Centaur Media plc
Interim Report
6 months ended 31 December 2008

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Centaur Media plc ("Centaur", the "Company" or the "Group") announces its results for the 6 months ended 31 December 2008.

	6 months ended 31 December 2008	6 months ended 31 December 2007	Movement
	£m	£m	
Revenue	**31.5**	39.1	(19)%
Adjusted EBITDA (1)	**1.9**	6.3	(70)%
Adjusted EBITDA margin	**6%**	16%	
Adjusted profit before tax (2)	**0.7**	5.0	(86)%
(Loss)/profit before tax	**(0.1)**	2.8	
Adjusted basic EPS (pence) (3)	**0.3**	2.1	(86)%
Basic EPS (pence)	**(0.1)**	0.9	(111)%
Cash conversion rate (4)	**67%**	118%	
Net cash	**1.0**	1.7	
Interim dividend per share (pence)	**0.5**	1.2	

Commenting on the results Geoff Wilmot, Chief Executive Officer of Centaur Media plc, said: "These results reflect the extreme challenges faced by our markets during the period. We have responded with a progressive and radical programme of cost reductions. This will contribute towards cost savings of approximately £10 million in the current financial year and a further £2 million next year. Meanwhile, we have seen no material change in our market-leading positions during the period and we remain confident of the Group's prospects when markets recover."

(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 exceptionals and other significant non-cash items including share based payments (Adjusted EBITDA) as shown in the income statement on page 11.

(2) Adjusted profit before tax is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items. Refer to page 8.

(3) Adjusted EPS is based on the basic EPS but after making adjustments for amortisation of acquired intangibles and exceptional items. See note 7.

(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 10 to the condensed financial statements), less capital expenditure on property, plant and equipment and software. Adjusted operating profit is operating profit excluding amortisation of acquired intangibles and exceptional items.

Interim results for the 6 months to 31 December 2008

Introduction

As reported in recent trading updates, conditions in the first half of this financial year were very difficult in a number of our markets and as a result we report reductions in both turnover and adjusted profit before tax in the 6 months to 31 December 2008. In what is seasonally Centaur's weaker half of the year (due to the low levels of publishing and event activity in July, August and December) revenues reduced by 19% to £31.5 million compared to the corresponding period last year and adjusted profit before tax decreased to £0.7 million (H1 2008: £5.0 million).

On a statutory basis we report a loss before tax for the period of £0.1 million (H1 2008: £2.8 million profit).

In response to the extreme market weakness experienced during the period and continuing into the second half of the financial year, we have implemented a progressive and radical cost reduction programme across the business.

The key context of this programme has been to preserve the strength of our major brands and to maintain our new product development capability to support future growth.

The programme has focussed principally on three objectives: to absorb under-performing peripheral products within major brands or discontinue them; to continue the process of adapting our organisation to support our goal of media neutrality; and to seek to improve the balance between fixed and variable costs.

At the date of this announcement, the programme has resulted in a reduction in our staff numbers of over 15% and will contribute towards total cost savings in the current financial year of approximately £10 million and a further £2 million in the next financial year. An exceptional administrative cost of £0.3 million was reported for the 6 months ended 31 December 2008, reflecting the cost of these initiatives to the extent that they were completed by that date.

The total exceptional cost of this programme is anticipated to be approximately £1.2 million. The programme is described in more detail in the Cost Saving Initiatives section.

The Group held net cash balances of £1.0 million at 31 December 2008 (H1 2008: £1.7million) despite a reduction in cash generated from operations of 60% during the period to £2.7 million (H1 2008: £6.8 million). In addition, cash outflows in respect of investing activities amounted to £2.4 million for the period (H1 2008: £0.7 million), reflecting an increased level of capital expenditure on web platform development and office refurbishment together with the acquisition of the intangible assets comprising Real Homes magazine (£0.2 million).

In view of the ongoing market weakness, the Board has declared a reduced interim dividend of 0.5p per share (H1 2008: 1.2p) in line with its policy of seeking to maintain an appropriate level of earnings cover. The interim dividend will be paid on 9 April 2009 to shareholders on the share register at 13 March 2009.

Business overview

An analysis of the results for the period are set out at the end of the Business Review and these demonstrate the impact of the economic downturn on the results for each of Centaur's served vertical markets.

Group revenues decreased by 19% in the 6 months to 31 December 2008, with over half of the year on year reduction reported within the Legal & Financial Division where the significant changes in global financial markets since mid-2007 had a pronounced effect on the professional communities served by products within this division.

In total, advertising sales decreased by 23% in the period with the sharpest reduction reported within recruitment advertising with a year on year decrease of 30%. This largely relates to print based recruitment advertising while online sales were flat across the period. 35% of the Group's recruitment advertising is now placed online (H1 2008: 24%).

