

## **BLOOMSBURY PUBLISHING Plc**

### **("Bloomsbury" or the "Group")**

#### **Unaudited Interim Results for the six months ended 31 August 2016**

Bloomsbury Publishing Plc announces results for the six months ended 31 August 2016.

The Group is trading in line with management's expectations. Traditionally, sales of trade titles peak for Christmas and sales of academic titles in the autumn at the beginning of the academic year. We therefore expect our sales to be significantly second-half weighted, as in past years.

#### **Group Financial Highlights**

- Total revenues up 19% to £62.7 million (2015: £52.7 million)
- Digital revenues up 8% to £7.7 million (2015: £7.1 million)
- Print revenues up 25% to £51.7 million (2015: £41.4 million)
- Adjusted\* profit before tax £1.5 million (2015: £1.9 million)
- Profit before tax £0.1 million (2015: £0.3 million)
- Net cash up to £9.1 million (2015: £0.9 million)
- Interim dividend up 4% to 1.10 pence per share (2015: 1.06 pence per share)
- Adjusted\* diluted earnings per share 1.65 pence (2015: 2.06 pence)
- Diluted earnings per share 0.15 pence (2015: 0.36 pence)

#### **Consumer division**

- Revenues increased 36% to £37.3 million (2015: £27.5 million), driven by Children's Trade where revenues increased 63% to £23.9 million
- J.K. Rowling's *Harry Potter* continued its growth – with the children's editions selling well and strong sales of the Illustrated Edition of *Harry Potter and the Philosopher's Stone*
- Sarah J. Maas revenues grew 101% year on year with the publication of the second book in the *A Court of Thorns and Roses* series, *A Court of Mist and Fury*
- Adult Trade division revenues increased by 5% to £13.4 million in the period, including Peter Frankopan's *The Silk Roads* and Hannah Rothschild's *The Improbability of Love*
- Paul Beatty's *The Sellout*, published by Oneworld and distributed by Bloomsbury in Australia, won the Man Booker Prize on Tuesday

#### **Non-Consumer division**

- Total revenues of £25.4 million (2015: £25.2 million), including the effect of the end of the Qatar Foundation contract and the acquisition of certain family law publishing titles as announced in December 2015
- Academic and professional digital resources revenues doubled year on year to £2.0 million (2015: £1.0 million)

- Bloomsbury was shortlisted for Academic, Educational and Professional Publisher of the Year at the Bookseller Industry Awards for the fourth year in a row
- Some key bestselling titles from the Non-Consumer division include *The 100-Year Life* and *Age of Discovery*, selected respectively for the shortlist and longlist for the 2016 Financial Times and McKinsey Business Book of the Year Award

**Note: Pro forma historic financial results**

In May 2016, Bloomsbury announced a reorganisation from four to two divisions, Consumer and Non-Consumer, to simplify our business and increase our customer focus. Historic results for the years ending 29 February 2016 and 28 February 2015 have been restated in line with this new structure and are available at [www.Bloomsbury-ir.co.uk](http://www.Bloomsbury-ir.co.uk).

*Note: \*Adjusted results are calculated before deducting highlighted items. Highlighted items mainly comprise amortisation of acquired intangible assets and costs relating to acquisitions and major restructuring.*

**Commenting on the results, Nigel Newton, Chief Executive of Bloomsbury Publishing, said:**

“This has been a strong period for Bloomsbury. We are making good progress towards our strategic objectives with an increase in revenues of 19% and growth in each of our territories. The Children’s Trade division delivered another outstanding performance, increasing revenues by 63%.

The Group is trading in line with management’s expectations. We have a strong second half list including the Illustrated Edition of *Harry Potter and the Chamber of Secrets*, *Fantastic Beasts and Where to Find Them - Newt Scamander: A Movie Scrapbook*, *Empire of Storms* by Sarah J. Maas, the *Throne of Glass Colouring Book*, *Mad Enchantment* by Ross King, *Tom Kerridge’s Dopamine Diet*, *Commonwealth* by Ann Patchett, Bloomsbury Professional’s Tax Looseleafs and *Last Testament: In His Own Words* by Pope Benedict XVI. October is the peak period for academic book sales and Christmas for the sales of consumer books. We therefore expect our results to continue to be significantly second-half weighted, as in past years.

In the coming months we expect to deliver the platform and associated infrastructure to accelerate digital revenues in line with Bloomsbury’s 2020 plan, and specifically to see the launch of the *Arcadian Library Online* and *Bloomsbury Popular Music*, the latest two resources in our growing range of digital products.”

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## Overview

We are pleased with progress for the six months ended 31 August 2016. Revenues were up 19%, £10.0 million year on year to £62.7 million, with growth in each of our territories. The Children's Trade division revenues were up 63% on the previous period driven by several key titles including the *Harry Potter Box Set*, the Illustrated Edition of *Harry Potter and the Philosopher's Stone* and *A Court of Mist and Fury* by Sarah J. Maas. As expected, adjusted profit before taxation was down by £0.4 million to £1.5 million following the end of the term of the contract for publishing services with the Qatar Foundation, as announced in December 2015. Reported profit before tax was £0.1 million (2015: £0.3 million). The Group is trading in line with management's expectations. As with prior years, the Group's results continue to be substantially weighted towards the second half of the year, with October being the peak period for academic book sales and Christmas the peak season for sales of consumer books.

Print revenues grew 25% to £51.7 million (2015: £41.4 million) and made up 87% of the Group's total title revenues in the period, demonstrating a continued demand for books in print format. Digital revenues grew 8% to £7.7 million (2015: £7.1 million), including an excellent performance by digital resources in our Non-Consumer division and despite a 4% fall in total e-book sales reflecting industry trends. Rights and services revenues were £3.3 million (2015: £4.1 million) reflecting the end of the term of the Qatar Foundation contract. Foreign exchange movements in the period have increased revenues by £2.4 million (4%) and profits by £0.2 million. Using constant exchange rates, total revenues increased by 14% to £60.3 million, with print revenues increasing by 20% and digital revenues by 4%.

