Wilmington

Review of the year ended 30 June 2012

Charles Brady, Chief Executive
Basil Brookes, Group Finance Director

September 2012

Overview

Overview

- Trading in line with our expectations

- Good progress towards our medium term objectives
  - adjusted EBITA increased by 10.2% to £16.5m (2011: £14.9m)
  - adjusted PBT increased by 4.6% to £14.0m (2011: £13.4m)
  - adjusted EBITA margins improved to 19.3% (2011: 17.8%)

- Strengthening financial position
  - net debt reduced by £3.8m to £36.2m (2011: £40.0m)
  - net debt 2.1 times EBITDA (2011: 2.5 times)
  - full year dividend maintained at 7p per share
  - dividend cover 1.8 times adjusted EPS (2011: 1.7 times)
  - planned sale of surplus freehold property

Wilmington

Overview

- Good progress towards our strategic objectives
  - growth in underlying subscription revenues - subscription and information sales: 57% of revenue
  - focusing on key market verticals, with management now organised by market
  - exited contract directory publishing
  - significant investment in new product development
  - technology and customer demand increasingly driving convergence of the training and information activities
  - digital – 76% of publishing revenues (2011: 72%)
  - print – 11% publishing revenue (2011: 16%)

- Relentless focus on operational efficiency

- Outlook for the year 2012/13 remains on target

Trading Environment

- Trading environment remains challenging
- However, 70% of Wilmington businesses showed good revenue growth (6%+)
- Improved performance in legal, profitability up despite challenging market
- Structural transition from print to digital has continued, but print decline has been offset by cost savings and new digital revenues
- Search engines have particularly impacted advertising based directories, we have now exited contract directories. Will reduce revenues by £1.8m and advertising to 5% of Group revenues
- Compliance and regulatory requirements are a major driver of Wilmington’s growth

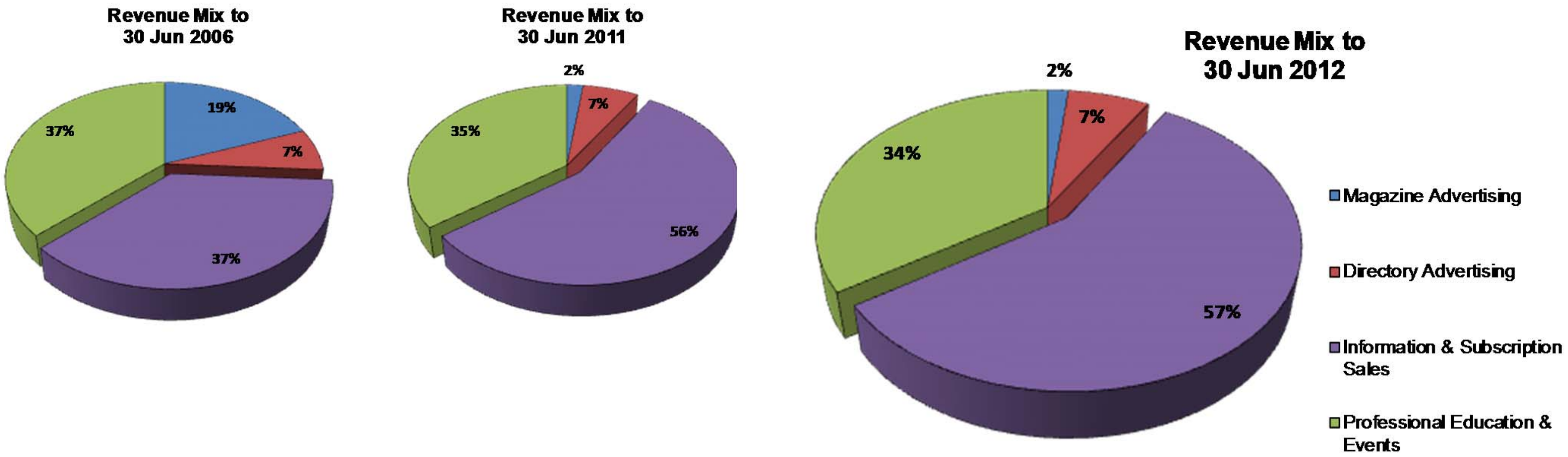
Convergence of Publishing and Training

Legal market:	Publishing and Training merged under common management • shared customer base and both use same contact database • significant cross marketing • content support magazines and training, especially when converge digitally
Accountancy	Mercia historically a training company now provides significant technical and marketing support to accountancy firms • launched Tax App
Healthcare	Binleys launched Training App for Doctors

