

CENTAUR MEDIA PLC



Annual Results Presentation

YEAR ENDED 30 JUNE 2006

Graham Sherren – Chairman & CEO
Geoff Wilmot – Chief Financial Officer



Agenda/Contents

- **Introduction & Operating Highlights**
 - Graham Sherren – Chairman & Chief Executive Officer
- **Performance Review**
 - Geoff Wilmot – Chief Financial Officer
- **Review of Strategy & Outlook**
 - Graham Sherren



GRAHAM SHERREN

**INTRODUCTION & OPERATING
HIGHLIGHTS**



Third successive year of superior growth:

3 year compound annual growth rates

- **Turnover** + **10%**
- **Adjusted EBITDA** + **33%**
- **Adjusted PBT** + **40%**
- **Adjusted EPS** + **64%**

Operating Highlights



Balanced organic growth with bolt-on acquisitions

Launched

Acquired



GEOFF WILMOT

PERFORMANCE REVIEW



Highlights

- Revenues up 14% to £82.3m (9% organic)
- Adjusted PBT up 36% to £13.2m
- EBITDA margin increased to 19%
- £11m spent on six bolt-on acquisitions
- Positive contribution from new product launches
- Net cash at year end £6.2m (2005: £10m)
- Proposed dividend up 77% to full year 3.0p



Sources of Revenue Growth

£m	2003/4	2004/5	%change	2005/6	%change
Recruitment advertising	10.0	11.6	16%	12.9	12%
Other advertising	25.4	26.7	5%	31.0	16%
Total advertising	35.4	38.3	8%	43.9	15%
Events	19.7	20.8	6%	23.9	15%
Electronic subs	6.3	6.9	9%	7.6	11%
Other	6.9	6.2	(10%)	6.9	11%
Total	68.3	72.2	6%	82.3	14%
Advertising share	52%	53%		53%	

