Review of the six months ended 31 December 2011

Charles Brady, Chief Executive
Basil Brookes, Group Finance Director

February 2012

Overview

Overview

- Trading in line with our expectations
- Good progress towards our strategic objectives
  - digital content – 79% of publishing revenues (2010: 75%)
  - recurring subscription based revenues
  - reduced dependency on advertising – 5% of Group revenues
  - significant investment in new product development
  - ambition to grow profits by 50% over the next 3 years
- Axco performing well – 9% underlying sales growth
- Continued focus on operational efficiency
- Outlook for the year remains unchanged

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Trading Environment

- Many businesses are showing resilience
- Legal has been our most challenging market
- Ongoing structural change in print publishing and legal CPD

Wilmington’s Response:

- Unprecedented level of organic development to generate future growth
- Detailed granular review of all businesses
- Relentless focus on efficiency to underpin short term profitability
- Investment in businesses that have high margins, reliable and repeatable revenues and strong cash generation

Investment Strategy

- Organic development remains at the core of our strategy to build a business based on:
  - Major professional markets
  - Subscription and long term customer relationships
  - Digital delivery of data, information and training
  - High margin, scalable businesses
  - Growing international presence
  - Targeting information dependent, less cyclical sectors
- We are confident that this strategy will generate increased sales and profitability
- Our businesses are highly operationally leveraged, increased revenue will significantly improve profitability
- Higher margins – our ambition is to improve margins by 5% points to over 20% by 2015
- A better quality business

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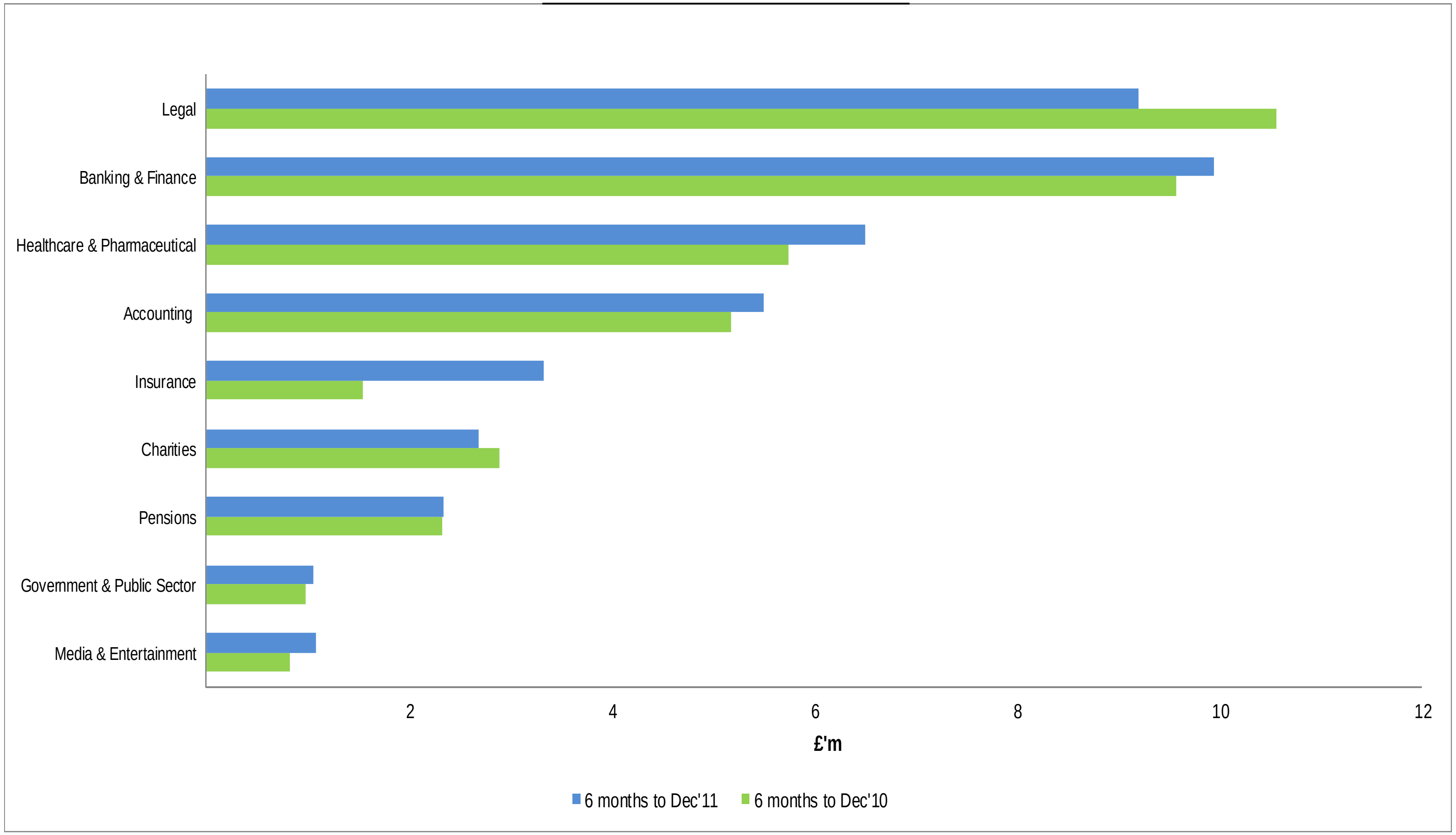
Financial Overview