Highlighted items of £1.3 million (2015: £1.5 million) include £0.9 million (2015: £0.9 million) of amortisation of acquired intangible assets. Other highlighted items of £0.4 million include costs for the integration of the Osprey acquisition and the major restructuring of the global sales and US finance teams. The effective rate of tax for the period was 25% (2015: 20%) in line with guidance given in May 2016. Adjusted diluted earnings per share were 1.65 pence (2015: 2.06 pence). Diluted earnings per share for the period were 0.15 pence (2015: 0.36 pence). The business continues to retain its strong balance sheet with £9.1 million of net cash at 31 August 2016 (31 August 2015: £0.9 million), following excellent cash flow generation in the period, including a receipt of £1.1 million of tax repayments following the resolution of an HMRC tribunal.

The Directors have declared an interim dividend of 1.10 pence per share which is a 4% increase on the dividend paid for the six months ended 31 August 2015 of 1.06 pence per share. The dividend will be paid on 30 November 2016 to shareholders on the register at close of business on 4 November 2016.

## Consumer division

The Consumer division is Adult and Children's trade publishing. Revenues in Consumer publishing increased 36% to £37.3 million in the six months ended 31 August 2016 (2015: £27.5 million). This excellent performance meant that the Consumer division's adjusted operating profit increased to £1.3 million from £0.7 million last period. The growth in profit in the division came from Children's Trade, where revenues were up by 63% to £23.9 million. In the period J.K. Rowling's *Harry Potter* continued its growth – with the children's editions selling well (Nielsen BookScan Total Consumer Market revenues up 107% year on year). Strong sales of the Illustrated Edition of *Harry Potter and the Philosopher's Stone*

continued in this period with sales to date exceeding 1.3 million copies. On 4 October 2016 we launched the next title in the series, the Illustrated Edition of *Harry Potter and the Chamber of Secrets*. There is continuing strong interest from the market for this series.

Sarah J. Maas revenues grew 101% year on year in this period with the publication of the second book in the *A Court of Thorns and Roses* series, *A Court of Mist and Fury*. This stayed at number one on the Young Adult *New York Times* bestseller list for four weeks and in the top ten for 21 weeks. It reached number four in the UK Nielsen Children's BookScan chart in its paperback format. We have sold rights in 18 territories. In July we secured world rights in eight new titles from Sarah J. Maas; three new novels to extend the *A Court of Thorns and Roses* series, a further colouring book, a *World of Throne of Glass* and three novellas. The combined series have sold 3.4 million copies to date.

In June, Bloomsbury became the first publisher in history to win both the Carnegie Medal and the Greenaway Medal with two books: Sarah Crossan's *One* winning the Carnegie Medal and Chris Riddell winning the Greenaway Medal for his illustrations of Neil Gaiman's *The Sleeper and the Spindle*.

The Children's team was shortlisted for the Independent Publishers Guild Children's Publisher of the Year and the British Book Award's Children's Publisher of the Year.

There was a 5% increase in revenues to £13.4 million in the Adult Trade division in the period, although profits were impacted by a reduction in higher margin e-book revenues and higher advance and stock write downs. The division had two Waterstone's book of the month slots – in non-fiction for Peter Frankopan's *The Silk Roads*, which was also a *Sunday Times* non-fiction number one and in fiction for Hannah Rothschild's *The Improbability of Love*. Paul Beatty's *The Sellout*, published by Oneworld and distributed by Bloomsbury in Australia, won the Man Booker prize 2016. *Hot Milk* by Deborah Levy, which we publish in the US, was shortlisted for the prize. *The Man Who Knew: The Life and Times of Alan Greenspan* by Sebastian Mallaby is shortlisted for the 2016 Financial Times and McKinsey Business Book of the Year Award. *The Guilty Thing: A Life of Thomas De Quincey* by Frances Wilson has been longlisted for the 2016 Baillie Gifford Prize for Non-fiction (previously called the Samuel Johnson prize).

### **Non-Consumer division**

The Non-Consumer division consists of Academic, Professional, Special Interest and Content Services. Total revenues in the division of £25.4 million (2015: £25.2 million) and adjusted operating profits of £0.1 million (2015: £1.2 million) were adversely affected by the end of the term of the Qatar Foundation contract in December 2015. There was good revenue growth in all other areas of the Non-Consumer division, driven in particular by a range of key titles from the special interest list and an excellent performance from academic and professional digital resources, which doubled year on year to £2.0 million (2015: £1.0 million). Digital revenues now represent 18% of total title revenues in the division (2015: 15%). Revenue growth by all the existing major digital resources exceeded our expectations.

During the period Bloomsbury was shortlisted for Academic, Educational and Professional Publisher of the Year at the Bookseller Industry Awards, for the fourth year in a row.

US academic print revenues continue to be affected by tightening academic library budgets and digital demand-driven acquisition models. Whilst textbook revenues in the Academic lists are a small part of the divisional output, the Fairchild list, which is 12% of total Academic & Professional sales, has suffered appreciably from students' increasing preference for rental purchase, used book purchase and digital formats. The timely launch this year of Bloomsbury Fashion Central, and specifically, Fairchild Books Library, both online resources, is designed to address these changes in consumption, offering students and lecturers access to purchase via a range of different business models and price points, including rental.

