For immediate release
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Publishing Technology plc reports interim results

Improved profitability and performance across the Group

Publishing Technology plc (LSE: PTO), the leading provider of online systems, management software and consulting services to trade and academic, journal and book publishers, has today announced its unaudited interim results for the six months to June 30, 2008.

Growth

- Revenues up 10% to £7.3m (2007:£6.6m)
- PBT (before amortisation) of £0.1m, comparing favourably to losses in prior periods.
- Half year EBITDA £0.3m
- Trading cash positive

Integration strategy bearing fruit

- Significant new business wins
- Recurring revenues account for over 65% of total revenue
- Sales of new products have exceeded forecast

Positive outlook

- Business units performing in line with expectations
- Improving cash and balance sheet
- Strong organic growth - no slow down in market activity
- Declining trend of indebtedness

George Lossius, Chief Executive, commented:

"This year's interims reflect continued strong progress across the group's business divisions, which all performed well over the first half and I am very pleased to be able to report improved group profitability and a positive profit before tax and amortisation of intangibles.

"The momentum behind our 2007 merger is gaining pace, and the breadth of solutions that we can provide puts us in a good position to benefit as our target publishing and information markets grow and expand. These possibilities are underlined by several significant new service and product contracts signed or completed over the first half of this year. These included a deal signed by the PCG division with BioOne, a leading US based aggregator of bioscience research journals, which should add £0.5m to 2009 revenues, and the launch of the World Bank's e-library."

Martyn Rose, Chairman, commented:

"Despite the difficult economic backdrop Publishing Technology has recorded improved performance and profitability through an exciting range of products for today and tomorrow which focus on helping publishers minimise their costs, maximise their existing income generation and create new revenue streams. The company now has a very strong, singular market position and I expect further progress going forward even if the overall economic environment continues to remain poor."

Notes to Editors:

The Publishing Technology group enables publishers to focus on their core competences by outsourcing technology requirements to a single, trusted partner. As a major provider of software and services for the publishing industry, servicing eight out of ten of the world's largest publishers, the group's proposition uniquely spans online and print solutions, to provide the industry's only end-to-end suite of software specifically designed to support the entire publishing process.

Capabilities cover editorial & production, product information, distribution & fulfilment, content conversion & hosting, website development, sales representation, marketing programmes, information commerce, customer care, rights & royalties and business intelligence. Clients include leading book and journal publishers such as, Hachette, Random House, Penguin and Reed Elsevier and top corporate and academic research library clients, such as Columbia University Library, and Glaxo SmithKline's research library, and a number of not for profit institutions, such as the World Bank, the IMF, OECD and UNICEF. The company was formed in February 2007, following the merger of Vista International Ltd and Ingenta plc.

For further information please contact:

Richard Evans / Kit Bingham
The Communication Group plc
Tel: 020 7630 1411

Geoff Nash/Rose Herbert
FinnCap, NOMAD
Tel: 020 7600 1658

Chief Executive's half year statement

We are obviously proud of these results which represent the best performance since our creation last year. Our internet operations are returning real profits and growth and with new product development, the prospects for increased sales are positive.

The group had a turnover of £7.3m in the first six months of 2008, a significant improvement on the first half of last year, and trading has improved quarter on quarter in 2008. All business units have been contributing positively, and I am pleased to announce both a positive EBITDA and adjusted PBT (before amortisation of intangibles).

During this period we have also managed to strengthen the balance sheet of the business through cash positive trading, a reduction in convertible loans and a fundraising which came largely from existing investors:

- In April 2008, the business raised an additional £0.9m after costs. This additional funding provided the required working capital to speed up investment in new products and sales initiatives, and also helped in clearing some historical creditors.

- At the same time, £0.5m of convertible loans converted into equity, reducing the debt and interest burden on the business.

- Payables have reduced by £1.3m since 31 December 2007 whilst overall borrowings have increased by only £0.2m.

