21 May 2013

BLOOMSBURY PUBLISHING Plc

(“Bloomsbury” or “the Group”)

Unaudited Preliminary Results for the year ended 28 February 2013

Bloomsbury Publishing Plc today announces unaudited results for the year ended 28 February 2013.

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.

Financial highlights

The highlights for the year ended 28 February 2013 include:

- Continuing* profit before tax and highlighted** items up 3% to £12.5 million (2012: £12.1 million)
- Continuing* profit before tax up 16% to £9.8 million (2012: £8.5 million)
- Continuing* turnover up 1% to £98.5 million (2012: £97.4 million)
- Total dividend increased by 5.8% to 5.50 pence per share (2012: 5.20 pence per share)
- Net cash increased to £14.6 million (2012: £12.6 million)

Operating highlights

- **Academic & Professional business fulfilling promise**
  - Successful development of academic list integrated with trade
  - Voted Academic, Educational and Professional Publisher of the Year at the Bookseller Industry Awards
  - Bloomsbury Academic & Professional voted Publisher of the Year by the Independent Publishers Guild
  - Now generates 29% of continuing Group sales (2012: 24%)
  - Acquisitions of Fairchild Books and Applied Visual Arts Publishing

- **Digital sales continuing to flourish**
  - Huge e-book growth with sales increasing by 61% to £9.1 million (2012: £5.7 million)
  - Innovative online knowledge hubs including The Churchill Archive and Drama Online

- **Bestsellers across the Group**
  - Strong performance from portfolio of high quality cookery books, including Paul Hollywood’s *How to Bake* and *Bread*, Russell Norman’s *Polpo*, and significant sales

from established authors including Hugh Fearnley-Whittingstall, Heston Blumenthal, Raymond Blanc and many more
  - In the Children's and Educational division, highlights included *Hogwart's Library* by JK Rowling, *Princess Academy: Palace of Stone* by Shannon Hale, *Throne of Glass* by Sarah J Maas and *Steve Jobs* by Karen Blumenthal

- **Major potential bestsellers for 2013 in Adult Division**

  - *And the Mountains Echoed* by Khaled Hosseini
  - *The Signature of All Things* by Elizabeth Gilbert
  - *The Bone Season* by Samantha Shannon
  - *MasterChef: the finalists*
  - *The Wit and Wisdom of Boris Johnson* by Harry Mount

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

"This is an excellent performance.

Bloomsbury's core attributes of entrepreneurship, innovation, publicity flair and tight control of costs have led to the delivery of One Global Bloomsbury, and the future performance we have now set the stage for as we enjoy the synergies and sales advantages of having delivered a unified worldwide publishing group. In our strategy for growth we are targeting 50% of profit to be digital within five years, with Bloomsbury being the number one applied visual arts and independent humanities and social science publisher in Europe. Over that time we aim to be the number one publisher of choice in cookery, sport and natural history, with an Information division which has a global base delivering increasing revenues from digital knowledge hubs.

We start the year with a very strong programme led by today's publication of *And the Mountains Echoed* by bestselling author Khaled Hosseini"

* Continuing turnover and profit excludes Bloomsbury's former German subsidiary, Bloomsbury Verlag GmbH, which was sold on 28 February 2012, and which was treated as discontinued in the 2012 financial statements.
** Highlighted items comprises amortisation of intangible assets, professional fees on acquisitions, relocation of headquarters, restructuring costs, business set up costs and a gain on bargain purchase price.

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Chief Executive's Statement

Overview

The Group delivered an excellent performance for the year with growth in both turnover and profits. Continuing profit before tax and highlighted items** for the year of £12.5 million was up 3% on the year ended 29 February 2012 of £12.1 million. Continuing profit before tax was £9.8 million, up 16% on the year ended 29 February 2012 of £8.5 million. Continuing revenue was up 1% to £98.5 million (2011/12: £97.4 million).

Bloomsbury has succeeded in developing itself into a wholly integrated trade and academic publisher in the major markets around the world. We are now recognised as one of the finest publishers of both general and of academic books. This is an early delivery of our strategic vision for One Global Bloomsbury, integrating our operations in trade and academic publishing in Britain, America, Australia and India. In May, we were voted Academic, Educational and Professional Publisher of the Year at the Bookseller Industry Awards. In March, the Independent Publishers Guild voted Bloomsbury's Academic & Professional division Independent Publisher of the Year. Both are notable achievements less than five years after we launched our academic division. We beat even the university presses, established hundreds of years ago, to these awards this year. The power of the Bloomsbury brand resonates and crosses over from our trade bestsellers to attract academic authors as the whole brand becomes stronger than the sum of its parts due to successful brand initiatives like our public engagement programme The Bloomsbury Institute. The judges singled out the power of our brand.

During the year, our trade authors have also been singled out for exceptional recognition, with extra sales being driven as a result of short-listings for major prizes including the Man Booker Prize and winning the Orange Prize. In 2012 we made the title acquisitions which will underpin what should be a very strong 2013/14 in the Adult division as we publish a wide range of bestsellers from Paul Hollywood's *Bread* (which reached number 1 in The Times Bestseller List) to Khaled Hosseini's stunning *And The Mountains Echoed* which is published today following his bestseller *The Kite Runner*, to Elizabeth Gilbert's masterpiece *The Signature of All Things* and Samantha Shannon's remarkable first novel *The Bone Season,* both published in October. Our Adult division's strength in cookery publishing, which saw us win Waterstone's Book of The Year in December with *Polpo*, will increase in 2013 with the first publication in the new partnership with MasterChef.

We are doing this from a tightly controlled cost base with an intense drive for savings. During the year our print purchasing was put out to tender: buying as a Group for the first time since our numerous acquisitions, we have reduced our print expense having secured favourable volume-based deals from fewer suppliers. We have been cutting other costs in the business, with underlying administration costs being down by 1% year on year. This includes a tight control of Head Office expenditure – where our rent is only £28 per square foot. A further cost reduction plan has been implemented for 2013.