Bloomsbury Professional's digital revenues have been boosted by the successful integration of the family law titles purchased from Lexis Nexis in January 2016. These titles generated £0.6 million of revenue and £0.4 million of profit in the six months ended 31 August 2016.

Bloomsbury Content Services has renewed its publishing services agreement with the Institute for the Study of Labor for an additional 18 month term, starting January 2017. Bloomsbury will continue to provide fully managed publishing, marketing and digital services for the IZA World of Labor knowledge hub ([wol.iza.org](http://wol.iza.org)).

Some key bestselling titles from the Non-Consumer division include *The 100-Year Life* by Lynda Gratton and Andrew Scott and *Age of Discovery* by Ian Goldin and Chris Kutarna, which were selected respectively for the shortlist and longlist for the 2016 Financial Times and McKinsey Business Book of the Year Award and *Spitfire: The Legend Lives On* by John Dibbs and Tony Holmes.

Whitaker's Online - [whitakersalmanack.com](http://whitakersalmanack.com) - was launched in March giving up-to-date information on Britain and its governance, which would appear to be very timely given the Brexit vote resulting in changes to almost every element of British politics, governance, economics and culture. Taking advantage of the referendum *Europe: An Obituary?* by Douglas Murray was reissued to acclaim.

### *Bloomsbury 2020*

As outlined in our Capital Markets Day in July, the Bloomsbury 2020 investment will significantly accelerate the growth of digital revenues by implementing a new digital publishing plan in our move to become a leading non-consumer publisher in the B2B academic and professional information market. The plan is to increase the output and speed to market of a range of new digital products, provide a robust scalable set of platforms, and improve the strength, depth and geographical spread of our institutional digital sales team. We are targeting revenues rising to £15 million and profits of £5m from our digital resource publishing by financial year 2021/22. The 2020 initiative will be delivered within the Non-Consumer division and is now headed by Kathryn Earle, reporting to Jonathan Glasspool. Kathryn has been responsible for generating some of the Academic division's most successful products, not least the award-winning Berg Fashion Library and the division's biggest and most ambitious new launch this year, Bloomsbury Fashion Central. Kathryn has been at Bloomsbury for eight years; she was previously Managing Director of Berg Publishing, which Bloomsbury acquired in 2008.

The principal focus for Bloomsbury 2020 this financial year is to deliver the digital platform upon which many of the new services will be based, and to hire the new content acquisition team and sales and

marketing teams. We are on track to achieve these, with the first services on the new platform, the Arcadian Library Online and Bloomsbury Popular Music, launching this financial year as scheduled. Having digitised and developed Arcadian Library Online, Bloomsbury will be providing sales, marketing and distribution services to make it available to universities, libraries and individuals around the world as a perpetual access product. Popular Music will be a Bloomsbury subscription service for institutions. The income statement this period includes £0.2m investment for Bloomsbury 2020.

## **Outlook**

As well as the Illustrated Edition of *Harry Potter and the Chamber of Secrets*, Bloomsbury's strong second-half list includes *Fantastic Beasts and Where to Find Them - Newt Scamander: A Movie Scrapbook*, *Empire of Storms* by Sarah J. Maas, the *Throne of Glass Colouring Book*, *Mad Enchantment* by Ross King, *Tom Kerridge's Dopamine Diet*, *Commonwealth* by Ann Patchett, Bloomsbury Professional's Tax Looseleaves and *Last Testament: In His Own Words* by Pope Benedict XVI, the only modern Pope to retire whilst in office and who now breaks his silence.

The Group is trading in line with management's expectations. As in previous years, the Group is targeting a number of new contracts from which we expect to deliver rights and services income in the second half of our financial year. October is the peak period for academic book sales and Christmas for sales of consumer books. We therefore expect our results to continue to be significantly second-half weighted, as in the past.

In the coming months we expect to deliver the platform and associated infrastructure to enable digital publishing growth in line with Bloomsbury's 2020 plan, and specifically to see the launch of the Arcadian Library Online and Bloomsbury Popular Music, the latest two resources in our growing range of digital products.

**Condensed Consolidated Interim Income Statement  
For the six months ended 31 August 2016**

	Notes	<b>6 months ended 31 August 2016 £'000</b>	6 months ended 31 August 2015 £'000	Year ended 29 February 2016 £'000
Revenue	3	<b>62,672</b>	52,678	123,725
Cost of sales		<b>(31,259)</b>	(24,000)	(55,198)
<b>Gross profit</b>		<b>31,413</b>	28,678	68,527
Marketing and distribution costs		<b>(9,798)</b>	(7,808)	(17,065)
Administrative expenses		<b>(21,562)</b>	(20,521)	(41,016)
<b>Operating profit before highlighted items</b>		<b>1,362</b>	1,868	13,115
Highlighted items	4	<b>(1,309)</b>	(1,519)	(2,669)
<b>Operating profit</b>		<b>53</b>	349	10,446
Finance income		<b>111</b>	5	27
Finance costs		<b>(17)</b>	(12)	(114)
<b>Profit before taxation and highlighted items</b>		<b>1,456</b>	1,861	13,028
Highlighted items	4	<b>(1,309)</b>	(1,519)	(2,669)
<b>Profit before taxation</b>	3	<b>147</b>	342	10,359
Taxation		<b>(37)</b>	(69)	(652)
<b>Profit for the period attributable to owners of the Company</b>		<b>110</b>	273	9,707
<b>Earnings per share attributable to owners of the Company</b>				
Basic earnings per share	6	<b>0.15p</b>	0.37p	12.98p
Diluted earnings per share	6	<b>0.15p</b>	0.36p	12.93p

The accompanying notes form an integral part of this condensed consolidated interim financial report.

