# Centaur Holdings plc

## Interim Report
## 6 months ended 31 December 2005

# Centaur Holdings plc

## Interim report for the 6 months ended 31 December 2005

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# Centaur Holdings plc

## Highlights

Centaur Holdings plc "(Centaur)" announces its results for the six months ended 31 December 2005. A statement explaining the effects on Centaur's financial statements of adopting International Financial Reporting Standards (IFRS) is also published today.

| | **6 months ended 31 December 2005 £'000** | 6 months ended 31 December 2004 £'000 | Movement |
|---|---|---|---|
| Revenue | **33,809** | 31,602 | 7% |
| Adjusted EBITDA | **4,133** | 2,847 | 45% |
| Depreciation | **(319)** | (436) | |
| Amortisation of computer software | **(950)** | (779) | |
| Net interest income | **220** | 122 | |
| Share of profit from associate | **50** | 39 | |
| Adjusted profit before tax | **3,134** | 1,793 | 75% |
| Amortisation of brands and publishing rights | **(37)** | (5) | |
| Share based payments | **(195)** | (261) | |
| Exceptional credit / (cost) | **2,000** | (485) | |
| Profit before tax | **4,902** | 1,042 | |
| Earnings per share | | | |
| - basic | **2.66p** | 0.43p | |
| - adjusted basic | **1.47p** | 0.93p | |

- **Overall advertising revenues up 8%, with particularly strong performance by the Legal & Financial division.**
- **Perfect Information reports £0.6 million improvement in EBITDA to £0.6 million led by 8% revenue growth and benefits of prior year cost savings.**
- **New product development activity continuing, including two new magazines, three new events and two new websites launched in period.**
- **Four acquisitions completed since July 2005 – Supply Chain Business and Logistics Europe; The Recruiter; Period Living and Headline Money.**
- **Interim dividend of 0.6 pence per share proposed.**

# Centaur Holdings plc

## Highlights (continued)

**Graham Sherren, Chairman and Chief Executive Officer of Centaur Holdings plc, said: "The results in the first half show further satisfactory year-on-year growth, reflecting the success of our strategy of creating market-leading products across a range of market sectors. The outlook for the second half is positive and we remain confident about the outcome for the full year to 30 June 2006."**

Enquiries:

| | | |
|---|---|---|
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www.centaur.co.uk

# Centaur Holdings plc

## Chairman's Interim Statement

### Introduction

I am pleased to announce that Centaur achieved further satisfactory growth in both turnover and profits in the six months to 31 December 2005. 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) turnover grew 7% to £33.8 million and adjusted PBT increased by 75% to £3.1 million (2004: £1.8 million).

These interim results have been prepared under International Financial Reporting Standards (IFRS) for the first time. A statement explaining the effect of adoption of IFRS on the Company's results is also issued today. As a result of IFRS adoption, these interim results include a charge in respect of share based payments amounting to £195,000. In addition, the Company reported amortisation of acquired intangibles amounting to £37,000. The Company also reported an exceptional gain of £2 million, which has arisen on release of a provision for contingent consideration relating to the acquisition of Synergy Software Solutions Ltd in October 2003. As a result, the Company reported a profit before tax of £4.9 million in the six months ended 31 December 2005 (2004: £1.0 million).

### Business Overview

Centaur benefits from a strong presence in a number of high-value vertical market sectors, in which it pursues its strategy of building market leading positions through multiple media platforms. During the period, it has experienced strong growth in several of these sectors, shown by the analysis of results set out at the end of this chairman's statement.

Advertising remains the principal source of revenue, generating 56% of revenues during the first half. Overall advertising revenues grew 8% in the period, continuing the cyclical recovery that commenced in early 2004. The overall pace of growth in recruitment advertising revenues slowed after the strong gains earlier in the cycle. Other advertising, principally display, continued to record solid growth in the period.

Revenues from online products grew 14%, led by a good performance from Perfect Information and continued strong growth in internet advertising, particularly recruitment, which increased by 50% year on year, offsetting a relatively flat recruitment performance in the magazines. Events revenues grew 5%, with strong growth in exhibitions and awards offset by softness in topic-based conferences.

