



BLOOMSBURY PUBLISHING PLC

Investor Day – 2 June 2010

GENERATING VALUE FROM WITHIN

SCHEDULE

Overview – Nigel Newton

Digital Overview – Richard Charkin

Public Library Online – Stephanie Duncan

— COFFEE BREAK —

Berg Fashion Library – Kathryn Earle

Database and Management Services – Kathy Rooney

Closing Remarks – Nigel Newton

— LUNCH —



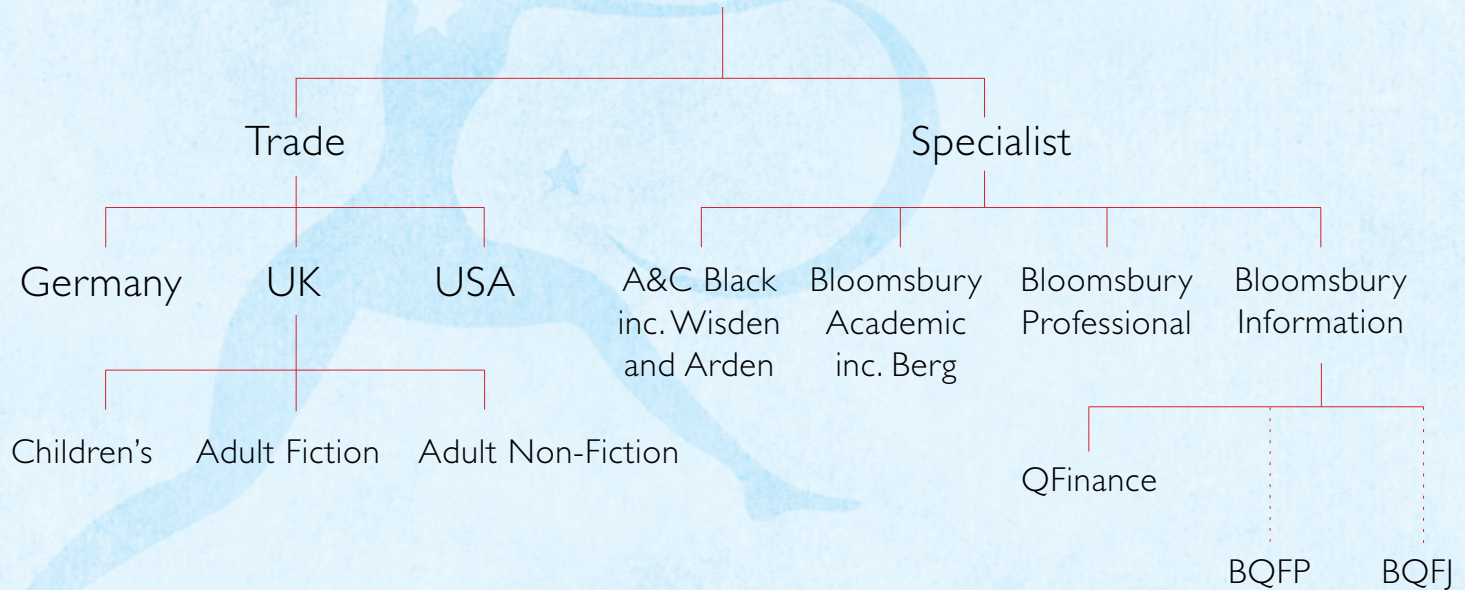
OVERVIEW

Nigel Newton

Founder and Chief Executive
Bloomsbury Publishing

THE STRUCTURE OF BLOOMSBURY

BLOOMSBURY PUBLISHING PLC



INTRODUCTION

- New profit centres transferring to digital delivery
- Operational efficiencies using technology
- Entrepreneurial skill-set for digital age
- Value enhancement

NEW PROFIT CENTRES

- Bloomsbury Professional
- Bloomsbury Academic
- Drama Online – Methuen, Arden
- Wisden – India, Mobile, Online
- Bloomsbury Public Library Online
- Berg – Case Study
- Management Contracts

