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CHAIRMAN'S STATEMENT



“We are in great shape as a business and as we go forward I expect revenues in our served markets to return to their previous levels as we take full advantage of the recovery ”

Graham Sherren – Chairman

Whilst this has been a difficult year for Centaur, I write this statement with confidence that our competitive position as a business has improved during the last year and as we go forward we will prosper as the economy recovers.

Current year financial performance

Following the global economic crisis that took hold in late 2008, Group revenues fell to 73% of the level achieved in the previous financial year while PBT of £1.7m compared to £14.5m in the prior year, despite a 15% (£11.4 million) reduction in total expenditure, reflecting the severity and speed of the revenue decline during the year.

Dividend

An adjusted EPS for the year of 2.1p (FY2008: 9.2p) provides the context for the Board's recommendation of a final dividend of 1.0p per share, giving a full year dividend of 1.5p (FY2008: 4.2p).

The Directors decided to restrict dividend payments relative to prior year to reflect the increased level of investment we have made in our online businesses, which is expected to underpin significant growth in the future.

Cost reduction

The level of defensive cost reductions undertaken across the Group during the year to June 2009 (see Financial Review page 29) represented a swift and decisive response to these difficult trading conditions. In implementing these cost reduction initiatives, great care was taken to ensure no damage was done to our core operating assets that would impair our prospective recovery or growth potential and continued investment was undertaken in existing and new products to maintain and strengthen market leading positions (see pages 9 to 14).

Investment in the future

Organic growth has always been at the heart of Centaur's success and our ability to maintain the rate of new product development over the last twelve months

is a reflection of the prudent stewardship of the Group during the years of strong growth from 2004 to 2008. As a result we started this current financial year with £7.7 million net cash and although during the current year we made payments in respect of dividends, taxation and capital expenditure amounting to £12.1 million, through the effective management of the Group's working capital, we remained free of debt at 30 June 2009 with net cash of £0.6 million.

I was therefore very pleased that this strong cash position allowed a raised level of capital investment in the business over the course of the year with a strong focus on developing our online businesses.

Group fundamentals unchanged

Our continued investment through the downturn has resulted in a strengthening of many fundamental aspects of the Group which now presents us with an exceptional opportunity for growth over the next 3 to 5 years. These include:

- Market leading brands – as detailed in the Strategy section, we have increased the market share of our major brands across our communities over the past year.
- Improved fixed cost base – on an annualised basis, Group expenditure will be reduced by around £12 million, a large proportion of which represents a reduction in the fixed cost base of the business that will contribute strongly to rapid margin improvement as revenues return.
- Strong organic growth record – new product development was maintained through the downturn with a continuing strong pipeline of new product initiatives including substantial investments in our B2B online platform, workflow products

at Perfect Information and a number of new event launches.

- Strong balance sheet – we remain debt free at 30 June 2009 and the Group is well positioned to take advantage of future investment opportunities.
- Cyclical recovery – as in previous cycles the recovery will drive strong revenue growth for the Group with a high level of marginal profitability enhanced by the investments we have made in our online businesses.
- Experienced management – the strength of our management team is clearly illustrated throughout this report and remains a key success criterion in driving organic growth and identifying relevant acquisition opportunities.

Current trading and outlook

The forward visibility of Group revenues remains generally low, although we have seen a reduction in the rate of decline in the first two months of the new financial year and there is evidence of some stabilisation. Whilst progress may initially be slow I expect revenues to return to their previous levels as we begin to take full advantage of this recovery.

Finally I would like to extend the Board's thanks to all our staff, who through a difficult year have continued to work with dedication, tenacity and enthusiasm to ensure the future success of the business. We thank them for their continued commitment and hard work and look forward to them sharing in the future success of the Group.

Graham Sherren
Chairman

CENTAUR'S VISION AND CULTURE



"In the past year we have continued to invest heavily in the business, with a particular focus on our online products, to ensure we are well positioned to drive significant growth as markets recover."

Geoff Wilmot – Chief Executive Officer

CENTAUR'S VISION AND CULTURE

To be the leading provider of information, marketing and sales lead generation solutions to our chosen business communities. Our people represent the heart of our business and we provide a working environment where entrepreneurship and innovation will thrive. We provide products and services for our customers that inspire trust and loyalty.

CENTAUR'S STRATEGY

Content

We aim to be the leading provider of high need information and data to our community audiences. The ability to engage with our audiences and maintain their trust and support requires a deep understanding of their information needs and the changing face of the markets in which they operate. Our continual

programme of audience focused product innovation reflects the dynamic nature of this process. Our existing market leading brand strength reflects the considerable success we have already achieved in securing and maintaining this trust.

Audience

Our audience communities are drawn from individuals working in high value professional or special interest markets where significant opportunities are identified for future growth. We are continually expanding our reach in our chosen communities and in building high quality databases of the component individuals we seek both to define the community's distinctive identity, and to segment individual areas of responsibility and expertise within that community. As a result we are able to be more effective in the way we serve our

communities' information and data needs and also provide relevant marketing and sales lead generation opportunities for our marketers. In serving the information needs of our audiences we aim to distribute content to them through their channel of choice, whether that be digital, through event formats or in more traditional print formats, our organisational structure increasingly provides a seamless interplay between multiple distribution channels.

Marketer

We aim to provide relevant marketing and sales lead generation solutions to those who wish to do business with our audiences. In serving the marketing and sales lead generation needs of our marketers we offer routes to market across multiple distribution channels. Our ability to be effective in this service lies in a detailed understanding of the needs of our marketers and to

provide access to the channel that most precisely delivers their own target customers. This in turn derives from and is dependent on the quality of our data gathering in respect of target audiences, our ability to remain engaged with those audiences through the delivery of relevant quality content and efficiency, flexibility and innovation in our methods of distribution.

CENTAUR'S STRATEGY

STRATEGIC OBJECTIVES

In the context of this strategy we have five value enhancing objectives:

1. To achieve critical mass in high value growth markets

Our primary focus is on expanding our presence in existing high value markets and the platform for this expansion is provided by a close understanding of our served communities that provides a rich and sustainable source of organic growth opportunity. The means of delivering against this objective are as follows:

- Established brand strength, including market leading positions in many of our served markets, facilitates a deeper and wider penetration into the existing market and adjacent areas.

- Community strength- the creation and reinforcement of a strong identity for each community provides support for new product initiatives.

- The core editorial and production competencies across the Group ensure a dynamic and innovative approach to content and distribution.

- A constant review of our product portfolio reflects the dynamic nature of our markets and our quick response to changes in those markets.

- A strong balance sheet has allowed a continued investment in strengthening market leading positions and new product innovation through the recent downturn.

- Where appropriate we continue to seek acquisition opportunities that primarily bolster or expand existing market positions. Our criteria for evaluating acquisitions are detailed below.

2. To maintain long term double digit revenue growth

While elsewhere in our strategic objectives we seek to achieve greater protection against cyclical fluctuations in revenue through a rebalancing of revenue streams, this aim reflects the performance of the Group across the economic cycle.

In many ways the means of delivering against this objective reflect those listed above in relation to achieving critical mass in high value markets. However, in this context, what is additionally important is the impetus that a cyclical downturn can in itself provide to growth opportunities in recovering markets.

The reduction in Group revenues reported for this financial year reflects the underlying conditions in the markets we serve and where rapid change occurs, as it has over the last 18 months, this can be a strong catalyst for growth as follows:

- Our communities may contract but there is often a counter-cyclical increase in the

need for relevant information, together with changes in the profile of that information, which provides opportunities for new product development.

- A period of downturn often leads to a sense of isolation experienced by people working in one part of a community. Our products perform an important role in mitigating this sense of isolation by informing them of the experiences and achievements of contemporaries working in parallel areas. Our market leading brands provide a means for communication and cohesion at such times that can reinforce, strengthen and to some extent redefine the identity of each community, which in turn also provides support for new product initiatives.

- The competitive environment will change at such times, with less new entrants and a number of departures, which further strengthens the Group's market leading positions.

- A degree of flight to quality occurs that, given our market leading positions, provides opportunity for yield maintenance at times of falling volumes.

- New high value markets may become more attractive as the information requirements of those markets evolve and existing providers fail to adapt to these changing conditions.

- Structural changes in the way information is consumed or marketing spend deployed may be accelerated through a downturn. The Group's flexible and innovative approach to developing multiple distribution channels will ensure we are well placed to take advantage of such changes.

3. To balance revenue derived from digital, event and print products

As described above our aim is to deliver content through channels that match our audiences' preferences and to be flexible and innovative in adapting to change and developing new distribution channels to match those changing needs. Our revenue mix will therefore, to some extent, reflect those changes as they evolve. However, the achievement of this strategic objective does not depend on the straightforward substitution of one established media for another but rather reflects a changing emphasis in the role that each distribution channel plays in fulfilling the information needs of our audiences and our ability to embrace those changes as follows:

- It is recognised that digitally delivered content will increase in importance particularly in the delivery of news to our audiences, and our web based content management system and user databases allow the delivery of tailored content to tailored micro-audiences within the broader community.
- The importance of this is reflected in the further development of the web platform across all our branded B2B websites over the last eighteen months. A result of this ongoing development, which allows a greater degree of integration between web

content and user databases, is to provide the opportunity to firstly expand our audiences through greater reach into our existing communities and secondly to increase the opportunities we may offer for effective marketing by delivering deeper engagement with high value niches within those communities. These developments are described in more detail in the attached B2B web platform case study at pages 10 and 11.

- The development of web based sales lead generation models (see Pro-Talk case study at page 9) is an extension of traditional print based classified product and service advertising. By organising advertiser generated content into databases with effective search engine visibility we provide a low cost means of generating sales leads for our marketer clients.
- While the importance of magazines will to some extent diminish, print products will continue to represent an important means of communicating broader analysis and comment and a continuing effective means of maintaining an in-depth relationship with our audiences while re-enforcing the identity and relevance of our brands within that community. While classified and some product advertising may be more effectively

deployed online, magazines provide marketers with display advertising opportunities to reach a relevant and engaged audience through traditional print formats.

- As a natural extension to our core vision of being the leading provider of information, marketing and sales lead generation solutions to our chosen business communities the continued development of multiple event formats is a key strand of our objective to rebalance the profile of Group revenues. The provision of high quality relevant content and product information to target audiences is the central principle of exhibitions and conferences and both formats provide opportunities for effective marketing. The sponsored meeting or "Summit" format where significant buyers and sellers from a targeted niche area are brought together represents a high level extension of the sales lead generation model. Finally, in addition to providing sponsorship and face to face marketing opportunities the annual award ceremonies we stage in most of our sectors also provide a further opportunity to strengthen our own brands and reinforce a community's identity.

4. To expand revenues derived directly from our audiences

As noted above the need for information and our vision to deliver content that fulfils that need represent much less cyclical aspects of our business model than the associated marketing spend that forms a large part of Group revenues. Much of our input cost is expended in generating content and developing audiences, which in combination represents a significant asset and an essential component in maintaining the targeted routes to market that we provide to marketers.

This strategic objective recognises the comparatively low leverage we exercise on this asset in its own right and seeks to identify ways in which further revenue

growth may be achieved directly from the provision of content to target audiences. In particular it recognises that the value of breaking news, the traditional cornerstone of content for professional content delivery, has diminished significantly through expanded digital coverage and low cost of entry over the last ten years. In the face of a proliferation of pure news coverage however, professional communities look to relevant and intelligent comment and analysis to provide context and inform the decision making processes that may arise from developments within their industry. As news coverage has expanded so its value has diminished while at the same time the scarcity of well targeted "decision

relevant" content has intensified and therefore become more valuable with a number of paid for models evolving around traditionally free content.

Centaur is well positioned to take advantage of these developments as follows:

- A repositioning of magazine content away from traditional news delivery towards analysis, comment and special emphasis editorial, combined with expanded and more deeply segmented audiences creates the opportunity to provide content on a paid for subscription basis to additional readers who would not

CENTAUR'S STRATEGY

STRATEGIC OBJECTIVES

4. To expand revenues derived directly from our audiences (Continued)

be entitled to a free copy under the precise terms of the controlled circulation element of the magazine.

- The principle of relevant content for relevant audiences also underpins the development of our conference business. The ability to provide a continual programme of "hot topic" events in a number of our markets combines with the proven core Group competency of conference organisation to provide further opportunities to increase revenues from paying delegates.

- The new B2B web platform enables the development of online tailored subscriptions, facilitated by the ability to lock down high value content on each site.

This flexibility allows traffic generating free content to be positioned alongside other high need content, defined as information that, to our customers, is "decision relevant", that does not have automatic search engine visibility and to which access is only available through a premium subscription.

- A natural extension of the provision of "decision relevant" information is the development of workflow related solutions. Such products require a very deep understanding of the organisational structure of our customers and an understanding of their business issues and how these translate into the daily working practises of their employees. With a focus on the information flows within those

organisations the aims of such products are either to drive client cost savings around data procurement or to create organisational efficiencies by making everyday tasks faster and easier to perform. Examples of the development of workflow products are described in two of the attached case studies relating firstly to IFAtalk, which represents a further development of our successful "Headline" model, and secondly to the development of the Perfect Navigator service, a tailored data and document procurement product for the investment banking and legal communities representing one of a number of such initiatives currently being developed at Perfect Information Ltd ("PI") (see pages 12 and 13).

5. To increase adjusted EBITDA margins to 25%

Despite a reduction in adjusted EBITDA margins in the year to 30 June 2009 to 11% (FY 2008: 24%) the objective to increase this to 25% remains unchanged. It is recognised that the Group has a cyclical aspect to its revenues and this combines with a high level of operational gearing, present in many of our business models, to create adverse fluctuations in profitability and margin when revenues decrease. However the target of 25% is still considered to be a level of margin that more appropriately reflects the true potential of the Group and the achievability and sustainability of this objective is supported as follows:

- The objectives outlined above in relation to the rebalancing of revenues (objective 3) and growing revenues derived directly from our audiences (objective 4) will both partly mitigate the effect of cyclical revenue fluctuations and are therefore complementary to this margin target.

- A further improvement in margins arising from a rebalancing of revenues, particularly an increased concentration of online

revenues, is derived from the lower marginal cost of production associated with online products compared to print products.

- The cost saving initiatives completed to date have provided significant margin protection during this financial year and have partly resulted in a permanent reduction in the Group's cost base through organisational efficiencies and the discontinuation of underperforming or loss making products. It is estimated that this reduction in the fixed cost base of the business would add 3% to 4% points to the adjusted EBITDA margin on the basis of a return to the level of revenue and adjusted EBITDA reported for the year to 30 June 2008 (see financial review page 30).

- The Group's commercial activities are supported by a strong central infrastructure of common services, such as finance, circulation, web and IT services and HR. While this central infrastructure has formed part of the focus of cost reduction in the last twelve months it continues to represent a scaleable asset for the Group where significant prospective revenue growth

could be supported at comparatively low incremental cost.

Acquisition Strategy

While internal product development and innovation represents the key strand of growth that underpins our stated strategic objectives, we continually evaluate acquisition opportunities with a view to supplementing that organic growth.

In identifying acquisition targets we will primarily seek opportunities that complement and expand positions in our existing vertical markets. However we will also consider entry into new verticals where we identify opportunities to acquire assets in high value markets that may be under-served in terms of information provision, possibly as a result of rapid change, and where there is considered to be high growth potential that may be unlocked through the application of Centaur's core strategic competencies of community building, information needs fulfilment and the provision of targeted routes to market.

Classified product and service advertising generating sales leads for clients has always been a staple part of Centaur's print product offering. Pro-Talk reconceives classified advertising for the web with a sales response model designed for the post-Google world.



Pro-Talk's model is already a proven success in the engineering market where it started. Unique monthly visitors to the five sites in Centaur's engineering portfolio stood at 324,000 in June 2009, illustrating the Pro-Talk model's potential to deliver broad audience reach for advertisers.

Pro-Talk delivers sales leads by using advertisers own content to generate web response. The advertiser-generated content model enables us to rapidly build directory databases visible to Google at low cost. The product and service information is promoted in a search-friendly way to Google and other search engines as well as through email. It particularly appears high in the search results for "long tail" queries: searches for specialist products or services.

Web visitors are presented with a landing page that answers their specific query and has a call to action for more information direct from a supplier, generating a response for the advertiser. Advertisers pay an annual subscription fee to receive the relevant sales leads and separately for other premium advertising opportunities.

Pro-Talk's wide reach makes the web sites attractive to a broader range of advertisers than Centaur's magazines. The low cost of entry (typically £1,200 for a basic package) makes Pro-Talk a

particularly powerful proposition for SMEs. The response-led approach allows advertisers to easily work out the return on their marketing investment, making the service easier to sell in a downturn, as it gives clients confidence that their advertising will produce results.

Pro-Talk is designed to be simple to use enabling clients to participate without the need for professional marketing or PR support. Our administrative teams load all a client's sales collateral – including brochures, press releases, technical specifications and videos – into Pro-Talk's powerful database, which automates the rest of the process.

Until now Pro-Talk has been run as a standalone business with links to the relevant media brand websites. The next stage of development is to more closely integrate Pro-Talk's extensive product and service content into the overall web offering, a process made easier by the new web platform.

The Pro-Talk model is being rolled out in Centaur's Marketing, Creative and HR communities this autumn, with magazine-branded products sold by sales teams within the communities. This "powered by Pro-Talk" approach enables us to leverage the trust in our existing brands to drive new product growth.

"Protalk reconceives classified advertising for the web with a sales response model designed for the post-Google world."

Sean Marshall – Publisher, The Engineer and Pro-Talk

STRATEGY IN ACTION

CENTAUR'S WEB PLATFORM: THE CATALYST TO ACCELERATE DIGITAL GROWTH

This year has seen the start of the rollout of Centaur's new web platform, which is the key catalyst for change in driving digital revenues.



The web is an effective medium for building on Centaur's core strengths of content creation and display and classified sales.

The new platform is designed to increase our capacity to serve our markets in two important ways that will drive revenue in a recovering market:

- **Extending reach.** By serving a bigger relevant audience we can deliver more response for our existing advertisers and draw in new advertisers, expanding our client base. This draws on our classified sales strengths.
- **Delivering deeper engagement with high value niches.** By enabling deeper engagement with audiences using web 2.0 techniques, which promote interactivity, we can create new revenue models based on our clients' desire for closer involvement with high value audiences. This draws on our display sales strengths.

Our ability to both extend our reach and deliver deeper engagement is crucially dependent on our ability to deliver relevant content, which draws on our editorial strengths. Relevant content is central to both attracting a new web audience and building a deeper relationship with the core high value magazine audience.

Work on the new platform started 18 months ago with the selection of "best of breed" suppliers for the content management and recruitment jobsite elements of the platform. These key modules were then integrated with Centaur's powerful internal circulation databases, enabling better profiling of the key business characteristics of our web audiences.

The platform rollout started with a pilot project – Recruiter – in January 2009 and was followed in March 2009

by The Lawyer. By the end of June 2009 Marketing Week, New Media Age and Design Week had successfully shifted to the new environment.

Initial traffic results augur well for delivering on the key aims of increasing reach and engagement. Compared with June 2008, monthly page impressions across the five sites surged by 50% from 2.4m to 3.6m and monthly unique visitors were up 34% from 332,000 to 445,000. It is important to note that these increases in traffic all represent additional relevant audiences for the Group, providing further penetration into existing communities and offering deeper engagement with high value niches within those communities.

The unique visitor figures demonstrate increased reach and the even bigger growth in page impressions highlights the increased stickiness of the sites on the new platform due to better usability and new features.

The content management system delivers several key business benefits:

- **Increases advertising and sponsorship inventory.** The new sites include many more specialist channels, developing more potential to serve niche markets with display and sponsorship messages and specialist job vacancies.
- **Eases reuse of content.** Each set of related media brands are grouped together in portals, enabling easy linking of content between sites, improving the depth of editorial coverage in individual sites and increasing editorial productivity. For instance Marketing Week and New Media Age are within the same portal and daily share news stories.
- **Encourages audience interaction.** All the sites are now making extensive use of the ability for users to comment on news stories, opinion and other content. The content management system highlights the most commented articles and enables easy linking to external social and business networking sites and referral sites.

"Initial traffic results auger well for delivering on the new web platform's key aims of increasing reach and engagement."

Galya Holden – Web Services Director

STRATEGY IN ACTION

CENTAUR'S WEB PLATFORM: THE CATALYST TO ACCELERATE DIGITAL GROWTH

- **Enhances cross promotion capability.**

The system eases tagging of related information across a portal, enabling related links to subscription content, advertiser-generated content and events. For instance, New Media Age has established a successful series of hot topic half-day events based on the business model of using the web platform for promotion and transaction processing to lower costs.

- **Improves audience targeting.** The new system, combined with the integration with Centaur's circulation databases to create a "single customer view" enables us to segment our audiences. For instance we can identify which subscribers to The Lawyer are most likely to respond to a promotion for a specific conference.

- **Enables tailored subscription content.** Any content on the sites – text, video or images – can be individually locked down enabling our media brands to drive traffic through free content and then lock down associated high need content. This flexibility to embed high value content alongside high traffic areas of the sites is essential to driving on-line subscription revenue.

- **Boosts organic search visibility.**

Content from across the site is optimised to improve visibility to search engines, in particular Google, which has contributed to the 34% increase in the reach of the sites on the new platform.

Increased reach is particularly important to grow Centaur's recruitment sites, which already serve a much bigger pool of potential applicants, particularly at a mid-to-junior level, than the magazines. As the recruitment market recovers there is an opportunity to become the recruitment solution for an entire vertical market rather than just the top, senior tier traditionally served by weekly magazines. The new platform provides powerful, browsable search capabilities, enabling job seekers to rapidly drill down to relevant vacancies, eliminating concerns that by expanding the

number of vacancies carried it becomes harder to find the right job.

The recruitment element of the platform is based on a "best of breed" job board module from a specialist recruitment software supplier. This modular approach of assembling the best available technology solution from a series of specialist suppliers enables us to cost-effectively deliver robust, useable market leading services to our users.

A modular approach also eases the integration of new services, such as the internally developed sales lead generation solution Pro-Talk and the sales support initiative IFAtalk, featured in separate case studies later in the report. Both can be plugged in to the new platform to extend reach and increase engagement in our communities.

This modular approach has also helped with the single customer view project, an initiative pulling together all Centaur's audience data ranging from magazine subscribers and conference and exhibition visitors to web users into a single view. This enables us to segment the market and identify high-value niche audiences. It also drives more effective marketing, reducing the risk of a target audience burning out as a result of a bombardment of irrelevant emails.

The rollout will be completed in the autumn with Money Marketing, Fund Strategy and Mortgage Strategy due to shift in October 2009 and The Engineer in November 2009, bringing all of Centaur's high frequency business brands together on the same powerful platform.

The standardisation of processes and increased automation on the new platform will bring administrative efficiencies. But most importantly the single platform means that a product innovation in one community can immediately be shared by Centaur's major sites, maximising speed to market, minimising development costs and encouraging entrepreneurialism, providing a catalyst for organic digital growth.



"The single customer view drives more effective marketing, enabling us to segment the market and identify high-value niche audiences."

Judith Knight – Director of Circulation and Information Services

STRATEGY IN ACTION

IFAtalk: INCREASING AUDIENCE ENGAGEMENT BY DOMINATING THE INFORMATION WORKFLOW



Centaur's controlled circulation weeklies Money Marketing, Fund Strategy and Mortgage Strategy already deliver near total coverage of the UK's regulated financial intermediary market.