- Revenue increased by 5.0% to £41.6m
- Adjusted EBITA stable at £6.8m
- Adjusted profit £5.5m, down 9.3% reflecting increased cost of borrowing
- Adjusted EPS decreased by 3.9% to 4.67p
- Dividend maintained at 3.5p
- Operating cash inflow decreased by 11.2% to £5.7m

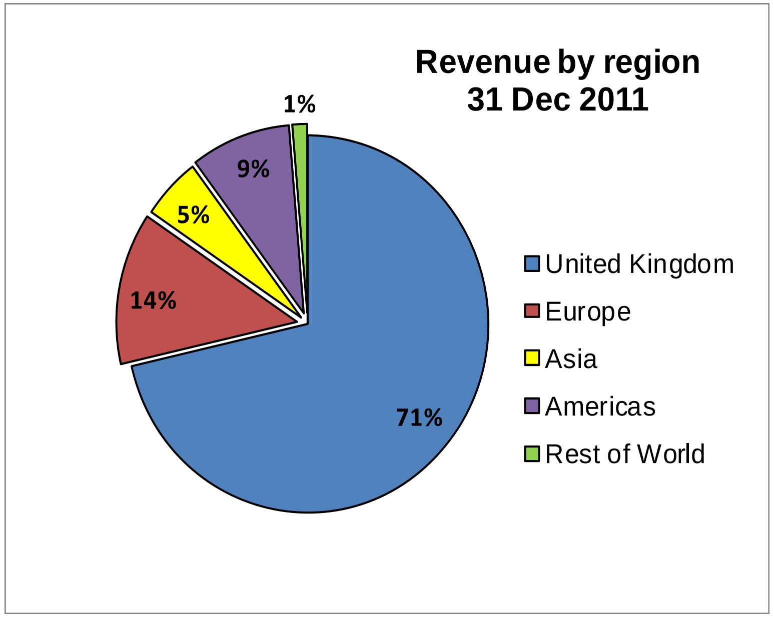
	Six months to 31 Dec 2011 (£m)	Six months to 31 Dec 2010 (£m)	Twelve months to 30 June 2011 (£m)
Revenue	41.6	39.7	83.8
Adjusted EBITA [1]	6.8	6.8	14.9
Adjusted Profit [2]	5.5	6.1	13.4
Adjusted EPS	4.67p	4.86p	11.79p
Dividend per Share	3.5p	3.5p	7.0p
Cash inflow	5.7	6.4	15.8

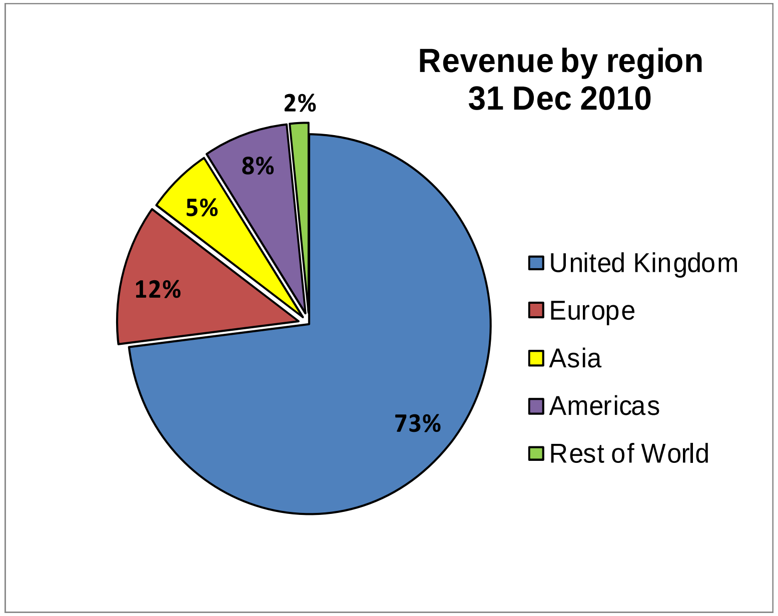
1. Profit before net finance costs, amortisation, share based payments, tax, the unwinding of the discount on the provision for future purchase of minority interests and non-recurring items
2. Profit before amortisation, share based payments, tax, the unwinding of the discount on the provision for future purchase of minority interests and non-recurring items

