# Centaur Media plc

## Highlights

Centaur Media plc ("Centaur", the "Company" or the "Group") announces its results for the six months ended 31 December 2007.

| | **6 months ended 31 December 2007** | 6 months ended 31 December 2006[5] | Movement |
|---|---|---|---|
| | **£m** | £m | |
| Revenue | **39.1** | 37.0 | 6% |
| Adjusted EBITDA[1] | **6.3** | 5.5 | 15% |
| Adjusted EBITDA margin | **16%** | 15% | |
| Adjusted profit before tax[2] | **5.0** | 4.1 | 22% |
| Profit before tax | **2.8** | 3.7 | (24)% |
| Adjusted basic EPS (pence)[3] | **2.1** | 2.1 | - |
| Basic EPS (pence) | **0.9** | 1.9 | (53%) |
| Cash conversion rate[4] | **118%** | 98% | |
| Net cash | **1.7** | 4.2 | |
| Interim dividend per share (pence) | **1.2** | 1.0 | 20% |

- **6% revenue growth**
- **Adjusted EBITDA margin improved by 1 percentage point to 16%**
- **Adjusted profit before tax ahead by 22%**
- **Profit before tax reduced by 24% due to the impact of exceptional items following the closure of Perfect Analysis**
- **Adjusted EPS of 2.1 pence and basic EPS of 0.9 pence**
- **Cash conversion ratio improved to 118%**
- **6.85m shares purchased through an on-market share buy-back programme**
- **Interim dividend of 1.2 pence per share proposed**

Commenting on the results Geoff Wilmot, Chief Executive Officer of Centaur Media plc, said: "I am pleased that Centaur has again been able to report another strong set of financial results for the half year to 31 December 2007. Group revenues for the first half were ahead 6% year on year, whilst we were able to secure a further percentage point increase in adjusted EBITDA margin to 16%. Adjusted profit before tax was ahead 22% although on a statutory basis PBT was reduced by 24%, as a result of the impact of exceptional items which largely related to the previously announced discontinuation of Perfect Analysis.

"We remain focussed on strengthening Centaur's existing market leading positions in its core business areas, principally through new product launches -most notably in online and events- and I am particularly encouraged that online revenues continue to grow rapidly. Our seasonally stronger second half has started well, in line with market expectations."

## Centaur Media plc


Enquiries:

| | | |
|---|---|---|
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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 exceptionals and other significant non-cash items including share based payments (Adjusted EBITDA) .*
2. *Adjusted profit before tax is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items.*
3. *Adjusted EPS is based on the basic EPS but after making adjustments for amortisation of acquired intangibles and exceptional items. See note 5.*
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 9 to the interim report), less capital expenditure on property, plant and equipment and software. Adjusted operating profit is operating profit excluding amortisation of acquired intangibles and exceptional items.*
5. *All income statement comparatives have been adjusted to take account of the effect of discontinued operations.*

# Centaur Media plc

## Interim Results for the six months to 31 December 2007

### Introduction

I am pleased to report that Centaur achieved further growth in both turnover and adjusted profit before tax in the six months ended 31 December 2007. In what is seasonally Centaur's weaker half of the year (due to the low levels of publishing and event activity in August and December) revenue grew 6% to £39.1m and adjusted profit before tax increased by 22% to £5.0m (H1 2007: £4.1m).

Reported profit before tax was £2.8m (H1 2007: £3.7m). The Company's results for the six months ended 31 December 2007 included an exceptional administrative cost of £1.7m relating principally to accelerated amortisation of computer software following the discontinuation of Perfect Analysis (see below).

Taxation for the period of £1.5m represents an effective tax rate of 54% (H1 2007 22%) and includes a deferred tax charge of £0.5m in relation to share based payments (H1 2007: deferred tax credit £0.4m). A reconciliation of the taxation assessed for the period to the standard rate of corporation tax is set out in note 2 to the interim financial statements.

A share repurchase programme commenced in October 2007 and to date 6.85m shares, representing 4.6% of issued share capital have been repurchased for a total consideration of £7.4m (average price 107 pence per share). The authority to purchase up to 10% of the Company's issued share capital each year was renewed at the Annual General Meeting on 29 November 2007.

The share repurchase programme has been fully financed from free cash flow, with a reported cash conversion ratio of 118% (H1 2007: 98%). At the end of the period the Group held net cash balances of £1.7m (H1 2007: £4.2m).

As a result of this strong financial performance the Board has declared a 20% increase in the interim dividend to 1.2 pence per share (H1 2007: 1.0 pence). The interim dividend will be paid on 4 April 2008 to shareholders on the share register as at 7 March 2008.

### Business Overview

The results for the period demonstrate continued growth across the majority of Centaur's vertical markets along with improved underlying profitability with adjusted EBITDA margin increasing to 16% (H1 2007: 15%).

The Group remains focused on strengthening its existing market-leading positions and the results for the period include a net £1.0m investment in products launched during the last three years. In addition, further progress has been achieved in expanding revenues across a broader range of media platforms with total online sales in the period representing 22% of Group revenues (H1 2007: 20%).

Total advertising revenues grew 9% in the period, with recruitment advertising reporting the strongest growth (12%). Web based recruitment increased by 38% year on year, and in total, 24% of the Group's recruitment advertising is now placed online (H1 2007: 20%). Event revenues declined 4%, largely due to the discontinuation of two underperforming Marketing events - The Total Motivation Show and The Direct Marketing Show - which ran for the last time in the autumn of 2007. The Event business remains a second half weighted activity for Centaur and in the 2007 financial year less than a third of full year event revenues were reported in the first half.

