture's business in Egypt is strong with several BQFP titles reaching the bestseller lists there, and elsewhere in the region. BQFP took over sales of Bloomsbury Group titles in the Middle East in July 2011 which has resulted in increased awareness as the books are now sold to a wider range of customers than previously. Bloomsbury Qatar Foundation Journals (BQFJ) is in its start-up phase with key successes including the development of a robust digital platform (www.qscience.com) using the Open Access model for research publishing which is currently gaining favour among the global research community, as seen by the recent announcement from The Welcome Foundation. Visitor numbers and article downloads continue to increase in particular through the newly launched mega-journal *Qscienceconnect*.

Bloomsbury Information's business development unit which was established during the year is performing well with several deals completed or under negotiation. QFinance.com, the Group's first Middle East project which was launched in 2009, continues to progress well with average unique visitors to the free to user financial best practice and thought-leadership website now almost 300,000 per month.

Dividend

The Directors are recommending a final dividend of 4.31 pence per share, which subject to shareholder approval at our Annual General Meeting on 23 July 2012, will be paid on 25 September 2012 to shareholders on the register at the close of business on 31 August 2012. This dividend is a 10.2% increase on the dividend paid for the six months ended 31 December 2010. Together with the interim dividend, this makes a total dividend for the year ended 29 February 2012 of 5.2p per share, a 10.2% increase on the 4.72p dividend for the year ended 31 December 2010 and an increase on the 5.00p dividend which was paid for the 14 months ended 28 February 2011.

Outlook

The growth of Internet retailing in both print and digital formats is allowing publishers to maintain their reach. Academic markets are holding up well throughout the university and professional sectors. For 2012 Bloomsbury has strong titles both in the UK and US. These include *Three Good Things* by Hugh Fearnley-Whittingstall, *A Lady Cyclist's Guide to Kashgar* by Suzanne Joinson, *Double Cross: The True Story of the D-Day Spies* by Ben Macintyre, *Mrs Robinson's Disgrace: The Private Diary of a Victorian Lady* by Kate Summerscale, *Waiting for Sunrise* by William Boyd, *Zoo Time* by Howard Jacobson, *How to survive The Titanic or The Sinking of J. Bruce Ismay* by Frances Wilson, *Throne of Glass* by Sarah Maas and *Penguin and Pinecone* by Selina Yoon.

The traditional books business is undergoing a revolution and some new trends are becoming clear. Digital workflows can accelerate publication, simplify output files and generate internal efficiencies. Global marketing opens up significant new markets for both digital and print products. Ebook reader usage is still at an early stage in many of our markets and new and improved reading devices are being competitively marketed, including colour tablets and mobile phone applications. The business has exciting opportunities for 2012 and beyond as our positioning, platform and industry insights coupled with our strong titles in the UK and US put us in a very healthy position for this dynamic market place. We have built a robust and balanced business with more predictable income streams. Added to this, our highly innovative and entrepreneurial team, strong balance sheet and focused global strategy mean that we can continue to evolve and prosper in this market place.

UNAUDITED CONSOLIDATED INCOME STATEMENT

for the year ended 29 February 2012

Continuing operations	Note	Year ended 29 February 2012 £'000	14 months ended 28 February 2011 *(Restated)** £'000
Revenue	2	**97,399**	93,144
Cost of sales		**(42,201)**	(42,548)
Gross profit		**55,198**	50,596
Marketing and distribution costs		**(14,157)**	(14,449)
Administrative expenses		**(28,984)**	(28,235)
Operating profit before highlighted items		**12,057**	7,912
Highlighted items		**(3,645)**	(2,760)
Operating profit		**8,412**	5,152
Finance income		**160**	403
Finance costs		**(108)**	(49)
Profit before taxation and highlighted items		**12,109**	8,266
Profit before taxation		**8,464**	5,506
Taxation	3	**(1,367)**	(1,311)
Profit for the period from continuing operations		**7,097**	4,195
Discontinued operations			
Loss for the period from discontinued operations		**(3,724)**	(1,966)
Profit for the period attributable to Company's equity holders		**3,373**	2,229
Earnings per share - continuing operations			
Basic earnings per share	5	**9.80p**	5.68p
Diluted earnings per share	5	**9.54p**	5.68p