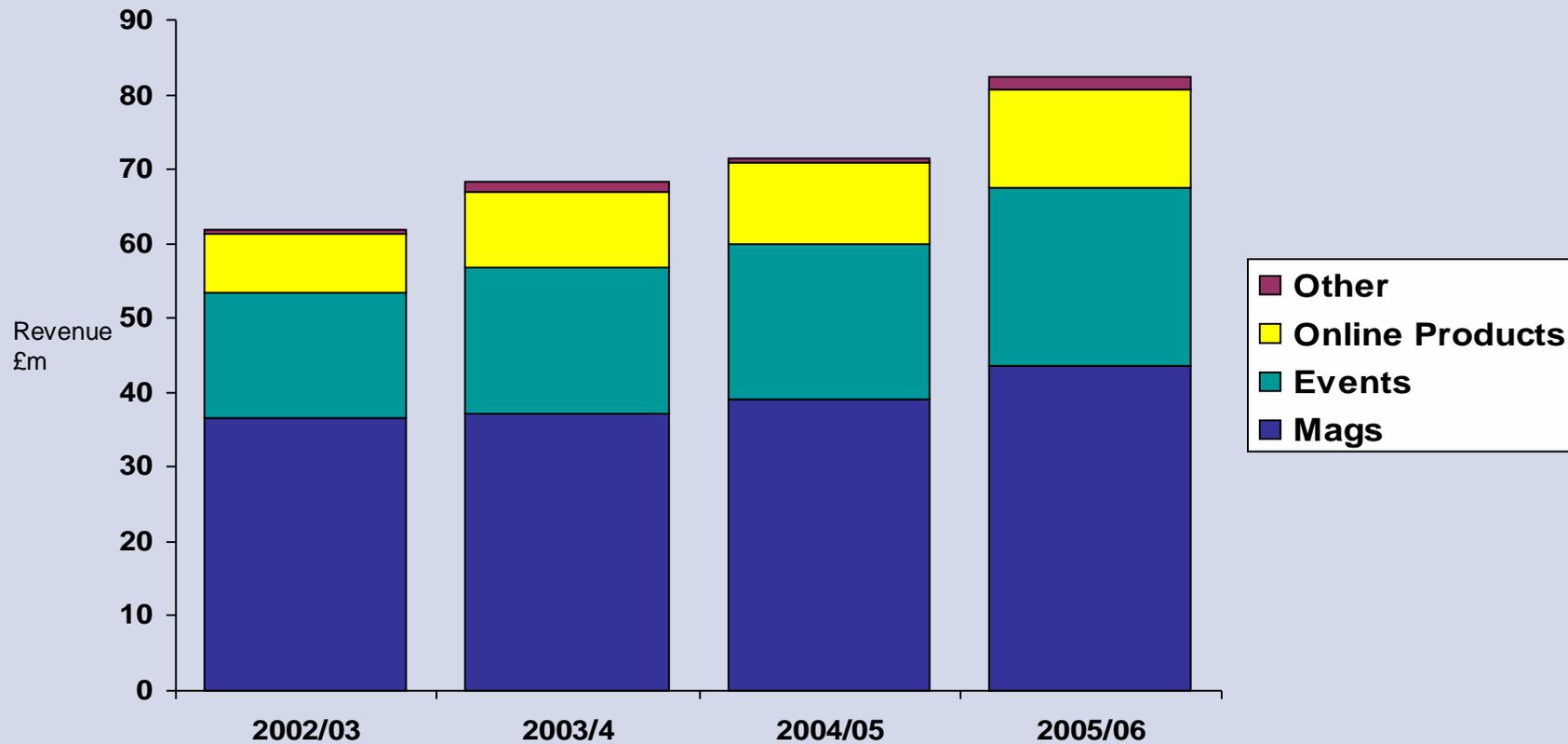


Sources of Revenue Growth (continued)

- **Strong second half - H2 growth 19% vs H1 7%**
- **9% full year organic revenue growth**
- **Strongest division: Legal & Financial up 18% (H2:+25%)**
- **Events revenues up 15% (H2:+21%)**
- **Online revenues up 20% (H2:+26%)**



Analysis of revenues by product type



Year	Magazine Share %	Online Share %	Events Share %
2002/03	59%	12%	27%
2003/4	55%	14%	29%
2004/05	54%	15%	29%
2005/06	53%	16%	29%

