### Publishing Technology plc interim results

Publishing Technology plc (AIM AIM quoted leading provider of world-class software and services to the global publishing industry, today announces its unaudited interim results

s remain strong. Some 65% of revenue is recurring, the Group acts for 7 of the has a global blue-chip list of 400 publishing and academic customers while the new business pipeline across all products and services is robust

#### **Notes to Editors**

Publishing Technology is the world-leading provider of content solutions that transform business. We cover the publishing process from end to end with content systems, audience development and content delivery software and services. Combining our unmatched publishing knowledge, global operations and perpetual support model with our *advance* operations system, ingentaconnect scholarly portal, pub2web custom hosting platform and PCG (Publishers Communication Group) sales and marketing consultancy, we offer the

Listed on the AIM market of the London Stock Exchange, the company operates jointly from Europe (Oxford) and North America (Boston and New Jersey), with representation or local offices in Brazil, India, China and Australia. Assisting over 400 trade and scholarly publishers for over thirty years, Publishing Technology plc solves the fundamental issues content providers face.

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#### Strategic review

On my appointment as CEO in March this year, I was charged with conducting a group-wide strategic review to ensure that the business is in the best position possible to capitalise on the considerable investment in its products and services. This included identifying areas where the Group could improve its performance, making sure that as a business it is readily scalable and that it can take full advantage of the significant opportunities the positive market backdrop presents.

We therefore expect to achieve higher utilisation and higher day rates across a larger number of projects, with the consequential positive effect on margins.

#### Increase sales

Implementation partners have the human resources to increase the scale of the business after projects have been won, but they can also enhance ability to win projects. Joining forces with implementation partners in business development and presenting a united sales force will undoubtedly offer a stronger position from which to pitch and win multi-million pound projects for international publishers. In addition, the Group has at times been in a situation where it cannot take on any more work and has had to turn down the opportunity to bid for a contract. Working with implementation partners is likely to increase the pipeline of opportunities through an increased presence and more resource, and also increase our conversion rates.

#### Widen potential markets

Such partnerships will improve the scalability of our business by widening et and

markets which we could not do as a standalone business. In addition, they can also take our products into other market segments, for instance using our *advance* contract, rights and royalties or permissions products in other media sectors, such as film and television.

The Company has already started working with an implementation partner on one project in Europe and detailed discussions are under way to create a wider partnership agreement. Further details on the progress of these discussions will be announced as appropriate.

#### Investing in nunder wa

product development expense and additional resource costs to ensure success on on-going contracts and improve the efficiency of both *advance* and pub2web.

The Board expects that most of the delayed revenue will be recaptured later in the year but that as a result some revenue which was expected in the second half of 2014 will also be delayed into 2015.

There is a substantial new business pipeline and a full order book of contracted on-going work for *advance* and pub2web, including some £4 million of new business wins in the past few months, as well as renewals of important client contracts, which have all helped to underpin core revenues which have a strong recurring element.

2013 was the best sales year so far for *advance* publisher Egmont and international distribution specialist Turpin, which have driven this ye - based revenues.

Revenues in the pub2web division are being driven by the number of large sites which went live last

Cash inflow from operations in the first half of this year was  $\pounds 0.2m$  compared to an outflow of  $\pounds 0.82m$  in the first 6 months of 2013. This was due to large receipts from recurring revenue receivable in the first

		Unaudited	Unaudited
		30 June 2014	30 June 2013
	Note		
Non current assets			
Goodwill		3,737	3,737

# Unaudited condensed consolidated interim statement of changes in equity

	Share capital	Merger reserve	Reverse acquisition reserve	Translation reserve	Investment in own shares	Retained Earnings	Total
Balance at 1 January 2014	841	11,055	(5,228)	(898)	(7)	(6,208)	(445)
Loss for the period Other comprehensive income:	-	-	-	-	-	(685)	(685)

## **Condensed Consolidated Interim Statement of Cash Flows**

Unaudited Unaudited Six months ended ended

3. Equity accounted investment

The Group holds a 49% voting and equity interest in Beijing Ingenta Digital Publishing Technology Ltd (BIDPT) China.

This investment is accounted for under the equity method. BIDPT has a reporting date of 31 December.

4. (Loss) / earnings per share

Basic (loss) / earnings per share is calculated by dividing the (loss) / earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted (loss) / earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. Since all outstanding options have an exercise price in excess of the average market rate in the period there is no dilutive impact from options granted.

Six months ended 30 June 2014 30 June 2013

Attributable (loss) / profit

## 6. Borrowings

	30 June 2014	30 June 2013
Bank overdrafts Loan note Short Term Loans	1,340 1,500 450	1,497 1,500
	3,290	2,997
On demand or within one year In second year In third to fifth years inclusive	3,290 - -	2,997
	3,290	2,997
Amount due for settlement after 12 months	-	-

## 7. Cash and cash equivalents

	30 June 2014	30 June 2013
Cash and cash equivalents Bank overdraft Cash and cash equivalents including overdraft	295 (1,635) (1,340)	35 (1,532) (1,497)

## 8. Trade and other payables

Trade payables comprise the following:

	30 June 2014	30 June 2013
Trade payables	779	724
Social security and other taxes	403	510
Other payables	1,672	1,399
Accruals	788	955
Deferred income	3,131	3,595
	6,773	7,183

**9.** Contingencies and commitments

There were no contingencies and commitments at the end of this or the comparative period.

**10.** Post balance sheet events

There were no material events subsequent to the end of the interim reporting period that have not been reflected in the interim financial statements.

11. Copies of the Interim Financial Statements

www.publishingtechnology.com Way, Oxford Business Park North, Oxford OX4 2HU.