Centaur Media plc

(Registered number 4948078)

Annual report
for the year ended 30 June 2008

Centaur Media plc

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Contents **Page**

Centaur Media plc

Highlights

- Revenue £90.4m (2007: £90.3m); 4 year CAGR 8%
- Adjusted EBITDA[1] margin up 2 percentage points to 24%
- Adjusted PBT[2] up 14% to £19.2m (2007: £16.9m)
- PBT after exceptional cost £14.5m (2007: £16.9m)
- Adjusted basic EPS[3] up 12% to 9.2p (basic EPS 6.7p (2007: 8.2p))
- Net cash of £7.7m after share repurchase of £7.9m (Net cash at 30 June 2007: £9.0m)
- Full year dividend per share up 20% to 4.2p (2007: 3.5p)

[1] *One of Centaur's key measures of profit, which is used to measure the relative performance of divisional units of the Group, is earnings before interest, tax, depreciation and amortisation, excluding exceptional items and other significant non-cash items including share based payments (Adjusted EBITDA). Refer to page 18.*

[2] *Adjusted PBT (PBTA) is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items and excluding the profit on disposal of associated undertakings. Refer to page 18.*

[3] *Adjusted EPS is based on the basic EPS but after making adjustments for amortisation on acquired intangibles and exceptional items and excluding the profit on disposal of associated undertakings, as detailed in note 7 to the financial statements.*

Centaur Media plc

Trends

Over the last five years, Centaur has delivered significant growth in revenues, profits, and cash flows as illustrated below

	4 year compound annual growth	Year ended 30-Jun 2008 Actual IFRS	Year ended 30-Jun 2007 Actual IFRS	Year ended 30-Jun 2006 Actual[4] IFRS	Year ended 30-Jun 2005 Actual[4] IFRS	Year ended 30-Jun 2004 Proforma UK GAAP
	%	£m	£m	£m	£m	£m
Revenue	8%	90.4	90.3	80.5	70.4	66.3
Adjusted EBITDA [1]	26%	21.5	19.7	15.7	12.1	8.4
Adjusted EBITDA [1] margin		24%	22%	20%	17%	13%
Adjusted profit before tax [2]	34%	19.2	16.9	13.2	9.6	5.9
Profit before tax		14.5	16.9	15.1	9.1	3.0
Adjusted basic EPS (pence) [3]	35%	9.2	8.2	6.2	4.6	2.8
Basic EPS		6.7	8.2	7.6	4.3	2.9
Average staffing (number of heads) – continuing operations		786	748	710	695	724
Revenue per head (£000)		115	121	113	101	92
Cash conversion rate %[5]		90%	94%	89%	81%	91%
Net cash		7.7	9.0	6.2	10.0	5.7
Full year dividend per share (pence)		4.2	3.5	3.0	1.7	1.0

[4] *All comparatives have been restated to exclude discontinued operations*

[5] *Cash conversion rate is free cash flow expressed as a percentage of adjusted operating profit. Free cash flow is defined as cash generated from operations (note 25 to the financial statements), less capital expenditure on property, plant and equipment and software, and excluding the cash impact of exceptional items. Adjusted operating profit is operating profit after making adjustments for amortisation on acquired intangibles and exceptional items. Refer to page 19.*

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Centaur's Vision

Centaur serves the information and marketing needs of a number of high value markets and professional communities.

Our understanding of the changing needs of our customers has led to us owning many market-leading brands. These brands are increasingly deployed over a broad range of media, and our brand strength and closeness to our markets provides a rich source of organic growth opportunities.

We operate as a federation of small businesses, with a culture that is highly entrepreneurial and innovative with a strong sense of local ownership.

Centaur's vision is to be the leading provider of information, marketing and lead-generation media solutions to our chosen business and special interest communities. We seek to offer the best integrated product and service portfolio in each of the vertical markets we serve. We aim to achieve and maintain market leadership through continuous customer-responsive innovation and a consistently high level of content quality and integrity.

Centaur's Strategy

Centaur's strategy, since the formation of the Group in 1982, has been based firstly on identifying and serving the information needs of distinct business communities and secondly on facilitating contact between buyers and sellers in those communities. We do not seek to enter a new market unless we believe that it offers substantial value and that we can achieve market leadership within an acceptable timescale.

Centaur's organisation reflects our community focus, operating as it does as a federation of small businesses serving individual vertical communities, supported by a strong central infrastructure of common services such as Finance, Circulation, Web and IT Operations and HR.

Our culture is entrepreneurial, innovative and highly customer-focused, with each community served by discrete profit centres. We strongly encourage innovation in pursuit of customer satisfaction. As a result, most of our portfolio has been created and launched within the business, as opposed to being acquired, and we seek to sustain market leadership by continually refreshing and expanding that portfolio. Around 11% of Centaur's revenues in the past year derived from products created within the last three years.

In pursuit of market leadership, Centaur's strategy is generally first to establish a high frequency publication (in print or online) that becomes a trusted source of information, whose identity becomes closely linked with that of the community it serves. Typically we have launched new products within markets that are undergoing change (which is invariably the catalyst which permits market entry) and where we perceive high value, long-term growth potential.

In creating products that meet the needs of our markets, we seek both to define and analyse the buyer audience that suppliers wish to reach and to identify the essential information needs of that audience. In doing so, we also seek to maintain the highest standards of content quality and editorial integrity. This strategy reflects the fact that, whilst Centaur generates significant revenues from advertising, exhibitions and sponsored events, we are positioned primarily as being in the relevant readership business and our primary goal is to establish and maintain market-leading information brands. This permits us to build a database of loyal communities of readers with significant purchasing power, which we can use to provide effective marketing and lead generation solutions to our advertising clients.

The second element of Centaur's strategy is therefore to extend its core publication brands into complementary product offerings.

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Centaur's Key Media Models

Magazines

Magazines have traditionally been at the core of Centaur's strategy. Their ability to engage with their readers can allow them to become an integral part of the community they serve. This is particularly true of weekly magazines, whose frequency reinforces their importance to their market. The key editorial functions of magazines are as follows:

a. They provide a forum for news and analysis about the market, where topicality and depth of understanding are essential.
b. They serve to diminish the sense of isolation experienced by people working within one part of a community by informing them of the experiences and achievements of contemporaries working in a parallel area.
c. They monitor the pulse of the sector and provide key data and analysis on a regular basis.
d. They provide guidance to readers to assist them in improving their performance in their area of special interest.

The emergence of the internet as an effective information and marketing medium is highly complementary to the way that readers use magazines. We believe that magazines remain a uniquely effective medium with which to develop an in-depth relationship with their readers and to establish effective and valuable information brands, which can be exploited through multiple channels.

Online services

The internet offers many new ways to serve our core markets and also dramatically extends our reach and therefore the size and potential of our markets. We expect online products to become an increasingly important medium over the next few years.

Editorially, the magazine provides an ideal medium for news analysis and special emphasis features, whilst the internet is better suited to breaking news highlights, multimedia content, user-generated content, data analysis and database searching. From an advertiser's perspective, the business magazine is an excellent medium for brand building and achieving in-depth engagement with "information consumers", whilst the internet is more suited to advertising designed for lead-generation and providing access to "information searchers". In terms of circulation, the magazine typically addresses the top end of a community, whilst the internet, with its very low marginal cost of distribution, permits a much broader reach.

Centaur has successfully launched internet services to support each of its main magazine brands. Revenues and profits from these services have grown rapidly in the last few years and they have become an integral part of the offering we make to our communities.

Events

As a natural extension of our core mission to create a market identity for a community and diminish the sense of isolation between its members, the development of meetings-based events is a core part of Centaur's strategy. These take a number of forms, the most important of which are exhibitions, conferences, summits and awards.

The strategy for exhibitions is primarily to build small to medium-sized shows that seek to serve clearly defined vertical markets. These vertical markets may be subsets of a broader market served by the relevant weekly or monthly periodical. Revenues are derived principally from stand sales.

Centaur's conferences model is essentially based on 1 or 2 day programmes addressing topics of high current interest. Revenues are principally from delegates, so great emphasis is placed on the quality of programme research and choice of speakers.

Summits typically comprise workshop and meetings-based events, bringing together relatively small numbers of senior members of particular vertical markets. They have a strong information base, but revenues are normally derived from sponsorship.

Centaur also stages the leading annual awards ceremony in each of its major communities. These events reinforce the strength of the related information brands and provide invaluable opportunities to communicate with the market.

Centaur Media plc

Directors, Advisers and Other Corporate Information

Company registration number

4948078

Incorporated / Domiciled in:

England

Registered office

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London
W1F 7AX

Directors

GV Sherren (Chairman)
GTD Wilmot (Chief Executive)
MJ Lally (Group Finance Director)
BTR Scruby
C Morrison
JPE Taylor
C Satterthwaite (appointed 1 July 2007)

Secretary

IPH Roberts

Bankers

National Westminster Bank plc

Solicitors

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Chairman's Statement

I am pleased to announce that Centaur is again reporting a record level of adjusted PBT in the 12 months to 30 June 2008, with results ahead of consensus market expectations, up 14% to £19.2 million (FY2007: £16.9 million), and adjusted basic earnings per share 12% up at 9.2p (FY2007: 8.2p). Reported PBT fell to £14.5 million (FY2007: £16.9 million) as a result of an exceptional charge of £3.6 million which arose principally due to the closure of Perfect Analysis and the organisational changes within publishing operations.

Revenues were level with those of the previous financial year. This result reflected the effects of a more challenging trading environment that developed during the second half of the financial year, in which the Company experienced a 4% decline in overall advertising revenues and an 8% decline in print revenues. This resulted in a 2% growth in advertising revenues for the year as a whole with a modest decline in print revenues offset by continued growth in online advertising revenues.

Adjusted EBITDA increased by 9% to £21.5 million (FY2007: £19.7 million), delivering a further improvement in margin to 24% from 22% in the previous year representing further progress towards our target margin of 25%.

In light of this performance, the Board is recommending a final dividend of 3.0p per share, giving a full year dividend of 4.2p; an increase of 20% over the prior year. The final dividend will be paid to shareholders on the register as at 24 October 2008. It is proposed that the dividend will be paid on 20 November 2008.

The downturn in the cycle that we are now experiencing has adversely affected most of our served markets in the past few months, although this has been partially offset by a general improvement in our market shares. The Legal and Financial Division has been particularly impacted by the weakness in the mortgage market, resulting in a 5% decline in revenues for the year as a whole. Marketing and Creative Division revenues were unchanged year on year, reflecting tougher second half conditions. Engineering and Construction revenues grew 6% in the year, with a strong performance by the engineering titles offsetting a relatively unchanged result from the construction portfolio. Perfect Information experienced a decline in revenues of 3%, resulting from the discontinuation of Perfect Analysis, a loss making division within this segment, which was announced in the first half of the financial year. General Business Services revenues grew 7% led by the successful launch of the Business Travel Show in Dubai.

Adjusted EBITDA has also benefited from the actions we undertook to reduce costs during the year, which led to a two point improvement in margins.

The fastest pace of revenue growth was derived from online products, which, excluding the results of Perfect Information, grew by 22% over the prior year. This demonstrates the continuing success of our principal strategy in the past few years, which has been to extend our major print publishing brands across multiple media, but with a particular focus on online opportunities. Online now accounts for 19% of total revenues against 17% in FY2007.

Centaur has developed most of its business organically and in FY2008 11% of revenues were generated by products launched within the previous three years (FY2007: 12%). We continued to maintain a steady pace of new product development during the year, with a number of new magazine, online and event launches. The key developments and initiatives in the year are outlined in the Business Review.

Owing to the current economic climate, we anticipate that market conditions will remain challenging. As we reported in our Trading Statement on 14 July 2008, we expect a further decline in print revenues in our seasonally quieter half year to 31 December 2008. The outlook for trading conditions in 2009 remains uncertain. Meanwhile, we continue to achieve growth in our online products and in events; we are planning a number of new product initiatives in the course of this financial year and, in particular, we are taking further steps to improve the cost effectiveness of our print operations.

Centaur is above all an entrepreneurial Company. It depends for its success on the talent, commitment, energy and creativity of its staff, who have performed magnificently once again. My thanks and appreciation goes to all of them.

Centaur Media plc

Business Review

Analysis of results

By Segment	2008 £m Revenue	2008 £m Adjusted EBITDA	2007 £m Revenue	2007 £m Adjusted EBITDA
Legal and Financial	**28.7**	**9.2**	30.3	9.0
Marketing and Creative	**23.6**	**4.1**	23.6	3.6
Construction and Engineering	**20.5**	**4.7**	19.4	4.1
Perfect Information	**5.8**	**2.1**	6.0	1.5
General Business Services	**11.8**	**1.4**	11.0	1.5
Total	**90.4**	**21.5**	90.3	19.7
By Source				
Recruitment advertising	**15.6**	-	15.0	-
Other advertising	**34.6**	-	34.3	-
Circulation revenue	**6.1**	-	6.3	-
Online subscriptions	**7.0**	-	7.3	-
Events	**25.8**	-	25.9	-
Other	**1.3**	-	1.5	-
Total	**90.4**	-	90.3	-
By Client type				
Audiences	**19.6**	-	20.5	-
Marketers	**70.8**	-	69.8	-
Total	**90.4**	-	90.3	-
By Product type				
Print	**46.6**	**10.7**	47.7	10.9
Events	**25.8**	**6.7**	25.9	5.9
Online products	**17.6**	**4.1**	15.8	2.9
Other	**0.4**	-	0.9	-
Total	**90.4**	**21.5**	90.3	19.7
Underlying				
Underlying	**89.7**	**21.4**	82.5	18.1
Acquisitions[1]	**0.7**	**0.1**	7.8	1.6
Total	**90.4**	**21.5**	90.3	19.7
By Maturity				
New [2]	**9.8**	**0.2**	10.9	(0.3)
Existing and acquired	**80.6**	**21.3**	79.4	20.0
Total	**90.4**	**21.5**	90.3	19.7

Notes

1. *Acquisitions are defined as those made within the current or preceding financial year*
2. *New products are defined as any product launched in the current or two preceding financial years*

Business Review (continued)

Strategic Overview

As previously reported, we have identified 5 key strategic objectives for the business:

- **To achieve critical mass in high value growth markets**

  Our primary focus is on expanding our presence in existing high value markets in which we can see opportunities for significant growth. We do not wish to enter markets unless we can realistically expect to achieve market leadership and a minimum profit contribution of £1 million within 3 years. During the past year, we have sold one publication, serving a discrete specialist community, which did not match these criteria.

- **To deliver double digit growth in revenues across the cycle**

  Despite the downturn in the advertising cycle which impacted the second half results, revenues in the five years from FY2003 to FY2008 have grown by 8% per annum compound.

- **To balance portfolio revenues across print, online and events**

  Print remains the dominant medium in Centaur's portfolio, representing 52% of revenues in FY2008 (FY2007: 53%), but online revenues grew by 11% in the past year and represent 19% of Group revenues in FY2008 (FY2007: 17%).

- **To expand audience share of revenues**

  Advertising revenues grew 2% in the year with a decline in print advertising revenue offset by further growth online. Revenues from audiences represented 22% of total revenues (FY2007: 23%). The decline in audience share of revenues was principally due to the closure of Perfect Analysis.

- **To increase adjusted EBITDA margins to 25%**

  Adjusted EBITDA margins increased to 24% in the year (FY2007: 22%), representing good progress towards our target.

Trading Review

The Group reported flat revenues for the full year at £90.4 million. This follows 6% revenue growth in the first half of the financial year followed by a second half in which trading conditions in a number of our served markets tightened and revenues declined by 4%.

However online advertising continued to grow strongly and was 27% ahead for the year, although this growth was offset by some decline in print based advertising revenues and, in total, advertising sales were 2% up year on year.

In response to tough trading conditions a number of cost reduction initiatives were implemented and this resulted in an 8% year on year reduction in total Group costs during the second half of the financial year contributing to a strong improvement in full year profitability with EBITDA margin up 2 percentage points to 24% and an increase in adjusted basic earnings per share rising by 12% to 9.2p (FY2007: 8.2p).

In total 11% of revenues generated in the last financial year were from products or events launched within the past three years (FY2007:12%) - if these revenues are excluded all existing and acquired products collectively achieved an EBITDA margin of 26% for the year.

Cash flows from operating activities at £14.4 million were 8% up (FY2007: £13.3 million) although increased capital expenditure reflecting further investment in web platform development and property refurbishment reduced free cash flow, resulting in a 90% conversion of adjusted operating profit into free cash flow compared to 94% last year.

Business Review (continued)

Legal & Financial

Financial Services

The primary focus of the Financial Services community products is on retail financial services and the information interface between IFAs (independent financial advisers) and the providers of financial products and services. The community also includes Centaur's Public Private Finance-related publishing activities.

The key products in this community are: Money Marketing, Mortgage Strategy and Fund Strategy (all weeklies); MoneyMarketing.co.uk and Headlinemoney.co.uk; plus a number of summit and awards events including the Mortgage Summit and Money Marketing Awards.

Legal

The Legal community products are primarily published for in-house counsel in major UK companies and the private practice law firms and barristers that serve their legal needs. There are also products produced for law students.

The key products in this community are: The Lawyer (weekly) and Lawyer2B; TheLawyer.com; The Lawyer Legal Summit and The Lawyer Awards.

Legal & Financial remains our largest market segment reporting 32% of total Group revenues for 2008. (FY2007: 34%)

Despite a 5% reduction in revenues for the year, profitability improved following a number of cost efficiencies undertaken in response to the more progressively difficult trading conditions during the course of the year. These efficiencies resulted in a 23% reduction in year-on-year costs in the second half of the financial year and a 2% point increase in adjusted EBITDA margin to 32%, for the full year.

Core products targeting the mortgage and secured lending sectors were affected by the volatility in credit markets that prevailed from the start of the financial year and this also resulted in some slowing of marketing activity in the broader retail financial sector during the second half of the year. In addition, the legal sector experienced some decline in the corporate transaction activity that underpins the sector. Despite this, online legal recruitment grew strongly with double digit growth in The Lawyer.com revenues for the full year following the 5% growth reported for the first half.

The major magazine titles within this segment reported a 6% reduction in revenues although most of this decrease related to the main mortgage title – Mortgage Strategy magazine - which in total represented around 12% of the segment's total print revenues. Excluding Mortgage Strategy, the rest of the print portfolio reported 4% full year revenue growth led by strong growth in core financial titles Fund Strategy and Money Marketing.

Event revenues reduced by 16% although this related primarily to the Mortgage Summit which was rescheduled for the new financial year. Excluding this, revenues from other financial summits grew by 42% in the year and sponsored meetings remained a particularly resilient event format as well as the focus of much new product development within the segment with seven new event launches in the year.

Elsewhere within the segment new product development included the launch of a new website - InsideMoneytalk.com - providing details of press releases relating to financial service product providers and new product releases, the publication of the first legal employee engagement benchmarking study in conjunction with YouGov plc, our joint venture research partner, and the publication of the Transatlantic Elite survey of New York based law firms following the establishment of a New York editorial office for The Lawyer magazine earlier this year.