Performance Review

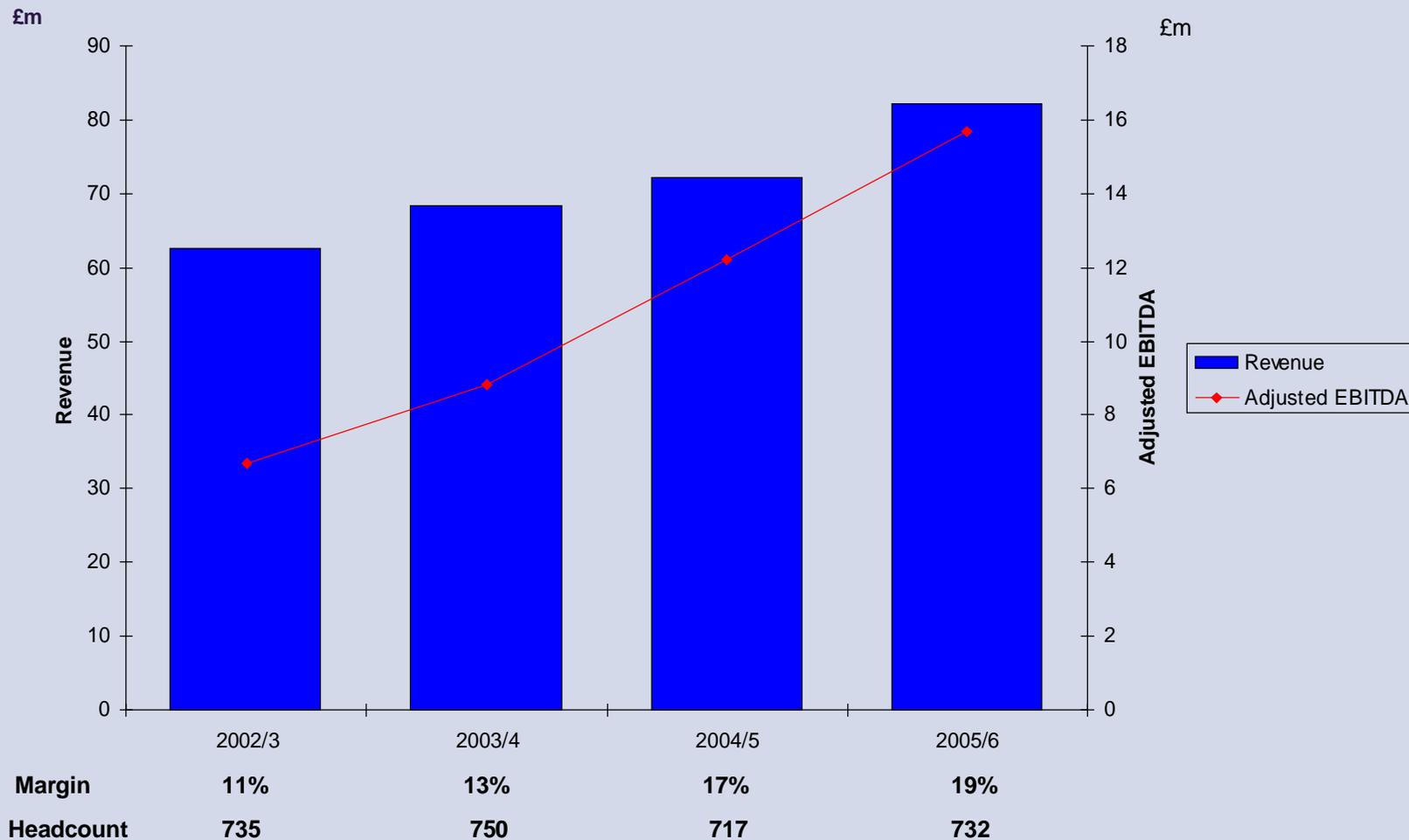


Adjusted PBT up 36% to £13.2m

<u>(£m)</u>	<u>2004/05</u>	<u>2005/06</u>	<u>Growth on prior year</u>
Revenue	<u>72.2</u>	<u>82.3</u>	+14%
Adjusted EBITDA	12.2	15.7	+29%
Depreciation	(0.6)	(0.7)	
Amortisation of computer software	(1.8)	(1.8)	
Share based payments	(0.4)	(0.4)	
Interest income & associates	<u>0.3</u>	<u>0.4</u>	
Adjusted PBT	9.7	13.2	+36%
Amortisation of acquired intellectual property	-	(0.3)	
Exceptional credit/(cost)	<u>(0.5)</u>	<u>2.2</u>	
Profit Before Tax	<u>9.2</u>	<u>15.1</u>	



Margins & productivity improving





Margins & productivity improving

- **High Operational Gearing**
 - 14% revenue growth + 3% headcount growth = 36% PBT growth
- **Profit Improvement Initiatives (in year)**
 - Move to in-house 'type-setting'
 - Outsourcing of central development resource
 - Finance Week moves online
 - Perfect Information out-sources New York office
 - Integration of Legal & Financial web operations
- **Profit Improvement Initiatives (since year end)**
 - Reduced frequency of Precision Marketing
 - Sale of Televisual
 - Reduced frequency of Process Engineering and Metal Working Production