Centaur has a strong record of successful organic growth, with most of its current portfolio having been launched rather than acquired. During the period, we launched two new magazines. Move or Improve is an extension of the market-leading magazine Homebuilding & Renovating and Modern Carpets and Textiles is published by the Hali magazine team. These incurred a small loss in the period. A third magazine, Lending Strategy, has just been launched by its sister publication, Mortgage Strategy. Each of these magazines is designed to be published monthly and they are expected to trade close to break-even in aggregate in this first year of launch, moving into profit in the following year.

Our major new product, Finance Week, continued to build circulation during the period. However, in view of the opportunities to extend the magazine's reach to a wider audience, we announced in February 2006 that we have converted Finance Week to an exclusively online format. It is believed that this will enhance revenue opportunities and result in a lower cost base for the service.

We also ran a number of new meetings-based or awards events. The most important of these in the period was the Mortgage Summit, which was launched in Spain in September 2005 and which, due to strong demand from delegates, will be repeated in June 2006. In September 2005 we also ran the first Logistics Link exhibition, following its acquisition with the magazine Logistics Manager in January 2005. The second Logistics Link exhibition has just run successfully in February 2006 and we have planned to run a third show in June 2006.

# Centaur Holdings plc

## Chairman's Interim Statement (continued)

We announced two small acquisitions during the period. The purchase from UKTP, in October 2005 for £0.3 million, brought us the magazine Supply Chain Business (which we have integrated with Logistics Manager) and the magazine Logistics Europe and its related Awards. This is a small acquisition, which is expected to have little impact on current year results, but which serves to consolidate Centaur's position at the centre of this important sector. In December 2005 we acquired the fortnightly magazine The Recruiter for £4 million. This is the leading title serving the recruitment sector and we anticipate attractive growth opportunities through extensions of the brand. The first of these, a website, is planned to be launched in the second half. The Recruiter is currently trading in line with expectations and the acquisition is expected to provide a modest positive contribution to earnings in the current financial year.

In January 2006 we acquired the monthly magazine Period Living for £1.5 million. This strong brand is expected to fit well into Centaur's growing portfolio of specialist consumer businesses, centred on our successful brand, Homebuilding & Renovating "(HBR)". HBR's target market is those people in the UK who build their own homes. Readers in this market have a high information need and as a result, we consider the business model and opportunities for brand extensions to be highly complementary with those of business to business publishing. Period Living is also expected to provide a positive contribution to earnings in the current financial year.

In March 2006 we have announced the acquisition of the website Headline Money for a maximum consideration of £1.2 million. This is also expected to provide a small positive contribution to earnings in the current financial year.

These acquisitions have been funded from the Company's cash resources. Operating cash flow was strong during the period and net cash balances at 31 December 2005, after payment of the full consideration for the "UKTP" magazines and The Recruiter, amounted to £7.9 million, net of loan note deposits, compared with an equivalent balance of £10.0 million at 30 June 2005.

The Board has declared an interim dividend of 0.6p per share (2004: 0.5p). The interim dividend will be paid on 21 April 2006 to shareholders on the share register at 24 March 2006.

**Review of divisional results**

With the adoption of IFRS, we have identified five major operating business segments, the results of which we will report in our Report and Accounts. These are Legal & Financial; Marketing, Creative & New Media; Construction & Engineering; Perfect Information and Other. The reporting of the results of these Divisions emphasises the strong community focus that underlies Centaur's strategy and best reflects the way that the business is managed.

**Legal & Financial**

Revenues grew 10% in the period compared with the corresponding period in 2004/05 and further cost savings led to EBITDA margins rising to 25% (2004:18%). This division's target markets – lawyers and IFA's – continued to strengthen, benefiting the major established brands in this division. In the IFA sector, where investment and mortgages have been particularly robust, the more recently launched weekly magazines Mortgage Strategy and Fund Strategy continued to deliver rapid growth in turnover and profits. In the legal sector, The Lawyer delivered further strong growth, reflecting the ongoing high levels of corporate legal activity. Thelawyer.com revenue growth continued to accelerate and margins significantly improved.

