

Bloomsbury Publishing Plc

Acquisition of Continuum International Publishing Group

July 2011

Transaction highlights

- Purchase cost of £19.2m (net of £0.9m cash in Continuum on acquisition)
- Annualised savings >£1m in the first full year
- Continuum forecast results y/e 30.6.11:
 - Turnover £10.7m
 - EBITA £0.6m
- Forecast EBITA contribution, incl. synergies 8 mths to 28.2.12 >£0.5m
- Interest income foregone 8 mths to 28.2.12 £0.1m

The above numbers are unaudited.

Strategic Rationale

Critical mass

Scholar provides the cornerstone of an enlarged Academic & Professional division with critical mass, a solid base for organic growth going forward

Higher margins

Increase the proportion of Academic & Professional revenues, by comparison with Trade revenues through retail channels

Spread risk

Increase exposure to global book market, rather than just UK

More stability

Increase the percentage of Group revenues which are annuity-based and/or subscription publications

About Continuum

History

World-class academic & professional publisher, with prestigious imprints going back over 170 years.

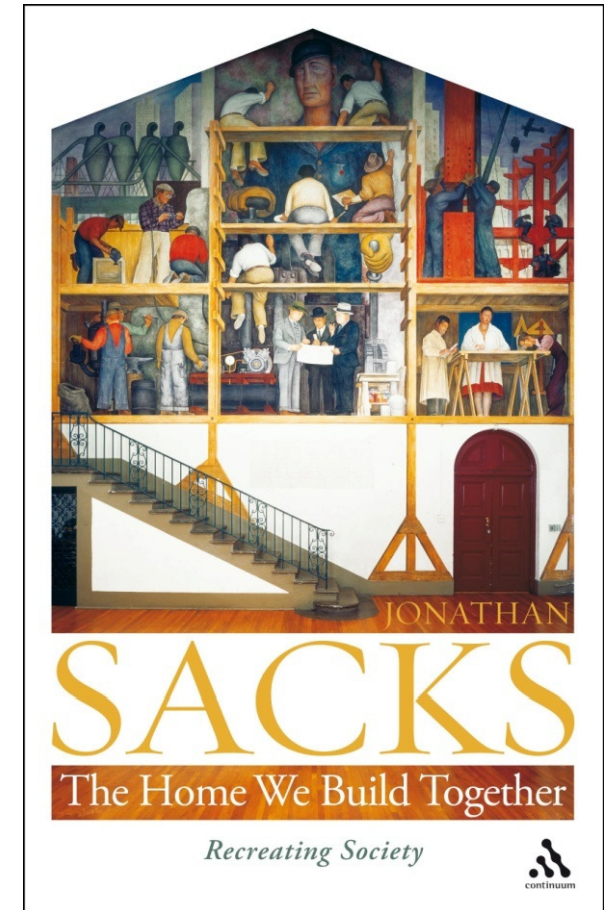
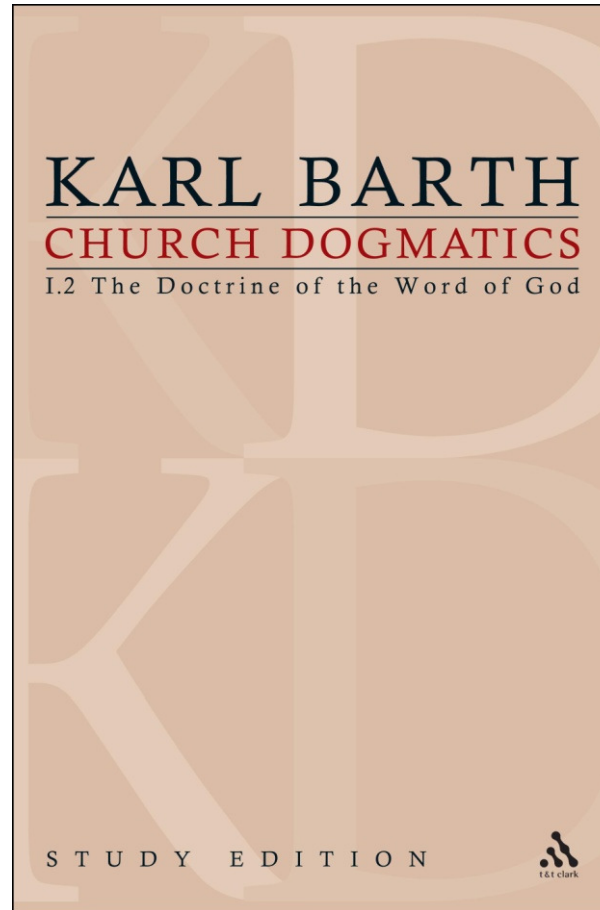
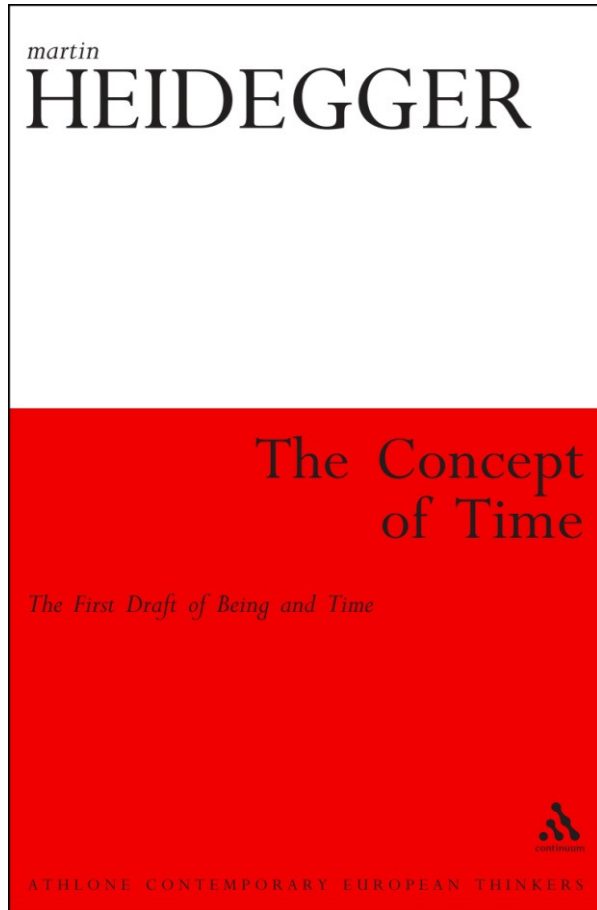
Complementary subject areas