Marketing & Creative

Marketing

The Marketing community products focus on addressing the information requirements of senior UK marketers with significant marketing and advertising budgets and the marketing services companies that provide services to them.

The key products in this community are: Marketing Week and New Media Age (weekly), Precision Marketing (fortnightly); MarketingWeek.co.uk, nma.co.uk and mad.co.uk; the In-Store Show, Insight Show and Online Marketing & Media Show (exhibitions); over 60 conferences a year, plus a number of awards events including the Marketing Week Awards and New Media Age Awards.

Creative

The Creative community serves the information needs of the creative specialists in advertising, design, marketing services and digital agencies and the managers in client companies who buy their services.

The key products in the Creative community are: Design Week (weekly), Creative Review (monthly); designweek.co.uk, CreativeReview.co.uk; The Creative Handbook and the Design Week Awards.

In total, Marketing and Creative revenues were flat although profit was strongly ahead with adjusted EBITDA increasing by 14% and adjusted EBITDA margin up 2 percentage points to 17%. The improvement in profitability partly reflected cost reductions achieved as part of the organisational changes announced in February 2008 and in total this resulted in a 7% reduction in costs in the second half of the financial year.

In overall terms, revenue growth was held back to some extent by weakness in the underlying advertising market particularly where revenues were derived from marketing services activity focused on more traditional above-the-line media and direct marketing. This resulted in the discontinuation of three events during the prior year including the DM Show (direct marketing) and Total Motivation Show (incentives) which further constrained revenue growth in the current financial year.

However these reductions were offset by continued double digit revenue growth from products targeting the online and interactive media sector, led principally by the magazine title – New Media Age – and two associated events the Online Marketing & Media Show and the Interactive Marketing Summit which both ran in the second half of the financial year.

In total, online revenues for the segment grew by 33% in the year. Much of this related to increased recruitment advertising in MarketingWeek.co.uk and designweek.co.uk where traffic continued to build strongly throughout the year and the potential for both sites was further enhanced by the repositioning of mad.co.uk as a composite job aggregator for the marketing, advertising and design verticals.

The Creative Handbook, acquired in March 2007 was published for the first time under Centaur ownership in December 2007 and this was followed in January 2008 by a re-launched and significantly enhanced online edition which has been well received by the industry.

Event revenues were flat year-on-year but, as mentioned above, three underperforming events were discontinued during the previous financial year. If these revenues were excluded Marketing and Creative events revenues grew by 9% in the year. This growth included a contribution from the newly launched Data Summit held in Jerez in June 2008 which successfully brought together leading data service providers with a number of key data industry decision makers.

Construction & Engineering

Construction

The Construction community has two distinct segments - business magazines and websites that serve the building products market niche and specialist consumer titles focusing on the self-build and renovation sectors of the construction market.

The key products in the Construction community are: Homebuilding & Renovating, Move or Improve?, Period Living, ABC&D (all monthly); Homebuilding.co.uk, Plotfinder.net and seven Homebuilding & Renovating exhibitions.

Engineering

The Engineering community products are aimed at engineers working in the UK's engineering technology community and senior executives in the companies that supply them, with a particular emphasis on innovation.

The key products in the Engineering community are: The Engineer (fortnightly), Process Engineering (monthly); TheEngineer.co.uk and Pro-Talk.

Revenues in this segment grew by 6% although most of this growth related to the Engineering portfolio while, within the Construction sector, magazines and websites aimed at the self-build market continued to be affected by some weakening of market conditions. This was at least partly due to constraints on funding for new self build projects following a contraction in the range of specialist lenders to the UK mortgage market but also reflected a more general slowing of activity in the broader housing market during the year.

While this affected both advertising and subscription sales in the core magazine titles – Homebuilding & Renovating Magazine, Move or Improve? and Period Living – events in this sector were more resilient with revenues from the National Homebuilding Show and five regional events ahead 5% on the prior year. This was despite one regional homebuilding event, held annually in Peterborough, missing a year pending a venue change, with the next show scheduled for May 2009.

The Engineering portfolio supported by a continued resurgence of the UK manufacturing sector reported strong growth across the product range.

A 37% increase in recruitment advertising was split between The Engineer magazine and the engineer.co.uk while event revenues more than doubled year on year with the biennial Metal Working Production Awards held in April 2008.

In addition the Subcon Show, which was in the stronger of two alternate years in which it runs alongside a major trade association show, proved to be a great success. Attendees were made up principally of buyers from UK process and manufacturing companies and they were able to evaluate over 180 subcontracting suppliers from across the globe.

Centaur Media plc

Business Review (continued)

Perfect Information

Perfect Information ("PI") serves a global audience of investment banks, corporate stockbrokers, lawyers, accountants and other corporate advisory sector desktops.

PI's product is "Perfect Filings" which provides desktop access to an integrated electronic library of regulatory and corporate filing representing the most comprehensive and searchable collection in the market, include quoted company reports and accounts and company circulars from the UK, US, Europe and Asia, and one of the largest electronic international bond prospectus libraries.

A revenue decline for the year of 3% related principally to the discontinuation of Perfect Analysis in October 2007 and despite some slowdown in activity levels among the key investment banking community revenue from the Perfect Filings subscriber base was ahead by 2% for the year.

The discontinuation of Perfect Analysis followed a strategic review which recognised that the investment necessary to bring Perfect Analysis to satisfactory commercial success was better directed towards further development of the core Perfect Filings product and this investment continues with significant enhancements planned for the new financial year.

The underlying profitability of PI was significantly improved as a result of cost efficiencies achieved following the strategic review and in the second half of the year total costs were 23% below 2007 largely due to a reduction in headcount of around 40%, and as a result full year EBITDA margin improved significantly to 36%.

General Business Services

This segment comprises products serving a number of distinct business communities. The main verticals in this segment are Human Resources (HR), the Recruitment sector, Supply Chain and Logistics, Business Travel and the recently launched information services – Headline Property and Headline Auto.

HR

The HR community focuses on employee benefits and the information needs of the benefits and compensation professionals in major UK companies, plus the senior managers in the companies that supply them with products and services.

The key products in the HR community are: Employee Benefits (monthly); EmployeeBenefits.co.uk; Employee Benefits Exhibition and Conference (London and Manchester) and Employee Benefits Awards.

Recruitment

The Recruitment community products serve the recruitment specialists in the UK – senior professionals working in recruitment agencies, search and selection companies, recruitment consultancies and advertising agencies and the companies that supply services to them.

The key products in this community are: Recruiter (fortnightly); RecruiterMagazine.co.uk and Recruiter Awards.

Supply Chain & Logistics

The Supply Chain & Logistics community provides information products for managers in charge of the supply chain of the largest industrial, retail and commercial organisations in the UK and Europe, together with the senior managers in the transport, materials handling and property companies that supply products and services to them.

The key products in the Supply Chain & Logistics community are: Logistics Manager (monthly); LogisticsManager.com; Logistics Link exhibitions (three regional events); Supply Chain Excellence Awards and Extended Supply Chain conference.

Centaur Media plc

Business Review (continued)

Business Travel

Centaur's Business Travel products are aimed at satisfying the information needs of the corporate buyers of business travel and senior managers amongst their suppliers – airlines, train companies, hotels, car hire companies etc.

The key products in the Business Travel community are: Business Travel exhibitions in London, Dusseldorf and Dubai (joint venture)

Headline Property and Headline Auto

These products are extensions of the Headline Money news alerting service for personal finance journalists which was first established in 2002. Headline Property for residential property journalists and Headline Auto for motoring correspondents were launched last year.

In total, General Business Services revenues grew by 7% with most of the vertical sectors reporting strong growth, with the exception of HR where event revenues were reduced due to a change in the timing of the EB Summit with two events reported in the prior year compared to a single event in the current year.

Business Travel revenues increased by 15% due to a strong performance from the regional show held in Düsseldorf, first launched in September 2004, together with a newly launched regional show in Dubai.

The Dubai show, the first event from the joint venture with Dnata World of Events announced in February 2007 was successfully launched in October 2007, breaking even at contribution level in its first year and establishing an important presence for the Business Travel brand in this fast growing Middle East business hub.

The Recruitment vertical reported revenue growth of 16% primarily relating to increased event revenues through both the Recruiter Forum and industry awards. Revenues from Recruiter magazine were flat against the prior year although recruiter.co.uk continued to report rapid growth albeit from a comparatively small base.

A new magazine title "Resourcing" – aimed at senior HR managers, in house recruitment specialists and talent managers was launched in November 2007 and was published monthly with effect from February 2008.

The Logistics and Supply Chain products also reported strong revenue growth with recruitment advertising volumes building steadily through both Logistics Manager magazine and its associated website.

Headline Property and Headline Auto were launched towards the end of FY2007 and while both have built some early stage revenues progress has been slower than anticipated partly due to the prevailing trading conditions in the underlying vertical sectors.

In total, General Business Services adjusted EBITDA reduced slightly to £1.4 million (FY2007: £1.5 million) for the year while adjusted EBITDA margin also reduced by 2 percentage points to 12%. The reduction in profitability reflects the investment in new product development within this segment including Business Travel Dubai and the two recent Headline product launches.

Centaur Media plc

Business Review (continued)

Acquisitions

We continually evaluate businesses with a view to supplementing organic growth. While revenue from acquisitions made in the current or preceding financial year represented only 1% of total Group revenue for the year to 30 June 2008 (FY2007: 9%) our acquisition strategy remains unchanged and will typically seek to identify targets that meet the following criteria:

a. The business is operating in a market with high growth potential and high value,
b. There is an identifiable high information need on which to base a range of products,
c. The business is a market-leader in its respective sector or capable of achieving market leadership quickly,
d. Its key people fit comfortably into Centaur's culture.

Having identified suitable targets, we seek to apply the following financial criteria in assessing valuations:

e. It should be earnings enhancing and deliver a minimum 10% post-tax ROI in its first full year of Centaur ownership,
f. It should deliver a minimum post-tax IRR of 5 percentage points above Centaur's post-tax weighted average cost of capital (currently 10%).

The Board recognises that these financial criteria are demanding but considers them appropriate to the acquisition strategy detailed above and in total the results of the five acquisitions completed since 1 July 2005 have exceeded these financial performance targets.

Current Development Activity

Innovation is central to Centaur's culture and is an almost constant activity across the whole portfolio. In the new financial year, we are continuing to develop new products at a steady pace. Our current development initiatives include extending our established brands into new media and a continued enhancement of market positions achieved through acquisitions.

In addition to the ongoing development and maturing of initiatives mentioned above, we are currently in the process of developing a number of new projects across the business. These include several new events including two exhibition launches and a number of new summit format events. In addition the establishment of specialist research panels in a number of our vertical markets has progressed steadily and will provide opportunities for targeted research initiatives in the new financial year.

The further planned investment in the key elements of our current web operations (including the recruitment advertising platform and content management system) will improve the operation of a number of existing online products and also enhance the speed and efficiency of prospective online product development.

Notes

1. *One of Centaur's key measures of profit is earnings before interest, tax, depreciation and amortisation, excluding exceptionals and other significant non-cash items including share based payments (adjusted EBITDA). In addition, we report adjusted PBT(PBTA) which is profit before tax excluding the impact of amortisation of acquired intangibles and of exceptional items, and excluding the profit on disposal of associated undertakings*

2. *Centaur's product portfolio currently comprises 7 weekly magazines, 3 fortnightly magazines, 14 monthly magazines, 5 magazines of a quarterly or bi-monthly frequency, 36 online products or services, around 35 awards or other sponsored events, 24 exhibitions and approximately 90 conferences.*

3. *Centaur reports its results within 5 distinct segments, namely Legal and Financial, Marketing and Creative, Construction and Engineering, Perfect Information and General Business Services. The first 3 segments comprise principally the following vertical business communities in which Centaur publishes market-leading magazine titles: Marketing Services, Creative Services, New Media, Retail Financial Products, Legal Services, Construction and Engineering. Centaur also enjoys strong positions in a number of other specialist communities, namely HR, Recruitment, Supply Chain and Logistics and Business Travel.*

Centaur Media plc

Corporate Social Responsibility

The Board recognises the need for a clearly defined strategy and well defined policies in relation to the impact of the Group's activities on all its key stakeholders and the broader environment as a whole. The Board has therefore formulated an approach to CSR which is both complementary to the stated strategic objectives of the Group but also practical in terms of implementation of policy and measurement of results.

People in Centaur

Centaur's success depends upon its ability to keep developing new products and refreshing existing ones and that in turn depends upon our ability to attract and retain a highly motivated, entrepreneurial team of people. In seeking to achieve this objective, we believe that the following are the most important factors for us to address:

a. **Giving our people a sense of ownership**: We describe Centaur as a federation of small businesses, with discrete profit centres serving individual vertical communities, supported by a strong central infrastructure of common services such as Finance, Circulation, Web and IT Operations and HR. We encourage our people where appropriate to have a strong sense of identity with their particular community, business unit or brand and to think like owners. Reorganisation carried out in the past year, in the marketing sector in particular, has served to underline the importance of our organisational focus on vertical market communities.

b. **Maintaining unity around a common vision, strategy and culture:** We seek to provide each of our businesses with a corporate context of a clearly communicated vision and strategy and a common culture. We aim to achieve this through good communication on a number of levels. In addition to a structure of formal and informal business community meetings across the Group, which are attended on a monthly basis by the CEO and Group FD, a number of other mechanisms are used to retain a corporate framework without diluting the strength derived from the devolved operating structure of the Group as described above. These include:

   - The Group intranet, which provides a daily update of news and corporate information.
   - A monthly email newsletter from the CEO that is sent to all staff each month highlighting recent new business developments.
   - Senior managers' attendance at periodic management seminars to promote and share best practise across the Group including an internet forum to ensure specialist expertise is shared across all areas of the Group. In addition, all senior managers receive a six monthly update of company results from the CEO and Group FD.
   - The Centaur Awards - an annual dinner held for all staff to celebrate the outstanding achievements of the year.

c. **Providing competitive rewards:** Centaur's culture is meritocratic and in reviewing remuneration packages, we seek to focus primarily on individual performance. Individual reviews are conducted throughout the year and tend to occur on the anniversary of joining. We aim to provide financial rewards and a range of associated benefits that are competitive within our sector.

d. **Providing effective resources:** Centaur's management style is intended to incorporate a high level of coaching to support and promote superior performance. This is supplemented by an in-house programme of entry-level training programmes. We have successfully run the Centaur Sales Training Academy, a more extended training programme for new sales recruits. In addition we have significantly increased our investment in formal training to provide support to all members of staff. This has included the recruitment of extra training staff.

e. **Listening to our staff:** Following the receipt and analysis of results from the YouGov employee engagement survey the Group has taken a number of actions to address issues of concern raised therein. The Group intends to repeat the survey periodically both to ascertain the efficacy of the actions taken and to emphasis the continuing importance of listening to our staff.

Centaur Media plc

Corporate Social Responsibility (continued)

The Environment

Progress has been made during the year to both introduce new initiatives and to objectively measure their success in addressing environmental issues:

Purchase of paper and printing - The Group sources all its magazine paper grades from mills that hold valid forestry certification scheme accreditation, which ensures its pulp is sourced from well managed and sustainable forests. All mills have ISO 14001 and with the exception of one small specialist mill, EMAS accreditation.

Centaur uses 100% recycled paper made from post consumer recovered paper fibres on titles such as The Lawyer and The Engineer. While our primary commitment is to use certified paper from sustainable forests for all UK titles by the end of 2008, it is the intention that we will also increase recycled paper content over time, where appropriate and where that will genuinely reduce the Group's CO_2 carbon footprint.

Disposal of waste & recycling – A major recycling initiative has recently been introduced at the Company's head office to separate and recycle all (a) paper; and (b) cardboard, bottles, cans and plastic. The same recycling initiative will be "rolled out" in the other West End offices and if feasible in the City office. Statistics on the success of this initiative will be available in the next annual financial statement.

The Bromsgrove office has been recycling paper for over a year and in the last financial year over 6.3 tons was recycled.

The paper recycling also includes returned magazines although measures have been taken to reduce these returns and these measures have contributed to the achievement of a reduction of returns in the London offices of some 8% in the year.

Packaging and distribution of magazines – Following advice on its efficacy it has been decided not to use biodegradable plastic for wrappers but to source lighter weight plastic that can be recycled and this policy is being adopted.

Toner Inks - All toner cartridges and computer equipment continue to be recycled where possible. In order to reduce the consumption of toner cartridges computers are linked to photocopiers for printing purposes in most areas of the business. Consequently there has been a reduction of printer toner cartridges purchased by the West End offices, the biggest users, of some 21% in the year.

Reducing the carbon footprint – During the year the Company appointed The Carbon Trust to undergo an audit and a number of recommendations were made. As a result, a number of actions have been implemented, and we are investigating further solutions to improve the efficiency of our energy consumption.

The Community

There is no Group policy to make corporate contributions to charities or political parties. However, there are occasions when such contributions are made in response to a particular request and these are detailed in the Report of the Directors.

A number of Centaur's magazines encourage giving to various charities through the relevant magazine's award events. In the year donations were made through this method to CLAPA (Cleft Lip and Palette Association), The Samaritans, Great Ormond Street Children's Charity, The Kids Company and The Children's Trust.

Centaur Media plc

Financial Review

Revenue from continuing operations

Total Group revenues from continuing operations for the year ended 30 June 2008 were unchanged for the year although advertising sales were 2% ahead led by 27% growth in online advertising sales. In total 21% of advertising sales are now fulfilled online compared to 17% a year ago.

Revenues derived from audiences (principally content sales through online or magazine subscriptions) represented 22% (FY2007: 23%) of total Group sales although growth was partly constrained by the discontinuation of Perfect Analysis.

Revenue from acquisitions made in the current or preceding financial year represented only 1% of that for the total Group (FY2007: 9%) reflecting a lower level of recent acquisition activity compared to the preceding two years (FY2005-FY2007) in which 8 bolt-on or in-fill acquisitions were completed. The acquisition strategy of the Group remains unchanged and is described on page 14 of the Business Review.

New product development remains an important focus for the Group and in total 11% of Group revenues (FY2007: 12%) were derived from products launched in the last three financial years. A full description of this ongoing schedule of new product launches is included in the Business Review on page 14.

Profit for the year from continuing operations before taxation

Profit for the year from continuing operations before taxation decreased by 14% to £14.5 million (FY2007: £16.9 million)

After adjusting for exceptional administrative costs and amortisation of acquired intangible assets adjusted profit before tax increased by 14% to £19.2m (FY2007: 16.9m)

The exceptional administrative costs incurred in the period amounted to £3.6 million and these are described in more detail below and in note 2 to the financial statements. To ensure the underlying performance of the Group is presented in the income statement the Board considers the Group's earnings before interest, tax, depreciation, amortisation, exceptional costs and other significant non-cash items including share based payments ("adjusted EBITDA") to be an important and consistent measure of profitability and in addition the adjusted EBITDA margin is one of the key performance indicators used by the Board to monitor and manage the business.

Adjusted EBITDA for the year ended 30 June 2008 was £21.5 million compared to £19.7 million in the year ended 30 June 2007. This represents an adjusted EBITDA margin of 24% (FY2007: 22%).