Revenue Split by Market



Revenue by Region





- Growing international presence
- Offices in Chicago, New York, Dublin, Paris, Dubai, Singapore, Hong Kong and Sydney

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Financial Highlights

Income Statement Highlights

	Six months To 31 Dec 2011 (£m)	Six months To 31 Dec 2010 (£m)	Twelve months to 30 June 2011 (£m)
Revenue	41.6	39.7	83.8
Adjusted EBITA	6.8	6.8	14.9
Interest / Facility Fees	(1.3)	(0.7)	(1.5)
Adjusted Profit before Tax	5.5	6.1	13.4
Movement in discount of put option liability	(0.1)	(0.1)	(0.3)
Share Based Payments	(0.4)	(0.3)	(0.6)
Non-recurring Items	(1.0)	(0.5)	(0.7)
PBTA	4.0	5.2	11.8
Amortisation	(3.1)	(2.7)	(5.7)
Profit before Tax	0.9	2.5	6.1
Income Tax Expense	(0.2)	(0.9)	(1.5)
Net Profit	**0.7**	**1.6**	**4.6**
Adjusted EPS	**4.7p**	**4.9p**	**11.8p**
Dividend per share (Interim and proposed final)	**3.5p**	**3.5p**	**7.0p**

Summary Cash Flow

	Six months To 31 Dec 2011 (£m)	Six months To 31 Dec 2010 (£m)	Twelve months to 30 June 2011 (£m)
Cash Conversion %	**94%**	**98%**	**111%**
Cash inflow from Operations	5.7	6.4	15.8
Servicing of Finance	(1.3)	(0.7)	(2.4)
Taxation	(1.4)	(1.8)	(4.1)
Net Replacement Capex	(1.1)	(0.6)	(2.2)
Free Cash Flow before Dividends	1.9	3.3	7.1
Equity Dividends	(3.0)	(3.2)	(6.1)
Free Cash Flow	(1.1)	0.1	1.0
Acquisition Spend net of Disposal Proceeds	-	(25.8)	(25.8)
Non-recurring Items	(0.6)	-	-
Issue of Shares	-	0.2	0.2
Change in net debt during the year	(1.7)	(25.5)	(24.6)
Brought Forward net debt	**(40.0)**	**(16.8)**	**(16.8)**
Net Cash within acquisitions	**0.2**	**1.4**	**1.4**
Carried Forward net debt	**(41.5)**	**(40.9)**	**(40.0)**

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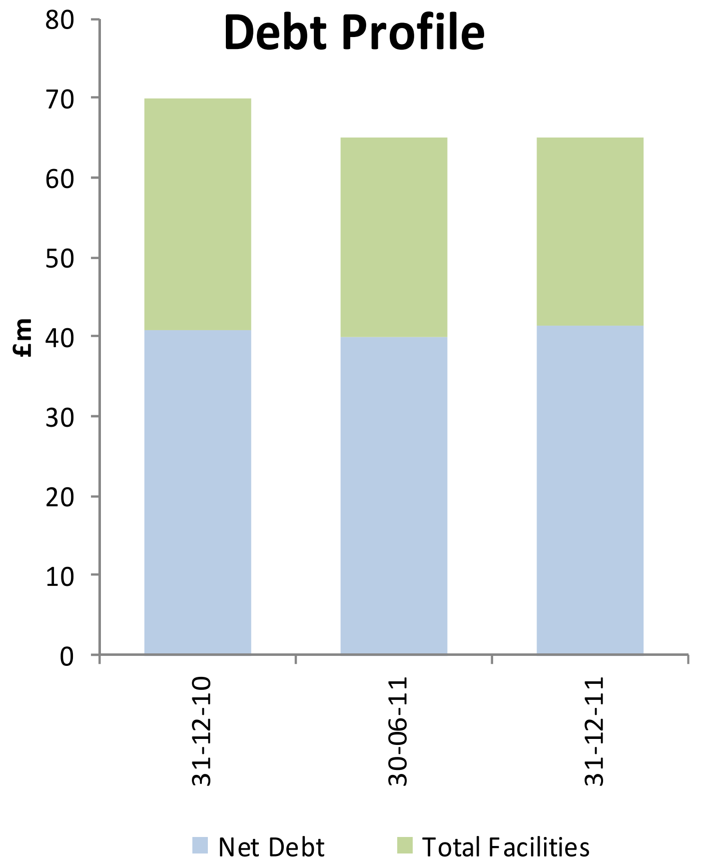
Summary Balance Sheet