Centaur has a strong record of continued organic growth and more than 10% of revenue relates to products launched since 1 July 2005. New product development continued in the period with new events including two new summits in the secured lending sector and the Business Travel show in Dubai.

### Business Overview (continued)

Newly launched online products continued to grow strongly. The two new branded websites launched a year ago – marketingweek.co.uk and designweek.co.uk - reported further rapid revenue growth led principally by strong web-based recruitment advertising with very little direct substitution of existing print based recruitment advertising in these titles.

Magazines remain an important component of the product range and are deployed to provide business critical information and effective routes to market for a number of our high value communities. A new magazine title "Resourcing" – aimed at senior HR managers, in house recruitment specialists and talent managers - was launched in November 2007 and will initially adopt a quarterly publishing frequency during calendar year 2008.

### 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 & Financial

Revenues grew by 12% in the period to £13.0m (H1 2007: £11.6m) with adjusted EBITDA of £3.4m (H1 2007: £3.2m).

The legal community, comprising the in-house counsel of major UK companies and private practice law firms, reported 6% revenue growth. Despite some slowing of the corporate transaction activity that underpins this sector, recruitment advertising remained strong in both the Lawyer magazine and the Lawyer.com.

Revenues in core products targeting the mortgage and secured lending sectors were affected by the market volatility that has prevailed since early in this financial year. This has not impacted on the demand for high quality information – demonstrated by further new event launches referred to above – but has resulted in reduced advertising volumes for the sector, particularly in the weekly magazine Mortgage Strategy. Nevertheless, the Directors are pleased to report that Mortgage Strategy's market share has strengthened as advertisers become more selective in deploying remaining marketing budgets.

Despite difficulties in the credit market, other products in the retail financial sector were buoyant throughout the period and even after the reductions in mortgage related advertising sales, the Group achieved double digit revenue growth across the portfolio.

The overall reduction in adjusted EBITDA margin to 26% (H1 2007: 28%) reflects the relatively high operational gearing associated with the revenue reductions in Mortgage Strategy partly offset by a comparatively low margin in new summit and magazine launches.

### Marketing & Creative

Revenues increased by 4% to £10.6m (H1 2007: £10.2m) while adjusted EBITDA of £1.0m (H1 2007: £0.9m) was 11% ahead year on year with margin unchanged at 9%.

The strongest growth in this segment was within online products where total revenues were 50% ahead year on year led by the last year's website launches. In both print and online products, recruitment advertising was a strong component of the revenue growth. In total, recruitment advertising was 15% ahead.

The growing success of marketingweek.co.uk and designweek.co.uk, launched just over a year ago, continues with traffic levels building steadily during the period. These levels of traffic provide a much broader and deeper reach into their respective communities and the revenues accruing through each of these new sites are broadly incremental to their print counterparts. However, we have over the same period experienced a reduction in recruitment advertising being placed directly on mad.co.uk (the site first established 8 years ago to jointly serve the marketing, advertising & design communities). As a result of the launches of marketingweek.co.uk and designweek.co.uk, mad.co.uk has now been repositioned as a composite job aggregator across the three separate verticals rather than a primary job board offering.

Revenue growth in the period was constrained to some extent by the effect of discontinued events. The two discontinued events - the Direct Marketing Show and the Total Motivation Show - had struggled to achieve a satisfactory level of profitability in weak and competitive segments of the market.

Online marketing, however, remains a key driver of growth in the period. Our major product serving this key discipline – New Media Age – reported growth of 13% and 53% in magazine and online revenues respectively. The event activity in this area is principally second half weighted with both the Interactive Marketing Summit (January) and the Online Marketing and Media Show (June) occurring in the second half. The comparatively low adjusted EBITDA margin at the half year partly reflects this second half activity profile.

The existing product portfolio targeting the Creative sector (Creative Review and Design Week) was significantly strengthened by the acquisition of the Creative Handbook six months ago and this will be further consolidated as we move into the second half by the re-launched online edition.

### Engineering & Construction

Revenues for the period were flat at £8.3m while adjusted EBITDA at £1.2m (H1 2007: £1.4m) represents a margin deterioration of 3 points to 14%, although this segment is again second half weighted and affected by changes in the timing of event activity. Within construction, those magazines and websites aimed at the self-build and renovation sectors (Homebuilding & Renovating, Move or Improve?) experienced some softness in both advertising and circulation sales during the period, partly reflecting a slowing of activity in the broader construction and general housing market.

The two regional homebuilding shows held in the first half (London and Northern) reported some growth. The year on year position was affected by a change in timing of the Eastern regional show held in July a year ago but not scheduled again until the autumn of 2008 following a venue change, as a result of which total event revenues reduced by 9% in the period. Centaur's single most substantial trade show – the National Homebuilding Show – is scheduled for April 2008 with space sales expected to be comfortably ahead year on year.

Revenues in the Engineering portfolio were 6% ahead year on year led by The Engineer, where magazine and online revenues reported 25% and 54% growth respectively, with strong growth in recruitment advertising through both channels.