An analysis of revenue and adjusted EBITDA from continuing operations by segment, product type, underlying/acquired and maturity as well as an analysis of revenue by source and client type is included in the Business Review on page 7 and the different measures of profit described above are summarised in the following table:

Centaur Media plc

Financial Review (continued)

Continuing operations	2008 £m	2007 £m
Revenue	**90.4**	90.3
Adjusted EBITDA	**21.5**	19.7
Depreciation of property, plant and equipment	**(0.8)**	(0.8)
Amortisation of software	**(1.5)**	(1.9)
Share based payments	**(0.2)**	(0.4)
Interest receivable	**0.2**	0.2
Share of post-tax profit from associate	**-**	0.1
Adjusted PBT	**19.2**	16.9
Amortisation of acquired intangibles	**(1.1)**	(0.7)
Exceptional administrative costs	**(3.6)**	-
Profit on sale of associate	**-**	0.7
Profit before taxation	**14.5**	16.9

Exceptional administrative cost

Within administrative expenses for the year ended 30 June 2008 an amount of £3.6 million has been identified as exceptional for the purpose of calculating both adjusted EBITDA and adjusted profit before tax. (FY2007: nil)

In total this expenditure, separately disclosed in the income statement and the component parts detailed in note 2 to the financial statements, have been identified as exceptional by nature in accordance with the statement of accounting policies laid out on pages 47 to 53.

In total around £1.2 million of the exceptional expenditure is represented by an outflow of cash from the Group in the year to 30 June 2008, principally in the form of redundancy payments, and it is anticipated a comparable level of cost savings will accrue to the Group over the course of a full year as a result of the organisational changes that have given rise to these payments.

The balance of the expenditure is a combination of accelerated amortisation of software relating to the discontinued product Perfect Analysis (£1.2 million), and adjustments to share based payments in respect of redundant staff (£0.1 million). In addition the exceptional costs include a provision in respect of empty office space amounting to £0.5 million reflecting the onerous element of an additional short term property rental commitment at 30 June 2008 that has been entered into to facilitate the changes to the Group's main London premises that have arisen following the restructuring of the business during the year.

Revenue per employee

Revenue per employee for the year ended 30 June 2008 decreased by 5% to £115,000 (FY2007: £121,000)

As reported in note 5 to the financial statements this is based on an average number of persons employed during the year of 786 (FY2007: 759) however at 30 June 2008 the total numbers of persons employed by the Group had reduced to 773 and further reductions achieved since the start of the new financial year will help to improve this ratio.

Financial Review (continued)

Free cash flow

Free cash flow ("FCF") is defined as cash generated from operations (note 25 to the financial statements) less capital expenditure required to maintain the asset base of the Group, (property, plant and equipment and computer software) and after adjusting for any exceptional cash items.

The strength of FCF generation, representing the cash available for the stakeholders of the Group, has continued to be a strong feature of the Group's financial performance this year, increasing by 10% to £17.1 million (FY2007 : £15.6 million). This growth was constrained by a 19% increase in capital expenditure which primarily reflected a number of ongoing web and data related projects including the development of a standardised web platform for recruitment advertising sales, an integrated magazine and web content management system and an enhanced customer database to facilitate stronger sales relationships across the Group. In addition the Group is undertaking a major refurbishment of office accommodation in its two main London properties.

The cash conversion ratio (FCF to adjusted operating profit) was 90% for the year (FY2007: 94%) and continued to reflect a high level of cash generation from prepaid event revenues and continued efficiency improvements in the cash collection process. As mentioned on page 8 of the business review, the decrease in the cash conversion ratio reflects an increased level of capital expenditure in the current financial year.

A 5 year summary of FCF and adjusted operating profit is presented below:

	2008 Actual IFRS £m	2007 Actual IFRS £m	2006 Actual IFRS £m	2005 Actual IFRS £m	2004 Pro-forma UK GAAP £m
Cash generated from operations	19.0	18.2	14.4	9.6	7.4
Exceptional items – cash impact	1.2	-	-	0.5	(0.2)
Capital expenditure	(3.1)	(2.6)	(3.0)	(2.5)	(2.1)
Free cash flow	17.1	15.6	11.4	7.6	5.1
Operating profit	14.3	15.9	14.7	8.9	5.5
Amortisation of acquired intangibles	1.1	0.7	0.3	-	-
Exceptional (credit)/ costs	3.6	-	(2.2)	0.6	0.1
Adjusted operating profit	19.0	16.6	12.8	9.4	5.6
Cash conversion rate	90%	94%	89%	81%	91%

Balance sheet and share capital reduction

The Board holds a mandate to purchase up to 10% of the Company's issued share capital and during the period, the Company acquired 7,550,000 of its own shares through open market purchases representing 5.05% of issued share capital at the start of the financial year. The total amount paid to acquire the shares was £7.9 million and this has been deducted from shareholders' equity. The shares are held as treasury shares and will be used in the first instance to satisfy any new share issuance required as a result of the long term incentive plans described in note 22 to the financial statements, after which the remaining balance will be cancelled.

The ability to finance these share purchases from existing cash resources underpins the continued strength of the Group's balance sheet and if the consideration for the share purchase is excluded cash and cash equivalents increased by £5.6 million in the period after paying dividends of £5.4 million and after repaying £1.0 million to the holders of loan notes in Centaur Media plc. Excluding funds held in respect of these loan notes the cash available for use by the Group in its day to day operations was £7.7 million at 30 June 2008 (FY2007: £9.0 million).

Other movements in net assets include a £0.8 million decrease in deferred tax assets principally relating to the share options where the potential value of future tax deductions are reduced as a result of changes in the share price of Centaur Media plc during the year. This is described further in the taxation section of the financial review detailed below. Trade receivables reduced by £2.3 million in the year reflecting a strengthening of customer credit terms and improved cash collections. At 30 June 2008 trade receivables amounted to £10.6 million (after an impairment provision of £0.4 million) and expressed as the number of days of total Group revenue outstanding this equates to 43 days compared to 52 days a year ago.

Earnings per Share ("EPS")

Basic EPS for the year was 6.7p, a decrease of 18% (FY2007: 8.2p). Adjusted basic EPS was 9.2p and this represents an increase of 12% (FY2007: 8.2p).

The basis for calculating adjusted EPS is consistent with the calculation of adjusted PBT described above and full details of the EPS calculations are presented in note 7 to the financial statements

Taxation

Tax on profit on ordinary activities amounted to £5.0 million in the year ended 30 June 2008 (FY2007: £4.6 million).

Taking into account the tax effect of adjustments to arrive at adjusted PBT, this represents an effective tax rate of 31% (FY2007: 28%) of adjusted PBT.

The year on year increase in the effective tax rate, which exceeds the standard rate of UK corporation tax rate (29.5%), relates principally to share options where charges taken to the income statement in the year included £0.5 million relating to a reduction in the value of the deferred tax asset in respect of outstanding share options. The value of this asset is based on the expected deduction that will arise under Schedule 23 Finance Act 2003 when options are exercised and is calculated partly by reference to current share price. At 30 June 2008 the market price was 65.8 pence compared to 133.0 pence a year ago and the carrying value of the deferred tax asset was adjusted accordingly.

The net deferred tax position at 30 June 2008 is a liability of £0.4 million (FY2007: £0.4 million asset) and the movement includes a £0.1 million charge, taken directly to equity, in respect of share options granted before 7th November 2002.

Dividends

A final dividend of 3.0p per share is proposed, giving a total for the year of 4.2p (FY2007: 3.5p). The final dividend is subject to shareholder approval at the annual general meeting and will be paid on 20 November 2008 to all ordinary shareholders on the register at close of business on 24 October 2008. The Company has sufficient reserves to cover the recommended dividend.

Treasury policy

Treasury is managed centrally and is principally concerned with managing working capital and seeking to maximise returns on available short term cash deposits. Further details of the operation of the Group's treasury functions and a description of the role that financial instruments have had during the year in the management of the Group's funding and liquidity risks and interest and foreign exchange rate risks are contained in the "financial instruments" notes to the financial statements (note 26).

Financial Review (continued)

Principal risks and uncertainties

Specific business risks to which the Group is exposed are detailed below and as described in the Corporate Governance Report on page 31 the Board has implemented a comprehensive risk management process to identify, monitor and mitigate these risks.

Exposure to the economy

Centaur's products and markets are predominantly UK based and as a result the Group's performance is broadly linked to the strength of the UK economy and general economic factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption therefore have the potential to affect the Group's operations, business and profitability. While these macro economic factors are beyond the control of the Group, specific exposure to interest rate and currency risk is minimal and in addition the range of markets served by Centaur's products together with the continuing strategy of extending the reach of established brands through the delivery of new products in a diverse range of media formats provides some ability to spread this exposure.

Dependence on advertising

In total advertising revenues represented 56% of Group revenue in the year ended 30 June 2008 (FY2007 : 55%) and changes in advertising trends, particularly away from traditional magazine formats could have an impact on the Group's profitability. However the diversity of served markets and strength of brands, which in most cases includes a number of market leading positions together with continued brand diversification into alternative media formats all serve to limit this exposure. While in total the overall concentration of advertising sales has increased during this financial year this includes 27% growth in online advertising which now accounts for 21% of all adverting sales across the Group.

Growth strategy

The Group seeks to launch or acquire new titles, conferences, exhibitions and other brand extensions. It is essential that the Group successfully develops and markets these products and integrates acquired businesses. The proven record of organic growth over the past several years, and the successful integration of several businesses acquired over the same time period clearly demonstrate the Group's ability to deliver this strategy.

Competitor activity

A number of products exist that compete directly or indirectly with the Group's resulting in a highly competitive market. Domestic and international competitors market their products to the Group's target audiences. New technology, changing commercial circumstances and new entrants to the markets in which the Group operates may adversely affect the Group's business. A key element of the Group's strategy is to develop and maintain a deep understanding of the information needs of the markets it serves and by maintaining the highest standards of editorial integrity it aims to ensure that the provision of information remains commercially aligned with and relevant to the markets it serves. Through these means the Group can continually adapt and develop existing products thus protecting market leading positions and thereby limiting the opportunities for competitors to secure an advantage.

Dependence on key personnel

The Group's future success is substantially dependent on the continued services and continuing contributions of its Directors, senior management and other key personnel. The loss of the services of any of the Group's executive officers or other key employees could have a material adverse effect on the Group's business. The entrepreneurial culture of the Group and the incentive programmes in place enable the Group to attract and retain the key management team.

Reliance on information systems

Certain divisions of the Group are dependent on the efficient and uninterrupted operation of their IT and computer systems and of services from third-party providers. The Group has taken precautions to limit its exposure to the risk of material disruption to systems.

Key performance indicators (KPIs)

The key strategic objectives of the Group are described in the Business Review on page 8 and are summarised below:

- To achieve critical mass in high value growth markets
- To deliver double digit growth in revenues across the cycle
- To balance portfolio revenues across print, online and events
- To expand audience share of revenues
- To increase adjusted EBITDA margins to 25%.

The Board uses a range of performance indicators to monitor progress against these objectives and manage the business. The indicators which the Board considers to be important are as follows:

- Revenue growth by revenue type
- Adjusted EBITDA margin
- Revenue per employee
- Adjusted PBT
- Adjusted EPS
- Cash conversion rate.

In addition to monitoring progress against stated strategic objectives this range of measures provides the Group's stakeholders an opportunity to assess progress made within each reporting period towards a number of commercial and financial objectives and in addition, by adopting measures that are commonly reported by other members of Centaur's peer group, to facilitate a comparison of performance against other similar companies in the sector. Other specific aims of the adopted performance measures are as follows:

- To indicate the spread and breadth of Centaur's operating business models and their relative importance in each reporting period
- To remove the impact of non-recurring exceptional credits or expenditure (and any related tax effect of those exceptional items) thus ensuring the indicators are closely aligned with the underlying, continuing aspects of the Group's trading performance
- To indicate the strong cash generative nature of the Group
- To remove the impact of non-cash credits or expenditure from the measures of earnings to ensure the indicators are closely aligned to the cash generative nature of the Group's assets
- To indicate the strong operational gearing associated with the Group's revenue growth.

Centaur Media plc

Financial Review (continued)

Key performance indicators (KPIs) (continued)

	2008	2007
Revenue growth by revenue type	%	%
Magazines	(2%)	14%
Events	0%	9%
Online products	11%	23%
Other	(56%)	(50%)
Total	0%	12%

	%	%
Adjusted EBITDA margin[1]	24%	22%

	£000	£000
Revenue per employee – continuing operations	115	121

	£m	£m
Adjusted PBT[2]	19.2	16.9

	Pence	Pence
Adjusted EPS[3]	9.2	8.2

	%	%
Cash conversion rate[4]	90%	94%

Notes:

1. *One of Centaur's key measures of profit, which is used to measure the relative performance of divisional units of the Group, is earnings before interest, tax, depreciation and amortisation, excluding exceptional items and other significant non-cash items including share based payments (Adjusted EBITDA). Refer to page 18.*
2. *Adjusted PBT (PBTA) is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items and excluding the profit on disposal of associated undertakings. Refer to page 18.*
3. *Adjusted EPS is based on the basic EPS but after making adjustments for amortisation on acquired intangibles and exceptional items and excluding the profit on disposal of associated undertakings, as detailed in note 7 to the financial statements.*
4. *Cash conversion rate is free cash flow expressed as a percentage of adjusted operating profit. Free cash flow is defined as cash generated from operations (note 25 to the financial statements), less capital expenditure on property, plant and equipment and software, and excluding the cash impact of exceptional items. Adjusted operating profit is operating profit after making adjustments for amortisation on acquired intangibles and exceptional items. Refer to page 19.*

Centaur Media plc

Report of the Directors

The Directors of Centaur Media plc (the "Company" and "the Group") present their Report on the affairs of the Group together with audited Financial Statements for the year ended 30 June 2008.

Principal activities

The principal activities of the Group are the creation and dissemination of business and professional information through publications, exhibitions, conferences and electronic products. Centaur Media plc is a holding company, which also provides management services to the Group.

Business review

The key performance indicators which management consider are important comprise:

- Revenue growth by revenue type
- Adjusted EBITDA margin
- Revenue per employee
- Adjusted PBT
- Adjusted EPS
- Cash conversion rate.

These can be found within the Financial Review on pages 17 to 23 together with details of the principal risks facing the Group. The Business Review includes details of the Group's activities and future developments and is on pages 7 to 14.

Dividends

A final dividend of 3.0 pence per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 20 November 2008 to ordinary shareholders on the register at the close of business on 24 October 2008. With the interim dividend of 1.2 pence per share this will make a total dividend of 4.2 pence per share for the year.

Share capital and substantial shareholdings

Details of the share capital are set out in note 21 to the financial statements.

As at 31 August 2008 notifications of interests at or above 3% in the issued share capital of the Company had been received from the following:

Jupiter Asset Management Limited	12.69%
Aberforth Partners LLP	10.10%
FIL Limited	9.45%
Graham Veere Sherren (inc spouse)	6.04%
Legal & General Group PLC	5.97%
Lloyds TSB Group PLC	5.24%
Schroders Investment Management	5.17%
Griffin Land and Nurseries Inc	4.16%
Standard Life Investment Limited	3.22%

During the year, the Company acquired 7,550,000 Ordinary shares of 10p each in Centaur Media, representing 5.03% of the issued share capital of the Company as at 30 June 2008, for a total consideration of £7.9 million. The shares are held in treasury.

Directors and Directors' interests

The Directors of the Company during the year are detailed on page 5. All Directors served from 1 July 2007 unless otherwise stated.

	Number of ordinary shares held at 30 June 2007	Shares acquired during the year	Number of ordinary shares held at 30 June 2008
GV Sherren	7,700,039	386,000	8,086,039
(In wife's ownership)	428,270	-	428,270
JPE Taylor	100,000	50,000	150,000
C Morrison	100,000	55,000	155,000
BTR Scruby	232,313	200,000	432,313
A Irby (resigned 29 November 2007)	35,465	-	N/a

The Directors' interests in share options, long-term incentive plans and the Sharesave plan is disclosed in the Directors' Report on Remuneration on pages 37 and 38. GV Sherren purchased 100,000 shares on 10 July 2008 and 113,961 shares on 14 July 2008. There have been no other changes to the Directors' interests since the year end.

Qualifying third party indemnity provisions

By virtue of article 206 of the Articles of Association of the Company, a qualifying indemnity provision (within the meaning given by section 309B (1) of the Companies Act 1985) is in force at the date of this report in respect of each Director of the Company and was in force from 8 December 2005.

Payment of creditors

It is the Group's policy to agree credit arrangements with suppliers as part of the general terms of supply. Payment is then made in accordance with these terms provided the goods and services have been delivered in accordance with the agreed terms and conditions. The number and diversity of supply relationships means the Group pursues no formal code or policy beyond this. The Company had no trade creditors at 30 June 2008 or 30 June 2007.

Employment policy

The Group is an equal opportunities employer and appoints employees without reference to age, sex, ethnic group or religious beliefs.

It is the Group's policy to give full consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees of the Group who become disabled to continue in their employment or to be trained for other positions in the Group.

All companies within the Group actively encourage employee involvement at all levels, both through regular employee briefings and by direct access to managers and the Directors. In addition, the Share incentive plan and the Sharesave plan as described in note 22 launched during the year, encourage employees' participation in the Group's performance.

Charitable donations

In the year the Group made a donation of £1,000 to Save the Family at a charity auction and £1,000 to Wynkyn de Worde Charitable Trust.

Financial instruments

A statement in relation to the use of financial instruments by the Group is shown in note 26 to the financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State that the financial statements comply with IFRSs as adopted by the European Union
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business, in which case there should be supporting assumptions or qualifications as necessary. This statement should cover both the parent Company and the Group as a whole.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 1985 and, as regards the group financial statements, article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Group web site, www.centaur.co.uk. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The Directors confirm that, so far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution is to be proposed at the Annual General Meeting for the re-appointment of PricewaterhouseCoopers LLP.

By order of the Board

IPH Roberts
Secretary

17 September 2008

Centaur Media plc

Corporate Governance Statement

Statement of compliance with the Combined Code

The Board of Centaur Media plc is accountable to the Company's shareholders for good Corporate Governance and in doing so is committed to the principles outlined in the 2006 FRC Combined Code on Corporate Governance.

The statement below describes how the principles of Corporate Governance are applied and the extent of the Company's compliance with the provisions set out in Section 1 of the 2006 FRC Combined Code. The Company has complied with the 2006 FRC Combined Code throughout the financial year subject to the fact that a Non-Executive Director who is not independent was a member of the Audit and Remuneration Committees until his resignation from these committees effective 29 November 2007.

Furthermore, Graham Sherren, who is not independent and formerly held the role of Chairman and Chief Executive, remains as Non-Executive Chairman.

The Board of Directors

The Group is controlled through its Board of Directors. The Board recognises its responsibility to the Company's shareholders. It does this by providing entrepreneurial leadership, whilst ensuring controls are established that enable the effective monitoring and management of risk.

The Board is responsible for the Group's systems of Corporate Governance and is ultimately accountable for the Group's activities and strategy by ensuring the right financial and human resources are in place.

