

Centaur Media Plc

Interim results presentation 27 February 2009



Centaur Media Plc

Geoff Wilmot, Chief Executive Officer

Introduction



Deteriorating trading conditions – revenues down 19%

Decline led by Legal & Financial, but all markets affected

High advertising mix driving downturn

Poor visibility of 2nd half

Immediate priorities: protect margins, maintain market share & preserve cash

Cost reduction of £10m in FY2009 (annualised £12m)

Medium term outlook: fundamental strengths and core strategy unchanged

Key strengths and strategy

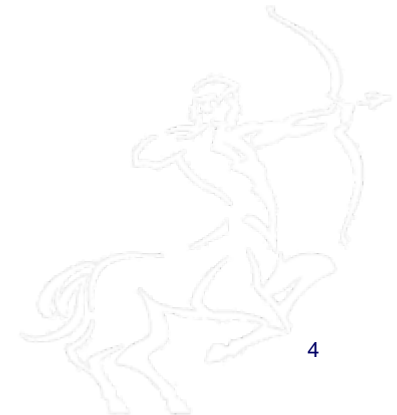


Fundamental strengths of the business unchanged

- Market leading positions
- Diversified market base
- Entrepreneurial culture
- Ungearred balance sheet

Core strategy remains appropriate

- Scale: strong organic growth record
- Balance: reduce print and advertising dependencies
- Efficiency: maintain 25% EBITDA target



Response to market downturn



Cost reductions began in FY 2008 with Perfect Analysis and Marketing & Creative

Headcount down 15% since July 2008

Key focus: to preserve major brands and maintain new product capability

Key themes:

- Review peripheral products
- Organise for media neutrality
- Optimize fixed / variable cost base
- Optimize shared resources across titles

Ongoing new product development supporting key brands



Online (B2B)

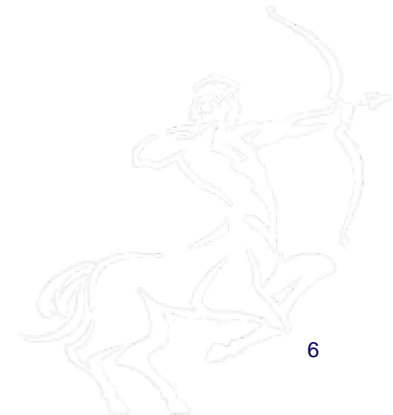
- Sales lead services
- Web based recruitment
- Network display
- Online subscriptions

Perfect Information

- Navigator
- Other developments

Events

- 5 new exhibitions
- New summits and conferences





Centaur Media Plc

Mike Lally, Group Finance Director



Revenues £31.5m, EBITDA £1.9m

- Group revenues decrease by 19%
- Print recruitment deteriorates sharply
- Events revenues partly reflect discontinued activities
- Trading conditions worsen in 2nd quarter

Cost Reductions

- Programme expanded in response to extreme market weakness
- Headcount reduction of 15% achieved by early January
- Review of portfolio leads to product disposals and mergers
- Restructuring of operations ongoing
- Exceptional cost of £0.3m in H1