In addition to these improvements, at the AGM in July shareholders approved two further measures to strengthen the company's balance sheet: a consolidation of shares reducing the number of shares in issue to 8.4m; and, a capital reduction to reduce the share premium account and write off the deferred shares. The result of these actions will be a cleaner and easier to understand balance sheet, producing a more meaningful earnings per share measure and produce positive reserves.

A year on from the merger, the business is showing considerable promise. The combined breadth of solutions and services we bring to the expanding Information and Publishing industries positions the company well for the future. In addition, new business wins supported by the continued solid performance of our existing core business and costs being maintained at the current run rate will give a positive operational gearing effect in the second half.

Change of business structure

To further integrate the business, and to provide greater opportunities to optimise our operations, we changed the structure of Publishing Technology in June 2008. The most significant changes were to recognise that the information and publishing industries are diverse in nature, and therefore we needed to organise the business into groups that can best serve the different requirements of the sectors.

International Business Development - Sales & Marketing

At the time of the merger in February 2007, the group had three separate sales teams. In June, these were merged into one international group promoting and selling all of Publishing Technology's products and services, and increasing our focus on the substantial USA market. Whilst people within the group maintain specialisations, the combination of sales and marketing teams is helping us to promote our unique variety and range of services to potential clients. We are already seeing the benefits of this with a growing customer pipeline in the USA, an increase in cross-selling activities, and successes in obtaining preferred supplier status on some significant sales.

Publishing Technology Operations

The Publishing Technology Operations group has assumed an international responsibility for the delivery of our software applications supporting publishing management, as well as online solutions focused on the books industry. In addition, this group has assumed responsibility for shared services, including further consolidation of our offices and of our significant IT infrastructure.

At half year trading is ahead of expectations with advances in sales of new online products, and the division has a solid outlook.

Scholarly Division

The Scholarly Division combines the former Ingenta and PCG activities targeting the Scholarly and Academic markets. The combination of these groups under one management team is helping maximise the use of the complimentary skills of these groups to provide a more significant and compelling service to our customers, in particular our online publishing customers.

At half year, trading is in line with expectations. Significant new business wins, notably BioOne and the launch of the first pub2web sites, will strengthen future trading considerably.

Business gains

In the first half of the year our customer numbers continued to grow. Sales and revenues from new products in the online publishing space have advanced considerably, and, although total worldwide advertising spend is declining, our advertising revenues continue to increase, albeit from a small base.

Although not the largest sale in the first half, the most significant and interesting new business gain was the recently announced BioOne contract, which significantly increases our Content Sales & Representation business. This is initially a three year contract and is forecast to add £0.5m of revenues in 2009.

The development of the pub2web product is now complete and our first customer launch was The World Bank, with several others following in the next 6 months, which will enhance revenues in this area of activity and assist in the acquisition of new customers.

Unaudited Interim Results for the 6 months ended 30 June 2008

Condensed Consolidated Income Statement
For the period ended 30 June 2008

	Note	6 months ended 30 June 2008 £'m		18 months ended 31 December 2007 £'m
Revenue			7.3	18.4
Cost of sales			(4.4)	(12.2)
Gross profit			2.9	6.2
Sales and marketing expenses			(0.9)	(1.9)
Administrative expenses			(1.7)	(4.1)
Profit before finance costs, tax, depreciation and amortisation (EBITDA)			**0.3**	**0.2**
Depreciation			0.1	0.2
Foreign exchange loss / (gain)			-	0.3
Profit /(loss) from operations before amortization of intangibles			0.2	(0.3)
Finance income			-	0.2
Finance costs			(0.1)	(0.9)
Profit / (loss) before tax and amortisation of intangibles			0.1	(1.0)
Tax			-	0.1
Profit / (loss) before amortisation of intangibles			**0.1**	**(0.9)**
Amortisation of intangibles			(0.4)	(0.7)
Retained loss for the period			(0.3)	(1.6)
		Before share consolidation	After share consolidation	
Basic earnings / (loss) per share before amortisation of intangibles – pence	3	0.01 p	1.16 p	(0.19) p
Diluted earnings / (loss) per share before amortisation of intangibles – pence	3	0.01 p	1.04 p	(0.19) p
Basic and diluted loss per share (reported) – pence	3	(0.04) p	(4.43) p	(0.35) p