Board process

The Board is accountable to shareholders for ensuring that the Group is appropriately managed and achieves the strategic objectives agreed by the Board. In accordance with the Combined Code, the Board has established guidelines requiring specific matters to be discussed by the full Board of Directors, such as:

- The commencement of any major new and/or different business activity.
- Material acquisitions and disposals.
- Material investments and capital projects.
- The Group's internal controls and risk management policies, including insurance and material litigation.
- Overall budgetary planning, treasury planning and business strategy.
- Review of the functioning of the Board Committees.

The Board meets at least six times each year. The Directors receive the Board papers in advance of each meeting.

The Board has a procedure through which the Directors are able to take independent advice in the furtherance of their responsibilities. The Directors have access to the advice and services of the Company Secretary, Ian Roberts. He is also secretary to all the Board Committees. In addition, the Company Secretary advises the Board on governance matters and provides ongoing training through the regular dissemination of relevant legislative and regulatory updates and external reports. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board, all of which are available on the Company's website (www.centaur.co.uk). Non-members may attend these committee meetings by invitation although no Director can attend a meeting, or part of a meeting where he could have a conflict of interest.

Corporate Governance Statement (continued)

Performance evaluation

The Directors are constantly evaluated against performance and commitment to their roles and duties as Directors. The Chairman addresses weakness and, where appropriate, proposes new members to be appointed and seeks the resignations of Directors of the Board.

A new form of evaluation of Directors was undertaken during the year, the results of which were reported to the Board by the Company Secretary. The Chairman then held discussions with individual Directors as necessary. No significant problems were identified.

Board committees

The number of scheduled full Board meetings and Committee meetings during the year to 30 June 2008 along with attendance of Directors was as follows:

	Scheduled Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
No of meetings held	7	3	5	1
Graham Sherren	7	n/a	n/a	1
Geoffrey Wilmot	7	n/a	n/a	n/a
Michael Lally	7	n/a	n/a	n/a
Thomas Scruby *	6	1	1	n/a
Patrick Taylor	7	3	5	1
Colin Morrison	6	3	5	1
Alton Irby *	-	-	-	-
Christopher Satterthwaite	6	3	4	1

* Alton Irby resigned from the Board and Tom Scruby resigned from all Committees effective 29 November 2007.

Board balance and independence

During FY2008, the Board comprised two Executive Directors, Geoffrey Wilmot and Michael Lally, and five Non-Executive Directors, including the chairman who became Non-Executive from 6 December 2007. It is recognised that the retention of Graham Sherren in the role of non-independent Chairman, having formerly held the role of Chief Executive Officer, will not satisfy the 2006 FRC Combined Code. However, this was discussed with major shareholders prior to the decision being made and the Board believes that Graham Sherren's continuation as Chairman is vital in continuing to give the Group the benefit of his considerable experience and knowledge of the publishing industry.

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer and this split was outlined in detail in the 2007 Corporate Governance Statement.

Three of the Non-Executive Directors, Patrick Taylor, Colin Morrison and Christopher Satterthwaite are considered by the Board to be 'independent' of management for the purposes of the 2006 FRC Combined Code and have no relationships that may interfere with their independent judgement and thus in this regard the requirements of the 2006 FRC Combined Code are satisfied. As previously reported, Christopher Satterthwaite was appointed as a Non-Executive Director from 1 July 2007 and Alton Irby resigned from the board on 29 November 2007.

Corporate Governance Statement (continued)

Board balance and independence (continued)

Alton Irby was a Non-Executive Director of Centaur Communications Ltd until August 1998 but the Board does not believe that this is relevant in establishing his independence status under the 2006 FRC Combined Code. He resigned from the Board on 29 November 2007. In addition the Board is strengthened by the presence of the fourth Non-Executive Director, Tom Scruby, who was a Director of Centaur Communications Ltd from 1989 to 2004. In view of this he does not satisfy the independence criteria of the 2006 FRC Combined Code. Although the Board continues to believe that Tom Scruby brings substantial benefit to the Board through both his external experience and his knowledge of Centaur he decided to resign from the Audit and Remuneration Committees effective 29 November 2007.

Patrick Taylor has been appointed senior Non-Executive Director.

All Directors are subject to re-election at least every three years but have chosen to stand for re-election annually.

The Audit Committee

Patrick Taylor chairs the Audit Committee and its other members are Colin Morrison and Christopher Satterthwaite. All members of this committee are Non-Executive Directors.

The Audit Committee meets at least twice each year. In addition Patrick Taylor meets with the external auditors at least annually on a one to one basis. The Chief Executive Officer and the Group Finance Director and external auditors attend for part or all of each meeting. The external auditors have unrestricted access to the Audit Committee and its Chairman. The Audit Committee considers all matters relating to financial policies, internal control and reporting, appointment and re-appointment of external auditors, the scope and results of the audits, the independence and objectivity of the auditors and ensures that an effective system of internal financial control is maintained.

The Group does not have an internal audit function. The Group believes that the internal controls established are strong and therefore an additional internal audit function is not currently required. The Audit Committee annually reviews that position.

An Internal Control Review has been conducted by management and a report has been submitted to the Audit Committee; no major control issues were identified.

The Audit Committee has reviewed arrangements for whistleblowing and has put a policy in place. The policy encourages a culture of openness and seeks to reassure employees that by reporting issues of concern they will not suffer victimisation or detriment. Employees are required to raise issues in the first instance with their line manager or, if this is a problem, with the Human Resources Director or in exceptional cases with the Chief Executive Officer or Chairman of the Audit Committee.

The Group is committed, whenever appropriate, to investigate fully any concern raised in a timely manner and where an investigation confirms wrongdoing to take the necessary disciplinary or legal action. The Group will, wherever possible and without infringing confidentiality, keep the "whistleblower" informed of the outcome of enquiries and decisions taken with regard to the matter. Guidance is also given to raising matters externally.

Centaur's external auditors may not provide any non-audit service that poses a significant threat to the auditors' objectivity or independence. Centaur's auditors have confirmed that they are independent and do so on an annual basis. During the year Centaur underwent a competitive tender process for the provision of tax compliance services and, as a result, these services are no longer provided by the auditors.

The auditors have been in post since 2000 but for only for five years as auditors of a listed company (Centaur was listed in March 2004). The Group will be reviewing their appointment in 2009.

Corporate Governance Statement (continued)

The Audit Committee (continued)

The Remuneration Committee

Patrick Taylor chairs the Remuneration Committee and its other members are Colin Morrison and Christopher Satterthwaite. All members of this committee are Non-Executive Directors.

The Remuneration Committee meets at least twice each year. The Chairman and the Chief Executive Officer may be invited to attend meetings, if the Remuneration Committee considers it appropriate. The Remuneration Committee will consider all material elements of remuneration policy including the remuneration and incentives of Executive Directors and senior management. The Executive Directors determine the remuneration of the Non-Executive Directors.

Hewitt New Bridge Street Consultants (HNBSC) is appointed as remuneration consultants to the Remuneration Committee. HNBSC advises the Committee directly on matters within the Committee's terms of reference on which the Committee chooses to consult HNBSC.

HNBSC advises the Board (or those Directors charged by the Board to make recommendations) from time to time on the remuneration of Non-Executive Directors.

The Company Secretary, with reference to independent remuneration research and professional advice and in accordance with the 2006 FRC Combined Code, also will provide regular updates to the Board on the framework for executive remuneration and its cost. The Board is then responsible for implementing the recommendations and agreeing the remuneration packages of individual Directors and the Company Secretary. The Directors are not permitted under the Articles to vote on their own terms and conditions of remuneration.

The Nomination Committee

Graham Sherren chairs the Nomination Committee and its other members are Colin Morrison, Patrick Taylor and Christopher Satterthwaite.

The Nomination Committee ensures that there is in place a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee is responsible for ensuring that the right calibre of person and balance of skills is maintained on the Board. This committee meets at least annually and as required will make recommendations to the Board on new appointments to the Board. When the Nomination Committee is considering the appointment of a successor to the Chairman, Patrick Taylor chairs this committee.

Internal control

The Board recognises its responsibility to present a true and balanced assessment of the Group's position and prospects. Centaur Media plc's structure of accountability and audit operates as follows:

The Board has accountability for reviewing the effectiveness of the Group's system of internal controls. This relates to all controls, covering financial, operational, compliance and risk management matters.

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal control, is established for identifying, evaluating and managing risks faced by the Group. The Directors recognise that they are responsible for systems of internal control and for reviewing its effectiveness and this they have done throughout the year. The risk management process and systems of internal control are designed to only manage rather than eliminate risk. The risk of failure to achieve business objectives has been reviewed regularly by the Board throughout the year.

Corporate Governance Statement (continued)

Internal control (continued)

The Board has delegated responsibility for such reviews to the Audit Committee, which receives the relevant reports from various committees and individuals to assist it in its assessment of these controls. It is the responsibility of management to implement Board policies on internal control.

The Board through its committees is responsible for identifying, approving and enforcing policies on risk and control. The Group has a structure to monitor its key activities. As part of its structure, there is a comprehensive planning system with an annual budget approved by the Board. The results of operating communities are reported monthly and compared to the budget. Forecasts are prepared during the year.

The key procedures, which the Directors have established with a view to providing effective internal controls, are as follows:

- Regular Board meetings to consider a schedule of matters reserved for the Board's consideration,
- An annual review of corporate strategy, which includes a review of risks facing the business and how these risks are monitored and managed on an ongoing basis within the organisation,
- An established organisational structure with clearly defined lines of responsibility and delegation of authority,
- Documented and enforced policies and procedures,
- Appointment of staff of the necessary calibre to fulfil their allocated responsibilities,
- Comprehensive budgets and forecasts, approved by the Board, reviewed and revised on a regular basis, with performance monitored against them and explanations obtained for material variances,
- A detailed investment approval process, requiring Board approval for major projects. Post-investment appraisals will be conducted and be reviewed by the Board,
- An Audit Committee of the Board, comprising Non-Executive Directors, considers significant financial control matters as appropriate.

Relations with shareholders

Communication with shareholders is given a high priority. The Business Review gives a detailed overview of the business and future developments. There is regular dialogue with institutional shareholders as well as presentations after the Group's preliminary announcement of the year-end results and at the half year. In addition financial and other information about the Group is available on the Group's website and procedures are in place to ensure that the Board is regularly apprised of shareholders', analysts' and brokers' expressed views of the Group.

The Board's intention is to use the Annual General Meeting on 14 November 2008 to communicate with private and institutional investors and welcomes their participation. The Chairman will aim to ensure that the Chairman of the Audit and Remuneration Committees is available at the Annual General Meeting, details of which can be found in the Notice of the Meeting. During the year the senior independent director has not been requested to attend any meetings by any of the shareholders but remains available to do so at their request

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and for this reason, they continue to adopt the going concern basis in preparing the financial statements.

Centaur Media plc

Directors' Report on Remuneration

Information not subject to audit

The Directors' report on remuneration has been prepared in accordance with the Directors' Remuneration Report Regulations 2002.

The Remuneration Committee

Details of the Remuneration Committee are found on page 30.

Directors' remuneration policy

The policy of the Group for the remuneration of Executive Directors is that it should be sufficient to attract and retain the Directors needed to run the Group successfully.

In addition to the advice given by HNBSC and in order to assist in ascertaining the proper levels of remuneration for Directors the Company Secretary provides regular independent remuneration research reference material to the Committee.

Centaur's primary focus is on organic, profitable growth. Its key strategic objectives include a target of double digit revenue growth across the cycle and an increase in adjusted EBITDA margins to 25%. In light of this, the Remuneration Committee considers it important that a significant proportion of the Executive Directors' remuneration packages should be linked to growth in profits and shareholder value.

The remuneration package consists of basic salary, benefits, bonuses, pension and share options. It is the intention of the Committee to review at least annually the remuneration packages (including, but not limited to, pension arrangements, the determination of any targets for any performance-related pay schemes operated by the Company - asking the Board, when appropriate, to seek shareholder approval for any long-term incentive arrangements, bonuses, incentive payments and any compensation payments and share option entitlements) for each of the Executive Directors and Company Secretary. The objective of such policy being to ensure that Directors are provided with appropriate remuneration and incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.

The policy with regard to bonus schemes for the Executive Directors and Company Secretary is to set demanding but motivational performance targets that are normally based on one of the Company's key profit measures of Adjusted earnings per share. The Adjusted earnings per share target levels may be set with regard to a number of factors, including year on year growth. The maximum bonuses payable in respect of the year to 30 June 2009 are capped at 100% and 50% of annual salary for the Chief Executive Officer (CEO) and Group Finance Director (GFD) respectively, with a higher growth target set for the CEO than the GFD.

Bonuses payable to the CEO and GFD in respect of the year amounted to 15.6% and 8.0% of their salaries respectively at 30 June 2008. The Chairman's bonus in respect of the year was 15.6% of his salary for the period 1 July 2007 to 6 December 2007 at which point he became a Non-Executive Chairman. These were calculated by reference to growth in Adjusted earnings per share (EPS) for the year. Adjusted EPS of less than 8.6p (implying growth of up to 10.3%) would have resulted in no bonus being paid. Maximum bonus would have been paid for achieving Adjusted EPS of 10.9p, representing growth of 40%. Actual Adjusted EPS achieved of 9.2p represented growth of 12%.

Directors' Report on Remuneration (continued)

Directors' remuneration policy (continued)

Details of the Company's long-term incentive plans (LTIP) are outlined below. During the year, LTIP awards granted to the CEO and GFD of 300,000 shares and 120,000 shares respectively were valued at the time of grant at 92.8% and 62.0% of their respective salaries compared with the 100% maximum limit set in the plan approved by shareholders.

At these levels of bonus the Committee consider that there is a reasonable link between the Executive Directors' remuneration and the performance of the Group.

The Non-Executive Directors receive a fee for their services, and the reimbursement of incidental expenses. In addition a payment of £1,500 per working day is made in respect of any period during which it is agreed by the Board that the time commitment is significantly longer than envisaged under the terms of the appointment as a result of, for example, a major corporate transaction.

The Directors' service agreements

Geoffrey Wilmot's service agreement is dated 27 February 2004, amended on 23 November 2006 to reflect his appointment as Chief Executive Officer, and Michael Lally's agreement is dated 2 April 2007. Notice periods are 12 months and Executive Directors do not have a fixed term of office.

Their contracts provide for termination of their employment within 14 days of which payment shall be made in lieu of notice. Where the Company terminates the contracts any damages to which the Executive Director may be entitled shall be calculated in accordance with ordinary common law principles including those relating to mitigation of loss.

Graham Sherren is the Non- Executive Chairman. His service contract has been amended to reflect his status as a Non-Executive and continues to provide for a notice period of twelve months.

Patrick Taylor, Colin Morrison, Tom Scruby and Colin Satterthwaite are the Non-Executive Directors. The Non-Executive Directors do not have service contracts; they have a letter of appointment with the Company. Their appointments are for an initial three-year period and provide for a notice period of one month. All retiring Directors are eligible for re-election. Any Non-Executive Director who has held office for a nine-year period or more shall be subject to re-election at each AGM. Their letters of appointment provide for termination of Non-Executive Director's employment with one month's notice.

Pension arrangements

There is no Group executive pension scheme. The Group makes contributions to Executive Directors' individual pension schemes; 17.5% of salary for Geoffrey Wilmot and 9% of salary for Michael Lally. The Group makes contributions of between 3% and 9% of salary for other employees, dependent on their seniority.

Long-term incentive plans

The Group has four long-term incentive arrangements in place. Three of these plans (the Long-term incentive plan, the Share option plan and the Rollover plan) are available only to Executive Directors and other key employees. The Share incentive and Sharesave plans are open to all employees.

Directors' Report on Remuneration (continued)

Long-term incentive plans (continued)

(i) Long-term incentive plan ("LTIP")

The LTIP is intended to be the sole long-term incentive arrangement for the Company's key management, although in exceptional circumstances further options may be granted under the Share option plan. The Board believes that the LTIP will provide a better link between reward and performance and incentivise key management to deliver long-term shareholder value. The maximum market value of shares over which awards may be granted to any individuals in any financial year will not exceed 100% of that individual's base salary.

Awards may be granted under the LTIP either as a conditional allocation of ordinary shares in the Company, as nil (or nominal) cost options with a short exercise window or as forfeitable shares. Awards will normally vest three years after grant, subject to continuing employment and the achievement of performance conditions. All awards made under this plan take the form of conditional grants of free shares in the Company. Vesting is based on a condition measuring the Company's Total Shareholder Return ("TSR") against a comparator group of companies over a fixed three year Performance Period commencing on the first day of the financial year in which the award is granted (save for the three year performance period applying to the initial awards which commenced on the date of grant). TSR is the increase in the Net Return Index (as calculated by a specific financial information provider as selected by the Committee) for each company over the Performance Period, calculated as the increase in the average Net Return Index during the last three month period of the Performance Period compared to the average Net Return Index during the three month period ending on the day before the start of the Performance Period.

The comparator group for the 2008 awards was as follows:

- Euromoney plc
- Future Plc
- Huveaux Plc
- Informa plc
- ITE plc
- Johnston Press plc
- Mecom Group Plc
- Pearson plc
- Reed Elsevier plc
- Trinity Mirror plc
- UBM plc
- Wilmington Plc
- Yell Group Plc

Since the grant of the 2006 awards, four companies (namely EMAP, Reuters, Metal Bulletin and Incisive Media) that were included in the original comparator group have been de-listed. Two of these companies (namely EMAP and Reuters) also formed part of the 2007 comparator group. For consistency, and to maintain a sufficient number of comparator companies in these groups, Johnston Press plc, Mecom Group Plc, Trinity Mirror plc and Yell Group Plc have been added to these comparator groups.

The percentage of an award that will vest is as follows:

Ranking of the Company's TSR when compared against the TSR of the comparator companies	**Percentage of Award that Vests**
Below median	0%
Median	30%
Upper quartile	100%
Between median and upper quartile	Straight-line vesting between 30% and 100% based on ranking plus interpolation between rankings

Centaur Media plc

Directors' Report on Remuneration (continued)

(i) Long-term incentive plan ("LTIP") (continued)

Irrespective of the Company's TSR performance, no award will vest unless the Remuneration Committee is satisfied that this is warranted by the financial performance of the Company since grant, with average growth in the Company's adjusted Earnings per share of RPI plus 2% considered a minimum level of financial performance, unless the Remuneration Committee considers that it would be inappropriate to apply this "underpin."

(ii) Share option plan

The Committee has previously granted share options under the Share option plan to members of senior management. The Board's objective in granting options was to increase shareholder value through growth in earnings.

Options granted have a three year vesting period and require that future corporate performance targets be achieved before they can be exercised. The same performance targets, which are based on Earnings before taxation & amortisation (EBTA), are common to all Executive Directors and senior management. In order to determine the number of shares that option-holders will be entitled to acquire on exercise of their options, EBTA per ordinary share is required to grow at a series of compound rates of growth between 19 and 44 per cent over a three-year performance period, or 26 and 63 per cent over a four-year performance period.