Performance Review

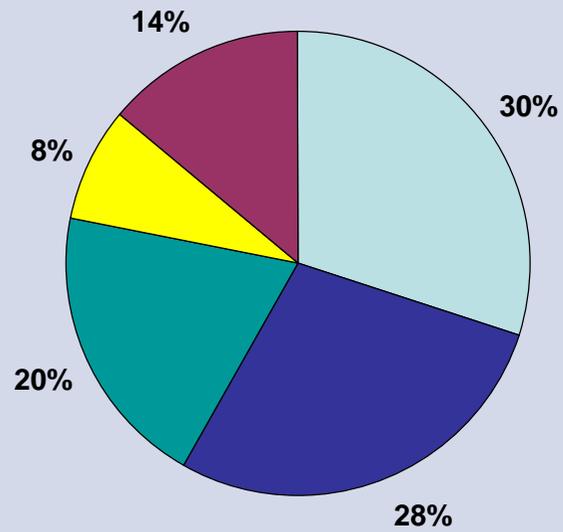


Overview of market groups

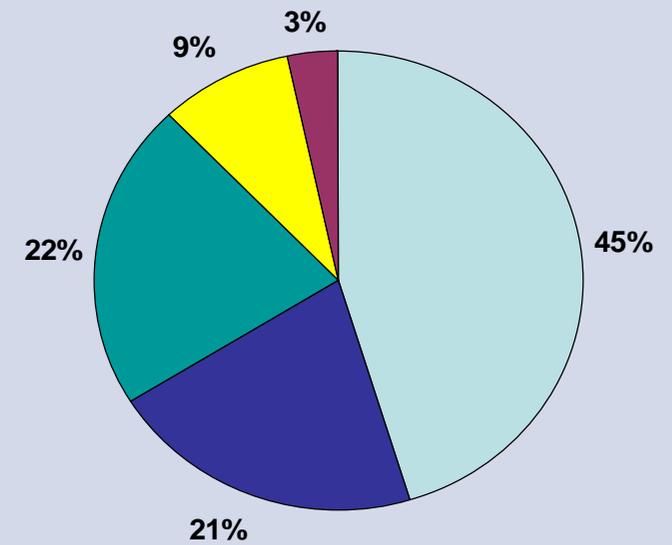
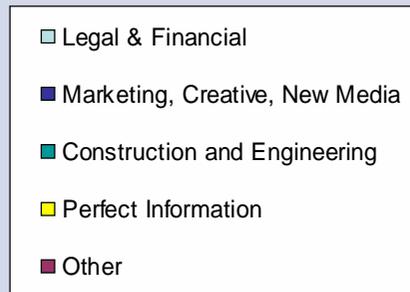
Legal & Financial	Marketing, Creative & New Media	Engineering & Construction	Perfect Information	Other
The Lawyer Money Marketing Mortgage Strategy Fund Strategy	Marketing Week Design Week Creative Review New Media Age	The Engineer Homebuilding & Renovating Period Living	n/a	Employee Benefits The Recruiter Logistics Manager
The Lawyer.com MM Online Headline Money	mad.co.uk nma.co.uk marketingweek.co.uk eCR	TheEngineer.co.uk Plotfinder.co.uk H&R.co.uk Pro-Talk	Perfect Filings Perfect Analysis	The Recruiter.co.uk LM.co.uk ABTN financeweek.co.uk
The Lawyer Summit Mortgage Summit Investment Summit Money Marketing Live Awards Conferences	Online Marketing In-Store Show Insight Show Marketing Week-Summit Awards Conferences	H & R Shows Subcon Awards Conferences	Perfect Learning	EB Shows Logistics Link Business Travel Shows Awards & Conferences



Results by Division (2005/06)