### Perfect Information

Adjusted EBITDA for the period increased to £1.0m (H1 2007 £0.7m) on revenues of £3.0m (H1 2007 £3.0m) representing a strong margin improvement to 33% (H1 2007: 23%). This margin improvement reflects reductions in the underlying cost base of the business that have been achieved following the decision to discontinue Perfect Analysis in October 2007. As previously reported, we had conducted a strategic review which recognised that the investment necessary to bring Perfect Analysis to satisfactory commercial success was better directed towards further development for the core product, Perfect Filings.

The margin improvement is underpinned by a reduction in headcount in excess of 15% year on year and further improvements across the course of the full year are expected.

### General Business Services

Revenues for the period grew 8% to £4.2m (H1 2007 £3.9m) and adjusted EBITDA losses reduced to £0.3m (FY2007: £0.7m loss). In the prior year period, the results of this segment included £0.3m of losses relating to Finance Week, the online publication for the corporate accountancy community, which was outsourced to Sift Media just over a year ago. The other vertical sectors in this segment reported mixed revenue performance.

Employee Benefits magazine and website delivered strong revenue growth in the period, although in total, revenues from the Human Resources portfolio were 5% down year on year due to a change in the timing of the associated summit now scheduled for the second half of the financial year.

The portfolio of products aimed at recruitment professionals includes The Recruiter Magazine and website and associated events including The Recruiter Forum. Total revenues grew by 19% in the period, underpinned by generally high employment levels and a skills shortage driving increased activity among specialist search and selection companies.

In the Business Travel sector, two regional travel shows were held in the first half – the Business Travel Show Düsseldorf in September 2007 moved into profit for the first time since launch - while the newly launched Business Travel Show Dubai was a successful launch event. The main Business Travel show in London was held in February 2008 together with the Travel Technology show and both shows have performed well. .

Finally, the Supply Chain and Logistics portfolio continued to grow steadily with revenues for the period 33% ahead in total. Growth was spread evenly between Logistics Manager (magazine and website) and Events - the Logistics Link North show held in September 2007 and the industry awards held in October 2007. The largest event in this sector, the Extended Supply Chain conference - acquired last spring - is scheduled for March 2008.

### Current Trading & Outlook

We have experienced further growth in most of our vertical markets in the first two months of 2008 and we continue to look for new product opportunities in all our markets. In particular the re-organisation of the Marketing & Creative segment is expected to facilitate new product development activity and margin improvement in that segment. Overall the current outlook for the business remains positive and the Board expects results for the current financial year to be in line with market expectations.

# Centaur Media plc

## Interim Results for the six months to 31 December 2007 (continued)

### Analysis of results

| | Six months to 31 December 2007 | | Six months to 31 December 2006 restated (1) | |
|---|---|---|---|---|
| | Turnover | Adjusted EBITDA | Turnover | Adjusted EBITDA |
| | £m | £m | £m | £m |
| **By Division** | | | | |
| Legal and Financial | **13.0** | **3.4** | 11.6 | 3.2 |
| Marketing, Creative and New Media | **10.6** | **1.0** | 10.2 | 0.9 |
| Construction and Engineering | **8.3** | **1.2** | 8.3 | 1.4 |
| Perfect Information | **3.0** | **1.0** | 3.0 | 0.7 |
| General Business Services | **4.2** | **(0.3)** | 3.9 | (0.7) |
| | **39.1** | **6.3** | 37.0 | 5.5 |
| **By Source** | | | | |
| Recruitment advertising | **7.4** | - | 6.6 | - |
| Other advertising | **16.5** | - | 15.3 | - |
| Circulation revenue | **3.1** | - | 3.0 | - |
| Online subscriptions | **3.7** | - | 3.7 | - |
| Events | **7.5** | - | 7.8 | - |
| Other | **0.9** | - | 0.6 | - |
| | **39.1** | - | 37.0 | - |
| **By Client Type** | | | | |
| Audiences | **9.1** | - | 9.3 | - |
| Marketers | **30.0** | - | 27.7 | - |
| | **39.1** | - | 37.0 | - |
| **By Product Type** | | | | |
| Magazines | **22.4** | **4.3** | 21.1 | 3.9 |
| Events | **7.5** | **0.3** | 7.8 | 0.8 |
| Online products | **8.5** | **1.6** | 7.3 | 0.9 |
| Other | **0.7** | **0.1** | 0.8 | (0.1) |
| | **39.1** | **6.3** | 37.0 | 5.5 |
| **Underlying** | | | | |
| Underlying | **39.0** | **6.3** | 34.1 | 5.2 |
| Acquisitions (2) | **0.1** | **-** | 2.9 | 0.3 |
| Total | **39.1** | **6.3** | 37.0 | 5.5 |
| **By Maturity** | | | | |
| New (3) | **4.1** | **(1.0)** | 3.5 | (1.0) |
| Existing and acquired | **35.0** | **7.3** | 33.5 | 6.5 |
| Total | **39.1** | **6.3** | 37.0 | 5.5 |

1. All comparatives have been adjusted to exclude discontinued operations.
2. Acquisitions are defined as those made within the current or preceding financial year.
3. New products are defined as any product launched in the current and two preceding financial years.