In determining the target EBTA, the base year's profitability of Centaur Media plc and its subsidiaries will be the financial year ended 30 June 2004. In respect of the year of exercise, for the purposes of settling the adjusted achieved EBTA the principal criteria to be applied is:

(a) To exclude exceptional gains, losses or other exceptional items.
(b) To exclude profits or losses arising from the disposal of assets.
(c) To apply an appropriate and equitable treatment to the recognition of profits or losses arising from acquisitions within a maximum period of two years from their purchase.
(d) That the EBTA will be expressed as an amount per ordinary share for the time being in issue in Centaur Media plc and where the number of shares will be the weighted average in issue throughout the relevant year upon which the performance is based.
(e) That the starting point for the number of shares in issue is 147,994,118 being the total number of ordinary shares of 10 pence each is issue, fully paid, as at 10 March 2004 being the date of admission to the AIM.

The option plan is made up of two parts. Part I is approved by the Inland Revenue and takes advantage of the legislation to encourage employees to own shares in the Company in a tax efficient manner. Part II of the plan has not been approved by the Inland Revenue.

There is a limit on the grant of options under the Share Option Schemes. Options may not be granted if the numbers of ordinary shares over which they are granted (together with any ordinary shares which are subject to options granted pursuant to the Rollover Plan) exceed 5 per cent of the ordinary shares in issue immediately prior to the date of grant of the options.

(iii) Rollover plan

Centaur Media plc Executive Directors and certain senior employees elected to rollover existing ("old") Centaur Communications Ltd share options into new "rollover" share options in Centaur Media plc. The options were exchanged for options each at various exercise prices in Centaur Media plc. Rollover option holders have been entitled to exercise the former Centaur Communications Ltd options from 10 March 2005 and are excluded from any performance conditions.

Centaur Media plc

Directors' Report on Remuneration (continued)

(iv) Share incentive plan

The Share Incentive Plan is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £1,500 per annum (or 10% of their salary if less) in shares in the Company which are held in trust and can be withdrawn with tax paid at any time, or tax-free after five years. Other than continuing employment, there are no other performance conditions attached to the plan.

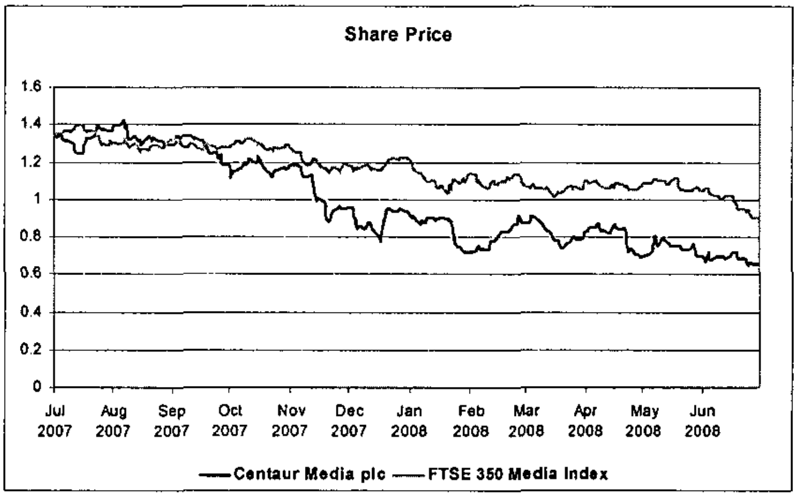
The Executive Directors are eligible to participate in the Share incentive plan

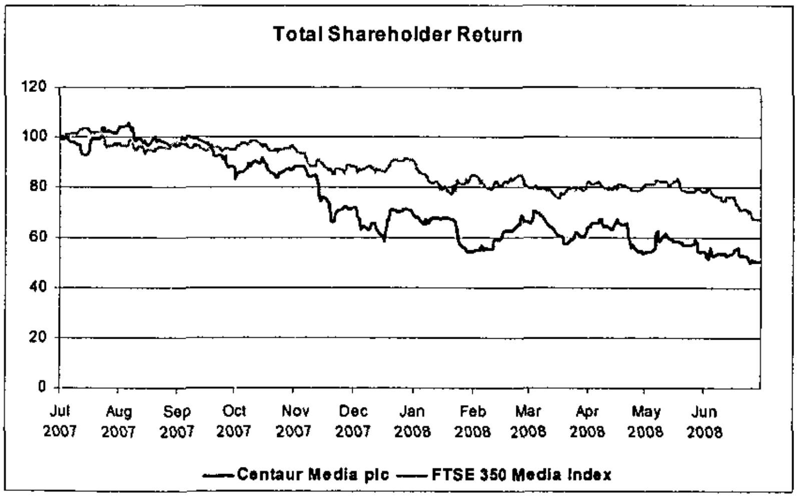
(v) Sharesave plan

During the year, the Company introduced a Sharesave plan (the 'SAYE Scheme'). The SAYE Scheme is an HMRC approved all-employee plan and is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £3,000 per annum for a period of either 3 or 5 years, after which they may exercise SAYE options within 6 months of the anniversary date of the contract commencement date. The Option price of the 2008 grants made was 64.7 pence, a discount of 20% on the share price determined at the pricing date. Other than continuing employment, there are no other performance conditions attached to the plan.

The Executive Directors are eligible to participate in the Share Save Plan.

Performance graphs
The graphs below show the performance of Centaur Media plc share price and total shareholder return (TSR) compared to the performance of the FTSE 350 Media and Entertainment index over the same period. This index is considered to be most representative of the performance of the shares of generally comparable companies.





Directors' Report on Remuneration (continued)

Information subject to audit

Directors' interests

The Directors holding office during the year to 30 June 2008 are shown on page 5 and their beneficial interests in the Company's share capital are shown on page 25. None of the Directors had any beneficial interest in the shares of other Group companies.

The following Directors have been granted rollover and matching options to subscribe for ordinary shares in the Company under rollover, approved and unapproved share option schemes:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2007	Granted in year	Exercised in year	Lapsed in year	Number at 30 June 2008
GTD Wilmot	9.03.04	9.03.07	9.03.14	100.0	587,333	-	-	-	587,333
	9.03.04	9.03.05	9.03.14	41.67	172,777	-	-	-	172,777
					760,110	-	-	-	760,110
M J Lally	9.03.04	9.03.07	9.03.14	100.0	217,677	-	-	-	217,677
	9.03.04	9.03.05	9.03.14	57.87	26,743	-	-	-	26,743
					244,420	-	-	-	244,420

The market price at 30 June 2008 was 65.8 pence (FY2007:133.0 pence) and the range during the year was 65.0 pence to 142.0 pence (FY2007: 104.5 pence to 155.0 pence). The average market price during the year was 98.2 pence (FY2007:134.9 pence).

Long-term incentive plan

The following Directors have been awarded conditional free shares under the long-term incentive plan:

	Date of award	Vesting date	Number at 30 June 2007	Granted in year	Vested in year	Lapsed in year	Number at 30 June 2008
GTD Wilmot	13.06.06	13.06.09	65,000	-	-	-	65,000
	26.04.07	26.04.10	85,000	-	-	-	85,000
	19.03.08	19.03.11	-	300,000	-	-	300,000
			150,000	300,000	-	-	450,000
M J Lally	13.06.06	13.06.09	20,000	-	-	-	20,000
	26.04.07	26.04.10	30,000	-	-	-	30,000
	19.03.08	19.03.11	-	120,000	-	-	120,000
			50,000	120,000	-	-	170,000

For the 2008 awards, the market price of the shares as at the date of grant was 77.3 pence (FY2007 awards: 144.0 pence).

Directors' Report on Remuneration (continued)

Sharesave plan

The following Directors have been granted options over ordinary shares of 10p each in the Company under the terms of the Centaur UK Sharesave Plan 2008:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2007	Granted in year	Exercised In year	Lapsed in year	Number at 30 June 2008
GV Sherren	24.04.08	01.06.11	01.12.11	64.7	-	13,910	-	-	13,910
M J Lally	24.04.08	01.06.13	01.12.13	64.7	-	23,183	-	-	23,183

The market price of the shares at the date of grant was 72.0 pence.

Directors' emoluments

The table below provides details of Directors' remuneration from Centaur Media plc for the year to 30 June 2008.

Other benefits for Executive Directors during this year include the provision of a car allowance, life assurance, permanent health insurance and medical insurance.

	Salaries and fees £	Bonus £	Pension £	Other benefits £	Actual Year ended 30 June 2008 £	Actual Year ended 30 June 2007 £
Executive						
GTD Wilmot	250,000	39,063	43,750	23,074	355,887	423,371
M J Lally	149,500	12,458	13,455	8,876	184,289	156,206
Non Executive						
GV Sherren*	210,153	21,668	-	48,460	280,281	558,540
JPE Taylor	45,000	-	-	-	45,000	45,000
BTR Scruby	40,000	-	-	-	40,000	40,000
C Morrison	40,000	-	-	-	40,000	40,000
C Satterthwaite**	40,000	-	-	-	40,000	-
A Irby***	-	-	-	-	-	15,000
	774,653	**73,189**	**57,205**	**80,410**	**985,457**	**1,278,117**

*Became non-executive from 6 December 2007

** Appointed 1 July 2007

***Resigned 29 November 2007; fees waived from 1 January 2007

Centaur Media plc

Independent Auditors' Report to the Members of Centaur Media plc

We have audited the Group and parent Company financial statements (the "financial statements") of Centaur Media plc for the year ended 30 June 2008 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and parent Company Statements of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Report on Remuneration that is described as having been audited.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Report on Remuneration and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Report on Remuneration to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Report on Remuneration to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards to the Group financial statements Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Business Review and Financial Review that is cross referred from the Business Review section of the Report of the Directors.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the Combined Code 2006 specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, the Business Review, the Corporate Social Responsibility Statement, the Financial Review, the Report of the Directors and the unaudited part of the Directors' Report on Remuneration. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent Auditors' Report to the Members of Centaur Media plc (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Report on Remuneration to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Report on Remuneration to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Report on Remuneration to be audited.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 June 2008 and of its profit and cash flows for the year then ended;
- the parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent Company's affairs as at 30 June 2008 and cash flows for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation; and
- the information given in the Report of the Directors is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
17 September 2008

Notes:

(a) The maintenance and integrity of the Centaur Media plc website 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 financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Centaur Media plc

Consolidated Income Statement for the year ended 30 June 2008

	Note	2008 £m	2007 £m
Continuing operations			
Revenue	1	**90.4**	90.3
Cost of sales		**(44.8)**	(45.7)
Gross profit		**45.6**	44.6
Distribution costs		**(4.5)**	(4.6)
Administrative expenses		**(26.8)**	(24.1)
Adjusted EBITDA	1	**21.5**	19.7
Depreciation of property, plant and equipment		**(0.8)**	(0.8)
Amortisation of software		**(1.5)**	(1.9)
Amortisation of acquired intangibles		**(1.1)**	(0.7)
Share based payments	22	**(0.2)**	(0.4)
Exceptional administrative cost	2	**(3.6)**	-
Operating profit from continuing operations		**14.3**	15.9
Interest receivable	3	**0.2**	0.2
Share of post-tax profit from associate		**-**	0.1
Profit on sale of associate		**-**	0.7
Profit from continuing operations before taxation		**14.5**	16.9
Taxation	6	**(5.0)**	(4.6)
Profit for the year from continuing operations		**9.5**	12.3
Discontinued operations			
Profit for the year from discontinued operations	15	**0.2**	-
Profit for the year attributable to equity shareholders		**9.7**	12.3
Earnings per share from total operations	7		
Basic		**6.7p**	8.2p
Fully diluted		**6.7p**	8.1p
Earnings per share from continuing operations	7		
Basic		**6.6p**	8.2p
Fully diluted		**6.6p**	8.1p

The accompanying accounting policies and notes form an integral part of these financial statements.

Centaur Media plc

Consolidated Statement of Recognised Income and Expense for the year ended 30 June 2008

	2008 £m	2007 £m
Profit for the financial year	9.7	12.3
Deferred tax on items taken directly to equity	(0.1)	(0.1)
Total recognised income for the year	**9.6**	12.2

There are no gains or losses for the Company other than those recognised in the income statement.

Centaur Media plc

Consolidated Balance Sheet at 30 June 2008

	Note	2008 £m	2007 £m
Non-current assets			
Goodwill	8	140.3	140.1
Other intangible assets	9	15.9	16.5
Property, plant and equipment	10	2.0	2.1
Deferred tax assets	20	0.7	1.5
		158.9	160.2
Current assets			
Inventories	12	1.2	1.1
Trade and other receivables	13	16.5	18.4
Cash and cash equivalents	14	7.8	10.1
		25.5	29.6
Assets held in disposal group for sale	15	-	0.4
Current liabilities			
Financial liabilities – borrowings	16	0.1	1.1
Trade and other payables	17	11.0	11.4
Deferred income	18	8.7	9.6
Current tax liabilities	19	2.0	2.3
		21.8	24.4
Liabilities held in disposal group for sale	15	-	0.2
Net current assets		3.7	5.4
Non-current liabilities			
Deferred tax liabilities	20	1.1	1.1
		1.1	1.1
Net assets		161.5	164.5
Capital and reserves			
Share capital	21	15.0	15.0
Treasury shares	23	(8.9)	(1.0)
Share premium	23	0.7	0.3
Other reserves	23	3.1	2.8
Retained earnings	23	151.6	147.4
Total shareholders' equity		161.5	164.5

The financial statements were approved by the Board of Directors on 17 September 2008 and were signed on its behalf by:

MJ Lally
Group Finance Director

Centaur Media plc

Company Balance Sheet at 30 June 2008

	Note	2008 £m	2007 £m
Non-current assets			
Investments in subsidiaries	11	145.8	145.6
		145.8	145.6
Current assets			
Trade and other receivables	13	43.0	6.0
Cash and cash equivalents	14	0.2	1.9
		43.2	7.9
Current liabilities			
Financial liabilities – borrowings	16	0.1	1.1
Trade and other payables	17	33.1	17.3
		33.2	18.4
Net current assets / (liabilities)		10.0	(10.5)
Net assets		155.8	135.1
Capital and reserves			
Share capital	21	15.0	15.0
Treasury shares	23	(7.9)	-
Share premium	23	0.7	0.3
Other reserves	23	3.1	2.8
Retained earnings	23	144.9	117.0
Total shareholders' equity		155.8	135.1

The financial statements were approved by the Board of Directors on 17 September 2008 and were signed on its behalf by:

MJ Lally
Group Finance Director

Centaur Media plc

Consolidated Cash Flow Statement for the year ended 30 June 2008

	Note	2008 £m	2007 £m
Cash flows from operating activities			
Cash generated from operations	25	19.0	18.2
Tax paid		(4.6)	(4.9)
Cash flows from operating activities		14.4	13.3
Cash flows from investing activities			
Interest received		0.1	0.2
Acquisition of subsidiaries (net of cash acquired)		(0.1)	0.1
Proceeds from the disposal of businesses		0.2	0.8
Proceeds from the disposal of subsidiary	15	0.4	-
Purchase of property, plant and equipment		(0.7)	(0.5)
Purchase of software		(2.4)	(2.1)
Purchase of other intangible assets		-	(3.0)
Cash flows from investing activities		(2.5)	(4.5)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		0.1	0.1
Treasury shares purchased		(7.9)	(1.0)
Repayment of loan notes		(1.0)	(0.5)
Dividends paid		(5.4)	(5.1)
Cash flows from financing activities		(14.2)	(6.5)
Net (decrease) / increase in cash and cash equivalents		(2.3)	2.3
Cash and cash equivalents at 1 July 2007		10.1	7.8
Cash and cash equivalents 30 June 2008		7.8	10.1

Centaur Media plc

Company Cash Flow Statement for the year ended 30 June 2008

	Note	2008 £m	2007 £m
Cash flows from operating activities			
Cash generated from operations	25	12.0	5.8
Cash flows from investing activities			
Interest received		2.6	0.3
Dividends received		-	-
Cash flows from investing activities		2.6	0.3
Cash flows from financing activities			
Interest paid		(2.1)	(1.1)
Net proceeds from issue of ordinary share capital		0.1	0.1
Treasury shares purchased		(7.9)	-
Repayment of loan notes		(1.0)	(0.5)
Dividends paid		(5.4)	(5.1)
Cash flows from financing activities		(16.3)	(6.6)
Net decrease in cash and cash equivalents		(1.7)	(0.5)
Cash and cash equivalents at 1 July 2007		1.9	2.4
Cash and cash equivalents 30 June 2008		0.2	1.9

Centaur Media plc

Statement of Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) applicable at 30 June 2008 and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS. The financial statements have been prepared on the historical cost basis.

These financial statements are presented in pounds sterling (GBP) as that is the currency of the primary economic environment in which the Group operates.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, the actual results may ultimately differ from those estimates.

The Company has taken advantage of the exemption available under section 230 of the Companies Act 1985 and has not presented its own income statement in these financial statements.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ended 30 June 2008.

- IFRIC 7, 'Applying the restatement approach under IAS 29', effective for annual periods beginning on or after 1 March 2006. This interpretation is not relevant for the Group.
- IFRIC 8, 'Scope of IFRS 2', effective for annual periods beginning on or after 1 May 2006. This interpretation has not had any impact on the recognition of share-based payments in the Group.
- IFRIC 11, 'IFRS 2 – Group and treasury share transactions', effective for annual periods beginning on or after 1 March 2007. This interpretation has not had any impact on the recognition of share-based payments in the Group.
- IFRIC 9, 'Reassessment of embedded derivatives', effective for annual periods beginning on or after 1 June 2006. This interpretation has not had a significant impact on the reassessment of embedded derivatives as the Group already assessed if embedded derivatives should be separated using principles consistent with IFRIC 9.
- IFRIC 10, 'Interims and impairment', effective for annual periods beginning on or after 1 November 2006. This interpretation has not had any impact on the timing or recognition of impairment losses as the Group already accounted for such amounts using principles consistent with IFRIC 10.
- IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', effective for annual periods beginning on or after 1 January 2007, introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group or Company's financial instruments, or the disclosures relating to taxation and trade and other payables. The full IFRS 7 disclosures, including the sensitivity analysis to market risk and capital disclosures required by the amendment of IAS 1 are given in note 26.

Statement of Accounting Policies (continued)

Basis of preparation (continued)

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 30 June 2008 and have not been early adopted:

- IFRIC 12, 'Service concession arrangements', effective for annual periods beginning on or after 1 January 2008. The Directors do not expect this interpretation to be relevant for the Group.
- IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). The Directors do not expect this interpretation to be relevant for the Group.
- IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). The Directors do not expect this interpretation to be relevant for the Group.
- IFRIC 15 'Agreements for the construction of real estate' effective from 1 January 2009. The Directors do not expect this interpretation to be relevant for the Group.
- IFRIC 16 'Hedges of a Net Investment in a Foreign Operation', effective for annual periods beginning on or after 1 January 2009. The Directors do not expect this interpretation to be relevant for the Group.
- IFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009, subject to EU endorsement. The Directors do not currently foresee any changes to the Group's business segments.

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group.