Unaudited Interim Results for the 6 months ended 30 June 2008

Condensed Consolidated Balance Sheet
As at 30 June 2008

	Note	30 June 2008 £'m	31 December 2007 £'m
Non current assets			
Goodwill and Intangible assets		4.9	5.2
Property, plant & equipment		0.2	0.3
Available for sale investments		0.1	0.1
		5.2	5.6
Current assets			
Trade & other receivables	5	2.8	2.6
R&D tax credit receivable		0.1	0.3
Bank and cash in hand	7	0.9	0.6
		3.8	3.5
Total assets		**9.0**	**9.1**
Equity			
Share capital		11.8	11.6
Share premium		21.7	20.7
Merger reserve		11.1	11.1
Reverse Acquisition reserve		(38.1)	(38.1)
Retained earnings		(8.0)	(7.7)
		(1.5)	(2.4)
Non current liabilities			
Borrowings	6	0.5	1.0
Current liabilities			
Trade and other payables	8	5.7	7.0
Borrowings	6	4.3	3.3
Provisions		-	0.2
		10.0	10.5
Total liabilities		10.5	11.5
Total equity and liabilities		**9.0**	**9.1**

Unaudited Interim Results for the 6 months ended 30 June 2008

Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2008

	Share capital £'m	Share Premium £'m	Merger reserve £'m	Reverse acquisition reserve £'m	Retained Earnings £'m	Total £'m
Balance at 31 December 2007	11.6	20.7	11.1	(38.1)	(7.7)	(2.4)
Shares issued in the period	0.2	1.0	-	-	-	1.2
Loss for the period	-	-	-	-	(0.3)	(0.3)
Balance at 30 June 2008	11.8	21.7	11.1	(38.1)	(8.0)	(1.5)

Unaudited Interim Results for the 6 months ended 30 June 2008

Condensed Consolidated Cash Flow Statement
For the period ended 30 June 2008

	Note	**6 months ended 30 June 2008 £'m**	**18 months ended 31 December 2007 £'m**
Cash flows from operating activities			
Profit after tax before amortisation of intangibles		0.1	(0.9)
Adjustments for:			
Depreciation		0.1	0.2
Investment income		-	(0.2)
Interest expense		0.1	0.9
Taxation		-	(0.2)
Unrealised foreign exchange differences		-	0.1
Decrease in trade and other receivables		(0.2)	(1.0)
Decrease in trade and other payables		(1.3)	(1.5)
Decrease in provisions		(0.2)	-
Cash used in operations		(1.4)	(2.4)
Interest paid		(0.2)	(0.9)
Net cash used in operating activities		(1.6)	(3.3)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(0.2)
Costs of reverse acquisition		-	(0.2)
Interest received		-	0.2
Net cash used in investing activities		-	(0.3)
Cash flows from financing activities			
Net proceeds from issue of share capital		0.9	1.9
(Repayment of)/proceeds from short term borrowings		(1.5)	1.5
Net cash (used in) / from financing activities		(0.6)	3.4
Net decrease in cash and cash equivalents		**(2.2)**	**(0.2)**
Cash and cash equivalents at beginning of period	7	(0.2)	-
Cash & cash equivalents at end of period	**7**	**(2.4)**	**(0.2)**

Unaudited Interim Results for the 6 months ended 30 June 2008

Notes to the Unaudited Interim Report
for the 6 months ended 30 June 2008

1. ***Interim report***

   The results for the six months ended 30 June 2008 are unaudited. The interim report does not constitute full accounts as defined by the Companies Act 1985 but should be read in conjunction with the most recent financial statements. Full accounts for 2007 have been delivered to the Registrar of companies bearing an unqualified audit opinion.

2. ***Basis of preparation***

   The consolidated interim financial statements for the six months ended 30 June 2008 have been prepared under the historical cost convention and by consistently applying the accounting policies used in the prior year annual accounts.