Revenue



Adjusted EBITDA

Performance Review



Results by Division

<u>£m</u>	<u>2004/05</u>		<u>2005/06</u>	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
Legal & Financial	20.7	5.4	24.5	7.1
Revenue growth/ margin %		26%	18%	29%
Marketing, Creative, New Media	24.0	4.9	23.5	3.3
Revenue growth/ margin %		20%	-2%	14%
Construction & Engineering	13.3	2.1	16.5	3.4
Revenue growth/ margin %		16%	24%	21%
Perfect Information	5.9	0.4	6.4	1.4
Revenue growth/ margin %		7%	8%	22%
Other	8.3	(0.6)	11.4	0.5
Revenue growth/ margin %		-7%	37%	4%
Total Revenue	72.2	12.2	82.3	15.7
Revenue growth/margin %		17%	14%	19%



Legal & Financial Division: Revenues up 18%, EBITDA + £1.7m

- Strong second half: H2 revenues up 25%
- Money Marketing & Fund Strategy benefit from H2 surge in retail investment
- The Lawyer Group boosted by strong M&A activity
- Investment Summit & 2nd Mortgage Summit in H2
- Mortgage market growth fuelled by equity release & buy to let drives Mortgage Strategy revenues
- Purchase of remaining 50% of Headlinemoney
- Launch of Lending Strategy





Marketing, Creative & New Media: Revenues down 2%, EBITDA - £1.6m

- **Continued market weakness** – retail, consumer goods, media owners, conferences, direct marketing
- **Volumes down but yields steady**
- **Bright spots;** interactive marketing, research
- **eCR launched**
- **Three new website launches planned**
- **Precision Marketing reduced frequency**
- **Profit improvement initiatives**

**MARKETING
WEEK**

**DESIGN WEEK
DW**

**mad
.co.uk**

NMA

MarketingWeek.co.uk

OnlineMarketing07
LEARN | UNDERSTAND | BE INSPIRED
26-27 JUNE
BUSINESS DESIGN CENTRE, LONDON



Engineering & Construction: Revenues up 24%, EBITDA + £1.3m

- The Engineer continues to deliver strong growth
- Homebuilding & Renovating steady in soft self- build market
- Strong growth in Events
- Move or Improve launched in October 2005
- Period Living acquired in January 2006
- Metal Working Production, What's New in Industry & Process Engineering reduce frequency.





PI: Revenues up 8%, EBITDA +£1.0m

- **Strong market supported by high levels of M & A**
- **Steady flow of new business wins through the year**
- **Significant developments of Perfect Analysis – back end; PA Web; PA Excel**
- **New York office outsourced and other cost savings**
- **Further developments of Perfect Filings in hand**

Performance Review



Other: revenues up by 37%, EBITDA + £1.1m

- **Good growth in business travel sector – improvement in all four shows**
- **Further strong growth in Employee Benefits**
- **Finance Week converted to online only format in March 2006**
- **UKTP Logistics titles acquired November 2005**
- **Recruiter acquired December 2005**
- **HALI & Televisual suffer from weak markets**
 - **HALI Modern Carpets & Textiles launched in October 2005**
 - **Televisual sold August 2006**

**employee
benefits**

FinanceWeek

HALI
www.hali.com CARPETS, TEXTILES AND ISSUABLE ART

modern
CARPETS & TEXTILES ART & DESIGN

Recruiter



Adjusted EPS up 32% to 6.2p

£m

2004/ 05

2005/ 06

Profits after tax (PAT)	6.4	11.4
Amortisation of acquired brands & publishing rights	-	0.3
Exceptional costs / (credits)	0.5	(2.2)
Tax effect of adjustments	<u>-</u>	<u>(0.1)</u>
Adjusted PAT	<u>6.9</u>	<u>9.3</u>
Weighted average no. shares (basic)	148.3	149.3
Effect of dilutive securities	<u>1.2</u>	<u>0.8</u>
Weighted average no. of shares (diluted)	<u>149.5</u>	<u>150.1</u>
Adjusted basic EPS	4.7p	6.2p + 32%
Adjusted diluted EPS	4.6p	6.2p + 35%