## Chairman's Interim Statement (continued)

### Marketing, Creative & New Media

Revenues declined 4% on the corresponding period in 2004/05 and EBITDA margins fell back to 8% (2004: 15%). The recent weakness in consumer confidence, as most clearly demonstrated in the retail and consumer goods sectors, had an adverse impact on the marketing and creative division. Although overall division revenues declined market shares were broadly stable in volume terms. Recruitment and Conference revenues were affected most by the underlying market softness. A number of new product initiatives were developed in order to support revenues but direct costs increased due to the impact of this less favourable sales mix, resulting in lower margins.

### Engineering & Construction

Revenues grew 11% and margins recovered to 16% (2004: 7%). The engineering sector is feeling the effects of high energy and input materials costs. Nevertheless, The Engineer continued its steady recovery, reflecting its successful re-positioning as the UK's leading news magazine for technology and innovation. During the period it generated a high level of principally volume-led revenue growth complemented by the impact of prior period cost reduction initiatives. The Engineer Online also generated strong revenue growth, albeit from a low level, and benefited from a lower cost base. In Construction, the relatively soft landing experienced to date by the housing market has also enabled Homebuilding & Renovating magazine and its related exhibitions to show further modest growth.

### Perfect Information

Revenues grew 8% and Perfect Information (PI) delivered an EBITDA of £0.6 million against a loss of £0.05 million in the comparative period. Demand in PI's core investment banking market in the UK has increased due to high levels of M&A activity, although the market remains price sensitive. During the six months to 31 December 2005, the growth in revenues, led by further growth in subscriptions to PI's core filings product, was enhanced by the favourable impact of cost saving initiatives undertaken in the prior year period. Perfect Analysis, whose development as a pure web-based solution (PA Web) continued during the period, also contributed modestly to the revenue growth in the period. PA Web was launched as planned in February 2006 and is expected to make a positive profit contribution from the final quarter of this financial year.

### Other

Revenues grew 28% in the period, but EBITDA losses increased to £0.8 million (2004: £0.7 million). The key brands in this group are Employee Benefits, Business Travel, Finance Week, Hali and Televisual. Employee Benefits and Business Travel both performed well in the period, with the latter staging the Business Travel Show in Düsseldorf in October 2005. This was a successful show, which made a small profit contribution following last year's launch show losses of £0.2 million. Finance Week's (FW) revenues in the period were £0.2 million ahead of the previous year, but its costs were significantly higher, as a result of increased circulation and staffing costs. As a result, FW losses increased to £0.9 million (2004: £0.7 million). Hali and Televisual both experienced difficult market conditions and their profitability declined as a result. Logistics Manager and the "UKTP" magazines and Recruiter had little impact on the results in the period.

### Management succession

As indicated in the Company's listing particulars at the time of its admission to AIM in March 2004, it is intended to separate the roles of Chairman and Chief Executive by the time of the Annual General Meeting this year. The process to achieve this objective is underway.

## Chairman's Interim Statement (continued)

### Current trading & outlook

The overall outlook for the second half is positive and we expect further year on year growth in revenues and profits in the six months to June 2006. Most parts of the business are currently trading comfortably ahead of last year. With a strong pipeline of new products and further growth in our established business, we are confident of a positive outcome for the full year.