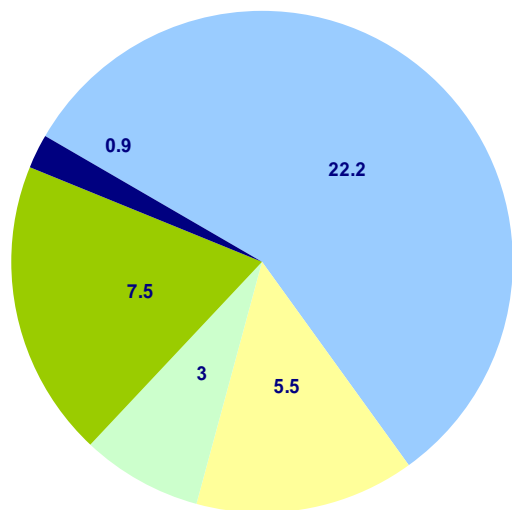
Cash

- Satisfactory cash performance in H1
- £1.0m net cash at 31 December 2008

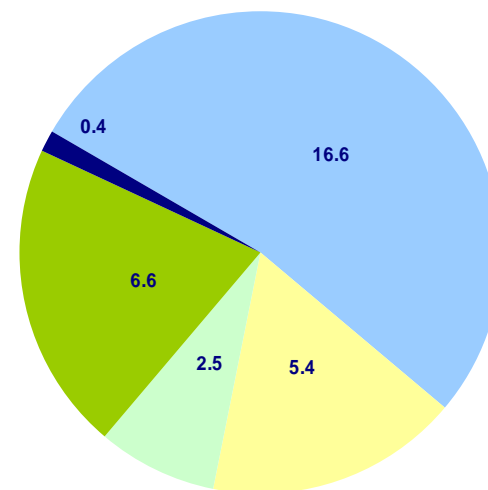
Profile of Group Revenue



H1 2008



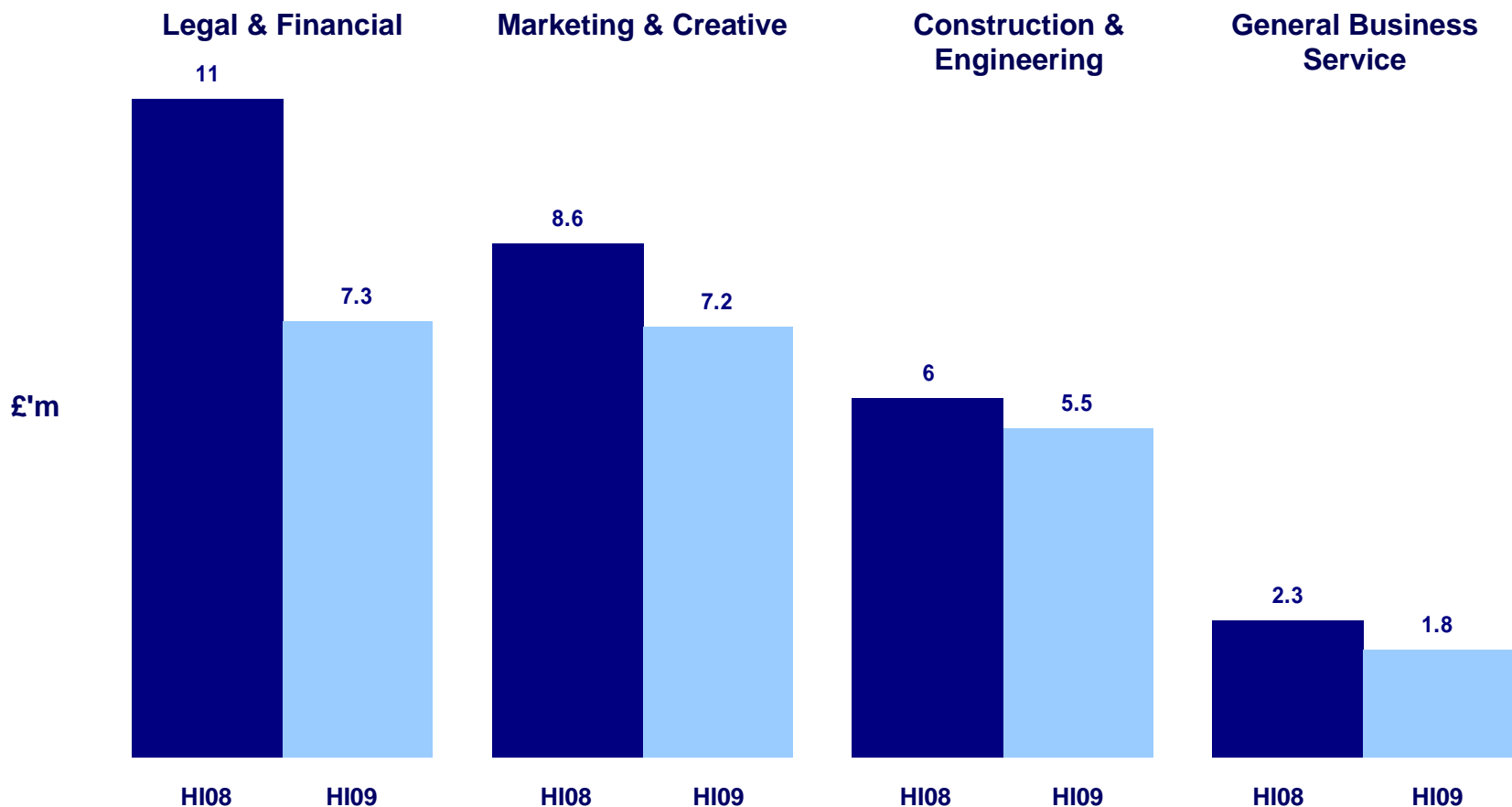
H1 2009



■ Print
 ■ Web
 ■ PI
 ■ Events
 ■ Other

£'m	H1 2008	H1 2009	% change
Publishing	27.7	22.0	-21
Print	22.2	16.6	-25
Web	5.5	5.4	-2
Perfect Info	3.0	2.5	-17
Events	7.5	6.6	-12
Other	0.9	0.4	-56
Total Group	39.1	31.5	-19

Publishing revenues by division



