



Springer
Science+Business Media
General Overview
and Financial Performance
2011

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General Overview

FY 2011 showed overall good financial performance with accelerated organic growth in Springer's STM publishing division. Within STM, Springer continued its focus on growing the scope, usage and quality of its journal portfolio, while expanding investment in open access, further penetrating the institutional market with Springer's unique e-Book offering and increasing investments in editorial and sales / marketing resources in high growth regions and emerging markets in Asia, Middle East and Latin America. The acquisition of several high quality open access journals from Hindawi in early 2011 helped strengthen the fast-growing open access operations. Late in 2011, Springer acquired the Adis journal portfolio, comprised of high quality drug information journals, and a medical communication business from Wolters Kluwer. This will allow Springer to create unique high value journal / content packages specifically directed at the Corporate / Pharmaceutical market. In 2011 Springer continued its migration to e-publishing models and the diversification of revenue sources. Whereas periodical / journal content is almost exclusively sold and used in online formats, Springer's e-share in the STM book business increased to just below 40% in 2011, driven by increased institutional buying as well as increased sales of e-products through electronic retail channels. In line with Springer's mid-term strategic objectives, both revenue shares from emerging markets and from non-academic customer groups increased over the course of 2011.

In Springer's Professional publishing divisions, 2011 saw a mainly soft trading environment in Germany and the Netherlands. Reduced dynamics and investment levels in the relevant industry sectors and difficult advertising markets led to depressed revenue in these divisions. However, portfolio reorganizations and cost containment measures helped improve operating profitability in these businesses in 2011.

Business Development Highlights

New Products

During 2011, Springer introduced a number of new products and enhanced its existing products and services. The following is a selection:

- Springer is now working closely with *Edanz*, which provides editing services to international authors whose first language is not English, before their manuscripts are published.
- Springer has started its extensive digitization project, the *Springer Book Archives (SBA)*. The SBA initiative will include nearly every book that Springer has published since the 1840s. When complete, Springer expects that the book archives will contain more than 100,000 titles.
- Springer combined all non-medical, German-language specialist media into one organizational group. This group includes Gabler, Spektrum Akademischer Verlag, Vieweg+Teubner, and VS Verlag. This initiative will make Springer's position in the German-language publishing market stronger and more cohesive.

General Overview

Business Development
Highlights
New Products

- In order to increase the quality of metadata, Springer has released a new web tool that allows catalogers and librarians to easily download tailor-made batches of *MARC records* (Machine-Readable-Cataloging) or eBook title lists. The new tool is available through Springer's MARC portal at www.springer.com/marc.
- Springer has also launched *SpringerReference.com*, a new platform for researchers as well as academic and corporate libraries. It offers living editions of Springer's eReferences well in advance of their print editions. Through the platform, scientists can submit updates to articles whenever they want, subject to peer review.
- Springer has introduced a network of job sites. With over 16 million unique visitors per month, these targeted job sites attract talented candidates sought by employers across the healthcare and life sciences industries.

Partnerships

During 2011, Springer signed a number of publishing cooperation agreements with university presses, learned societies, publishers and research funders, including:

Partnerships

- the *Brazilian Instituto Nacional de Matemática Pura e Aplicada (IMPA)* and the *Sociedade Brasileira de Matemática (SBM)*
- the *Sociedade Brasileira de Física (SBF)*
- the Korean Physical Society (KPS)
- Future Technology Research Association International (FTRA) in Korea
- Tsinghua University Press
- the Chinese Academy of Sciences (CAS)
- the Chinese Mechanical Engineering Society (CMES)
- the Beijing Normal University
- the University of Hong Kong (HKU) Libraries
- Asia Briefing
- the American Physiological Society (APS)
- the American Vacuum Society (AVS)
- the *Deutsche Gesellschaft für Innere Medizin (DGIM)*
- Island Press
- International Development Research Centre (IDRC) in Canada
- the *Institut français des sciences et technologies des transports, de l'aménagement et des réseaux*
- the *Institut national pour la recherche agronomique (INRA)*
- the *Société de réanimation de langue française (SRLF)*

Financial Performance

Springer achieved sales of € 875.1m in FY 2011, with sales growth of approximately 2.4% from FY 2010 (adjusted for divestments and for the change in the underlying currency exchange rates). FY 2011 adjusted EBITDA is € 313.3m, with growth of approximately 7% from FY 2010 (adjusted for divestments / exchange rate effects).

FY 2011 operating performance was driven by accelerated organic growth of Springer's STM division and efficiency-driven improvements in Springer's Professional publishing activities.

Key developments for Springer in FY 2011

In total, Springer's STM division realized organic sales growth of more than 5% in FY 2011 while improving operating margins.

Key developments included:

- Revenue growth of approximately 3% from STM journal subscriptions/licensing income was achieved in 2011. While subscription income in established markets continued to grow only moderately as a result of continued pressure on publicly funded institutions, emerging market sales and corporate sales again showed very good growth in FY 2011.
- Springer's total STM book revenues grew by approximately 10% in FY 2011. Growth in the electronic book segment accelerated to more than 30% with print book sales declining by approximately 2% vs. FY 2010.
- Revenues from open access publishing grew above 10% in FY 2011.
- Springer continued to increase content output by 4% in the journal segment, and increased its growth rate in book frontlist output to approximately 9% in FY 2011.
- Usage of Springer's electronic content in the academic/STM segment grew by approximately 11% in FY 2011.
- In FY 2011, Springer continued to expand its presence in emerging and high growth markets. New offices were opened in Mexico, Argentina and Singapore, and the strong build-up of staff in these markets continued throughout FY 2011.
- Springer's India-based STM publishing service units gained market share in FY 2011 which led to sales and EBITDA growth of above 10% in FY 2011.
- Springer's Healthcare/Pharma and IT/Computing-related publishing and communication activities in STM were impacted by the particularly slow economic environment in the US / UK markets throughout FY 2011, resulting in flat sales and EBITDA development vs. FY 2010. The US-based math textbook business was restructured with a large part of the textbook program discontinued over the course of FY 2011.

Key Developments
STM Division

Professional Publishing

Total sales in Springer's Professional division declined by approximately 3% in FY 2011 to € 275.8m while operating profitability, driven by restructurings and portfolio management, improved.

Key developments included:

- Springer's German Professional publishing improved profitability on a reduced revenue base in FY 2011. Core Professional activities were reorganized during the course of FY 2011 with the goal of better serving customers. As a result, the publishing activities focused on academic target groups (medicine, business / technology) were carved out and separately organized with the intent to integrate them into Springer's STM publishing unit. The resulting reductions in the product portfolio, as well as soft advertising sales in certain verticals (transport / logistics), led to a decline of approximately 4% in revenues in FY 2011. As a result of continued reorganization and savings measures, the lower revenue basis did not negatively affect the overall profitability of the German Professional publishing division.
- Springer's Professional publishing business in the Netherlands developed well in FY 2011. The news magazine segment that accounts for the largest part of this subdivision's operating profits realized slight top-line and profit growth, thereby maintaining the very high levels of operating profitability. The reorganizations carried out in the Dutch trade/medical publishing segment in FY 2010 continued into FY 2011 and resulted in further portfolio-driven revenue reductions. On the reduced revenue base the business significantly improved profitability levels across all segments in FY 2011.

For further information consult more facts and figures about Springer [here](#).

Key Developments
Professional Publishing
Division

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