# Centaur Holdings plc

## Chairman's Interim Statement (continued)

### Analysis of results

| | Six months to 31 December 2005 | | Six months to 31 December 2004 | |
|---|---|---|---|---|
| | **Turnover** | **EBITDA** | Turnover | EBITDA |
| | **£' 000** | **£' 000** | £' 000 | £' 000 |
| **By Division** | | | | |
| Legal and Financial | **10,097** | **2,558** | 9,182 | 1,671 |
| Marketing, Creative and New Media | **10,563** | **843** | 11,001 | 1,596 |
| Construction and Engineering | **5,945** | **965** | 5,362 | 360 |
| Perfect Information | **2,956** | **600** | 2,733 | (46) |
| Other | **4,248** | **(833)** | 3,324 | (734) |
| | **33,809** | **4,133** | 31,602 | 2,847 |
| **By Source** | | | | |
| Recruitment advertising | **5,388** | **-** | 5,145 | - |
| Other advertising | **13,386** | **-** | 12,310 | - |
| Circulation Revenue | **2,551** | **-** | 2,691 | - |
| Online subscriptions | **3,614** | **-** | 3,169 | - |
| Events | **8,465** | **-** | 8,063 | - |
| Other | **405** | **-** | 224 | - |
| | **33,809** | **-** | 31,602 | - |
| **By Product Type** | | | | |
| Magazines | **18,617** | **2,073** | 17,836 | 2,231 |
| Events | **8,465** | **987** | 8,063 | 531 |
| Online products | **5,636** | **869** | 4,955 | (74) |
| Other | **1,091** | **204** | 748 | 159 |
| | **33,809** | **4,133** | 31,602 | 2,847 |
| **By Maturity** | | | | |
| Existing communities | | | | |
| - established products | **27,675** | **5,119** | 26,035 | 4,041 |
| - new products (1) | **4,972** | **188** | 5,118 | (46) |
| Underlying turnover and EBITDA | **32,647** | **5,307** | 31,153 | 3,995 |
| Acquisitions (2) | **953** | **(287)** | 405 | (472) |
| New communities - new products (3) | **209** | **(887)** | 44 | (676) |
| | **33,809** | **4,133** | 31,602 | 2,847 |

1. New products are defined as any product launched in the last three years and are reported by reference to the three years preceding each reporting date. A community is defined by reference to the consumers of the relevant products.
2. Acquisitions are also reported by reference to the three years preceding each reporting date.
3. A new community is defined as any group of consumers not previously served by any products in the three years preceding each reporting date.

# Centaur Holdings plc

## Independent review report to Centaur Holdings plc

### Introduction

We have been instructed by the company to review the financial information for the six months ended 31 December 2005 which comprises the consolidated interim balance sheet as at 31 December 2005 and the related consolidated interim statements of income, cash flows and changes in shareholders' equity for the six months then ended 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 financial information.

### Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority.

The next annual financial statements of the group will be prepared in accordance with accounting standards adopted for use in the European Union. This interim report has been prepared in accordance with the basis set out on page 14.

The accounting policies are consistent with those that the directors intend to use in the next annual financial statements. As explained on page 14, there is, however, a possibility that the directors may determine that some changes are necessary when preparing the full annual financial statements for the first time in accordance with accounting standards adopted for use in the European Union. The IFRS standards and IFRIC interpretations that will be applicable and adopted for use in the European Union at 30 June 2006 are not known with certainty at the time of preparing this interim financial information.



### Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing 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.

### Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 December 2005.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London

9 March 2006

Notes:

(a) The maintenance and integrity of the Centaur Holdings 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 Holdings plc

## Consolidated Income Statement for the 6 months ended 31 December 2005

| | Notes | **Unaudited 6 months ended 31 December 2005 £'000** | Unaudited 6 months ended 31 December 2004 £'000 | Unaudited Year ended 30 June 2005 £'000 |
|---|---|---|---|---|
| **Revenue** | **1** | **33,809** | 31,602 | 72,215 |
| Cost of sales | | **(18,603)** | (18,317) | (39,248) |
| **Gross profit** | | **15,206** | 13,285 | 32,967 |
| Distribution costs | | **(2,109)** | (1,994) | (4,164) |
| Administrative expenses | | **(8,465)** | (10,410) | (19,919) |
| EBITDA before exceptional costs | **1** | **4,133** | 2,847 | 12,212 |
| Depreciation of property, plant and equipment | | **(319)** | (436) | (557) |
| Amortisation of intangibles | **5** | **(987)** | (784) | (1,829) |
| Share-based payments | | **(195)** | (261) | (457) |
| Exceptional administrative credit / (cost) | **6** | **2,000** | (485) | (485) |
| **Operating profit** | | **4,632** | 881 | 8,884 |
| Interest payable and similar charges | | **-** | (5) | (3) |
| Interest receivable | | **220** | 127 | 295 |
| Share of post tax profit from associate | | **50** | 39 | 27 |
| **Profit before tax** | | **4,902** | 1,042 | 9,203 |
| Taxation | **2** | **(927)** | (405) | (2,754) |
| **Profit for the period** | | **3,975** | 637 | 6,449 |
| **Earnings per share expressed in pence per share** | | | | |
| - Basic | **4** | **2.66** | 0.43 | 4.35 |
| - Diluted | **4** | **2.65** | 0.43 | 4.31 |