OPERATIONAL EFFICIENCIES

- NEW publishing software system – Biblio 3
- NEW accounting software – Access Dimensions
- NEW profit-enhancing business model for Australia
 - NEW distribution contracts in USA and UK
- NEW profit-enhancing printing contract for Germany



DIGITAL OVERVIEW

Richard Charkin

Executive Director
Bloomsbury

DIGITAL OVERVIEW

- Digital is not new
- Digital supply chain and marketplace
 - Platforms and devices
 - E-tailers
 - Business models

NOTHING NEW UNDER THE SUN

1970s

Financial innovation online – Reuters, Bloomberg

1970s/80s

Legal and tax innovation online – Lexis Nexis, Westlaw

1980s/90s

STM innovation online – Science Direct, Biomednet, SpringerLink

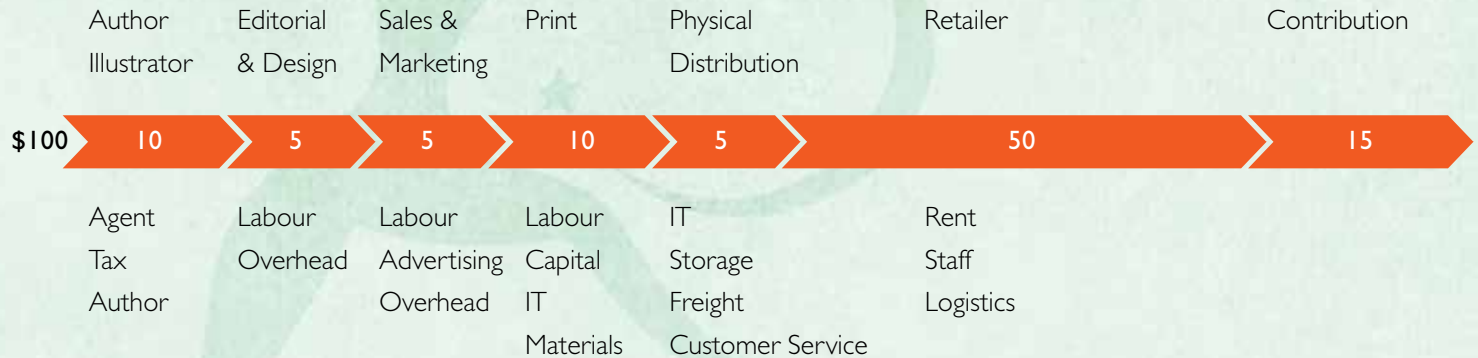
1990s/00s

Education innovation online – whiteboards, ELCs, University of Phoenix

2000s/10s

E-books and digital in general book publishing

THE PRINT SUPPLY CHAIN



E-BOOKS TAKE OFF!



E-BOOK PLATFORMS AND DEVICES



Apple®

Google™

amazon.com™



kobo



SONY

E-TAILERS AND AGGREGATORS

amazonkindle

audible.com

SONY

kobo

BARNES & NOBLE
BOOKSELLERS

W

Waterstone's

WH Smith



Gardner's Books

GoSPOKEN

NetLibrary

ebrary

OverDrive

EBSCO

Dawson
Books

my  library

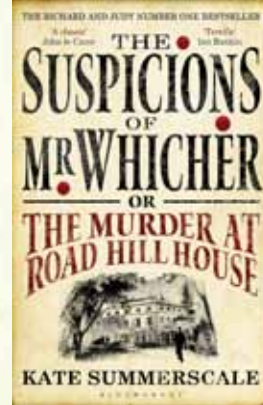
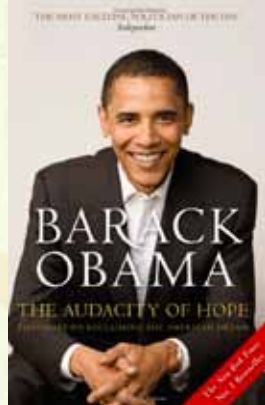
FROM THEORY TO PRACTICE

