

# WILMINGTON

Group plc



**Review of the six months to 31 December 2004**

**February 2005**

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## *Information and training for professional businesses*

	Six months to 31 Dec 2004	Six months to 31 Dec 2003	Twelve months to 30 June 2004
	£m	£m	£m
<b>Turnover</b>	39.7	37.5	82.7
<b>Operating Profit</b> (before exceptionals, interest, amortisation and tax)	4.5	3.6	10.6
<b>Adjusted PBT</b> profit before tax, amortisation and exceptionals	4.1	3.55	10.2
<b>Adjusted EPS</b>	3.08	2.73	7.73
<b>Interim Dividend</b> per share	1.15p	1.00p	3.0p

### Business Highlights

- Turnover up 6% to £39.7m
- Operating profit up 24% to £4.5m
- Adjusted PBT up 15% to £4.1m
- Adjusted EPS increased by 13%
- Dividend increased by 15%
- Disposal of Abacus Software Ltd

## Five Year Record of Performance

Years ended to 30 June	2004 £m	2003 £m	2002 £m	2001 £m	2000 £m
<b>Consolidated Profit and Loss Accounts</b>					
Turnover	82.7	78.4	78.6	75.3	61.6
Cost of sales	(27.5)	(26.3)	(26.9)	(26.1)	(21.3)
<b>Gross Profit</b>	55.2	52.1	51.7	49.2	40.3
Operating expenses	(44.6)	(42.7)	(41.5)	(37.7)	(30.5)
<b>Operating profit</b> (before amortisation and exceptionals)	10.6	9.4	10.2	11.5	9.8
<b>Operating Cashflow</b>	12.0	12.9	12.5	13.0	10.6

Consistent profitable performance whilst improving the quality of the business

## Summary Cash Flow

	Six months to 31 Dec 2004 £m	Six months to 31 Dec 2003 £m	Year to 30 June 2004 £m
Cash inflow from operating activities	3.6	1.6	12.0
Servicing of finance	(0.5)	(0.1)	(0.8)
Taxation	(1.1)	(1.0)	(3.0)
Net replacement capital expenditure	(1.3)	(0.5)	(1.1)
Equity dividends	(1.7)	(1.4)	(2.2)
	(1.0)	(1.4)	4.9
Investment in premises	(0.6)	-	(2.5)
Acquisition spend	(3.6)	(11.6)	(13.7)
	(5.2)	(13.0)	(11.3)
New finance	-	0.2	0.2
Change in cash/(debt) during year	(5.2)	(12.8)	(11.1)

## Summary Balance Sheet

	<b>As at 31 Dec 2004 £m</b>	<b>As at 31 Dec 2003 £m</b>	<b>As at 30 June 2004 £m</b>
Intangible Assets	65.4	65.5	64.5
Tangible Assets	12.7	9.5	11.7
Net Cash/(Debt)	(10.7)	(7.3)	(4.5)
Working Capital	2.3	2.6	0.9
Deferred Consideration	(3.9)	(3.9)	(3.9)
Deferred Revenue	(7.9)	(7.3)	(9.4)
Net Assets	<b>57.9</b>	<b>59.1</b>	<b>59.3</b>

## Legal and Regulatory

	Six months to 31 Dec 2004	Six months to 31 Dec 2003	Year to 30 June 2004
<b>Turnover</b>	18.9	17.4	39.1
<b>Profit Contribution</b>	4.3	3.9	9.6

## Business Highlights

- Turnover grown 9%, profits up 10% - all organic growth
- Profit margin 22.7% (2003: 22.4%) despite ongoing investment in new initiatives
- Continuing legal training ahead of strong prior year comparator
- Immigration and asylum accreditation a significant contributor this year
- Increased advertising revenues generate profit growth in legal magazines
- New clients generate profit growth at Pendragon

## Healthcare

	Six months to 31 Dec 2004	Six months to 31 Dec 2003	Year to 30 June 2004
<b>Turnover</b>	4.7	3.3	8.8
<b>Profit Contribution</b>	0.5	0.1	1.2

## Business Highlights

- Turnover grown by 45%, profits up 460%
- APM's first year contribution ahead of expectations
- Beechwood's revenues grown by 12%
- Significant investment in product development
- New product launches in January 2005

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## Media and Entertainment

	Six months to 31 Dec 2004	Six months to 31 Dec 2003	Year to 30 June 2004
<b>Turnover</b>	3.3	3.2	6.6
<b>Profit Contribution</b>	0.3	0.6	0.9

### Business Highlights

- Turnover grown by 3%, profits down 44%
- Profits affected by publication timing differences
- Sale of Abacus Software Ltd in January 2005
- Relaunch of TMSS following poor performance
- Media and entertainment expected to make progress this financial year



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## Drinks and Catering

### Business Highlights

- Turnover grown by 6%, profits up 200%
- Events provide revenue growth
- Advertising markets still variable
- Investment in database products to extend market reach

	Six months to 31 Dec 2004	Six months to 31 Dec 2003	Year to 30 June 2004
<b>Turnover</b>	4.5	4.2	9.0
<b>Profit</b>	0.1	-0.1	0.3
<b>Contribution</b>			

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## Design and Construction

	Six months to 31 Dec 2004	Six months to 31 Dec 2003	Year to 30 June 2004
<b>Turnover</b>	5.7	5.6	11.3
<b>Profit Contribution</b>	-0.05	-0.05	-0.2