The Group has no recognised income or expense for the period other than the profit stated above.

# Centaur Holdings plc

## Consolidated balance sheet at 31 December 2005

| | Notes | **Unaudited 31 December 2005** | Unaudited 31 December 2004 | Unaudited 30 June 2005 |
|---|---|---|---|---|
| | | **£'000** | £'000 | £'000 |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Goodwill | | **138,426** | 138,426 | 138,426 |
| Intangible assets | 5 | **8,328** | 3,596 | 4,076 |
| Property, plant and equipment | | **2,156** | 1,762 | 2,096 |
| Investments accounted for using equity method | | **262** | 224 | 212 |
| Deferred tax assets | | **460** | 1,749 | 1,249 |
| | | **149,632** | 145,757 | 146,059 |
| **Current assets** | | | | |
| Inventories | | **1,890** | 1,529 | 1,320 |
| Trade and other receivables | | **14,478** | 14,209 | 15,698 |
| Cash and cash equivalents | | **10,183** | 9,167 | 12,480 |
| | | **26,551** | 24,905 | 29,498 |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | | **(23,479)** | (23,528) | (22,799) |
| Current tax liabilities | | **-** | - | (461) |
| Provisions | | **-** | (546) | - |
| | | **(23,479)** | (24,074) | (23,260) |
| **Net current assets** | | **3,072** | 831 | 6,238 |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | | **(1,112)** | (1,112) | (1,112) |
| Provisions | 6 | **(500)** | (2,500) | (2,500) |
| | | **(1,612)** | (3,612) | (3,612) |
| **Net assets** | | **151,092** | 142,976 | 148,685 |
| **Shareholders' equity** | | | | |
| Ordinary shares | | **14,932** | 14,799 | 14,932 |
| Share premium | | **287** | 127,047 | 287 |
| Other reserves | | **2,218** | 1,827 | 2,023 |
| Retained earnings | | **133,655** | (697) | 131,443 |
| **Total shareholders' equity** | 7 | **151,092** | 142,976 | 148,685 |

The interim financial statements on pages 11 to 20 were approved by the Board of Directors on 9 March 2006 and were signed on its behalf by

G.T.D.Wilmot
Director

# Centaur Holdings plc

## Consolidated cash flow statement for the 6 months ended 31 December 2005

| | Notes | **Unaudited 6 months ended 31 December 2005 £'000** | Unaudited 6 months ended 31 December 2004 £'000 | Unaudited Year ended 30 June 2005 £'000 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Cash generated from operations | **8** | **5,182** | 2,627 | 9,646 |
| Interest received | | **174** | 119 | 293 |
| Interest paid | | **-** | (51) | (49) |
| Tax paid | | **(570)** | 54 | (1,105) |
| Net cash from operating activities | | **4,786** | 2,749 | 8,785 |
| **Cash flows from investing activities** | | | | |
| Proceeds from the sale of subsidiary | | **416** | 417 | 417 |
| Purchase of property, plant and equipment | | **(379)** | (244) | (742) |
| Proceeds from sale of property, plant and equipment | | **1** | 18 | 16 |
| Purchase of intangible assets | | **(5,137)** | (842) | (2,387) |
| Net cash used in investing activities | | **(5,099)** | (651) | (2,696) |
| **Cash flows from financing activities** | | | | |
| Net proceeds from issue of ordinary share capital | | **-** | - | 420 |
| Repayment of loan notes | | **(192)** | (583) | (941) |
| Dividends paid to shareholders | | **(1,792)** | (1,480) | (2,220) |
| Net cash used in financing activities | | **(1,984)** | (2,063) | (2,741) |
| **Net (decrease) / increase in cash and cash equivalents** | | **(2,297)** | 35 | 3,348 |
| Cash and cash equivalents at 1 July | | **12,480** | 9,132 | 9,132 |
| **Cash and cash equivalents** | | **10,183** | 9,167 | 12,480 |