- Monetizing the Opportunities
- Bloomsbury Public Library Online
 - Berg Fashion Library

BLOOMSBURY PUBLIC LIBRARY ONLINE: CASE STUDY

Stephanie Duncan

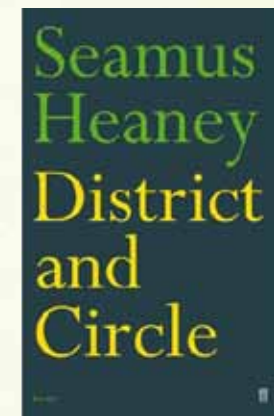
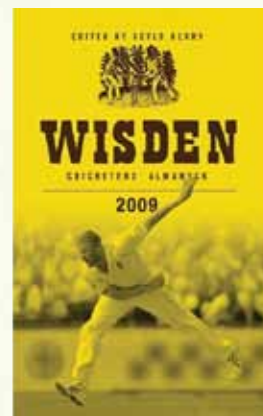
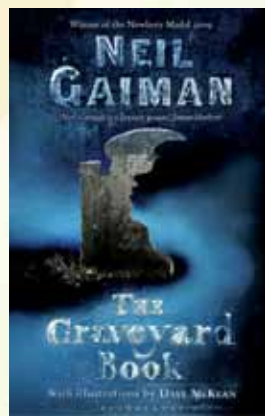
Digital Media Director
Bloomsbury



B L O O M S B U R Y

PUBLIC | LIBRARY | ONLINE

Shortlisted for The Bookseller Digital Innovation Award 2010



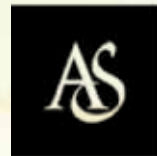
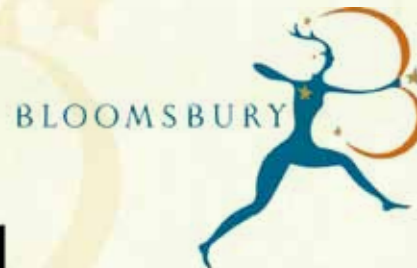
BLOOMSBURY PUBLIC LIBRARY ONLINE

- Objective: to generate subscription income and drive book sales
 - Support public libraries and literacy initiatives
 - Protect copyright and access
 - Promote authors and their books to a wider audience

WHICH PUBLISHERS ARE INVOLVED SO FAR?

- A&C Black
- Allison & Busby
- Arden Shakespeare
 - Bloomsbury
 - Canongate
 - Faber
 - Quercus
 - Wisden

And we're in discussion with others to join this publisher-led online library supply initiative.



CANON  GATE



Quercus



UK PUBLIC LIBRARY AUTHORITIES

- 11 UK Public Library Authorities subscribing, reaching over 5 million people
 - 52 UK Public Library Authorities considering subscribing
 - 151 UK Public Library Authorities in total
- Featured in The British Library New Ways of Reading display
- Cited as good practice in the London Mayor's Cultural Strategy (p 43)
 - Cited as one of of two UK public library supply initiatives in the Secretary of State for Culture Media and Sport's The Modernisation Review of Public Libraries (p 42)

LIBRARY USAGE DRIVES BOOK SALES

In 2008/9:

- 35 million UK public library members
- 114 million UK public library web visits
- 310 million UK public library book loans

Surveys* show that library use more than doubles library users' book purchases

*www.readingagency.org.uk/adults/reading-for-pleasure-impact/index.html

Digital Library

Enter search terms

Search

You are here: Home Page » Leisure and libraries » Libraries » Digital Library

Home Page

Leisure and libraries

Libraries

Joining and using the library

Your libraries

Library catalogue

Digital Library

Children's library

Young People's Library

Reference and information

Library events

Library services

Enjoying the written word

Local studies and archives



Contact Information

The Town Hall
Hornton Street, W8 7NX
Tel: 020 7361 3000
Fax: 020 7938 1445
Email: [information](mailto:information@kcc.gov.uk)



Digital Library

Welcome to the Royal Borough of Kensington & Chelsea Digital Library, now the library is always open!