* Restated to reflect the classification of Berlin Verlag GmbH as a discontinued operation and the change in classification of certain staff costs as administrative expenses.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 29 February 2012

	Year ended 29 February 2012 £'000	14 months ended 28 February 2011 £'000
Profit for the period	**3,373**	2,229
Other comprehensive income:		
Currency translation differences on foreign operations	**365**	(368)
Reclassification of translation reserve on disposal of foreign operation	**(985)**	-
Deferred tax on share based payments	**11**	(26)
Other comprehensive income for the period net of tax	**(609)**	(394)
Total comprehensive income for the period attributable to the Company's equity holders	**2,764**	1,835

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 29 February 2012

	Note	**29 February 2012 £'000**	28 February 2011 £'000
Assets			
Goodwill		**34,610**	25,664
Other intangible assets		**18,153**	11,577
Property, plant and equipment		**3,020**	965
Deferred tax assets		**2,336**	1,583
Total non-current assets		**58,119**	39,789
Inventories		**20,184**	18,334
Trade and other receivables	9	**55,431**	48,719
Cash and cash equivalents		**12,639**	36,876
Total current assets		**88,254**	103,929
Total assets		**146,373**	143,718
Liabilities			
Retirement benefit obligations		**157**	95
Deferred tax liabilities		**3,737**	2,176
Other payables		**341**	467
Provisions		**507**	-
Total non-current liabilities		**4,742**	2,738
Trade and other payables		**32,101**	29,120
Current tax liabilities		**193**	16
Provisions		**157**	-
Total current liabilities		**32,451**	29,136
Total liabilities		**37,193**	31,874
Net assets		**109,180**	111,844
Equity			
Share capital		**924**	924
Share premium		**39,388**	39,388
Translation reserve		**3,616**	4,236
Other reserves		**1,318**	3,219
Retained earnings		**63,934**	64,077
Total equity attributable to owners of the parent		**109,180**	111,844

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

	Share Capital	Share premium	Translation reserve	Capital redemption reserve	Share-based payment reserve	Own shares held by EBT	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2010	922	39,388	4,604	20	2,393	-	65,357	112,684
Profit for the period	-	-	-	-	-	-	2,229	2,229
Other comprehensive income								
Exchange differences on translating foreign operations	-	-	(368)	-	-	-	-	(368)
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(26)	(26)
Total comprehensive income for the period	**-**	**-**	**(368)**	**-**	**-**	**-**	**2,203**	**1,835**
Transactions with owners								
Share buy back and cancellation	(2)	-	-	2	-	-	(187)	(187)
Share options exercised	4	-	-	-	-	-	-	4
Dividends to equity holders of the Company	-	-	-	-	-	-	(3,296)	(3,296)
Share-based payment transactions	-	-	-	-	804	-	-	804
Total transactions with owners of the Company	**2**	**-**	**-**	**2**	**804**	**-**	**(3,483)**	**(2,675)**
Balance at 28 February 2011	**924**	**39,388**	**4,236**	**22**	**3,197**	**-**	**64,077**	**111,844**
Profit for the year	-	-	-	-	-	-	3,373	3,373
Other comprehensive income								
Exchange differences on translating foreign operations	-	-	365	-	-	-	-	365
Deferred tax on share-based payment transactions	-	-	-	-	-	-	11	11
Recycling of cumulative currency translation reserve on disposal	-	-	(985)	-	-	-	-	(985)
Total comprehensive income for the year	**-**	**-**	**(620)**	**-**	**-**	**-**	**3,384**	**2,764**
Transactions with owners								
Reclassification*	-	-	-	-	-	(134)	134	-
Share buy back	-	-	-	-	-	(2,008)	-	(2,008)
Dividends to equity holders of the Company	-	-	-	-	-	-	(3,661)	(3,661)
Share-based payment transactions	-	-	-	-	255	-	-	255
Share options cancelled	-	-	-	-	(14)	-	-	(14)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**241**	**(2,142)**	**(3,527)**	**(5,428)**
Balance at 29 February 2012	**924**	**39,388**	**3,616**	**22**	**3,438**	**(2,142)**	**3,934**	**109,180**

* Own shares held by the Employee Benefit Trust ("EBT") have been reclassified from retained earnings to a separate component of equity in the year as the balance held at 29 February 2012 is material.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 29 February 2012