We are industry leaders in our digital strategy with a wide range of digital initiatives producing good returns. Our knowledge hub programme has made huge progress. We successfully launched the Churchill Archive in October 2012 and Drama Online in February 2013 both to praise and good early sales. The Churchill Archive was described by the judges of the Independent Publishers Guild's digital publishing award as 'a dynamite digital product' to which

Bloomsbury 'has added stacks of value to the material'. The Churchill Centre has acquired access to the Churchill Archive from Bloomsbury for every secondary school in the USA, UK and Canada in a ground breaking initiative.

We made two academic acquisitions in the year, Fairchild Books and Applied Visual Arts Publishing. In the year ended 28 February 2013 our non-trade divisions accounted for 61% of the Group's operating profit before highlighted items and 33% of the revenue. We now have 20 publishing specialisations in our stable and are market leaders in subjects from the Classics and Drama to Fashion Studies, Theology and Continental Philosophy. The Independent Publishers Guild judges said, when giving Bloomsbury its award: "Judges singled out the division for the breadth of its academic and professional publishing and its clear vision for what it wishes to achieve. Even allowing for the resources at its disposal, they recognized a Group with a true entrepreneurial and independent spirit…It has used its money wisely and made everything work exceptionally well." The Booksellers Award judges said "Success has been due to organic growth and innovative business models – and it has completely redefined Bloomsbury as a publisher".

These acquisitions join the 18 other acquisitions made in recent years by Bloomsbury. They have enabled the Group to change the shape of its business, to exploit the potential in portfolios which adapt readily to the emerging digital-based business model and balance the transformation of its traditional trade business with the annuity income more possible in its new business structure.

Excluding acquisitions and the *Harry Potter* series (which had a strong previous year following the release of the final film in August 2011) title sales in the underlying business were up year on year. This performance was, importantly, achieved without dependence on any single runaway bestseller. This is a sign of strength in the Group as our portfolio broadens. Total title sales included digitally-distributed sales of £10.0 million, which saw excellent growth year on year of 71% from £5.9 million in 2011/12. Within this e-book sales continue to grow strongly, increasing by 61% to £9.1 million and now representing 9% of total Group turnover (2011/12: 6%) and 13% of the Adult turnover (2011/12: 9%). Increasing the number of available e-book titles is a key part of our strategy and we now have 9,000 titles, 1,000 more than a year ago.

Richard Mollet, Chief Executive of The Publishers Association, said: "The Publishers Association's Statistics Yearbook 2012 shows that British publishing is a healthy industry which continues to grow. The continued increase in digital sales across different disciplines illustrates the shift of readers to e-book reading. Such growth has been achieved as British publishers have been able to invest in new exciting, innovative products and in great authors thanks to the strong framework provided by copyright law, which continues to be the cornerstone of stability for a creative industry like publishing".

Bloomsbury's core attributes of entrepreneurship, innovation, publicity flair and tight control of costs have led to the delivery of One Global Bloomsbury, and the future performance we have now set the stage for as we enjoy the synergies and sales advantages of having delivered a unified worldwide publishing group. In our strategy for growth we are targeting 50% of profit to be digital within five years, with Bloomsbury being the number one applied visual arts and independent humanities and social science publisher in Europe. Over that time we aim to be the number one publisher of choice in cookery, sport and natural history, with an Information division which has a global base delivering increasing revenues from digital knowledge hubs.

Financial results

Group financial results are summarised in the table below.

Continuing results	**Unaudited Year ended 28.2.13 £m**	**Audited Year ended 29.2.12 £m**	**Increase year on year %**
Profit before tax and highlighted items	12.5	12.1	3%
Profit before tax	9.8	8.5	16%
Revenue	98.5	97.4	1%

Continuing revenue has increased by 1% to £98.5 million. The majority of our revenue derives from title sales, which were up by 3% year on year to £87.0 million. The mix within title sales is increasingly moving towards digital and away from print. Print sales fell by £1.9 million, 2%, to £77.0 million, but digital sales rose by £4.2 million, 71%, to £10.0 million, leading to a total title sales increase of £2.2 million. Rights and services revenue, which is primarily from copyright licensing, had another good performance with revenues of £11.5 million, £1.1 million down on the exceptional result in 2011/12 but significantly ahead of 2010/11.

Underlying revenue, which excludes the result of the two businesses we acquired during the year, Fairchild Books and Applied Visual Arts Publishing, was down by £4.9million, 5% to £92.5 million, principally due to lower sales of Harry Potter titles in the absence of a new film. This was more than mitigated by the £6.0 million contribution to turnover from our new acquisitions in the year.

The continuing operating profit margin before highlighted items increased to 12.6%. In 2012/13 production, marketing and distribution costs were all a smaller percentage of sales than in 2011/12.

The launch of our Indian publishing business in New Delhi in August was a success. Its performance was better than anticipated, with a loss of £0.2 million, as a result of sales exceeding expectations including our first number one bestseller in India and rigorous cost control.

The academic acquisitions, the set-up of our business in India and other strategic initiatives have resulted in £0.3 million of costs which, together with intangible amortisation, are highlighted separately in the financial statements.

The continuing effective rate of tax for the year was 20.6% compared to 16.2% for the year ended 29 February 2012. The prior year rate was reduced by the offset of substantial overseas losses in 2011/12 relating to Bloomsbury Verlag.

Continuing diluted earnings per share, excluding highlighted items, were 13.11 pence, down from 13.27 pence in 2011/12 largely as a result of the tax credit from overseas losses in that year. Total continuing diluted earnings per share for the year were 10.46 pence, up from 9.54 pence in 2011/12.

The Group's net cash balance increased to £14.6 million at 28 February 2013 from £12.6 million at 29 February 2012. This movement includes £1.7 million outflow for acquisition investment and the receipt of £2.2 million for the disposal of Bloomsbury Verlag.

Divisional Review

Academic & Professional – *fulfilling promise*

Bloomsbury took a strategic decision in 2008 to build an academic and professional business that was not reliant on the UK retail sector. The commercial aim of the new division is to build a sustainable business that matches the combined turnover of our Trade divisions.

The division has built up a significant holding in humanities and social sciences publishing, with a vibrant and growing tax and law business. Its acquisitions include Methuen Drama, Berg Publishers, Tottel Publishing, Arden Shakespeare, Bristol Classical Press, Continuum International, Fairchild Books and Applied Visual Arts Publishing.