The web challenge is therefore not to extend reach but to increase engagement by providing information that is useful beyond publishers' traditional strengths of news and topical features, moving deeper into an intermediary's daily information workflow.

Independent financial advisers, mortgage brokers and other intermediaries depend on up-to-date information for recommending products and ensuring and proving compliance. Hence the focus in Centaur's financial community is on crafting workflow tools that ease an intermediary's information search.

The new web platform will power much of this change because it enhances our ability to link to relevant content held either on internal sister sites or external sites providing, for instance, product rating or fund performance information.

IFAtalk, which was soft launched in July 2009, aims to complement this information by providing an on-line filing cabinet for intermediaries to store and research relevant product provider information direct from source, including sales presentations, product specifications, press releases and webcasts. It also includes a comprehensive contacts database including regional sales and service contacts.

Product providers expend huge budgets and energy each year on marketing, PR and sales forces in order to get their messages in front of the intermediary audience, with no guarantee of market coverage or delivery to the end user.

Intermediaries likewise are deluged with information and data regarding products and regulation and can easily miss important and relevant content. IFAtalk simply provides a conduit for the industry to communicate and intermediaries with a one-stop shop where they can be confident of finding the information crucial to giving clients advice and ensuring compliance.

Product providers pay an annual subscription to upload any information they wish, from simple Word documents and PDFs to web video broadcasts. This content is then tagged and stored, usually within an hour, for intermediaries to search and access at any time. Product providers can be confident that their content is uploaded exactly as supplied and will be available to their entire prospective client base, both issues which are critical for compliance, a driving factor for financial services companies.

IFAtalk uses the same web platform and administrative team as Centaur's successful financial PR service Headline Money which has refined the processes and technology necessary to deliver a high quality workflow service over its six-year history. This approach has also minimised the upfront costs associated with the launch.

Once IFAtalk has established itself as the pre-eminent source of hard information it will be developed into an interactive marketplace and lead generator using web 2.0 techniques. Providers will be able to use the site to converse in detail with their customers, either individually or in groups using services including live video conferencing and question and answer advice forums.

The combination of the strengths of the financial media brands and IFAtalk give Centaur the potential to dominate the intermediary workflow by increased engagement from current awareness to client recommendation and company compliance.

"IFAtalk provides an on-line filing cabinet for intermediaries to store and research relevant product provider information direct from source."

Patrick Ponsford – Publishing Director, Financial Services

In FY2008, following the closure of Perfect Analysis, development resources at Perfect Information were refocused on the core document management business.

Its principal objectives were to build on the existing core strengths of the business, represented by the depth and searchability of the document database, with three key development aims:

- To design a user interface that created greater visibility around the breadth of document coverage within the database, bringing to the surface the availability of individual datasets and also multiple combinations of datasets that users may previously had little or no awareness of or were unable to access easily.
- To facilitate ease of navigation between these related data sets.
- To provide a real opportunity to create an individually tailored service for user clients, with the fulfilment of data and document needs in combinations that represented a precise match with clients daily workflow routines.

This last aim represented a significant change in PI's customer engagement.

It required a deep understanding of client's businesses and data needs and how this data integrated with their actual workflow routines on a daily basis. To establish this understanding extensive research was undertaken at a time that coincided with much external change among the core customer base of Investment Bankers and Corporate Lawyers.

In addition it meant engaging, in many cases for the first time, with the end user of data within a client organisation rather than the information procurement professional which had often been the traditional point of entry for PI sales engagement.

Following this period of intensive client research the first version of PI Navigator was launched in January 2009 and was designed initially to address the workflow needs of specific end-users - corporate finance, M&A/IPO analysts. It combined the most popular functions and search items of PI's existing products with job-specific

searches, thus significantly reducing time taken getting to the information relevant to specific users.

For example, it includes the following, time-saving features:

- Dynamic linking of notes to financial statements in Annual Reports.
- Navigating financials by bookmarks.
- Exporting PDF tables to Excel spreadsheets whilst retaining formatting
- Creating links from spreadsheets back to a document database.
- Enabling links from spreadsheets to exact locations within Annual Reports.

The job specific search features were combined with improvements within the documents themselves. Annual Reports, previously not standardised and therefore cumbersome to navigate, were all bookmarked and navigable with the addition of a click-through index page and ability to navigate directly to relevant content with, for example, two way click-through navigation between key financial statements (profit and loss, balance sheet and cash flow) and the notes associated with those statements.

Since its launch Navigator has been widely trialled by corporate finance end-users across the investment banking community. Customer feedback has been positive with significant improvements in end-user efficiency with non-productive time, previously spent wading through documents, effectively substituted with added value tasks or with the faster completion of existing tasks.

There is no doubt, in a year when trading conditions in the served sectors were very challenging, that this development was a key factor in maintaining a high level of renewals of existing customers (over 90%). In addition and of equal importance, this product launch has greatly enhanced PI's exposure to end user clients and provides a strong platform for future developments.



“The development of PI Navigator focuses on our client's core needs: their search for alpha, risk management and workflow efficiencies.”

Greg Simidian – CEO, Perfect Information

STRATEGY IN ACTION

MARKETING WEEK LIVE

Marketing Week Live was launched in November 2008 and opened its doors in the Grand Hall Olympia in June 2009 as the largest marketing exhibition in the UK.

Responding to customer needs

For a number of years Centaur has run the UK's largest retail marketing and market research trade shows as separate events, as well as the most focused online marketing show. However barriers between the specialist silos in marketing departments are rapidly being torn down as integrated marketing strategies are embraced. The rapid adoption of digital marketing and the rising importance of data analytics to all branches of marketing have been the catalysts for this change.

Marketing Week Live was launched to meet the information needs of modern integrated marketing professionals and brought together Centaur's Insight, In-Store and Online Marketing shows under one roof and these were complimented by a newly launched Data Marketing Show.

The entrance to Marketing Week Live was through a long high-impact canopied tunnel (pictured right) complete with a dedicated in-show radio station. These combined to build a sense of excitement and dynamism for visitors which is all too often lacking at UK trade shows. The investment in the arrival experience was universally applauded by visitors and exhibitors alike and meant that Marketing Week Live was seen by many as the UK's newest and most vibrant B2B exhibition.

Organic growth opportunity

The launch of Marketing Week Live was not only about meeting the information needs of modern marketers and creating a promising new seam of exhibition profits. Since the beginning of 2009 Marketing Week has repositioned the magazine and the website to place even more emphasis on the specialist needs of senior marketing professionals so the event was also an important touch point for Marketing Week readers to interact with our journalists and experience important elements of the reinvigorated brand in 3D.

Mark Choueke, editor of Marketing Week, chaired the Centre Stage where he interviewed senior marketing directors and CEOs in front of an audience of

hundreds of marketers. Challenging panelled discussions added to the vibrancy and integrity of the cutting edge content that defines Marketing Week's brand in print, online and at live events.

Success criteria for MW live

Marketing Week Live was announced only 7 months before the doors opened, but despite the compressed time frame the team have much to be proud of:

- Marketing Week Live was the largest marketing show in the UK occupying 12,000 square meters of the Grand and West Halls at Olympia, London
- 9,436 professionals attended making it Centaur's biggest B2B exhibition audience to date
- 133 industry leading conference sessions were attended by 7,352 people

● The majority of the 2009 space has already been rebooked for 2010, despite the economic climate and current reluctance for exhibitors to sign contracts far in advance.

Future potential

Marketing Week Live has made a great start, but it is only a start. Many exhibitors paid for their 2009 stands out of precious contingency budgets due to the short lead time. However following an excellent show many are planning to return next year with bigger stands and Marketing Week Live will become a core part of their annual marketing strategy for lead generation and brand awareness. The potential exhibitor universe is very large and there is plenty of room for expansion within the current venue providing opportunity for future growth.



“Marketing Week Live was a brave launch for a downturn, but it was a huge hit and got closer than ever to providing what modern marketers want from an exhibition and conference.”

BUSINESS REVIEW

ANALYSIS OF RESULTS



“Centaur’s growth potential is enhanced by a more balanced mix of revenues and improved Group cost base compared to previous low points in the cycle.”

Tim Potter - Managing Director,
Business Publishing

	2009	2009	2008	2008
	£m Revenue	£m Adjusted EBITDA	£m Revenue	£m Adjusted EBITDA
By Segment				
Legal and Financial	17.6	1.9	28.7	9.2
Marketing and Creative	17.3	0.8	23.6	4.1
Construction and Engineering	17.3	2.4	20.5	4.7
Perfect Information	5.2	2.0	5.8	2.1
General Business Services	8.9	(0.1)	11.8	1.4
Total	66.3	7.0	90.4	21.5
By Source				
Recruitment advertising	8.1	-	15.6	-
Other advertising	24.9	-	34.6	-
Circulation revenue	5.2	-	6.1	-
Online subscriptions	6.9	-	7.0	-
Events	20.1	-	25.8	-
Other	1.1	-	1.3	-
Total	66.3	-	90.4	-
By Client type				
Audiences	16.0	-	19.6	-
Marketers	50.3	-	70.8	-
Total	66.3	-	90.4	-
By Product type				
Print	30.2	0.6	46.6	10.7
Events	20.1	2.8	25.8	6.7
Online products	15.5	3.6	17.6	4.1
Other	0.5	-	0.4	-
Total	66.3	7.0	90.4	21.5
Underlying				
Underlying	65.3	7.1	89.7	21.4
Acquisitions ¹	1.0	(0.1)	0.7	0.1
Total	66.3	7.0	90.4	21.5
By Maturity				
New ²	6.5	(0.4)	9.8	0.2
Existing and acquired	59.8	7.4	80.6	21.3
Total	66.3	7.0	90.4	21.5

Notes

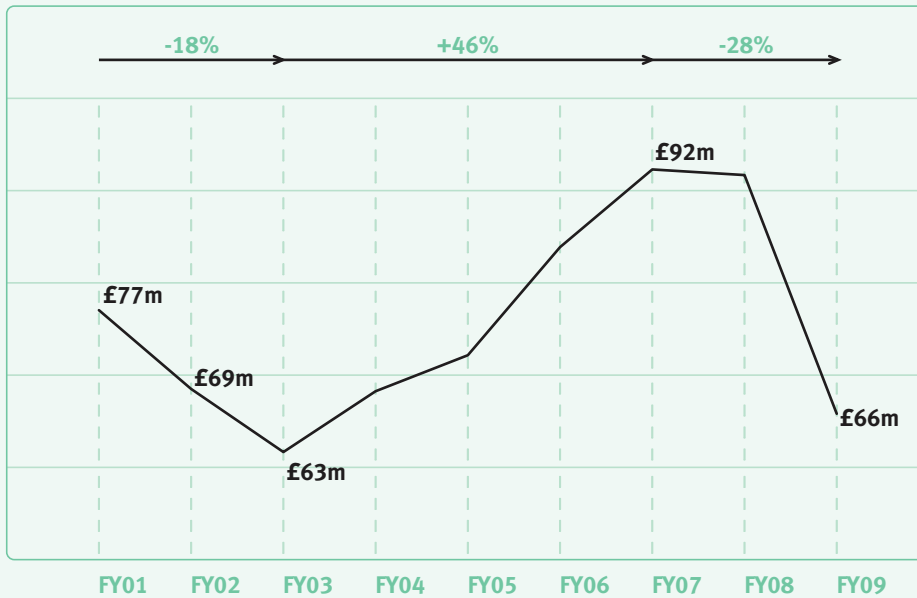
¹ Acquisitions are defined as those made within the current or preceding financial year

² New products are defined as any product launched in the current or two preceding financial years

BUSINESS REVIEW

ANALYSIS OF RESULTS

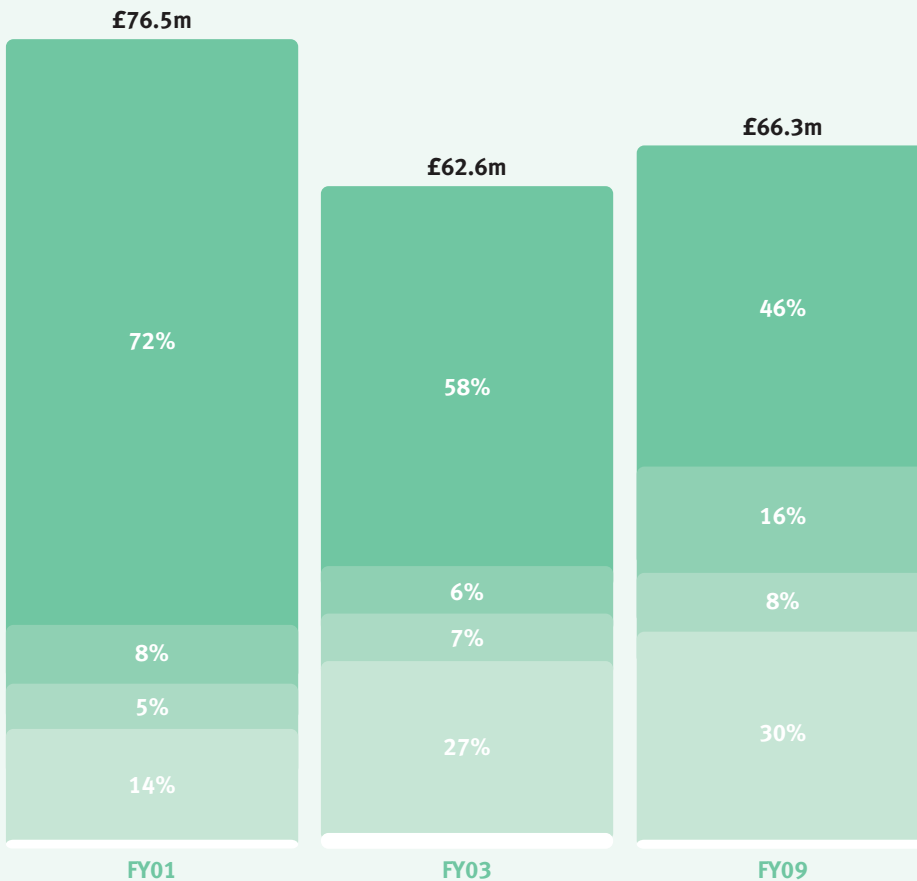
Centaur Group revenues 2001-2009
Including discontinued products



- Significantly worse downturn than previous recession
- Business much better positioned for recovery than at last trough

% of revenues attributable to:

Print Web Publishing Perfect Information Events Other



“Events now account for almost a third of Group revenues and we are continuing to launch new events in multiple formats across all our key vertical markets in the UK and overseas.”

Calum Taylor – Managing Director, Events

The tightening of trading conditions reported a year ago turned rapidly into a severe economic downturn resulting in extremely weak trading conditions during the financial year to 30 June 2009 across all our markets.

In total the Group reported a 27% reduction in revenues to £66.3 million (FY2008: £90.4 million) with a progressive deterioration in the rate of decline experienced during the second half of the financial year when revenues were 32% below last year (FY2009 H1: 19% decline).

In total, advertising sales were 34% below last year led by a reduction in magazine advertising including print recruitment advertising where revenues were less than half the level of a year ago. Online advertising sales proved to be slightly more resilient and excluding web recruitment were only 7% below last year.

Within Events, although total revenues decreased by 22% for the financial year, the reduction in trade exhibition sales was limited to 7% partly due to new product launches with five new exhibition launches during the year. Excluding new product launches revenue from trade exhibitions decreased by 11% across the financial year.

Despite the progressive rate of revenue decline reported above prompt and decisive action was taken during the financial year to reduce costs in response to the extreme market weakness experienced during the period.

As reported at the time of our interim results announcement in February 2009 the extensive cost reduction programme implemented during the year was balanced against a need to preserve the strength of our major brands and to maintain new product development capability to support future growth. While a key focus of these cost reduction initiatives was the need to adjust the immediate cost base of the business to reflect lower trading volumes, the programme also included a degree of brand rationalisation including the

discontinuation of a number of under-performing print products and the consolidation of smaller peripheral products within major brands. In addition a number of organisational changes were undertaken to position the Group for future growth and in particular the implementation of integrated editorial and commercial print and web operations in a number of areas of the business reflects Centaur's online strategy described in more detail in the strategy section on pages 10 and 11. An exceptional cost of £1.7 million was reported for the year to 30 June 2009 reflecting the cost of these initiatives. The details of this exceptional cost are reported in note 2 to the financial statements.

In total, cost savings in the current financial year amounted to £9.6 million (on an adjusted EBITDA basis as defined on page 30) with approximately half the total saving accruing as a result of reduced staff numbers. Although the average monthly numbers of persons employed during the year (note 5 to the financial statements) has reduced by 12% the timing of these cost saving initiatives was weighted into the second half of the financial year and the absolute reduction in staff number across the Group at 30 June 2009 was 139 representing an 18% reduction. As a result of the actions already completed to reduce staff numbers, further cost savings of around £2 million will be achieved in the new financial year to 30 June 2010.

Despite the difficult trading conditions the Group continued a programme of new product development during the year to 30 June 2009. These initiatives are described in more detail below and in total around 10% of Group revenues derived from products launched in the last three years (FY2008: 11%).

The Group held net cash balances of £0.6 million at 30 June 2009 (FY2008: £7.7 million) although free cash flow was reduced by a raised level of capital expenditure for the year totalling £4.9 million (FY2008: £3.1 million) and reflecting continued investment in web platform and property refurbishment. As a result the conversion ratio of adjusted operating profit into free cash flow was 88% compared to 90% last year.

In view of the ongoing market weakness, the Board has declared a reduced final dividend of 1.0p per share (FY2008: 3.0p) in line with its policy of seeking to maintain an appropriate level of earnings cover. The final dividend will be paid on 12 January 2010 to shareholders on the share register at 11 December 2009.



“Retirement planning and corporate advice remain promising markets despite the downturn with scope for new product development.”
David Cowan – Publisher,
Money Marketing



“The current climate has enabled the Lawyer brand to increase its dominance in the market, through the magazine, the web, associated events, awards and the Lawyer2B student offering.”
Libby Child – Publishing Director,
The Lawyer



“Retail fund managers are among the most innovative business advertisers online and we have worked hard to keep pace with their demands.”
Dan Brill – Director of Online,
Financial Services



“Legal conferences have benefited from increased levels of sponsorship and from the delegates’ need to earn CPD points.”
Rachel Foley – Managing Director,
Centaur Conferences

Financial Services

The primary focus of the Financial Services community products is on retail financial services and the information interface between IFAs (independent financial advisers) and the providers of financial products and services.

The key products in this community are: Money Marketing, Mortgage Strategy and Fund Strategy (all weeklies); MoneyMarketing.co.uk and Headlinemoney.co.uk; plus a number of summit and awards events including the Investment Summit and Money Marketing Awards.

Legal

The Legal community products are primarily published for in-house counsel in major UK companies and the private practice law firms and barristers that serve their legal needs. There are also products produced for law students.

The key products in this community are: The Lawyer (weekly) and Lawyer2B; TheLawyer.com; The Lawyer Legal Summit and The Lawyer Awards.

Legal & Financial reported a 39% reduction in revenues to £17.6 million for the year (FY2008: £28.7 million). This level of reduction, which represents almost half of the year on year decrease for Group, reflects the pronounced effect of changes in global financial markets over the last twelve months on the professional communities served by products in this division.

Adjusted EBITDA also reduced to £1.9 million (FY2008: £9.2 million) which represented a margin of 11% compared to 32% a year ago although the level of margin attrition was partly mitigated by a 19% reduction in divisional costs.

Legal sector revenues, which account for 39% (FY2008: 37%) of the total division, decreased by 34% for the full year, mainly reflecting reduced recruitment activity as declining volumes of M&A activity affected the principal London law firms. In total, legal sector recruitment advertising through both The Lawyer magazine and thelawyer.com accounted for around a third of the Group's recruitment advertising revenue in the year and across both

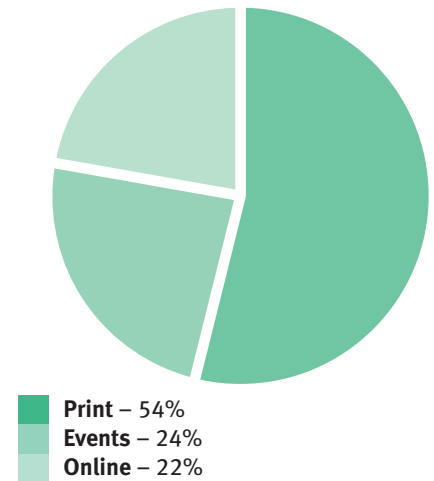
products reported a 54% decrease against last year. Event revenues in this sector proved more resilient with legal conference revenues increasing by 28% following the launch of a number of successful "hot topic" CPD accredited events.

A part of the revenue reduction in this division relates to products targeting intermediaries specialising in mortgages or secured lending. Product advertising in this sector began to reduce in the last financial year as soon as the availability of credit in the primary markets started to contract in the autumn of 2007. However the severity of the decline was much more pronounced during the year to 30 June 2009 and as a result this portfolio saw revenues reduce by 78% during the year to 30 June 2009. Dependency on this sector has diminished greatly and in total represented only 5% of divisional revenues in the current financial year (FY2008: 14%). The product range remains broadly unchanged, led by Mortgage Strategy magazine which is the only remaining weekly title in this market. As a result Centaur remains well positioned to provide access to essential distribution channels for the remaining product providers in this sector with our continuing product range expected to increase in importance as the market slowly recovers.

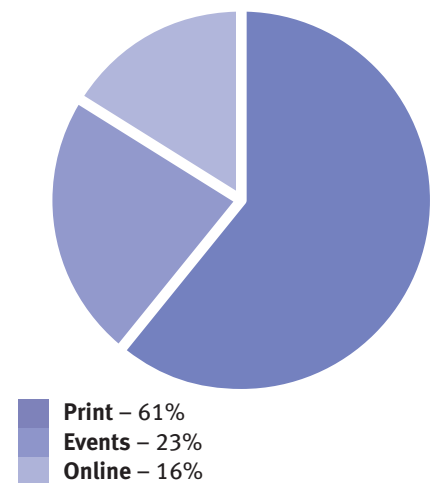
Within the broader financial product range total revenues decreased in the year by around 30% and in particular, product advertising volumes in the two principal magazine titles – Money Marketing & Fund Strategy reduced by 28%. Event revenues proved more resilient and activity in the year included the launch of the Investment Summit Dubai, bringing together the UK's most influential fund managers, fund selectors and distributors. In addition new revenues were derived from events for specialist financial intermediaries targeting retirement planning and the corporate market with the Corporate Adviser Summit, held in October 2008, reporting revenue around 40% above the previous year.

Summary of revenues

FY2009 – £17.6m



FY2008 – £28.7m





“New Media Age continues to punch above its weight, reflecting its role as the only weekly magazine serving the UK’s world-leading digital media market.”
Andy Oakes – Publisher,
New Media Age



“The move to the new web platform helped Design Week to sustain online recruitment revenues by offering many more premium advertising slots and making it easier to find specialist vacancies.”
Declan Gough – Publisher,
Design Week



“Creative Review’s new website proved a massive hit, enabling us to introduce visual user-generated content for the first time as we encouraged illustrators and photographers to showcase their work as an inspiration to creative directors.”
Jess MacDermot – Publisher,
Creative Review



“Marketing Week’s relaunch has enabled us to re-establish our role at the centre of the marketing community, with far more emphasis on the agenda-setting cover story, analysis of trends and profiles of leading individuals such as Unilever’s global Chief Marketing Officer.”
Sarah Gilchrist – Publisher, Marketing Week

Marketing

The Marketing community products focus on addressing the information requirements of senior UK marketers with significant marketing and advertising budgets and the marketing services companies that provide services to them.