Market leading positions in Education, Continental Philosophy, Theology & Biblical Studies. Significant holding in 7 other humanities and social science disciplines.

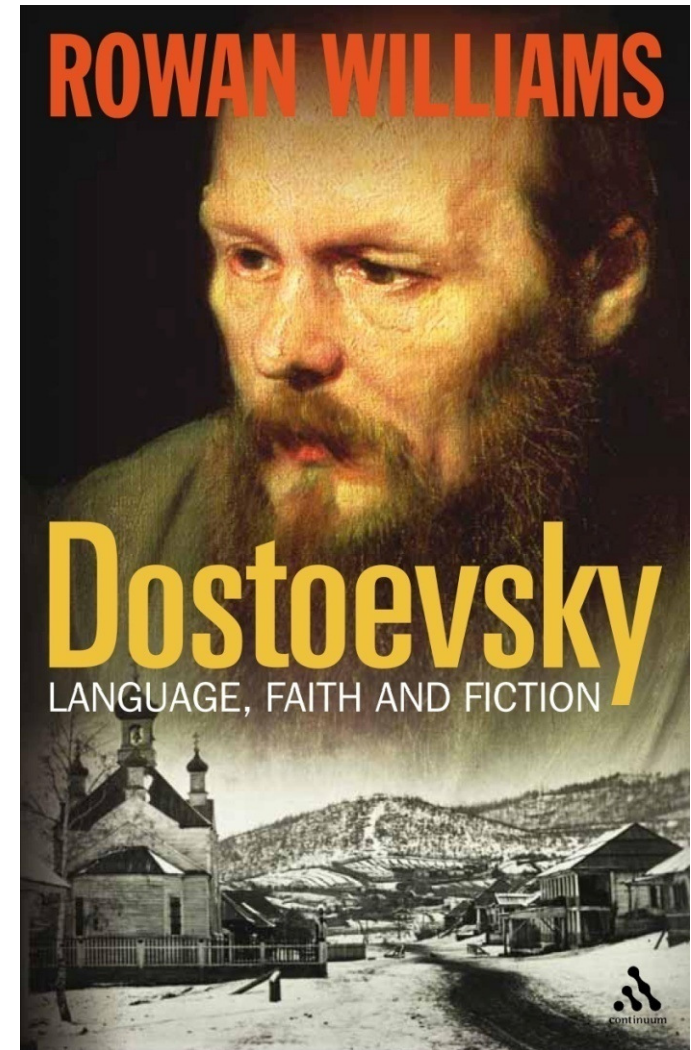
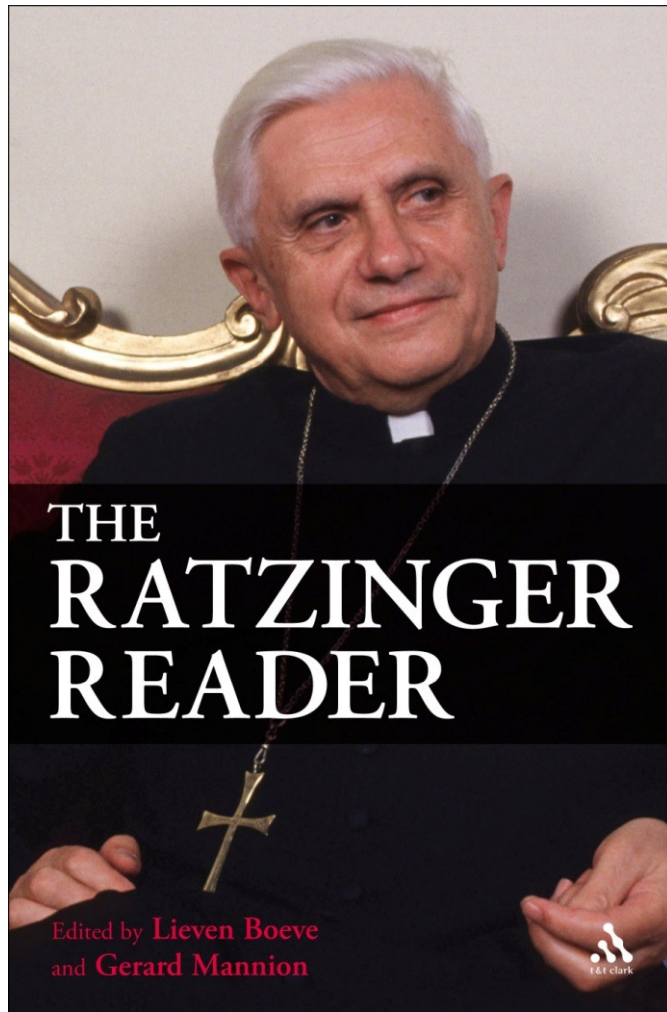
Growth

4 years of consistent growth in turnover and profit, with 10% growth in academic and professional sales in year ending June 2011