% of divisional publishing revenue derived from online

Legal & Financial	19%	27%	Marketing & Creative	19%	24%	Construction & Engineering	25%	25%	General Business Service	13%	17%
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% of divisional publishing revenue derived from recruitment

Legal & Financial	29%	27%	Marketing & Creative	36%	31%	Construction & Engineering	12%	11%	General Business Service	17%	17%
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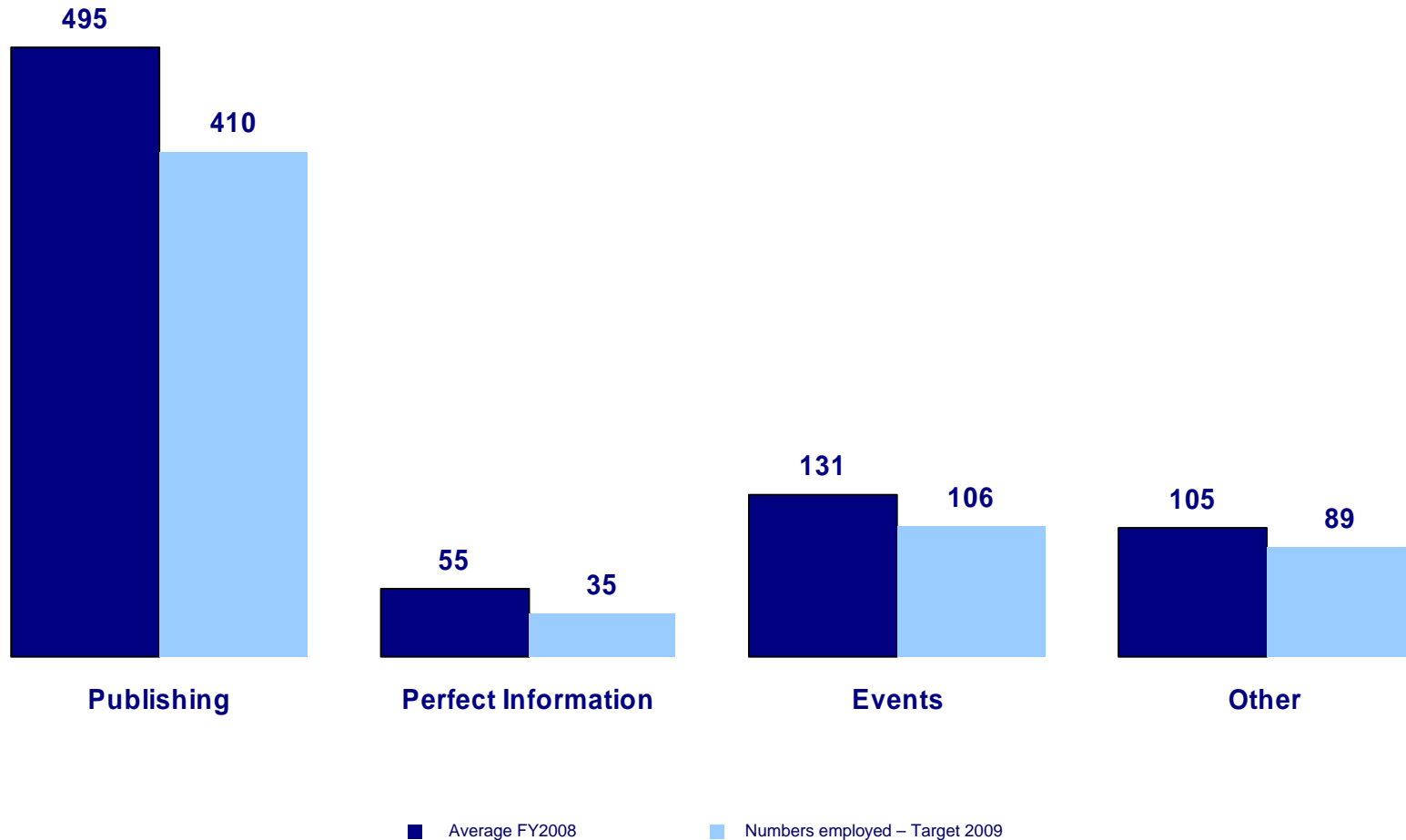
Headcount reduction