# Centaur Media plc

## Interim Results for the six months to 31 December 2007 (continued)

### Reconciliation of profit measures

The different measures of profit referred to above are summarised in the following table:

| Continuing operations | 6 months ended 31 December 2007 | 6 months ended 31 December 2006 (restated) |
|---|---|---|
| | £m | £m |
| **Revenue** | **39.1** | 37.0 |
| **Adjusted EBITDA** | **6.3** | 5.5 |
| Depreciation of property, plant and equipment | **(0.4)** | (0.4) |
| Amortisation of software | **(0.8)** | (0.9) |
| Share based payments | **(0.2)** | (0.2) |
| Interest receivable | **0.1** | 0.1 |
| **Adjusted PBT** | **5.0** | 4.1 |
| Amortisation of acquired intangibles | **(0.5)** | (0.4) |
| Exceptional administrative costs | **(1.7)** | - |
| **Profit before taxation** | **2.8** | 3.7 |

### 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 six 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 an impact on the Group's profitability. However the diversity of served markets and strength of brands together with continued brand 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.

### Principal Risks and Uncertainties (continued)

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 2007 with the exception of the following changes in the period: Mr C Satterthwaite was appointed on 1 July 2007, Mr A F Irby resigned on 29 November 2007 and Mr G V Sherren moved from Executive Chairman to Non-Executive Chairman on 6 December 2007. A list of current directors is maintained on the Centaur Media plc website: www.centaur.co.uk

Geoff Wilmot, Chief Executive Officer

Mike Lally, Group Finance Director

27 February 2008

# Centaur Media plc

## Independent Review Report to Centaur Media plc

**Introduction**

We been engaged by the company to review the condensed set of financial statements in the interim report for the 6 months ended 31 December 2007, which comprise 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 interim 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 interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in the notes, 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 interim 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 interim 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 interim report for the six months ended 31 December 2007 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 27 February 2008

Notes:

(a) The maintenance and integrity of the Centaur Media plc web site 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 interim report since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

# Centaur Media plc

## Consolidated Income Statement
## for the 6 months ended 31 December 2007

| Continuing operations | Notes | **Unaudited 6 months ended 31 December 2007 £m** | Unaudited 6 months ended 31 December 2006 (restated) £m | Audited year ended 30 June 2007 £m |
|---|---|---|---|---|
| **Revenue** | 1 | **39.1** | 37.0 | 90.3 |
| Cost of sales | | **(20.0)** | (19.8) | (45.7) |
| **Gross profit** | | **19.1** | 17.2 | 44.6 |
| Distribution costs | | **(2.2)** | (2.2) | (4.6) |
| Administrative expenses | | **(14.2)** | (11.4) | (24.1) |
| Adjusted EBITDA | 1 | **6.3** | 5.5 | 19.7 |
| Depreciation of property, plant and equipment | | **(0.4)** | (0.4) | (0.8) |
| Amortisation of software | | **(0.8)** | (0.9) | (1.9) |
| Amortisation of acquired intangibles | | **(0.5)** | (0.4) | (0.7) |
| Share-based payments | | **(0.2)** | (0.2) | (0.4) |
| Exceptional administrative costs | 7 | **(1.7)** | - | - |
| **Operating profit** | | **2.7** | 3.6 | 15.9 |
| Interest receivable | | **0.1** | 0.1 | 0.2 |
| Share of post tax profit from associate | | **-** | - | 0.1 |
| Profit on sale of associate | | **-** | - | 0.7 |
| **Profit before tax** | | **2.8** | 3.7 | 16.9 |
| Taxation | 2 | **(1.5)** | (0.8) | (4.6) |
| **Profit from continuing operations** | | **1.3** | 2.9 | 12.3 |
| **Discontinued operations** | | | | |
| Profit from discontinued operations | 6 | **0.2** | 0.1 | - |
| **Profit attributable to equity shareholders** | | **1.5** | 3.0 | 12.3 |
| **Earnings per share** | | | | |
| **Continuing operations** | | | | |
| - Basic | 5 | **0.9p** | 1.9p | 8.2p |
| - Fully diluted | 5 | **0.9p** | 1.9p | 8.1p |
| **Total operations** | | | | |
| - Basic | 5 | **1.0p** | 2.0p | 8.2p |
| - Fully diluted | 5 | **1.0p** | 2.0p | 8.1p |

# Centaur Media plc

## Consolidated Balance Sheet at 31 December 2007

| | Notes | **Unaudited 31 December 2007 £m** | Unaudited 31 December 2006 £m | Audited 30 June 2007 £m |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Goodwill | | **140.2** | 142.0 | 140.1 |
| Other intangible assets | 4 | **14.7** | 12.6 | 16.5 |
| Property, plant and equipment | | **2.0** | 2.5 | 2.1 |
| Investments accounted for using equity method | | **-** | 0.3 | - |
| Deferred tax assets | | **0.9** | 1.6 | 1.5 |
| | | **157.8** | 159.0 | 160.2 |
| **Current assets** | | | | |
| Inventories | | **1.9** | 2.7 | 1.1 |
| Trade and other receivables | | **17.0** | 17.5 | 18.4 |
| Cash and cash equivalents | | **1.9** | 5.4 | 10.1 |
| | | **20.8** | 25.6 | 29.6 |
| **Assets held in disposal group for sale** | | **-** | - | 0.4 |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Financial liabilities - borrowings | | **0.2** | 1.2 | 1.1 |
| Trade and other payables | | **8.6** | 8.8 | 11.4 |
| Deferred income | | **12.3** | 13.5 | 9.6 |
| Current tax liabilities | | **0.9** | 0.9 | 2.3 |
| | | **22.0** | 24.4 | 24.4 |
| **Liabilities held in disposal group for sale** | | **-** | - | 0.2 |
| **Net current (liabilities) / assets** | | **(1.2)** | 1.2 | 5.4 |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | | **1.1** | 1.1 | 1.1 |
| Provisions | | **-** | 1.9 | - |
| | | **1.1** | 3.0 | 1.1 |
| **Net assets** | | **155.5** | 157.2 | 164.5 |
| **Shareholders' equity** | | | | |
| Ordinary shares | | **15.0** | 14.5 | 15.0 |
| Treasury shares | 8 | **(8.4)** | - | (1.0) |
| Share premium | | **0.7** | 0.3 | 0.3 |
| Other reserves | | **3.0** | 2.7 | 2.8 |
| Retained earnings | | **145.2** | 139.7 | 147.4 |
| **Total shareholders' equity** | 8 | **155.5** | 157.2 | 164.5 |

