

# Review of the six months to 31 December 2007

**Charles Brady, Chief Executive Officer**

**Basil Brookes, Finance Director**

February 2008

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## Financial Highlights

(from continuing operations)

- Continued progress
- Revenue increased by 13% to £39.9m
- Operating profit up 10% to £6.2m
- Adjusted profit up 13.5% to £5.7m
- Adjusted EPS increased by 14%
- Dividend increased by 15%
- Operating cash inflow increased by 58% to £5.7m

	Six months to 31 Dec 2007 (£m)	Six months to 31 Dec 2006 (£m)	Twelve months to 30 June 2007 (£m)
<b>Revenue</b>	39.9	35.3	81.5
<b>Operating Profit</b> (before non-recurring items, interest, amortisation and tax)	6.2	5.6	16.5
<b>Adjusted Profit</b> (profit before non-recurring items, amortisation and tax)	5.7	5.0	15.3
<b>Adjusted EPS</b>	4.50p	3.95p	12.44p
<b>Dividend per Share</b>	2.3p	2.0p	6.0p
<b>Cash inflow</b> (from continuing and discontinued operations)	5.7	3.6	19.0

- To deliver sustainable and growing profits from servicing the information and training requirements of selected professional business markets
- To invest in our core businesses to generate strong levels of organic growth
- Investment in technology to expand e-revenue, digital capability and operational efficiency
- Continue to develop strong management teams with robust organisational structures
- To make value enhancing acquisitions (21% pre-tax return in 2007\*)

\*year ended 30 June 2007

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## Income Statement Highlights

*We have delivered strong revenue and profit growth from continuing operations*

	Existing (£m)	Acquired (£m)	Six months to 31 Dec 2007 (£m)	Six months to 31 Dec 2006 (£m)	Twelve months to 30 June 2007 (£m)
Revenue	39.4	0.5	39.9	35.3	81.5
Operating Profit	6.1	0.1	6.2	5.6	16.4
Interest / Facility Fees			(0.5)	(0.6)	(1.2)
Adjusted Profit			5.7	5.0	15.2
Non-recurring Items			-	1.2	1.2
			5.7	6.2	16.4
Amortisation			(2.2)	(2.0)	(3.9)
Profit before Tax			3.5	4.2	12.5
Income Tax Expense			(1.0)	(1.3)	(3.3)
			2.5	2.9	9.2
Discontinued			(0.2)	0.0	0.7
<b>Net Profit</b>			<b>2.3</b>	<b>2.9</b>	<b>9.9</b>
<b>Adjusted EPS</b>			<b>4.50p</b>	<b>3.95p</b>	<b>12.44p</b>

# Summary Cash Flow

WILMINGTON GROUP plc

*We have continued to generate strong cash flow*

	Six months to 31 Dec 2007 (£m)	Six months to 31 Dec 2006 (£m)	Twelve months to 30 June 2007 (£m)
Cash inflow from Operations	5.7	3.6	19.0
Servicing of Finance	(0.5)	(0.6)	(1.3)
Taxation	(2.0)	(1.1)	(3.9)
Net Replacement Capex	(1.0)	(0.5)	(1.8)
Free Cash Flow before Dividends	2.2	1.4	12.0
Equity Dividends	(3.5)	(2.5)	(4.3)
Free Cash Flow	(1.3)	(1.1)	7.7
Disposal proceeds net of acquisition spend	0.4	(7.6)	(8.4)
New Finance/(Share buy back)	(1.3)	0.3	0.4
Change in net debt during year	(2.2)	(8.4)	(0.3)
Brought Forward net debt	(11.9)	(13.1)	(13.1)
Net Cash within acquisitions/(disposals)	(0.7)	1.0	1.5
Carried Forward net debt	(14.8)	(20.5)	(11.9)

## Summary Balance Sheet

*The balance sheet remains strong, with a £70m 5 year bank facility. We are committed to improving the efficiency of the balance sheet, either by acquisition or return of capital.*