# Centaur Holdings plc

## Basis of preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention in accordance with the accounting policies the Group expects to be applicable at 30 June 2006. These policies are set out in a separate announcement issued today on the impact of adopting International Reporting Standards. ("IFRS's").

The IFRS's and interpretations issued by both the Standing Interpretations Committee and the International Financial Reporting Interpretations Committee ("IFRIC") that will be applicable at 30 June 2006, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements. These figures may therefore require amendment to change the basis of accounting or presentation of certain financial information, before their inclusion in the IFRS financial statements for the year ending 30 June 2006, which will be the Group's first full set of IFRS financial statements.

As permitted, the interim financial statements have been prepared in accordance with the UK listing rules and not in accordance with IAS 34 "interim Financial Reporting". Detailed reconciliations of equity and profit following the adoption of IFRS are available on the Group's website at www.centaur.co.uk and a summary of these reconciliations appears in note 9.

These interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Comparative figures for six months ended 31 December 2004 and the year ended 30 June 2005 have been restated to reflect the changes required by IFRS and are not the Group's statutory accounts for those periods.

## Centaur Holdings plc

### Notes to the interim financial statements

### 1 Segmental reporting

### Primary reporting format – business segments

The group is organised into five main business segments:

| Six months ended 31 December 2005 | Legal and Financial | Marketing, Creative and New Media | Construction and Engineering | Perfect Information | Other | Unallocated | Group |
|---|---|---|---|---|---|---|---|
| | £' 000 | £' 000 | £' 000 | £' 000 | £' 000 | £' 000 | £' 000 |
| **Revenue** | **10,097** | **10,563** | **5,945** | **2,956** | **4,248** | **-** | **33,809** |
| EBITDA before exceptional costs | 2,558 | 843 | 965 | 600 | (833) | - | 4,133 |
| Depreciation of property, plant and equipment | (65) | (86) | (50) | (68) | (50) | - | (319) |
| Amortisation of intangibles | (223) | (175) | (81) | (384) | (124) | - | (987) |
| Share based payments | - | - | - | - | - | (195) | (195) |
| Exceptional administrative credit | - | - | - | 2,000 | - | - | 2,000 |
| Segment result | 2,270 | 582 | 834 | 2,148 | (1,007) | (195) | 4,632 |
| Interest Income | - | - | - | - | - | 220 | 220 |
| Share of post tax profit from associate | 50 | - | - | - | - | - | 50 |
| Profit before tax | 2,320 | 582 | 834 | 2,148 | (1,007) | 25 | 4,902 |
| Income taxes | - | - | - | - | - | (927) | (927) |
| **Profit attributable to equity shareholders** | 2,320 | 582 | 834 | 2,148 | (1,007) | (902) | 3,975 |

# Centaur Holdings plc

## Notes to the interim financial statements

## 1 Segmental reporting (continued)

| Six months ended 31 December 2004 | Legal and Financial | Marketing, Creative and New Media | Construction and Engineering | Perfect Information | Other | Unallocated | Group |
|---|---|---|---|---|---|---|---|
| | £' 000 | £' 000 | £' 000 | £' 000 | £' 000 | £' 000 | £' 000 |
| **Revenue** | **9,182** | **11,001** | **5,362** | **2,733** | **3,324** | **-** | **31,602** |
| EBITDA before exceptional costs | 1,671 | 1,596 | 360 | (46) | (734) | - | 2,847 |
| Depreciation of property, plant and equipment | (50) | (75) | (51) | (217) | (43) | - | (436) |
| Amortisation of intangibles | (229) | (173) | (68) | (213) | (101) | - | (784) |
| Share based payments | - | - | - | - | - | (261) | (261) |
| Exceptional administrative cost | - | - | - | - | - | (485) | (485) |
| Segment result | 1,392 | 1,348 | 241 | (476) | (878) | (746) | 881 |
| Interest payable and similar charges | - | - | - | - | - | (5) | (5) |
| Interest Income | - | - | - | - | - | 127 | 127 |
| Share of post tax profit from associate | 39 | - | - | - | - | - | 39 |
| Profit before tax | 1,431 | 1,348 | 241 | (476) | (878) | (624) | 1042 |
| Income taxes | - | - | - | - | - | (405) | (405) |
| **Profit attributable to equity shareholders** | 1,431 | 1,348 | 241 | (476) | (878) | (1029) | 637 |