	As at 31 Dec 2011 (£m)	As at 31 Dec 2010 (£m)	As at 30 June 2011 (£m)
Goodwill / Intangibles	108.5	111.7	110.9
Property, Plant & Equipment	7.5	7.2	7.8
Net Debt	(41.5)	(40.9)	(40.0)
Working Capital	4.0	1.8	3.1
Financial Instruments	(1.4)	(0.3)	(0.6)
Deferred Consideration	(0.9)	-	(0.9)
Provisions for future purchase of minority interests	(2.0)	(3.1)	(1.9)
Deferred Revenue	(17.4)	(16.8)	(17.9)
Deferred Tax	(6.7)	(8.7)	(7.6)
Net Assets	**50.1**	**50.9**	**52.9**



£60m revolving credit facility to expire in February 2016

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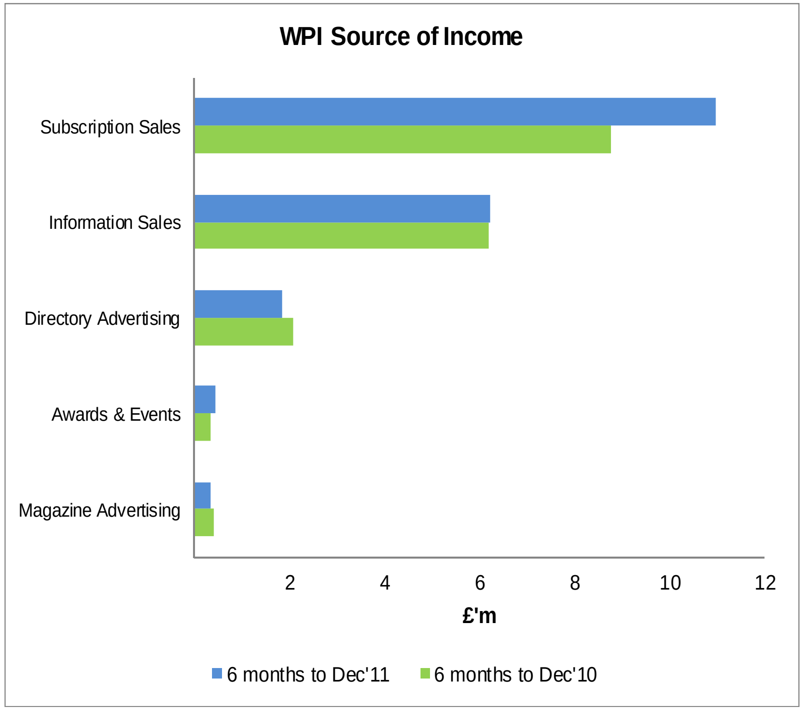
Publishing & Information

Wilmington Publishing & Information

- Continued transition to long term, subscription based, digital revenue streams
  - Revenue from information sales and subscriptions 87% (2010: 84%)
  - Digital revenues 79% of sales (2010: 75%)
- Accelerated transition of remaining print businesses to digital will incur short term costs
- Investment in content and sales depresses earnings in short term until recurring revenues come through