Despite the more challenging economic landscape the Group remains focused on strengthening its existing market leading positions and the results for the period include a net £0.5 million (H1 2008: £1.0 million) investment in products launched in the last three years.

Event revenues in the period declined 12% compared with the same period last year, partly due to the discontinuation a year ago of a number of underperforming events targeting financial intermediaries. In addition, conference revenues in the period were 36% below the same period last year following a decision to refocus the business on a smaller number of larger, more established events, as a result of which the operating costs of our conference activity were reduced by a third year on year.

In total, event launches account for around half of the new product revenues reported in the period including the launch of a new trade exhibition – EnAble 2008 – together with the international expansion of a number of existing event formats.

This included the New York launch of "Click", the digital advertising conference which first launched in London in 2005.

In addition a second Investment Summit was launched in Dubai in October 2008 recognising the growing importance of the Middle East as a significant investment hub and bringing together the UK's most influential fund managers, fund selectors and distributors.

Further event launches are scheduled for the second half of this financial year including four new exhibitions and a number of new sponsored meeting (summit) format events. In addition, the launch of Marketing Week Live! is scheduled for June 2009 where three existing events – Online Marketing Show, In-Store Show, and Insight Show – together with the launch of the Data Marketing Show – will run simultaneously under the Marketing Week brand. This reflects the increasing convergence of marketing disciplines and the expanded range of product and services that marketing professionals may therefore view in one visit is expected to promote increased visitor numbers for each of the individual shows.

The balance of new product development predominantly relates to newly launched websites where revenues continue to build steadily in a number of areas including the principal branded sites launched in the Marketing and Creative communities in 2007 – marketingweek.co.uk and designweek.co.uk. These sites are dependent on recruitment advertising and their continued growth in the period was a major factor in maintaining the level of online recruitment advertising sales across the group in the 6 months to 31 December 2008.

Cost saving initiatives

As referred to above, our cost saving programme has already resulted in a reduction in our staff numbers of over 15%. Other initiatives under this programme, which commenced in the previous financial year, have been expanded in the light of the ongoing market weakness. As a result, a number of smaller publishing brand extensions have been discontinued or sold. In the previous financial year these products generated revenues of approximately £3 million and a profit contribution of £0.2 million. We have also continued the process of rationalisation of our core publishing teams to reflect the media neutral focus of our strategy. This has resulted in a reduction in the size of our major sales and editorial teams of up to a third and has delivered an organisation which we believe is well positioned to drive significant growth when markets recover. Other cost savings have been achieved through changes in magazine formats, reduced paginations and circulations and by reductions in other direct costs.

The actions taken under this programme will contribute towards total cost savings of approximately £10 million in the current financial year and a further £2 million next year.

Review of divisional results

Our results are grouped into five major operating business segments – Legal & Financial, Marketing & Creative, Construction & Engineering, Perfect Information and General Business Services (which includes Business Travel, Human Resources /Recruitment and Supply Chain and Logistics).

Legal and Financial
Print 61%; Online 23%; Events 16%
(% of divisional revenues)
As indicated above, Legal and Financial revenues reduced sharply in the period decreasing by 33% to £8.7 million (H1 2008: £13.0 million). Adjusted EBITDA also reduced to £0.6 million (H1 2008: £3.4 million) and this represents a margin of 7% compared to 26% a year ago.

A major part of these reductions relates to products targeting intermediaries specialising in mortgages or secured lending products, although total revenues from this sector represented only 3% of divisional revenues in the current period (H1 2008: 15%).

Within the broader financial product range total print revenues derived from investment product advertising also decreased. However this was partially offset by the launch of the Investment Summit Dubai as described above and in addition revenues from product providers targeting intermediaries in the retirement planning and corporate market increased in the period with the principal event in this sector – The Corporate Adviser Summit – reporting revenue approximately 40% above last year.

In total, Legal sector revenues decreased by 20%, mainly reflecting reduced recruitment activity as declining volumes of M&A activity affected a number of London law firms. The main reduction again occurred within the principal magazine title – The Lawyer – and while online recruitment revenues also decreased in the period the rate of reduction was contained at 7% compared to a fall of almost 40% in print. Event revenues in this sector proved more resilient with legal conference revenues almost doubling in the period following the launch of a number of successful CPD (continuing professional development) accredited events.

Marketing and Creative
Print 63%; Online 21%; Events 16%
(% of divisional revenues)
Revenues decreased by 18% to £8.7 million (H1 2008: £10.6 million) with print recruitment advertising representing much of this reduction. However online recruitment continued to report strong growth, with revenues in the divisions three principal branded websites 16% above last year.