Additional presentation within the consolidated income statement

The Group has presented separately on the face of the consolidated income statement on page 41 an additional profit measure of adjusted EBITDA. Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and excluding exceptional and other significant non-cash items. This presentation has been provided as the Directors believe that this measure reflects more clearly the ongoing operations of the Group. In 2008 and 2007, share based payment costs have been treated as a significant non-cash item.

Exceptional items

The Group considers items of income and expenses as exceptional items and discloses them separately; where the nature of the item, or its size, is likely to be material so as to assist the user of the financial statements to better understand the results of the operations of the Group.

Consolidation

The consolidated financial statements incorporate the financial statements of Centaur Media plc and all its subsidiaries to 30 June together with the attributable share of results and reserves of associated undertakings, adjusted where appropriate to conform with Centaur's accounting policies.

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to benefit from its activities.

Where the Group has established a joint venture through an interest in a company, partnership or other entity (a jointly controlled entity), the Group recognises its interest in the entity using the proportionate consolidation method, whereby the Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is combined line by line with similar items in the Group's financial statements.

Intragroup balances and transactions and any unrealised gains or losses arising from these transactions, are eliminated in preparing the consolidated financial statements.

Statement of Accounting Policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts recoverable by the Group for the sales of advertising space, subscriptions and individual publications and revenue from exhibitions and conferences provided in the normal course of business, net of discounts and value added tax.

Sales of advertising space are recognised in the period in which publication occurs. Sales of publications are recognised in the period in which the sale is made. Revenue received in advance for exhibitions and conferences is deferred and recognised in the period in which the event takes place.

Revenue from subscriptions to publications and online services is deferred and recognised in the income statement on a straight-line basis over the subscription period.

Foreign currencies

Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Assets and liabilities are translated at exchange rates prevailing at the year end date. Any gains or losses arising on exchange are reflected in the income statement.

Investments

In the Company's financial statements, investments in subsidiaries are stated at cost less provision for impairment in value.

In the Group financial statements, investments in associates are incorporated into the financial statements using the equity method of accounting whereby investments are carried on the balance sheet at cost adjusted by post-acquisition changes of the net assets of the associates, less any impairment of value in the individual investment.

Goodwill

Where the cost of a business acquisition exceeds the fair values attributable to the separable net assets acquired, the resulting goodwill is capitalised. Goodwill has an indefinite useful life and is tested for impairment annually or where indicators imply that the carrying value is not recoverable.

For the purposes of impairment testing, goodwill is allocated to cash generating units and is then tested for impairment at the level of the reportable segments. Cash generating units are considered to be individual magazine or online titles where each magazine or online title generates profits and cash flows that are largely independent from other units. Any impairment is recognised in the income statement and is not subsequently reversed.

On the disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Other intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation. Intangible assets acquired as part of business combinations are carried at fair value less accumulated amortisation. Computer software that is not integral to the operation of the related hardware is carried at cost less accumulated amortisation. Amortisation is calculated to write off the cost or fair value of assets on a straight line basis over the expected useful economic lives to the Group over the following periods:

Computer software	- 3 - 5 years
Brands and publishing rights	- 20 years
Customer relationships	- 10 years
Website development costs	- 3 years
Acquired content	- 5 years
Non compete arrangements	Over the term of the arrangement

The Group's internally generated brands represent commercially valuable intangibles but are not eligible for recognition as assets under IAS 38 Intangible Assets.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is the purchase cost together with any incidental direct costs of acquisition. Depreciation is calculated to write off the cost, less estimated residual value, of assets, on a straight line basis over the expected useful economic lives to the Group over the following periods:

Leasehold property	- 20 years or the length of the lease if shorter
Fixtures and fittings	- 10 years
Computer equipment	- 3 - 5 years
Motor vehicles	- 4 years

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalent aged assets and depreciation rates adjusted accordingly on a prospective basis. A review of the estimated useful economic life of each asset is carried out annually to ensure depreciation rates are adequate.

Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset's fair value less cost to sell and its value in use. An asset's value in use is calculated by discounting an estimate of future cash flows by the Group's pre tax weighted average cost of capital.

Statement of Accounting Policies (continued)

Taxation including deferred tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further includes items that are never taxable or deductible. The Group and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax accounted for in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first in, first out method. For raw materials, cost is the purchase price. Work in progress comprises costs incurred relating to publications, exhibitions and conferences prior to the publication date or the date of the event. For goods for resale, cost is the purchase price, or, in the case of publications, the direct cost of production.

Net realisable value is based on estimated future selling price less all the further costs to completion and all relevant marketing, selling and distribution costs.

Inventories are reviewed regularly and full provision is made for obsolete, slow moving or defective stock.

Leases

All leases held by the Group are considered to be operating leases. Rental charges on operating leases are charged to the income statement on a straight line basis over the life of the lease.

Employee benefit cost

The Group and Company contribute to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions to defined contribution schemes are charged to the income statement at the time that the related service is provided.

The expected cost of compensated holidays is recognised at the time that the related service is provided.

Statement of Accounting Policies (continued)

Share-based payments

The Company has equity settled share based payment compensation plans. The fair value of equity settled share based payments is measured at the date of the grant using a stochastic option pricing model. The fair value of the estimate of the number of options or shares that are expected to be exercised is expensed on a straight line basis over the vesting period.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is more likely than not that an outflow of resources will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a group of assets and operations engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those components operating in other economic environments.

Substantially all of the Group's net assets are located and all turnover and profit are generated in the United Kingdom and therefore the primary reporting format is by business segment based on the Group's management and internal reporting structure.

Share capital and share premium

Ordinary shares are classified as equity. The excess of consideration received in respect of shares issued over the nominal value of those shares is held in the share premium account.

The Company also holds a non-distributable reserve representing the fair value of share options issued.

Dividends are recognised as a liability in the period in which they are paid or approved by the shareholders in general meeting.

Key accounting assumptions, estimates and judgements

The preparation of financial statements under IFRS requires the use of certain key accounting assumptions and requires management to exercise its judgement and to make estimates. The areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

i) Impairments
In assessing whether goodwill and other intangible fixed assets are impaired, the Group uses a discounted cash flow model which includes forecast cash flow information and estimates of future growth. If the results of operations in future periods are lower than included in the cash flow model, impairments may be triggered.

ii) Deferred consideration
Provisions or receivables for deferred consideration are made on the basis of the Directors' best estimates of the future relevant measures of profits of the subsidiaries and businesses acquired or sold. If the profits of the subsidiaries and businesses acquired differ from the estimates, the actual consideration will differ from the estimates used.

Statement of Accounting Policies (continued)

Financial instruments

The Group has applied IFRS 7, *Financial Instruments: Disclosures,* and IAS 39, *Financial Instruments: Recognition and Measurement*, as outlined below.

- **Financial assets**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

All of the Group's financial assets have been classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

Loans and receivables are carried at amortised cost using the effective interest method.

- **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses in the income statement.

- **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits repayable on demand or maturing within three months of the balance sheet date, less any overdrafts repayable on demand.

- **Trade payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

- **Loan notes**

Loan notes are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

- **Derivative financial instruments**

Derivative financial instruments are used to hedge interest rate and foreign currency exposure where these circumstances arise. Discounts and premiums are charged or credited to the income statement over the life of the asset or liability to which they relate. Derivative financial assets and liabilities are stated at fair value. Changes to fair value are recognised directly in equity, to the extent that they are effective, with the ineffective portion being recognised in the income statement in the financial period to which it relates. The Group does not hold any derivative financial instruments either for trading purposes or designated as hedges.

Notes to the Financial Statements

1 Segmental reporting

Primary reporting format – business segments

The Group is currently organised into five main business segments.

Corporate costs are allocated to business segments on an appropriate basis depending on the nature of the cost. Costs that cannot be allocated to a business segment are shown as "unallocated".

Segment assets consist primarily of property, plant and equipment, intangible assets including goodwill, inventories, trade receivables and cash and cash equivalents.

Segment liabilities comprise trade payables, accruals and deferred income.

Corporate assets and liabilities comprise current and deferred tax balances, cash and cash equivalents and borrowings.

Capital expenditure comprises additions to property, plant and equipment, intangible assets and goodwill and includes additions resulting from acquisitions through business combinations.

Secondary reporting format – geographical segments

Substantially all of the Group's net assets are located and all revenue and profit are generated in the United Kingdom. Furthermore substantially all of the Group's customers are located in the United Kingdom. The Directors consider that the Group operates in a single geographical segment, being the United Kingdom, and therefore secondary format segmental reporting is not required.

Centaur Media plc

Notes to the Financial Statements (continued)

1 Segmental reporting (continued)

Year ended 30 June 2008	Legal and Financial	Marketing and Creative	Construction and Engineering	Perfect Information	General Business Services	Unallocated	Group
	£m	£m	£m	£m	£m	£m	£m
Continuing operations							
Revenue	**28.7**	**23.6**	**20.5**	**5.8**	**11.8**	**-**	**90.4**
Adjusted EBITDA	9.2	4.1	4.7	2.1	1.4	-	21.5
Depreciation of property, plant and equipment	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	-	(0.8)
Amortisation of software	(0.2)	(0.3)	(0.2)	(0.6)	(0.2)	-	(1.5)
Amortisation of acquired intangibles	(0.1)	(0.1)	(0.4)	-	(0.5)	-	(1.1)
Share based payments	-	-	-	-	-	(0.2)	(0.2)
Exceptional administrative cost	-	(1.1)	(0.2)	(1.7)	(0.1)	(0.5)	(3.6)
Segment result	**8.7**	**2.4**	**3.7**	**(0.3)**	**0.5**	**(0.7)**	**14.3**
Interest receivable	-	-	-	-	-	0.2	0.2
Share of post tax profit of associates	-	-	-	-	-	-	-
Profit on sale of associate							-
Profit before tax	8.7	2.4	3.7	(0.3)	0.5	(0.5)	14.5
Taxation	-	-	-	-	-	(5.0)	(5.0)
Profit for the year from continuing operations	**8.7**	**2.4**	**3.7**	**(0.3)**	**0.5**	**(5.5)**	**9.5**
Discontinued operations							
Revenue	-	-	-	-	-	-	-
Segment result	-	-	-	-	-	-	-
Profit on disposal of operation	-	-	-	-	0.2	-	0.2
Profit for the year from discontinued operations	**-**	**-**	**-**	**-**	**0.2**	**-**	**0.2**
Profit for the year attributable to equity shareholders	**8.7**	**2.4**	**3.7**	**(0.3)**	**0.7**	**(5.5)**	**9.7**
Segment assets	60.0	47.1	39.6	11.1	18.1	-	175.9
Corporate assets	-	-	-	-	-	8.5	8.5
Consolidated total assets	**60.0**	**47.1**	**39.6**	**11.1**	**18.1**	**8.5**	**184.4**
Segment liabilities	3.7	5.4	4.9	2.5	3.1	-	19.6
Corporate liabilities	-	-	-	-	-	3.3	3.3
Consolidated total liabilities	**3.7**	**5.4**	**4.9**	**2.5**	**3.1**	**3.3**	**22.9**
Other items:							
Capital expenditure	0.7	0.9	0.9	1.0	0.4	-	3.9
Impairment of trade receivables	-	0.2	0.2	-	0.1	-	0.5

Centaur Media plc

Notes to the Financial Statements (continued)

1 Segmental reporting (continued)

Year ended 30 June 2007	Legal and Financial	Marketing and Creative	Construction and Engineering	Perfect Information	General Business Services	Unallocated	Group
	£m	£m	£m	£m	£m	£m	£m
Continuing operations							
Revenue	**30.3**	**23.6**	**19.4**	**6.0**	**11.0**	**-**	**90.3**
Adjusted EBITDA	9.0	3.6	4.1	1.5	1.5	-	19.7
Depreciation of property, plant and equipment	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)	-	(0.8)
Amortisation of software	(0.3)	(0.3)	(0.2)	(1.0)	(0.1)		(1.9)
Amortisation of acquired intangibles	(0.1)	-	(0.4)	-	(0.2)	-	(0.7)
Share based payments	-	-	-	-	-	(0.4)	(0.4)
Exceptional administrative cost	-	-	-	-	-	-	-
Segment result	**8.4**	**3.1**	**3.4**	**0.4**	**1.0**	**(0.4)**	**15.9**
Interest receivable	-	-	-	-	-	0.2	0.2
Share of post tax profit of associates	0.1	-	-	-	-	-	0.1
Profit on sale of associate	0.7	-	-	-	-	-	0.7
Profit before tax	9.2	3.1	3.4	0.4	1.0	(0.2)	16.9
Taxation	-	-	-	-	-	(4.6)	(4.6)
Profit for the year from continuing operations	**9.2**	**3.1**	**3.4**	**0.4**	**1.0**	**(4.8)**	**12.3**
Discontinued operations							
Revenue	-	-	-	-	1.1	-	1.1
Segment result	-	-	-	-	(0.1)	-	(0.1)
Profit on disposal of operation	-	-	-	-	0.1	-	0.1
Profit for the year from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year attributable to equity shareholders	**9.2**	**3.1**	**3.4**	**0.4**	**1.0**	**(4.8)**	**12.3**
Segment assets	60.4	47.4	39.7	12.0	18.7	-	178.2
Corporate assets	-	-	-	-	-	12.0	12.0
Consolidated total assets	**60.4**	**47.4**	**39.7**	**12.0**	**18.7**	**12.0**	**190.2**
Segment liabilities	4.2	5.3	5.5	2.9	2.5	-	20.4
Corporate liabilities	-	-	-	-	-	5.3	5.3
Consolidated total liabilities	**4.2**	**5.3**	**5.5**	**2.9**	**2.5**	**5.3**	**25.7**
Other items:							
Capital expenditure	0.3	1.0	0.2	1.0	4.7	-	7.2
Impairment of trade receivables	0.1	0.2	0.2	(0.1)	0.2	-	0.6

2 Exceptional administrative cost

	2008 £m	2007 £m
Closure of Perfect Analysis		-
Accelerated amortisation of assets	**1.2**	-
Redundancies	**0.2**	-
Post closure losses	**0.3**	-
	1.7	
Reorganisation of publishing operations		
Redundancies	**1.3**	-
Share based payment	**0.1**	-
	1.4	-
Onerous lease provision	**0.5**	-
Total	**3.6**	-

During the period, the Directors decided to discontinue Perfect Analysis, the equity research service developed by Synergy Software Solutions Limited, a subsidiary company. The costs of closure totalling £1.7m have been reported as an exceptional item and include £1.2m of accelerated amortisation of computer software as reported in note 9.

Also during the year, following a strategic review of its publishing operations, certain organisational changes have been implemented in order to facilitate a more consistent multi-media strategy across all sectors in the Group and to drive growth in new product development. This resulted in redundancies within publishing operations with a total cost to the Group of £1.4m.

In addition the exceptional costs include £0.5m reflecting the onerous element of an additional short term property rental commitment at 30 June 2008 that has been entered into to facilitate the changes to the Group's main London premises that have arisen following the restructuring of the business during the year.

3 Interest receivable

	2008 £m	2007 £m
Interest receivable on bank deposits	**0.2**	0.2

Centaur Media plc

Notes to the Financial Statements (continued)

4 Profit before taxation

Profit before taxation is stated after charging:

	2008 £m	2007 £m
Employee benefit expense (note 5)	**33.8**	32.4
Exceptional administrative cost (note 2)	**3.6**	-
Inventories		
- Cost of inventories recognised as an expense (included in cost of sales)	**12.7**	11.7
Depreciation of owned property, plant and equipment (note 10)	**0.8**	0.8
Amortisation of intangibles (included in administrative expenses) (note 9)	**2.6**	2.6
Operating lease rentals		
- Minimum lease payments	**2.9**	2.9
- Subleases	**(0.4)**	(0.6)
Repairs and maintenance expenditure on property, plant and equipment	**0.2**	0.2
Trade receivables impairment	**0.5**	0.6

Services provided by the Group's auditor

Audit fees:	**£'000**	£'000
Fees payable to Company's auditor for the audit of parent Company and consolidated financial statements	**35**	35
Fees payable to the Company's auditor and its associates for other services:		
- The audit of Company's subsidiaries pursuant to legislation	**95**	95
- Other services supplies pursuant to legislations	**29**	28
- Tax services	**23**	30
- All other services	**1**	1
	183	189

Notes to the Financial Statements (continued)

5 Directors and employees

	Group 2008 £m	Group 2007 £m	Company 2008 £m	Company 2007 £m
Wages and salaries	**29.4**	28.2	**1.1**	1.4
Social security costs	**3.3**	3.1	**0.1**	0.2
Other pension costs	**0.8**	0.7	**0.1**	0.1
Equity settled share-based payments (note 22)	**0.3**	0.4	**0.1**	0.1
	33.8	32.4	**1.4**	1.8

The average monthly number of persons employed during the year, including Executive Directors, was:

	Group 2008 Number	Group 2007 Number	Company 2008 Number	Company 2007 Number
Editorial	**186**	179	**-**	-
Production	**53**	60	**-**	-
Sales	**178**	181	**-**	-
Product management and support	**202**	202	**-**	-
Central services	**167**	137	**8**	8
	786	759	**8**	8

All employees are based in the UK. Included in total employee numbers for 2007 were 11 employees relating to discontinued operations.

Key management compensation

	2008 £m	2007 £m
Salaries and short term employee benefits	**2.8**	3.6
Other pension costs	**0.2**	0.2
Share based payments	**0.2**	0.3
Termination benefits (including share based payments of £0.1m)	**0.8**	-
	4.0	4.1

The key management figures include Directors, members of the executive management board and all other employees deemed to have authority and responsibility for planning, directing and controlling activities of Centaur and its subsidiaries.

The termination benefits relate to the reorganisation as described in note 2.

Details of Directors' remuneration is included in the Directors' Report on Remuneration on page 38.

Notes to the Financial Statements (continued)

6 Taxation

(a) Analysis of charge in year

	2008 £m	2007 £m
Current tax		
- Current year	4.3	4.6
	4.3	4.6
Deferred tax (note 20)		
- Current year	0.7	(0.1)
- Adjustment in respect of prior year	-	0.1
	0.7	-
Taxation	5.0	4.6

(b) Tax on items charged to equity

	2008	2007
Deferred tax charge on share based payments	0.1	0.1

(c) Factors affecting tax charge for the year

The tax assessed for the year is higher (2007: lower) than the standard rate of corporation tax in the UK (29.5%). The differences are explained below:

	2008 £m	2007 £m
Profit before tax	14.5	16.9
Profit before tax multiplied by standard rate of corporation tax in the UK of 29.5% (2007: 30%)	4.3	5.1
Effects of:		
Expenses not deductible for tax purposes	0.2	0.2
Non-taxable gain on sale of associate	-	(0.2)
Current tax deduction on share options exercised	-	(0.2)
Deferred tax charge/(credit) on share based payments taken to income statement	0.5	(0.5)
Capital losses utilised	(0.1)	-
Losses not recognised	0.1	0.1
Adjustments to tax charge in respect of previous years	-	0.1
Total taxation	5.0	4.6

The standard tax rate for the year has reduced from 30% to 29.5% as a result of the reduction in the UK corporation tax rate from 30% to 28% from 1 April 2008 onwards.

There was no tax arising on discontinued operations during the current or previous year.