	Year ended 29 February 2012	14 months ended 28 February 2011 *(Restated)**
	£'000	£'000
Cash flows from operating activities		
Profit before tax	**8,464**	5,506
Adjustments for:		
Depreciation of property, plant and equipment	**411**	615
Amortisation of intangible assets	**1,599**	1,136
Impairment of goodwill	**-**	969
Profit on sale of property, plant and equipment	**11**	-
Share-based payment charges	**255**	804
Finance income	**(160)**	(403)
Finance costs	**108**	49
	10,688	8,676
Increase in inventories	**(342)**	(1,277)
Increase in trade and other receivables	**(5,690)**	(391)
Increase in trade and other payables	**1,860**	6,087
Cash generated from continuing operations	**6,516**	13,095
Discontinued operation	**(404)**	(2,097)
Cash generated from operating activities	**6,112**	10,998
Income taxes paid	**(1,116)**	(2,792)
Net cash generated from operating activities	**4,996**	8,206
Cash flows from investing activities		
Purchase of property, plant and equipment	**(2,553)**	(563)
Proceeds from sale of property, plant and equipment	**6**	-
Purchase of businesses, net of cash acquired	**(19,654)**	(1,100)
Purchases of intangible assets	**(1,595)**	(1,437)
Sale of discontinued operations	**(10)**	-
Interest received	**213**	385
Net cash used in investing activities	**(23,593)**	(2,715)
Cash flows from financing activities		
Share options exercised	**-**	4
Share buy back	**-**	(187)
Purchase of shares by the Employee Benefit Trust	**(2,008)**	-
Equity dividends paid	**(3,661)**	(3,296)
Interest paid	**(49)**	(33)
Net cash used in financing activities	**(5,718)**	(3,512)
Net (decrease)/increase in cash and cash equivalents	**(24,315)**	1,979
Cash and cash equivalents at beginning of period	**36,876**	35,036
Exchange gain/(loss) on cash and cash equivalents	**78**	(139)
Cash and cash equivalents at end of period	**12,639**	36,876

* Restated to reflect the classification of Berlin Verlag GmbH as a discontinued operation

NOTES

1. Accounting policies

The above unaudited financial information does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The above figures for the year ended 29 February 2012 are an abridged version of the Company's financial statements which will be reported on by the Company's auditors before dispatch to the shareholders and filing with the Registrar of Companies. The preliminary announcement was approved by the Board and authorised for issue on 22 May 2012.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union ("EU") at the time of preparing these financial statements and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies applied in the year ended 29 February 2012 are consistent with those applied in the financial statements for period ended 28 February 2011.

The statutory financial statements for the period ended 28 February 2011 have been lodged with the Registrar of Companies. These financial statements received an audit report which was unqualified and did not include any reference to matters to which the auditors drew attention by way of emphasis without qualifying their report or a statement under section 498(2) or section 498(3) of the Companies Act 2006.

NOTES

2. Segmental analysis

On 1 March 2011, the Group reorganised its structure into four worldwide publishing divisions: Adult, Children's & Educational, Academic & Professional and Information. These changes were made in order to align the Group's structure with the increasing globalisation of the publishing business and the growing demand for digital content. These divisions are the basis on which the Group reports its primary segment information and the results for the period ended 28 February 2011 have been restated accordingly. Segments derive their revenue from book publishing, sale of publishing and distribution rights, management and other publishing services.

The analysis by segment for continuing operations is shown below:

Year ended 29 February 2012

	Adult	Children's & Educational	Academic & Professional	Information	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External revenue	**45,112**	**25,591**	**23,053**	**3,643**	**-**	**97,399**
Cost of sales	(21,920)	(13,132)	(6,250)	(899)	-	(42,201)
Gross profit	**23,192**	**12,459**	**16,803**	**2,744**	**-**	**55,198**
Marketing and distribution costs	(6,583)	(4,104)	(3,401)	(69)	-	(14,157)
Contribution before administrative expenses	**16,609**	**8,355**	**13,402**	**2,675**	**-**	**41,041**
Administrative expenses	(11,845)	(6,073)	(9,250)	(1,816)	-	(28,984)
Operating profit before highlighted items	**4,764**	**2,282**	**4,152**	**859**	-	**12,057**
Intangible asset amortisation	(60)	(181)	(1,142)	(5)	(211)	**(1,599)**
Other highlighted items	-	-	-	-	(2,046)	**(2,046)**
Operating profit/(loss)	**4,704**	**2,101**	**3,010**	**854**	**(2,257)**	**8,412**
Finance income	-	-	-	-	160	**160**
Finance costs	-	-	-	-	(108)	**(108)**
Profit/(loss) before taxation - continuing operations	**4,704**	**2,101**	**3,010**	**854**	**(2,205)**	**8,464**
Taxation	-	-	-	-	(1,367)	**(1,367)**
Profit/(loss) for the year– continuing operations	**4,704**	**2,101**	**3,010**	**854**	**(3,572)**	**7,097**
Depreciation	243	138	29	1	-	**411**
Capital expenditure	-	-	-	-	4,130	**4,130**

NOTES

2. Segmental analysis (continued)

Period ended 28 February 2011 – restated [1, 2, 3]

	Adult	Children's & Educational	Academic & Professional	Information	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External revenue	**47,995**	**26,096**	**16,226**	**2,827**	**-**	**93,144**
Cost of sales	(23,555)	(12,615)	(6,005)	(373)	-	(42,548)
Gross profit	**24,440**	**13,481**	**10,221**	**2,454**	**-**	**50,596**
Marketing and distribution costs	(7,836)	(3,807)	(2,722)	(84)	-	(14,449)
Contribution before administrative expenses	**16,604**	**9,674**	**7,499**	**2,370**	**-**	**36,147**
Administrative expenses	(13,033)	(8,162)	(5,783)	(1,257)	-	(28,235)
Operating profit before highlighted items	**3,571**	**1,512**	**1,716**	**1,113**	**-**	**7,912**
Intangible asset amortisation	(60)	(101)	(905)	-	(70)	(1,136)
Impairment of non-current assets	-	-	-	-	(969)	(969)
Other highlighted items	-	-	-	-	(655)	(655)
Operating profit/(loss)	**3,511**	**1,411**	**811**	**1,113**	**(1,694)**	**5,152**
Finance income	-	-	-	-	403	403
Finance costs	-	-	-	-	(49)	(49)
Profit/(loss) before taxation - continuing operations	**3,511**	**1,411**	**811**	**1,113**	**(1,340)**	**5,506**
Taxation	-	-	-	-	(1,311)	(1,311)
Profit/(loss) for the period – continuing operations	**3,511**	**1,411**	**811**	**1,113**	**(2,651)**	**4,195**
Depreciation	364	206	43	2	-	**615**
Capital expenditure	-	-	-	-	1,219	**1,219**

[1] Restated following the change of the Group's internal reporting structure from geographic to divisional
[2] Restated to reflect the classification of Berlin Verlag GmbH as a discontinued operation
[3] Restated to reflect the change in classification of certain staff costs as administrative expenses

Total Assets

	29 February 2012	28 February 2011
	£'000	£'000
Adult	**8,611**	13,775
Children's & Educational	**9,670**	7,280
Academic & Professional	**46,968**	32,674
Information	**61**	124
Unallocated	**81,063**	89,865
Total assets	**146,373**	143,718

2. Segmental analysis (continued)

External sales by destination – continuing operations

	Source			
	United Kingdom	North America	Australia	Total
	£'000	£'000	£'000	£'000
Destination				
Year ended 29 February 2012				
United Kingdom (country of domicile)	52,509	-	-	52,509
North America	2,581	23,487	-	26,068
Continental Europe	5,906	-	-	5,906
Australasia	210	-	6,312	6,522
Far and Middle East	4,966	-	-	4,966
Rest of the world	1,428	-	-	1,428
Overseas countries	15,091	23,487	6,312	44,890
	67,600	**23,487**	**6,312**	**97,399**
Fourteen months ended 28 February 2011 ***(restated*)***				
United Kingdom (country of domicile)	49,114	-	-	49,114
North America	1,179	21,734	-	22,913
Continental Europe	7,522	-	-	7,522
Australasia	4,332	-	965	5,297
Far and Middle East	5,066	-	-	5,066
Rest of the world	3,232	-	-	3,232
Overseas countries	21,331	21,734	965	44,030
	70,445	**21,734**	**965**	**93,144**