The key products in this community are: Marketing Week and New Media Age (weekly) and associated websites while the principal exhibitions brands in this division were brought together as part of the newly launched Marketing Week Live show which ran for the first time in June 2009.

Creative

The Creative community serves the information needs of the creative specialists in advertising, design, marketing services and digital agencies and the managers in client companies who buy their services.

The key products in the Creative community are: Design Week (weekly), Creative Review (monthly); designweek.co.uk, CreativeReview.co.uk, The Creative Handbook and the Design Week Awards.

In total Marketing & Creative revenues decreased by 27% to £17.3 million (FY2008: £23.6 million) with print recruitment advertising representing around 40% of this reduction. Adjusted EBITDA also reduced to £0.8 million (FY2008: £4.1 million) which represented a margin of 5% compared to 17% a year ago.

In total around 40% (FY2008: 27%) of divisional recruitment revenues were achieved online principally through marketingweek.co.uk and designweek.co.uk. In general these online revenues were more resilient than their print counterparts with some growth reported in the first half of the financial year and an overall reduction of 8% for the full year compared to a decline of 33% for print products.

While the direct cost savings associated with falling print recruitment advertising volumes are comparatively low, the completion of the restructuring initiatives, which commenced in the last financial year, led to a 15% reduction in divisional costs

for the year and this mitigated around half of the total revenue reduction.

It was recognised in previous annual reports that the adjusted EBITDA margin was comparatively low in this division in the context of the overall margin achieved by the Group. A number of initiatives have now been completed that will contribute to margin improvement as revenues return to this sector.

A much greater degree of integration between different strands of marketing activity is an increasingly regular feature of UK corporate marketing departments and this requires a much broader range of skills to be deployed by the marketing professionals within those departments. This requirement underpins many of the changes that have been introduced during the year including the repositioning of brands and changes to both editorial and commercial teams. These changes combine areas of specialisation to provide a more responsive publishing proposition with a much broader focus on the key information requirements of our target audience.

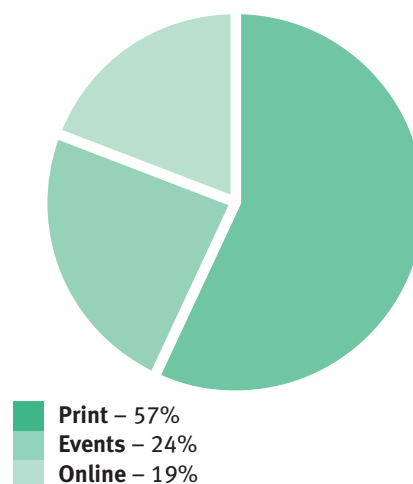
The re-launch of Marketing Week lies at the heart of these changes and the magazine, which represents the hub of the marketing community, has been successfully repositioned as a broad based high quality editorial product for marketing professionals. A number of smaller brands which covered niche areas within the sector have been discontinued as separate publications with a migration of targeted editorial content to Marketing Week which continues to provide a very effective and relevant route to market for advertisers within those niche areas.

This principle was further extended by the launch of Marketing Week Live in June 2009. The show is the largest single event of its kind and unites a number of separate strands of marketing discipline under the Marketing Week brand. The four component parts to the show included three existing products – The Instore Show, The Online Marketing show and Insight (aimed at research professionals) and a newly launched Data management exhibition which specifically drew direct marketing professionals to the Event. A detailed case

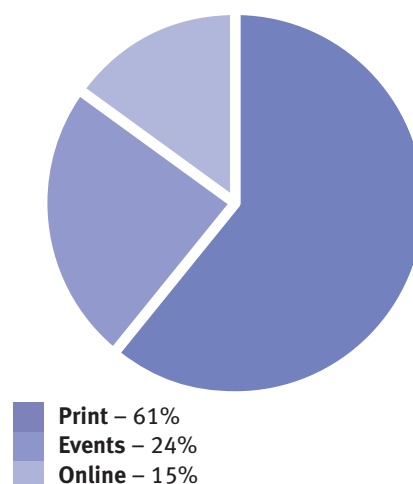
study of this launch is included in the “Strategy in action” section of this report (page 14). In total event revenues were 24% below the previous year, partly reflecting some discontinuation of events as a result of the repositioning of brands referred to above and also a change in strategy in relation to Marketing Conferences with a focus on a reduced number of events with higher margin potential in this financial year.

Summary of revenues

FY2009 – £17.3m



FY2008 – £23.6m





“The number of individuals building their own homes or undergoing major renovation projects has remained strong and hence our Homebuilding & Renovating shows have performed well this year.”

Nick Noble – Director Consumer, Centaur Exhibitions



“By controlling costs, maintaining our publishing disciplines and protecting page yields throughout this difficult period we now find ourselves in fine shape to exploit the expected market upturn and feel very confident about our future direction and prospects”

Derek Rodgers – Publishing Director, Ascent B2B



“There are some very positive signs from our three B2C magazines (Homebuilding and Renovating, Period Living and Real Homes) with both advertising and circulation revenues showing some signs of stabilisation in autumn 2009 issues. Online too our audiences continue to build.”

Peter Harris – Managing Director, Centaur Special Interest Media



“Our special interest media magazines, websites and shows continue to address the needs of self builders and home improvers/renovators. While general property speculation has looked like a more risky investment recently, self-build has held its own with a significant increase in the availability of land plots and low interest rates making it an attractive time to initiate a project.”

Michael Holmes – Editorial Director, Centaur Special Interest Media

Construction

The Construction community has two distinct segments - business magazines and websites that serve the building products market niche and specialist consumer titles focusing on the self-build and renovation sectors of the construction market.

The key products in the Construction community are:

Homebuilding & Renovating, Period Living, Real Homes, ABC&D (all monthly); Homebuilding.co.uk, Plotfinder.net and seven Homebuilding & Renovating exhibitions.

Engineering

The Engineering community products are aimed at engineers working in the UK's engineering technology community and senior executives in the companies that supply them, with a particular emphasis on innovation.

The key products in the Engineering community are:

The Engineer (fortnightly), Process Engineering (monthly); TheEngineer.co.uk and Pro-Talk.

Revenues in this division reduced by 16% to £17.3 million (FY2008: £20.5 million), while adjusted EBITDA at £2.4 million (FY2008: £4.7 million) represents a margin deterioration to 14% (FY2008: 23%).

Within Construction those magazines aimed at the general home interest market (Period Living, Real Homes, and Move or Improve?) experienced continued softness in both advertising and circulation sales during the year. The impetus to the sector provided during times of high levels of activity in the housing market is currently diminished and directly affected these magazines during the financial year. However the prospects for these titles remain strong and this underpinned the acquisition of Real Homes magazine from Hachette Filipacchi (UK) Limited in December 2008. The title has been refocused as a mainstream home improvement magazine, now incorporating Move or Improve? magazine which is no longer published as a separate title and has added a rich seam of quality to the portfolio which has been well received by both advertisers and readers in its first few issues under Centaur ownership.

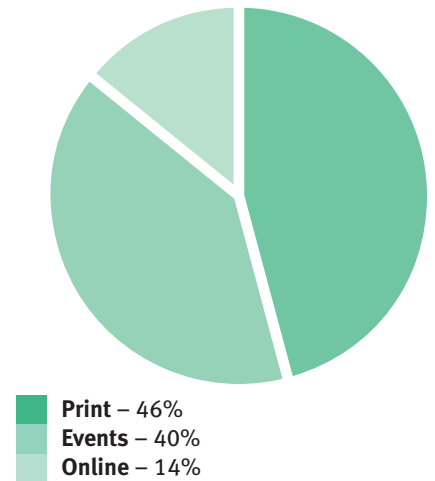
The level of Self Build projects to some extent also follows the pattern of activity in the broader construction sector and is affected by any contraction in available specialist project finance. Generally however these factors were partly offset by an increase in the availability of building plots and by a general reduction in input prices as the supply of building goods and services outstripped demand. While in total, revenue from the Homebuilding shows decreased by 8% compared to the last financial year these factors provided some buoyancy to the portfolio which included the launch of two new regional shows during the year.

The Engineering portfolio which accounts for around a third of the total revenues in this division reported revenues 21% down against the previous year principally due to reduced recruitment advertising in both The Engineer magazine and through theengineer.co.uk.

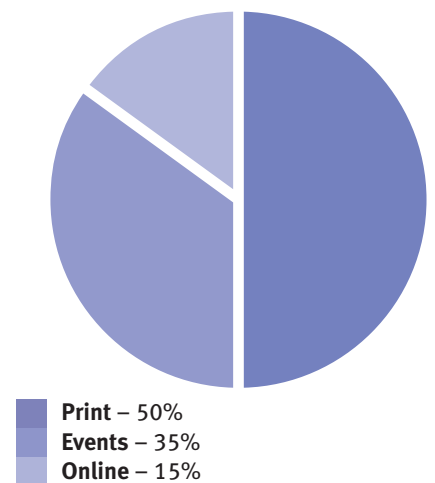
The online products in this division are the subject of ongoing new product development during the coming year including the development of a new standardised recruitment platform for The Engineer to be launched in November 2009 and the further roll out of the sales lead generation application through the Pro-Talk model (see strategy case study page 9).

Summary of revenues

FY2009 – £17.3m



FY2008 – £20.5m





“Knowing and understanding the customer is at the heart of PI’s strategy. The CRM and Marketing department’s goals are to identify clients’ requirements and to tailor our service and communication to exceed their expectations.”

Roberta de Gregorio – CRM Marketing Manager



“PI has a reputation for delivering Corporate Filings using cutting edge technologies. This reputation is further enhanced by the unique features and functionality in PI’s Navigator product.”

Tony McLaren – Product Director



“The diverse personalities within PI’s IT team combine to create an open, successful and respected environment, reflecting the loyalty and integrity for which our products are renowned.”

Paul McLoughlin – Head of IT



“The challenge of Sales is to understand the client’s business and deliver the appropriate solution. Here at PI, combining excellent client relationships and well-thought out products, we are able to successfully deliver that solution.”

Andrea West – Business Development Manager

Perfect Information

Perfect Information (“PI”) serves a global audience of investment banks, corporate stockbrokers, lawyers, accountants and other corporate advisory sector desktops.

PI’s core product is “Perfect Filings” which provides desktop access to an integrated electronic library of regulatory and corporate filing representing the most comprehensive and searchable collection in the market, include quoted company reports and accounts and company circulars from the UK, US, Europe and Asia, and one of the largest electronic international bond prospectus libraries.

A revenue reduction for the year of 10% related principally to the closure of Perfect Analysis in October 2007.

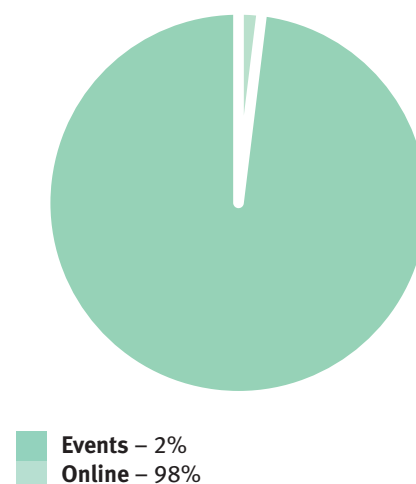
However cost savings arising partly from this discontinuation almost completed mitigated the loss of revenue and EBITDA for the year was broadly maintained at £2.0 million (FY2008: £2.1 million) representing a two point margin improvement to 38%.

PI has adapted quickly and effectively to the changing circumstances of the core customer base (principally law firms and investment banks) over the last 12 months. Although document usage has historically depended on corporate transactions, core revenues have sustained very well and with some few notable exceptions (Lehman bros, Bear Stearns) renewal rates have remained above 90%.

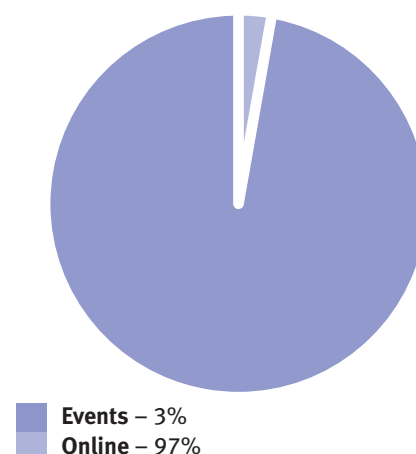
The strength of PI derives from its breadth of coverage in terms of both number of documents, depth of indexing, areas of document specialisation and international scope. The database lies at the heart of the business and has been leveraged through a programme of creative and well targeted new product developments including the launch during this financial year of PI Navigator which delivers significantly enhanced desk top delivery of personalised data sets to precisely match professional users’ document requirements. This development is described in more detail in the Strategy in action section of the Business Review on page 13.

Summary of revenues

FY2009 – £5.2m



FY2008 – £5.8m





“The increased focus on cost-effective benefit and protection packages has led firms to reassess their requirements, underpinning demand for new schemes and leading to the relatively strong performance by Employee Benefits magazine, website and events.”

Phil Hayne – Publisher,
Employee Benefits and Recruiter



“Logistic Manager's position as the key title serving the global supply chain industry was strengthened by the incorporation of more thought leadership content from the third party logistics providers, providing a counterweight to the drop in commercial property advertising.”

Dan King – Publisher,
Logistics Manager



“Exhibitions offer an excellent opportunity for companies to review suppliers face to face and identify new ideas to maximise performance in a downturn.”

Mike Sherrard – Director B2B,
Centaur Exhibitions

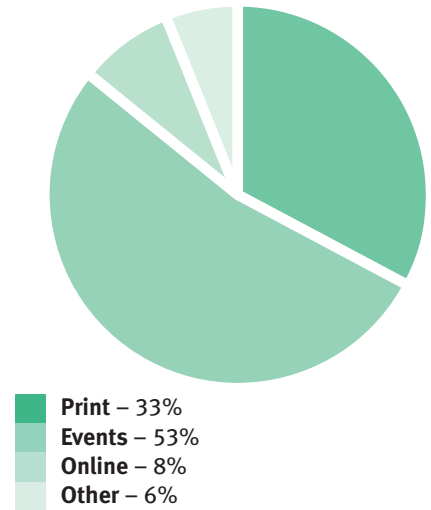


“Industry awards are an effective way to celebrate excellence in our communities and reinforce the power of our brands.”

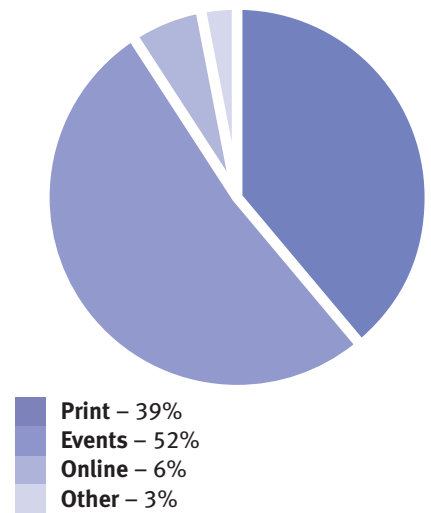
Rosie Ruddock – Head of Events,
Centaur Events

Summary of revenues

FY2009 – £8.9m



FY2008 – £11.8m



BUSINESS REVIEW

GENERAL BUSINESS SERVICES

This segment comprises products serving a number of distinct business communities. The main verticals in this segment are Human Resources (HR), the Recruitment sector, Supply Chain and Logistics and Business Travel and the newly launched EnAble Show (described in more detail below).

HR

The HR community focuses on employee benefits and the information needs of the benefits and compensation professionals in major UK companies, plus the senior managers in the companies that supply them with products and services.

The key products in the HR community are:

Employee Benefits (monthly);
EmployeeBenefits.co.uk;
Employee Benefits Exhibition and Conference (London and Manchester) and Employee Benefits Awards.

Recruitment

The Recruitment community products serve the recruitment specialists in the UK – senior professionals working in recruitment agencies, search and selection companies, recruitment consultancies and advertising agencies and the companies that supply services to them.

The key products in this community are:

Recruiter (fortnightly);
Recruiter.co.uk and
Recruiter Awards.

Supply Chain & Logistics

The Supply Chain & Logistics community provides information products for managers in charge of the supply chain of the largest industrial, retail and commercial organisations in the UK and Europe, together with the senior managers in the transport, materials handling and property companies that supply products and services to them.

The key products in the Supply Chain & Logistics community are:

Logistics Manager (monthly);
LogisticsManager.com; Logistics Link exhibitions (three regional events);
Supply Chain Excellence Awards and Extended Supply Chain conference.

Business Travel

Centaur's Business Travel products are aimed at satisfying the information needs of the corporate buyers of business travel and senior managers amongst their

suppliers – airlines, train companies, hotels, car hire companies etc.

The key products in the Business Travel community are:

Business Travel exhibitions in London, Dusseldorf and Dubai (joint venture) and the Business Travel awards held for the first time.

In total, General Business Services revenues decreased by 25% with the reduction split evenly between magazines and events within this division. Online revenues were flat year on year, although at 8% of total divisional revenues (FY2008: 6%) are a comparatively small part of the division.

In total an EBITDA loss of £0.1 million is reported for the year (FY2008: profit £1.4 million) and while costs across all the businesses reported in this division have reduced by 13%, the movement into a small loss for the year reflects the very difficult trading conditions experienced in the both the Recruitment and Logistics/ Supply chain verticals during the year and some new product development including the launch of the Enable Show in November 2008. The show which represents an entry into a new high value vertical for the Group connects a broad range of people with disabilities, who are aiming for an independent and active lifestyle, with the vast array of suppliers of product and services that will facilitate that aim. The initial show was launched with good exhibitor support and a respectable visitor profile that promises well for repeat events.

The traditional advertisers in the Recruiter magazine are recruitment consultancies and the suppliers of goods and services to them, with the consultancies traditionally operating in a low margin and crowded market. With recruitment volumes falling as a result of rising unemployment combined with recruitment freezes across a number of sectors the industry has contracted sharply in the last 12 months and as a result the Recruiter magazine and website have experienced a significant reduction in both recruitment and display advertising support during this financial year.

A re-launch of the magazine planned for the first quarter of the new financial year will re-focus both content and circulation towards in-house recruiters whose scope

and number has increased recently as companies seek to find more cost effective and efficient means of recruiting and retaining staff.

The principal products in the Logistics sector – Logistics Manager and website - experienced a contraction in display advertising support following a continued slump in the commercial property market which represents a key strand of marketing support for these products.

Trading conditions in the Business Travel sector were very challenging across all three shows (London, Dusseldorf and Dubai) and collectively revenues were 18% down against last year. However although the main London show, held in February 2009, was a third smaller than a year ago, a small yield improvement and visitor numbers held at 90% of the previous years level, indicated the importance of the show to key travel buyers and confirmed Centaur's strong position in this market. This was further strengthened by the launch of the Business Travel awards which ran concurrently with the London show and proved a valuable addition to the brand especially as a way to attract senior visitors to the main show.

In terms of financial product advertising, the corporate market comprising the key Compensation and Benefit managers that make up the circulation of Employee Benefits magazine was relatively buoyant partly reflecting a focus by companies on cost effective benefit and protection schemes even in the face of falling employee numbers.

Although advertising revenues still reduced year on year – Employee Benefits reported a 9% reduction in display volume across the year – this performance was materially better than the broader financial product advertising reported elsewhere in the Group.

FINANCIAL REVIEW



“The strength of our balance sheet continued to represent a very positive feature of the Group and this allowed further product development activity and increased capital investment during the year ”

Mike Lally – Group Finance Director

Summary of Group results

As reported in the Business Review on page 17, the Group experienced very challenging trading conditions during the year to 30 June 2009. A 27% reduction in revenues for the year reflected the effect of a slowing UK economy on both recruitment activity and discretionary advertising expenditure by customers in most of our served markets. This exposure to the economy and dependency on advertising was included among the principal risks and uncertainties facing the Group reported in previous annual reports.

A rapid and substantial reduction in Group expenditure partly mitigated the effect of the revenue reduction, although profit before taxation reduced to £1.7 million for the financial year (FY2008: £14.5 million). Full details of cost reductions achieved during the year are detailed below.

The strength of the Group's balance sheet, bolstered by the agreement of a new banking facility with Royal Bank of Scotland, continued to represent a very positive feature of the Group and this allowed further new product development activity and increased capital investment in both premises and online products during the year.

Full details of cash generation and capital investment are also provided below.

Trading updates

The financial performance of the Group was monitored by the Board each month during the financial year and although the Group's principal revenue sources traditionally carry very low forward visibility, the profile of results, described above, was the subject of regular trading updates or interim management statements ("IMS") made during the year as follows:

14 November 2008 (IMS), 9 January 2009 (pre-close trading update), 20 February 2009 (trading update), 27 February 2009 (Interim results announcement), 14 May 2009 (IMS)

Revenue

Total Group revenues for the year ended 30 June 2009 amounted to £66.3 million, a reduction of 27% (£24.1 million) compared to last year.

This reduction was led by a decrease in Group advertising revenues of 34% which divided into a 48% reduction in recruitment advertising and a 28% reduction in all other advertising. Included within non-recruitment advertising was a comparatively resilient online element where the year on year decrease was limited to a 7% reduction.

In total, at £33 million, advertising sales represented 50% of Group revenues for the year (FY2008: 56%).

In total 23% of the Group's revenues were derived from online products (FY2008: 19%) and while this increase in online concentration partly reflects that reduction in print revenues during the year it also reflects a greater degree of stability in online revenues, a characteristic which underpins much of Centaur's future growth strategy described in the strategy section of this report.

Total event revenues for the year decreased by 22% to £20.1 million and represented 30% of Group revenues (FY2008: 29%).

While revenue from acquisitions made in the current or preceding financial year represented less than 2% of the Group's revenue, organic product launches in the last three financial years amounted to 10% of Group revenues for the year to 30 June 2009. Examples of some of the new products developed over the last twelve months are included in the strategy section of this report on pages 9 to 14.

FINANCIAL REVIEW

Profit before taxation decreased by 88% to £1.7 million (FY2008: £14.5 million). After adjusting for exceptional costs and amortisation of acquired intangible assets, adjusted profit before tax decreased by 77% to £4.4 million (FY2008: £19.2 million).

Profit before taxation

The exceptional costs incurred in the year amounted to £1.7 million and these are described in more detail below and in note 2 to the financial statements. To ensure the underlying performance of the Group is presented in the income statement the Board considers the Group's earnings before interest, tax, depreciation, amortisation, exceptional costs and other significant non-cash items including share based payments ("adjusted EBITDA") to be an important and consistent measure of profitability and in addition the adjusted EBITDA margin is one of the key performance indicators used by the Board

to monitor and manage the business.

Adjusted EBITDA for the year ended 30 June 2009 was £7.0 million compared to £21.5 million in the year ended 30 June 2008. This represents an adjusted EBITDA margin of 11% (FY2008: 24%).