The combination of excellent title sales in the key UK and US markets, two further acquisitions and some longer-term licensing deals have meant that 2012/13 was a good year for the division, despite very strong 2011/12 comparatives.

The Academic & Professional division generated 29% of Group continuing revenue this year (2011/12: 24%) and 42% of the Group continuing operating profit before highlighted items (2011/12: 34%). Export revenues now account for half of divisional turnover, with a significant and growing proportion of revenues from e-books and digital, annuity-based services. The division's results are summarised below:

	Unaudited Year ended 28.2.13 £m	Audited Year ended 29.2.12 £m	Change Year on year £m	% change Year on year
Continuing operating profit before highlighted items	5.2	4.1	1.1	26%
Underlying operating profit before highlighted items	3.2	4.1	(0.9)	(22%)
Continuing revenue	29.0	23.1	5.9	26%
Underlying revenue*	23.1	23.1	-	-
Underlying title revenue*	20.8	19.0	1.8	9%

* Underlying revenue excludes the revenue from businesses acquired during the 2012/13 financial year

Bloomsbury continued its strategy of acquiring high quality assets in areas complementary to its existing academic and professional lists, with the purchase of two applied visual arts lists: Fairchild Books in March 2012 for £3.8 million and Applied Visual Arts Publishing in June 2012 for £1.8 million. Combined with Bloomsbury's existing visual arts lists and academic list Berg, this makes us the leading global publisher in this field. These acquisitions contributed £6.0 million of turnover and £2.0 million of incremental operating profit before highlighted items in the year ended 28 February 2013.

Excluding these acquisitions, there was excellent underlying growth in title sales which increased by 9%, £1.8 million, to £20.8 million. Rights and services revenue reduced by £1.8 million to £2.3 million following a very strong year in 2011/12, causing the £0.9 million reduction in underlying operating profit before highlighted items.

New title output now exceeds 1,000 titles per year, with an increasing focus on digital publishing. We expect digital revenues to increase as we rapidly expand our portfolio of subscription services.

In October 2012 Bloomsbury published the Churchill Archive online, in conjunction with the Sir Winston Churchill Archive Trust. The work comprises almost one million pages, in digital format for university libraries, public libraries and schools to access on demand. The content of the archive has been made available to a global audience who will be able to study one of the largest and most important collections of primary source material of any individual leader in history. All secondary schools in the UK, USA and Canada will be granted access to the entire digital Churchill Archive thanks to funding from the Churchill Centre.

In February 2013 Bloomsbury launched Drama Online, an online resource for plays, critical analysis and performance. Featuring the pre-eminent drama lists from Methuen Drama, Arden Shakespeare and Faber and Faber, Drama Online will offer a complete digital library of the most studied, performed and critically acclaimed plays from the last 2,500 years.

Bloomsbury Professional now has a number of online services including: UK Tax Online, Irish Company Law Online, Irish Property Law Online, Irish Tax Online and Financial Reporting Online. The Financial Reporting service is now used by a majority of the large accounting firms in the UK as the service of choice. Our pricing model is very attractive to users and the packages are well focused on customer needs. In October 2012, Bloomsbury Professional launched Tax Planner Interactive, which delivers online solutions rather than pure content to the end user.

The pipeline for academic and professional digital services is strong. Launches in 2013 will include a National Infrastructure Planning Service, a Business Advice and Compliance Service and Actors & Performers Online. Launches in 2014 will include Fashion Photography Online and Bloomsbury Collections Online.

Adult – *Digital sales flourish*

The Adult division generated 45% of Group continuing turnover this year (2011/12: 46%). Continuing turnover was £44.3 million (2011/12: £45.1million). Continuing operating profit before highlighted items was £3.7 million, (2011/12 £4.8million). Continuing operating profit margin before highlighted items for the division was 8% which compares very favourably with an industry average of 5.8%.

Print sales decreased by 7% to £34.3 million, but digital sales in the division rose 32% year on year to £5.6 million, representing 13% of continuing sales (2011/12: 9%).

The highest penetration of e-book sales remains in the USA at 27% of net title sales, but UK e-book sales are accelerating and now at 11% of net title sales. Other territories are also growing rapidly. Rights & Services revenue rose by 16% to £4.4 million (2011/12: £3.8 million).

In line with our strategy we focused our efforts on acquiring and publishing titles with global English-language rights. In particular we have invested in the area of high-quality cookery books with the potential for global sales. Our two most successful new authors in the year were Paul Hollywood with two titles, *How to Bake* and *Bread,* and Russell Norman with his Waterstone's Book of the Year, *Polpo*. We also saw significant and growing sales from our established author chefs such as Hugh Fearnley-Whittingstall, Heston Blumenthal, Atol Kochhar, Fergus Henderson, Raymond Blanc, Nikki Segnit, David Chang, Vivek Singh, Philip Howard and many more.

Literary prizes are becoming an ever more important way for book buyers to identify what they want to read. Madeline Miller won the Orange Prize for Fiction with *The Song of Achilles*, a brilliant re-telling of Homer's *Iliad*. The International IMPAC Dublin Literary Award is one of the richest literary prizes in the world and was won for the second year running by a Bloomsbury author, this time Jon McGregor with *Even the Dogs*. Paula Wilfert won the James Beard Award with *The Food of Morocco*, Alistair Hignell with *Higgy* was Rugby Book of the Year, and we were delighted that *Cuckoos of the World* was voted Bird Book of the Year by Birdwatch magazine.

We have also focused on publishing in print and digital for special interest markets. Jonathan Kingdon's six-volume *Mammals of Africa* is unique, comprehensive and authoritative. This was published alongside our established natural history list which continues its central role in ornithology, not least with the publication of Ralph Steadman's *Extinct Boids*.

Progressively we view the English-speaking market (and many non-native English territories) as a single market, particularly with internet and digital distribution channels. In this respect our two recent start-up businesses in Australia and India are vital to our functions of promoting our authors and developing sales and markets. India's first year has been good with bestsellers ranging from Manil Suri's *The City of Devi,* through William Dalrymple's *The Return of a King* to the first edition of the *Wisden India Almanack* edited by Suresh Menon.