The condensed set of financial statements were approved by the Board of Directors on 27 February 2008 and were signed on its behalf by

MJ Lally
Group Finance Director

# Centaur Media plc

## Consolidated Cash Flow Statement
## for the 6 months ended 31 December 2007

| | | **Unaudited 6 months ended 31 December 2007** | Unaudited 6 months ended 31 December 2006 | Audited year ended 30 June 2007 |
|---|---|---|---|---|
| **Continuing operations** | **Notes** | **£m** | £m | £m |
| **Cash flows from operating activities** | | | | |
| Cash generated from operations | **9** | **6.8** | 5.2 | 18.2 |
| Tax paid | | **(2.4)** | (2.6) | (4.9) |
| Net cash flows from operating activities | | **4.4** | 2.6 | 13.3 |
| **Cash flows from investing activities** | | | | |
| Interest received | | **0.1** | 0.1 | 0.2 |
| Acquisition of subsidiaries (net of cash acquired) | | **-** | 0.9 | 0.1 |
| Proceeds from the sale of businesses | | **0.2** | - | 0.8 |
| Purchase of property, plant and equipment | | **(0.3)** | (0.4) | (0.5) |
| Purchase of software | | **(0.7)** | (0.9) | (2.1) |
| Purchase of other intangible assets | | **-** | (0.3) | (3.0) |
| Net cash flows from investing activities | | **(0.7)** | (0.6) | (4.5) |
| **Cash flows from financing activities** | | | | |
| Net proceeds from issue of ordinary share capital | | **-** | - | 0.1 |
| Treasury shares | | **(7.4)** | (0.4) | (1.0) |
| Repayment of loan notes | | **(0.9)** | (0.4) | (0.5) |
| Dividends paid to shareholders | | **(3.6)** | (3.6) | (5.1) |
| Net cash flows from financing activities | | **(11.9)** | (4.4) | (6.5) |
| **Net (decrease) / increase in cash and cash equivalents** | | **(8.2)** | (2.4) | 2.3 |
| Cash and cash equivalents at 1 July | | **10.1** | 7.8 | 7.8 |
| **Cash and cash equivalents** | | **1.9** | 5.4 | 10.1 |

# Centaur Media plc

## Interim Report for the 6 months ended 31 December 2007

## Basis of preparation

This condensed consolidated six monthly financial information for the period ended 31 December 2007 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 six monthly condensed consolidated financial report should be read in conjunction with the annual financial statements for the year ended 30 June 2007, 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 2007, 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 2008.

- IFRIC 7, 'Applying the restatement approach under IAS 29', effective for annual periods beginning on or after 1 March 2006. This interpretation is not relevant for the group.
- IFRIC 8, 'Scope of IFRS 2', effective for annual periods beginning on or after 1 May 2006. This interpretation has not had any impact on the recognition of share-based payments in the group.
- IFRIC 9, 'Reassessment of embedded derivatives', effective for annual periods beginning on or after 1 June 2006. This interpretation has not had a significant impact on the reassessment of embedded derivatives as the group already assessed if embedded derivatives should be separated using principles consistent with IFRIC 9.
- IFRIC 10, 'Interims and impairment', effective for annual periods beginning on or after 1 November 2006. This interpretation has not had any impact on the timing or recognition of impairment losses as the group already accounted for such amounts using principles consistent with IFRIC 10.
- IFRS 7, 'Financial instruments: Disclosures', effective for annual periods beginning on or after 1 January 2007. IAS 1, 'Amendments to capital disclosures', effective for annual periods beginning on or after 1 January 2007. IFRS 4, 'Insurance contracts', revised implementation guidance, effective when an entity adopts IFRS 7. As this interim report contains only condensed financial statements, and as there are no material financial instrument related transactions in the period, full IFRS 7 disclosures are not required at this stage. The full IFRS 7 disclosures, including the sensitivity analysis to market risk and capital disclosures required by the amendment of IAS 1 will be given in the annual financial statements.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 30 June 2008 and have not been early adopted:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions', effective for annual periods beginning on or after 1 March 2007. The directors do not foresee any significant impact as a result of this interpretation.
- IFRIC 12, 'Service concession arrangements', effective for annual periods beginning on or after 1 January 2008. The directors do not expect this interpretation to be relevant for the group.
- IFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009, subject to EU endorsement. The directors do not currently foresee any changes to the group's business segments

## Basis of preparation (continued)

**Additional presentation within the consolidated income statement**

The Group has presented separately on the face of the consolidated income statement 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 costs have 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 primary listing on the London Stock Exchange.