Overdrive digital Library

The Overdrive digital library is available 24/7. Explore our growing collection of audiobooks and eBooks.

Download your selections to your computer to use, or transfer to a compatible MP3 player or portable device.

Bloomsbury Online Library

The latest addition to our digital library. All the books are accessed online 24hrs a day.

All the shelves can be accessed by clicking the link above. To go to a specific shelf please select a shelf below:

- Children's History shelf
- In My Own Words shelf
- Our Environment shelf
- Quercus Crime shelf
- Reading Group shelf
- Soldiers and Spies shelf
- Teen Fiction shelf
- Writers on Writers shelf

Project Gutenberg

This is the place where you can download over 30,000 free ebooks to read on your PC, iPhone, Kindle, Sony Reader or other portable device



- Services A to Z
- Council news
- Local events
- FAQs

Do it online

Apply for it

Pay for it

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Request it

POTENTIAL WORLD ENGLISH-LANGUAGE MARKET FOR PUBLIC LIBRARY ONLINE

UK: 60 million

USA and Canada: 340 million

Australia: 20 million

EU: 440 million

Speakers of English Worldwide: 1.8 billion

BERG FASHION LIBRARY: CASE STUDY

Kathryn Earle

Managing Director
Berg Publishers

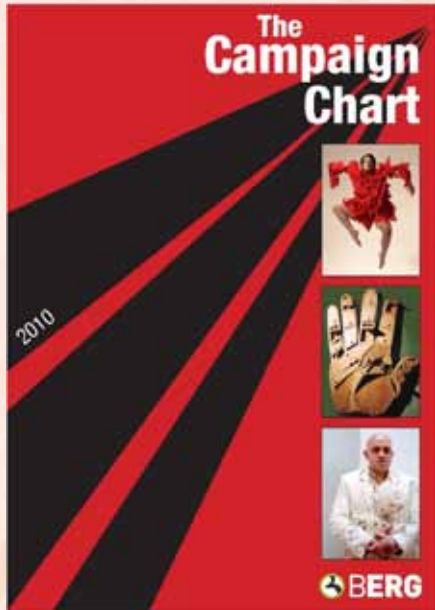
BERG FASHION LIBRARY

- Fashion Market Place
- The Resource
- Business Model

UK FASHION INDUSTRY STATISTICS

- In 2007, the UK fashion industry produced £3.8 billion worth of goods. Clothing and textile industries combined produced £8.5 billion worth of goods
 - The **UK's second largest employer**. (NB: UK government is keen to support London as a fashion centre)
- In 2008 **UK consumers spent £46bn** (in current prices) **on clothing and footwear**
- **Designer fashion makes a net contribution to the UK economy of £450 million** per annum. Overseas sales of apparel and textile industry combined are worth £7.3 billion at manufacturers prices
- Major export sectors are USA, Japan, Russia, France, Italy, Middle East, Hong Kong, China
- The **online fashion market** continues to boom and it **is expected to reach £4.1 billion in 2009**, up by 26% on 2008

THE BUSINESS MODEL FOR BERG FASHION LIBRARY



- Sold on subscription to HE and FE colleges
- Price is banded by FTEs (ie student numbers)
 - Sold through library consortia often on multi-year deals
- 500 libraries worldwide @ £1500 pa = £750k
 - Less costs @ 37.5%
 - Potential contribution = @ £470k pa
- This model can be rolled out across other subject areas throughout Bloomsbury