7 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year. Shares held in the employee benefit trust and shares held in treasury have been excluded in arriving at the weighted average number of shares.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has two classes of dilutive potential ordinary shares: share options (including those granted under the Sharesave plan) granted to Directors and employees where the exercise price is less than the average market price of the Company's ordinary shares during the year; and the contingently issuable shares under the Company's long-term incentive plan to the extent that the conditions are met at the reporting date.

		2008			2007	
	Earnings	Weighted average number of shares	Per share amount	Earnings	Weighted average number of shares	Per share amount
Total operations	£m	millions	Pence	£m	millions	Pence
Basic EPS	9.7	144.3	6.7	12.3	149.1	8.2
Effect of dilutive securities						
Options	-	0.3	-	-	1.8	-
Contingently issuable shares	-	-	-	-	0.4	-
Diluted basic EPS	9.7	144.6	6.7	12.3	151.3	8.1
Continuing operations						
Basic EPS	9.5	144.3	6.6	12.3	149.1	8.2
Effect of dilutive securities						
Options	-	0.3	-	-	1.8	-
Contingently issuable shares	-	-	-	-	0.4	-
Diluted basic EPS	9.5	144.6	6.6	12.3	151.3	8.1

7 Earnings per share (continued)

An alternative measure of Adjusted earnings per share has been provided as the Directors believe that this measure is more reflective of the ongoing trading of the Group.

	2008 Earnings	2008 Weighted average number of shares	2008 Per share amount	2007 Earnings	2007 Weighted average number of shares	2007 Per share amount
	£m	millions	Pence	£m	millions	Pence
Adjusted EPS						
Earnings attributable to ordinary shareholders from continuing operations	9.5	144.3	6.6	12.3	149.1	8.2
Amortisation of acquired intangibles (note 9)	1.1	-	0.7	0.7	-	0.5
Profit on disposal of associated undertakings	-	-	-	(0.7)	-	(0.5)
Exceptional administrative cost (note 2)	3.6	-	2.5	-	-	-
Tax effect of above adjustments	(0.9)	-	(0.6)	(0.1)		
Adjusted EPS	13.3	144.3	9.2	12.2	149.1	8.2
Effect of dilutive securities						
Options	-	0.3	-	-	1.8	-
Contingently issuable shares	-	-	-	-	0.4	-
Diluted adjusted EPS	13.3	144.6	9.2	12.2	151.3	8.1

Centaur Media plc

Notes to the Financial Statements (continued)

8 Goodwill

	Total £m
Cost	
At 1 July 2007	140.1
Additions	0.1
Fair value adjustment	0.1
At 30 June 2008	140.3
Net book amount	
At 30 June 2008	**140.3**
At 30 June 2007	140.1

The majority of the Group's goodwill arose from the acquisition of the Centaur Communications Group in 2004.

Additions
The additions in the year relate to the purchase of shares in Perfect Information Limited, a subsidiary, from minority shareholders

Fair value adjustment
The fair value adjustment relates to the finalisation of the acquisition balance sheet of The Awareness Group Limited purchased in March 2007.

Goodwill by segment
Each individual magazine and online title is deemed to be a Cash Generating Unit (CGU) as each title generates profits and cash flows that are largely independent from other communities. Goodwill is attributed to individual CGUs but is grouped together at segmental level for the purposes of the annual impairment review of goodwill, being the lowest level that management monitors goodwill.

The following table shows the allocation of goodwill to segments at 30 June 2008:

	Legal and Financial £m	Marketing and Creative £m	Construction and Engineering £m	Perfect Information £m	General Business Services £m	Total £m
At 30 June 2007	53.2	40.5	30.1	8.6	7.7	140.1
Additions	-	-	-	0.1	-	0.1
Fair value adjustment	-	-	-	-	0.1	0.1
At 30 June 2008	53.2	40.5	30.1	8.7	7.8	**140.3**

Notes to the Financial Statements (continued)

8 Goodwill (continued)

Impairment testing of goodwill

During the year goodwill was tested for impairment in accordance with IAS 36. In assessing whether a write-down of goodwill is required in the carrying value of the related asset, the carrying value of the CGU or group of CGUs is compared with its recoverable amount. The recoverable amount for each CGU and collectively for groups of CGUs that make up the segments of the Group's business has been measured based on value in use.

The Group estimates the value in use of its CGUs using a discounted cash flow model (DCF) which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 14.4% (2007: 14.4%). The discount rate used is consistent with the Group's weighted average cost of capital and is used across all segments.

No impairment was noted following the annual impairment review.

The key assumptions used in calculating value in-use are sales growth, EBITDA, working capital movements and capital expenditure. The Group has used formally approved budgets for the first year of the value in use calculation, and estimated revenue growth rates of between 2% and 9% and EBITDA margins of between 10% and 35% for years 2 to 5. Terminal values assuming growth rates of 3% have been calculated from estimated year 5 cash flows.

The assumptions used in the calculations of value-in-use for each segment have been derived from past experience. Management believe that no reasonably possible change in assumptions would cause the carrying amount of goodwill to exceed its recoverable amount.

Centaur Media plc

Notes to the Financial Statements (continued)

9 Other intangible assets

2008	Computer software	Brands and publishing rights	Customer relationships	Websites and content	Non-compete	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 July 2007	10.8	9.2	3.7	0.4	0.5	24.6
Additions - separately	2.5	-	-	-	-	2.5
Additions - internally generated	0.7	-	-	-	-	0.7
Disposals	-	-	-	-	-	-
At 30 June 2008	14.0	9.2	3.7	0.4	0.5	27.8
Amortisation						
At 1 July 2006	7.1	0.5	0.4	0.1	-	8.1
Charge for the year	1.5	0.5	0.4	0.1	0.1	2.6
Write down of assets	1.2	-	-	-	-	1.2
At 30 June 2008	9.8	1.0	0.8	0.2	0.1	11.9
Net book amount						
At 30 June 2008	**4.2**	**8.2**	**2.9**	**0.2**	**0.4**	**15.9**

2007	Computer software	Brands and publishing rights	Customer relationships	Websites and content	Non-compete	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 July 2006	10.3	6.4	3.0	0.4	-	20.1
Fair value adjustment	-	(0.2)	-	-	-	(0.2)
Acquisitions - through business combinations	-	1.1	0.7	-	-	1.8
Acquisitions – separately	1.0	1.9	-	-	0.5	3.4
Additions - internally generated	1.0	-	-	-	-	1.0
Disposals	(1.5)	-	-	-	-	(1.5)
At 30 June 2007	10.8	9.2	3.7	0.4	0.5	24.6
Amortisation						
At 1 July 2006	6.7	0.3	-	-	-	7.0
Charge for the year	1.9	0.2	0.4	0.1	-	2.6
Disposals	(1.5)	-	-	-	-	(1.5)
At 30 June 2007	7.1	0.5	0.4	0.1	-	8.1
Net book amount						
At 30 June 2007	**3.7**	**8.7**	**3.3**	**0.3**	**0.5**	**16.5**

9 Other intangible assets (continued)

Amortisation charges in 2007 and 2008 have been charged to administrative expenses. During the period, the Directors decided to discontinue Perfect Analysis, the equity research service developed by Synergy Software Solutions Limited, a subsidiary company. As a result the associated computer software net book value of £1.2m has been written down.

Computer software capitalised in 2007 and 2008 principally relates to the development of software used in websites and online products, and also to the development of new products in the Perfect Information segment.

Centaur Media plc

Notes to the Financial Statements (continued)

10 Property, plant and equipment

2008	Leasehold Improvements £m	Fixtures and Fittings £m	Computer Equipment £m	Motor Vehicles £m	Total £m
Cost					
As at 1 July 2007	1.6	1.9	2.2	0.1	5.8
Additions	0.3	0.1	0.3	-	0.7
Disposals	-	-	-	(0.1)	(0.1)
At 30 June 2008	1.9	2.0	2.5	-	6.4
Depreciation					
As at 1 July 2007	0.7	1.3	1.6	0.1	3.7
Charge for the year	0.2	0.2	0.4	-	0.8
Disposals	-	-	-	(0.1)	(0.1)
At 30 June 2008	0.9	1.5	2.0	-	4.4
Net book amount					
At 30 June 2008	**1.0**	**0.5**	**0.5**	**-**	**2.0**

2007	Leasehold Improvements £m	Fixtures and Fittings £m	Computer Equipment £m	Motor Vehicles £m	Total £m
Cost					
As at 1 July 2006	1.5	1.9	2.0	0.1	5.5
Additions	0.1	0.1	0.3	-	0.5
Transferred to assets held for sale	-	-	(0.1)	-	(0.1)
Disposals	-	(0.1)	-	-	(0.1)
At 30 June 2007	1.6	1.9	2.2	0.1	5.8
Depreciation					
As at 1 July 2006	0.6	1.2	1.1	0.1	3.0
Charge for the year	0.1	0.2	0.5	-	0.8
Disposals	-	(0.1)	-	-	(0.1)
At 30 June 2007	0.7	1.3	1.6	0.1	3.7
Net book amount					
At 30 June 2007	**0.9**	**0.6**	**0.6**	**-**	**2.1**

11 Investments

Company

	Investments in subsidiary undertakings £m
At 1 July 2007	145.6
Additions	0.2
At 30 June 2008	145.8

The increase in investments in subsidiaries of £0.2 million represents the expense in relation to share options granted to employees of subsidiary companies.

The following table shows the principal subsidiary undertakings as at 30 June 2008:

Name	Class of share capital	Proportion Held %	Principal activity
Centaur Communications Limited [1]	Ordinary	100.00	Holding company and agency services
Chiron Communications Limited	Ordinary	100.00	Magazine publishing
Ascent Publishing Limited	Ordinary	100.00	Magazine publishing
Centaur Publishing Limited	Ordinary	100.00	Exhibitions
Perfect Information Limited	Ordinary	96.65	Financial information services
Pro-Talk Limited	Ordinary	100.00	Online publisher
Synergy Software Solutions Limited	Ordinary	96.65	Software consulting
The Awareness Group Limited	Ordinary	100.00	Conferences

1 Directly owned by Centaur Media plc.

All the above subsidiary undertakings are incorporated in England and Wales. The consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 30 June each year.

No minority interest has been recognised by the Group in relation to Perfect Information Limited or Synergy Software Solutions Limited, as the Perfect Information group had net liabilities at 30 June 2008 and 30 June 2007.

12 Inventories

	Group 2008 £m	Group 2007 £m
Work in progress	1.2	1.1
	1.2	1.1

In the Directors' view there is no difference between the book value and the replacement cost of inventories.

13 Trade and other receivables

	Group 2008 £m	Group 2007 £m	Company 2008 £m	Company 2007 £m
Amounts falling due within one year:				
Trade receivables	**11.0**	13.3	**-**	-
Less: provision for impairment of receivables	**(0.4)**	(0.4)	**-**	-
Trade receivables – net	**10.6**	12.9	**-**	-
Receivables from subsidiaries	**-**	-	**42.6**	6.0
Other receivables	**1.6**	1.1	**0.4**	-
Prepayments and accrued income	**4.3**	4.4	**-**	-
	16.5	18.4	**43.0**	6.0

The ageing of trade receivables at 30 June 2008, according to their original due date, is detailed below

	2008 £m Gross	2008 £m Provision	2007 £m Gross	2007 £m Provision
Relating to future revenues	**2.9**	**-**	3.0	-
Current	**5.5**	**-**	7.1	(0.1)
31-60 days	**2.0**	**(0.1)**	2.4	-
61-90 days	**0.4**	**(0.1)**	0.6	(0.1)
Over 90 days	**0.2**	**(0.2)**	0.2	(0.2)
	11.0	**(0.4)**	13.3	(0.4)

The amount relating to future revenues forms part of deferred income in note 18.

The movement in the provision for impairment of receivables is detailed below

	Group 2008 £m	Group 2007 £m
Balance at start of year	**0.4**	0.3
Utilised	**(0.5)**	(0.5)
Additional provision charged to the income statement	**0.5**	0.6
Balance at end of year	**0.4**	0.4

The Group's policy requires customers to pay it in accordance with agreed payment terms, which are generally 30 days from the date of invoice, or in the case of event-related revenue, 30 days before the event. All credit and recovery risk associated with trade receivables has been provided for in the balance sheet.

Centaur Media plc

Notes to the Financial Statements (continued)

14 Cash and cash equivalents

	Group 2008 £m	Group 2007 £m	**Company 2008 £m**	Company 2007 £m
Cash at bank and in hand	**7.8**	10.1	**0.2**	1.9
	7.8	10.1	**0.2**	1.9

Total cash at bank and in hand at 30 June 2008 includes an amount of £0.1 million (2007: £1.1 million) held on behalf of the holders of loan notes in Centaur Media plc (see note 16). This amount is therefore a restricted balance and is not available for use by the Group in its day to day operations. The unrestricted cash available for use in the day to day operations of the Group at 30 June 2008 was £7.7 million (2007: £9.0 million).

During the course of the year, the Group places surplus funds on short-term deposit of between 1 day and 6 months in duration. There were no deposits placed as at 30 June 2008 or 30 June 2007. Deposits are generally placed with the Group's bankers, National Westminster Bank plc, who had a Moody's credit rating of AA1 at 30 June 2008. The effective interest rate on these short-term deposits was 5.6% (2007: 4.7%).

Centaur Media plc

Notes to the Financial Statements (continued)

15 Discontinued operations and disposals

During the previous year, the trade, assets and liabilities relating to the Televisual magazine were sold to Televisual Media UK Limited, a new company set up by its former publisher, for a consideration of £0.1 million.

On 20 July 2007 the Directors sold the entire share capital of Hali Publications Limited, a subsidiary of the Group, to its former publisher. The sale was completed on for a consideration of £0.4 million resulting in a profit of £0.2 million.

The results of the discontinued operations are presented below:

	2008 £m	2007 £m
Revenue	-	1.1
Operating profit	-	(0.1)
Gain on disposal of discontinued operation	**0.2**	0.1
Profit for the year from discontinued operations	**0.2**	-

The major classes of assets and liabilities of Hali Publications Limited were as follows:

	2008 £m	2007 £m
Assets		
Property, plant and equipment	-	0.1
Receivables	-	0.3
Assets classified as held for resale	-	0.4
Liabilities		
Payables	-	0.2
Liabilities classified as held for resale	-	0.2

The net cash flows after tax of the discontinued operations were as follows:

	2008 £m	2007 £m
Operating	-	-
Investing		
Proceeds from the sale of subsidiary	**0.4**	0.1
Purchase of property, plant and equipment	-	(0.1)
Financing	-	-
Net cash flow	**0.4**	-

Centaur Media plc

Notes to the Financial Statements (continued)

16 Financial liabilities - borrowings

	Group 2008 £m	Group 2007 £m	Company 2008 £m	Company 2007 £m
Loan notes	**0.1**	1.1	**0.1**	1.1

The loan notes were issued following the acquisition of the Centaur Communications Group in 2004. The loan notes in the Company have been issued in amounts and multiples of £1 with a variable rate of interest of 0.75% below LIBOR for each relevant interest period. Unless previously redeemed or purchased the loan notes will be redeemed in full at par on 31 March 2011. The loan notes are redeemable at the option of each note holder on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days notice.

During the year, loan notes of £1.0m were redeemed (2007: £0.5m). The amount redeemed during 2008 included £0.8m to Mr T Scruby, a Non-Executive Director. The amounts redeemed during 2007 included £0.3m to members of key management. The balance at 30 June 2008 does not include any amounts owing to Directors (2007: £0.8m) or key management (2007: Nil).

17 Trade and other payables - current

	Group 2008 £m	Group 2007 £m	Company 2008 £m	Company 2007 £m
Trade payables	**2.0**	3.1	**-**	-
Payables to subsidiaries	**-**	-	**32.9**	16.8
Social security and other taxes	**2.7**	2.9	**0.1**	-
Other payables	**0.1**	0.1	**-**	-
Accruals	**6.2**	5.3	**0.1**	0.5
	11.0	11.4	**33.1**	17.3

18 Deferred income - current

	Group 2008 £m	Group 2007 £m
Deferred income	**8.7**	9.6

19 Current tax liabilities

	Group 2008 £m	Group 2007 £m
Corporation tax	**2.0**	2.3

20 Deferred tax

The movement on the deferred tax account is shown below:

	Group 2008 £m	Group 2007 £m
Asset at 1 July	**0.4**	0.5
Recognised in income statement	**(0.7)**	-
Taken directly to equity – share options	**(0.1)**	(0.1)
Net (liability)/asset at 30 June	**(0.4)**	0.4

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities during the year (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

Deferred tax liabilities	**Other temporary differences £m**
At 1 July 2007 and 30 June 2008	**(1.1)**

Deferred tax assets	**Accelerated capital allowances £m**	**Tax losses carried forward £m**	**Other temporary differences £m**	**Group Total £m**
At 1 July 2007	0.8	0.1	0.6	**1.5**
Recognised in income statement	(0.2)	(0.1)	(0.4)	**(0.7)**
Taken directly to equity – share options	-	-	(0.1)	**(0.1)**
At 30 June 2008	0.6	-	0.1	**0.7**

Net deferred tax (liability)/asset	
At 30 June 2008	**(0.4)**
At 30 June 2007	0.4

An asset of £0.1 million (2007: £0.7 million) relating to future deductions on the exercise of share options arising in Centaur Media plc has not been recognised by the Company. This asset will be recognised if it becomes deemed to be recoverable against the generation of suitable taxable profits in the Company in the future.

21 Share capital

	Group and Company 2008 £m	Group and Company 2007 £m
Authorised:		
200,000,000 (2006: 200,000,000) ordinary shares of 10p each	**20.0**	20.0
Issued and fully paid:		
Ordinary shares of 10p each		
Shares at 1 July 2007: 149,755,879 (1 July 2006: 149,336,858)	**15.0**	14.9
Shares allotted under share option schemes: 452,081 (2007: 419,021)	**-**	0.1
As at 30 June 2008: 150,207,960 shares (2007: 149,755,879)	**15.0**	15.0

Potential issues of ordinary shares

Certain senior executives hold options to subscribe for shares in the Company at prices ranging from 41.67p to 100.00p under the Share Option Plan and the Rollover Plan. Options on 452,081 shares were exercised during 2008 (2007: 419,021 shares). In addition, under the Group's long-term incentive plan for senior managers and Executive Directors, such individuals hold rights over ordinary shares that may result in the issue of 10p ordinary shares. Finally, during the year a Sharesave plan was launched. The number of shares subject to options (or, in the case of the LTIPs, the numbers awarded), the periods in which they were granted and the periods in which they may be exercised are given below.