# Centaur Holdings plc

## Notes to the interim financial statements

## 2 Taxation

The tax charge for the period has been calculated by as follows:

| | £'000 |
|---|---|
| Profit on ordinary activities before taxation | **4,902** |
| Add back: | |
| Exceptional administrative credit | **(2,000)** |
| Disallowed expenses | **188** |
| Taxable profits | **3,090** |
| Tax at 30% | **927** |

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## 3 Dividends

An interim dividend of 0.6p (2004: 0.5p) per 10p ordinary share is proposed. This amounts to £896,000 and will be paid on 21 April 2006 to all shareholders on the register as at 24 March 2006.

## 4 Earnings per share

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

| | **Six months to 31 December 2005** | | | Six months to 31 December 2004 | | |
|---|---|---|---|---|---|---|
| | **Earnings** | **Weighted average no. of shares** | **Per-share amount** | Earnings | Weighted average no. of shares | Per-share amount |
| | **£' 000** | **millions** | **pence** | £' 000 | millions | pence |
| **Basic EPS** | | | | | | |
| Earnings attributable to ordinary shareholders | **3,975** | **149.3** | **2.66** | 637 | 148.0 | 0.43 |
| **Effect of dilutive securities** | | | | | | |
| Options | **-** | **0.5** | **-** | - | 1.4 | - |
| **Diluted basic EPS** | **3,975** | **149.8** | **2.65** | 637 | 149.4 | 0.43 |
| **Adjusted EPS** | | | | | | |
| Earnings attributable to ordinary shareholders | **3,975** | **-** | **-** | 637 | - | - |
| Amortisation of brands and publishing rights | **37** | **-** | **-** | 5 | - | - |
| Share based payments (net of deferred tax) | **186** | **-** | **-** | 252 | - | - |
| Exceptional administrative (credit) / cost | **(2,000)** | **-** | **-** | 485 | - | - |
| Adjusted profit for the period | **2,198** | **149.3** | **1.47** | 1,379 | 148.0 | 0.93 |
| **Effect of dilutive securities** | | | | | | |
| Options | **-** | **0.5** | **-** | - | 1.4 | - |
| **Diluted adjusted EPS** | **2,198** | **149.8** | **1.47** | 1,379 | 149.4 | 0.92 |

## Notes to the interim financial statements

## 5 Intangible assets

| | Brands/ publishing rights | Computer software | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Cost** | | | |
| At 1 July 2005 | 688 | 8,352 | 9,040 |
| Additions | 4,355 | 463 | 4,818 |
| Additions – internally generated | - | 421 | 421 |
| At 31 December 2005 | **5,043** | **9,236** | **14,279** |
| **Aggregate amortisation** | | | |
| At 1 July 2005 | 18 | 4,946 | 4,964 |
| Charge for the period | 37 | 950 | 987 |
| At 31 December 2005 | **55** | **5,896** | **5,951** |
| **Net book amount** | | | |
| **At 31 December 2005** | **4,988** | **3,340** | **8,328** |
| At 30 June 2005 | 670 | 3,406 | 4,076 |

The additions of £4,355,000 within brands and publishing rights relates to the acquisitions of the "UKTP" magazines and The Recruiter and is comprised of cash consideration of £4,253,000 and acquired net liabilities of £102,000.