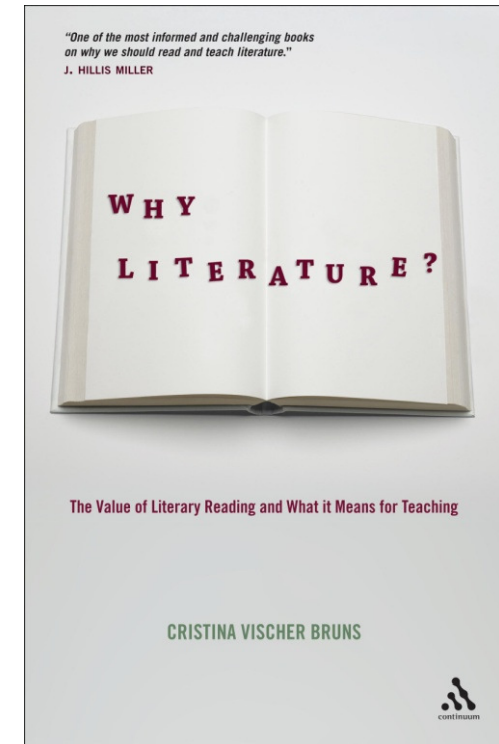
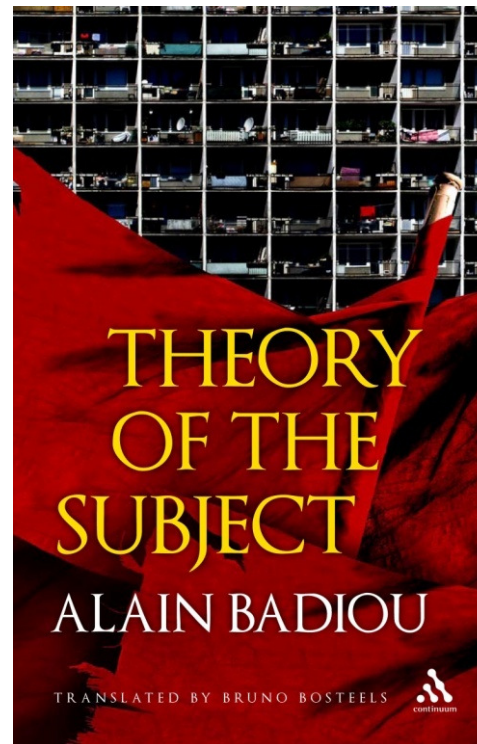
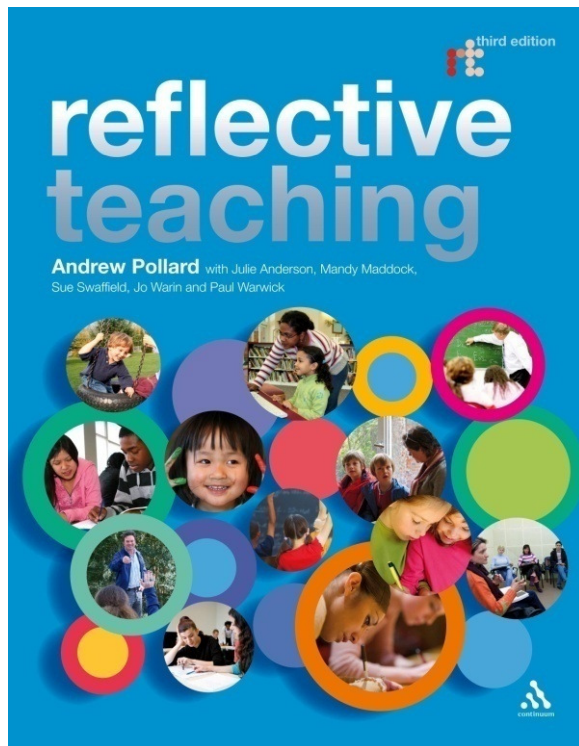