An analysis of revenue and adjusted EBITDA from continuing operations by segment, product type, underlying/acquired and maturity as well as an analysis of revenue by source and client type is included in the Business Review on page 15 and the different measures of profit described above are summarised in the following table:

Continuing operations	2009	2008
	£m	£m
Revenue	66.3	90.4
Adjusted EBITDA	7.0	21.5
Depreciation of property, plant and equipment	(0.8)	(0.8)
Amortisation of software	(1.5)	(1.5)
Share based payments	(0.4)	(0.2)
Interest receivable	0.1	0.2
Adjusted PBT	4.4	19.2
Amortisation of acquired intangibles	(1.0)	(1.1)
Exceptional costs	(1.7)	(3.6)
Profit before taxation	1.7	14.5

Group costs

In line with the definition of adjusted EBITDA above, total Group costs are reported before interest, tax, depreciation, amortisation, exceptional costs and other significant non-cash items including share based payments. Total group costs for the financial year amounted to £59.3 million, a reduction of £9.6 million compared to the previous year. These savings were led by a reduction in employee numbers with the average monthly number of persons employed during the year reducing by 12% to 695. (FY2008: 786) as reported in note 5 to the financial statements. In total around £6 million of these savings relate to this headcount reduction, of which around £4 million represents a reduction in direct payroll costs during the current year with the balance relating to temporary staff expenses and other associated costs of employment such as staff expenses and recruitment.

Although average employee numbers for the year has fallen by 12% the actual headcount across the Group at 30 June 2009 amounted to 634 (FY2008: 773), a reduction of 139 employees (18%) compared to 30 June 2008 which reflects the second half weighting of many of the initiatives that have led to this reduction. As a result there will be further salary savings of around £2 million in the new financial year.

Other cost reductions were also achieved through direct initiatives to improve the efficiency of both publishing and event product portfolios. This included a rationalisation of weaker or underperforming products during the year and a number of adjustments to reduce the direct costs of production and distribution in light of lower advertising volumes, including format changes and adjustments to circulation and print volumes. In total costs of printing, paper and distribution across all magazine titles reduced by approximately £2.5 million (23%) for the full year. Events costs were also reduced in line with decreased space sales at exhibitions and reduced attendance at conferences and awards and in total venue costs fell by £1.1 million (14%) for the financial year.

Exceptional cost

Within administrative expenses for the year ended 30 June 2009 and in accordance with the statement of accounting policies in relation to exceptional costs, laid out on page 60 an amount of £1.7 million (FY2008: £3.6 million) has been identified as exceptional for the purpose of calculating both adjusted EBITDA and adjusted profit before tax.

The full £1.7 million of exceptional expenditure was represented by a cash outflow during the year to 30 June 2009, together with £1.0m which was provided for in FY2008 and settled in the current financial year (see free cash flow reconciliation on page 32).

In total around £1.5 million of this expenditure relates to the re-organisation of publishing operations that had commenced during the previous financial year. Of this amount £1.0 million (FY2008: £1.3 million) are redundancy costs associated with the reduction in staff numbers detailed above while £0.5 million relates to post closure costs relating to magazine titles that were discontinued during the year.

A further £0.2 million exceptional cost is reported in relation to empty office space arising from the restructuring of the business during the year (£0.1m) and the discontinuation of Perfect Analysis in the previous financial year (£0.1m).

Adjusted EBITDA margin

As detailed in the KPI section of the financial review (below) the adjusted EBITDA margin is one of a range of performance indicators used by the Board to monitor progress towards the achievement of the strategic objectives of the Group (see page 35). In the current year an adjusted EBITDA margin of 11% is reported (FY2008: 24%) and while this represents a significant deterioration, the severity of the decline reflects the very high operational gearing in a number of the Group's business models, particularly print advertising sales, combined with the highly cyclical nature of revenues from this source.

Sustainable margin improvement therefore will be attained through a return to revenue growth and a focus on scale and rebalancing of the Group's revenues to reduce its dependence on display and recruitment advertising revenues which represented 50% of total Group revenue in the year to 30 June 2009. (FY2008 56%)

These initiatives underpin much of the new product development and capital investment undertaken by the Group in this financial year and while it is expected that advertising revenues, particularly recruitment sales will grow strongly as our markets recover, the continued development of our online proposition will allow expansion into areas of more sustainable revenue growth including workflow related data and information sales and subscription based sales lead generation models. These initiatives are described in more detail in the strategy section of this document on pages 9 to 14.

The cost saving initiatives completed to date have provided significant margin protection during this financial year and have partly resulted in a permanent reduction in the Group's cost base through organisational efficiencies and the discontinuation of underperforming or loss making products. It is estimated that this reduction in the fixed cost base of the business would add 3% to 4% points to the adjusted EBITDA margin on the basis of a return to the level of revenue and adjusted EBITDA reported for the year to 30 June 2008.

Revenue per employee

Although Group revenues reduced by 27% in the year to 30 June 2009, revenue per employee of £95,000 (FY2008: £115,000) represented only a 17% reduction against the previous financial year. This partial mitigation of the Group revenue reduction reflected the 12% decrease in average employee numbers for the year to 30 June 2009 compared to the previous year.

Based on actual employee numbers at 30 June 2009 of 634 (FY2008: 773) the revenue per employee for the year is £105,000 (FY2008 £117,000).

FINANCIAL REVIEW

Free cash flow and capital expenditure

Free cash flow ("FCF") is defined as cash generated from operations (note 25 to the financial statements) less capital expenditure required to maintain and develop the asset base of the Group, (property, plant and equipment and computer software) and after adjusting for any exceptional cash items.

	2009	2008	2007	2006	2005
	£m	£m	£m	£m	£m
Cash generated from operations	6.0	19.0	18.2	14.4	9.6
Exceptional items – cash impact	2.7	1.2	-	-	0.5
Capital expenditure	(4.9)	(3.1)	(2.6)	(3.0)	(2.5)
Free cash flow	3.8	17.1	15.6	11.4	7.6
Operating profit	1.6	14.3	15.9	14.7	8.9
Amortisation of acquired intangibles	1.0	1.1	0.7	0.3	-
Exceptional costs/(credit)	1.7	3.6	-	(2.2)	0.6
Adjusted operating profit	4.3	19.0	16.6	12.8	9.4
Cash conversion rate	88%	90%	94%	89%	81%

The strength of FCF generation, representing the cash available for the stakeholders of the Group, has been a strong feature of the Group's financial performance in recent years (see five year FCF summary above), although this year's performance was affected by the reduced level of revenue and profit reported for the year. In total cash generated from operations (before cash expenditure in respect of exceptional items) amounted to £8.7 million, with working capital reducing from net working capital liabilities of £2.0 million at 30 June 2008 (including accrued exceptional costs of £1.0m) to £2.8 million at 30 June 2009. The achievement of this working capital reduction represented a strong performance for the Group in the context of the difficult trading conditions experienced during the year. However the cash conversion ratio (FCF to adjusted operating profit) was reduced to 88% for the year (FY2008: 90%) and was constrained by an increased level of capital investment.

In total capital expenditure amounted to £4.9 million (FY2008: £3.1 million) which reflected a continuation of the significant investment in online businesses and property refurbishment that commenced in the previous financial year.

In total £2.5 million (FY2008: £2.4 million) was expended on the purchase of software

in relation to online product developments. These initiatives are described in more detail on pages 10 to 11 and include the development of a standardised web recruitment platform, an integrated magazine and web content management system and an enhanced customer database that have collectively positioned the Group very effectively to take advantage of online sales opportunities as revenues derived from our core markets recover.

A further £2.4 million (FY2008: £0.7 million) was expended during the year on property, plant and equipment, of which £1.6 million was in respect of leasehold improvements relating to the major refurbishment of office accommodation in the Group's two main London properties. The balance of £0.7 million includes replacement and replenishment expenditure in relation to existing computer equipment and fixtures and fittings in use across the Group.

Although the implementation of the online development described above is ongoing, it is anticipated that total capital expenditure will reduce substantially in the new financial year as the remaining online initiatives are completed.

Banking facilities

The agreement of a new banking facility with The Royal Bank of Scotland plc ("RBS") was completed during the financial year following a review of the Group's expected working capital requirements over the next three years (see page 40).

Although the Group had an existing ongoing facility of up to £4 million with RBS, this was arranged on a one year rolling basis and was due to expire in September 2009. The new terms, which provide a revolving credit facility of up to £5 million maturing in May 2012, are considered to provide adequate headroom for the Group's working capital requirements over this period.

The financial covenants governing this facility include gross leverage and interest cover ratios to be assessed on a twelve month rolling basis at each quarter end, commencing on 30 June 2009. At that date the Group reported net cash of £0.6 million (FY2008: £7.7 million) with no requirement to draw on the facility and all covenants were fully satisfied.

Share capital reduction

The Board holds a mandate to purchase up to 10% of the Company's issued share capital in each twelve month period. During this financial year the Company acquired 1,776,467 (FY2008: 7,550,000) of its own shares through open market purchases. The total amount paid to acquire the shares was £0.9 million (FY2008 £7.9 million) and this has been deducted from shareholders' equity. The shares are held as treasury shares.

While this mandate remains available to the Board and continues to represent an efficient mechanism through which excess cash may be returned to shareholders, the focus of cash management over the next twelve months will be to minimise cash borrowings through continued effective working capital management and to maintain flexibility over dividend policy.

Earnings per Share ("EPS")

Basic EPS for the year was 0.6 p compared to 6.7p in the previous financial year.

An alternative adjusted EPS, consistent with the calculation of adjusted PBT described on page 35, is reported for the same reason that the Board considers this to represent a more accurate reflection of the underlying performance of the Group. On an adjusted basis EPS was 2.1p

compared to 9.2p a year ago. Full details of the EPS calculations are presented in note 7 to the financial statements.

Taxation

Tax on profit on ordinary activities amounted to £0.8 million in the year ended 30 June 2009 (FY2008: £5.0 million).

Taking into account the tax effect of adjustments to arrive at adjusted PBT, this represents an effective tax rate of 34% (FY2008: 31%) of adjusted PBT.

The year on year increase in this effective tax rate, which exceeds the standard rate of UK corporation tax rate (28%), partly reflects a further reduction in the value of the deferred tax asset in respect of outstanding share options. The value of this asset is based on the expected deduction that will arise under Schedule 23 Finance Act 2003 when options are exercised and is calculated partly by reference to current share price. At 30 June 2009 the market price was 39.0p compared to 65.8p a year ago and the carrying value of the deferred tax asset was adjusted accordingly. In addition, while expenditure for the year considered to be disallowable for taxation purposes is unchanged at £0.2 million, this creates a proportionately higher impact on the effective tax rate as a result of a 77% reduction in adjusted PBT for the year to £4.4 million (FY2008: £19.2 million).

Dividends

A final dividend of 1.0p per share is proposed, giving a total for the year of 1.5p (FY2008: 4.2p). The final dividend is subject to shareholder approval at the annual general meeting and will be paid on 12 January 2010 to all ordinary shareholders on the register at close of business on 11 December 2009. The Company has sufficient reserves to cover the recommended dividend.

Treasury policy

Treasury is managed centrally and is principally concerned with minimising bank borrowings through the efficient management of working capital and seeking to maximise returns on available short term cash deposits. Further details of the operation of the Group's treasury functions and a description of the role that financial instruments have had during the year in the management of the Group's funding and liquidity risks and interest and foreign exchange rate risks are contained in the "financial instruments" notes to the financial statements (note 26).

FINANCIAL REVIEW

Principal risks and uncertainties

Specific business risks to which the Group is exposed are detailed below and, as described in the Corporate Governance Report on page 44, the Board has implemented a comprehensive risk management process to identify, monitor and mitigate these risks.

Exposure to the economy

Centaur's products and markets are predominantly UK based and as a result the Group's performance is broadly linked to the strength of the UK economy and general economic factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption therefore have the potential to affect the Group's operations, business and profitability. While these macro economic factors are beyond the control of the Group, specific exposure to interest rate and currency risk is minimal and in addition the range of markets served by Centaur's products together with the continuing strategy of extending the reach of established brands through the delivery of new products in a diverse range of media formats provides some ability to spread this exposure.

Dependence on advertising

In total advertising revenues represented 50% of Group revenue in the year ended 30 June 2009 (FY2008: 56%) and changes in advertising trends, particularly away from traditional magazine formats could have an impact on the Group's profitability. However the diversity of served markets and strength of brands, which in most cases includes a number of market leading positions together with continued brand diversification into alternative media formats all serve to limit this exposure. In addition, as described above, the continued investment in online products provides further opportunities to build more sustainable and less cyclical revenue streams that will help to reduce the concentration of more traditional forms of advertising within overall Group revenues.

Growth strategy

The Group seeks to launch or acquire new titles, conferences, exhibitions and other brand extensions. It is essential that the

Group successfully develops and markets these products and integrates acquired businesses. The proven record of organic growth over the past several years, and the successful integration of several businesses acquired over the same time period clearly demonstrate the Group's ability to deliver this strategy.

Competitor activity

A number of products exist that compete directly or indirectly with those of the Groups resulting in a highly competitive market. Domestic and international competitors market their products to the Group's target audiences. New technology, changing commercial circumstances and new entrants to the markets in which the Group operates, may adversely affect the Group's business. A key element of the Group's strategy is to develop and maintain a deep understanding of the information needs of the markets it serves and by maintaining the highest standards of editorial integrity it aims to ensure that the provision of information remains commercially aligned with and relevant to the markets it serves. Through these means the Group can continually adapt and develop existing products thus protecting market leading positions and thereby limiting the opportunities for competitors to secure an advantage.

Dependence on key personnel

The Group's future success is substantially dependent on the continued services and continuing contributions of its Directors, senior management and other key personnel. The loss of the services of any of the Group's executive officers or other key employees could have a material adverse effect on the Group's business. The entrepreneurial culture of the Group and the incentive programmes in place enable the Group to attract and retain the key management team.

Reliance on information systems

Certain divisions of the Group are dependent on the efficient and uninterrupted operation of their IT and computer systems and of services from third-party providers. The Group has taken precautions to limit its exposure to the risk of material disruption to systems.

Key performance indicators (KPIs)

The key strategic objectives of the Group are described in the Strategy section on pages 5 to 8 and are summarised below:

- To achieve critical mass in high value growth markets
- To maintain long term double digit revenue growth
- To balance portfolio revenues across print, online and events
- To expand audience share of revenues
- To increase adjusted EBITDA margins to 25%

The Board uses a range of performance indicators to monitor progress against these objectives and manage the business.

The indicators which the Board considers to be important are as follows:

- Revenue growth by revenue type
- Share of revenues from audiences
- Adjusted EBITDA margin
- Revenue per employee
- Adjusted PBT
- Adjusted EPS
- Cash conversion rate.

In addition to monitoring progress against stated strategic objectives this range of measures provides the Group's stakeholders an opportunity to assess progress made within each reporting period towards a number of commercial and financial objectives and in addition, by adopting measures that are commonly reported by other members of Centaur's peer group, to facilitate a comparison of performance against other similar companies in the sector.

Other specific aims of the adopted performance measures are as follows:

- To indicate the spread and breadth of Centaur's operating business models and their relative importance in each reporting period
- To remove the impact of non-recurring exceptional credits or expenditure (and any related tax effect of those exceptional items) thus ensuring the indicators are closely aligned with the underlying, continuing aspects of the Group's trading performance
- To indicate the strong cash generative nature of the Group
- To remove the impact of non-cash credits or expenditure from the measures of earnings to ensure the indicators are closely aligned to the cash generative nature of the Group's assets
- To indicate the strong operational gearing associated with the Group's revenue growth.

	2009	2008
Revenue (decline)/ growth by revenue type	%	%
Print	(35%)	(2%)
Events	(22%)	0%
Online products	(12%)	11%
Other	25%	(56%)
Total	(27%)	0%
Revenue share by client type	%	%
Audiences	24%	22%
Marketers	76%	78%
Total	100%	100%
Adjusted EBITDA margin¹	%	%
	11%	24%
Revenue per employee – continuing operations	£000	£000
	95	115
Adjusted PBT²	£m	£m
	4.4	19.2
Adjusted EPS³	Pence	Pence
	2.1	9.2
Cash conversion rate⁴	%	%
	88%	90%

Notes:

¹ One of Centaur's key measures of profit, which is used to measure the relative performance of divisional units of the Group, is earnings before interest, tax, depreciation and amortisation, excluding exceptional items and other significant non-cash items including share based payments (Adjusted EBITDA). Refer to page 30.

² Adjusted PBT (PBTA) is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items. Refer to page 30.

³ Adjusted EPS is based on the basic EPS but after making adjustments for amortisation on acquired intangibles and exceptional items as detailed in note 7 to the financial statements.

⁴ Cash conversion rate is free cash flow expressed as a percentage of adjusted operating profit. Free cash flow is defined as cash generated from operations (note 25 to the financial statements), less capital expenditure on property, plant and equipment and software, and excluding the cash impact of exceptional items. Adjusted operating profit is operating profit after making adjustments for amortisation on acquired intangibles and exceptional items. Refer to page 32.

CORPORATE SOCIAL RESPONSIBILITY

The Board recognises the need for a clearly defined strategy and well defined policies in relation to the impact of the Group's activities on all its key stakeholders and the broader environment as a whole. The Board has therefore formulated an approach to CSR which is both complementary to the stated strategic objectives of the Group but also practical in terms of implementation of policy and measurement of results.

People in centaur

Centaur's success depends upon its ability to keep developing new products and refreshing existing ones and that in turn depends upon our ability to attract and retain a highly motivated, entrepreneurial team of people. In seeking to achieve this objective, we believe that the following are the most important factors for us to address:

a. Giving our people a sense of ownership:

We describe Centaur as a federation of small businesses, with discrete profit centres serving individual vertical communities, supported by a strong central infrastructure of common services such as Finance, Circulation, Web and IT Operations, HR and Design. We encourage our people where appropriate to have a strong sense of identity with their particular community, business unit or brand and to think like owners.

b. Maintaining unity around a common vision, strategy and culture:

We seek to provide each of our businesses with a corporate context of a clearly communicated vision and strategy and a common culture. We aim to achieve this through good communication on a number of levels. In addition to a structure of formal and informal business community meetings across the Group, which are attended on a monthly basis by the CEO and Group FD, a number of other mechanisms are used to retain a corporate framework without diluting the strength derived from the devolved operating structure of the Group as described above.

These include:

- The Group intranet, which has this year been redeveloped and which provides a regular update of news and corporate information.
- A regular email newsletter from the CEO that is sent to all staff each month highlighting recent new business developments.
- Senior managers' attendance at periodic management seminars to promote and share best practice across the Group. In addition, all senior managers receive a six monthly update of company results from the CEO and Group FD.

c. Providing competitive rewards:

Centaur's culture is meritocratic and in reviewing remuneration packages, we seek to focus primarily on individual performance. Individual reviews are conducted throughout the year and tend to occur on the anniversary of joining. We aim to provide financial rewards and a range of associated benefits that are competitive within our sector.

d. Providing effective resources:

Centaur's management style is intended to incorporate a high level of coaching to support and promote superior performance. This is supplemented by an in-house programme of entry-level training programmes. We have again successfully run the Centaur Sales Training Academy, a more extended training programme for new sales recruits

e. Listening to our staff: Following the receipt and analysis of results from the YouGov employee engagement survey in 2007 the Group continues to address issues of concern raised therein and in particular has significantly improved the working environment over the year. The Group intends to repeat the survey periodically both to ascertain the efficacy of the actions taken and to emphasise the continuing importance of listening to our staff.

CORPORATE SOCIAL RESPONSIBILITY

The environment

The Board is aware of the potential impact on the environment of the Group's activities and recognises its responsibility to the environment particularly with regard to its use of paper and print for magazines, disposal of waste and recycling, packaging and distribution of magazines, use of toner inks and in reducing its carbon footprint primarily in its consumption of energy.

The policy of the Group is to consider the impact on the environment as one of the factors when making purchasing decisions and to regularly record and monitor the results of those decisions on the environment, where practical. The Director responsible for overseeing this policy is Michael Lally.

Purchase of paper and printing – The Group sources all its magazine paper grades from mills that hold valid forestry certification scheme accreditation, which ensures its pulp is sourced from well managed and sustainable forests, and have ISO 14001 and EMAS accreditation.

Centaur uses 100% recycled paper made from post consumer recovered paper fibres on titles such as The Lawyer and The Engineer and as soon as practical it is the intention that we also increase recycled paper content over time, where appropriate and where that will genuinely reduce the Group's CO₂ carbon footprint.

Disposal of waste & recycling – The recycling initiative introduced at the Company's head office last has now been "rolled out" in all the London offices and this has resulted in over 50% of office waste now being recycled.

Packaging and distribution of magazines – Lighter weight plastic that can be recycled has been adopted and tight controls exercised on print runs.

Toner inks - All toner cartridges and computer equipment continue to be recycled where possible. In order to reduce the consumption of toner cartridges computers are linked to photocopiers for printing purposes in most areas of the business. Consequently there has been a reduction of printer toner cartridges purchased by the West End offices, the biggest users, of some 16% in the year. This was on top of the 21% achieved last year.

Energy consumption

In reporting on energy consumption and in comparing numbers from year -to year the Group is conscious that the figures can be affected by climatic differences and employee numbers between reporting years. These factors should be taken into account. The numbers for the 12 months to 30 June 2009 are as below:

Energy Consumption ... 708.7 CO₂ tonnes

Electricity 1,168 MWh

Oil 28k litres

Notes on the above table:

1. The CO₂ tonnes represent the CO₂ equivalent of the electricity and oil consumed during the year. The calculation is based on the conversion factor provided by the National Energy Foundation.
2. Heating oil is only used at one of the Group's premises.
3. Water is supplied by the landlords, except for one building, so the bulk of the figures are unavailable.

The Community

It is Group policy to not make corporate contributions to political parties and the Group has no intention of using the authority that it has under Companies Act 2006 to do so. Although there is no Group Policy to make charitable donations there are occasions when such contributions are made in response to a particular request and these are detailed in the Report of the Directors where applicable.

A number of Centaur's magazines encourage giving to various charities through the relevant magazine's award events. In the year donations were made through this method to MND (Motor Neurone Disease), Sense, Barbados's, CARE International, The Samaritans, The Kids Company and The Children's Trust.

BOARD OF DIRECTORS



Graham Sherren
Chairman

Graham has spent most of his career running business-to-business publishing companies starting in 1964 with Product Journal Limited. In 1968, Product Journal Limited was acquired by Morgan Grampian plc. He ran Morgan Grampian (including subsequent to its takeover by Trafalgar House Investments plc) until 1982 when he established Centaur Communications.



Geoffrey Wilmot
Chief Executive Officer

Geoff joined Centaur Communications in September 1998 as Group Finance Director and became Chief Executive Officer in November 2006. He qualified as a chartered accountant with Binder Hamlyn in 1979. Immediately prior to joining Centaur Communications, he was Chief Financial Officer of the legal and professional division within Thomson Corporation. He has also previously worked for Morgan Crucible plc in a variety of roles and as Finance Director of Dexion Group plc and Scruttons plc.



Michael Lally
Group Finance Director

Mike joined Centaur in April 2001 as UK Finance Director and was appointed to the Board as Group Finance Director in November 2006. He has extensive experience of the Media and Entertainment sector having held senior financial and management positions at the Financial Times, United News and Media, Reuters and immediately prior to joining Centaur was Finance Director of the Informa Publishing group.