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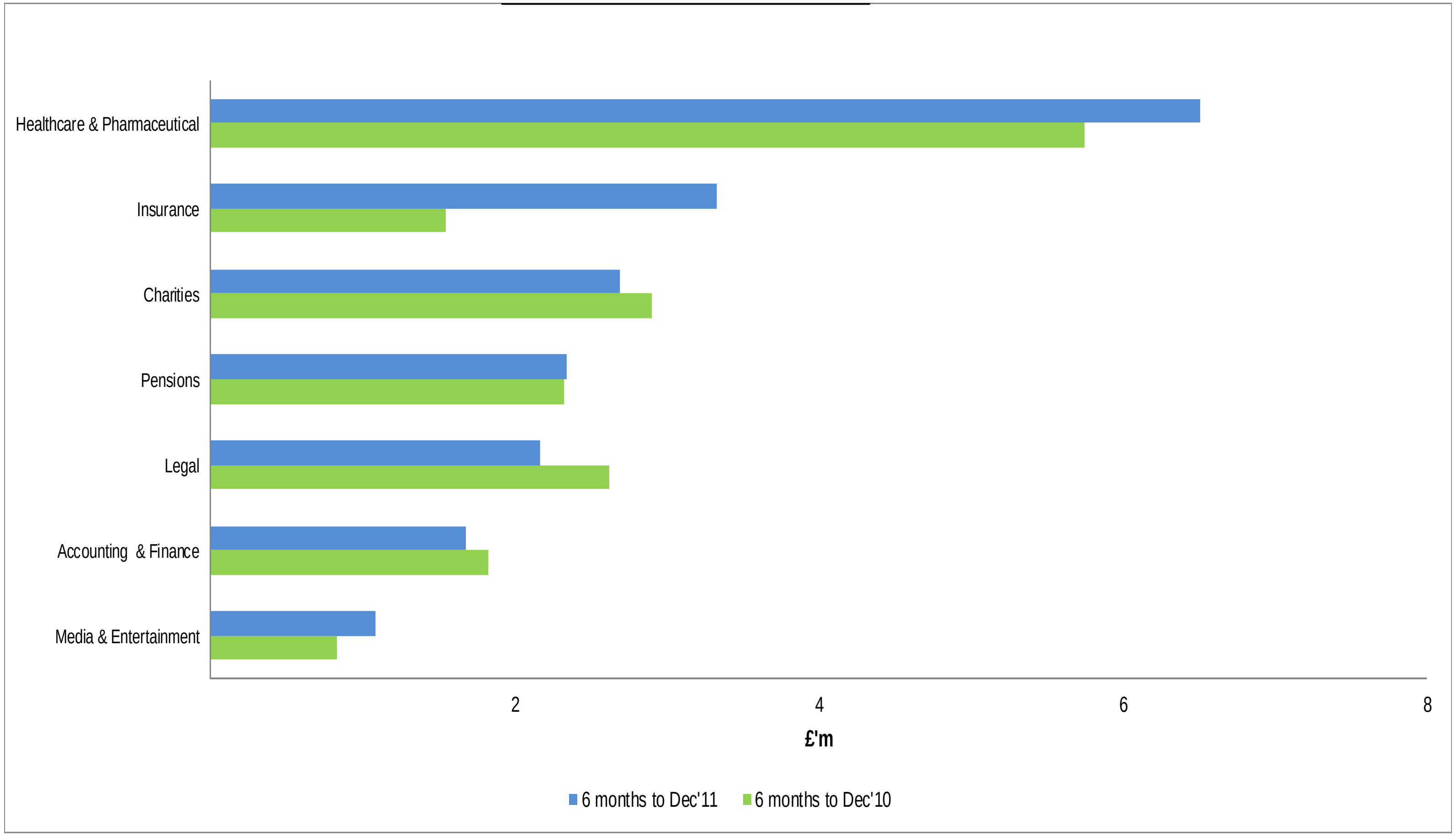
Wilmington Publishing & Information

Financial Highlights

- Revenue increased 11.9% to £19.9m
- Underlying revenue, before acquisitions, stable at £16.5m (2010: £16.3m)
- Segmental profits increased by 8.6% to £5.2m
- Deferred subscription revenues £10.8m (2010: £10.2m)

	Six months to 31 Dec 2011 (£m)	Six months to 31 Dec 2010 (£m)	% Change	12 months to 30 June 2011 (£m)
Revenue	19.9	17.7	11.9%	40.2
Profit Contribution	5.2	4.8	8.6%	10.6

WPI Revenue by Market



WBI Directories and Magazines

- Transition to digital continues

    - 16 print titles closed since 1 July 2011
    - 10% reduction in headcount
    - anticipate further migration to digital delivery
    - discontinuing of RICS directory after this financial year

- Significant profit reduction in current year as print assets decline and expensed investment in replacement digital assets

- Increasing revenues from recently launched digital products

    - costs expensed as incurred
    - revenues deferred over subscription

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Pensions

- Pendragon demonstrates why we are investing in the development of digital information businesses
- Long term subscriber based revenues
- Information dependent sector
- Excellent margins, profits increased by additional subscribers

Wilmington Publishing & Information

Axco Insurance Information Services

- Axco continues to perform in line with our expectations:
  - 9% underlying sales growth in the period
  - Subscription renewal rates in excess of 100% by value
  - Transition of many of our key international insurance company clients to long term contracts
- This provides a firm foundation upon which to grow the business:
  - Investment in existing content and unique statistical data
  - Development of new products, services and analytical tools
  - Creation of a new content management system
- Great signs for the future:
  - Recent launches starting to sell well to both existing and new customers
  - First clients in new regions including China

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Wilmington Healthcare

- APM continues to perform well
- Strong year on year growth, Binleys revenue up 9%, profits up 21%
- Investment in OnMedica continues, anticipated returns next financial year

Professional Services

- Development of digital workflow for ICP reports
- Dubai research base now fully operational