We expect technology developments to drive continued convergence across our markets. Supported by regular Group wide marketing and technology forums to facilitate collaboration and share successful innovation

Wilmington

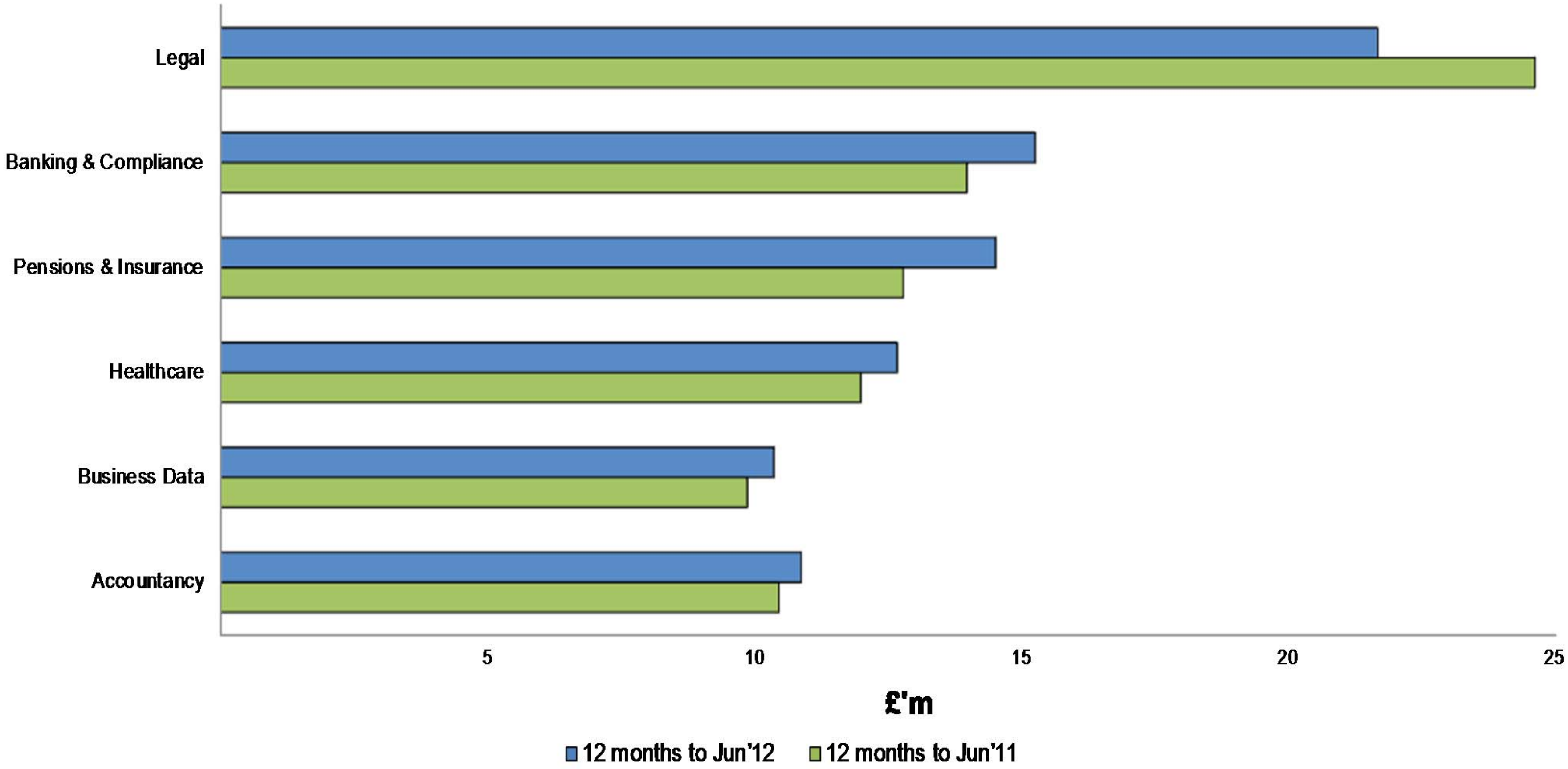
Improved Quality of Revenues



- Information and Subscription sales now make up 57% of Group revenues