Digital sales will continue to increase across the board with significant opportunities: geographical (India, Latin America, China), technological (colour, audio, interactivity etc) and reach (new e-tailers, social media, subscription, lending etc). The rate of growth in traditional e-book sales in USA is slowing but elsewhere there appears to be very significant opportunities for growth.

<u>Children's & Educational – *An innovative team builds for the future*</u>

Bloomsbury Children's & Educational division publishes quality books for children up to 16 years old to inspire a love of reading.

Turnover was £21.3 million (2011/12: £25.6 million). This reduction is largely due to a 22%, £5.1 million reduction year on year in print sales, which in turn is almost wholly due to lower sales of *Harry Potter* titles, with the release of the final film in that series in 2011 making the comparative for 2011/12 very strong. E-book sales grew to 10% of net title sales, up from 5% in 2011/12, with the strongest performance in the US market, but steeper growth in the UK. Closely managed costs and advance focus led to an improved gross profit margin of 53% compared to 49% in 2011/12.

The Educational division benefited from a community led marketing team focusing on direct selling and inherited titles from the Continuum acquisition, growing sales to £4.8m, up from £4.2m last year.

The children's trade division continues to acquire world rights to strengthen global publishing. With new publishing directors in both the UK and the US, the publishing strategy is to acquire market facing titles and to publish fewer books better, driving up profitability per title.

Digital innovation is a priority with interactive colour e-books and app marketing in development, along with an e-first imprint for the young adult market – Bloomsbury Spark. The Educational sub-division is developing its first online digital product – Music Express Online, which will launch in 2014.

Highlights from the 2012/13 year include *Hogwart's Library* by JK Rowling and *Princess Academy: Palace of Stone* by Shannon Hale, which entered the New York Times bestseller list. *Throne of Glass* by Sarah J Maas has sold in 12 languages and *Steve Jobs* by Karen Blumenthal sold almost 100,000 copies in the year. We also launched both the Bloomsbury Activity Books imprint and a new picture book list at Frankfurt Book Fair. Nicholas Lake won the prestigious Printz Award from the American Library Association for *In Darkness* and is also shortlisted for the Carnegie Medal along with *The Weight of Water*, a debut novel by Sarah Crossan.

Bloomsbury Information – *Knowledge hubs*

The core activities of Bloomsbury Information are the development of IP-rich knowledge hubs in cooperation with external partners, the provision of management and publishing services and publishing business, management, finance and reference titles.

The division generated 4% of Group continuing revenue this year (2011/12: 4%) and 19% of Group continuing operating profit before highlighted items (2011/12: 7%). Continuing revenue was £3.8 million, up 5% on £3.6 million for 2011/12. Continuing operating profit before highlighted items was £2.3 million, up £1.5 million compared to £0.9 million in 2011/12. Rights and services revenue of £3.4 million made up 90% of total continuing revenue.

Successes in the year include the continuing growth of www.QFinance.com, the digital knowledge hub for finance professionals created by Bloomsbury which now attracts over 300,000 unique visitors per month. Development of the IZA World of Labor, our knowledge hub targeted at policy makers in the field of labour economics which covers topics such as migration and minimum wage, is progressing well with launch scheduled for later this year.

The division continues to grow and is well placed to exploit digital, management services and other innovative business opportunities for the Group.

Dividend

The Directors are recommending a final dividend of 4.56 pence per share, which subject to shareholder approval at our Annual General Meeting on 23 July 2013, will be paid on 24 September 2013 to shareholders on the register at the close of business on 30 August 2013. Together with the interim dividend, this makes a total dividend for the year ended 28 February 2013 of 5.50p per share, a 5.8% increase on the 5.20p dividend for the year ended 29 February 2012. We have a progressive dividend policy which over the past six years has increased our dividend at a compound annual growth rate of 7%.

Bloomsbury's strategy delivers

Bloomsbury is a global fully integrated publisher of books and other media for general readers, children, students, researchers and professionals throughout the world. Bloomsbury uniquely offers authors access to these multiple markets in multiple formats throughout the world: in print, through e-books, through digital downloads and apps; in schools, in libraries, in universities, and in terrestrial and Internet bookshops, with entrepreneurial teams in New York, London, New Delhi and Sydney serving all territories.

The bringing together of general and scholarly publishing has already resulted in significant cost savings, better marketing reach, a balanced portfolio both editorially and financially, and excellent results. Bloomsbury's strategy over the next five years is to balance trade and non-trade publishing in the business to further enhance these benefits.

The Academic & Professional division aim is to be the number one applied visual arts publisher in the world, and within five years to be the number one independent humanities and social science publisher in Europe, with half of turnover coming from digital and subscription-based products.

The Adult division aims to be the number one publisher of choice in cookery, sport and natural history and in the top ten for quality fiction worldwide within five years.

Our overall strategy for Bloomsbury Children's & Educational books is to be recognised for great author care, independent spirit and innovation. Over the next five years we will develop Bloomsbury Activity books to be a leading profit generating list for the division, with half of the trade frontlist being illustrated books and 25% of all publishing being in a digital format.

The Bloomsbury Information division strategy is to increase revenues from digital knowledge hubs and broaden the base for services and partnerships. Over the next few years we intend to expand from the division's UK base and develop a global reach for Bloomsbury Information.

Outlook

Bloomsbury has an exceptional publishing programme for 2013/14. This includes *And the Mountains Echoed* by Khaled Hosseini, *The Signature of All Things* by Elizabeth Gilbert, *The Bone Season* by Samantha Shannon and the first book from our new MasterChef venture with Shine TV.

There are exciting opportunities for growth in many areas, including; digital sales (e-books, knowledge hubs and academic and professional online services), publishing services sales and global title sales - particularly in India, Latin America and China. We also have many internal operational improvements ongoing across the Group which will improve business efficiency, including a Group wide shift to content-led (XML-based) workflows to expedite the print and digital production process.