Year of grant	Plan	Exercise price (pence)	Exercise period	2008 Number of potential issues of shares	2007 Number of potential issues of shares
30 June 2004	Rollover options	41.67	10 March 2005 to 9 March 2014	**172,777**	172,777
30 June 2004	Rollover options	57.87	10 March 2005 to 9 March 2014	**130,158**	194,349
30 June 2004	Share Option Plan	100.00	10 March 2007 to 9 March 2014	**3,120,802**	3,438,692
30 June 2005	Share Option Plan	88.50	29 September 2007 to 29 September 2014	**1,240,000**	1,430,000
30 June 2006	LTIP	n/a	13 June 2009	**355,000**	355,000
30 June 2007	LTIP	n/a	26 April 2010	**350,000**	350,000
30 June 2008	LTIP	n/a	19 March 2011	**620,000**	-
30 June 2008	Sharesave plan	64.7p	24 April 2011-24 October 2011	**400,653**	-
30 June 2008	Sharesave plan	64.7p	24 April 2013-24 October 2013	**391,319**	
				6,780,709	5,940,818

Notes to the Financial Statements (continued)

22 Share based payments

Centaur had four share-based payment arrangements during the year.

Share option plan

Share options have been granted to members of senior management on 9 March 2004 and 29 September 2004. Options became exercisable on the third anniversary of the date of grant, having met corporate performance targets based on Earnings before taxation & amortisation (EBTA), which were common to all Executive Directors and senior management. Exercise of an option is subject to continued employment. The maximum term of an option is 10 years from grant date. The options are equity settled over the ordinary shares of 10p in Centaur Media plc.

The Rollover plan

Centaur Media plc Executive Directors and certain senior employees elected to rollover existing ("old") Centaur Communications Ltd share options into new "rollover" share options in Centaur Media plc. The options were exchanged for options each at various exercise prices in Centaur Media plc. Rollover options were able to be exercised from 10 March 2005. Exercise of an option is subject to continued employment. The maximum term of an option is 10 years from grant date. The options are equity-settled over the ordinary shares of 10p in Centaur Media plc.

At 30 June 2008, the following options were outstanding over the shares of Centaur Media plc:

		2008		2007	
Plan	**Exercise price (pence)**	**Number**	**Contractual remaining life (years)**	Number	Contractual remaining life (years)
Rollover plan	**41.67**	**172,777**	**5.70**	172,777	6.70
Rollover plan	**57.87**	**130,158**	**5.70**	194,349	6.70
Share option plan	**100.00**	**3,120,802**	**5.70**	3,438,692	6.70
Share option plan	**88.50**	**1,240,000**	**6.25**	1,430,000	7.25
		4,663,737	**5.84**	5,235,818	6.85

The movements in the year for the plans over the shares of Centaur Media plc can be analysed as follows:

	2008		2007	
	Number	**Weighted average exercise price (pence)**	Number	Weighted average exercise price (pence)
Outstanding at 1 July	**5,235,818**	**93.37**	5,724,839	87.32
Exercised during the year	**(452,081)**	**92.24**	(419,021)	11.58
Forfeited during the year	**(120,000)**	**88.50**	(70,000)	88.50
Outstanding at 30 June	**4,663,737**	**96.66**	5,235,818	93.37
Exercisable at 30 June	**4,663,737**	**96.66**	3,855,818	95.11

The weighted average share price at the date of exercise for options exercised during the year was 102.5p (2007: 133.0p).

22 Share based payments (continued)

Long-term incentive plan

The Long-term incentive plan (the "LTIP") was approved at an Extraordinary General Meeting of the Company on 4 May 2006, and the initial awards ("2006 LTIP awards") were made on 13 June 2006. Further awards were made on 26 April 2007 ("2007 LTIP awards"). During the year, awards were made on 19 March 2008 ("2008 LTIP awards").

The awards all take the form of conditional grants of free ordinary shares of 10p each in Centaur Media plc. The awards will vest three years after grant date, subject to continuing employment and the achievement of performance conditions as detailed in the Directors' remuneration report (pages 34 and 35).

The following awards were outstanding at 30 June 2008;

	2008		2007	
Plan	**Number**	**Contractual remaining life (years)**	Number	Contractual remaining life (years)
2006 LTIP Awards:	**355,000**	**0.96**	355,000	1.96
2007 LTIP Awards	**350,000**	**1.82**	350,000	2.82
2008 LTIP Awards	**620,000**	**2.72**	-	-
Total	**1,325,000**		705,000	

The movements in the year for the LTIP plans over the shares of Centaur Media plc can be analysed as follows:

	2008 Number	2007 Number
Outstanding at 1 July	**705,000**	375,000
Granted during the year	**620,000**	350,000
Forfeited during the year	**-**	(20,000)
Outstanding at 30 June	**1,325,000**	705,000

22 Share based payments (continued)

Sharesave plan

On 24 April 2008, the Company introduced a Sharesave plan (the 'SAYE Scheme'). The SAYE Scheme is an HMRC approved all-employee plan and is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £3,000 per annum for a period of either 3 or 5 years, after which they may exercise SAYE options within 6 months of the anniversary date of the contract commencement date. The Option price of the 2008 grants made was 64.7 pence, a discount of 20% on the share price determined at the pricing date. Other than continuing employment, there are no other performance conditions attached to the plan.

The following Sharesave plan awards were outstanding at 30 June 2008:

	2008		2007	
Plan	**Number**	**Contractual remaining life**	Number	Contractual remaining life
3 year plan	**400,653**	**2.82**	-	-
5 year plan	**391,319**	**4.82**	-	-
Total	**791,972**		-	

The movements in the year for the Sharesave plan over the shares of Centaur Media plc can be analysed as follows:

	2008 Number	2007 Number
Granted during the year	**791,972**	-
Outstanding at 30 June	**791.972**	-

Centaur Media plc

Notes to the Financial Statements (continued)

22 Share based payments (continued)

In accordance with transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005. IFRS 2 has not been applied to the Rollover options as these were issued in consideration of a business combination and are therefore outside the scope of IFRS 2.

Options and LTIP awards were valued using the stochastic option pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Plan	Date of grant	Estimated fair value at grant date Pence	Share price at grant date Pence	Exercise price Pence	Expected volatility %	Expected dividend growth %	Risk free interest rate %
Share Option Plan	9.3.04	24.50	100.00	100.00	22.1%	1.5%	4.6%
Share Option Plan	29.9.04	21.40	88.50	88.50	22.1%	1.7%	4.8%
2006 LTIP Awards	13.06.06	65.85	105.25	n/a	22.5%	n/a	n/a
2007 LTIP Awards	26.04.07	97.35	144.00	n/a	25.4%	n/a	n/a
2008 LTIP Awards	19.3.08	41.86	77.25	n/a	33.4%	n/a	n/a
2008 Sharesave (3 year plan)	24.4.08	16.67	72.00	64.70	32.3%	5.14%	4.54%
2008 Sharesave (5 year plan)	24.4.08	16.81	72.00	64.70	29.6%	5.14%	4.56%

For the Share Option plan, the expected volatility is based on historical volatility over a 20 month period from the date of listing to November 2005. For the LTIP awards, expected volatility is used only to assess the likelihood of meeting the TSR performance condition and is based on historical volatility for a period commensurate with the remaining performance period at the date of valuation. For the Sharesave plan, expected volatility is based on historical volatility for a period commensurate with the expected terms of the options to the grant date.

The risk-free rate of return is the yield on UK Gilts consistent with the option life.

The total charge for the year relating to employee share based payment plans was £0.3 million (2007: £0.4 million), all of which related to equity-settled share based payment transactions. This includes £0.1m which has been included in exceptional costs (refer to note 2).

Centaur Media plc

Notes to the Financial Statements (continued)

23 Shareholders' funds and statement of changes in shareholders' equity

Group	Share capital £m	Treasury shares £m	Share premium £m	Retained earnings £m	Reserve for shares to be issued £m	Deferred shares £m	Total £m
At 1 July 2006	**14.9**	**-**	**0.3**	**140.3**	**2.3**	**0.1**	**157.9**
Profit for the year	-	-	-	12.3	-	-	12.3
Dividends	-	-	-	(5.1)	-	-	(5.1)
Treasury shares purchased	-	(1.0)	-	-	-	-	(1.0)
Share options:							
- Proceeds from shares allotted under share options schemes	0.1	-	-	-	-	-	0.1
- Fair value of employee services	-	-	-	-	0.4	-	0.4
- Deferred tax on share options taken directly to equity	-	-	-	(0.1)	-	-	(0.1)
As at 30 June 2007	**15.0**	**(1.0)**	**0.3**	**147.4**	**2.7**	**0.1**	**164.5**
Profit for the year	-	-	-	9.7	-	-	9.7
Dividends	-	-	-	(5.4)	-	-	(5.4)
Treasury shares purchased	-	(7.9)	-	-	-	-	(7.9)
Share options:							
- Proceeds from shares allotted under share options schemes	-	-	0.4	-	-	-	0.4
- Fair value of employee services	-	-	-	-	0.3	-	0.3
- Deferred tax on share options taken directly to equity	-	-	-	(0.1)	-	-	(0.1)
As at 30 June 2008	**15.0**	**(8.9)**	**0.7**	**151.6**	**3.0**	**0.1**	**161.5**

The 800,000 deferred shares of 10 pence each carry restricted voting rights and carry no right to receive a dividend payment in respect of any financial year.

The additions to the reserve for shares to be issued during the year ended 30 June 2007 and 30 June 2008 represent the total charge for the year relating to equity-settled share based payment transactions with employees as accounted for under IFRS 2.

Treasury shares

During the period, the Company acquired 7,550,000 of its own shares through open market purchases. The total amount paid to acquire the shares was £7.9m and this has been deducted from shareholders' equity. The shares are held as treasury shares.

Notes to the Financial Statements (continued)

24 Shareholders' funds and statement of changes in shareholders' equity (continued)

Company	Share capital	Treasury shares	Share premium	Retained earnings	Reserve for shares to be issued	Deferred shares	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 July 2007	14.9	-	0.3	125.0	2.3	0.1	142.6
Loss for the year	-	-	-	(2.9)	-	-	(2.9)
Dividends	-	-	-	(5.1)	-	-	(5.1)
Share options:							
- Proceeds from shares allotted under share options schemes	0.1	-	-	-	-	-	0.1
- Fair value of employee services	-	-	-	-	0.4	-	0.4
As at 30 June 2007	**15.0**	**-**	**0.3**	**117.0**	**2.7**	**0.1**	**135.1**
Profit for the year	-	-	-	33.3	-	-	33.3
Dividends	-	-	-	(5.4)	-	-	(5.4)
Treasury shares purchased	-	(7.9)	-	-	-	-	(7.9)
Share options:							
- Proceeds from shares allotted under share options schemes	-		0.4	-	-	-	0.4
- Fair value of employee services	-		-	-	0.3	-	0.3
As at 30 June 2008	**15.0**	**(7.9)**	**0.7**	**144.9**	**3.0**	**0.1**	**155.8**

The Company has taken advantage of the exemption available under section 230 of the Companies Act 1985 and has not presented its own income statement in these financial statements. The parent Company's profit amounted to £33.3 million, including dividends received from subsidiaries of £34.2 million (2007: loss of £2.9 million).

24 Dividends

	2008 £m	2007 £m
Equity dividends		
Final dividend paid for FY2007: 2.5 pence per 10p ordinary share (2007: 2.4 pence paid for FY2006)	3.7	3.6
Interim paid for FY2008: 1.2 pence per 10p ordinary share (2007: 1.0 pence paid for FY2007)	1.7	1.5
	5.4	5.1

A final dividend of 3.0 pence per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 20 November 2008.

Centaur Media plc

Notes to the Financial Statements (continued)

25 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow / (outflow) from operating activities:

Cash generated from continuing operations

	Group 2008	Group 2007	**Company 2008**	Company 2007
	£m	£m	**£m**	£m
Profit/ (loss) for the year	**9.5**	12.3	**33.3**	(2.9)
Adjustments for:				
Tax	**5.0**	4.6	**-**	-
Depreciation	**0.8**	0.8	**-**	-
Asset write down – included in exceptional items	**1.2**	-	**-**	-
Amortisation of intangibles	**2.6**	2.6	**-**	-
Interest income	**(0.2)**	(0.2)	**(2.6)**	(0.3)
Interest expense	**-**	-	**2.1**	1.1
Dividends received from subsidiaries	**-**	-	**(34.2)**	-
Share of associates' profit	**-**	(0.8)	**-**	-
Share option charge	**0.2**	0.4	**0.1**	0.1
Share option charge – included in exceptional items	**0.1**	-	**-**	-
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)				
Decrease/ (increase) in inventories	**(0.1)**	0.6	**-**	-
Increase in trade and other receivables	**2.1**	(0.8)	**(2.5)**	(1.1)
(Decrease)/increase in trade and other payables	**(2.2)**	(1.3)	**15.8**	8.9
Cash generated from continuing operations	**19.0**	18.2	**12.0**	5.8

Cash generated from discontinued operations

	Group 2008	Group 2007	**Company 2008**	Company 2007
	£m	£m	**£m**	£m
Profit/ (loss) for the year	**0.2**	-	**-**	-
Adjustments for:				
Profit on disposal of business	**(0.2)**	(0.1)	**-**	-
Decrease in trade and other receivables	**-**	0.1	**-**	-
Cash generated from discontinued operations	**-**	-	**-**	-
Cash generated from operations	**19.0**	18.2	**12.0**	5.9

26 Financial instruments

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk, liquidity risk and capital risk. The following note describes the role that financial instruments have had during the year ended 30 June 2008 in the management of the Group's financial risks.

Currency risk
Substantially all the Group's net assets are located and all turnover and EBITDA is generated in the United Kingdom and consequently foreign exchange risk is limited and the results of the Group are not sensitive to movements in currency rates. However the Group does have Euro, Hong Kong $, US $ and UAE Dirham denominated bank accounts to minimise any recognised losses arising from currency fluctuations.

Interest rate risk
At 30 June 2008 the Group has no overdrafts or short term or long term borrowings (other than cash held on behalf of the holders of Centaur Media plc loan stock) and therefore also has only limited sensitivity to movements in interest rates.

Credit Risk
Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For customers, the Group's risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Liquidity risk
The day to day operations of the Group for the year have been financed primarily by cash and at 30 June 2008 cash and cash equivalents amounted to £7.8 million (2007: £10.1 million). This includes an amount of £0.1 million (2007: £1.1 million) held on deposit on behalf of the holders of Centaur Media plc loan stock which represents a restricted balance and therefore cannot be used in the day to day operations of the business.

Unrestricted cash balances at 30 June 2008 were £7.7 million (2007: £9.0 million).

Surplus working capital funds are placed daily on the London money markets using variable maturity dates depending on future cash requirements. Cash pooling arrangements have been made in respect of all GB Sterling, Euro and US dollar bank accounts to maximise the interest receivable on these surplus funds.

Capital risk
As the Group has no overdrafts or short term or long term borrowings the Directors do not consider that there is any material capital risk exposure.

Centaur Media plc

Notes to the Financial Statements (continued)

26 Financial instruments (continued)

Fair values of non-derivative financial assets and liabilities

The fair value is defined as the amount at which a financial instrument could be exchanged in an arms length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value. Where market rates are not available fair values have been calculated by discounting cash flows at prevailing interest rates.

All financial assets have been classified as loans and receivables. All financial liabilities have been classified as other financial liabilities.

The fair value of financial instruments at 30 June 2008 was:

Primary financial instruments held or issued to finance the Group's operations

	2008		2007	
	Book value	**Fair value**	Book value	Fair value
	£m	**£m**	£m	£m
Variable rate unsecured loan notes	**(0.1)**	**(0.1)**	(1.1)	(1.1)
Trade and other payables (note 17)	**(10.8)**	**(10.8)**	(11.4)	(11.4)
Trade and other receivables (note 13)	**16.5**	**16.5**	18.4	18.4
Cash and cash equivalents (note 14)	**7.8**	**7.8**	10.1	10.1

The book value of primary financial instruments approximates to fair value where the instrument is on a short maturity or where they bear interest at rates approximate to market. In respect of the loan notes this rate of interest is equal to a rate 0.75 per cent below LIBOR for the relevant interest period.

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at 30 June 2008 was as follows:

	2008	2007
	£m	£m
In one year or less or on demand	**(0.1)**	(1.1)
	(0.1)	(1.1)

Unless previously redeemed or purchased the loan notes will be redeemed in full at par on 31 March 2011. The loan notes are redeemable at the option of each note holder on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days notice.

Borrowing facilities

The undrawn facilities available at 30 June 2008 were as follows:

	2008	2007
	£m	£m
Expiring in one year or less	**4.0**	4.0

Notes to the Financial Statements (continued)

27 Operating lease commitments – minimum lease payments

	Property		Vehicles, plant and equipment	
	2008	2007	**2008**	2007
Commitments under non-cancellable operating leases expiring:	**£m**	£m	**£m**	£m
- Within 1 year	**2.6**	2.6	**0.2**	0.2
- Later than one year and less than 5 years	**8.8**	9.3	**0.6**	0.8
- After 5 years	**4.8**	5.9	**-**	-
	16.2	17.8	**0.8**	1.0

28 Pension schemes

The Group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the year in respect of these pension schemes, which are defined contribution schemes, is shown in note 5. Included within other creditors is an amount of £0.1 million (2007: £0.1 million) payable in respect of the money purchase pension schemes.

29 Capital commitments

The Group had capital commitments of £0.6 million at 30 June 2008 (2007: £nil).

30 Related party transactions

Group
Key management compensation is disclosed in note 5. The amounts repaid to key management in relation to loan notes are disclosed in note 16. There were no other material related party transactions.

Company
During the year, administrative expenses and interest were recharged from/to subsidiary companies as follows:

	2008	2007
	£m	£m
Recharge of administrative expenses	**0.1**	0.4
Interest payable	**2.1**	1.1
Interest receivable	**(2.6)**	(0.3)
Dividends received	**34.2**	-

The balances outstanding with subsidiary companies are disclosed in notes 13 and 17.

Centaur Media plc

Finding new ways to inform and connect in strong markets

CENTAUR'S VISION – WHAT WE AIM TO DO

Centaur's focus is on serving defined business and special interest communities, within which we identify two broad customer groups – those we call our audiences (i.e. information consumers who read our print and online publications and visit our events) and those we call marketers (i.e. those who wish to do business with our audiences). We aim to be market leaders within our chosen specialist communities in the following areas of activity:

- To be the leading provider of high need information to our community audiences
- To be the leading provider of marketing and lead-generation multimedia solutions to our community marketers

CENTAUR'S STRATEGY – HOW WE AIM TO DO IT

The success of our business depends upon our ability to maintain the trust and support of our audiences, through the delivery of relevant content, so that we can connect them with prospective marketers. The key elements of our strategy are therefore as follows:

- To identify high value business and special interest audiences and understand their information needs
- To build high quality databases of influential individuals within our communities and understand the marketing needs of those wishing to connect with our audiences
- To establish the most appropriate media (print publications, online and events) which best engage with our audiences information and business needs and in so doing create or reinforce a community's distinctive identity
- To use our media and our databases to provide effective marketing and lead generation solutions to those seeking to connect with our audiences
- To achieve and sustain market leadership through investment in customer-focussed innovation

CENTAUR'S VALUES – WHO WE AIM TO BE

Centaur's culture has, since its formation, been built on the foundation stones of integrity and enterprise. We want our people and our products to inspire trust, we aim to treat people with honesty and respect and we reward merit. As an entrepreneurial business, we encourage our people to think like owners, to be creative, take initiative, work hard and embrace change. We believe that these values are integral to our past and future success.