- Digital publishing 37% of Group revenue
- Print publishing 5% of Group revenue
- Directory & Magazine Advertising 9% of Group revenue expected to reduce to circa 5% in 2012/13

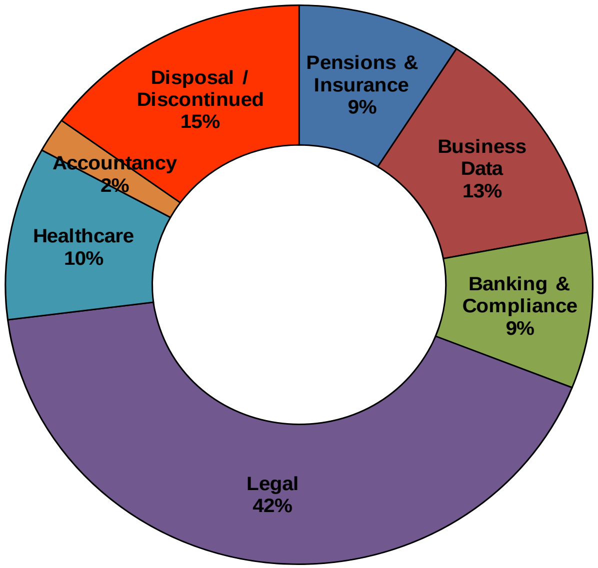
Wilmington

Revenue Split by Market – Better Balanced Business

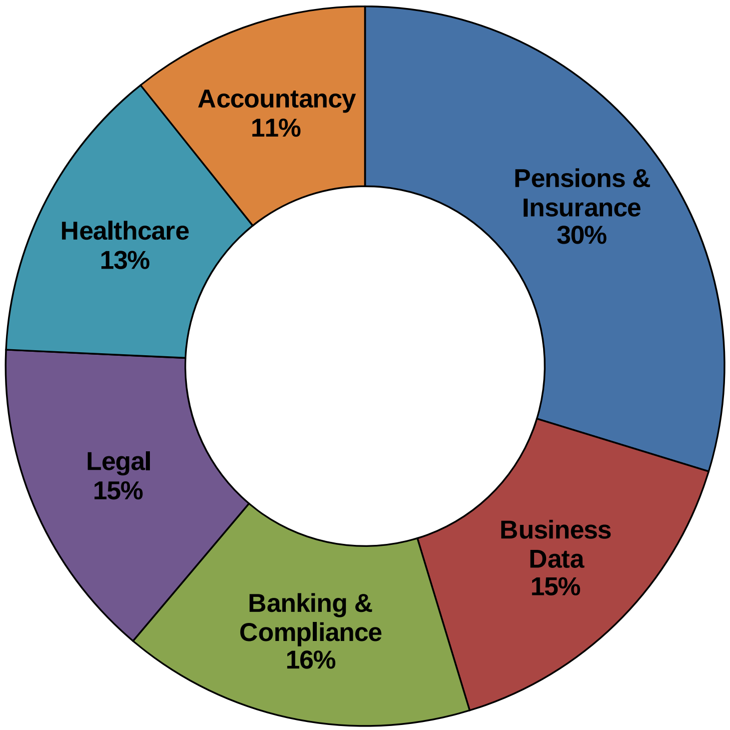


Contribution by Market (before central overhead costs, unaudited)