The publishing industry is going through changing times full of opportunity. With online and digital technology the book market is increasingly global, facilitating trade across Bloomsbury's international business. Global English language speakers and literacy generally are ever increasing. Our content has become more widely available through the increasing number of e-reading devices and the ease of acquiring e-books means that each consumer buys more titles than before. Fewer books are being sold through high street shops as e-book sales are continuing to grow. However, there will be a place for the physical book for many more years albeit mainly sold online.

Bloomsbury has been successfully steering a path through this shifting business model. The opportunities for selling our content and the different formats for our content are proliferating. Whereas content was historically only sold as an individual physical title, now we can sell content 24/7 as an e-book, bundle online rights for sale or create innovative knowledge hubs where access rights can be sold direct to the consumer. It is this innovation, together with our valuable intellectual property and respected Bloomsbury brand that form the core of Bloomsbury's strategy for growth.

UNAUDITED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2013

Continuing operations	Notes	**Year ended 28 February 2013 £'000**	Year ended 29 February 2012 £'000
Revenue	2	**98,479**	97,399
Cost of sales		**(41,242)**	(42,201)
Gross profit		**57,237**	55,198
Marketing and distribution costs		**(12,733)**	(14,157)
Administrative expenses		**(34,748)**	(32,629)
Operating profit before highlighted items		**12,414**	12,057
Highlighted items	8	**(2,658)**	(3,645)
Operating profit		**9,756**	8,412
Finance income		**117**	160
Finance costs		**(26)**	(108)
Profit before taxation and highlighted items		**12,505**	12,109
Highlighted items	8	**(2,658)**	(3,645)
Profit before taxation		**9,847**	8,464
Taxation	3	**(2,029)**	(1,367)
Profit for the year from continuing operations		**7,818**	7,097
Discontinued operation			
Loss for the year from discontinued operation	7	**(352)**	(3,724)
Profit for the year attributable to owners of the Company		**7,466**	3,373
Earnings per share attributable to owners of the Company - continuing operations			
Basic earnings per share	5	**10.81p**	9.80p
Diluted earnings per share	5	**10.46p**	9.54p

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2013

	Year ended 28 February 2013 £'000	Year ended 29 February 2012 £'000
Profit for the year	**7,466**	3,373
Other comprehensive income:		
Currency translation differences on foreign operations	**1,428**	365
Reclassification of translation reserve on disposal of foreign operation	**-**	(985)
Deferred tax on share-based payments	**(20)**	11
Other comprehensive income for the year net of tax	**1,408**	(609)
Total comprehensive income for the year attributable to the owners of the Company	**8,874**	2,764

Arises from:		
Continuing operations	**9,226**	7,473
Discontinued operation	**(352)**	(4,709)
Total comprehensive income for the year attributable to the owners of the Company	**8,874**	2,764

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2013

	Notes	**28 February 2013 £'000**	29 February 2012 £'000
Assets			
Goodwill		**35,134**	34,610
Other intangible assets		**20,111**	18,153
Property, plant and equipment		**3,006**	3,020
Deferred tax assets		**1,943**	2,336
Total non-current assets		**60,194**	58,119
Inventories		**25,584**	20,184
Trade and other receivables	9	**53,630**	55,431
Cash and cash equivalents		**14,625**	12,639
Total current assets		**93,839**	88,254
Total assets		**154,033**	146,373
Liabilities			
Retirement benefit obligations		**128**	157
Deferred tax liabilities		**3,306**	3,737
Other payables		**2,548**	341
Provisions		**377**	507
Total non-current liabilities		**6,359**	4,742
Trade and other payables		**31,579**	32,101
Current tax liabilities		**1,230**	193
Provisions		**57**	157
Total current liabilities		**32,866**	32,451
Total liabilities		**39,225**	37,193
Net assets		**114,808**	109,180
Equity			
Share capital		**924**	924
Share premium		**39,388**	39,388
Translation reserve		**5,044**	3,616
Other reserves		**2,314**	1,318
Retained earnings		**67,138**	63,934
Total equity attributable to owners of the Company		**114,808**	109,180

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

	Share capital £'000	Share premium £'000	Translation reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 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)**
At 29 February 2012	**924**	**39,388**	**3,616**	**22**	**3,438**	**(2,142)**	**63,934**	**109,180**
Profit for the year	-	-	-	-	-	-	7,466	7,466
Other comprehensive income								
Exchange differences on translating foreign operations	**-**	**-**	1,428	-	-	-	-	1,428
Deferred tax on share-based payment transactions	**-**	**-**	-	-	-	-	(20)	(20)
Total comprehensive income for the year	**-**	**-**	**1,428**	**-**	**-**	**-**	**7,446**	**8,874**
Transactions with owners								
Dividends to equity holders of the Company	**-**	**-**	-	-	-	-	(3,793)	(3,793)
Share options exercised	**-**	**-**	-	-	-	449	(449)	-
Share-based payment transactions	**-**	**-**	-	-	547	-	-	547
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**547**	**449**	**(4,242)**	**(3,246)**
At 28 February 2013	**924**	**39,388**	**5,044**	**22**	**3,985**	**(1,693)**	**67,138**	**114,808**

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2013

	Year ended 28 February 2013 £'000	Year ended 29 February 2012 £'000
Cash flows from operating activities		
Continuing operations		
Profit before tax	**9,847**	8,464
Finance income	**(117)**	(160)
Finance costs	**26**	108
Operating profit	**9,756**	8,412
Adjustments for:		
Depreciation of property, plant and equipment	**546**	411
Amortisation of intangible assets	**2,321**	1,599
Gain on bargain purchase	**(210)**	-
Loss on sale of property, plant and equipment	**-**	11
Share-based payment charges	**615**	255
	13,028	10,688
Increase in inventories	**(1,536)**	(342)
Decrease/(increase) in trade and other receivables	**883**	(5,690)
(Decrease)/increase in trade and other payables	**(3,935)**	1,860
Cash generated from continuing operations	**8,440**	6,516
Discontinued operation	**-**	(404)
Cash generated from operating activities	**8,440**	6,112
Income taxes paid	**(552)**	(1,116)
Net cash generated from operating activities	**7,888**	4,996
Cash flows from investing activities		
Purchase of property, plant and equipment	**(526)**	(2,553)
Proceeds from sale of property, plant and equipment	**-**	6
Purchase of businesses, net of cash acquired	**(1,686)**	(19,654)
Purchases of intangible assets	**(2,366)**	(1,595)
Sale of discontinued operations	**2,158**	(10)
Interest received	**41**	213
Net cash used in investing activities	**(2,379)**	(23,593)
Cash flows from financing activities		
Purchase of shares by the Employee Benefit Trust	**-**	(2,008)
Equity dividends paid	**(3,793)**	(3,661)
Interest paid	**(1)**	(49)
Net cash used in financing activities	**(3,794)**	(5,718)
Net increase/(decrease) in cash and cash equivalents	**1,715**	(24,315)
Cash and cash equivalents at beginning of year	**12,639**	36,876
Exchange gain on cash and cash equivalents	**271**	78
Cash and cash equivalents at end of year	**14,625**	12,639