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Training & Events

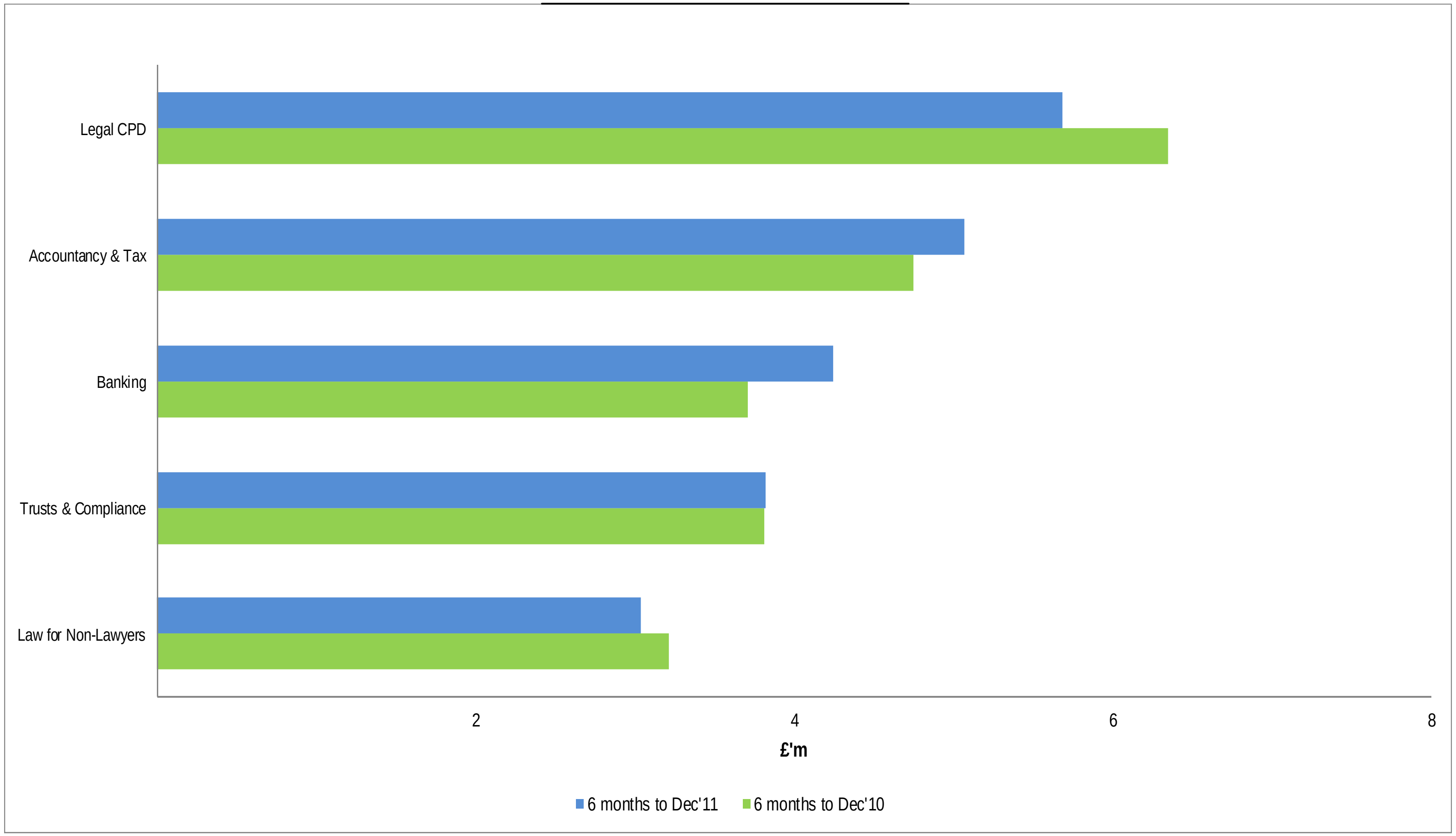
Wilmington Training & Events

Financial Highlights

- Revenue stable at £21.8m, excluding acquisitions revenue declined by 3.1% to £21.3m
- Segmental profits decreased by 6.2% to £2.9m
- Acquisition by Mercia of CCH's professional development course programme

	Six months to 31 Dec 2011 (£m)	Six months to 31 Dec 2010 (£m)	% Change	12 months to 30 June 2011 (£m)
Revenue	21.8	21.9	(0.7%)	43.6
Profit Contribution	2.9	3.1	(6.2%)	6.5

WTE Revenue by Market



Legal Training

- The Legal Training market continues to be challenging

- Decisive action
  - New management team
  - Headcount reduced by 18%
  - Course programme modified to maximise margins in subdued market
  - Marketing and sales refocused
  - Close control over costs

- Developing flexible, cost effective, training courses which are relevant for law firms and individual lawyers

- NCLT – strong growth in student members despite reduction in overall LPC market

- As a result of actions taken profitability will be broadly flat for the full financial year. Short term exceptional costs incurred restructuring the legal training business

Banking and Finance

CLT (International)