BERG FASHION LIBRARY

- The first online portal to provide access to interdisciplinary and integrated book and journal content
- Bringing together recent research and publications in one reference point
 - Unique in content and scope
- Covering all aspects of fashion, from prehistory to the present day
 - Available on annual subscription
- Online educational resource for fashion students
 - Research tool for academics



BERG FASHION LIBRARY CONTENT

- Berg Encyclopedia of World Dress and Fashion
(10 volumes in print; 3.6 million words; 2000 images)
- Image Bank with 1600 V&A images and 2000 Metropolitan Museum of Art images forthcoming from 2011
 - E-books collection (60 titles)
- Other reference content (A-Z of Fashion, Dictionary of Fashion History)
 - Major statements
 - Collections directory
- Sophisticated **Search** and **Browse**

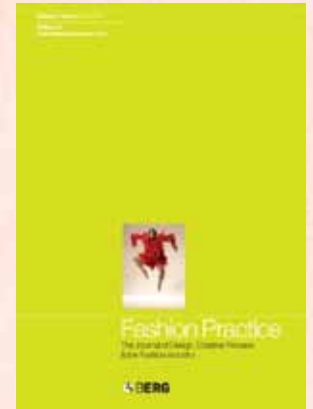
WHAT RESEARCHERS ARE LOOKING FOR



- Applied as well as theoretical information
- Multi-format (text; image; multi-media)
- Comprehensive 'Subject Discovery Database'
 - International information on dress
 - Interactive community of users
 - Constantly updated

ACADEMIC SUBSCRIPTION PRODUCTS

- Cash generative (money always upfront)
- Renewal rates high
- High price point
- High margin once established
- No returns
- No stock write-offs with online
- Clear market – no direct competition



INVALUABLE FOR THE ACADEMIC MARKET



Fashion Design

Fashion looks to the past and to other cultures for design inspiration so images are important

Also includes information on designers (bios)

Fashion History & Theory

BFL covers all of fashion history, with focus on 19thC to present day

Strong on theory

Relevant to broad range of humanities / social science courses

Fashion Retail

Includes overviews of industry

B2B WORLDWIDE SALES

- Museums
- Public libraries
- Fashion houses / retailers / design companies
- Magazines / journalists
- Fashion councils



INCREASING SHAREHOLDER VALUE

- Cash-generative: money always upfront
 - B2B not B2C
- Multi-year subscription – not one-off sales
 - Higher margin once established
 - No returns or stock write-offs
- Platform a template which can be reused
 - Develop once – use many times
- Digital projects in development for Performing Arts, Law, Tax, Design, Craft, Food Studies

DATABASE AND MANAGEMENT SERVICES

Kathy Rooney

Managing Director
Bloomsbury Information

OVERVIEW

- Creation and exploitation of IP
 - Bloomsbury's track record
 - Business model
 - Evolution

STILL NOTHING NEW UNDER THE SUN ...

- Reference and information publishing is based on creation and exploitation of copyright
 - Always part of Bloomsbury's business model
 - Encarta projects with Microsoft
 - Macmillan English Dictionary
 - Business – The Ultimate Resource
 - QFINANCE – The Ultimate Resource
 - And A&C Black's heritage:
 - Who's Who, Whitaker's Almanack, now Wisden, Arden

REFERENCE AND INFORMATION: BUSINESS MODEL

- Publisher develops idea
- Publisher owns copyright and all rights
- Publisher controls how to exploit those rights
 - No royalties payable to authors
 - Contributors paid flat fees
- Publisher revenue = £23.6m (1995 to date)
- **Value from within – the publisher**

ENCARTA PROJECTS

- Electronic rights:
 - Licence to Microsoft
- Print rights:
 - UK: retained by Bloomsbury
 - US: licence to St Martin's
 - ANZ and India: licence to Macmillan