**Condensed Consolidated Interim Statement of Comprehensive Income  
For the six months ended 31 August 2016**

	<b>6 months ended 31 August 2016 £'000</b>	6 months ended 31 August 2015 £'000	Year ended 29 February 2016 £'000
Profit for the period	110	273	9,707
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to the income statement:</i>			
Currency translation differences on foreign operations	2,288	41	3,214
<i>Items that may not be reclassified to the income statement:</i>			
Remeasurements on the defined benefit pension scheme	(174)	57	(24)
Other comprehensive income for the period net of tax	2,114	98	3,190
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>2,224</b>	371	12,897



**Condensed Consolidated Interim Statement of Financial Position**  
**At 31 August 2016**

	Notes	31 August 2016 £'000	31 August 2015 £'000	29 February 2016 £'000
<b>Assets</b>				
Goodwill		42,321	41,717	42,092
Other intangible assets		21,934	22,016	22,465
Property, plant and equipment		2,254	2,654	2,463
Deferred tax assets		3,151	3,547	2,988
Trade and other receivables	7	1,119	-	1,011
<b>Total non-current assets</b>		<b>70,779</b>	69,934	71,019
Inventories		28,929	30,575	27,598
Trade and other receivables	7	73,010	60,888	71,461
Cash and cash equivalents		9,092	3,516	6,556
<b>Total current assets</b>		<b>111,031</b>	94,979	105,615
<b>Total assets</b>		<b>181,810</b>	164,913	176,634
<b>Liabilities</b>				
Retirement benefit obligations		442	159	230
Deferred tax liabilities		2,674	3,108	2,675
Other payables		942	1,135	871
Provisions		43	43	43
<b>Total non-current liabilities</b>		<b>4,101</b>	4,445	3,819
Trade and other payables		42,635	32,078	38,435
Bank overdraft		-	-	1,390
Loans and borrowing		-	2,600	-
Current tax liabilities		-	613	-
Provisions		22	434	23
<b>Total current liabilities</b>		<b>42,657</b>	35,725	39,848
<b>Total liabilities</b>		<b>46,758</b>	40,170	43,667
<b>Net assets</b>		<b>135,052</b>	124,743	132,967
<b>Equity</b>				
Share capital		942	938	939
Share premium		39,388	39,388	39,388
Translation reserve		9,331	3,870	7,043
Other reserves		6,698	6,298	6,829
Retained earnings		78,693	74,249	78,768
<b>Total equity attributable to owners of the Company</b>		<b>135,052</b>	124,743	132,967

**Condensed Consolidated Interim Statement of Changes in Equity  
At 31 August 2016**

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share- based payment reserve £'000	Own shares held by the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2016	939	39,388	7,043	1,386	22	5,428	(7)	78,768	132,967
Profit for the period	-	-	-	-	-	-	-	110	110
<b>Other comprehensive income</b>									
Exchange differences on translating foreign operations	-	-	2,288	-	-	-	-	-	2,288
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(174)	(174)
<b>Total comprehensive income for the period</b>	-	-	2,288	-	-	-	-	(64)	2,224
<b>Transactions with owners</b>									
Issue of shares	3	-	-	417	-	-	-	-	420
Share buy back	-	-	-	-	-	-	(570)	-	(570)
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	(11)	(11)
Share-based payment transactions	-	-	-	-	-	22	-	-	22
<b>Total transactions with owners of the Company</b>	3	-	-	417	-	22	(570)	(11)	(139)
<b>At 31 August 2016</b>	<b>942</b>	<b>39,388</b>	<b>9,331</b>	<b>1,803</b>	<b>22</b>	<b>5,450</b>	<b>(577)</b>	<b>78,693</b>	<b>135,052</b>
At 1 March 2015	938	39,388	3,829	1,386	22	4,986	(338)	73,943	124,154
Profit for the period	-	-	-	-	-	-	-	273	273
<b>Other comprehensive income</b>									
Exchange differences on translating foreign operations	-	-	41	-	-	-	-	-	41
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	57	57
<b>Total comprehensive income for the period</b>	-	-	41	-	-	-	-	330	371
<b>Transactions with owners</b>									
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	(24)	(24)
Share-based payment transactions	-	-	-	-	-	242	-	-	242
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	242	-	(24)	218
<b>At 31 August 2015</b>	<b>938</b>	<b>39,388</b>	<b>3,870</b>	<b>1,386</b>	<b>22</b>	<b>5,228</b>	<b>(338)</b>	<b>74,249</b>	<b>124,743</b>

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share- based payment reserve £'000	Own shares held by the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2015	938	39,388	3,829	1,386	22	4,986	(338)	73,943	124,154
Profit for the year	-	-	-	-	-	-	-	9,707	9,707
<b>Other comprehensive income</b>									
Exchange differences on translating foreign operations	-	-	3,214	-	-	-	-	-	3,214
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(24)	(24)
<b>Total comprehensive income for the year</b>	-	-	3,214	-	-	-	-	9,683	12,897
<b>Transactions with owners</b>									
Issue of shares	1	-	-	-	-	-	-	(1)	-
Dividend to equity holders of the Company	-	-	-	-	-	-	-	(4,590)	(4,590)
Share options exercised	-	-	-	-	-	-	331	(243)	88
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	(24)	(24)
Share-based payment transactions	-	-	-	-	-	442	-	-	442
<b>Total transactions with owners of the Company</b>	1	-	-	-	-	442	331	(4,858)	(4,084)
<b>At 29 February 2016</b>	<b>939</b>	<b>39,388</b>	<b>7,043</b>	<b>1,386</b>	<b>22</b>	<b>5,428</b>	<b>(7)</b>	<b>78,768</b>	<b>132,967</b>