### Business Highlights

- Turnover and profits flat compared to the prior year
- Property rationalisation completed, properties vacated in Sevenoaks and Chelmsford
- Costs base significantly reduced
- The benefits of restructuring and portfolio review starting to be seen

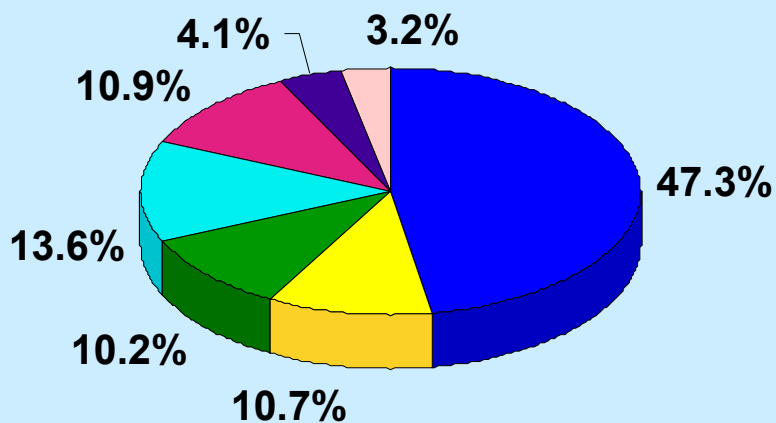
## Outlook

- Full year contribution from APM
- New accreditation programme for Immigration and Asylum advisors
- Selected reorganisation and consolidation of property portfolio
- Continued development of e-revenues
- Continuing growth in demand for compliance training
- Full year benefit of RED/MUZE merger
- First half reorganisation costs, but still expect growth

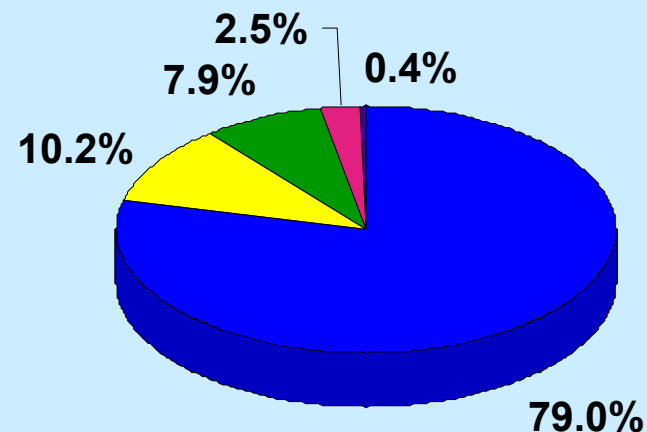
## **Appendices**

## Market Segmentation 2003/04

**TURNOVER**

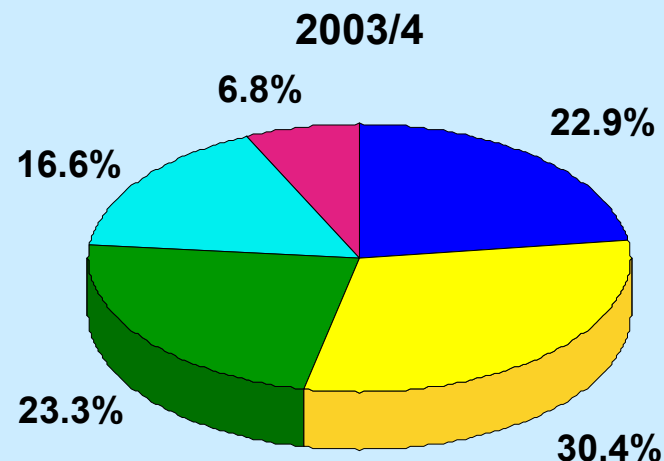
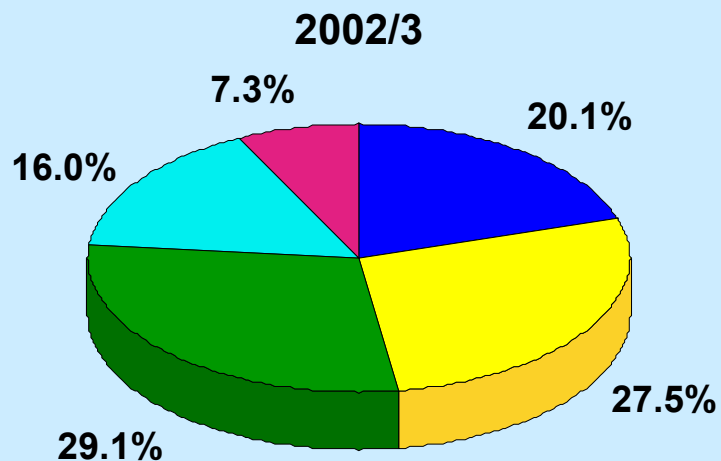


**PROFIT CONTRIBUTION \***



\* Pre unallocated central overheads.

## Group Revenue Sources



- Information Sales and Professional Services**
- Magazine Advertising**
- Directory Advertising**
- Subscriptions and Copy Sales**
- Events**

## **Key Strengths**

- A strong focused business providing essential information
  - Predictable, profitable businesses
  - Organic growth from new initiatives
  
- Experienced management team with a solid track record of strategic acquisitions
  
- Strong balance sheet to enable Wilmington to take advantage of market opportunities
  
- Strong brands in professional information markets