Key titles



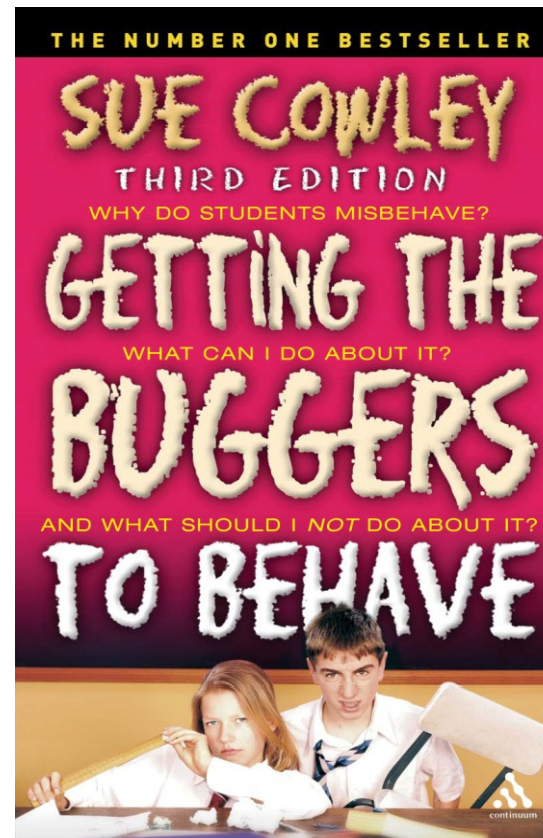
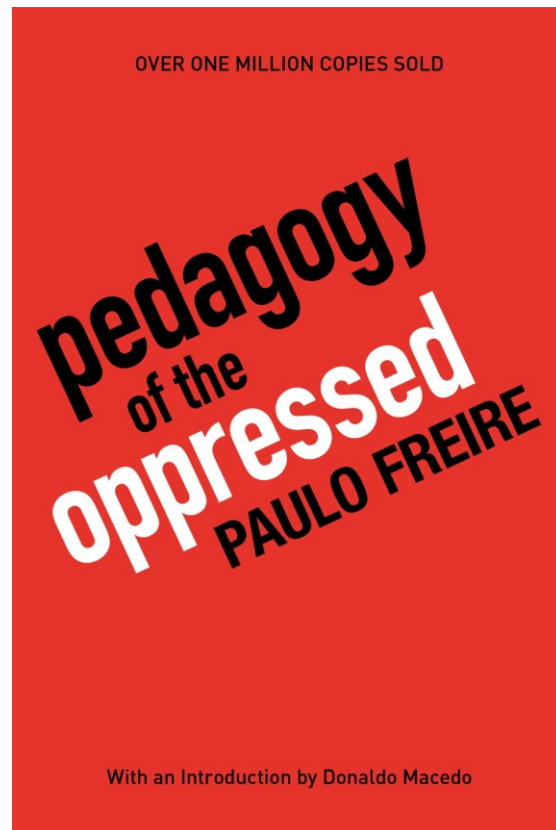
Key authors