June 2006: £16.4m

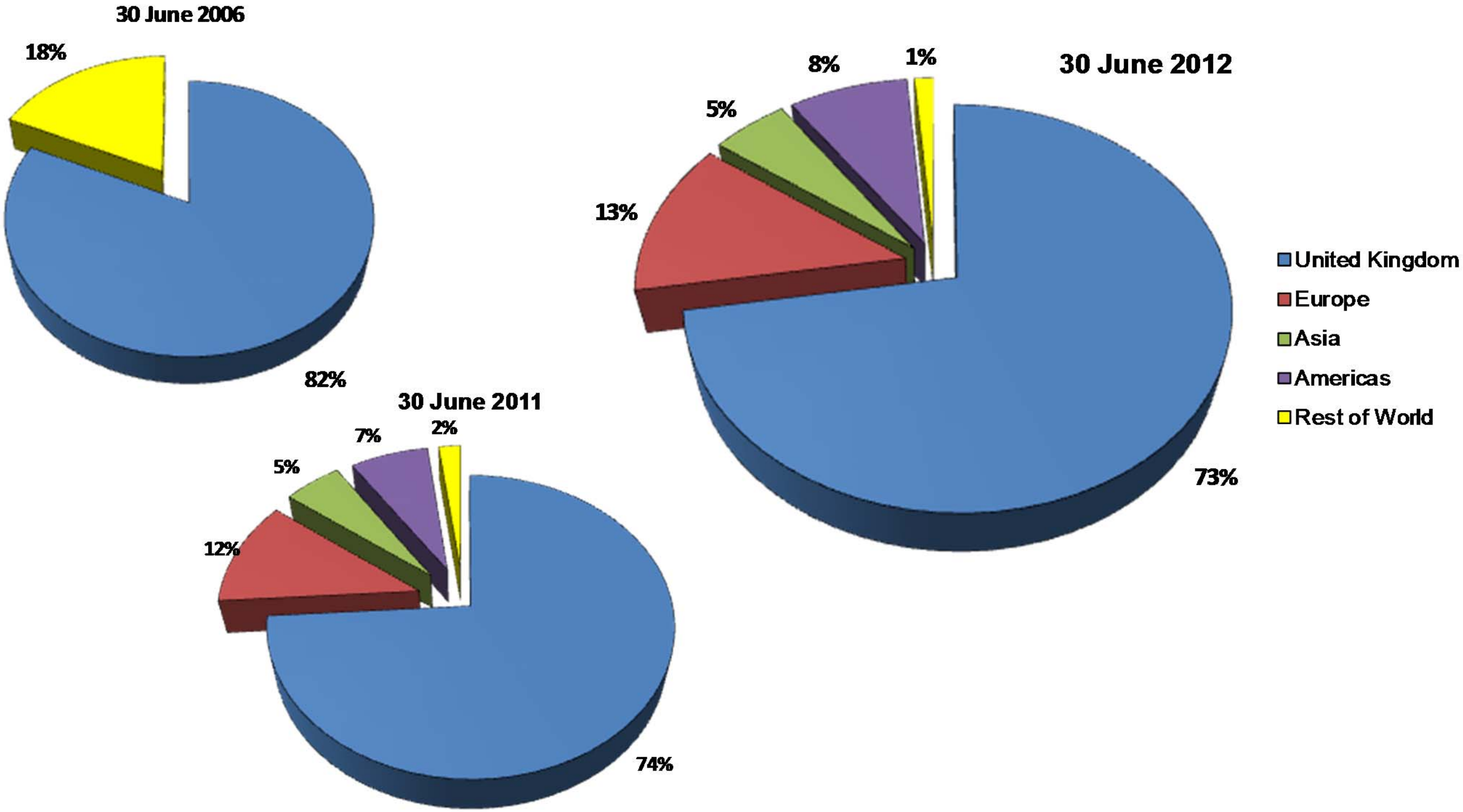


June 2012: £19.2m



Wilmington

Revenue by Region



Financial Highlights

Income Statement Highlights

	Year Ended 30 June 2012 (£m)	Year Ended 30 June 2011 (£m)
Revenue	**85.3**	**83.8**
Adjusted EBITA	16.5	14.9
Interest / Facility Fees	(2.5)	(1.5)
Adjusted Profit before Tax	14.0	13.4
Movement in discount of put option liability	(0.3)	(0.3)
Share Based Payments	(0.5)	(0.6)
Non-recurring Items	(0.9)	(0.7)
PBTA	12.3	11.8
Amortisation	(6.0)	(5.7)
Profit before Tax	6.3	6.1
Income Tax Expense	(1.2)	(1.5)
Net Profit	**5.1**	**4.6**
Adjusted EPS	**12.4p**	**11.8p**
Dividend per share (Interim and proposed final)	**7.0p**	**7.0p**