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 28 February 2013 are an abridged version of the Group's financial statements which will be reported on by the Group's auditors before dispatch to the shareholders and filing with the Registrar of Companies and as such do not contain full disclosures under International Financial Reporting Standards ("IFRS"). The preliminary announcement was approved by the Board and authorised for issue on 21 May 2013.

The Group's financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union ("EU") at the time of preparing the Group's financial statements and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies applied in the year ended 28 February 2013 are consistent with those applied in the financial statements for year ended 29 February 2012.

The Group's statutory financial statements for the year ended 29 February 2012 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.

2. Segmental analysis

The Group is comprised of four worldwide publishing divisions: Adult, Children's & Educational, Academic & Professional and Information. These divisions are the basis on which the Group reports its primary segment information. 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 28 February 2013

	Adult	Children's & Educational	Academic & Professional	Information	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External revenue	**44,340**	**21,290**	**29,038**	**3,811**	**-**	**98,479**
Cost of sales	(22,010)	(10,090)	(9,041)	(101)	-	**(41,242)**
Gross profit	**22,330**	**11,200**	**19,997**	**3,710**	**-**	**57,237**
Marketing and distribution costs	(5,962)	(3,304)	(3,397)	(70)	-	**(12,733)**
Contribution before administrative expenses	**16,368**	**7,896**	**16,600**	**3,640**	**-**	**44,504**
Administrative expenses excluding highlighted items	(12,658)	(6,756)	(11,361)	(1,315)	-	**(32,090)**
Operating profit before highlighted items	**3,710**	**1,140**	**5,239**	**2,325**		**12,414**
Intangible asset amortisation	(150)	(181)	(1,562)	(5)	(423)	**(2,321)**
Other highlighted items	-	-	-	-	(337)	**(337)**
Operating profit/(loss)	**3,560**	**959**	**3,677**	**2,320**	**(760)**	**9,756**
Finance income	-	-	-	-	117	**117**
Finance costs	-	-	-	-	(26)	**(26)**
Profit/(loss) before taxation	**3,560**	**959**	**3,677**	**2,320**	**(669)**	**9,847**
Taxation	-	-	-	-	(2,029)	**(2,029)**
Profit/(loss) for the year from continuing operations	**3,560**	**959**	**3,677**	**2,320**	**(2,698)**	**7,818**
Depreciation	246	118	161	21	-	**546**
Capital expenditure	-	-	-	-	2,892	**2,892**

NOTES

2. Segmental analysis (continued)

Year ended 29 February 2012

	Adult £'000	Children's & Educational £'000	Academic & Professional £'000	Information £'000	Unallocated £'000	Total £'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 excluding highlighted items	(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	**4,704**	**2,101**	**3,010**	**854**	**(2,205)**	**8,464**
Taxation	-	-	-	-	(1,367)	**(1,367)**
Profit/(loss) for the year from 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**

Total Assets

	28 February 2013 £'000	29 February 2012 £'000
Adult	**10,623**	8,611
Children's & Educational	**10,598**	9,670
Academic & Professional	**52,550**	46,968
Information	**505**	61
Unallocated	**79,757**	81,063
Total assets	**154,033**	146,373

NOTES

2. Segmental analysis (continued)

External revenue by destination – continuing operations

	Source				
	United Kingdom £'000	North America £'000	Australia £'000	India £'000	Total £'000
Destination					
Year ended 28 February 2013					
United Kingdom (country of domicile)	44,036	-	-	-	44,036
North America	2,921	28,862	-	-	31,783
Continental Europe	8,164	-	-	-	8,164
Australasia	407	-	5,583	-	5,990
Middle East and Asia	4,737	-	-	294	5,031
Rest of the world	3,316	159	-	-	3,475
Overseas countries	19,545	29,021	5,583	294	54,443
	63,581	**29,021**	**5,583**	**294**	**98,479**
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
Middle East and Asia	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**

During the year sales to one customer exceeded 10% of Group revenue (2012: one customer). The value of these sales was £14,059,000 (2012: £13,638,000).

External continuing revenue by product type

	Year ended 28 February 2013 £'000	Year ended 29 February 2012 £'000
Print	**76,935**	78,878
Digital	**10,034**	5,872
Rights & Services[1]	**11,510**	12,649
Total	**98,479**	97,399

[1] Rights and services revenue includes income from copyright and trademark licences, management contracts, advertising and publishing services income.