## 6 Exceptional administrative credit / (cost)

Centaur Holdings plc acquired the Centaur Communications Group in March 2004. The net assets acquired included a contingent consideration payable to the previous shareholders of the Synergy Group ("Synergy") and is based on the profits of Synergy to 30 June 2007. At 31 December 2005 the provision for this consideration has been reassessed and reduced to £500,000 resulting in a release to the profit and loss account of £2 million. The release of this provision has been treated as an exceptional item.

The exceptional cost of £485,000 in the six months ended 31 December 2004 relates to fee's in respect of the admission of Centaur Holding's plc to the official list of the London Stock Exchange on 17 December 2004.

## Centaur Holdings plc

### Notes to the interim financial statements

### 7 Statement of changes in shareholders' equity

| | **6 months ended 31 December 2005** | 6 months ended 31 December 2004 | Year ended 30 June 2005 |
|---|---|---|---|
| | **£'000** | £'000 | £'000 |
| At 1 July 2005 | **148,685** | 143,525 | 143,525 |
| New share capital issued | **-** | - | 420 |
| Share options – value of employee services | **224** | 294 | 511 |
| Profit for the period | **3,975** | 637 | 6,449 |
| Dividends | **(1,792)** | (1,480) | (2,220) |
| **At 31 December 2005** | **151,092** | 142,976 | 148,685 |

### 8 Cash flow from operating activities

#### Cash generated from operations

| | **6 months ended 31 December 2005** | 6 months ended 31 December 2004 | Year ended 30 June 2005 |
|---|---|---|---|
| | **£'000** | £'000 | £'000 |
| Profit for the period | **3,975** | 637 | 6,449 |
| Adjustments for: | | | |
| Tax | **927** | 405 | 2,754 |
| Depreciation | **319** | 436 | 557 |
| Profit on disposal of property, plant and equipment | **(1)** | (16) | (11) |
| Amortisation of intangibles | **987** | 784 | 1,829 |
| Interest income | **(220)** | (127) | (295) |
| Interest expense | **-** | 5 | 3 |
| Share of associates' profit | **(50)** | (39) | (27) |
| Share option charge | **195** | 261 | 457 |
| Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries) | | | |
| Increase in inventories | **(570)** | (344) | (135) |
| Decrease / (increase) in trade and other receivables | **1,037** | (904) | (2,601) |
| Increase in payables | **583** | 1,824 | 1,507 |
| Decrease in provisions | **(2,000)** | (295) | (841) |
| **Cash generated from operations** | **5,182** | 2,627 | 9,646 |

## Notes to the interim financial statements

### 9 Adoption of International Financial Reporting Standards ("IFRS")

The following tables provide a summarised reconciliation of equity and profit following the adoption of IFRS. A statement containing detailed reconciliations is also published today and is available on the Group's website at www.centaur.co.uk.

**Reconciliation of profit before taxation**

| | Six months ended 31 December 2004 | Year ended 30 June 2005 |
|---|---|---|
| | £' 000 | £' 000 |
| (Loss) / profit before tax previously reported under UK GAAP | (2,693) | 2,616 |
| IFRS adjustments: | | |
| Amortisation of goodwill | 3,555 | 7,034 |
| Share based payments and other employee benefits | 180 | (447) |
| Profit before tax in accordance with IFRS | 1,042 | 9,203 |
| **Taxation:** | | |
| Taxation as previously reported under UK GAAP | (414) | (2,760) |
| Tax effect of IFRS adjustments | 9 | 6 |
| | (405) | (2,754) |
| Profit for the period in accordance with IFRS | 637 | 6,449 |

**Reconciliation of equity**

| | 31 December 2004 | 30 June 2005 |
|---|---|---|
| | £' 000 | £' 000 |
| Total equity previously reported under UK GAAP | 138,625 | 140,216 |
| IFRS adjustments: | | |
| Amortisation of goodwill | 3,555 | 7,034 |
| Dividends | 740 | 1,792 |
| Employee benefits - holiday pay | - | (431) |
| Deferred tax | 56 | 74 |
| Total equity in accordance with IFRS | 142,976 | 148,685 |