*Restated to reflect the classification of Berlin Verlag GmbH as a discontinued operation

Analysis of non-current assets (excluding deferred tax assets) by geographic location:

	29 February 2012	28 February 2011
	£'000	£'000
United Kingdom (country of domicile)	**51,838**	34,528
North America	**3,934**	3,575
Continental Europe	**-**	101
Australia	**11**	2
Total	**55,783**	38,206

NOTES

3. Taxation

Factors affecting tax charge for the period:

The tax on the group's profit before tax differs from the standard rate of corporation tax in the United Kingdom of 26.17% (2011: 28%). The reasons for this are explained below:

	Year ended 29 February 2012		14 months ended 28 February 2011 *(Restated)**	
	£'000	**%**	£'000	%
Profit before taxation	**8,464**	**100.00**	5,506	100.00
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.17% (2011: 28%)	**2,215**	**26.17**	1,542	28.00
Effects of:				
Non-deductible revenue expenditure	**18**	**0.21**	(27)	(0.49)
Non-qualifying depreciation	**17**	**0.20**	34	0.62
Share-based payment transactions	**73**	**0.86**	150	2.73
Movement in unrecognised temporary differences	**(223)**	**(2.63)**	-	-
Different rates of tax in foreign jurisdictions	**232**	**2.74**	(13)	(0.24)
Tax losses (utilised)/not utilised	**-**	**-**	(207)	(3.75)
Movement in deferred tax rate	**(96)**	**(1.13)**	(95)	(1.73)
Adjustment to tax charge in respect of prior periods				
Current tax	**(175)**	**(2.07)**	(55)	(1.00)
Deferred tax	**(83)**	**(0.98)**	(5)	(0.09)
Tax charge for the period before highlighted and other non-recurring items	**1,978**	**23.37**	1,324	24.05
Highlighted and other non-recurring items:				
Disallowable costs incurred on acquisitions, abortive acquisitions and moving head office	**82**	**0.97**	143	2.60
Impairment of goodwill	**-**	**-**	271	4.92
Recognition of deferred tax asset on US tax losses not previously recognised	**-**	**-**	(427)	(7.76)
Utilisation of overseas losses in the UK	**(693)**	**(8.19)**	-	-
Tax charge for the period	**1,367**	**16.15**	1,311	23.81

NOTES

4. Dividends

	Year ended 29 February 2012 £'000	14 months ended 28 February 2011 £'000
Amounts paid in the period		
Prior period second interim 3.91p dividend per share paid in the period (2011: nil)	**2,825**	-
Prior period final 0.28p dividend per share paid in the period (2011: 3.65p)	**202**	2,698
Interim 0.89p dividend per share paid in the period (2011: 0.81p)	**643**	598
	3,670	3,296
Amounts arising in respect of the period		
Interim 0.89p dividend per share for the period (2011: 0.81p)	**643**	598
Second interim of nil dividend per share for the period (2011: 3.91p)	**-**	2,825
Proposed 4.31p final dividend per share for the period (2011: 0.28p)	**3,114**	202
	3,757	3,625

The Directors are recommending a final dividend of 4.31p pence per share, which, subject to shareholder approval at the Annual General Meeting, will be paid on 25 September 2012 to shareholders on the register at close of business on 31 August 2012.

The total dividend for the year ended 29 February 2012 is 5.20 pence per share, a 4.0% increase on the total dividend for the period ended 28 February 2011. Based on the number of shares currently in issue, excluding shares held by the Employee Benefit Trust, the final dividend will be £3,114,000. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

NOTES

5. Earnings per share

	Year ended 29 February 2012 £'000	14 months ended 28 February 2011 £'000
Profit for the period from continuing operations[1]	**7,097**	4,195
Loss for the period from discontinued operations[1]	**(3,724)**	(1,966)
Profit attributable to equity holders of the parent[1]	**3,373**	2,229
	Number	Number
Weighted average shares in issue	**72,387,195**	73,844,724
Dilution[2]	**2,003,022**	-
Diluted weighted average shares in issue	**74,390,217**	73,844,724
Basic earnings per share	**4.66p**	3.02p
From continuing operations	**9.80p**	5.68p
From discontinued operations	**(5.14)p**	(2.66)p
Diluted earnings per share	**4.53p**	3.02p
From continuing operations	**9.54p**	5.68p
From discontinued operations	**(5.01)p**	(2.66)p
Adjusted profit attributable to equity holders of the parent[3] (£'000)	**9,870**	6,596
Adjusted basic earnings per share	**13.63p**	8.93p
Adjusted diluted earnings per share	**13.27p**	8.93p