Key titles



Key titles



Bloomsbury & Continuum: Creating critical mass

Bloomsbury Academic & Professional

Turnover y/e 28.2.11: £14.3m*

New titles per year: 450

Backlist ISBNs: 13500

Continuum Academic & Professional

Turnover y/e 28.2.11: £8.3m*

New titles per year: 600

Backlist ISBNs: 7000

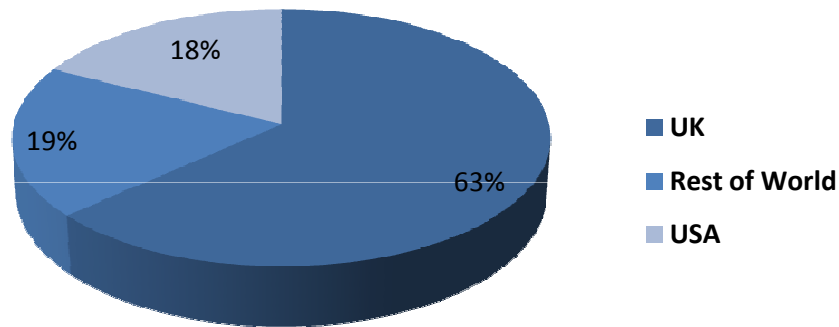
Combined Academic & Professional division 20 % of total Bloomsbury turnover
unaudited proforma y/e 28.2.11

* unaudited

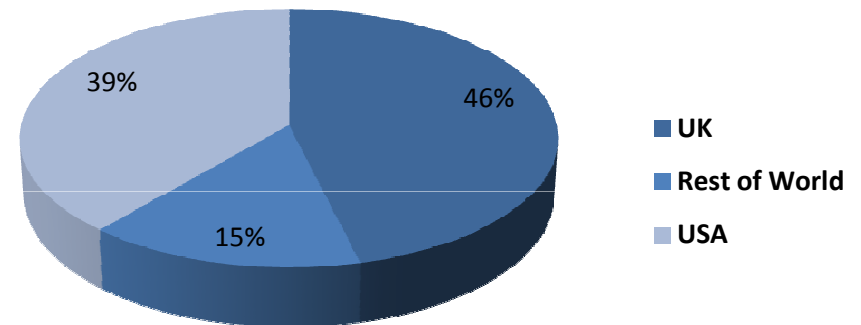
Reducing exposure to the UK market

Sales for the year ending 28.2.11

**Bloomsbury Academic & Publishing
division before Continuum acquisition**



Continuum Publishing



Note: The above sales numbers are unaudited

Main cost synergies

Cost synergies in excess of £1m in first full year:

- Publishing
- Sales & Marketing
- Production
- Distribution

Continuum acquisition: Overview

The acquisition:

- Is immediately earnings-enhancing ie >£0.5m EBITA
replaces £0.1m interest receivable in 8 months to 28.2.12
- Fits with Group strategy to reduce reliance on Trade revenues through retail channels
- Provides more stable revenues
- Boosts margin growth of the Group
- Increases global book market exposure

Interim Management Statement

- Tough trading conditions in the retail sector: Waterstones, Angus & Robertson, Red Group (Australia). Little evidence of this improving.
- Continued consolidation: Amazon/Book Depository
- Agent, authors and publishers: Pottermore

Interim Management Statement

- In US, Amazon e-books exceed print sales
- Bloomsbury continues to publish best-sellers: Mao's Great Famine (Samuel Johnson Prize), the Good Book
- We are reducing our reliance on bestsellers by increasing the proportion of our sales derived from non-retail channels eg. Berg Fashion Library and Irish Law Online
- Bloomsbury Professional was made Supplier of the Year by UK and Irish Law Librarians