Strong cash generation

<u>£m</u>	<u>2004/ 05</u>	<u>2005/ 06</u>
Cash generated from operations	9.6	14.4
Cash exceptional items	0.5	-
Capital Spending		
- Property, plant and equipment	(0.7)	(1.0)
- Intangibles	(1.9)	(2.0)
	<u>7.5</u>	<u>11.4</u>
Adjusted Operating Profit	9.4	12.8
Cash conversion ratio	80%	89%
Net cash	10.0	6.2

Performance Review



Strong balance sheet

<u>£m</u>	<u>30.06.2005</u>	<u>30.06.2006</u>
Intangibles	142.5	155.1
Other non-current Assets	<u>3.5</u>	<u>4.4</u>
	146.0	159.5
Stocks	1.3	1.5
Trade and other receivables	15.7	18.7
Cash	<u>12.5</u>	<u>7.8</u>
	29.5	28.0
Deferred Income	9.9	10.5
Trade & other Creditors and Accruals	10.9	14.5
Loan Notes	<u>2.5</u>	<u>1.6</u>
	23.3	26.6
Non-current liabilities	3.6	3.0
Net Assets Employed	<u>148.6</u>	<u>157.9</u>
Share Capital & Reserves	17.2	17.6
Retained Earnings	131.4	140.3
Net Capital Employed	<u>148.6</u>	<u>157.9</u>



Balancing organic growth with acquisitions

- Six bolt-on acquisitions completed in period
- Investment required of c £13m (£2.5m deferred)
- Combined with Logistics Manager to add revenues of £3.9m and EBITDA of £0.4m
- Integration proceeding smoothly





Key elements of acquisition strategy/criteria

- Valuable market with growth potential
- Identifiable information need
- Existing or prospective market leadership
- £1m + profit contribution by community
- Good cultural fit



Acquisitions integrating smoothly



- **UKTP** : expanding our position in logistics sector
 - Purchase price: £0.3m



- **Recruiter** : market leader in new vertical well known to Centaur
 - Purchase price: £4.0m (before working capital adjustments)



- **Period Living** : Leveraging our special interest property publishing resource in under- exploited new vertical
 - Purchase price: £1.5m (before working capital adjustments)



Acquisitions integrating smoothly (cont'd)



- **Headline Money: taking full ownership to grow in other sectors**
 - Purchase price: Estimated at £1.2m (up to £1.2m)



- **Pro-Talk: increasing revenues from online search-marketing**
 - Purchase price: Estimated at £6m (up to £14m)



- **ABTN: expanding our presence in Business Travel Sector**
 - Purchase price: £0.1m



Graham Sherren

Review of Strategy & Outlook



1. Continue to identify new high value market verticals

- Primary focus on B2B
- Minimum profit potential - £1m before market entry
- Overriding objective to achieve market leadership

corporate
adviser

employee
benefits

FinanceWeek.co.uk

Britain's Best Selling Self-Build Magazine
HOMEBUILDING
& RENOVATING



2. Understand client access requirement

- Emphasis on “relevant readership”

lendingstrategy

Move or Improve?
EXTENDING, REMODELLING & UPDATING

modern
CARPETS & TEXTILES ART & DESIGN

NMA



3. Understand market's information needs

- News, jobs, products, analysis etc.
- Emphasis on current awareness and content integrity

Recruiter

Pro
Talk

the ENGINEER

headline
money.co.uk



4. Deliver through multiple platforms

- **Online & magazines: competitive and complementary**
- **Events: magazines in 3D**





Market leadership in every sector is key to growth

- Ability to drill down and create new magazines, events and online services
- These 'market leaders' can be magazines, Internet portals, exhibitions
- A strong position in any sector gives opportunity to serve sector better, whether through new product launches or acquisition



Positive start to new financial year

- **Underlying current trading ahead of last year**
- **New acquisitions and launches showing good progress**
- **Further new developments planned**
- **Appointment of new CEO from November 2006**