Ian Roberts

Company Secretary
Ian joined Centaur in May 2000 becoming Company Secretary in October 2000. He qualified as a chartered accountant in 1974. Prior to joining Centaur he was Managing Director of CBS Private Capital Limited, a Lloyd's members' agent, and a partner of Neville Russell now Mazars. He previously worked for financial advisory company, Partridge, Muir and Warren.



Patrick Taylor

Senior Non-Executive Director
Patrick was formerly Chief Executive Officer of GWR Group plc, the UK's largest commercial radio group ranked by licences and audiences. Before joining GWR, Patrick was Group Finance Director of Capital Radio plc. A qualified chartered accountant, Patrick began his career at Coopers & Lybrand and became a partner with the practice in 1980, specialising in corporate finance. He is a Non-Executive Director of The Future Network plc.



Colin Morrison

Non-Executive Director
Colin is a former journalist who has managed magazines, newspapers and online businesses across Europe, the US and the AsiaPacific, for Australian Consolidated Press, Emap, Reed Elsevier, Future, and Axel Springer. He is chairman of Royal Pharmaceutical Society Publishing and also of the Royal Wanstead Children's Foundation.



Thomas Scruby
Non-Executive Director

Tom was appointed a Director of Centaur Communications in 1989. Since qualifying as a chartered accountant in 1957, he has held senior executive and non-executive positions in a range of public and private commercial businesses and corporate finance advisory organisations.



Christopher Satterthwaite
Non-Executive Director

Chris began his commercial career as a graduate trainee at H.J Heinz. Since his grounding on the client side, he has been part of three different kind of marketing communication agencies, IMP 1981-1993, then the UK's largest Sales Promotion and Direct Marketing agency; HHCL & Partners 1993-2000, Campaign's Advertising Agency of the Decade; Bell Pottinger 2000-2002, the UK's leading Public Relations agency. Chris was appointed Chief Executive of Chime Communications plc in 2002.

REPORT OF THE DIRECTORS

The Directors of Centaur Media plc (the “Company” and “the Group”) present their Report on the affairs of the Group together with audited Financial Statements for the year ended 30 June 2009.

Principal activities

The principal activities of the Group are the creation and dissemination of business and professional information through publications, exhibitions, conferences and electronic products.

Business review

The key performance indicators which management consider are important comprise:

- Revenue growth by revenue type
- Adjusted EBITDA margin
- Revenue per employee
- Adjusted PBT
- Adjusted EPS
- Cash conversion rate.

These can be found within the Financial Review on pages 29 to 35 together with details of the principal risks facing the Group. The Business Review includes details of the Group’s activities and future developments and is on pages 15 to 27.

Dividends

A final dividend of 1.0p per share is proposed by the Directors, and subject to shareholder approval at the Annual General

Meeting, will be paid on 12 January 2010 to ordinary shareholders on the register at the close of business on 11 December 2009. With the interim dividend of 0.5p per share this will make a total dividend of 1.5p per share for the year.

Share capital and substantial shareholdings

Details of the share capital are set out in note 21 to the financial statements.

As at 31 August 2009 notifications of interests at or above 3% in the issued share capital of the Company had been received from the following:

Jupiter Asset Management Limited		12.82%
FIL Limited		11.26%
Aberforth Partners LLP		9.92%
Graham Veere Sherren (inc spouse)		7.30%
Wellcome Trust Limited		5.89%
Schroders Investment Management PLC		5.30%
Legal & General Group PLC		5.07%
AXA SA		5.00%
Griffin Land and Nurseries Inc		4.21%

During the year, the Company acquired 1,776,467 Ordinary shares of 10p each in Centaur Media, for a total consideration of £0.9 million. At 30 June 2009, 9,326,467 shares are held in treasury, representing 6.21% of the issued share capital of the Company as at 30 June 2009.

Directors and directors’ interests

The Directors of the Company during the year are detailed on page 92. All Directors served from 1 July 2008 unless otherwise stated. The Directors’ interests in share options, long-term incentive plans and the Sharesave plan is disclosed in the Directors’ Report on Remuneration on pages 50 and 51. There have been no changes to the Directors’ interests since the year end.

	Number of ordinary shares held at 30 June 2008	Shares acquired during the year	Shares disposed of during the year	Number of ordinary shares held at 30 June 2009
GV Sherren (In wife’s ownership)	8,086,039	1,763,961	-	9,850,000
	428,270	-	-	428,270
JPE Taylor	150,000	-	-	150,000
C Morrison	155,000	100,000	-	255,000
BTR Scruby	432,313	300,000	300,000	432,313

REPORT OF THE DIRECTORS

Qualifying third party indemnity provisions

By virtue of article 206 of the Articles of Association of the Company, a qualifying indemnity provision (within the meaning given by section 234 of the Companies Act 2006) is in force at the date of this report in respect of each Director of the Company and was in force from 8 December 2005.

Payment of creditors

It is the Group's policy to agree credit arrangements with suppliers as part of the general terms of supply. Payment is then made in accordance with these terms provided the goods and services have been delivered in accordance with the agreed terms and conditions. The number and diversity of supply relationships means the Group pursues no formal code or policy beyond this. The Company had no trade creditors at 30 June 2009 or 30 June 2008.

Employment policy

The Group is an equal opportunities employer and appoints employees without reference to age, sex, ethnic group or religious beliefs.

It is the Group's policy to give full consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees of the Group who become disabled to continue in their employment or to be trained for other positions in the Group.

All companies within the Group actively encourage employee involvement at all levels, both through regular employee briefings and by direct access to managers and the Directors. In addition, the Share incentive plan and the Sharesave plan as described in note 22 encourage employees' participation in the Group's performance.

Significant agreements

The Group's bank facility agreement, referred to on page 33 is a significant agreement that is terminable on a change of control of the Company. In addition awards under certain of the long-term incentive plans, details of which are set out in note 22 will vest or may be exchanged for awards of a purchaser's shares, upon change of control of the Company.

Conflicts of interest

Following the implementation of new legislation on conflict of interest, reflected in the changes to the Company's Articles

of Association in 2008, procedures are in place to deal with such conflicts and they have operated effectively.

Financial instruments

A statement in relation to the use of financial instruments by the Group is shown in note 26 to the financial statements.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company

and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed in the Directors, Advisers and Other Corporate Information section confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- the Business Review and Financial Review include a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that it faces.

Auditors

The Directors confirm that, so far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution is to be proposed at the Annual General Meeting for the re-appointment of PricewaterhouseCoopers LLP.

By order of the Board

IPH Roberts
Secretary

16 September 2009

CORPORATE GOVERNANCE STATEMENT

The Board of Centaur Media plc is accountable to the Company's shareholders for good Corporate Governance and in doing so is committed to the principles outlined in the 2006 FRC Combined Code on Corporate Governance.

Statement of compliance with the Combined Code

The statement below describes how the principles of Corporate Governance are applied and the extent of the Company's compliance with the provisions set out in Section 1 of the 2006 FRC Combined Code. The Company has complied with the 2006 FRC Combined Code throughout the financial year subject to the fact that Graham Sherren, who is not independent and formerly held the role of Chairman and Chief Executive, remains as Non-Executive Chairman.

The Board of Directors

The Group is controlled through its Board of Directors. The Board recognises its responsibility to the Company's shareholders. It does this by providing entrepreneurial leadership, whilst ensuring controls are established that enable the effective monitoring and management of risk.

The Board is responsible for the Group's systems of Corporate Governance and is ultimately accountable for the Group's activities and strategy by ensuring the right financial and human resources are in place.

Board process

The Board is accountable to shareholders for ensuring that the Group is appropriately managed and achieves the strategic objectives agreed by the Board.

In accordance with the Combined Code, the Board has established guidelines requiring specific matters to be discussed by the full Board of Directors, such as:

- The commencement of any major new and/or different business activity.
- Material acquisitions and disposals.
- Material investments and capital projects.
- The Group's internal controls and risk management policies, including insurance and material litigation.

- Overall budgetary planning, treasury planning and business strategy.
- Review of the functioning of the Board Committees.

The Board meets at least six times each year. The Directors receive the Board papers in advance of each meeting.

The Board has a procedure through which the Directors are able to take independent advice in the furtherance of their responsibilities. The Directors have access to the advice and services of the Company Secretary, Ian Roberts. He is also secretary to all the Board Committees. In addition, the Company Secretary advises the Board on governance matters and provides ongoing training through the regular dissemination of relevant legislative and regulatory updates and external reports. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board, all of which are available on the Company's website (www.centaur.co.uk). Non-members may attend these committee meetings by invitation although no Director can attend a meeting, or part of a meeting where he could have a conflict of interest.

The Non-Executive Directors have met together without the Executive Directors as required by the Combined Code.

CORPORATE GOVERNANCE STATEMENT

Performance evaluation

The Directors are constantly evaluated against performance and commitment to their roles and duties as Directors. The Chairman addresses weakness and, where appropriate, proposes new members to be appointed and seeks the resignations of Directors of the Board.

Evaluation of Directors was undertaken during the year using the form adopted in the previous year, the results of which were reported to the Board by the Company Secretary and discussed by the Board. The Chairman then held discussions with

individual Directors as necessary. No significant problems were identified.

In addition the Non Executives Directors, led by Patrick Taylor, have conducted a review of the Chairman. They concluded that he continues to add value to the Company's operations and leads the Board's discussions in a balanced manner.

Board committees

The number of scheduled full Board meetings and Committee meetings during the year to 30 June 2009 along with attendance of Directors was as follows:

	Scheduled Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
No of meetings held	6	3	3	1
Graham Sherren	6	n/a	n/a	1
Geoffrey Wilmot	6	n/a	n/a	n/a
Michael Lally	6	n/a	n/a	n/a
Thomas Scruby	6	n/a	n/a	n/a
Patrick Taylor	6	3	3	1
Colin Morrison	6	3	3	1
Christopher Satterthwaite	6	3	3	1

Board balance and independence

During FY2009, the Board comprised two Executive Directors, Geoffrey Wilmot and Michael Lally, and five Non-Executive Directors, including the Non-Executive chairman. It is recognised that the retention of Graham Sherren in the role of non-independent Chairman, having formerly held the role of Chief Executive Officer, will not satisfy the 2006 FRC Combined Code. However, this was discussed with major shareholders prior to the decision being made and the Board believes that Graham Sherren's continuation as Chairman is vital in continuing to give the Group the benefit of his considerable experience and knowledge of the publishing industry. There is a clear division of responsibilities between the Chairman and the Chief Executive Officer.

Three of the Non-Executive Directors, Patrick Taylor, Colin Morrison and Christopher Satterthwaite are considered by the Board to be 'independent' of management for the purposes of the 2006 FRC Combined Code and have no relationships that may interfere with their independent judgement and thus in this regard the requirements of the 2006 FRC Combined Code are satisfied.

CORPORATE GOVERNANCE STATEMENT

The Board is strengthened by the presence of the fourth Non-Executive Director, Tom Scruby, who was a Director of Centaur Communications Ltd from 1989 to 2004. In view of this he does not satisfy the independence criteria of the 2006 FRC Combined Code; however the Board continues to believe that Tom Scruby brings substantial benefit to the Board through both his external experience and his knowledge of Centaur.

Patrick Taylor has been appointed senior Non-Executive Director.

All Directors are subject to re-election at least every three years but have chosen to stand for re-election annually.

The Audit Committee

Patrick Taylor chairs the Audit Committee and its other members are Colin Morrison and Christopher Satterthwaite. All members of this committee are Non-Executive Directors.

The Audit Committee meets at least twice each year. In addition Patrick Taylor meets with the external auditors at least annually on a one to one basis. The Chief Executive Officer and the Group Finance Director and external auditors attend for part or all of each meeting. The external auditors have unrestricted access to the Audit Committee and its Chairman. The Audit Committee considers all matters relating to financial policies, internal control and reporting, appointment and re-appointment of external auditors, the scope and results of the audits, the independence and objectivity of the auditors and ensures that an effective system of internal financial control is maintained.

The Group does not have an internal audit function. The Group believes that the internal controls established are strong and therefore an additional internal audit function is not currently required. The Audit Committee annually reviews that position.

An Internal Control Review has been conducted by management and a report has been submitted to the Audit Committee; no major control issues were identified.

The Audit Committee has reviewed arrangements for whistleblowing and has put a policy in place. The policy encourages a culture of openness and seeks to reassure employees that by reporting issues of concern they will not suffer victimisation or detriment. Employees are required to raise issues in the first instance with their line manager or, if this is a problem, with the Human Resources Director or in exceptional cases with the Chief Executive Officer or Chairman of the Audit Committee.

The Group is committed, whenever appropriate, to investigate fully any concern raised in a timely manner and where an investigation confirms wrongdoing to take the necessary disciplinary or legal action. The Group will, wherever possible and without infringing confidentiality, keep the "whistleblower" informed of the outcome of enquiries and decisions taken with regard to the matter. Guidance is also given to raising matters externally.

Centaur's external auditors may not provide any non-audit service that poses a significant threat to the auditors' objectivity or independence. Centaur's auditors have confirmed that they are independent and do so on an annual basis. During the year Centaur underwent a competitive tender process for the provision of tax compliance services and, as a result, these services are no longer provided by the auditors.

The auditors have been in post since 2000 but for only five years as auditors of a listed company (Centaur was listed in March 2004). As noted in the Statement last year the Group reviewed their appointment in 2009 and it was agreed by the Board that there was no compelling reason to make a change.

CORPORATE GOVERNANCE STATEMENT

The Remuneration Committee

Patrick Taylor chairs the Remuneration Committee and its other members are Colin Morrison and Christopher Satterthwaite. All members of this committee are Non-Executive Directors.

The Remuneration Committee meets at least twice each year. The Chairman and the Chief Executive Officer may be invited to attend meetings, if the Remuneration Committee considers it appropriate. The Remuneration Committee will consider all material elements of remuneration policy including the remuneration and incentives of Executive Directors and senior management. The Executive Directors determine the remuneration of the Non-Executive Directors.

Hewitt New Bridge Street Consultants (HNBS) is appointed as remuneration consultants to the Remuneration Committee. HNBS advises the Committee directly on matters within the Committee's terms of reference on which the Committee chooses to consult HNBS.

HNBS advises the Board (or those Directors charged by the Board to make recommendations) from time to time on the remuneration of Non-Executive Directors.

The Company Secretary, with reference to independent remuneration research and professional advice and in accordance with the 2006 FRC Combined Code, also will provide regular updates to the Board on the framework for executive remuneration and its cost. The Board is then responsible for implementing the recommendations and agreeing the remuneration packages of individual Directors and the Company Secretary. The Directors are not permitted under the Articles to vote on their own terms and conditions of remuneration.

The Nomination Committee

Graham Sherren chairs the Nomination Committee and its other members are Colin Morrison, Patrick Taylor and Christopher Satterthwaite.

The Nomination Committee ensures that there is in place a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee is responsible for ensuring that the right calibre of person and balance of skills is maintained on the

Board. This committee meets at least annually and as required will make recommendations to the Board on new appointments to the Board. When the Nomination Committee is considering the appointment of a successor to the Chairman, Patrick Taylor chairs this committee.

Internal control

The Board recognises its responsibility to present a true and balanced assessment of the Group's position and prospects.

Centaur Media plc's structure of accountability and audit operates as follows:

The Board has accountability for reviewing the effectiveness of the Group's system of internal controls. This relates to all controls, covering financial, operational, compliance and risk management matters.

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal control, is established for identifying, evaluating and managing risks faced by the Group. The Directors recognise that they are responsible for systems of internal control and for reviewing its effectiveness and this they have done throughout the year. The risk management process and systems of internal control are designed to only manage rather than eliminate risk. The risk of failure to achieve business objectives has been reviewed regularly by the Board throughout the year.

The Board has delegated responsibility for such reviews to the Audit Committee, which receives the relevant reports from various committees and individuals to assist it in its assessment of these controls. It is the responsibility of management to implement Board policies on internal control.

The Board through its committees is responsible for identifying, approving and enforcing policies on risk and control. The Group has a structure to monitor its key activities. As part of its structure, there is a comprehensive planning system with an annual budget approved by the Board. The results of operating communities are reported monthly and compared to the budget. Forecasts are prepared during the year.

CORPORATE GOVERNANCE STATEMENT

The key procedures, which the Directors have established with a view to providing effective internal controls, are as follows:

- Regular Board meetings to consider a schedule of matters reserved for the Board's consideration,
- An annual review of corporate strategy, which includes a review of risks facing the business and how these risks are monitored and managed on an ongoing basis within the organisation,
- An established organisational structure with clearly defined lines of responsibility and delegation of authority,
- Documented and enforced policies and procedures,
- Appointment of staff of the necessary calibre to fulfil their allocated responsibilities,
- Comprehensive budgets and forecasts, approved by the Board, reviewed and revised on a regular basis, with performance monitored against them and explanations obtained for material variances,
- A detailed investment approval process, requiring Board approval for major projects. Post-investment appraisals will be conducted and be reviewed by the Board,
- An Audit Committee of the Board, comprising Non-Executive Directors, considers significant financial control matters as appropriate.

Relations with shareholders

Communication with shareholders is given a high priority. The Business Review gives a detailed overview of the business and future developments. There is regular dialogue with institutional shareholders as well as presentations after the Group's preliminary announcement of the year-end results and at the half year. In addition financial and other information about the Group is available on the Group's website and procedures are in place to ensure that the Board is regularly apprised of shareholders', analysts' and brokers' expressed views of the Group.

The Board's intention is to use the Annual General Meeting on 18 November 2009 to

communicate with private and institutional investors and welcomes their participation. The Chairman will aim to ensure that the Chairman of the Audit and Remuneration Committees is available at the Annual General Meeting, details of which can be found in the Notice of the Meeting. During the year the senior independent director was not requested to attend any meetings by any of the shareholders but remains available to do so at their request. However, since the year end the senior independent director has met with a number of the key shareholders.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and for this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' REPORT ON REMUNERATION

INFORMATION NOT SUBJECT TO AUDIT

The Directors' report on remuneration has been prepared in accordance with SI 2008/410 of the Companies Act 2006.

The Remuneration Committee

Details of the Remuneration Committee are found on page 44.

Directors' remuneration policy

The policy of the Group for the remuneration of Executive Directors is that it should be sufficient to attract and retain the Directors needed to run the Group successfully.

In addition to the advice given by HNBSC and in order to assist in ascertaining the proper levels of remuneration for Directors the Company Secretary provides regular independent remuneration research reference material to the Committee.

Centaur's primary focus is on organic, profitable growth. Its key strategic objectives include a target of long term double digit revenue growth and an increase in adjusted EBITDA margins to 25%. In light of this, the Remuneration Committee considers it important that a significant proportion of the Executive Directors' remuneration packages should be linked to growth in profits and shareholder value.

The remuneration package consists of basic salary, benefits, bonuses, pension and share options. It is the intention of the Committee to review at least annually the remuneration packages (including, but not limited to, pension arrangements, the determination of any targets for any performance-related pay schemes operated by the Company - asking the Board, when appropriate, to seek shareholder approval for any long term incentive arrangements, bonuses, incentive payments and any compensation payments and share option entitlements) for each of the Executive Directors and Company Secretary. The objective of such policy being to ensure that Directors are provided with appropriate remuneration and incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.

The policy with regard to bonus schemes for the Executive Directors and Company Secretary is to set demanding but motivational performance targets that are normally based on one of the Company's key profit measures of adjusted earnings per share. The adjusted earnings per share target levels may be set with regard to a number of factors, including year on year growth. The maximum bonuses payable in respect of the year to 30 June 2010 are capped at 100% and 50% of annual salary for the Chief Executive Officer (CEO) and Group Finance Director (GFD) respectively, with a higher growth target set for the CEO than the GFD.

There were no bonuses payable to the CEO or the GFD in respect of the year as EPS growth targets, on which the entitlement to bonuses were calculated, were not met. They were calculated by reference to growth in adjusted earnings per share (EPS) for the year. Adjusted EPS of less than 6.3p would have resulted in no bonus being paid. Maximum bonus would have been paid for achieving adjusted EPS of 7.7p. Actual adjusted EPS achieved was 2.1 p.

Details of the Company's long-term incentive plans (LTIP) are outlined below.

During the year, share options were granted to the Chief Executive Officer and Group Finance Director as detailed on pages 50 and 51.

At these levels of bonus the Committee consider that there is a reasonable link between the Executive Directors' remuneration and the performance of the Group.

The Committee has exercised its discretion with regard to certain long-term incentive awards granted to four senior members of management whose roles were made redundant in 2008. In all these cases the exercise period for their unapproved share options was extended from six to twelve months and it was agreed that their LTIP

awards would vest on the normal dates without being scaled-down. At 30 June 2009 the revised exercise period had expired for three of the four individuals and none of the LTIP's awarded will vest. The revised option exercise period for the remaining individual will expire in September 2009.

The Non-Executive Directors receive a fee for their services, and the reimbursement of incidental expenses. In addition a payment of £1,500 per working day is made in respect of any period during which it is agreed by the Board that the time commitment is significantly longer than envisaged under the terms of the appointment as a result of, for example, a major corporate transaction.

The Directors' service agreements

Geoffrey Wilmot's service agreement is dated 27 February 2004, amended on 23 November 2006 to reflect his appointment as Chief Executive Officer, and Michael Lally's agreement is dated 2 April 2007. Notice periods are 12 months and Executive Directors do not have a fixed term of office.

Their contracts provide for termination of their employment within 14 days of which payment shall be made in lieu of notice. Where the Company terminates the contracts any damages to which the Executive Director may be entitled shall be calculated in accordance with ordinary common law principles including those relating to mitigation of loss.

Graham Sherren is the Non- Executive Chairman. His service contract has been amended to reflect his status as a Non-Executive and continues to provide for a notice period of twelve months.

Patrick Taylor, Colin Morrison, Tom Scruby and Colin Satterthwaite are the Non-Executive Directors. The Non-Executive Directors do not have service contracts; they have a letter of appointment with the Company. Their appointments are for an

DIRECTORS' REPORT ON REMUNERATION

INFORMATION NOT SUBJECT TO AUDIT

initial three-year period and provide for a notice period of one month. All retiring Directors are eligible for re-election. Any Non-Executive Director who has held office for a nine-year period or more shall be subject to re-election at each AGM. Their letters of appointment provide for termination of Non-Executive Director's employment with one month's notice.

Pension arrangements

There is no Group executive pension scheme. The Group makes contributions to Executive Directors' individual pension schemes; 17.5% of salary for Geoffrey Wilmot and 9% of salary for Michael Lally. The Group makes contributions of between 3% and 9% of salary for other employees, dependent on their seniority.

Long-term incentive plans

The Group has four long-term incentive arrangements in place. Three of these plans (the Long-term incentive plan, the Share option plan and the Rollover plan) are available only to Executive Directors and other key employees. The Share incentive and Sharesave plans are open to all employees.

It is intended that the awards will be funded from the employee benefit trust and shares held in treasury.

(i) Long-term incentive plan ("LTIP")

The LTIP is intended to be the sole long-term incentive arrangement for the Company's key management, although in exceptional circumstances further options may be granted under the Share option plan. The Board believes that the LTIP will provide a better link between reward and performance and incentivise key management to deliver long-term shareholder value.