   A detailed set of accounting policies can be found in the annual accounts available on our website www.publishingtechnology.com or by writing to the Company secretary.

3. ***Earnings / (Loss) per share***

   The calculation of the basic and diluted earnings / (loss) per share is based on the following data:

	Six months ended 30 June 2008		**18 months ended 31 December 2007**
	Before share consolidation	After share consolidation	
Weighted average number of ordinary shares – Basic	677,925,293	6,779,253	452,480
Weighted average number of ordinary shares - Diluted	757,456,147	7,574,561	n/a
Attributable earnings / (loss) before amortisation of intangibles (£'m)	0.1		(0.8)
Attributable loss – Reported (£'m)	(0.3)		(1.6)
Basic earnings / (loss) per share before amortisation of intangibles - pence	0.01 p	1.16 p	(0.19) p
Diluted earnings / (loss) per share before amortisation of intangibles - pence	0.01 p	1.04 p	(0.19) p
Basic and diluted loss per share (reported) - pence	(0.04) p	(4.43) p	(0.35) p

Shares were consolidated on 25 July 2008 on the basis of 1 for 100. The table above shows the calculation of EPS before and after this consolidation.

4. *Segment information*

The Group's primary basis of segmentation has changed in the period from a geographic split to a split by business unit, therefore no comparative figures are shown.

The Group comprises the following business segments:

Publishing Technology Operations
Online Division
Publisher Communications Group

Six months ended 30 June 2008	**Publishing Technology Operations £'m**	**Online Division £'m**	**Publisher Communications Group £'m**	**Consolidated £'m**
Revenue				
External sales	4.7	2.0	0.6	7.3
Result				
Segment result	0.6	(0.1)	0.1	0.6
Unallocated corporate expenses				(0.3)
Profit before finance costs, tax, depreciation and amortisation of intangibles (EBITDA)				0.3
Depreciation				(0.1)
Finance costs				(0.1)
Profit before amortisation of intangibles				0.1
Amortisation of intangibles				(0.4)
Retained loss for the period				(0.3)

Other information	**Publishing Technology Operations £'m**	**Online Division £'m**	**Publisher Communications Group £'m**	**Consolidated £'m**
Depreciation	0.1	-	-	0.1
Balance Sheet				
Assets				
Segment Assets	2.1	0.7	0.4	3.2
Unallocated corporate assets				5.8
Consolidated total assets				9.0
Liabilities				
Segment liabilities	2.1	0.6	0.3	3.0
Unallocated corporate liabilities				7.5
Consolidated total liabilities				10.5
Total equity and liabilities				9.0

5. *Trade and other receivables*

Trade and other receivables comprise the following:

	Six months ended 30 June 2008	18 months ended 31 December 2007
Trade receivables – gross	1.6	1.8
Less: provision for impairment of trade receivables	(0.1)	(0.1)
Trade receivables – net	1.5	1.7
Other receivables	0.9	0.6
Prepayments and accrued income	0.4	0.3
	2.8	2.6

6. *Borrowings*

	Six months ended 30 June 2008	18 months ended 31 December 2007
Bank overdrafts	3.3	0.8
Revolving credit facility	-	1.5
Convertible loan note	1.5	2.0
	4.8	4.3
On demand or within one year	4.3	3.3
In second year	0.5	0.5
In third to fifth years inclusive	-	0.5
Less: amount due for settlement within 12 months (shown under current liabilities)	4.8	3.3
Amount due for settlement after 12 months	0.5	1.0

7. *Cash and cash equivalents*

	Six months ended 30 June 2008	18 months ended 31 December 2007
Bank balance	0.9	0.6
Bank overdraft	(3.3)	(0.8)
Cash and cash equivalents	(2.4)	(0.2)

8. Trade and other payables

Trade payables comprise the following:

	Six months ended 30 June 2008	18 months ended 31 December 2007
Trade payables	1.4	1.7
Social security and other taxes	0.4	0.8
Other payables	0.4	0.3
Accruals	0.6	0.9
Deferred income	2.9	3.3
	5.7	7.0

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.