- Substantial growth in demand for AML, compliance and financial crime prevention training
- Strong growth in bespoke training for international financial institutions
- Long term relationships with global financial regulators
- Significant geographical expansion
- Significant investment in H1, returns commencing in H2 2011/12 and beyond

AMT

- Revenue growth 14% reflecting growing market share
- Contribution impacted by tighter margins
- Summer 2012 programme largely booked

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Wilmington Training & Events

Mercia Group

- Revenue growth 9%
- Acquired CCH's professional development course programme in August 2011

  - Full benefit of integration in financial year 2012/13

Bond Solon

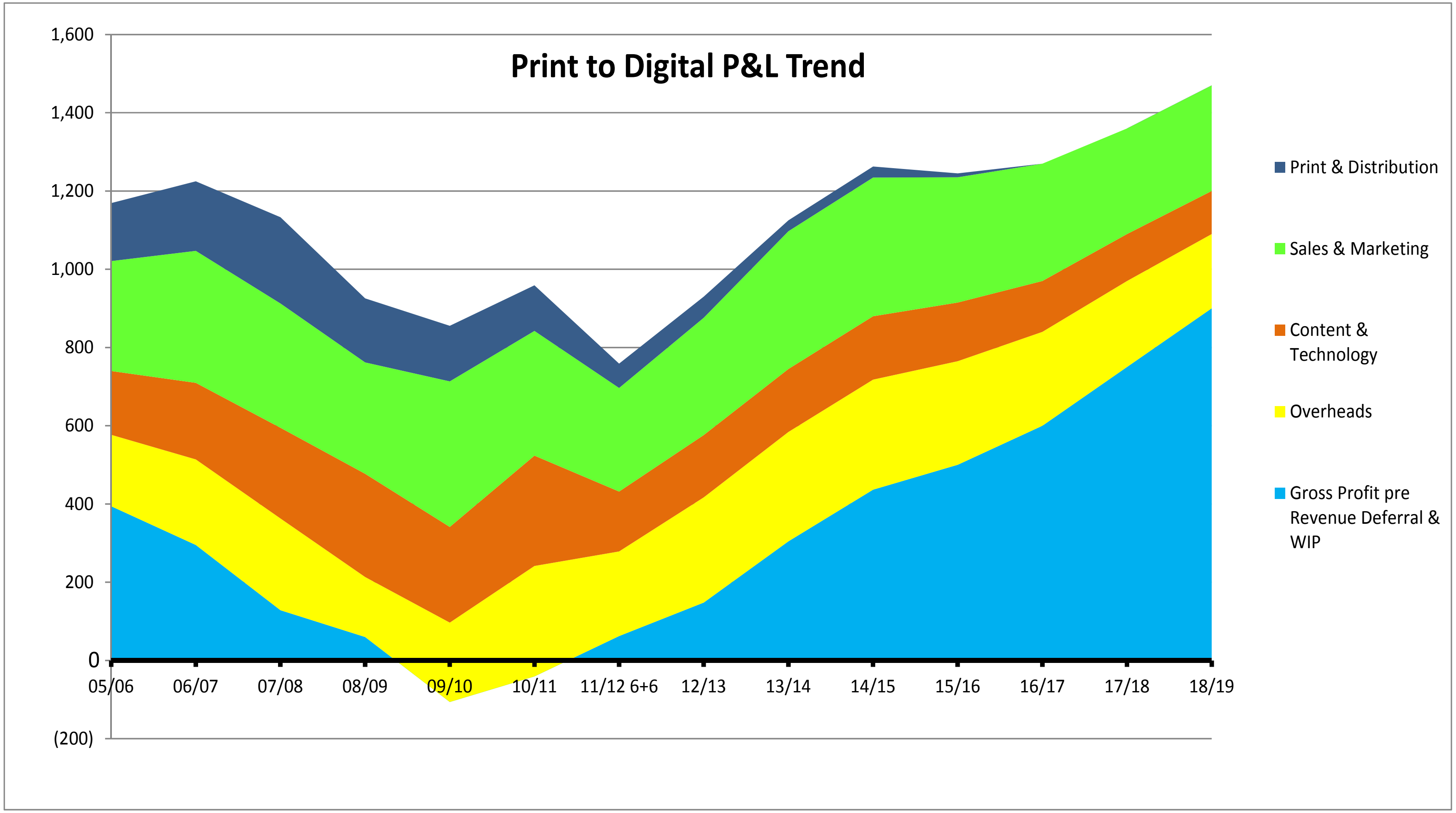
- Revenue growth 14% despite significant reduction in Government training programmes
- Profits 36% of ahead of prior year
- Witness familiarisation programmes saw good growth