Adjusted EBITDA for the division, at £0.2million (H1 2008: £1.0 million), represented a margin of 2% (H1 2008: 9%), reflecting the traditionally lower level of profit reported in this division during the seasonally weaker publishing period from July to December. The effect of cost savings arising from the restructuring of the division, described above is expected to contribute to an improved margin during the second half of the financial year.

Event revenues in the first half were affected by a change in strategy in relation to marketing conferences. A new focus on a reduced number of higher margin events has resulted in greater second half weighting to event activity in this division in the current financial year.

Interim results for the 6 months to 31 December 2008 (continued)

Engineering & Construction
Print 57%; Online 18%; Events 25%
(% of divisional revenues)
Revenues reduced by 8% to £7.6 million (H1 2008: £8.3 million) while adjusted EBITDA at £0.9 million (H1 2008: £1.2 million) represents a margin deterioration of 2 percentage points to 12%. Event activity in this division, which in total makes up around 35% of full year revenues, is again second-half weighted.

Within the Construction sector, those magazines and websites aimed at the self build and renovation sectors (Homebuilding and Renovating, Move or Improve?) experienced challenging market conditions that led to a decline in both advertising and circulation sales during the period.

The impetus to the sector provided during times of high levels of activity in the housing market is currently diminished and while this has directly affected these two magazine titles our broader home interest titles have demonstrated a greater resilience with Period Living reporting increased display advertising revenues and stable subscription revenues in the 6 months to December 2008.

During the period we completed the acquisition of Real Homes magazine from Hachette Filipacchi (UK) Limited (in December 2008) and merged our recently launched magazine, Move or Improve?, into the newly acquired title with a significantly increased paid circulation. The first issue of Real Homes under Centaur ownership was published in early February 2009.

In total, the Engineering portfolio, which accounts for around a third of the total revenues in this division, reported revenue flat against last year. While the principal magazine title – The Engineer – reported a reduction in recruitment advertising volumes, this was fully offset by continued growth in The Engineer Online where advertising revenues were 14% ahead year on year.

Perfect Information
Online 100%
(% of divisional revenues)
In total revenues were 17% below last year at £2.5 million (H1 2008: £3.0 million) although most of this reduction related to the closure of Perfect Analysis a year ago. As a result of this discontinuation the cost base of the business reduced by around 20% compared to a year ago and although EBITDA fell slightly to £0.9 million in the 6 months to 31 December 2008 (H1 2008: £1.0 million), EBITDA margin increased by 3 percentage points to 36% over the same period (H1 2008: 33%).

The two principal communities served by the core Perfect Filings product, law firms and investment banks, have both undergone significant challenges during the period. We note that while staffing levels and transactional activity have fallen in these communities, overall usage of the Filings database continues to increase. At 31 December 2008, the total contractual value of current subscribers to Perfect Filings was slightly ahead compared to last year and a continual programme of product enhancement is in place which continues to enhance customer workflow functionality and exploit more fully the broad content within the Perfect Filings database.

General Business Services
Print 37%; Online 8%; Events 48%; Other 7%
(% of divisional revenues)
Revenues reduced by 5% to £4.0 million (H1 2008: £4.2 million) and adjusted EBITDA losses were £0.7 million for the period (H1 2008: £0.3 million loss).

While in overall terms the division is loss-making in the first half of the financial year, this reflects the timing of event activity which is second-half weighted and includes the main Business Travel Show held in London in February each year. In the 6 month period to 31 December 2008, Business Travel revenues from two regional shows, held in Dusseldorf and Dubai, were flat year on year. Elsewhere in this division recruitment activity in both the compensation and benefits/HR market (Employee Benefits) and the recruitment industry (The Recruiter) were reduced in the period, with magazine recruitment advertising decreasing by around a third. The rate of decline online in both of these sectors was again much slower.

Display advertising from the distributors of financial product to the benefits market and the suppliers of services to the recruitment industry were buoyant in the period driven partly by a focus on cost efficiencies and margin protection among customers in these communities.

Products targeting the logistics and supply chain sector reported growth in recruitment revenues in the period across both print and online while display revenues were adversely affected by the continued slump in the commercial property sector which represents a key strand of marketing support for these products.

In addition to these four vertical sectors revenues reported in this division in the 6 months to December 2008 include £0.3 million rental income (H1 2008: £0.2 million) from one of the Group's London properties.

Current trading and outlook

Since the start of the second half, we have seen further deterioration in trading, driven in particular by significant weakness in recruitment advertising, as reported in our recent trading updates.

