

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), who specialises in advising on the acquisition of shares and other securities.

If you have sold or transferred all of your registered holding of Existing Shares, you should forward this document, together with the accompanying Form of Proxy, immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Existing Ordinary Shares are admitted to trading on AIM. Conditional upon completion of the Placing, an application will be made to the London Stock Exchange for the issued New Ordinary Shares, the Placing Shares and the Conversion Shares to be admitted to trading on AIM. It is expected that admission to trading on AIM and dealings in the issued New Ordinary Shares, the Placing Shares and the Conversion Shares will commence on 28 April 2008.

The Directors, whose names are set out on page 5 accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# Publishing Technology PLC

*(Incorporated and registered in England and Wales no.00837205)*

## Proposed Placing by JMFinn Capital Markets Limited of 168,230,560 New Ordinary Shares at 0.65p per share to raise £1.1 million

## Issue of 76,923,060 New Ordinary Shares on conversion of Loan Notes Reorganisation of Share Capital and Notice of Extraordinary General Meeting

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### Share Capital immediately following Admission

Number	Authorised		Issued and fully paid	
	Amount (£)		Number	Amount (£)
1,200,000,000	1,200,000	New Ordinary Shares of 0.1p each	841,361,040	841,361
936,207,420	8,425,867	Deferred "B" Shares of 0.9p each	596,207,420	5,365,867
141,207,420	5,648,297	Deferred Shares of 4p each	141,207,420	5,648,297

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This document does not constitute a public offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules. This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares. The New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of Ireland, South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of Ireland, South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly in or into the United States, Canada, the Republic of Ireland, South Africa, Australia or Japan. Overseas Shareholders and any person (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Notice of an Extraordinary General Meeting of Publishing Technology PLC to be held at 44 Southampton Buildings, London WC2A 1AP at 11am on 25 April 2008 is set out at the end of this document. Whether or not you intend to be present at the EGM you are urged to complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, so as to arrive at the Company's registrars, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event by no later than 11am on 23 April 2008. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the EGM should they so wish.

JMFinn Capital Markets Limited, which trades as FinnCap and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser and broker to the Company in connection with the proposed Placing and is not acting for any other person nor will otherwise be responsible to any person for providing the protections afforded to customers of FinnCap, or for advising any other person in respect of the proposed Placing. FinnCap's responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire New Ordinary Shares in the Company in reliance on any part of this document. No representation, express or implied, is made by FinnCap as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). FinnCap has not approved the contents of, or any part of, this document and no liability whatsoever is accepted by FinnCap for the accuracy of any information or opinions contained in this document or for the omission of any information.

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## PLACING STATISTICS

Placing Price	0.65p
Number of Placing Shares, the subject of the Placing	168,230,560
Number of New Ordinary Shares issued pursuant to partial conversion of the Loan Notes	76,923,060
Number of New Ordinary Shares in issue following the Placing, Conversion and Reorganisation	841,361,040
Market capitalisation of the Company at the Placing Price	£5.5 million
Estimated net proceeds receivable by the Company	£0.94 million

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	11am on 23 April 2008
Extraordinary General Meeting	11am on 25 April 2008
Record Date for the Reorganisation	25 April 2008
Admission and dealings in the issued New Ordinary Shares, the Placing Shares and Conversion Shares commence and CREST accounts credited (where applicable)	8am on 28 April 2008
Issue of share certificates in respect of the Placing Shares and Conversion Shares (where applicable)	By 6 May 2008

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Act”	the Companies Act 1985 (as amended) or the Companies Act 2006 (as amended), as applicable
“Admission”	the admission of the issued New Ordinary Shares, the Placing Shares and the Conversion Shares to trading on AIM becoming effective in accordance with rule 6 of the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies or the AIM Rules for Nominated Advisers as the context may require, issued by the London Stock Exchange governing the operation of AIM
“Articles”	the articles of association of the Company for the time being
“Company” or “Publishing Technology”	Publishing Technology PLC
“Conversion”	the conditional conversion of £500,000 nominal amount of Loan Notes into the Conversion Shares
“Conversion Shares”	76,923,060 New Ordinary Shares to be issued at the Placing Price pursuant to the Conversion
“Deferred “B” Share”	a deferred share of 0.9p in the capital of the Company, arising pursuant to the Reorganisation
“Deferred Shares of 4p”	existing deferred shares of 4p each in the capital of the Company
“Directors” or “the Board”	the directors of Publishing Technology whose names are set out on page 5 of this document
“EGM”	the extraordinary general meeting of the Company to be held at 44 Southampton Buildings, London WC2A 1AP at 11am on 25 April 2008 to consider the Resolutions
“EGM Notice”	the notice convening the EGM which is set out at the end of this document
“Existing Ordinary Shares” or “Existing Shares”	the 596,207,420 ordinary shares of 1p each in issue at the date of this document
“FinnCap”	JM Finn Capital Markets Limited which is regulated and authorised by the FSA and who is acting as the Company’s nominated adviser (as defined in the AIM Rules) and broker
“Form of Proxy”	the form of proxy for use in relation to the EGM which accompanies this document
“Group”	the Company and its subsidiary undertakings
“London Stock Exchange”	London Stock Exchange plc
“Loan Notes”	the £2m of secured convertible loan notes issued to the MC Rose Settlement No. 1 pursuant to a loan note instrument dated 2 February 2007
“New Ordinary Shares”	new issued and unissued ordinary shares of 0.1p each in the capital of the Company, arising pursuant to the Reorganisation
“Placing”	the conditional placing by FinnCap on behalf of the Company of the Placing Shares at the Placing Price, in accordance with the Placing Agreement