NOTES

2. Segmental analysis (continued)

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

	28 2013 £'000	29 February 2012 £'000
United Kingdom (country of domicile)	**53,359**	51,838
North America	**4,807**	3,934
Other	**85**	11
Total	**58,251**	55,783

3. Taxation

Factors affecting tax charge for the year

The tax on the Group's profit before tax differs from the standard rate of corporation tax in the United Kingdom of 24.17% (2012: 26.17%). The reasons for this are explained below:

	Year ended 28 February 2013		Year ended 29 February 2012	
	£'000	**%**	£'000	%
Profit before taxation	**9,847**	**100%**	8,464	100.00
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.17% (2012: 26.17%)	**2,380**	**24.17**	2,215	26.17
Effects of:				
Non-deductible revenue expenditure	**129**	**1.31**	18	0.21
Non-qualifying depreciation	**23**	**0.24**	17	0.20
Share-based payment transactions	**40**	**0.41**	73	0.86
Movement in unrecognised temporary differences	**(237)**	**(2.41)**	(223)	(2.63)
Different rates of tax in foreign jurisdictions	**411**	**4.17**	232	2.74
Tax losses utilised	**(549)**	**(5.58)**	-	-
Movement in deferred tax rate	**(110)**	**(1.12)**	(96)	(1.13)
Adjustment to tax charge in respect of prior years				
Current tax	**(3)**	**(0.03)**	(175)	(2.07)
Deferred tax	**23**	**0.24**	(83)	(0.98)
Tax charge for the year before highlighted and other non-recurring items	**2,107**	**21.40**	1,978	23.37
Highlighted and other non-recurring items:				
Disallowable costs incurred on acquisitions, abortive acquisitions and moving head office	**18**	**0.18**	82	0.97
Disallowable gain on bargain purchase	**(53)**	**(0.54)**	-	-
Utilisation of Bloomsbury Verlag losses in the UK	**(43)**	**(0.44)**	(693)	(8.19)
Tax charge for the year	**2,029**	**20.60**	1,367	16.15

NOTES

4. Dividends

	Year ended 28 February 2013 £'000	Year ended 29 February 2012 £'000
Amounts paid in the year		
Second interim dividend for the period ended 28 February 2011 of 3.91p per share (see below)	**-**	2,825
Prior period final 4.31p dividend per share (2012: 0.28p)	**3,114**	202
Interim 0.94p dividend per share (2012: 0.89p)	**679**	643
	3,793	3,670
Amounts arising in respect of the year		
Interim 0.94p dividend per share for the year (2012: 0.89p)	**679**	643
Proposed 4.56p final dividend per share for the year (2012: 4.31p)	**3,310**	3,114
Total dividend 5.50p per share for the year (2012: 5.20p)	**3,989**	3,757

The directors are recommending a final dividend of 4.56 pence per share, which, subject to shareholder approval at the Annual General Meeting, will be paid on 24 September 2013 to shareholders on the register at close of business on 30 August 2013. The ex-dividend date is 28 August 2013.

The second interim dividend paid in the prior year was payable due to a 14 month extended reporting period from 1 January 2010 to 28 February 2011.

5. Earnings per share

The basic earnings per share for the year ended 28 February 2013 is calculated using a weighted average number of Ordinary Shares in issue of 72,331,464 (2012: 72,387,195) after deducting 1,265,313 (2012: 1,457,529) shares held by the Employee Benefit Trust.

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

	Year ended 28 February 2013 Number	Year ended 29 February 2012 Number
Weighted average shares in issue	**72,331,464**	72,387,195
Dilution	**2,439,186**	2,003,022
Diluted weighted average shares in issue	**74,770,650**	74,390,217

	£'000	£'000
Profit after tax from continuing operations	**7,818**	7,097
Loss after tax from discontinued operation	**(352)**	(3,724)
Profit after tax attributable to equity holders of the Company	**7,466**	3,373
Basic earnings per share	**10.32p**	4.66p
From continuing operations	**10.81p**	9.80p
From discontinued operation	**(0.49)p**	(5.14)p
Diluted earnings per share	**9.99p**	4.53p
From continuing operations	**10.46p**	9.54p
From discontinued operation	**(0.47)p**	(5.01)p

	£'000	£'000
Adjusted profit from continuing operations[1]	**9,799**	9,870
Adjusted loss from discontinued operation[1]	**-**	(2,711)
Adjusted profit attributable to equity holders of the Company[1]	**9,799**	7,159
Adjusted basic earnings per share	**13.55p**	9.89p
From continuing operations	**13.55p**	13.63p
From discontinued operation	**-**	(3.74)p
Adjusted diluted earnings per share	**13.11p**	9.62p
From continuing operations	**13.11p**	13.27p
From discontinued operation	**-**	(3.65)p

[1]Adjusted profit is pre-tax earnings before taking account of highlighted items less normalised tax.

6. Acquisitions

Fairchild Books

On 30 March 2012 the Group acquired the trade and assets of Fairchild Books from Fairchild Fashion Media, a unit of Advance Magazine Publishers Inc, for a cash consideration of £3,823,000 ($6,117,000). This is net of a working capital adjustment of £239,000 ($383,000) as the closing working capital was less than the target closing working capital anticipated at the point of acquisition. The consideration is being paid in cash in three equal annual instalments, commencing at the acquisition date. The acquisition of Fairchild Books makes the Group a market-leading publisher of textbooks and educational resources for students of fashion, merchandising, retailing and interior design.

The table below summarises the fair values to the Group included in the consolidated financial statements of the major categories of assets and liabilities of Fairchild Books at the date of acquisition.

Net assets acquired	Total fair value to the Group £'000
Identifiable intangible assets	1,188
Inventories	2,738
Trade and other receivables	359
Payables and provisions	(252)
	4,033
Gain on bargain purchase	(210)
Cash consideration	**3,823**

Identifiable intangible assets of £1,188,000 consist of publishing rights of £940,000 and customer relationships of £248,000. The publishing rights have a useful life of 15 years and customer relationships 9 years. A gain of £210,000 as a result of a bargain purchase has been recognised within highlighted items in administration expenses in the consolidated income statement. The transaction resulted in a gain mainly because of the significant adjustment on alignment of the returns policy.

The Gross contractual trade receivable at acquisition is £778,000 of which £203,000 is the best estimate of the contractual cash flows that are not expected to be collected.

Transaction costs of £49,000 have been expensed in the year within administration expenses.

From 30 March 2012 revenue of £5,177,000 and profit attributable to equity shareholders of £1,876,000 has been included in the consolidated income statement in relation to Fairchild Books.

The value of the identifiable net assets of Fairchild Books disclosed in the 31 August 2012 Interim Report had been determined on a provisional basis. They differ from the values reported above due to the finalisation of fair value and accounting policy assessments. Had the valuation been finalised at 31 August 2012 the interim financial statements would have differed to those reported as follows:

- Inventories would have been £41,000 lower;
- Trade receivables would have been £359,000 higher;
- Payables and provisions would have been £172,000 lower;
- Goodwill would have reduced by £280,000;
- The recognition of the bargain purchase would have increased profit before tax by £210,000; and
- There would have been no impact on the current tax charge or deferred tax assets and liabilities.