However, the Board is confident that the fundamental strengths of the Group remain unchanged. These core strengths are Centaur's portfolio of market-leading brands, our ongoing investment in our web platform, our organic growth culture and our ungeared balance sheet. The Board believes that these qualities, combined with the effects of our cost reduction programme, should continue to provide a measure of resilience during this period of economic downturn as well ensuring a foundation for growth as our served markets recover.

Analysis of results

	6 months to 31 December 2008		6 months to 31 December 2007	
	Turnover £m	**Adjusted EBITDA £m**	Turnover £m	Adjusted EBITDA £m
By Division				
Legal and Financial	**8.7**	**0.6**	13.0	3.4
Marketing and Creative	**8.7**	**0.2**	10.6	1.0
Construction and Engineering	**7.6**	**0.9**	8.3	1.2
Perfect Information	**2.5**	**0.9**	3.0	1.0
General Business Services	**4.0**	**(0.7)**	4.2	(0.3)
Total	**31.5**	**1.9**	39.1	6.3
By Source				
Recruitment advertising	**5.2**	**-**	7.4	-
Other advertising	**13.1**	**-**	16.5	-
Circulation Revenue	**2.7**	**-**	3.1	-
Online subscriptions	**3.5**	**-**	3.7	-
Events	**6.6**	**-**	7.5	-
Other	**0.4**	**-**	0.9	-
Total	**31.5**	**-**	39.1	-
By Client Type				
Audiences	**7.8**	**-**	9.1	-
Marketers	**23.7**	**-**	30.0	-
Total	**31.5**	**-**	39.1	-
By Product Type				
Print	**16.4**	**0.3**	22.4	4.3
Events	**6.6**	**(0.1)**	7.5	0.3
Online products	**7.9**	**1.7**	8.5	1.6
Other	**0.6**	**-**	0.7	0.1
Total	**31.5**	**1.9**	39.1	6.3
Underlying				
Underlying	**31.5**	**1.9**	39.0	6.3
Acquisitions (1)	**-**	**-**	0.1	-
Total	**31.5**	**1.9**	37.0	6.3
By Maturity				
New (2)	**2.8**	**(0.5)**	4.1	(1.0)
Existing and acquired	**28.7**	**2.4**	35.0	7.3
Total	**31.5**	**1.9**	39.1	6.3

(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 and two preceding financial years.

Interim results for the 6 months to 31 December 2008 (continued)

Reconciliation of profit measures

The different measures of profit referred to on page 7 are summarised in the following table:

	6 months to 31 December 2008	6 months to 31 December 2007
	£m	£m
Revenue	**31.5**	39.1
Adjusted EBITDA	**1.9**	6.3
Depreciation of property, plant and equipment	**(0.4)**	(0.4)
Amortisation of software	**(0.7)**	(0.8)
Share based payments	**(0.2)**	(0.2)
Interest receivable	**0.1**	0.1
Adjusted PBT	**0.7**	5.0
Amortisation of acquired intangibles	**(0.5)**	(0.5)
Exceptional administrative costs	**(0.3)**	(1.7)
Profit before taxation	**(0.1)**	2.8

Principal risks and uncertainties

Each division considers strategic, operational and financial risks and identifies actions to mitigate those risks. These risk profiles are updated at least annually. The principal risks and uncertainties for the remaining 6 months of the financial year are discussed below. Further details of the Group's risk profile analysis can be found in our Annual Report.

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. 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.

Changes in advertising trends could have some impact on the Group's profitability. However the diversity of served markets and the strength of market leading brands together with continued diversification into alternative media formats all serve to limit this exposure.

It is essential that the Group successfully develops and markets new products and integrates acquired businesses. The proven record of organic growth over the past several years, and the successful integration of the businesses acquired in the previous year clearly demonstrate the Group's ability to deliver this strategy.

Domestic and international competitors market their products at 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. Through a deep understanding of the information needs of the markets it serves and by maintaining the highest standards of editorial integrity, the Group can continually adapt and develop existing products thus protecting market leading positions and thereby limiting the opportunities for competitors.

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 entrepreneurial culture of the Group and the incentive programmes in place enable us to attract and retain the key management team.

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.

Forward-looking statements

Certain statements in this half-yearly report are forward-looking. Although the group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Statement of responsibilities

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The directors of Centaur Media plc are listed in the Centaur Media plc Annual Report for 30 June 2008. A list of current directors is maintained on the Centaur Media plc website: www.centaur.co.uk

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.