The condensed consolidated six monthly financial information was approved for issue on 27 February 2008.

These interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 30 June 2007 were approved by the Board of Directors on 20 September 2007 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.

# Centaur Media plc

## Notes to the condensed set of financial statements for the 6 months ended 31 December 2007

## 1 Segmental reporting

### Primary reporting format – business segments

The group is organised into five main business segments.

| Six months ended 31 December 2007 | Legal and Financial £m | Marketing, Creative and New Media £m | Construction and Engineering £m | Perfect Information £m | General Business Services £m | Unallocated £m | Group £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 | 3.2 | 0.8 | 0.8 | (1.1) | (0.8) | (0.2) | 2.7 |
| Interest receivable | - | - | - | - | - | 0.1 | 0.1 |
| Profit before tax | 3.2 | 0.8 | 0.8 | (1.1) | (0.8) | (0.1) | 2.8 |
| Taxation | - | - | - | - | - | (1.5) | (1.5) |
| **Profit 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** |

# Centaur Media plc

## Notes to the condensed set of financial statements for the 6 months ended 31 December 2007

## 1 Segmental reporting (continued)

| Six months ended 31 December 2006 | Legal and Financial £m | Marketing, Creative and New Media £m | Construction and Engineering £m | Perfect Information £m | General Business Services £m | Unallocated £m | Group £m |
|---|---|---|---|---|---|---|---|
| **Continuing operations** | | | | | | | |
| **Revenue** | **11.6** | **10.2** | **8.3** | **3.0** | **3.9** | **-** | **37.0** |
| Adjusted EBITDA | 3.2 | 0.9 | 1.4 | 0.7 | (0.7) | - | 5.5 |
| 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) | (0.2) | - | (0.9) |
| Amortisation of acquired intangibles | (0.1) | - | (0.2) | (0.1) | - | - | (0.4) |
| Share based payments | - | - | - | - | - | (0.2) | (0.2) |
| Operating profit | 2.9 | 0.7 | 1.0 | 0.1 | (0.9) | (0.2) | 3.6 |
| Interest receivable | - | - | - | - | - | 0.1 | 0.1 |
| Profit before tax | 2.9 | 0.7 | 1.0 | 0.1 | (0.9) | (0.1) | 3.7 |
| Taxation | - | - | - | - | - | (0.8) | (0.8) |
| **Profit for the period from continuing operations** | **2.9** | **0.7** | **1.0** | **0.1** | **(0.9)** | **(0.9)** | **2.9** |
| **Discontinued operations** | | | | | | | |
| Revenue | - | - | - | - | 0.7 | - | 0.7 |
| Segment result | - | - | - | - | 0.1 | - | 0.1 |
| Profit on disposal of operation | - | - | - | - | - | - | - |
| **Profit for the period from discontinued operations** | **-** | **-** | **-** | **-** | **0.1** | **-** | **0.1** |

# Centaur Media plc

## Notes to the condensed set of financial statements for the 6 months ended 31 December 2007

## 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 2006: lower) than the standard rate of corporation tax in the UK of 29.5% (6 months ended 31 December 2006: 30%). The differences are explained below:

| Continuing operations | **6 months ended 31 December 2007** | 6 months ended 31 December 2006 | Year ended 30 June 2007 |
|---|---|---|---|
| | **£m** | £m | £m |
| Profit before tax | **2.8** | **3.7** | 16.9 |
| Profit before tax multiplied by standard rate of corporation tax in the UK of 29.5% (6 months ended 31 December 2006 and year ended 30 June 2007: 30%) | **0.8** | 1.1 | 5.1 |
| **Effects of:** | | | |
| Expenses not deductible for tax purposes | **0.1** | 0.1 | 0.2 |
| Non-taxable gain on sale of associate | **-** | - | (0.2) |
| Current tax deduction on share options exercised | **-** | - | (0.2) |
| Deferred tax charge / (credit) on share based payments taken to income statement | **0.5** | (0.4) | (0.5) |
| Losses not recognised | **0.1** | - | 0.1 |
| Adjustments to tax charge in respect of previous periods | **-** | - | 0.1 |
| **Total taxation** | **1.5** | 0.8 | 4.6 |

| Discontinued operations | **6 months ended 31 December 2007** | 6 months ended 31 December 2006 | Year ended 30 June 2007 |
|---|---|---|---|
| | **£m** | £m | £m |
| Profit before tax | **0.2** | 0.1 | - |
| Profit before tax multiplied by standard rate of corporation tax in the UK of 29.5% (6 months ended 31 December 2006 and year ended 30 June 2007: 30%) | **0.1** | - | - |
| **Effects of:** | | | |
| Non-taxable gain on sale of subsidiary | **(0.1)** | - | - |
| **Total taxation** | **-** | - | - |

## 3 Dividends

An interim dividend of 1.2 pence (2006: 1.0 pence) per 10p ordinary share is proposed. This amounts to £1,720,296 (2006: £1,491,045) and will be paid on 4 April 2008 to all shareholders on the register as at 7 March 2008.