Dividend cover	**1.8**	**1.7**

Wilmington

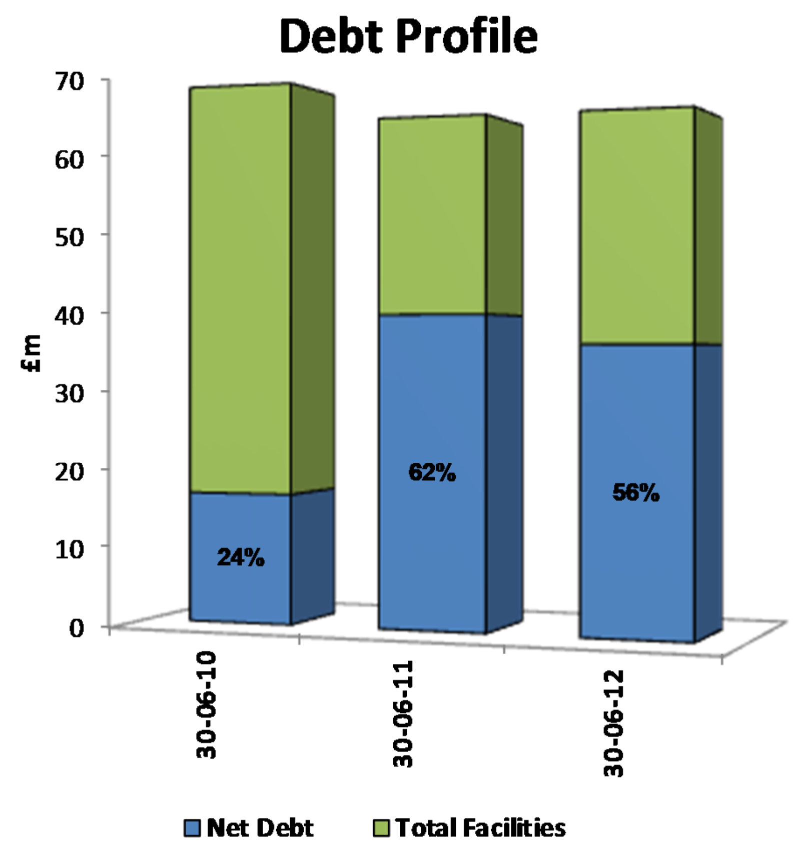
Summary Cash Flow

	Year Ended 30 June 2012 (£m)	Year Ended 30 June 2011 (£m)
Cash Conversion %	**109%**	**111%**
Cash inflow from Operations	17.4	15.8
Servicing of Finance	(2.3)	(2.4)
Taxation	(3.1)	(4.1)
Net Replacement Capex	(1.6)	(2.2)
Free Cash Flow before Dividends	10.4	7.1
Equity Dividends	(5.9)	(6.1)
Free Cash Flow	4.5	1.0
Acquisition Spend net of Disposal Proceeds	0.4	(25.1)
Non-recurring Items	(1.1)	(0.7)
Issue of Shares	0.0	0.2
Change in net debt during the year	3.8	(24.6)
Brought Forward net debt	**(40.0)**	**(16.8)**
Net Cash within acquisitions	**-**	**1.4**
Carried Forward net debt	**(36.2)**	**(40.0)**