Geoff Wilmot Chief Executive Officer
Mike Lally Group Finance Director

26 February 2009

Independent review report to Centaur Media plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly report for the 6 months ended 31 December 2008, which comprises the consolidated income statement, balance sheet, statement of changes in equity, cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in the notes on page 14, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, 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 review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 6 months ended 31 December 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London

26 February 2009

Notes:
(a) The maintenance and integrity of the Centaur Media plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated income statement for the 6 months ended 31 December 2008

	Notes	**Unaudited 6 months ended 31 December 2008**	Unaudited 6 months ended 31 December 2007	Audited year ended 30 June 2008
		£m	£m	£m
Continuing operations				
Revenue	**1**	**31.5**	39.1	90.4
Cost of sales		**(18.1)**	(20.0)	(44.8)
Gross profit		**13.4**	19.1	45.6
Distribution costs		**(1.8)**	(2.2)	(4.5)
Administrative expenses		**(11.8)**	(14.2)	(26.8)
Adjusted EBITDA	**1**	**1.9**	6.3	21.5
Depreciation of property, plant and equipment		**(0.4)**	(0.4)	(0.8)
Amortisation of software		**(0.7)**	(0.8)	(1.5)
Amortisation of acquired intangibles		**(0.5)**	(0.5)	(1.1)
Share-based payments		**(0.2)**	(0.2)	(0.2)
Exceptional administrative costs	**8**	**(0.3)**	(1.7)	(3.6)
Operating (loss)/profit		**(0.2)**	2.7	14.3
Interest receivable		**0.1**	0.1	0.2
(Loss)/profit before tax		**(0.1)**	2.8	14.5
Taxation	**2**	**(0.1)**	(1.5)	(5.0)
(Loss)/profit from continuing operations		**(0.2)**	1.3	9.5
Discontinued operations				
Profit from discontinued operations		**-**	0.2	0.2
(Loss)/profit attributable to equity shareholders		**(0.2)**	1.5	9.7
Earnings per share				
Continuing operations				
- Basic	**7**	**(0.1)p**	0.9p	6.7p
- Fully diluted	**7**	**(0.1)p**	0.9p	6.7p
Total operations				
- Basic	**7**	**(0.1)p**	1.0p	6.6p
- Fully diluted	**7**	**(0.1)p**	1.0p	6.6p

Consolidated balance sheet at 31 December 2008

	Notes	**Unaudited 31 December 2008** £m	Unaudited 31 December 2007 £m	Audited 30 June 2008 £m
Assets				
Non-current assets				
Goodwill	3	**140.3**	140.2	140.3
Other intangible assets	4	**15.8**	14.7	15.9
Property, plant and equipment	5	**2.9**	2.0	2.0
Investments accounted for using equity method		**0.1**	-	-
Deferred tax assets		**0.6**	0.9	0.7
		159.7	157.8	158.9
Current assets				
Inventories		**2.3**	1.9	1.2
Trade and other receivables		**12.2**	17.0	16.5
Cash and cash equivalents		**1.1**	1.9	7.8
		15.6	20.8	25.5
Liabilities				
Current liabilities				
Financial liabilities – borrowings		**0.1**	0.2	0.1
Trade and other payables		**7.2**	8.6	11.0
Deferred income		**10.5**	12.3	8.7
Current tax liabilities		**-**	0.9	2.0
		17.8	22.0	21.8
Net current (liabilities)/assets		**(2.2)**	(1.2)	3.7
Non-current liabilities				
Deferred tax liabilities		**1.1**	1.1	1.1
		1.1	1.1	1.1
Net assets		**156.4**	155.5	161.5
Shareholders' equity				
Ordinary shares		**15.0**	15.0	15.0
Treasury shares	9	**(9.8)**	(8.4)	(8.9)
Share premium		**0.7**	0.7	0.7
Other reserves		**3.3**	3.0	3.1
Retained earnings		**147.2**	145.2	151.6
Total shareholders' equity	9	**156.4**	155.5	161.5

The condensed set of financial statements on pages 11 to 23 were approved by the Board of Directors on 26 February 2009 and were signed on its behalf by:

MJ Lally
Group Finance Director

Consolidated cash flow statement for the 6 months ended 31 December 2008

	Notes	**Unaudited 6 months ended 31 December 2008** £m	Unaudited 6 months ended 31 December 2007 £m	Audited year ended 30 June 2008 £m
Continuing operations				
Cash flows from operating activities				
Cash generated from operations	**10**	**2.7**	6.8	19.0
Tax paid		**(1.9)**	(2.4)	(4.6)
Net cash flows from operating activities		**0.8**	4.4	14.4
Cash flows from investing activities				
Interest received		**0.1**	0.1	0.1
Acquisition of subsidiaries (net of cash acquired)		**(0.1)**	-	(0.1)
Proceeds from the sale of businesses		**-**	0.2	0.2
Proceeds from the disposal of subsidiary		**0.1**	-	0.4
Purchase of property, plant and equipment		**(1.3)**	(0.3)	(0.7)
Purchase of software		**(1.0)**	(0.7)	(2.4)
Purchase of other intangible assets		**(0.2)**	-	-
Net cash flows from investing activities		**(2.4)**	(0.7)	(2.5)
Cash flows from financing activities				
Net proceeds from issue of ordinary share capital		**-**	-	0.1
Purchase of treasury shares		**(0.9)**	(7.4)	(7.9)
Repayment of loan notes		**-**	(0.9)	(1.0)
Dividends paid to shareholders		**(4.2)**	(3.6)	(5.4)
Net cash flows from financing activities		**(5.1)**	(11.9)	(14.2)
Net decrease in cash and cash equivalents		**(6.7)**	(8.2)	(2.3)
Cash and cash equivalents at 1 July		**7.8**	10.1	10.1
Cash and cash equivalents		**1.1**	1.9	7.8

Basis of preparation

This condensed set of financial statements in the half-yearly report for the period ended 31 December 2008 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. The half-yearly report should be read in conjunction with the annual financial statements for the year ended 30 June 2008, which have been prepared in accordance with IFRSs as adopted by the European Union.

Accounting policies
The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2008, as described in those annual 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 11 an additional profit measure of adjusted EBITDA. Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and excluding exceptionals 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. Share based payment expense has been treated as a significant non-cash item.

General information
The company is a limited liability company incorporated and domiciled in the UK.
The address of its registered office is St Giles House, 50 Poland Street, London, W1F 7AX.
The Company has its listing on the London Stock Exchange.

The condensed set of financial statements in the half-yearly report was approved for issue on 26 February 2009.

This half-yearly report is unaudited and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 30 June 2008 were approved by the Board of Directors on 17 September 2008 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 237 of the Companies Act 1985.

1 Segmental Reporting: Primary reporting format – business segments

The group is organised into five main business segments.

6 months ended 31 December 2008	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	**8.7**	**8.7**	**7.6**	**2.5**	**4.0**	**-**	**31.5**
Adjusted EBITDA	0.6	0.2	0.9	0.9	(0.7)	-	1.9
Depreciation of property, plant and equipment	(0.1)	(0.1)	(0.1)	-	(0.1)	-	(0.4)
Amortisation of software	(0.1)	(0.2)	(0.1)	(0.2)	(0.1)	-	(0.7)
Amortisation of acquired intangibles	-	-	(0.2)	-	(0.3)	-	(0.5)
Share based payments	-	-	-	-	-	(0.2)	(0.2)
Exceptional administrative costs	-	-	-	-	-	(0.3)	(0.3)
Operating profit/(loss)	0.4	(0.1)	0.5	0.7	(1.2)	(0.5)	(0.2)
Interest receivable	-	-	-	-	-	0.1	0.1
Profit/(loss) before tax	0.4	(0.1)	0.5	0.7	(1.2)	(0.4)	(0.1)
Taxation	-	-	-	-	-	(0.1)	(0.1)
Profit/(loss) for the period from continuing operations	**0.4**	**(0.1)**	**0.5**	**0.7**	**(1.2)**	**(0.5)**	**(0.2)**

Notes to the condensed set of financial statements for the 6 months ended 31 December 2008

1 Segmental Reporting (continued)

6 months ended 31 December 2007	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	**13.0**	**10.6**	**8.3**	**3.0**	**4.2**	**-**	**39.1**
Adjusted EBITDA	3.4	1.0	1.2	1.0	(0.3)	-	6.3
Depreciation of property, plant and equipment	(0.1)	(0.1)	(0.1)	-	(0.1)	-	(0.4)
Amortisation of software	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	-	(0.8)
Amortisation of acquired intangibles	-	-	(0.2)	-	(0.3)	-	(0.5)
Share based payments	-	-	-	-	-	(0.2)	(0.2)
Exceptional administrative costs	-	-	-	(1.7)	-	-	(1.7)
Operating profit/(loss)	3.2	0.8	0.8	(1.1)	(0.8)	(0.2)	2.7
Interest receivable	-	-	-	-	-	0.1	0.1
Profit/(loss) before tax	3.2	0.8	0.8	(1.1)	(0.8)	(0.1)	2.8
Taxation	-	-	-	-	-	(1.5)	(1.5)
Profit/(loss) for the period from continuing operations	**3.2**	**0.8**	**0.8**	**(1.1)**	**(0.8)**	**(1.6)**	**1.3**

Discontinued operations							
Revenue	-	-	-	-	-	-	-
Segment result	-	-	-	-	-	-	-
Profit on disposal of operation	-	-	-	-	0.2	-	0.2
Profit for the period from discontinued operations	**-**	**-**	**-**	**-**	**0.2**	**-**	**0.2**