- 15% reduction already achieved
- Targeting approx. 20% reduction in employee numbers when all initiatives completed
- Total employment costs expected to decrease by £6.8m (19%) in FY2009
- Further review of employee numbers underway

Restructuring of operations

- Continuation of initiatives commenced in FY2008
- 3 niche magazines titles merged into Marketing Week (Precision Marketing, Brand Strategy, Instore)
- Marketing division editorial, sales and production teams integrated
- Disposal of Public Private Finance magazine
- Headline property discontinued
- Resourcing magazine merged with The Recruiter
- Review of editorial and sales resource across all operations

Target reductions in employee numbers



Full year cost reductions



£'m	Full year expenditure FY 2008	Cost savings in FY 2009			Annualised cost savings
		H1	H2	FY2009	
Salaries and staff costs	29.5	1.2	2.4	3.6	6.1
Variable staff costs	7.1	1.0	2.2	3.2	2.7
Total employment costs	36.6	2.2	4.6	6.8	8.8
Other cost savings		1.0	2.2	3.2	3.2
Total cost savings		3.2	6.8	10.0	12.0
Implementation costs		0.3	1.0	1.3	

Summary cash flow statement



£'m	31 Dec 2008	31 Dec 2007
Cash generated from operations	2.7	6.8
Capital expenditure	(2.3)	(0.9)
Free cash flow ("FCF")	0.4	5.9
<i>% FCF of adjusted operating profit</i>	67%	118%
Tax paid	(1.9)	(2.4)
Interest received	0.1	0.1
Acquisitions & disposals of business's	(0.2)	0.1
Loan notes repaid	-	(0.9)
Treasury shares purchased	(0.9)	(7.4)
Dividends paid	(4.2)	(3.6)
Net (decrease) / increase in cash	(6.7)	(8.2)
Cash at 1 July	7.7	9.9
Cash at 31 December	1.0	1.7

Outlook – Managing through the downturn



- **Cash preservation**
- **Prudent dividend policy**
- **Tight cost control**
- **Ungeared balance sheet**
- **Experienced management team**