## Centaur Media plc

### Notes to the condensed set of financial statements for the 6 months ended 31 December 2007

### 4 Other intangible assets

| 2007 | Computer software | Brands and publishing rights | Customer relationships | Websites and content | Non-compete | 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 - external | 0.5 | - | - | - | - | 0.5 |
| Additions - internally generated | 0.2 | - | - | - | - | 0.2 |
| At 31 December 2007 | 11.5 | 9.2 | 3.7 | 0.4 | 0.5 | 25.3 |
| **Amortisation** | | | | | | |
| At 1 July 2007 | 7.1 | 0.5 | 0.4 | 0.1 | - | 8.1 |
| Charge for the period | 0.8 | 0.2 | 0.2 | - | 0.1 | 1.3 |
| Write down of assets | 1.2 | - | - | - | - | 1.2 |
| At 31 December 2007 | 9.1 | 0.7 | 0.6 | 0.1 | 0.1 | 10.6 |
| **Net book amount** | | | | | | |
| **At 31 December 2007** | **2.4** | **8.5** | **3.1** | **0.3** | **0.4** | **14.7** |

| 2006 | Computer software | Brands and publishing rights | Customer relationships | Websites and content | Non-compete | Total |
|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m |
| **Cost** | | | | | | |
| At 1 July 2006 | 10.3 | 6.4 | 3.0 | 0.4 | - | 20.1 |
| Additions - external | 0.5 | - | - | - | - | 0.5 |
| Additions - internally generated | 0.4 | - | - | - | - | 0.4 |
| Fair value adjustment | - | (0.1) | - | - | - | (0.1) |
| At 31 December 2006 | 11.2 | 6.3 | 3.0 | 0.4 | - | 20.9 |
| **Amortisation** | | | | | | |
| At 1 July 2006 | 6.7 | 0.3 | - | - | - | 7.0 |
| Charge for the period | 0.9 | 0.1 | 0.2 | 0.1 | - | 1.3 |
| At 31 December 2006 | 7.6 | 0.4 | 0.2 | 0.1 | - | 8.3 |
| **Net book amount** | | | | | | |
| **At 31 December 2006** | **3.6** | **5.9** | **2.8** | **0.3** | **-** | **12.6** |

Amortisation charges in the period and the previous period have been charged to administrative expenses. During the period, 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 has been written down.

Computer software capitalised in 2006 and 2007 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.

## Notes to the condensed set of financial statements for the 6 months ended 31 December 2007

## 5 Earnings per share

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

| | 6 months ended 31 December 2007 | | | 6 months ended 31 December 2006 | | |
|---|---|---|---|---|---|---|
| **Continuing operations** | **Earnings** | **Weighted average no. of shares** | **Per-share amount** | Earnings | Weighted average no. of shares | Per-share amount |
| | **£m** | **millions** | **Pence** | £m | millions | Pence |
| **Basic EPS** | | | | | | |
| Earnings attributable to ordinary shareholders | **1.3** | **146.5** | **0.9** | 2.9 | 149.1 | 1.9 |
| **Effect of dilutive securities** | | | | | | |
| Options | **-** | **1.0** | **-** | - | 1.7 | - |
| Contingent shares | **-** | **-** | **-** | - | 0.4 | - |
| **Fully diluted basic EPS** | **1.3** | **147.5** | **0.9** | 2.9 | 151.2 | 1.9 |
| **Adjusted EPS** | | | | | | |
| Earnings attributable to ordinary shareholders | **1.3** | **146.5** | **0.9** | 2.9 | 149.1 | 1.9 |
| Amortisation of acquired intangibles | **0.5** | **-** | **0.3** | 0.4 | - | 0.3 |
| Exceptional administrative costs | **1.7** | **-** | **1.2** | - | - | - |
| Tax effect | **(0.5)** | **-** | **(0.3)** | (0.1) | - | (0.1) |
| Adjusted profit for the period | **3.0** | **146.5** | **2.1** | 3.2 | 149.1 | 2.1 |
| **Effect of dilutive securities** | | | | | | |
| Options | **-** | **1.0** | **-** | - | 1.7 | - |
| Contingent shares | **-** | **-** | **-** | - | 0.4 | - |
| **Fully diluted adjusted EPS** | **3.0** | **147.5** | **2.0** | 3.2 | 151.2 | 2.1 |

| | 6 months ended 31 December 2007 | | | 6 months ended 31 December 2006 | | |
|---|---|---|---|---|---|---|
| **Discontinued operations** | **Earnings** | **Weighted average no. of shares** | **Per-share amount** | Earnings | Weighted average no. of shares | Per-share amount |
| | **£m** | **millions** | **Pence** | £m | millions | Pence |
| **Basic EPS** | | | | | | |
| Earnings attributable to ordinary shareholders | **0.2** | **146.5** | **0.1** | 0.1 | 149.1 | 0.1 |
| **Effect of dilutive securities** | | | | | | |
| Options | **-** | **1.0** | **-** | - | 1.7 | - |
| Contingent shares | **-** | **-** | **-** | - | 0.4 | - |
| **Fully diluted basic EPS** | **0.2** | **147.5** | **0.1** | 0.1 | 151.2 | 0.1 |

725,000 shares held in an employee benefit trust and 6,850,000 shares held in treasury have been excluded in arriving at the weighted average number of shares.

## 6 Discontinued operations and disposal group held for sale

During the year to 30 June 2007, the trade, assets and liabilities relating to the Televisual magazine were sold to Televisual Media UK Limited, a new company set up by its former publisher, for a consideration of £0.1m.