BUSINESS – THE ULTIMATE RESOURCE

- Print:
 - UK and rest of world
 - Bloomsbury
 - US
 - Perseus
 - Translation:
 - German
 - Chinese
 - Japanese
 - Korean
 - Italian
- Non-exclusive electronic licences include:
 - Economist
 - London Business School
 - Emerald
 - Ebrary
 - Ebsco

QFINANCE – THE ULTIMATE RESOURCE

- Gulf based
- Evolution of business model
from print to digital
- Online revenue streams
 - Advertising
 - Sponsorship
- Contract value £7m



WWW.QFINANCE.COM

- Over 66,000 monthly unique visitors
 - From over 100 countries
- **Content partners include Lexis Nexis and Thomson Reuters**
 - Online User Survey Results:
 - **72% of QFINANCE users are finance professionals**

26% of users are academics/students (the remaining 2% are retired)

39% of the finance professionals are in a senior management role

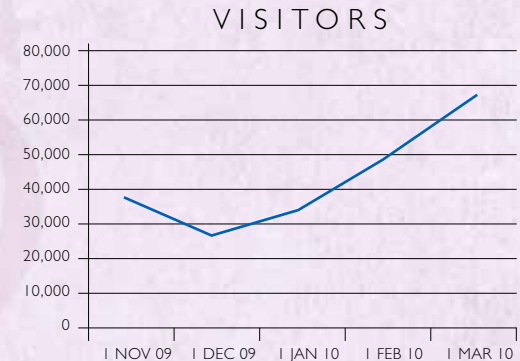
64% of users have completed a postgraduate degree

40% of the finance professionals work in Banks/Financial institutions

60% of the finance professionals work in commercial/industrial organisations

- **Unique Content: QFINANCE achieves a higher score (43%) than Bloomberg (27%) or FT.com (32%) on the uniqueness of its content**

- Breadth of content: 73% of users like the breadth of financial information offered by QFINANCE
- Volume of response: Over 1,000 individuals filled in the survey
- Geographic spread: Respondents came from over 100 countries



“QFINANCE provides
information I cannot
find elsewhere”

QFINANCE ONLINE
SURVEY MARCH 2010

EVOLVING NEW BUSINESS MODELS

- Exploiting Bloomsbury's own capabilities and expertise
 - By providing management services

BLOOMSBURY QATAR FOUNDATION PUBLISHING



- Three strategies:
- Publish in English and Arabic
- Foster a life-long love of reading and writing
- Knowledge transfer of publishing skills to Qatar

BLOOMSBURY QATAR FOUNDATION JOURNALS

- Together with Qatar Foundation, Bloomsbury is developing a pioneering approach to Journals Publishing in the 21st century:
 - High-quality journals publishing centre in Qatar for the **international research community**
 - Digital native **multidisciplinary online publishing environment** for research who prefer to use online material
 - Business model based on Open Access Author pays fee
 - Publish across all research areas internationally
 - Publish in English with Arabic Abstracts (and Arabic with English Abstracts)
 - **Reinforce research commitment** both in the MENA region and international in reach and content



MANAGEMENT CONTRACTS DELIVER VALUE

- Guaranteed income stream
- Six year contracts provide long-term earnings visibility
- Secure against market fluctuations
- Excellent use of Bloomsbury's expertise, experience and entrepreneurial flair
- Can be applied simultaneously on multiple projects

WHY BLOOMSBURY?

- Bloomsbury delivers
 - Entrepreneurial drive, energy and expertise
 - Innovative implementation
 - Quality
 - To schedule
- Excellent track record
 - Project development
 - Achieving quality
 - Relationship management

AND TOMORROW?

- New projects in development
 - The Future of Energy
 - Water – The Ultimate Resource
 - Arab Almanac
 - Wisden India
 - Drama Online
 - Ornithology Online
- New revenue streams starting to come on stream
 - Include advertising and sponsorship
- Exploiting the Group's expertise in
 - Publishing
 - IP creation and exploitation
 - Business development
 - Management

LEADING TO SHAREHOLDER VALUE