	As at 31 Dec 2007 (£m)	As at 31 Dec 2006 (£m)	As at 30 June 2007 (£m)
Goodwill / Intangibles	92.9	86.6	79.5
Property, Plant & Equipment	8.1	11.4	8.1
Non-current Assets held for re-sale	-	-	9.7
Net Debt	(14.8)	(20.5)	(11.9)
Working Capital	0.4	3.3	1.6
Pension Obligations	-	(0.2)	-
Financial Instruments	-	-	0.6
Acquisition Liabilities	(2.5)	(0.9)	(0.6)
Deferred Revenue	(10.1)	(10.6)	(12.9)
Deferred Tax	(7.5)	(5.8)	(5.0)
<b>Net Assets</b>	<b>66.5</b>	<b>63.3</b>	<b>69.1</b>

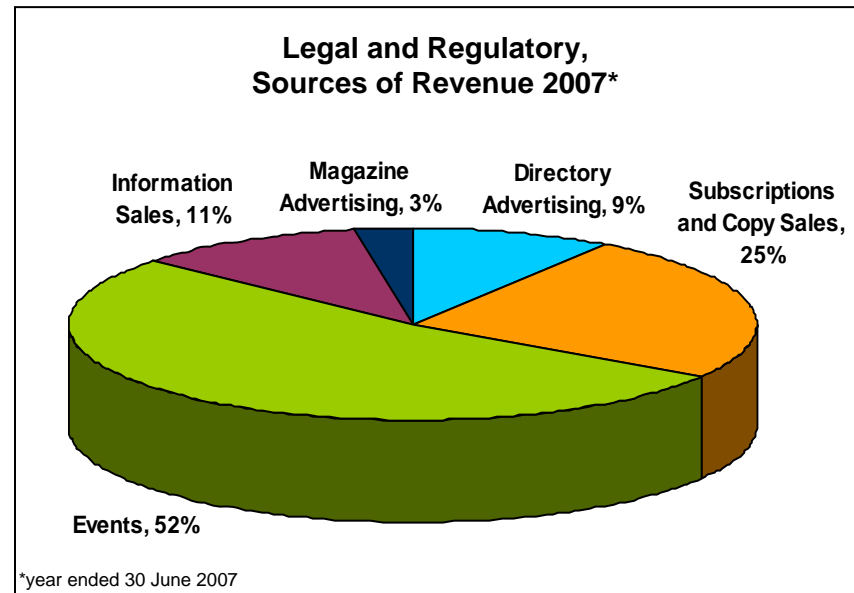


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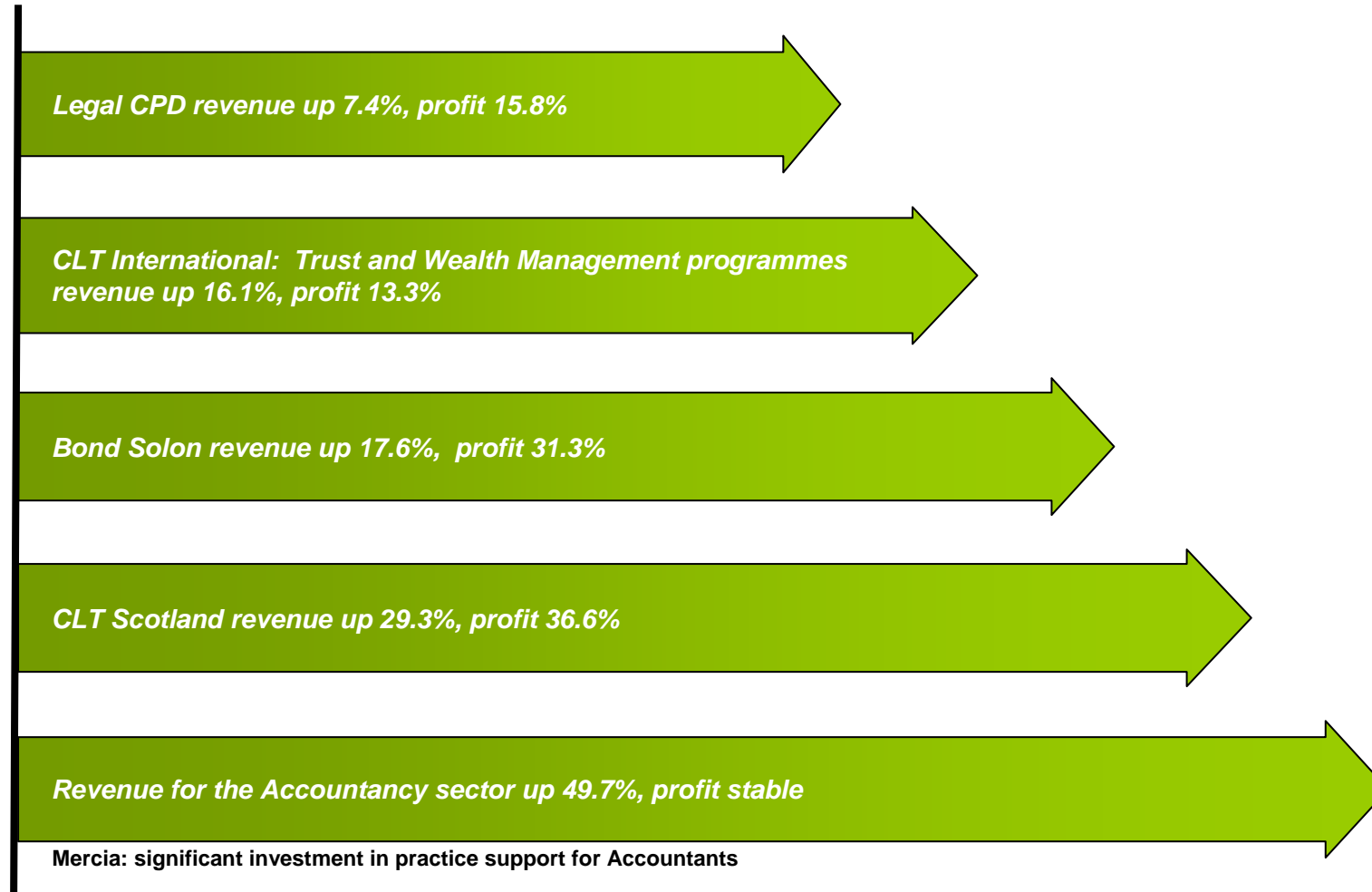
## Business Highlights

- Revenue grown by 14.3%, profits up 9.8% to £6.4m
- Development of Compliance Programme in Singapore
- Acquisition of The Matchett Group in November 2007
- Acquisition of AP Information Services in February 2008
- Continued product development including the expansion of e-revenues and digital capability across the division

	Six months to 31 Dec 2007 (£m)	Six months to 31 Dec 2006 (£m)	Twelve months to 30 June 2007 (£m)
<b>Revenue</b>	32.2	28.1	65.3
<b>Profit Contribution</b>	6.4	5.8	15.7



- Waterlow, professional information publishing, maintained strong profit contribution and profit margin
- Pendragon, pension information, revenues grown by 16.9%, profits up 30%
  - growing client base and digital revenues generate strong margin growth
- Charity sector maintained excellent performance
- Acquired AP Information Services in February 2008 for £5.8m – information publisher to professional markets including the leading database of pension funds and their advisors. A highly complementary addition to Waterlow and Pendragon
- Electronic Publishing increasingly important:
  - Revenues from products and services delivered electronically increased to 61.4% (2006: 56.9%) of total revenues



### Singapore Compliance Programme

- First courses accredited
- Regional office established
- Course materials developed
- First courses commenced January 2008 with 100 delegates
- Ongoing product development continuing at pace

## Acquisition of Matchett Group

- 80% of The Matchett Group was acquired in November 2007 for an initial consideration of £9.6m
- Induction programmes for Investment Banks
- Enrolments buoyant, major new clients won with bookings ahead of prior year
- Excellent synergies with CLT International
  - Matchett operates in London, New York, Mumbai and Hong Kong
  - CLT International strong presence in Switzerland, Singapore, Caribbean and Channel Islands
  - Both companies looking to expand into Europe and the Middle East
  - Good client overlap