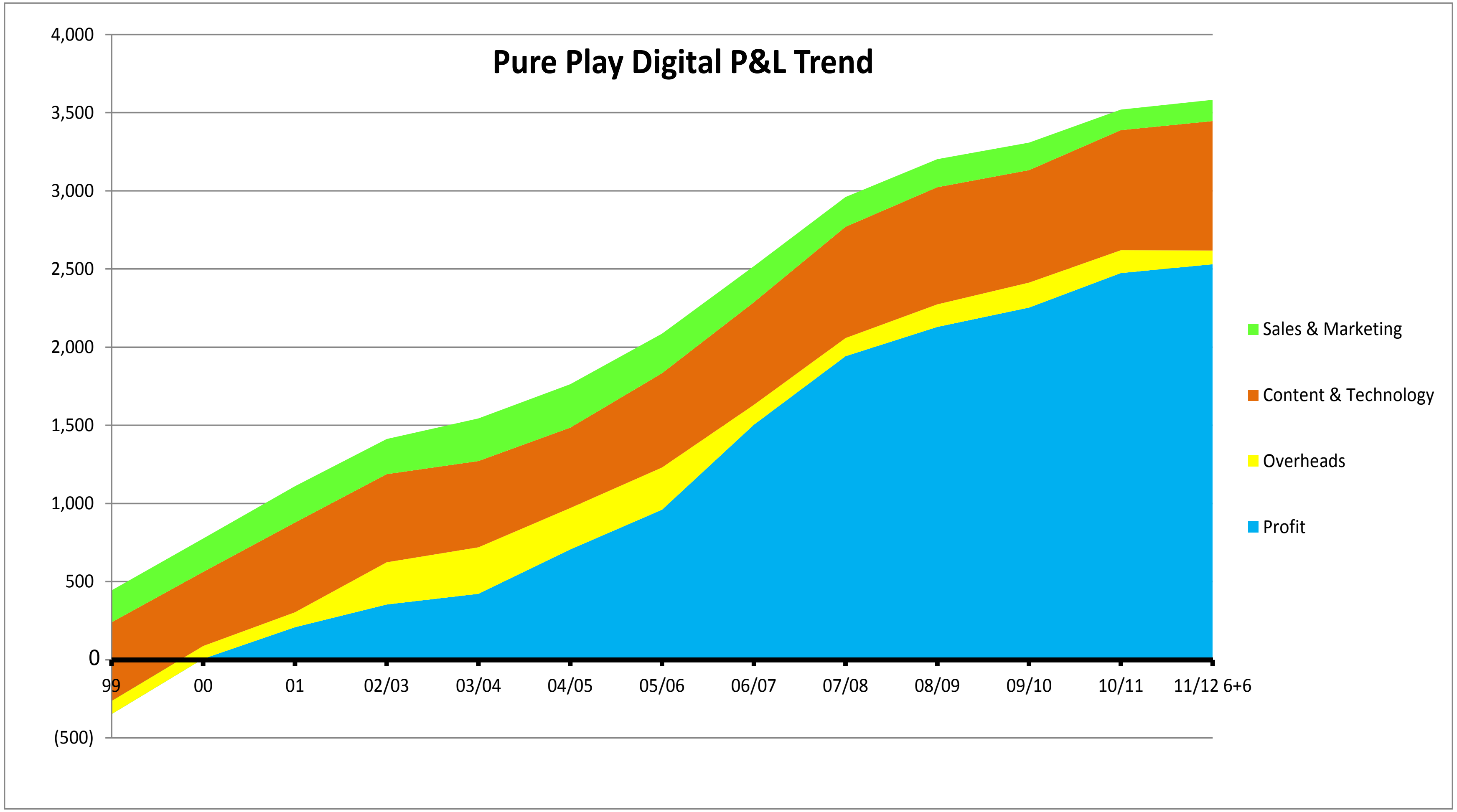
Outlook

Outlook

- Trading environment remains challenging
- Significant investment in new digital products and course programmes delivering increased sales, which will benefit the next financial year and beyond
- Future margin improvement as recurring subscriptions come through without comparable level of investment
- The investment and comprehensive restructuring of the business will continue the transition to a higher margin, higher quality business which will deliver our medium term growth ambitions

Appendices


Print to Digital P&L Trend
1,600
1,400
1,200
1,000
800
600
400
200
0
(200)
05/06
06/07
07/08
08/09
09/10
10/11
11/12 6+6
12/13
13/14
14/15
15/16
16/17
17/18
18/19
Print & Distribution
Sales & Marketing
Content & Technology
Overheads
Gross Profit pre Revenue Deferral & WIP


Pure Play Digital P&L Trend
4,000
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01
02/03
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06/07
07/08
08/09
09/10
10/11
11/12 6+6
Sales & Marketing
Content & Technology
Overheads
Profit