However, it was decided by the Remuneration Committee in October 2008 to grant further share options to certain Directors and key members of management. In considering the grant the Committee noted that in the Notice of the EGM at which the LTIP was approved it stated that "The Remuneration Committee believes that the existing ESOP should be replaced with a new LTIP" and that only in "exceptional circumstances (such as the recruitment of a senior executive) further options may be granted under the ESOP". The Committee, however, was of the opinion

that the current lack of value in the LTIP and the disincentive that this created constituted exceptional circumstances and thus further options should be granted under the ESOP. Details of these grants are found at page 50.

The maximum market value of shares over which awards may be granted to any individuals in any financial year will not exceed 100% of that individual's base salary. Awards may be granted under the LTIP either as a conditional allocation of ordinary shares in the Company, as nil (or nominal) cost options with a short exercise window or as forfeitable shares. Awards will normally vest three years after grant, subject to continuing employment and the achievement of performance conditions. All awards made under this plan take the form of conditional grants of free shares in the Company. Vesting is based on a condition measuring the Company's Total Shareholder Return ("TSR") against a comparator group of companies over a fixed three year Performance Period commencing on the first day of the financial year in which the award is granted (save for the three year performance period applying to the initial awards which commenced on the date of grant).

TSR is the increase in the Net Return Index (as calculated by a specific financial information provider as selected by the Committee) for each company over the Performance Period, calculated as the increase in the average Net Return Index during the last three month period of the Performance Period compared to the average Net Return Index during the three month period ending on the day before the start of the Performance Period.

The comparator group for the LTIP awards was as follows:

- Euromoney plc
- Future Plc
- Huveaux Plc
- Informa plc
- ITE plc
- Johnston Press plc
- Mecom Group Plc
- Pearson plc
- Reed Elsevier plc
- Trinity Mirror plc
- UBM plc
- Wilmington Plc
- Yell Group Plc

Irrespective of the Company's TSR performance, no award will vest unless the Remuneration Committee is satisfied that this is warranted by the financial performance of the Company since grant, with average growth in the Company's adjusted Earnings per share of RPI plus 2% considered a minimum level of financial performance, unless the Remuneration Committee considers that it would be inappropriate to apply this "underpin."

The performance period for the 2006 awards ended on 12 June 2009, and for the 2007 awards ended on 30 June 2009. The Company's TSR was below median for both of these periods and therefore none of the shares subject to these awards will vest.

The percentage of an award that will vest is as follows:

Ranking of the Company's TSR when compared against the TSR of the comparator companies	Percentage of Award that Vests
Below median	0%
Median	30%
Upper quartile	100%
Between median and upper quartile	Straight-line vesting between 30% and 100% based on ranking plus interpolation between rankings

DIRECTORS' REPORT ON REMUNERATION

INFORMATION NOT SUBJECT TO AUDIT

(ii) Share option plan

The Committee granted share options under Part II of the plan to Directors and members of senior management in October 2008. The options granted will be exercisable upon the achievement of certain adjusted EPS targets in respect of the financial year ending 30 June 2012.

The Committee has previously granted share options under the Share option plan to members of senior management. The Board's objective in granting options was to increase shareholder value through growth in earnings. All these options can now be exercised as the corporate performance targets relating to them have been met. Details of these targets were set out in the 2008 Report.

The option plan is made up of two parts. Part I is approved by the Inland Revenue and takes advantage of the legislation to encourage employees to own shares in the Company in a tax efficient manner. Part II of the plan has not been approved by the Inland Revenue.

There is a limit on the grant of options under the Share Option Schemes. Options may not be granted if the numbers of ordinary shares over which they are granted (together with any ordinary shares which are subject to options granted pursuant to the Rollover Plan) exceed 5 per cent of the ordinary shares in issue immediately prior to the date of grant of the options.

(iii) Rollover plan

Centaur Media plc Executive Directors and certain senior employees elected to rollover existing ("old") Centaur Communications Ltd share options into new "rollover" share options in Centaur Media plc. The options were exchanged for options each at various exercise prices in Centaur Media plc. Rollover option holders have been entitled to exercise the former Centaur Communications Ltd options from 10 March 2005 and are excluded from any performance conditions.

(iv) Share incentive plan

The Share incentive plan is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £1,500 per annum (or 10% of their salary if less) in shares in the

Company which are held in trust and can be withdrawn with tax paid at any time, or tax-free after five years. Other than continuing employment, there are no other performance conditions attached to the plan.

The Executive Directors are eligible to participate in the Share incentive plan.

(v) Sharesave plan

The Company has a Sharesave plan (the 'SAYE Scheme'). The SAYE Scheme is an HMRC approved all-employee plan and is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £3,000 per annum for a period of either 3 or 5 years, after which they may exercise SAYE options within 6 months of the anniversary date of the contract commencement date. The Option price of the 2009 grants made was 20.92p, a discount of 20% on the share price determined at the pricing date. Other than continuing employment, there are no other performance conditions attached to the plan.

The Executive Directors are eligible to participate in the Sharesave plan.

DIRECTORS' REPORT ON REMUNERATION

INFORMATION NOT SUBJECT TO AUDIT

The graphs below show the performance of Centaur Media plc share price and total shareholder return (TSR) compared to the performance of the FTSE 350 Media and Entertainment index over the same period. This index is considered to be most representative of the performance of the shares of generally comparable companies.

Performance graphs

Share Price £

Centaur Media
FTSE 350 Media



Total Shareholder Return %

Centaur Media
FTSE 350 Media



DIRECTORS' REPORT ON REMUNERATION

INFORMATION SUBJECT TO AUDIT

The Directors holding office during the year to 30 June 2009 are shown on page 92 and their beneficial interests in the Company's share capital are shown on page 39. None of the Directors had any beneficial interest in the shares of other Group companies.

Directors' interests

The following Directors have been granted rollover and matching options to subscribe for ordinary shares in the Company under rollover, approved and unapproved share option schemes:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2008	Granted in year	Exercised in year	Lapsed in year	Number at 30 June 2009
GTD Wilmot	9.03.04	9.03.07	9.03.14	100.0	587,333	-	-	-	587,333
	9.03.04	9.03.05	9.03.14	41.67	172,777	-	-	-	172,777
	29.10.08	30.06.12	29.10.18	51.75	-	800,000	-	-	800,000
					760,110	800,000	-	-	1,560,110
M J Lally	9.03.04	9.03.07	9.03.14	100.0	217,677	-	-	-	217,677
	9.03.04	9.03.05	9.03.14	57.87	26,743	-	-	-	26,743
	29.10.08	30.06.12	29.10.18	51.75	-	450,000	-	-	450,000
					244,420	450,000	-	-	694,420

The market price at 30 June 2009 was 39.0p (FY2008: 65.8p) and the range during the year was 16.8p to 75.5p (FY2008: 65.0p to 142.0p). The average market price during the year was 43.5p (FY2008: 98.2p).

Long-term incentive plan

The following Directors have been awarded conditional free shares under the long-term incentive plan:

	Date of award	Vesting date	Number at 30 June 2008	Granted in year	Vested in year	Lapsed in year	Number at 30 June 2009
GTD Wilmot	13.06.06	13.06.09	65,000	-	-	65,000	-
	26.04.07	26.04.10	85,000	-	-	85,000	-
	19.03.08	19.03.11	300,000	-	-	-	300,000
			450,000	-	-	150,000	300,000
M J Lally	13.06.06	13.06.09	20,000	-	-	20,000	-
	26.04.07	26.04.10	30,000	-	-	30,000	-
	19.03.08	19.03.11	120,000	-	-	-	120,000
			170,000	-	-	50,000	120,000

DIRECTORS' REPORT ON REMUNERATION

INFORMATION SUBJECT TO AUDIT

Sharesave plan

The following Directors have been granted options over ordinary shares of 10p each in the Company under the terms of the Centaur UK Sharesave Plan 2008 and 2009:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2008	Granted in year	Exercised in year	Lapsed in year	Number at 30 June 2009
GTD Wilmot	24.04.08	01.06.11	01.12.11	64.70	14,528	-	-	-	14,528
					14,528	-	-	-	14,528
GTD Wilmot	30.04.09	01.06.12	01.12.12	20.92	-	43,738	-	-	43,738
					-	43,738	-	-	43,738
M J Lally	24.04.08	01.06.13	01.12.13	64.70	25,154	-	-	25,154	-
	30.04.09	01.06.14	01.12.14	20.92	-	74,808	-	-	74,808
					25,154	74,808	-	25,154	74,808

The market price of the shares at the date of grant in 2009 was 37.3p.

Directors' emoluments

The table below provides details of Directors' remuneration from Centaur Media plc for the year to 30 June 2009.

Other benefits for Executive Directors during this year include the provision of a car allowance, life assurance, permanent health insurance and medical insurance.

	Salaries and fees	Bonus	Pension	Other benefits	Year ended 30 June 2009	Year ended 30 June 2008
	£	£	£	£	£	£
Executive						
GTD Wilmot	262,500	-	45,938	23,550	331,988	355,887
M J Lally	156,975	-	14,128	10,640	181,743	184,289
Non Executive						
GV Sherren	125,000	-	-	44,914	169,914	280,281
JPE Taylor	45,000	-	-	-	45,000	45,000
BTR Scruby	40,000	-	-	-	40,000	40,000
C Morrison	40,000	-	-	-	40,000	40,000
C Satterthwaite	40,000	-	-	-	40,000	40,000
	709,475	-	60,066	79,104	848,645	985,457

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTAUR MEDIA PLC

We have audited the Group and parent Company financial statements (the "financial statements") of Centaur Media plc for the year ended 30 June 2009 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and parent Company Statements of Recognised Income and Expense, the Statement of Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 40, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 to 497 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTAUR MEDIA PLC

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2009 and of the group's profit and group's and parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 45, in relation to going concern; and

- the parts of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Ian Wishart

(Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
London

16 September 2009

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
	Note	£m	£m
Continuing operations			
Revenue	1	66.3	90.4
Cost of sales		(37.4)	(44.8)
Gross profit		28.9	45.6
Distribution costs		(3.6)	(4.5)
Administrative expenses		(23.7)	(26.8)
Adjusted EBITDA	1	7.0	21.5
Depreciation of property, plant and equipment		(0.8)	(0.8)
Amortisation of software		(1.5)	(1.5)
Amortisation of acquired intangibles		(1.0)	(1.1)
Share based payments	22	(0.4)	(0.2)
Exceptional cost	2	(1.7)	(3.6)
Operating profit from continuing operations		1.6	14.3
Interest receivable	3	0.1	0.2
Profit from continuing operations before taxation		1.7	14.5
Taxation	6	(0.8)	(5.0)
Profit for the year from continuing operations		0.9	9.5
Discontinued operations			
Profit for the year from discontinued operations	15	-	0.2
Profit for the year attributable to equity shareholders		0.9	9.7
Earnings per share from total operations			
	7		
Basic		0.6p	6.7p
Fully diluted		0.6p	6.7p
Earnings per share from continuing operations			
	7		
Basic		0.6p	6.6p
Fully diluted		0.6p	6.6p

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	£m	£m
Profit for the financial year	0.9	9.7
Deferred tax on items taken directly to equity	-	(0.1)
Total recognised income for the year	0.9	9.6

There are no gains or losses for the Company other than those recognised in the income statement.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2009

		2009	2008
	Note	£m	£m
Non-current assets			
Goodwill	8	140.3	140.3
Other intangible assets	9	16.1	15.9
Property, plant and equipment	10	3.6	2.0
Deferred tax assets	20	0.3	0.7
		160.3	158.9
Current assets			
Inventories	12	1.0	1.2
Trade and other receivables	13	11.0	16.5
Cash and cash equivalents	14	0.7	7.8
		12.7	25.5
Current liabilities			
Financial liabilities – borrowings	16	0.1	0.1
Trade and other payables	17	8.3	11.0
Deferred income	18	6.5	8.7
Current tax liabilities	19	-	2.0
		14.9	21.8
Net current (liabilities) / assets		(2.2)	3.7
Non-current liabilities			
Deferred tax liabilities	20	1.1	1.1
		1.1	1.1
Net assets		157.0	161.5
Capital and reserves			
Share capital	21	15.0	15.0
Treasury shares	23	(9.8)	(8.9)
Share premium	23	0.7	0.7
Other reserves	23	3.5	3.1
Retained earnings	23	147.6	151.6
Total shareholders' equity		157.0	161.5

The financial statements were approved by the Board of Directors on 16 September 2009 and were signed on its behalf by:

MJ Lally
Group Finance Director

COMPANY BALANCE SHEET AT 30 JUNE 2009

		2009	2008
	Note	£m	£m
Non-current assets			
Investments in subsidiaries	11	146.0	145.8
		146.0	145.8
Current assets			
Trade and other receivables	13	3.1	43.0
Cash and cash equivalents	14	0.2	0.2
		3.3	43.2
Current liabilities			
Financial liabilities – borrowings	16	0.1	0.1
Trade and other payables	17	0.1	33.1
		0.2	33.2
Net current assets / (liabilities)		3.1	10.0
Net assets		149.1	155.8
Capital and reserves			
Share capital	21	15.0	15.0
Treasury shares	23	(8.8)	(7.9)
Share premium	23	0.7	0.7
Other reserves	23	3.5	3.1
Retained earnings	23	138.7	144.9
Total shareholders' equity		149.1	155.8

The financial statements were approved by the Board of Directors on 16 September 2009 and were signed on its behalf by:

MJ Lally
Group Finance Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
	Note	£m	£m
Cash flows from operating activities			
Cash generated from operations	25	6.0	19.0
Tax paid		(2.3)	(4.6)
Cash flows from operating activities		3.7	14.4
Cash flows from investing activities			
Interest received		0.1	0.1
Acquisition of subsidiaries (net of cash acquired)		-	(0.1)
Proceeds from the disposal of businesses		0.1	0.2
Proceeds from the disposal of subsidiary	15	-	0.4
Purchase of property, plant and equipment		(2.4)	(0.7)
Purchase of software		(2.5)	(2.4)
Purchase of other intangible assets		(0.2)	-
Cash flows from investing activities		(4.9)	(2.5)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		-	0.1
Treasury shares purchased		(0.9)	(7.9)
Repayment of loan notes		-	(1.0)
Interest paid		(0.1)	-
Dividends paid		(4.9)	(5.4)
Cash flows from financing activities		(5.9)	(14.2)
Net decrease in cash and cash equivalents		(7.1)	(2.3)
Cash and cash equivalents at 1 July 2008		7.8	10.1
Cash and cash equivalents 30 June 2009		0.7	7.8

COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
	Note	£m	£m
Cash flows from operating activities			
Cash generated from operations	25	5.9	12.0
Cash flows from investing activities			
Interest received		-	2.6
Dividends received		-	-
Cash flows from investing activities			
		-	2.6
Cash flows from financing activities			
Interest paid		(0.1)	(2.1)
Net proceeds from issue of ordinary share capital		-	0.1
Treasury shares purchased		(0.9)	(7.9)
Repayment of loan notes		-	(1.0)
Dividends paid		(4.9)	(5.4)
Cash flows from financing activities			
		(5.9)	(16.3)
Net decrease in cash and cash equivalents			
		-	(1.7)
Cash and cash equivalents at 1 July 2008			
		0.2	1.9
Cash and cash equivalents 30 June 2009			
		0.2	0.2

STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) applicable at 30 June 2009 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the historical cost basis.

These financial statements are presented in pounds sterling (GBP) as that is the currency of the primary economic environment in which the Group operates.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, the actual results may ultimately differ from those estimates.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ending 30 June 2009:

- IFRIC 12, 'Service concession arrangements', effective for annual periods beginning on or after 1 January 2008. This interpretation is not relevant for the Group.

- IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). This interpretation is not relevant for the Group.

- IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). This interpretation is not relevant for the Group.

- Amendment to IAS 39, 'Financial instruments: Recognition and measurement', and IFRS 7, 'Financial instruments: Disclosures', on the 'Reclassification of financial assets' (November version) (effective 1 July 2008). The adoption of these amendments has no material impact on the financial statements of the Group.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 30 June 2009 and have not been early adopted:

- Amendment to IFRS 2, 'Share based payments' on 'Vesting conditions and cancellations' (effective 1 January 2009).

- IFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009, subject to EU endorsement.

- IFRIC 15 'Agreements for the construction of real estate' effective from 1 January 2009.

- IFRIC 16 'Hedges of a Net Investment in a Foreign Operation', effective for annual periods beginning on or after 1 January 2009.

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group.

Additional presentation within the consolidated income statement

The Group has presented separately on the face of the consolidated income statement on page 54 an additional profit measure of adjusted EBITDA. Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and excluding exceptional and other significant non-cash items. This presentation has been provided as the Directors believe that this measure reflects more clearly the ongoing operations of the Group. In 2009 and 2008, share based payment costs have been treated as a significant non-cash item.

Exceptional items

The Group considers items of income and expenses as exceptional items and discloses them separately where the nature of the item, or its size, is likely to be material so as to assist the user of the financial statements to better understand the results of the operations of the Group.

Consolidation

The consolidated financial statements incorporate the financial statements of Centaur Media plc and all its subsidiaries to 30 June together with the attributable share of results and reserves of associated undertakings, adjusted where appropriate to conform with Centaur's accounting policies.

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to benefit from its activities.

Where the Group has established a joint venture through an interest in a company, partnership or other entity (a jointly controlled entity), the Group recognises its interest in the entity using the proportionate consolidation method,

STATEMENT OF ACCOUNTING POLICIES

whereby the Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is combined line by line with similar items in the Group's financial statements.

Intragroup balances and transactions and any unrealised gains or losses arising from these transactions, are eliminated in preparing the consolidated financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts recoverable by the Group for the sales of advertising space, subscriptions and individual publications and revenue from exhibitions and conferences provided in the normal course of business, net of discounts and value added tax.

Sales of advertising space are recognised in the period in which publication occurs. Sales of publications are recognised in the period in which the sale is made. Revenue received in advance for exhibitions and conferences is deferred and recognised in the period in which the event takes place.

Revenue from subscriptions to publications and online services is deferred and recognised in the income statement on a straight-line basis over the subscription period.

Foreign currencies

Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Assets and liabilities are translated at exchange rates prevailing at the year end date. Any gains or losses arising on exchange are reflected in the income statement.

Investments

In the Company's financial statements, investments in subsidiaries are stated at cost less provision for impairment in value.

In the Group financial statements, investments in associates are incorporated into the financial statements using the equity method of accounting whereby investments are carried on the balance sheet at cost adjusted by post-acquisition changes of the net assets of the associates, less any impairment of value in the individual investment.

Goodwill

Where the cost of a business acquisition exceeds the fair values attributable to the separable net assets acquired, the resulting goodwill is capitalised. Goodwill has an indefinite useful life and is tested for impairment annually or where indicators imply that the carrying value is not recoverable.

For the purposes of impairment testing, goodwill is allocated to cash generating units, which are considered to be individual magazine or online titles. Goodwill is then tested for impairment at the level of the reportable segments, which is considered to be the lowest level for which there are separately identifiable cash flows. Any impairment is recognised in the income statement. Impairment of goodwill is not subsequently reversed.

On the disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Other intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation. Intangible assets acquired

as part of business combinations are carried at fair value less accumulated amortisation. Computer software that is not integral to the operation of the related hardware is carried at cost less accumulated amortisation. Costs associated with the development of identifiable and unique software products controlled by the Group that will probably generate economic benefits in excess of costs are recognised as intangible assets and are carried at cost less accumulated amortisation.

Amortisation is calculated to write off the cost or fair value of assets on a straight line basis over the expected useful economic lives to the Group over the following periods:

Computer software	3 - 5 years
Brands and publishing rights	20 years
Customer relationships	10 years
Website development costs	3 - 5 years
Acquired content	5 years
Non compete arrangements	Over the term of the arrangement

The Group's internally generated brands represent commercially valuable intangibles but are not eligible for recognition as assets under IAS 38 Intangible Assets.

STATEMENT OF ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is the purchase cost together with any incidental direct costs of acquisition. Depreciation is calculated to write off the cost, less estimated residual value, of assets, on a straight line basis over the expected useful economic lives to the Group over the following periods:

Leasehold property	10 years or the expected length of the lease if shorter
Fixtures and fittings	10 years
Computer equipment	3 - 5 years
Motor vehicles	4 years

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalent aged assets and depreciation rates adjusted accordingly on a prospective basis. A review of the estimated useful economic life of each asset is carried out annually to ensure depreciation rates are adequate.

Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset's fair value less cost to sell and its value in use. An asset's value in use is calculated by discounting an estimate of future cash flows by the Group's pre tax weighted average cost of capital.

Taxation including deferred tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further includes items that are never taxable or deductible. The Group and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax accounted for in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first in, first out method. For raw materials, cost is the purchase price. Work in progress comprises costs incurred relating to publications, exhibitions and conferences prior to the publication date or the date of the event. For goods for resale, cost is the purchase price, or, in the case of publications, the direct cost of production.

Net realisable value is based on estimated future selling price less all the further costs to completion and all relevant marketing, selling and distribution costs.

Inventories are reviewed regularly and full provision is made for obsolete, slow moving or defective stock.

Leases

All leases held by the Group are considered to be operating leases. Rental charges on operating leases are charged to the income statement on a straight line basis over the life of the lease.

Employee benefit cost

The Group and Company contribute to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions to defined contribution schemes are charged to the income statement at the time that the related service is provided.

The expected cost of compensated holidays is recognised at the time that the related service is provided.

Share-based payments

The Company has equity settled share based payment compensation plans. The fair value of equity settled share based payments is measured at the date of the grant using a stochastic option pricing model. The fair value of the estimate of the number of options or shares that are expected to be exercised is expensed on a straight line basis over the vesting period.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is more likely than not that an outflow of resources will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a group of assets and operations engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those components operating in other economic environments.

Substantially all of the Group's net assets are located and all turnover and profit are generated in the United Kingdom and therefore the primary reporting format is by business segment based on the Group's management and internal reporting structure.

STATEMENT OF ACCOUNTING POLICIES

Share capital and share premium

Ordinary shares are classified as equity. The excess of consideration received in respect of shares issued over the nominal value of those shares is held in the share premium account.

The Company also holds a non-distributable reserve representing the fair value of share options issued.

Dividends are recognised as a liability in the period in which they are paid or approved by the shareholders in general meeting.

Key accounting assumptions, estimates and judgements

The preparation of financial statements under IFRS requires the use of certain key accounting assumptions and requires management to exercise its judgement and to make estimates. The areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

i) Impairments

In assessing whether goodwill and other intangible fixed assets are impaired, the Group uses a discounted cash flow model which includes forecast cash flow information and estimates of future growth. If the results of operations in future periods are lower than included in the cash flow model, impairments may be triggered.

ii) Deferred consideration

Provisions or receivables for deferred consideration are made on the basis of the Directors' best estimates of the future relevant measures of profits of the subsidiaries and businesses acquired or sold. If the profits of the subsidiaries and businesses acquired differ from the estimates, the actual consideration will differ from the estimates used.

Financial instruments

The Group has applied IFRS 7, Financial Instruments: Disclosures, and IAS 39, Financial Instruments: Recognition and Measurement, as outlined below.

● Financial assets

The Group classifies its financial assets in the following categories: at fair value

through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

All of the Group's financial assets have been classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

Loans and receivables are carried at amortised cost using the effective interest method.

● Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the income statement.

● Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits repayable on demand or maturing within three months of the balance sheet date, less any overdrafts repayable on demand.

● Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

● Loan notes

Loan notes are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

● Derivative financial instruments

Derivative financial instruments are used to hedge interest rate and foreign currency exposure where these circumstances arise. Discounts and premiums are charged or credited to the income statement over the life of the asset or liability to which they relate. Derivative financial assets and liabilities are stated at fair value. Changes to fair value are recognised directly in equity, to the extent that they are effective, with the ineffective portion being recognised in the income statement in the financial period to which it relates. The Group does not hold any derivative financial instruments either for trading purposes or designated as hedges.

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENTAL REPORTING

Primary reporting format – business segments

The Group is currently organised into five main business segments.

Corporate costs are allocated to business segments on an appropriate basis depending on the nature of the cost. Costs that cannot be allocated to a business segment are shown as “unallocated”.

Segment assets consist primarily of property, plant and equipment, intangible assets including goodwill, inventories, trade receivables and cash and cash equivalents.

Segment liabilities comprise trade payables, accruals and deferred income.

Corporate assets and liabilities comprise current and deferred tax balances, cash and cash equivalents and borrowings.

Capital expenditure comprises additions to property, plant and equipment, intangible assets and goodwill and includes additions resulting from acquisitions through business combinations.

Secondary reporting format – geographical segments

Substantially all of the Group's net assets are located and all revenue and profit are generated in the United Kingdom. Furthermore substantially all of the Group's customers are located in the United Kingdom. The Directors consider that the Group operates in a single geographical segment, being the United Kingdom, and therefore secondary format segmental reporting is not required.

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENTAL REPORTING (CONTINUED)

Year ended 30 June 2009	Legal and Financial	Marketing and Creative	Construction and Engineering	Perfect Information	General Business Services	Unallocated	Group
	£m	£m	£m	£m	£m	£m	£m
Continuing operations							
Revenue	17.6	17.3	17.3	5.2	8.9	-	66.3
Adjusted EBITDA	1.9	0.8	2.4	2.0	(0.1)	-	7.0
Depreciation of property, plant and equipment	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	-	(0.8)
Amortisation of software	(0.2)	(0.3)	(0.3)	(0.5)	(0.2)	-	(1.5)
Amortisation of acquired intangibles	(0.1)	-	(0.4)	-	(0.5)	-	(1.0)
Share based payments	-	-	-	-	-	(0.4)	(0.4)
Exceptional cost	(0.4)	(0.7)	(0.3)	(0.1)	(0.2)	-	(1.7)
Segment result	1.0	(0.4)	1.2	1.3	(1.1)	(0.4)	1.6
Interest receivable	-	-	-	-	-	0.1	0.1
Profit/ (loss) before tax	1.0	(0.4)	1.2	1.3	(1.1)	(0.3)	1.7
Taxation	-	-	-	-	-	(0.8)	(0.8)
Profit/ (loss) for the year from continuing operations	1.0	(0.4)	1.2	1.3	(1.1)	(1.1)	0.9
Profit/ (loss) for the year attributable to equity shareholders	1.0	(0.4)	1.2	1.3	(1.1)	(1.1)	0.9
Segment assets	59.3	45.7	38.3	11.8	16.9	-	172.0
Corporate assets	-	-	-	-	-	1.0	1.0
Consolidated total assets	59.3	45.7	38.3	11.8	16.9	1.0	173.0
Segment liabilities	2.9	3.8	3.8	2.5	1.8	-	14.8
Corporate liabilities	-	-	-	-	-	1.2	1.2
Consolidated total liabilities	2.9	3.8	3.8	2.5	1.8	1.2	16.0
Other items:							
Capital expenditure	1.5	1.3	1.1	0.9	0.5	-	5.3
Impairment of trade receivables	0.1	0.2	0.2	-	0.1	-	0.6

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENTAL REPORTING (CONTINUED)

Year ended 30 June 2008	Legal and Financial	Marketing and Creative	Construction and Engineering	Perfect Information	General Business Services	Unallocated	Group
	£m	£m	£m	£m	£m	£m	
Continuing operations							
Revenue	28.7	23.6	20.5	5.8	11.8	-	90.4
Adjusted EBITDA	9.2	4.1	4.7	2.1	1.4	-	21.5
Depreciation of property, plant and equipment	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	-	(0.8)
Amortisation of software	(0.2)	(0.3)	(0.2)	(0.6)	(0.2)	-	(1.5)
Amortisation of acquired intangibles	(0.1)	(0.1)	(0.4)	-	(0.5)	-	(1.1)
Share based payments	-	-	-	-	-	(0.2)	(0.2)
Exceptional cost	-	(1.1)	(0.2)	(1.7)	(0.1)	(0.5)	(3.6)
Segment result	8.7	2.4	3.7	(0.3)	0.5	(0.7)	14.3
Interest receivable	-	-	-	-	-	0.2	0.2
Profit/ (loss) before tax	8.7	2.4	3.7	(0.3)	0.5	(0.5)	14.5
Taxation	-	-	-	-	-	(5.0)	(5.0)
Profit/ (loss) for the year from continuing operations	8.7	2.4	3.7	(0.3)	0.5	(5.5)	9.5
Discontinued operations							
Revenue	-	-	-	-	-	-	-
Segment result	-	-	-	-	-	-	-
Profit on disposal of operation	-	-	-	-	0.2	-	0.2
Profit for the year from discontinued operations	-	-	-	-	0.2	-	0.2
Profit/ (loss) for the year attributable to equity shareholders	8.7	2.4	3.7	(0.3)	0.7	(5.5)	9.7
Segment assets	60.0	47.1	39.6	11.1	18.1	-	175.9
Corporate assets	-	-	-	-	-	8.5	8.5
Consolidated total assets	60.0	47.1	39.6	11.1	18.1	8.5	184.4
Segment liabilities	3.7	5.4	4.9	2.5	3.1	-	19.6
Corporate liabilities	-	-	-	-	-	3.3	3.3
Consolidated total liabilities	3.7	5.4	4.9	2.5	3.1	3.3	22.9
Other items:							
Capital expenditure	0.7	0.9	0.9	1.0	0.4	-	3.9
Impairment of trade receivables	-	0.2	0.2	-	0.1	-	0.5

NOTES TO THE FINANCIAL STATEMENTS

2. EXCEPTIONAL COST

	2009	2008
	£m	£m
Closure of Perfect Analysis		
Accelerated amortisation of assets	-	1.2
Redundancies	-	0.2
Post closure costs	0.1	0.3
	0.1	1.7
Reorganisation of publishing operations		
Redundancies	1.0	1.3
Share based payment	-	0.1
Post closure costs	0.5	-
	1.5	1.4
Onerous lease provision	0.1	0.5
Total	1.7	3.6

A number of restructuring initiatives that commenced during the previous year were completed in the year ending 30 June 2009. The total cost of these initiatives was £2.9m, of which £1.4m was reported in FY2008 and £1.5m in FY2009. Of this amount £1.0 million (FY2008: £1.3 million) are redundancy costs while £0.5 million relates to post closure costs relating to magazine titles that were discontinued during the year.

During the previous year, the Directors decided to discontinue Perfect Analysis, the equity research service developed by Synergy Software Solutions Limited, a subsidiary company. The costs of closure totalled £1.8m of which £1.7m was reported in the previous financial year. This included £1.2m of accelerated amortisation of computer software.

In addition the exceptional costs for FY2008 included £0.5m reflecting the onerous element of an additional short term property rental commitment at 30 June 2008 that was entered into to facilitate the changes to the Group's main London premises that arose following the restructuring of the business. A further £0.1m is reported in relation to this property during the current financial year.

3. INTEREST RECEIVABLE

	2009	2008
	£m	£m
Interest receivable on bank deposits	0.1	0.2

NOTES TO THE FINANCIAL STATEMENTS

4. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/ (crediting):

	2009	2008
	£m	£m
Employee benefit expense (note 5)	29.9	33.8
Exceptional cost (note 2)	1.7	3.6
Inventories		
- Cost of inventories recognised as an expense (included in cost of sales)	12.7	12.7
Depreciation of owned property, plant and equipment (note 10)	0.8	0.8
Amortisation of intangibles (included in administrative expenses) (note 9)	2.5	2.6
Operating lease rentals		
- Minimum lease payments	2.8	2.9
- Subleases	(0.5)	(0.4)
Repairs and maintenance expenditure on property, plant and equipment	0.2	0.2
Trade receivables impairment	0.6	0.5
Services provided by the Group's auditor		
Audit fees:	£'000	£'000
Fees payable to Company's auditor for the audit of parent Company and consolidated financial statements	32	35
Fees payable to the Company's auditor and its associates for other services:		
- The audit of Company's subsidiaries pursuant to legislation	89	95
- Other services supplies pursuant to legislation	25	29
- Tax services	-	23
- All other services	2	1
	148	183

NOTES TO THE FINANCIAL STATEMENTS

5. DIRECTORS AND EMPLOYEES

	Group 2009	Group 2008	Company 2009	Company 2008
	£m	£m	£m	£m
Wages and salaries	25.9	29.4	1.0	1.1
Social security costs	3.0	3.3	0.1	0.1
Other pension costs	0.6	0.8	0.1	0.1
Equity settled share-based payments (note 22)	0.4	0.3	0.1	0.1
	29.9	33.8	1.3	1.4

The average monthly number of persons employed during the year, including Executive Directors, was:

	Group 2009 Number	Group 2008 Number	Company 2009 Number	Company 2008 Number
Editorial	171	186	-	-
Production	40	53	-	-
Sales	155	178	-	-
Product management and support	165	202	-	-
Central services	164	167	9	8
	695	786	9	8

All employees are based in the UK.

Key management compensation

	2009	2008
	£m	£m
Salaries and short term employee benefits	2.3	2.8
Other pension costs	0.2	0.2
Share based payments	0.3	0.2
Termination benefits (including share based payments of £0.1m in FY2008)	-	0.8
	2.8	4.0

The key management figures include Directors, members of the executive management board and all other employees deemed to have authority and responsibility for planning, directing and controlling activities of Centaur and its subsidiaries.

The termination benefits in FY2008 relate to the reorganisation as described in note 2.

Details of Directors' remuneration is included in the Directors' Report on Remuneration on page 51.

NOTES TO THE FINANCIAL STATEMENTS

6. TAXATION

	2009	2008
	£m	£m
(a) Analysis of charge in year		
Current tax		
- Current year	0.6	4.3
- Adjustment in respect of prior year	(0.2)	-
	0.4	4.3
Deferred tax (note 20)		
- Current year	0.2	0.7
- Adjustment in respect of prior year	0.2	-
	0.4	0.7
Taxation	0.8	5.0
(b) Tax on items charged to equity		
Deferred tax charge on share based payments	-	0.1

(c) Factors affecting tax charge for the year

The tax assessed for the year is higher (2008: higher) than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2009	2008
	£m	£m
Profit before tax	1.7	14.5
Profit before tax multiplied by standard rate of corporation tax in the UK of 28.0% (2008: 29.5%)	0.5	4.3
Effects of:		
Expenses not deductible for tax purposes	0.2	0.2
Deferred tax charge on share based payments taken to income statement	0.1	0.5
Capital losses utilised	-	(0.1)
Losses not recognised	-	0.1
Adjustments to tax charge in respect of previous years	-	-
Total taxation	0.8	5.0

The standard tax rate for the year has reduced from 29.5% to 28% as a result of the reduction in the UK corporation tax rate from 30% to 28% from 1 April 2008 onwards.

NOTES TO THE FINANCIAL STATEMENTS

7. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year. Shares held in the employee benefit trust and shares held in treasury have been excluded in arriving at the weighted average number of shares.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has two classes of dilutive potential ordinary shares: share options (including those granted under the Sharesave plan) granted to Directors and employees where the exercise price is less than the average market price of the Company's ordinary shares during the year; and the contingently issuable shares under the Company's long-term incentive plan to the extent that the conditions are met at the reporting date.

	2009			2008		
	Earnings	Weighted average number of shares	Per share amount	Earnings	Weighted average number of shares	Per share amount
Total operations	£m	millions	Pence	£m	millions	Pence
Basic EPS	0.9	140.6	0.6	9.7	144.3	6.7
Effect of dilutive securities						
Options	-	0.5	-	-	0.3	-
Diluted basic EPS	0.9	141.1	0.6	9.7	144.6	6.7
Continuing operations						
Basic EPS	0.9	140.6	0.6	9.5	144.3	6.6
Effect of dilutive securities						
Options	-	0.5	-	-	0.3	-
Diluted basic EPS	0.9	141.1	0.6	9.5	144.6	6.6

NOTES TO THE FINANCIAL STATEMENTS

7. EARNINGS PER SHARE (CONTINUED)

An alternative measure of adjusted earnings per share has been provided as the Directors believe that this measure is more reflective of the ongoing trading of the Group.

	2009			2008		
	Earnings	Weighted average number of shares	Per share amount	Earnings	Weighted average number of shares	Per share amount
	£m	millions	Pence	£m	millions	Pence
Adjusted EPS						
Earnings attributable to ordinary shareholders from continuing operations	0.9	140.6	0.6	9.5	144.3	6.6
Amortisation of acquired intangibles (note 9)	1.0	-	0.7	1.1	-	0.7
Exceptional cost (note 2)	1.7	-	1.3	3.6	-	2.5
Tax effect of above adjustments	(0.7)	-	(0.5)	(0.9)	-	(0.6)
Adjusted EPS	2.9	140.6	2.1	13.3	144.3	9.2
Effect of dilutive securities						
Options	-	0.5	-	-	0.3	-
Contingently issuable shares	-	-	-	-	-	-
Diluted adjusted EPS	2.9	141.1	2.1	13.3	144.6	9.2

NOTES TO THE FINANCIAL STATEMENTS

8. GOODWILL

	Total
	£m
Cost	
At 1 July 2008 and 30 June 2009	140.3
Net book amount	
At 30 June 2008 and 30 June 2009	140.3

The majority of the Group's goodwill arose from the acquisition of the Centaur Communications Group in 2004.

Goodwill by segment

Each individual magazine and online title is deemed to be a Cash Generating Unit (CGU). Goodwill is attributed to individual CGUs but is grouped together at segmental level for the purposes of the annual impairment review of goodwill, being the lowest level for which there are separately identifiable cash flows. The following table shows the allocation of goodwill to segments at 30 June 2009:

	Legal and Financial	Marketing and Creative	Construction and Engineering	Perfect Information	General Business Services	Total
	£m	£m	£m	£m	£m	£m
At 30 June 2008 and 30 June 2009	53.2	40.5	30.1	8.7	7.8	140.3

Impairment testing of goodwill

During the year goodwill was tested for impairment in accordance with IAS 36. In assessing whether a write-down of goodwill is required in the carrying value of the related asset, the carrying value of the group of CGUs is compared with its recoverable amount. The recoverable amount for each group of CGUs that make up the segments of the Group's business has been measured based on value in use.

The Group estimates the value in use of its CGUs using a discounted cash flow model (DCF) which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 11.8% (2008: 14.4%). The discount rate used is consistent with the Group's weighted average cost of capital and is used across all segments.

No impairment was noted following the annual impairment review. The key assumptions used in calculating value in-use are sales growth, EBITDA, working capital movements and capital expenditure. The Group has used formally approved budgets for the first year of the value in use calculation, and estimated revenue growth rates of between 7% and 20% and EBITDA margins of between 5% and 40% for years 2 to 6. Terminal values assuming growth rates of 3% have been calculated from estimated year 6 cash flows and this timescale and terminal growth rate are both considered appropriate given the cyclical nature of Group revenues.

The assumptions used in the calculations of value-in-use for each segment have been derived from past experience. Management believe that no reasonably possible change in assumptions would cause the carrying amount of goodwill to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER INTANGIBLE ASSETS

2009	Computer software	Brands and publishing rights	Customer relationships	Websites and content	Non-competes	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 July 2008	14.0	9.2	3.7	0.4	0.5	27.8
Additions - separately	1.8	0.2	-	-	-	2.0
Additions - internally generated	0.9	-	-	-	-	0.9
Disposals	(0.2)	(0.1)	-	-	-	(0.3)
At 30 June 2009	16.5	9.3	3.7	0.4	0.5	30.4
Amortisation						
At 1 July 2008	9.8	1.0	0.8	0.2	0.1	11.9
Charge for the year	1.5	0.4	0.4	0.1	0.1	2.5
Disposals	(0.1)	-	-	-	-	(0.1)
At 30 June 2009	11.2	1.4	1.2	0.3	0.2	14.3
Net book amount						
At 30 June 2009	5.3	7.9	2.5	0.1	0.3	16.1

2008	Computer software	Brands and publishing rights	Customer relationships	Websites and content	Non-competes	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 July 2007	10.8	9.2	3.7	0.4	0.5	24.6
Additions - separately	2.5	-	-	-	-	2.5
Additions - internally generated	0.7	-	-	-	-	0.7
At 30 June 2008	14.0	9.2	3.7	0.4	0.5	27.8
Amortisation						
At 1 July 2007	7.1	0.5	0.4	0.1	-	8.1
Charge for the year	1.5	0.5	0.4	0.1	0.1	2.6
Write down of assets	1.2	-	-	-	-	1.2
At 30 June 2008	9.8	1.0	0.8	0.2	0.1	11.9
Net book amount						
At 30 June 2008	4.2	8.2	2.9	0.2	0.4	15.9

Computer software capitalised in 2009 and 2008 principally relates to the development of software used in websites and online products, and also to the development of new products in the Perfect Information segment. The addition to brands and publishing rights relates to Real Homes

which was purchased from Hachette Filipacchi (UK) Limited in December 2008. The disposal of brands and publishing rights relates to ABTN.

Amortisation charges in 2009 and 2008 have been charged to administrative

expenses. During the previous year, the Directors decided to discontinue Perfect Analysis, the equity research service developed by Synergy Software Solutions Limited, a subsidiary company. As a result the associated computer software net book value of £1.2m was written down.

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT

2009	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Motor Vehicles	Total
	£m	£m	£m	£m	£m
Cost					
As at 1 July 2008	1.9	2.0	2.5	-	6.4
Additions	1.6	0.4	0.4	-	2.4
At 30 June 2009	3.5	2.4	2.9	-	8.8
Depreciation					
As at 1 July 2008	0.9	1.5	2.0	-	4.4
Charge for the year	0.3	0.2	0.3	-	0.8
At 30 June 2009	1.2	1.7	2.3	-	5.2
Net book amount At 30 June 2009	2.3	0.7	0.6	-	3.6

2008	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Motor Vehicles	Total
	£m	£m	£m	£m	£m
Cost					
As at 1 July 2007	1.6	1.9	2.2	0.1	5.8
Additions	0.3	0.1	0.3	-	0.7
Disposals	-	-	-	(0.1)	(0.1)
At 30 June 2008	1.9	2.0	2.5	-	6.4
Depreciation					
As at 1 July 2007	0.7	1.3	1.6	0.1	3.7
Charge for the year	0.2	0.2	0.4	-	0.8
Disposals	-	-	-	(0.1)	(0.1)
At 30 June 2008	0.9	1.5	2.0	-	4.4
Net book amount At 30 June 2008	1.0	0.5	0.5	-	2.0

NOTES TO THE FINANCIAL STATEMENTS

11. INVESTMENTS

	Investments in subsidiary undertakings
	£m
At 1 July 2008	145.8
Additions	0.2
At 30 June 2009	146.0

The increase in investments in subsidiaries of £0.2 million represents the expense in relation to share options granted to employees of subsidiary companies.

The following table shows the principal subsidiary undertakings as at 30 June 2009:

Name	Class of share capital	Proportion held	Principal activity
		%	
Centaur Communications Limited ¹	Ordinary	100.00	Holding company and agency services
Chiron Communications Limited	Ordinary	100.00	Magazine publishing
Ascent Publishing Limited	Ordinary	100.00	Magazine publishing
Centaur Publishing Limited	Ordinary	100.00	Exhibitions
Perfect Information Limited	Ordinary	96.691	Financial information services
Pro-Talk Limited	Ordinary	100.00	Online publisher
Synergy Software Solutions Limited	Ordinary	96.691	Software consulting
The Awareness Group Limited	Ordinary	100.00	Conferences

¹ Directly owned by Centaur Media plc.

All the above subsidiary undertakings are incorporated in England and Wales. The consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 30 June each year.

No minority interest has been recognised by the Group in relation to Perfect Information Limited or Synergy Software Solutions Limited, as the Perfect Information group had net liabilities at 30 June 2009 and 30 June 2008.

12. INVENTORIES

	Group 2009	Group 2008
	£m	£m
Work in progress	1.0	1.2
	1.0	1.2

In the Directors' view there is no difference between the book value and the replacement cost of inventories.

NOTES TO THE FINANCIAL STATEMENTS

13. TRADE AND OTHER RECEIVABLES

	Group 2009	Group 2008	Company 2009	Company 2008
	£m	£m	£m	£m
Amounts falling due within one year:				
Trade receivables	6.3	11.0	-	-
Less: provision for impairment of receivables	(0.6)	(0.4)	-	-
Trade receivables – net	5.7	10.6	-	-
Receivables from subsidiaries	-	-	2.6	42.6
Other receivables	1.5	1.6	0.4	0.4
Prepayments and accrued income	3.8	4.3	0.1	-
	11.0	16.5	3.1	43.0

The ageing of trade receivables at 30 June 2009, according to their original due date, is detailed below:

	2009	2009	2008	2008
	£m Gross	£m Provision	£m Gross	£m Provision
Relating to future revenues	1.7	-	2.9	-
Current	3.2	-	5.5	-
31-60 days	0.8	(0.2)	2.0	(0.1)
61-90 days	0.1	(0.1)	0.4	(0.1)
Over 90 days	0.5	(0.3)	0.2	(0.2)
	6.3	(0.6)	11.0	(0.4)

The amount relating to future revenues forms part of deferred income in note 18.

The movement in the provision for impairment of receivables is detailed below:

	Group 2009	Group 2008
	£m	£m
Balance at start of year	0.4	0.4
Utilised	(0.4)	(0.5)
Additional provision charged to the income statement	0.6	0.5
Balance at end of year	0.6	0.4

The Group's policy requires customers to pay it in accordance with agreed payment terms, which are generally 30 days from the date of invoice, or in the case of event-related revenue, 30 days before the event. All credit and recovery risk associated with trade receivables has been provided for in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

14. CASH AND CASH EQUIVALENTS

	Group 2009	Group 2008	Company 2009	Company 2008
	£m	£m	£m	£m
Cash at bank and in hand	0.7	7.8	0.2	0.2
	0.7	7.8	0.2	0.2

Total cash at bank and in hand at 30 June 2009 includes an amount of £0.1 million (2008: £0.1 million) held on behalf of the holders of loan notes in Centaur Media plc (see note 16). This amount is therefore a restricted balance and is not available for use by the Group in its day to day operations. The unrestricted cash available for use in the day to day operations of the Group at 30 June 2009 was £0.6 million (2008: £7.7 million).

During the course of the year, the Group places surplus funds on short-term deposit of between 1 day and 6 months in duration. There were no deposits placed as at 30 June 2009 or 30 June 2008. Deposits are generally placed with the Group's bankers, Royal Bank of Scotland plc, who had a Moody's credit rating of AA3 (30 June 2008: AA1) or with Lloyds TSB Plc, who had a Moody's credit rating of AA3 at 30 June 2009. The effective interest rate on these short-term deposits was 3.9% (2008: 5.6%).