**Condensed Consolidated Interim Statement of Cash Flows**  
**For the six months ended 31 August 2016**

	6 months ended 31 August 2016 £'000	6 months ended 31 August 2015 £'000	Year ended 29 February 2016 £'000
<b>Cash flows from operating activities</b>			
Profit before taxation	147	342	10,359
Finance income	(111)	(5)	(27)
Finance costs	17	12	114
Operating profit	53	349	10,446
Adjustments for:			
Depreciation of property, plant and equipment	314	333	666
Amortisation of intangible assets	1,978	1,931	3,857
Loss on sale of property, plant and equipment	-	-	1
Share-based payment charges	29	281	487
	2,374	2,894	15,457
(Increase)/decrease in inventories	(292)	(1,620)	3,133
Decrease/(increase) in trade and other receivables	958	1,207	(8,212)
Increase/(decrease) in trade and other payables	2,563	(5,124)	(1,476)
<b>Cash generated from/(used in) operating activities</b>	<b>5,603</b>	<b>(2,643)</b>	<b>8,902</b>
Income taxes received/ (paid)	10	(2,261)	(3,870)
<b>Net cash generated from/(used in) operating activities</b>	<b>5,613</b>	<b>(4,904)</b>	<b>5,032</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(98)	(159)	(249)
Purchase of businesses, net of cash acquired	-	(30)	(60)
Purchases of intangible assets	(1,666)	(1,389)	(2,846)
Interest received	111	5	9
<b>Net cash used in investing activities</b>	<b>(1,653)</b>	<b>(1,573)</b>	<b>(3,146)</b>
<b>Cash flows from financing activities</b>			
Purchase of shares by the Employee Benefit Trust	(570)	-	-
Equity dividends paid	-	-	(4,590)
Proceeds from exercise of share options	-	-	88
Drawdown of borrowing	-	100	(2,500)
Interest paid	(17)	(12)	(90)
<b>Net cash (used in)/generated from financing activities</b>	<b>(587)</b>	<b>88</b>	<b>(7,092)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,373</b>	<b>(6,389)</b>	<b>(5,206)</b>
Cash and cash equivalents at beginning of period	5,166	10,021	10,021
Exchange gain/(loss) on cash and cash equivalents	553	(116)	351
<b>Cash and cash equivalents at end of period</b>	<b>9,092</b>	<b>3,516</b>	<b>5,166</b>

## Notes to the Condensed Consolidated Interim Financial Statements

### 1. Reporting entity

Bloomsbury Publishing Plc (the “Company”) is a Company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 August 2016 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in the publication of books and other related services.

### 2. Significant accounting policies

#### a) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ as adopted by the European Union (“EU”). They are unaudited and do not constitute statutory accounts. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 29 February 2016.

Except as described below, the condensed set of financial statements have been prepared on a consistent basis with the financial statements for the year ended 29 February 2016 and should be read in conjunction with the Annual Report 2016. The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) pronouncements as adopted by the EU. The 2016 Annual Report refers to other new standards effective from 1 March 2016. None of these standards have had a material impact in these financial statements.

The comparative financial information for the year ended 29 February 2016 does not constitute statutory accounts for that financial year. This information was extracted from the statutory accounts for the year ended 29 February 2016, a copy of which has been delivered to the Registrar of Companies. The auditor’s report on those accounts was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 27 October 2016.

#### b) Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements. The factors taken into account in developing this expectation include the level of cash within the business, the Group’s bank facilities, continuing sources of revenue and principal risks including the impact of Brexit. The Group’s bank facilities comprises a £10 million to £14 million committed revolving loan facility (amount dependent on time during the year to match Bloomsbury’s cash flow cycle) which expires in May 2021, an uncommitted incremental term loan facility of up to £6 million and a £2 million overdraft facility renewable annually.

#### c) Uses of estimates and judgments

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets liabilities, income and expenses. Actual results may differ

from these estimates. Critical judgments and areas where the use of estimates is significant are set out in the 2016 Annual Report.

### **3. Segmental analysis**

We announced in May 2016 a reorganisation of the business into two divisions: Consumer and Non-Consumer, reflecting the core customers for our different operations. The Consumer division is further split out into two operating segments; Children's Trade and Adult Trade and Non-Consumer split between four operating segments; Academic & Professional, Educational, Special Interest and Content Services. Educational has been aggregated with Academic & Professional to create one reportable segment. Both operating segments share very similar products, customers and sales behaviours.

Each reportable segment represents a cash-generating unit for the purpose of impairment testing. We have reallocated goodwill been reportable segments.

These divisions are the basis on which the Group primarily reports its segment information. Segments derive their revenue from book publishing, sale of publishing and distribution rights, management and other publishing services. The analysis by segment is shown below:

\* The six months ended 31 August 2015 and year ended 29 February 2016 have been restated to reflect the new divisional structure. The total result has not changed.