In July 2007 Hali Publications Limited, a subsidiary of the Group, was sold to its former publisher. As at 30 June 2007 final negotiations for the sale were in progress and therefore the activity was classified as a disposal group held for sale. The sale was completed on 20 July 2007 for total consideration of £0.4m resulting in a profit of £0.2m.

The results of the discontinued operations are presented below:

| | **6 months ended 31 December 2007** | 6 months ended 31 December 2006 | Year ended 30 June 2007 |
|---|---|---|---|
| | **£m** | £m | £m |
| **Revenue** | - | 0.7 | 1.1 |
| **Operating profit** | **-** | - | (0.1) |
| Gain on disposal of discontinued operation | 0.2 | 0.1 | 0.1 |
| **Profit for the period from discontinued operations** | **0.2** | 0.1 | - |

The major classes of assets and liabilities of Hali Publications Limited were as follows:

| | **6 months ended 31 December 2007** | 6 months ended 31 December 2006 | Year ended 30 June 2007 |
|---|---|---|---|
| | **£m** | £m | £m |
| **Assets** | | | |
| Property, plant and equipment | **-** | **-** | 0.1 |
| Receivables | **-** | **-** | 0.3 |
| **Assets classified as held for resale** | **-** | **-** | 0.4 |
| **Liabilities** | | | |
| Payables | **-** | **-** | 0.2 |
| **Liabilities classified as held for resale** | **-** | **-** | 0.2 |

## Notes to the condensed set of financial statements for the 6 months ended 31 December 2007

## 6 Discontinued operations and disposal group held for sale (continued)

The net cash flows after tax of the discontinued operations are as follows:

| | **6 months ended 31 December 2007** | 6 months ended 31 December 2006 | Year ended 30 June 2007 |
|---|---|---|---|
| | **£m** | £m | £m |
| Net cash flows from operating activities | **-** | - | - |
| Net cash flows from investing activities | | | |
| Proceeds from sale of subsidiary | **-** | - | 0.1 |
| Purchase of property, plant and equipment | **-** | - | (0.1) |
| Net cash flows from financing activities | **-** | - | - |
| **Net cash flow** | **-** | - | - |

## 7 Exceptional administrative costs

During the 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 have been reported as an exceptional item and include £1.2m of accelerated amortisation of computer software as reported in note 4.

## 8 Statement of changes in shareholders' equity

| | **6 months ended 31 December 2007** | 6 months ended 31 December 2006 | Year ended 30 June 2007 |
|---|---|---|---|
| | **£m** | £m | £m |
| At 1 July | **164.5** | 157.9 | 157.9 |
| Treasury shares purchased | **(7.4)** | (0.4) | (1.0) |
| Proceeds receivable from shares allotted under the share option scheme | **0.4** | - | 0.1 |
| Share options – value of employee services | **0.2** | 0.2 | 0.4 |
| Deferred tax taken directly to equity | **(0.1)** | 0.1 | (0.1) |
| Profit for the period / year | **1.5** | 3.0 | 12.3 |
| Dividends | **(3.6)** | (3.6) | (5.1) |
| **At 31 December / 30 June** | **155.5** | 157.2 | 164.5 |

During the period, the Company acquired 6,850,000 of its own shares through open market purchases. The total amount paid to acquire the shares was £7.4m and this has been deducted from shareholders' equity. The shares are held as treasury shares.

## Notes to the condensed set of financial statements for the 6 months ended 31 December 2007

## 9 Cash flow from operating activities

### Cash generated from continuing operations

| | **6 months ended 31 December 2007** | 6 months ended 31 December 2006 | Year ended 30 June 2007 |
|---|---|---|---|
| | **£m** | £m | £m |
| Profit for the period / year | **1.3** | 2.9 | 12.3 |
| Adjustments for: | | | |
| Tax | **1.5** | 0.8 | 4.6 |
| Depreciation of property, plant and equipment | **0.4** | 0.4 | 0.8 |
| Loss on disposal of property, plant and equipment | **1.2** | - | - |
| Amortisation of intangibles | **1.3** | 1.3 | 2.6 |
| Interest income | **(0.1)** | (0.1) | (0.2) |
| Share of associate's profit | **-** | - | (0.8) |
| Share option charge | **0.2** | 0.2 | 0.4 |
| Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries) | | | |
| (Increase) / decrease in inventories | **(0.8)** | (1.1) | 0.6 |
| Decrease / (increase) in trade and other receivables | **1.6** | 0.1 | (0.8) |
| Increase / (decrease) in trade and other payables | **0.2** | 0.7 | (1.3) |
| **Cash generated from continuing operations** | **6.8** | 5.2 | 18.2 |

### Cash generated from discontinued operations

| | **6 months ended 31 December 2007** | 6 months ended 31 December 2006 | Year ended 30 June 2007 |
|---|---|---|---|
| | **£m** | £m | £m |
| Profit for the period | **0.2** | 0.1 | - |
| Adjustments for: | | | |
| Profit on disposal of business | **(0.2)** | - | (0.1) |
| Decrease in trade and other receivables | - | - | 0.1 |
| Increase in trade and other payables | - | (0.1) | - |
| **Cash generated from discontinued operations** | **-** | - | - |
| **Cash generated from operations** | **6.8** | 5.2 | 18.2 |