Wilmington

Summary Balance Sheet

	Year Ended 30 June 2012 (£m)	Year Ended 30 June 2011 (£m)
Goodwill / Intangibles	106.1	110.9
Property, Plant & Equipment	7.7	7.8
Net Debt	(36.2)	(40.0)
Working Capital	1.5	3.1
Financial Instruments	(1.5)	(0.6)
Deferred Consideration	(0.9)	(0.9)
Provisions for future purchase of minority interests	(1.9)	(1.9)
Deferred Revenue	(17.3)	(17.9)
Deferred Tax	(5.9)	(7.6)
Net Assets	**51.6**	**52.9**



£65m committed facilities which expire in February 2016

Publishing & Information

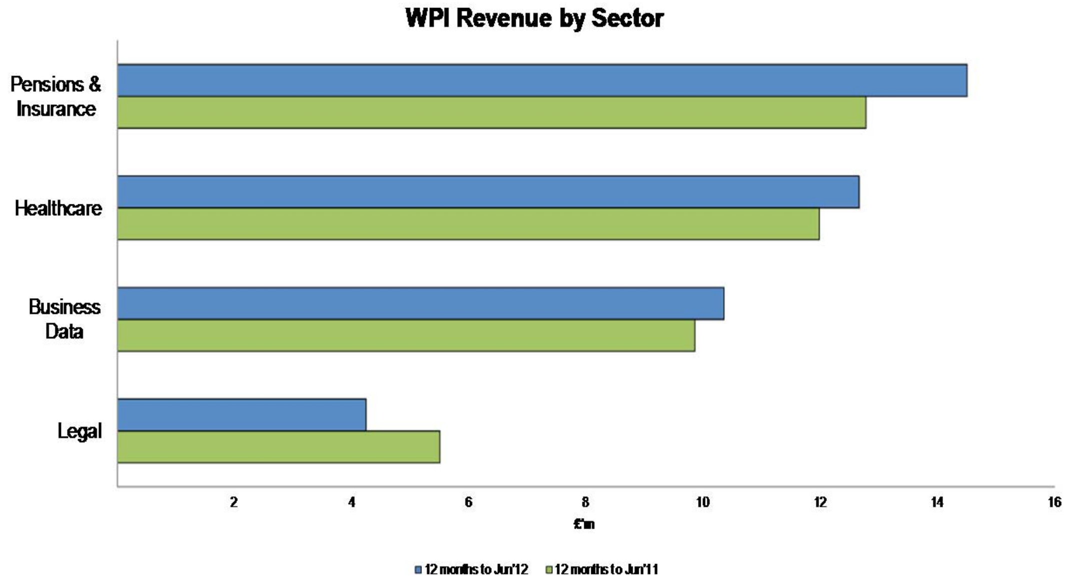
Wilmington Publishing & Information

Business Highlights

- Revenue increased 4.0% to £41.8m
- Segmental profits increased by 14.8% to £12.2m
- Good margin growth from 26.4% to 29.1%
- Digital revenues 76% of sales (2011: 72%)

  - print 11% of revenues (2011: 16%)
- Advertising has declined to circa 9% of Group revenue

	12 months to 30 June 2012 (£m)	12months to 30 June 2011 (£m)	% Change
Revenue	41.8	40.2	4.0%
Profit Contribution	12.2	10.6	14.8%



Wilmington

Print to Digital Transition

- Now entering the final phase of our print to digital transition
- 2011/12 revenues down £950k as a consequence of closing titles
- Headcount reduced
- We have exited contract directory publishing, and will close further print titles in 2012/13. This will reduce revenues by £2.5m compared to 2011/12
- Further reduction in headcount and overheads in the current financial year
- Anticipate growth from digital sales

A Move to Higher Quality Income Streams

- A fundamental change in our cost and skills base has been required
- Ongoing investment in new technology and product development
- Digital – 76% of publishing revenues (2011: 72%). Print 11% (2011: 16%)
- Created better quality less cyclical income streams
- Reduced dependency on advertising
- Our objective is to grow profits whilst exiting legacy products