15. DISCONTINUED OPERATIONS AND DISPOSALS

On 20 July 2007 the Directors sold the entire share capital of Hali Publications Limited, a subsidiary of the Group, to its former publisher. The sale was completed on for a consideration of £0.4 million resulting in a profit of £0.2 million.

The results of the discontinued operations are presented below:

	2009	2008
	£m	£m
Revenue	-	-
Operating profit	-	-
Gain on disposal of discontinued operation	-	0.2
Profit for the year from discontinued operations	-	0.2

NOTES TO THE FINANCIAL STATEMENTS

16. FINANCIAL LIABILITIES - BORROWINGS

	Group 2009	Group 2008	Company 2009	Company 2008
	£m	£m	£m	£m
Loan notes	0.1	0.1	0.1	0.1

The loan notes were issued following the acquisition of the Centaur Communications Group in 2004. The loan notes in the Company have been issued in amounts and multiples of £1 with a variable rate of interest of 0.75% below LIBOR for each relevant interest period. Unless previously

redeemed or purchased the loan notes will be redeemed in full at par on 31 March 2011. The loan notes are redeemable at the option of each note holder on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days notice.

During 2008, loan notes of £1.0m were redeemed. The amount redeemed during 2008 included £0.8m to Mr T Scruby, a Non-Executive Director. The balance at 30 June 2009 does not include any amounts owing to Directors (2008: £Nil) or key management (2008: £Nil).

17. TRADE AND OTHER PAYABLES - CURRENT

	Group 2009	Group 2008	Company 2009	Company 2008
	£m	£m	£m	£m
Trade payables	2.7	2.0	-	-
Payables to subsidiaries	-	-	0.1	32.9
Social security and other taxes	1.5	2.7	-	0.1
Other payables	0.1	0.1	-	-
Accruals	4.0	6.2	-	0.1
	8.3	11.0	0.1	33.1

18. DEFERRED INCOME - CURRENT

	Group 2009	Group 2008
	£m	£m
Deferred income	6.5	8.7

19. CURRENT TAX LIABILITIES

	Group 2009	Group 2008
	£m	£m
Corporation tax	-	2.0

NOTES TO THE FINANCIAL STATEMENTS

20. DEFERRED TAX

The movement on the deferred tax account is shown below:

	Group 2009	Group 2008
	£m	£m
(Liability)/asset at 1 July	(0.4)	0.4
Recognised in income statement	(0.4)	(0.7)
Taken directly to equity – share options	-	(0.1)
Net liability at 30 June	(0.8)	(0.4)

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities during the year (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

Deferred tax liabilities	Other temporary differences
	£m
At 1 July 2008 and 30 June 2009	(1.1)

Deferred tax assets	Accelerated capital allowances	Other temporary differences	Group Total
	£m	£m	£m
At 1 July 2008	0.6	0.1	0.7
Recognised in income statement	(0.3)	(0.1)	(0.4)
At 30 June 2009	0.3	-	0.3
Net deferred tax liability			
At 30 June 2009			(0.8)
At 30 June 2008			(0.4)

NOTES TO THE FINANCIAL STATEMENTS

21. SHARE CAPITAL

	Group and Company 2009	Group and Company 2008
	£m	£m
Authorised:		
200,000,000 (2008: 200,000,000) ordinary shares of 10p each	20.0	20.0
Issued and fully paid:		
Ordinary shares of 10p each		
Shares at 1 July 2008: 150,207,960 (1 July 2007: 149,755,879)	15.0	15.0
Shares allotted under share option schemes: £Nil (2008: 452,081)	-	-
As at 30 June 2009: 150,207,960 shares (2008: 150,207,960)	15.0	15.0

Potential issues of ordinary shares

Certain senior executives hold options to subscribe for shares in the Company at prices ranging from 41.67p to 100.00p under the Share Option plan and the Rollover plan. Further options were granted under the Share Option plan during FY2009 as detailed in note 22. No options were exercised during 2009 (2008: 452,081 shares).

In addition, under the Group's long-term incentive plan for senior managers and Executive Directors, such individuals hold

rights over ordinary shares that may result in the issue of 10p ordinary shares.

A Sharesave plan was launched during FY2008 and options were granted under this plan in FY2008 and in FY2009 as detailed in note 22.

The number of shares subject to options (or, in the case of the LTIPs, the numbers awarded), the periods in which they were granted and the periods in which they may be exercised are given below.

Year of grant	Plan	Exercise price (pence)	Exercise period	2009 Number of potential issues of shares	2008 Number of potential issues of shares
30 June 2004	Rollover options	41.67	10 March 2005 to 9 March 2014	172,777	172,777
30 June 2004	Rollover options	57.87	10 March 2005 to 9 March 2014	130,158	130,158
30 June 2004	Share Option plan	100.00	10 March 2007 to 9 March 2014	2,051,445	3,120,802
30 June 2005	Share Option plan	88.50	29 September 2007 to 29 September 2014	1,180,000	1,240,000
30 June 2006	LTIP	n/a	13 June 2009	-	355,000
30 June 2007	LTIP	n/a	26 April 2010	-	350,000
30 June 2008	LTIP	n/a	19 March 2011	620,000	620,000
30 June 2008	Sharesave plan	64.70	24 April 2011 to 24 October 2011	175,194	400,653
30 June 2008	Sharesave plan	64.70	24 April 2013 to 24 October 2013	120,226	391,319
30 June 2009	Share Option plan	51.75	29 September 2012 to 29 October 2018	3,190,000	-
30 June 2009	Sharesave plan	20.92	1 July 2012 to 1 January 2013	2,156,418	-
30 June 2009	Sharesave plan	20.92	1 July 2014 to 1 January 2015	1,333,076	-
				11,129,294	6,780,709

NOTES TO THE FINANCIAL STATEMENTS

22. SHARE BASED PAYMENTS

The Group had four share-based payment arrangements during the year.

Share option plan

Share options were granted to members of senior management on 9 March 2004 and 29 September 2004. Options became exercisable on the third anniversary of the date of grant, having met corporate performance targets based on Earnings before taxation & amortisation (EBTA), which were common to all Executive Directors and senior management.

Further options were granted on 29 October 2008. The options will vest following the announcement of results for the year ended

30 June 2012, subject to the achievement of adjusted earnings per share (adjusted EPS) targets which are common to all Executive Directors and senior management.

Exercise of an option is subject to continued employment. The maximum term of an option is 10 years from grant date. The options are equity settled over the ordinary shares of 10p in Centaur Media plc.

The Rollover plan

Centaur Media plc Executive Directors and certain senior employees elected to rollover

existing ("old") Centaur Communications Ltd share options into new "rollover" share options in Centaur Media plc. The options were exchanged for options each at various exercise prices in Centaur Media plc.

Rollover options were able to be exercised from 10 March 2005. Exercise of an option is subject to continued employment. The maximum term of an option is 10 years from grant date. The options are equity-settled over the ordinary shares of 10p in Centaur Media plc.

At 30 June 2009, the following options were outstanding over the shares of Centaur Media plc:

Plan	Exercise price (pence)	2009		2008	
		Number	Contractual remaining life (years)	Number	Contractual remaining life (years)
Rollover plan	41.67	172,777	4.70	172,777	5.70
Rollover plan	57.87	130,158	4.70	130,158	5.70
Share Option plan	100.00	2,051,445	4.70	3,120,802	5.70
Share Option plan	88.50	1,180,000	5.25	1,240,000	6.25
Share Option plan	51.75	3,190,000	3.25	-	-
		6,724,380	4.52	4,663,737	5.84

The movements in the year for the plans over the shares of Centaur Media plc can be analysed as follows:

	2009		2008	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 July	4,663,737	99.66	5,235,818	93.37
Granted during the year	3,190,000	51.75	-	-
Exercised during the year	-	-	(452,081)	92.24
Forfeited during the year	(1,129,357)	99.39	(120,000)	88.50
Outstanding at 30 June	6,724,380	72.78	4,663,737	96.66
Exercisable at 30 June	3,534,380	90.75	4,663,737	96.66

The weighted average share price at the date of exercise for options exercised during 2008 was 102.5p.

NOTES TO THE FINANCIAL STATEMENTS

22. SHARE BASED PAYMENTS (CONTINUED)

Long-term incentive plan

The Long-term incentive plan (the "LTIP") was approved at an Extraordinary General Meeting of the Company on 4 May 2006. Awards were made on 13 June 2006 ("2006 LTIP awards"), 26 April 2007 ("2007 LTIP awards") and 19 March 2008 ("2008 LTIP awards"). The awards all take the form of conditional grants of free ordinary shares of 10p each in Centaur Media plc. The awards will vest three years after grant date,

subject to continuing employment and the achievement of performance conditions as detailed in the Directors' remuneration report (pages 47 and 48).

The performance period for the 2006 awards ended on 12 June 2009, and for the 2007 awards ended on 30 June 2009. The Company's TSR was below median for both of these periods and therefore none of the shares subject to these awards will vest.

The following awards were outstanding at 30 June 2009:

Plan	2009		2008	
	Number	Contractual remaining life (years)	Number	Contractual remaining life (years)
2006 LTIP Awards	-	-	355,000	0.96
2007 LTIP Awards	-	-	350,000	1.82
2008 LTIP Awards	620,000	1.72	620,000	2.72
Total	620,000	1.72	1,325,000	1.83

The movements in the year for the LTIP plans over the shares of Centaur Media plc can be analysed as follows:

	2009 Number	2008 Number
Outstanding at 1 July	1,325,000	705,000
Granted during the year	-	620,000
Lapsed during the year	(705,000)	-
Outstanding at 30 June	620,000	1,325,000

NOTES TO THE FINANCIAL STATEMENTS

22. SHARE BASED PAYMENTS (CONTINUED)

Sharesave plan

In FY2008, the Company introduced a Sharesave plan (the 'SAYE Scheme'). The SAYE Scheme is an HMRC approved all-employee plan and is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £3,000 per annum for a period of either 3 or 5 years, after which they may exercise SAYE options within 6 months of

the anniversary date of the contract commencement date.

The Option price of the 2009 grants made was 20.92p, a discount of 20% on the share price determined at the pricing date. Other than continuing employment, there are no other performance conditions attached to the plan.

The following Sharesave plan awards were outstanding at 30 June 2009:

Plan	2009		2008	
	Number	Contractual remaining life (years)	Number	Contractual remaining life (years)
2008 3 year plan	175,194	1.82	400,653	2.82
2008 5 year plan	120,226	3.82	391,319	4.82
2009 3 year plan	2,156,418	2.84	-	-
2009 5 year plan	1,333,076	4.84	-	-
Total	3,784,914	3.33	791,972	3.82

The movements in the year for the Sharesave plan over the shares of Centaur Media plc can be analysed as follows:

	2009 Number	2008 Number
Outstanding at 1 July	791,972	-
Granted during the year	3,489,494	791,972
Forfeited during the year	(496,552)	-
Outstanding at 30 June	3,784,914	791,972

NOTES TO THE FINANCIAL STATEMENTS

22. SHARE BASED PAYMENTS (CONTINUED)

In accordance with transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005. IFRS 2 has not been applied to the Rollover

options as these were issued in consideration of a business combination and are therefore outside the scope of IFRS 2. Options and LTIP awards were valued using the stochastic option pricing model.

The fair value per option granted and the assumptions used in the calculation are as follows:

Plan	Date of grant	Estimated fair value at grant date	Share price at grant date	Exercise price	Expected volatility	Expected dividend growth	Risk free interest rate
		Pence	Pence	Pence	%	%	%
Share Option Plan	9.3.04	24.50	100.00	100.00	22.1%	1.5%	4.6%
Share Option Plan	29.9.04	21.40	88.50	88.50	22.1%	1.7%	4.8%
Share Option Plan	29.10.08	7.81	53.00	51.75	34.4%	8.12%	4.2%
2006 LTIP Awards	13.06.06	65.85	105.25	n/a	22.5%	n/a	n/a
2007 LTIP Awards	26.04.07	97.35	144.00	n/a	25.4%	n/a	n/a
2008 LTIP Awards	19.3.08	41.86	77.25	n/a	33.4%	n/a	n/a
2008 Sharesave (3 year plan)	24.4.08	16.67	72.00	64.70	32.3%	5.14%	4.54%
2008 Sharesave (5 year plan)	24.4.08	16.81	72.00	64.70	29.6%	5.14%	4.56%
2009 Sharesave (3 year plan)	30.4.09	13.61	37.30	20.92	54.2%	9.40%	2.03%
2009 Sharesave (5 year plan)	30.4.09	10.85	37.30	20.92	45.2%	9.40%	2.65%

For the Share Option plan 2004, the expected volatility is based on historical volatility over a 20 month period from the date of listing to November 2005. For the Share Option plan 2008, the expected volatility is based on historical volatility over a 54 month period from the date of listing until October 2008. For the LTIP awards, expected volatility is used only to assess the likelihood of meeting the TSR performance condition and is based on historical volatility for a period commensurate with the remaining performance period at the date of valuation. For the Sharesave plan,

expected volatility is based on historical volatility for a period commensurate with the expected terms of the options to the grant date.

The risk-free rate of return is the yield on UK Gilts consistent with the option life.

The total charge for the year relating to employee share based payment plans was £0.4 million (2008: £0.3 million), all of which related to equity-settled share based payment transactions. In 2008, this included £0.1m which was included in exceptional costs (refer to note 2).

NOTES TO THE FINANCIAL STATEMENTS

23. SHAREHOLDERS' FUNDS AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Group	Share capital	Treasury shares	Share premium	Retained earnings	Reserve for shares to be issued	Deferred shares	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 July 2007	15.0	(1.0)	0.3	147.4	2.7	0.1	164.5
Profit for the year	-	-	-	9.7	-	-	9.7
Dividends	-	-	-	(5.4)	-	-	(5.4)
Treasury shares purchased	-	(7.9)	-	-	-	-	(7.9)
Share options:							
- Proceeds from shares allotted under share options schemes	-	-	0.4	-	-	-	0.4
- Fair value of employee services	-	-	-	-	0.3	-	0.3
- Deferred tax on share options taken directly to equity	-	-	-	(0.1)	-	-	(0.1)
As at 30 June 2008	15.0	(8.9)	0.7	151.6	3.0	0.1	161.5
Profit for the year	-	-	-	0.9	-	-	0.9
Dividends	-	-	-	(4.9)	-	-	(4.9)
Treasury shares purchased	-	(0.9)	-	-	-	-	(0.9)
Share options:							
- Fair value of employee services	-	-	-	-	0.4	-	0.4
As at 30 June 2009	15.0	(9.8)	0.7	147.6	3.4	0.1	157.0

The 800,000 deferred shares of 10p each carry restricted voting rights and carry no right to receive a dividend payment in respect of any financial year.

The additions to the reserve for shares to be issued during the year ended 30 June 2008 and 30 June 2009 represent the total charge for the year relating to equity-settled share based payment transactions with employees as accounted for under IFRS 2.

Treasury shares

During the period, the Company acquired 1,776,467 (2008: 7,550,000) of its own shares through open market purchases. The total amount paid to acquire the shares was £0.9m (2008 £7.9m) and this has been deducted from shareholders' equity. The shares are held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

23. SHAREHOLDERS' FUNDS AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(CONTINUED)

Company	Share capital	Treasury shares	Share premium	Retained earnings	Reserve for shares to be issued	Deferred shares	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 July 2008	15.0	-	0.3	117.0	2.7	0.1	135.1
Profit for the year	-	-	-	33.3	-	-	33.3
Dividends	-	-	-	(5.4)	-	-	(5.4)
Treasury shares purchased	-	(7.9)	-	-	-	-	(7.9)
Share options:							
- Proceeds from shares allotted under share options schemes	-	-	0.4	-	-	-	0.4
- Fair value of employee services	-	-	-	-	0.3	-	0.3
As at 30 June 2008	15.0	(7.9)	0.7	144.9	3.0	0.1	155.8
Loss for the year	-	-	-	(1.3)	-	-	(1.3)
Dividends	-	-	-	(4.9)	-	-	(4.9)
Treasury shares purchased	-	(0.9)	-	-	-	-	(0.9)
Share options:							
- Fair value of employee services	-	-	-	-	0.4	-	0.4
As at 30 June 2009	15.0	(8.8)	0.7	138.7	3.4	0.1	149.1

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The parent Company's loss amounted to £1.3m (2008: profit of £33.3 million, including dividends received from subsidiaries of £34.2 million).

24. DIVIDENDS

	2009	2008
	£m	£m
Equity dividends		
Final dividend paid for FY2008: 3.0p per 10p ordinary share (2008: 2.5p paid for FY2007)	4.2	3.7
Interim paid for FY2009: 0.5p per 10p ordinary share (2008: 1.2p paid for FY2008)	0.7	1.7
	4.9	5.4

A final dividend of 1.0p per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 12 January 2010.

NOTES TO THE FINANCIAL STATEMENTS

25. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating profit to net cash inflow / (outflow) from operating activities:

Cash generated from continuing operations

	Group 2009	Group 2008	Company 2009	Company 2008
	£m	£m	£m	£m
Profit/ (loss) for the year	0.9	9.5	(1.3)	33.3
Adjustments for:				
Tax	0.8	5.0	-	-
Depreciation	0.8	0.8	-	-
Asset write down – included in exceptional items	-	1.2	-	-
Amortisation of intangibles	2.5	2.6	-	-
Interest income	(0.1)	(0.2)	(0.1)	(2.6)
Interest expense	-	-	-	2.1
Dividends received from subsidiaries	-	-	-	(34.2)
Share option charge	0.4	0.2	0.2	0.1
Share option charge – included in exceptional items	-	0.1	-	-
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)				
Decrease/ (increase) in inventories	0.2	(0.1)	-	-
Decrease/ (increase) in trade and other receivables	5.7	2.1	40.1	(2.5)
(Decrease)/increase in trade and other payables	(5.2)	(2.2)	(33.0)	15.8
Cash generated from continuing operations	6.0	19.0	5.9	12.0

Cash generated from discontinued operations

	Group 2009	Group 2008	Company 2009	Company 2008
	£m	£m	£m	£m
Profit for the year	-	0.2	-	-
Adjustments for:				
Profit on disposal of business	-	(0.2)	-	-
Cash generated from discontinued operations	-	-	-	-
Cash generated from operations	6.0	19.0	5.9	12.0

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk, liquidity risk and capital risk. The following note describes the role that financial instruments have had during the year ended 30 June 2009 in the management of the Group's financial risks.

Currency risk

Substantially all the Group's net assets are located and all turnover and EBITDA is generated in the United Kingdom and consequently foreign exchange risk is limited and the results of the Group are not sensitive to movements in currency rates. However the Group does have Euro, Hong Kong \$, US \$ and UAE Dirham denominated bank accounts to minimise any recognised losses arising from currency fluctuations.

Interest rate risk

At 30 June 2009 the Group has no overdrafts or short term or long term borrowings (other than cash held on behalf of the holders of Centaur Media plc loan stock) and therefore also has only limited sensitivity to movements in interest rates.

Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For customers, the Group's risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Liquidity risk

The day to day operations of the Group for the year have been financed primarily by cash and at 30 June 2009 cash and cash equivalents amounted to £0.7 million (2008: £7.8 million). This includes an amount of £0.1 million (2008: £0.1 million) held on deposit on behalf of the holders of Centaur Media plc loan stock which represents a restricted balance and therefore cannot be used in the day to day operations of the business.

Unrestricted cash balances at 30 June 2009 were £0.6 million (2008: £7.7 million).

Surplus working capital funds are placed daily on the London money markets using variable maturity dates depending on future cash requirements. Cash pooling arrangements have been made in respect of all GB Sterling, Euro and US dollar bank accounts to maximise the interest receivable on these surplus funds.

Capital risk

As the Group has no overdrafts or short term or long term borrowings the Directors do not consider that there is any material capital risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of non-derivative financial assets and liabilities

The fair value is defined as the amount at which a financial instrument could be exchanged in an arms length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value. Where market rates are not available fair values have been calculated by discounting cash flows at prevailing interest rates.

All financial assets have been classified as loans and receivables. All financial liabilities have been classified as other financial liabilities.

The fair value of financial instruments at 30 June 2009 was:

Primary financial instruments held or issued to finance the Group's operations

	2009		2008	
	Book value	Fair value	Book value	Fair value
	£m	£m	£m	£m
Variable rate unsecured loan notes	(0.1)	(0.1)	(0.1)	(0.1)
Trade and other payables (note 17)	(8.3)	(8.3)	(11.0)	(11.0)
Trade and other receivables (note 13)	11.0	11.0	16.5	16.5
Cash and cash equivalents (note 14)	0.7	0.7	7.8	7.8

The book value of primary financial instruments approximates to fair value where the instrument is on a short maturity or where they bear interest at rates approximate to market. In respect of the loan notes this rate of interest is equal to a rate 0.75 per cent below LIBOR for the relevant interest period.

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at 30 June 2009 was as follows:

	2009	2008
	£m	£m
In one year or less or on demand	(0.1)	(0.1)
	(0.1)	(0.1)

Unless previously redeemed or purchased the loan notes will be redeemed in full at par on 31 March 2011. The loan notes are redeemable at the option of each note holder on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days notice.

Borrowing facilities

The undrawn facilities available at 30 June 2009 were as follows:

	2009	2008
	£m	£m
Expiring in one year or less	-	4.0
Expiring later than one year and less than 5 years	5.0	-

NOTES TO THE FINANCIAL STATEMENTS

27. OPERATING LEASE COMMITMENTS – MINIMUM LEASE PAYMENTS

	Property		Vehicles, plant and equipment	
	2009	2008	2009	2008
Commitments under non-cancellable operating leases payable:	£m	£m	£m	£m
- Within 1 year	2.6	2.6	0.2	0.2
- Later than one year and less than 5 years	8.0	8.8	0.6	0.6
- After 5 years	3.0	4.8	-	-
	13.6	16.2	0.8	0.8

28. PENSION SCHEMES

The Group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the year in respect of these pension schemes, which are defined contribution schemes, is shown in note 5. Included within other creditors is an amount of £0.1 million (2008: £0.1 million) payable in respect of the money purchase pension schemes.

29. CAPITAL COMMITMENTS

The Group had capital commitments of £0.2 million at 30 June 2009 (2008: £0.6 million).

30. RELATED PARTY TRANSACTIONS

Group

Key management compensation is disclosed in note 5. The amounts repaid to key management in relation to loan notes are disclosed in note 16. There were no other material related party transactions.

Company

During the year, administrative expenses and interest were recharged from/to subsidiary companies as follows:

	2009	2008
	£m	£m
Recharge of administrative expenses	0.1	0.1
Interest payable	-	2.1
Interest receivable	(0.1)	(2.6)
Dividends received	-	34.2

The balances outstanding with subsidiary companies are disclosed in notes 13 and 17.

DIRECTORS, ADVISERS AND OTHER CORPORATE INFORMATION

Company registration number

4948078

Incorporated/Domiciled in:

England

Registered office

St Giles House
50 Poland Street
London
W1F 7AX

Directors

GV Sherren (Chairman)
GTD Wilmot (Chief Executive)
MJ Lally (Group Finance Director)
BTR Scruby
C Morrison
JPE Taylor
C Satterthwaite

Secretary

IPH Roberts

Bankers

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