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Six months ended 31 August 2016</b>									
<b>External revenue</b>	<b>23,897</b>	<b>13,381</b>	<b>37,278</b>	<b>16,651</b>	<b>8,069</b>	<b>674</b>	<b>25,394</b>	-	<b>62,672</b>
Cost of sales	(12,025)	(7,594)	(19,619)	(6,858)	(4,427)	(355)	(11,640)	-	(31,259)
<b>Gross profit</b>	<b>11,872</b>	<b>5,787</b>	<b>17,659</b>	<b>9,793</b>	<b>3,642</b>	<b>319</b>	<b>13,754</b>	-	<b>31,413</b>
Marketing and distribution costs	(3,882)	(2,652)	(6,534)	(2,085)	(1,106)	(73)	(3,264)	-	(9,798)
<b>Contribution before administrative expenses</b>	<b>7,990</b>	<b>3,135</b>	<b>11,125</b>	<b>7,708</b>	<b>2,536</b>	<b>246</b>	<b>10,490</b>	-	<b>21,615</b>
Administrative expenses excluding highlighted items	(5,499)	(4,348)	(9,847)	(6,983)	(2,906)	(517)	(10,406)	-	(20,253)
<b>Operating profit/(loss) before highlighted items/ segment results</b>	<b>2,491</b>	<b>(1,213)</b>	<b>1,278</b>	<b>725</b>	<b>(370)</b>	<b>(271)</b>	<b>84</b>	-	<b>1,362</b>
Amortisation of acquired intangible assets	-	(9)	(9)	(778)	(91)	(3)	(872)	-	(881)
Other highlighted items	-	-	-	-	-	-	-	(428)	(428)
<b>Operating profit /(loss)</b>	<b>2,491</b>	<b>(1,222)</b>	<b>1,269</b>	<b>(53)</b>	<b>(461)</b>	<b>(274)</b>	<b>(788)</b>	<b>(428)</b>	<b>53</b>
Finance income	-	-	-	-	-	-	-	111	111
Finance costs	-	-	-	-	-	-	-	(17)	(17)
<b>Profit/(loss) before taxation</b>	<b>2,491</b>	<b>(1,222)</b>	<b>1,269</b>	<b>(53)</b>	<b>(461)</b>	<b>(274)</b>	<b>(788)</b>	<b>(334)</b>	<b>147</b>
Taxation	-	-	-	-	-	-	-	(37)	(37)
<b>Profit/(loss) for the period</b>	<b>2,491</b>	<b>(1,222)</b>	<b>1,269</b>	<b>(53)</b>	<b>(461)</b>	<b>(274)</b>	<b>(788)</b>	<b>(371)</b>	<b>110</b>
<b>Operating profit / (loss) before highlighted items/ segment results</b>	<b>2,491</b>	<b>(1,213)</b>	<b>1,278</b>	<b>725</b>	<b>(370)</b>	<b>(271)</b>	<b>84</b>	-	<b>1,362</b>
Depreciation	94	61	155	97	56	6	159	-	314
Amortisation of internally generated intangibles	132	95	227	637	222	11	870	-	1,097
<b>EBITDA before highlighted items</b>	<b>2,717</b>	<b>(1,057)</b>	<b>1,660</b>	<b>1,459</b>	<b>(92)</b>	<b>(254)</b>	<b>1,113</b>	-	<b>2,773</b>

\* Restated

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Six months ended 31 August 2015</b>									
<b>External revenue</b>	<b>14,660</b>	<b>12,801</b>	<b>27,461</b>	<b>15,942</b>	<b>7,748</b>	<b>1,527</b>	<b>25,217</b>	-	<b>52,678</b>
Cost of sales	(6,856)	(6,739)	(13,595)	(6,423)	(3,647)	(335)	(10,405)	-	(24,000)
<b>Gross profit</b>	<b>7,804</b>	<b>6,062</b>	<b>13,866</b>	<b>9,519</b>	<b>4,101</b>	<b>1,192</b>	<b>14,812</b>	-	<b>28,678</b>
Marketing and distribution costs	(2,370)	(2,320)	(4,690)	(2,028)	(1,055)	(35)	(3,118)	-	(7,808)
<b>Contribution before administrative expenses</b>	<b>5,434</b>	<b>3,742</b>	<b>9,176</b>	<b>7,491</b>	<b>3,046</b>	<b>1,157</b>	<b>11,694</b>	-	<b>20,870</b>
Administrative expenses excluding highlighted items	(4,145)	(4,330)	(8,475)	(6,807)	(2,845)	(875)	(10,527)	-	(19,002)
<b>Operating profit/(loss) before highlighted items/ segment results</b>	<b>1,289</b>	<b>(588)</b>	<b>701</b>	<b>684</b>	<b>201</b>	<b>282</b>	<b>1,167</b>	-	<b>1,868</b>
Amortisation of acquired intangible assets	(66)	(9)	(75)	(720)	(94)	(2)	(816)	-	(891)
Other highlighted items	-	-	-	-	-	-	-	(628)	(628)
<b>Operating profit / (loss)</b>	<b>1,223</b>	<b>(597)</b>	<b>626</b>	<b>(36)</b>	<b>107</b>	<b>280</b>	<b>351</b>	<b>(628)</b>	<b>349</b>
Finance income	-	-	-	-	-	-	-	5	5
Finance costs	-	-	-	-	-	-	-	(12)	(12)
<b>Profit/(loss) before taxation</b>	<b>1,223</b>	<b>(597)</b>	<b>626</b>	<b>(36)</b>	<b>107</b>	<b>280</b>	<b>351</b>	<b>(635)</b>	<b>342</b>
Taxation	-	-	-	-	-	-	-	(69)	(69)
<b>Profit/(loss) for the period</b>	<b>1,223</b>	<b>(597)</b>	<b>626</b>	<b>(36)</b>	<b>107</b>	<b>280</b>	<b>351</b>	<b>(704)</b>	<b>273</b>
<b>Operating profit / (loss) before highlighted items/ segment results</b>	<b>1,289</b>	<b>(588)</b>	<b>701</b>	<b>684</b>	<b>201</b>	<b>282</b>	<b>1,167</b>	-	<b>1,868</b>
Depreciation	67	79	146	118	53	15	186	-	332
Amortisation of internally generated intangibles	77	99	176	677	165	22	864	-	1,040
<b>EBITDA before highlighted items</b>	<b>1,433</b>	<b>(410)</b>	<b>1,023</b>	<b>1,479</b>	<b>419</b>	<b>319</b>	<b>2,217</b>	-	<b>3,240</b>