[1]Profit and earnings per share values are stated after tax
[2]The dilution is in respect of unexercised share options and the performance share plan
[3]Adjusted profit is post-tax earnings generated by continuing operations before taking account of highlighted items

6. Acquisitions

The Continuum International Publishing Group Limited

On 9 July 2011 the Group acquired 100% of the share capital of The Continuum International Publishing Group Limited ("Continuum") for a cash consideration of £18,048,000. The acquisition has been accounted for by the acquisition method of accounting. Bloomsbury's strategy has been to increase its proportion of academic and professional revenues compared to trade revenues through retail channels. Academic revenues are more predictable and have a lower related cost of sale resulting in higher margins. Around 60% of Continuum's sales are outside the UK thereby increasing Bloomsbury's presence to the global book market.

The table below summarises the book values of the major categories of assets and liabilities of Continuum at the date of acquisition by the Group and their fair values included in the consolidated financial statements at that date.

	Book value	Alignment of accounting policy	Fair value adjustments	Total fair value to the Group
Net assets acquired	£'000	£'000	£'000	£'000
Identifiable intangible assets	-	-	6,352	6,352
Property, plant and equipment	68	-	-	68
Inventories	3,276	(200)	-	3,076
Trade and other receivables	4,048	(209)	-	3,839
Cash and cash equivalents	916	-	-	916
Net deferred tax liability	-	-	(286)	(286)
Payables and provisions	(2,677)	-	(1,550)	(4,227)
	5,631	**(409)**	**4,516**	**9,738**
Goodwill				8,310
Cash consideration				**18,048**

Identifiable intangible assets of £6,352,000 consist of publishing rights of £5,720,000 and imprints of £632,000. The publishing rights have a useful life of 15 years and imprints 20 years. The goodwill arising of £8,310,000 is attributable to the expected profitability of the acquired business and the synergies expected to arise after the acquisition.

Cash consideration above excludes the settlement of management bonuses and loan notes held by Continuum which were paid by the Group as part of the transaction on behalf of the vendor. Including these outflows, total cash outlay in relation to the acquisition was £20,100,000.

Transaction costs of £235,000 have been expensed in the period within highlighted items (see note 8).

From 9 July 2011 revenue of £7,113,000 and profit attributable to equity shareholders of £825,000 has been included in the consolidated income statement in relation to Continuum.

If the acquisition had occurred on 1 March 2011 the revenue and profit attributable to shareholders of the combined entity from continuing operations for the current reporting period would have been £101,149,000 and £7,126,000 respectively. These pro forma amounts do not include any possible synergies from the acquisition. The pro forma information is provided for comparative purposes only and does not necessarily reflect the actual results that would have occurred, nor is it necessarily indicative of future results of operations of the combined companies.

7. Discontinued Operation

On 28 February 2012 the Group sold its German subsidiary Bloomsbury Verlag GmbH to Pendo Betilligungsgesellschaft mbH, a subsidiary of Bonnier AB, for a cash consideration of €2,600,000 (£2,158,000). The sale of this segment was accompanied by the sale for €1,800,000 (£1,500,000) of German language rights in relation to Bloomsbury trade publications and the use of the Bloomsbury Berlin and associated brands for a period of three years to Piper Verlag, another subsidiary of Bonnier AB. The revenue from the rights sale is included within continuing operations. The decision to sell this segment followed a strategic decision to focus on English language publishing.

The subsidiary was not a discontinued operation or classified as held for sale at 28 February 2011. The comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Results of discontinued operation

	Year ended 29 February 2012 £'000	14 months ended 28 February 2011 £'000
Revenue	**5,818**	10,254
Expenses excluding highlighted items	**(8,510)**	(10,851)
Results from operating activities before highlighted items	**(2,692)**	(597)
Highlighted items	**43**	(689)
Results from operating activities	**(2,649)**	(1,286)
Taxation	**-**	(680)
Results from operating activities net of tax	**(2,649)**	(1,966)
Loss on sale of discontinued operation	**(1,023)**	-
Taxation on sale of discontinued operation	**(52)**	-
Loss for the period	**(3,724)**	(1,966)
Earnings per share - discontinued operations		
Basic earnings per share	**(5.14)p**	(2.66)p
Diluted earnings per share	**(5.01)p**	(2.66)p

The entire loss from the discontinued operation of £3,724,000 (2011: loss of £1,966,000) is attributable to the owners of the Company.