2011/12 Divisional profits increased by 14.8% despite closing titles

Healthcare

- Strong performance during the year, revenue up 6% to £12.7m (2011: £12.0m)

- APM, the French newswire service, delivered a very robust performance with strong profits

- Binleys consolidated its position as the UK's leading provider of CRM data to the pharmaceutical sector, profits grew by 48% compared to the prior year
  - major client wins, consolidation market position > 50% market share in Pharma data

  - new digital marketing channels developed

Wilmington

Pension & Insurance

- The pension and insurance businesses, benefiting from a full year's contribution from Axco saw revenue growth of 13% to £14.5m (2011: £12.8m).
- Axco delivered a strong performance, with 10% underlying sales growth; renewal rate by value in excess of 100%
- Increasing demand from Axco's clients for regulatory and compliance data and bespoke analytical services
- Since joining Wilmington Axco has seen significant investment in technology powered by the development of more powerful and flexible databases and content management systems
- ICP has had a strong year providing information to the international credit insurance market
- Our pension businesses had a stable year, maintaining very strong profit margins
- Around half of the revenue derives from overseas

Business Data

- We provide business intelligence, marketing support and information to a number of markets
- Turnover in the sector increased to £10.4m (2011: £9.9m)
- Investment continues in content and technology
- Acquisition of Millennium reinforces market leading Mortascreen

Wilmington

Business Data

- This sector has seen significant change due to the transition from print to digital publishing
- We have exited contract directory publishing

  - business model undermined by internet search engines

  - predominantly low order value advertising sales

  - exited RICS and ICAEW directory contracts
- The income streams from digital activities are structurally more profitable and inherently more repeatable
- The majority of our revenues now come from information sources which are fundamental to our customers' ability to run their businesses

Wilmington

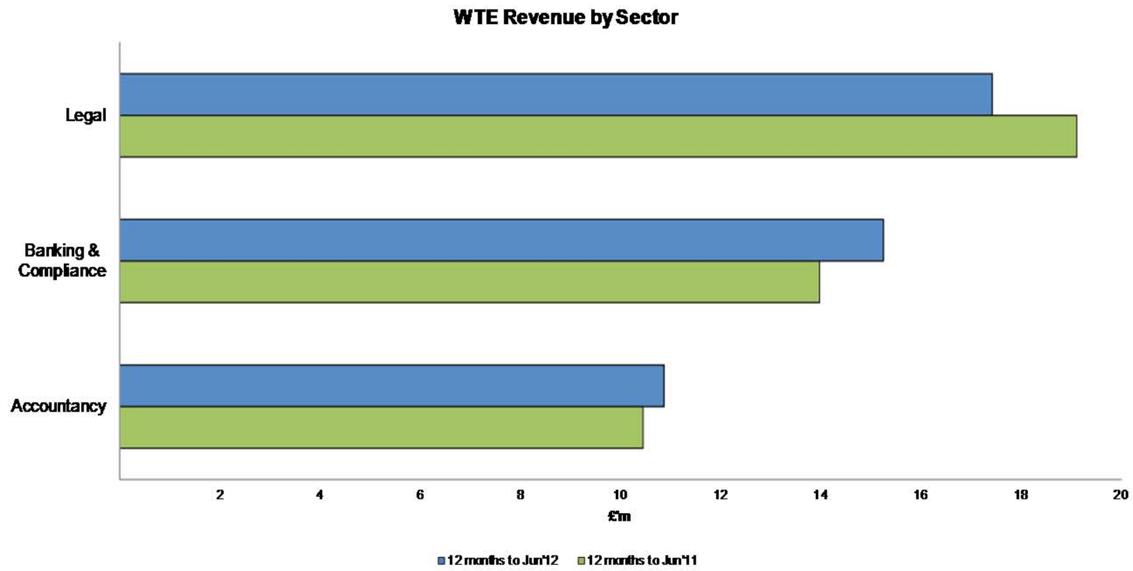
Training & Events

Wilmington Training & Events

Business Highlights

- Revenue stable at £43.5m
- Segmental profits increased by 9.2% to £7.1m
- We are increasingly developing information products and providing technical support to these markets
- From August 2012 legal information and publishing has merged with legal training