2 Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the year. The tax assessed for the period is higher (6 months ended 31 December 2007: higher) than the standard rate of corporation tax in the UK of 28% (6 months ended 31 December 2007: 29.5%). The differences are explained in the table:

	6 months ended 31 December 2008	6 months ended 31 December 2007	Year ended 30 June 2008
	£m	£m	£m
Continuing operations			
(Loss)/profit before tax	**(0.1)**	2.8	14.5
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 28% (6 months ended 31 December 2007 and year ended 30 June 2007: 29.5%)	**-**	0.8	4.3
Effects of:			
Expenses not deductible for tax purposes	**0.1**	0.1	0.2
Deferred tax charge on share based payments taken to income statement	**-**	0.5	0.5
Capital losses utilised	**-**	-	(0.1)
Losses not recognised	**-**	0.1	0.1
Total taxation	**0.1**	1.5	5.0

3 Goodwill

Each individual magazine and online title is deemed to be a Cash Generating Unit (CGU) as each title generates profits and cash flows that are largely independent from other communities. 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 that management monitors goodwill.

The following table shows the allocation of goodwill to segments at 31 December 2008:

	Legal and Financial	Marketing and Creative	Construction and Engineering	Perfect Information	General Business Services	Total
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
At July 1 2008 and 31 December 2008	**53.2**	**40.5**	**30.1**	**8.7**	**7.8**	**140.3**

Impairment testing of goodwill
During the period goodwill has been tested for impairment in accordance with IAS 36. Goodwill is allocated to cash generating units (CGUs) together with all assets and liabilities that are directly attributable, or that can be allocated on a reasonable and consistent basis to that CGU. In assessing whether a write-down of goodwill is required in the carrying value of the related asset, the carrying value of the CGU or group of CGUs is compared with its recoverable amount. The recoverable amount for each CGU and collectively for groups 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 10.0% (2007: 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 assumptions varying from revenue decline of 7% to revenue growth of 14% and EBITDA margins of between 1% and 40% over the period covered by the review. Terminal values assuming growth rates of 3% have been calculated from estimated year 6 cash flows.

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.

4 Other intangible assets

	Computer Software	Brands and Publishing Rights	Customer Relationships	Websites and Content	Non-compete	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	0.6	0.2	-	-	-	0.8
Additions – internally generated	0.4	-	-	-	-	0.4
Disposals	-	(0.1)	-	-	-	(0.1)
At 31 December 2008	15.0	9.3	3.7	0.4	0.5	28.9
Amortisation						
At 1 July 2008	9.8	1.0	0.8	0.2	0.1	11.9
Charge for the period	0.7	0.2	0.2	-	0.1	1.2
At 31 December 2008	10.5	1.2	1.0	0.2	0.2	13.1
Net book amount at 31 December 2008	**4.5**	**8.1**	**2.7**	**0.2**	**0.3**	**15.8**
Net book amount at 30 June 2008	4.2	8.2	2.9	0.2	0.4	15.9

Amortisation charges have been charged to administrative expenses.

Computer software capitalised 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.

5 Property, plant and equipment

	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Total
	£m	**£m**	**£m**	**£m**
Cost				
At 1 July 2008	1.9	2.0	2.5	6.4
Additions	0.8	0.3	0.2	1.3
At 31 December 2008	2.7	2.3	2.7	7.7
Depreciation				
At 1 July 2008	0.9	1.5	2.0	4.4
Charge for the period	0.1	0.1	0.2	0.4
At 31 December 2008	1.0	1.6	2.2	4.8
Net book amount at 31 December 2008	**1.7**	**0.7**	**0.5**	**2.9**
Net book amount at 30 June 2008	**1.0**	**0.5**	**0.5**	**2.0**

6 Dividends

A final dividend in relation to the year ended 30 June 2008 of 3.0 pence (2007: 2.5 pence) per 10p ordinary share was paid on 20 November 2008. This amounted to £4,185,499 (2007: £3,629,699).

An interim dividend of 0.5 pence (2007: 1.2 pence) per 10p ordinary share is proposed. This amounts to £700,783 (2007: £1,720,296) and will be paid on 9 April 2009 to all shareholders on the register as at 13 March 2009.