7. Discontinued Operation (continued)

The effect of the disposal on the financial position of the Group is as follows:

	Year ended 29 February 2012 £'000
Property, plant and equipment	**(102)**
Inventories	**(1,600)**
Trade and other receivables	**(2,933)**
Cash and cash equivalents	**(10)**
Trade and other payables	**815**
Net assets and liabilities	**(3,830)**
Total consideration	**2,158**
Net assets disposed	**(3,830)**
Foreign exchange recycled to the income statement on disposal	**985**
Transaction expenses	**(336)**
Net loss on disposal	**(1,023)**
Consideration received, satisfied in cash	**2,158**
Cash and cash equivalents disposed of	**(10)**
Net cash inflow	**2,148**

The cash consideration was received in March 2012.

8. Highlighted items

	Year ended 29 February 2012 £'000	14 months ended 28 February 2011 *Restated** £'000
Amortisation of intangible assets	**1,599**	1,136
Impairment of goodwill	**-**	969
Professional fees on acquisitions	**237**	25
Relocation of headquarters	**447**	196
Aborted acquisition costs	**76**	313
Restructuring costs	**1,286**	121
Highlighted items attributable to continuing operations	**3,645**	2,760
Highlighted items attributable to discontinued operations	**980**	689
Total highlighted items	**4,625**	3,449

*Restated to reflect the classification of Berlin Verlag GmbH as a discontinued operation

NOTES

8. Highlighted items (continued)

Highlighted items attributable to discontinued operations of £980,000 relate to the loss on disposal of BerlinVerlag GmbH of £1,023,000 and a write back of non-incurred restructuring costs of £43,000. The 2011 charge related to Berlin Verlag GmbH goodwill asset impairment and restructuring costs.

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 costs of £237,000 were incurred primarily in relation to the acquisition of Continuum International Publishing Group Limited, see note 6 (2011: £25,000 incurred in relation to the acquisition of Duckworth Academic).

The Group incurred costs of £447,000 (2011: £196,000) relating to the relocation of its Head Office to Bedford Square in August 2011, including professional fees and additional rental expense while the new premises were refurbished.

Aborted acquisition costs of £76,000 (2011: £313,000) related to professional fees in connection with the acquisition of a business which did not go ahead following the due diligence process.

Restructuring costs of £1,286,000 (2011: £212,000) have been incurred as a result of the strategic global reorganisation of the Bloomsbury Group and the acquisition of Continuum.

9. Trade and other receivables

	2012	2011
	£'000	£'000
Gross trade receivables	**28,897**	27,145
Less: provision for impairment of receivables	**(655)**	745
Less: provision for returns	**(4,704)**	(6,512)
Net trade receivables	**23,538**	21,378
Income tax recoverable	**437**	-
Other receivables	**1,238**	191
Prepayments and accrued income	**30,218**	27,150
Total trade and other receivables	**55,431**	48,719

Included within trade and other receivables are the following provisions:

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 statement of financial position in anticipation of book returns received subsequent to the period end. A provision for the Group of £4,704,000 (2011: £6,512,000), at margin for future returns relating to the current year and prior period sales has been included in trade receivables in the statement of financial position at 29 February 2012.

NOTES

9. Trade and other receivables (continued)

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 charged to the income statement for the difference between the carrying value and the anticipated recoverable amount from future earnings ("advance provision"). The advance provision charged to the income statement for the Group was £5,191,000 for the year to 29 February 2012 (period to 28 February 2012: £3,668,000). The net advance is included within prepayments and accrued income.

10. Annual General Meeting

The Annual General Meeting will be held at on 23 July 2012.

11. Report and Accounts

Copies of the Annual Report and Financial Statements will be circulated to shareholders in July and can be viewed after the posting date on the Bloomsbury website.