NOTES

6. Acquisitions (continued)

If the acquisition had occurred on 1 March 2012 the revenue and profit attributable to shareholders of the combined entity from continuing operations for the current year would have been £98,718,000 and £7,759,000 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.

As part of the acquisition, Bloomsbury Publishing Inc. entered into a promissory note and guarantee to pay to Advance Magazine Publishers Inc. $4,333,334 in two annual installments to satisfy the outstanding consideration on this acquisition. Bloomsbury Publishing Plc guaranteed the payment of this amount on behalf of its subsidiary.

Applied Visual Arts

On 29 June 2012 the Group acquired the trade and assets of Applied Visual Arts Publishing (‘AVA’) from Applied Visual Arts Publishing SA and AVA Publishing (UK) Limited for £1,755,000 (CHF 2,579,000). The consideration is being paid in three equal annual instalments from the date of acquisition. The acquisition of AVA enhances Bloomsbury’s Academic & Professional division. AVA is a publisher of textbooks and educational resources for students and professionals in the applied visual arts and has a strong following in the design community.

The table below summarises the fair values to the Group included in the consolidated financial statements of the major categories of assets and liabilities of AVA at the date of acquisition.

Net assets acquired	Total fair value to the Group £’000
Identifiable intangible assets	683
Inventories	574
Trade and other receivables	14
	1,271
Goodwill	484
Cash consideration	**1,755**

Identifiable intangible assets of £683,000 consist entirely of publishing rights. The publishing rights have a useful life of 10 years. The goodwill arising of £484,000 is attributable to the expected profitability of the acquired business and the synergies expected to arise after the acquisition.

Transaction costs of £27,000 have been expensed in the year within administration expenses.

From 29 June 2012 revenue of £824,000 and loss attributable to equity shareholders of £53,000 has been included in the consolidated income statement in relation to AVA.

If the acquisition had occurred on 1 March 2012 the revenue and profit attributable to shareholders of the combined entity from continuing operations for the current reporting period would have been £98,850,000 and £7,833,000 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.

NOTES

7. Discontinued Operation

On 28 February 2012 the Group contracted to sell 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 disposal was subject to the approval of the German competition authorities which was granted in March 2012. The risks and rewards of ownership passed to Bonnier AB as at 28 February 2012 and, given that the chances of not receiving approval were considered to be remote, the sale was treated in the prior year financial statements as completing on 28 February 2012.

The expenses in the year ended 28 February 2013 relate to an on-going tax enquiry with HMRC.

Results of discontinued operation

	Year ended 28 February 2013 £'000	Year ended 29 February 2012 £'000
Revenue	**-**	5,818
Expenses excluding highlighted items	**-**	(8,510)
Results from operating activities before highlighted items	**-**	(2,692)
Highlighted items	**(139)**	43
Results from operating activities	**(139)**	(2,649)
Taxation	**(213)**	-
Results from operating activities net of tax	**(352)**	(2,649)
Loss on sale of discontinued operation	**-**	(1,023)
Taxation on sale of discontinued operation	**-**	(52)
Loss for the year	**(352)**	(3,724)
Loss per share - discontinued operation		
Basic loss per share	**(0.49)p**	(5.14)p
Diluted loss per share	**(0.47)p**	(5.01)p

The entire loss from the discontinued operations of £352,000 (2012: £3,724,000) is attributable to the owners of the Company.

NOTES

8. Highlighted items

	Year ended 28 February 2013 £'000	Year ended 29 February 2012 £'000
Professional fees on acquisitions	**76**	237
Relocation of headquarters	**-**	447
Aborted acquisition costs	**-**	76
Restructuring costs	**342**	1,286
Business set up costs	**129**	-
Gain on bargain purchase	**(210)**	-
Other highlighted items	**337**	2,046
Amortisation of intangible assets	**2,321**	1,599
Highlighted items attributable to continuing operations	**2,658**	3,645
Highlighted items attributable to discontinued operation	**139**	980
Total highlighted items	**2,797**	4,625

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.

All continuing highlighted items are included in administrative expenses in the Income Statement.

Legal and other costs of £76,000 were incurred in relation to the acquisition of Fairchild Books and Applied Visual Arts, see note 6 (2012: £237,000 incurred primarily in relation to the acquisition of Continuum International Publishing Group Limited).

In the prior year the Group incurred costs of £447,000 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 in the prior year 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 £342,000 (2012: £1,286,000 incurred as a result of the strategic global reorganisation of the Bloomsbury Group and the acquisition of Continuum) have been incurred as a result of the acquisition of Fairchild Books and Applied Visual Arts.

Business set up costs of £129,000 were incurred in relation to the set up of Bloomsbury India.

A gain on a bargain purchase of £210,000 was recognised in relation to the acquisition of Fairchild Books, see note 6.

Highlighted items attributable to discontinued operations of £139,000 are in respect of tax relating to Bloomsbury Verlag GmbH. The prior year costs of £980,000 relate to the loss on disposal of Berlin Verlag GmbH of £1,023,000 and a write back of an over provision for restructuring costs of £43,000.

NOTES

9. Trade and other receivables

	28 February 2013 £'000	29 February 2012 £'000
Gross trade receivables	**29,900**	28,897
Less provision for impairment of receivables	**(815)**	(655)
Less provision for returns	**(5,347)**	(4,704)
Net trade receivables	**23,738**	23,538
Income tax recoverable	**-**	437
Other receivables	**1,612**	1,238
Prepayments and accrued income	**28,280**	30,218
Total trade and other receivables	**53,630**	55,431

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 £5,347,000 (2012: £4,704,000) at margin for future returns relating to the current year and prior year sales has been included in trade receivables in the statement of financial position at 28 February 2013.

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. A regular 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 £5,587,000 for the year to 28 February 2013 (2012: £5,191,000). 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 2013.

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.