\*Restated

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Year ended 29 February 2016</b>									
<b>External revenue</b>	<b>37,722</b>	<b>28,726</b>	<b>66,448</b>	<b>36,601</b>	<b>17,454</b>	<b>3,222</b>	<b>57,277</b>	-	<b>123,725</b>
Cost of sales	(17,010)	(14,452)	(31,462)	(15,422)	(7,728)	(586)	(23,736)	-	(55,198)
<b>Gross profit</b>	<b>20,712</b>	<b>14,274</b>	<b>34,986</b>	<b>21,179</b>	<b>9,726</b>	<b>2,636</b>	<b>33,541</b>	-	<b>68,527</b>
Marketing and distribution costs	(5,469)	(4,989)	(10,458)	(4,369)	(2,155)	(83)	(6,607)	-	(17,065)
<b>Contribution before administrative expenses</b>	<b>15,243</b>	<b>9,285</b>	<b>24,528</b>	<b>16,810</b>	<b>7,571</b>	<b>2,553</b>	<b>26,934</b>	-	<b>51,462</b>
Administrative expenses excluding highlighted items	(9,954)	(8,594)	(18,548)	(12,903)	(5,571)	(1,325)	(19,799)	-	(38,347)
<b>Operating profit before highlighted items/ segment results</b>	<b>5,289</b>	<b>691</b>	<b>5,980</b>	<b>3,907</b>	<b>2,000</b>	<b>1,228</b>	<b>7,135</b>	-	<b>13,115</b>
Amortisation of acquired intangible assets	(88)	(17)	(105)	(1,487)	(189)	(5)	(1,681)	-	(1,786)
Other highlighted items	-	-	-	-	-	-	-	(883)	(883)
<b>Operating profit /(loss)</b>	<b>5,201</b>	<b>674</b>	<b>5,875</b>	<b>2,420</b>	<b>1,811</b>	<b>1,223</b>	<b>5,454</b>	<b>(883)</b>	<b>10,446</b>
Finance income	-	-	-	-	-	-	-	27	27
Finance costs	-	-	-	-	-	-	-	(114)	(114)
<b>Profit/(loss) before taxation</b>	<b>5,201</b>	<b>674</b>	<b>5,875</b>	<b>2,420</b>	<b>1,811</b>	<b>1,223</b>	<b>5,454</b>	<b>(970)</b>	<b>10,359</b>
Taxation	-	-	-	-	-	-	-	(652)	(652)
<b>Profit/(loss) for the year</b>	<b>5,201</b>	<b>674</b>	<b>5,875</b>	<b>2,420</b>	<b>1,811</b>	<b>1,223</b>	<b>5,454</b>	<b>(1,622)</b>	<b>9,707</b>
<b>Operating profit before highlighted items/ segment results</b>	<b>5,289</b>	<b>691</b>	<b>5,980</b>	<b>3,907</b>	<b>2,000</b>	<b>1,228</b>	<b>7,135</b>	-	<b>13,115</b>
Depreciation	138	160	298	239	99	30	368	-	666
Amortisation of internally generated intangibles	162	203	365	1,329	331	46	1,706	-	2,071
<b>EBITDA before highlighted items</b>	<b>5,589</b>	<b>1,054</b>	<b>6,643</b>	<b>5,475</b>	<b>2,430</b>	<b>1,304</b>	<b>9,209</b>	-	<b>15,852</b>

Due to the seasonality of the business, the Group's sales and divisional results are weighted towards the second half of the year.

## External revenue by product type

	Six months ended 31 August 2016 £'000	Six months ended 31 August 2015 £'000	Year ended 29 February 2016 £'000
Print	51,719	41,434	98,111
Digital	7,695	7,141	15,022
Rights and services <sup>1</sup>	3,258	4,103	10,592
<b>Total</b>	<b>62,672</b>	<b>52,678</b>	<b>123,725</b>

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

Total assets	31 August 2016 £'000	31 August 2015 *restated £'000	29 February 2016 *restated £'000
Children's Trade	8,724	5,711	5,932
Adult Trade	8,052	10,106	9,068
Academic & Professional	59,739	61,885	61,569
Special Interest	13,813	13,956	12,900
Content Services	190	307	203
Unallocated	91,292	72,948	86,962
<b>Total assets</b>	<b>181,810</b>	<b>164,913</b>	<b>176,634</b>

Unallocated primarily represents centrally held assets including system development, property, plant and equipment, receivables and cash.

## 4. Highlighted items

	Six months ended 31 August 2016 £'000	Six months ended 31 August 2015 £'000	Year ended 29 February 2016 £'000
Legal and other professional fees	-	-	16
Restructuring costs	428	628	915
Other	-	-	(48)
<b>Other highlighted items</b>	<b>428</b>	<b>628</b>	<b>883</b>
Amortisation of acquired intangible assets	881	891	1,786
<b>Total highlighted items</b>	<b>1,309</b>	<b>1,519</b>	<b>2,669</b>

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.

Restructuring costs of £428,000 were incurred as a result of the Group's acquisition activities and the strategic restructuring of the global sales and US finance teams (six months ended 31 August 2015: £628,000 and year ended 29 February 2016: £915,000 have been incurred as a result of the Group's acquisition activities and the restructuring of the Bloomsbury Content Services division).

## 5. Dividends

	<b>Six months ended 31 August 2016 £'000</b>	Six months ended 31 August 2015 £'000	Year ended 29 February 2016 £'000
<b>Amounts arising in respect of the period</b>			
Interim dividend for the period	823	793	793
Final dividend for the year	-	-	4,009
<b>Total dividend for the period</b>	<b>823</b>	793	4,802

The proposed interim dividend of 1.10 pence per ordinary share will be paid to the equity shareholders on 30 November 2016 to shareholders registered at close of business on 4 November 2016. The final dividend for 29 February 2016 was paid on 21 September 2016.