	12 months to 30 June 2012 (£m)	12 months 30 June 2011 (£m)	% Change
Revenue	43.5	43.6	0%
Profit Contribution	7.1	6.5	9.2%



Legal Training

- The total number of legal courses and conferences significantly reduced to improve operational efficiency in challenging trading conditions
- Overall revenues down 9% to £17.4m (2011: £19.1m)
- Profits up 25% year on year due to modified course programme and tighter cost control
- In the fourth quarter of 2011/12 delegate numbers stabilised compared to prior year – more flexible cost base
- Investment in NCLT significantly lower than the prior year
- Strong performance from Bond Solon, ongoing demand for witness familiarisation programmes
- The legal market continues to be challenging, nevertheless we expect to make further progress in 2012/13

Wilmington

Banking and Compliance

ICT:

- 2011/12 was a major development year
  - bespoke multi-year training programmes for International Banks
  - launch of new programmes in Malaysia and Australia
  - development of capital markets programmes for Saudi Arabia
- Modest profit growth in 2011/12, as a consequence of product investment
- Anticipate further return on investments in 2012/13
- Pilot training programmes for new sectors
  - Oil and Gas
  - International retail – mobile payment
  - Telecom
- Additional new programmes in development
- Compliance, governance and regulatory control key business drivers
- **Trusts:** good growth from International Trust programmes and the launch of specialist certificates

Banking and Compliance

- AMT's turnover grew by 7% increasing market share

  - obvious market challenges in banking industry

- Significant pressure on margins resulting in a modest reduction in profitability

  - delivered first programmes in Brazil

- Summer 2012 intake on track to meet expectations

  - further market share gains

  - pressure on margin

Accountancy

- Mercia is the leading provider of training for accountancy firms in the UK
- September 2011 acquisition of CCH's public training courses
- Mercia also provides

  - technical manuals and support

  - file reviews to ensure compliance

  - marketing support including bespoke marketing strategies, technical newsletters, tax apps, accountants websites
- 2012 profits stable matching record profits in 2011
- Major development in 2011/12 supporting accountants generate business from school academies

Wilmington

Outlook

Outlook

- Continued progress towards our strategic objectives
    - growth in underlying subscription revenues
    - management organised by market verticals
    - continued investment in new product development
    - technology a key to business development
    - compliance and regulatory requirements are a major driver of Wilmington’s business
    - digital publishing revenues forecast to grow
    - print revenues will be less than 5% of Group revenue

Outlook

- Trading environment remains challenging

- Wilmington's business continues to strengthen, outlook for 2012/13 remains on target, we expect to make further progress on our medium term objectives

- Robust financial position
  - strong cash generation supports dividend and investment
  - sale of surplus property will further strengthen balance sheet

- We are seeing good momentum at the start of the new financial year

Questions

Wilmington

Wilmington PUBLISHING & INFORMATION

Wilmington TRAINING & EVENTS

Wilmington

Appendix

Wilmington

Wilmington PUBLISHING & INFORMATION

Wilmington TRAINING & EVENTS

Wilmington

Adjusted Profit

	Year Ended 30 June 2012 (£m)	Year Ended 30 June 2011 (£m)
Profit from continuing activities before income tax (''Profit before Tax'')	6.3	6.1
Amortisation of intangible assets	6.0	5.7
Unwinding of the discount on the provisions for the future purchase of non-controlling interests	0.2	0.3
Unwinding of the discount on deferred consideration	0.1	-
Share based payments	0.5	0.6
Non-recurring items	0.9	0.7
Adjusted profit before income tax ("Adjusted Profit before Tax'')	14.0	13.4
Net finance costs (excluding the unwinding of the discounts above)	2.5	1.5
Adjusted Profit before Tax and net finance costs (''Adjusted EBITA'')	16.5	14.9
Depreciation	1.0	0.9
Adjusted EBITA before depreciation (''Adjusted EBITDA'')	17.5	15.8

Wilmington