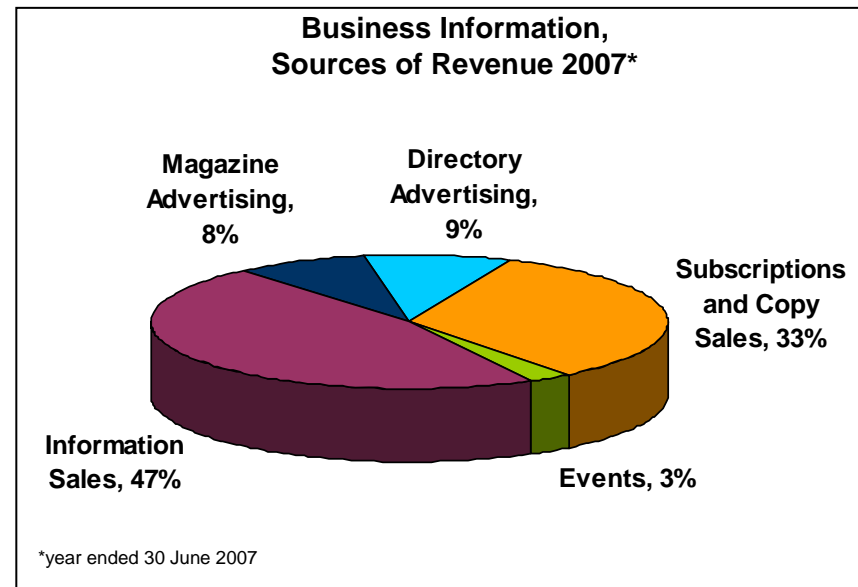
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## Business Highlights

(from continuing operations)

- Revenue grown by 8.3%, profits up 13.3% to £0.8m
- Disposals necessitated the reconstruction of this division
  - Relocation of retained assets
  - Creation of new operational infrastructure
- Opportunities in both Healthcare and Media markets for growth
- Strong repeat revenues dominated by data contracts and subscriptions. Content value transformed by delivery technology
- Entrenching content into client’s operating systems

	Six months to 31 Dec 2007 (£m)	Six months to 31 Dec 2006 (£m)	Twelve months to 30 June 2007 (£m)
<b>Revenue</b>	7.8	7.2	16.1
<b>Profit Contribution</b>	0.8	0.7	3.0





- Binley's, UK specialist healthcare and pharmaceutical information provider, revenues have grown by 22.2%, profits increased by 39.8%
  - Extending brand through analytical tools and data centric consultancy
- APM, the specialist French press agency, revenues up 10.6%, profits increased by 33.9%
- HPCi publishing and events to pharmaceutical and cosmetics manufacturing markets. Revenues stable, profits depressed by higher than anticipated cost base, following prior year disposals

- Hollis: data and information to the public relations, sponsorship and performing arts markets
  - Restructuring of business ongoing, anticipate relocation to our current central London property by April 2008
- Press Gazette, rehabilitation continues, link with Hollis PR communities provides a unique Press/PR market position
- Muze provides information on recorded music and video to retailers and e-tailers. Performing well in difficult market conditions

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- A strong focused business providing essential information and training
- Organic growth from new initiatives
- Experienced management team with a solid track record of
  - strategic acquisitions
  - delivering profit growth
- Strong balance sheet to enable Wilmington to take advantage of market opportunities
- 5 years of committed banking facilities
- Buyback programme increased to £12 million
- Strong brands in key professional markets

## Looking At The Future With Confidence

- Increasing subscription and repeat revenues
- Recent acquisitions including AP Information Services will generate additional profitability and facilitate growth in core markets
- Anticipate growth from extending activities in core markets, driven by e-revenues, information products and events
- Investment in electronic systems will increase operational efficiency

## Looking At The Future With Confidence

- Alert to trading conditions in our markets and the general economic outlook
- Our business is robust and substantially underpinned by the provision of “must have” information and training
- Outlook for the full year continues to be positive
- Ongoing investment in the business
- Strengthened management team and organisational structure

## Legal and Regulatory

- Waterlow
- ICP
- Charity Choice
- Caritas
- Central Law Training
- CLT Scotland
- CLT International
- Bond Solon
- Pendragon Professional Training
- International Compliance Training
- Solicitors Journal
- La Touche (ROI)
- Quorum Training
- Ark
- Smee and Ford
- Mercia Group
- Practice Track
- Matchett Group
- AP Information Services

## Business Information

### Healthcare

- Binley's
- Agence de Presse Medicale
- Manufacturing Chemist
- Cleanroom Technology
- SPC

### Media and Entertainment

- Muze Europe
- PCR
- Hollis
- Press Gazette