7 Earnings per share

The calculations of earnings per share are based on the following profits and numbers of shares:

	6 months to 31 December 2008			6 months to 31 December 2007		
	Earnings	**Weighted average no. of shares**	**Per-share amount**	Earnings	Weighted average no. of shares	Per-share amount
	£m	**millions**	**pence**	£m	millions	pence
Continuing operations						
Basic EPS						
Earnings attributable to ordinary shareholders	**(0.2)**	**141.0**	**(0.1)**	1.3	146.5	0.9
Effect of dilutive securities						
Options	**-**	**0.1**	**-**	-	1.0	-
Contingent shares	**-**	**-**	**-**	-	-	-
Fully diluted basic EPS	**(0.2)**	**141.1**	**(0.1)**	1.3	147.5	0.9
Adjusted EPS						
Earnings attributable to ordinary shareholders	**(0.2)**	**141.0**	**(0.1)**	1.3	146.5	0.9
Amortisation of acquired intangibles	**0.5**	**-**	**0.3**	0.5	-	0.3
Exceptional administrative costs	**0.3**	**-**	**0.2**	1.7	-	1.2
Tax effect	**(0.2)**	**-**	**(0.1)**	(0.5)	-	(0.3)
Adjusted profit for the period	**0.4**	**141.0**	**0.3**	3.0	146.5	2.1
Effect of dilutive securities						
Options	**-**	**0.1**	**-**	-	1.0	-
Contingent shares	**-**	**-**	**-**	-	-	-
Fully diluted adjusted EPS	**0.4**	**141.1**	**0.3**	3.0	147.5	2.1

	6 months to 31 December 2008			6 months to 31 December 2007		
	Earnings	**Weighted average no. of shares**	**Per-share amount**	Earnings	Weighted average no. of shares	Per-share amount
	£m	**millions**	**pence**	£m	millions	pence
Discontinued operations						
Basic EPS						
Earnings attributable to ordinary shareholders	**-**	**141.0**	**-**	0.2	146.5	0.1
Effect of dilutive securities						
Options	**-**	**0.1**	**-**	-	1.0	-
Contingent shares	**-**	**-**	**-**	-	-	-
Fully diluted basic EPS	**-**	**141.1**	**-**	0.2	147.5	0.1

725,000 shares held in an employee benefit trust (2007: 725,000) and 9,326,467 shares held in treasury (2007: 6,850,000) have been excluded in arriving at the weighted average number of shares.

8 Exceptional administrative costs

A number of restructuring initiatives that commenced during the year ending 30 June 2008 continued into the new financial year and were largely ongoing at the interim reporting date. An exceptional administrative cost of £0.3 million was reported for the 6 months ended 31 December 2008 reflecting the cost of these initiatives to the extent that a constructive obligation existed at 31 December 2008. This programme has continued in the second half of FY2009 and since the period end a further £0.4m of redundancy cost has been incurred.

During the previous period, the Directors decided to discontinue Perfect Analysis, the equity research service developed by Synergy Software Solutions Limited, a subsidiary company. The costs of closure totalling £1.7m were reported as an exceptional item and included £1.2m of accelerated amortisation of computer software.

9 Statement of changes in shareholders' equity

	6 months ended 31 December 2008	6 months ended 31 December 2007	Year ended 30 June 2008
	£m	£m	£m
At 1 July	**161.5**	164.5	164.5
Treasury shares purchased	**(0.9)**	(7.4)	(7.9)
Proceeds receivable from shares alloted under the share option scheme	**-**	0.4	0.4
Share options – value of employee services	**0.2**	0.2	0.3
Deferred tax taken directly to equity	**-**	(0.1)	(0.1)
(Loss)/profit for the period/year	**(0.2)**	1.5	9.7
Dividends	**(4.2)**	(3.6)	(5.4)
At 31 December/30 June	**156.4**	155.5	161.5

During the period, the Company acquired 1,776,467 of its own shares through open market purchases at an average price of 52.5 pence per share. The total amount paid to acquire the shares was £0.9m and this has been deducted from shareholders' equity. The shares are held as treasury shares.

10 Cash flow from operating activities

Cash generated from continuing operations	6 months ended 31 December 2008	6 months ended 31 December 2007	Year ended 30 June 2008
	£m	£m	£m
(Loss)/profit for the period/year	**(0.2)**	1.3	9.5
Adjustments for:			
Tax	**0.1**	1.5	5.0
Depreciation of property, plant and equipment	**0.4**	0.4	0.8
Asset write down – included in exceptional items	**-**	-	1.2
Loss on disposal of property, plant and equipment	**-**	1.2	-
Amortisation of intangible assets	**1.2**	1.3	2.6
Interest income	**(0.1)**	(0.1)	(0.2)
Share option charge	**0.2**	0.2	0.2
Share option charge – included in exceptional items	**-**	-	0.1
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):			
Increase in inventories	**(1.1)**	(0.8)	(0.1)
Decrease in trade and other receivables	**1.4**	1.6	2.1
Increase/(decrease) in trade and other payables	**0.8**	0.2	(2.2)
Cash generated from continuing operations	**2.7**	6.8	19.0

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