## 6. Earnings per share

The basic earnings per share for the six months ended 31 August 2016 is calculated using a weighted average number of Ordinary Shares in issue of 74,834,869 (31 August 2015: 74,739,877 and 29 February 2016: 74,807,436) after deducting 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.

	<b>6 months ended 31 August 2016 Number</b>	6 months ended 31 August 2015 Number	Year ended 29 February 2016 Number
<b>Weighted average shares in issue</b>	<b>74,834,869</b>	74,739,877	74,807,436
Dilution	<b>112,842</b>	247,531	245,115
<b>Diluted weighted average shares in issue</b>	<b>74,947,711</b>	74,987,408	75,052,551
	<b>£'000</b>	£'000	£'000
<b>Profit after tax attributable to owners of the Company</b>	<b>110</b>	273	9,707
<b>Basic earnings per share</b>	<b>0.15p</b>	0.37p	12.98p
<b>Diluted earnings per share</b>	<b>0.15p</b>	0.36p	12.93p
<b>Adjusted profit attributable to owners of the Company</b>	<b>1,236</b>	1,545	11,440
<b>Adjusted basic earnings per share</b>	<b>1.65p</b>	2.07p	15.29p
<b>Adjusted diluted earnings per share</b>	<b>1.65p</b>	2.06p	15.24p
Adjusted profit is derived as follows:			
Profit before tax	<b>147</b>	342	10,359
Amortisation of acquired intangible assets	<b>881</b>	891	1,786
Other highlighted items	<b>428</b>	628	883
<b>Adjusted profit before tax</b>	<b>1,456</b>	1,861	13,028
Tax expense	<b>37</b>	69	652
Deferred tax movements on goodwill and acquired intangible assets	<b>97</b>	121	527
Tax expense on other highlighted items	<b>86</b>	126	409
<b>Adjusted tax</b>	<b>220</b>	316	1,588
<b>Adjusted profit attributable to owners of the Company</b>	<b>1,236</b>	1,545	11,440

The Group includes the benefit of tax amortisation of intangible assets as this benefit more accurately aligns the adjusted tax charge with the expected cash tax payments.

## 7. Trade and other receivables

	<b>31 August 2016 £'000</b>	31 August 2015 £'000	29 February 2016 £'000
<b>Non-current</b>			
Prepayments and accrued income	1,119	-	1,011
Non-current trade and other receivables	1,119	-	1,011
<b>Current</b>			
Gross trade receivables	46,780	35,582	45,476
Less: provision for impairment of receivables	(534)	(558)	(432)
Less: provision for returns	(5,629)	(4,827)	(5,800)
Net trade receivables	40,617	30,197	39,244
Income tax recoverable	840	34	850
Other receivables	1,852	1,966	1,354
Prepayments and accrued income	6,927	7,100	7,784
Royalty advances	22,774	21,591	22,229
Current trade and other receivables	73,010	60,888	71,461
<b>Total trade and other receivables</b>	<b>74,129</b>	<b>60,888</b>	<b>72,472</b>

Trade receivables principally comprise amounts receivable from the sale of books due from distributors. The majority of trade debtors are secured by credit insurance and in certain territories by third party distributors.

A provision for the return of books by customers is made with reference to the historic rate of returns.

Royalty advances have been separated out from prepayments and accrued income to enable a user to get a better understanding of the business. A provision is held against gross advances payable in respect of published titles advances which may not be fully earned down by anticipated future sales. As at 31 August 2016 £5,651,000 (31 August 2015 £5,444,000 and 29 February 2016 £5,530,000) of royalty advances relate to titles expected to publish after more than 12 months.

## 8. Related parties

The Group has no related party transactions in the period other than key management remuneration.

## Responsibility Statement of the Directors in Respect of the Interim Financial Statements

### Directors

Sir Anthony Salz	Independent Non-Executive Chairman
Nigel Newton	Chief Executive
John Warren	Independent Non-Executive Director Senior Independent Director Chair of the Audit Committee
Jill Jones	Independent Non-Executive Director Chair of the Remuneration Committee
Stephen Page	Independent Non-Executive Director
Richard Charkin	Executive Director
Jonathan Glasspool	Executive Director
Wendy Pallot	Group Finance Director

Each of the directors confirms that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union;
- the interim management report includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial period and their impact on the condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial period; and
  - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial period and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Nigel Newton

Wendy Pallot

27 October 2016

## **Principal risks and uncertainties**

Bloomsbury has a systematic and embedded risk management process for identifying and addressing the short to long-term risks and uncertainties for its operations worldwide. The strategy implemented by the Board aims to mitigate the main risks and exploit opportunities to create sustainable returns for shareholders. A summary of the principal risks and uncertainties to the business for the remaining six months of the financial year are as follows:

- The profit from trade publishing depends significantly on the unpredictable sales of a small number of front-list titles especially around the Christmas period.
- The timing for completing rights and services deals depends on third parties.
- Group revenue and profit are benefiting from the fall in exchange rates however certain costs, in particular print costs, although largely under fixed long term contracts, could be adversely impacted by this fall in exchange rates.

A full list of risks and uncertainties is included in the 2016 Annual Report and Accounts.

## **Independent Review Report to Bloomsbury Publishing plc**

### **Introduction**

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2016 which comprises condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of financial position, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

### **Our responsibility**

Our responsibility is to express to the Company a conclusion on the condensed consolidated interim financial statements in the half-yearly financial report based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

**John Bennett**

**for and on behalf of KPMG LLP**

Chartered Accountants

15 Canada Square

London

E14 5GL

27 October 2016