“Placing Price”	0.65 pence per New Ordinary Share
“Placing Agreement”	the conditional agreement dated 1 April 2008 made between the Company and FinnCap, further details of which are set out in Part I of this document
“Placing Shares”	the 168,230,560 New Ordinary Shares to be issued at the Placing Price pursuant to the Placing
“Proposals”	the Reorganisation, the Conversion and the Placing as described in this document
“Registrars”	Capita Registrars
“Reorganisation”	the proposed reorganisation of the share capital of the Company as described in Part I of this document and Resolution 1 in the EGM Notice
“Resolutions”	the resolutions to be proposed at the EGM as set out in the EGM Notice
“Shareholder”	a holder of Existing Ordinary Shares
“Trustees”	Martyn Rose and James Sykes as the trustees of the MC Rose Settlement No. 1

## PART I

# Publishing Technology PLC

(Registered in England no.00837205)

### Directors

Martyn Rose, *Non-Executive Chairman*  
George Lossius, *Chief Executive Officer*  
Alan Moug, *Chief Financial Officer*  
Mark Rowse, *Non-Executive Director*  
Ward Shaw, *Non-Executive Director*

### Registered Office

Unipart House  
Garsington Road  
Oxford  
OX4 2GQ

1 April 2008

Dear Shareholder

### Introduction

Publishing Technology designs, installs and hosts software systems for publishers and information providers. Publishing Technology was created in February 2007 through the reverse acquisition of VISTA International Ltd ("Vista") by the Company, then called Ingenta PLC ("Ingenta").

The Group includes three principal divisions: Vista is the largest, representing approximately 60 per cent. of revenue and supplies software-based management systems to manage the back office business activities of publishers. Vista's traditional expertise lies in the delivery of paper-based publishing systems and it is rapidly developing its on-line business, working with a number of publishers in this area. Vista's on-line offering, the Internet Commerce System, helps publishers evolve and market their products to a wider online community. Ingenta (which represents approximately 30 per cent. of revenue) has an on-line content management and delivery platform for publishers. The marketing and consulting services of Publishers Communication Services (which represent 10 per cent. of revenue) provide publishers with market research and assistance in promoting and selling their products.

As shown in the results to 31 December 2007, which were announced today, the Group has made significant progress since the reverse acquisition.

Despite the progress made in the last year, the prospects of the Group remain constrained by lack of working capital, and the Board therefore believes that it is necessary for the Company to raise additional funds to support its continued product development and promotion in its market space. The publishing industry is evolving rapidly and the Board believes that it is important to continue these developments to take full advantage of opportunities that have been created by the creation of the Publishing Technology group.

Accordingly, the Company has announced today a proposed placing of 168,230,560 Placing Shares at 0.65 pence per share to raise £1.1 million (before expenses). This includes £580,000 that has been invested in aggregate by the Directors and senior management. Of this amount, Martyn Rose, the Company's Chairman has invested £500,000. In addition, the Company has agreed with the Trustees, *inter alia*, that £500,000 of the Loan Notes will be converted into 76,923,060 New Ordinary Shares at the Placing Price and that the next repayment of £500,000 due under the Loan Notes on 31 December 2008 will be deferred to 30 June 2009, both of which will assist the Company's working capital position. Further details of amendments to the Loan Notes are set out on page 8 of this document.

The nominal value of the Existing Ordinary Shares is 1p and they are currently trading at a discount to the nominal value. Thus the issue of shares at the Placing Price can only take place following the Reorganisation. This will require Shareholder approval at the EGM. In addition, Shareholder approval is required to increase the number of New Ordinary Shares in issue, to

authorise the Directors to allot New Ordinary Shares, to disapply pre-emption rights with regard to the allotment of New Ordinary Shares and to amend the Company's Articles. In order to effect the Proposals, the Resolutions need to be passed. Further information in relation to the Proposals is set out below.

**The purpose of this document is to provide you with information about the background to and the reasons for the Proposals, to explain why the Board (with the exception of Martyn Rose who is a beneficiary of the Loan Notes), considers the Proposals to be in the best interests of the Company and its Shareholders as a whole and why the Directors (with the exception of Martyn Rose) recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.**

## **Background**

Publishing Technology has a variety of services and tools to support the IT needs of publishers and information providers, including the following:

- software to manage the organisation and commercial processes of publishers;
- web portals to provide publishers with routes to market and routes to new revenues;
- software that helps publishers isolate their products and identify and target customers for product fragments and combinations of products; and
- marketing services to support publishers in maximising the sales of their content.

Publishing Technology is well positioned in these fields on both sides of the Atlantic and its global customer list includes Elsevier, Wiley-Blackwell, Informa, British Medical Journal (BMJ), Sdu (government publisher of the Netherlands), HarperCollins, LexisNexis, Pearson, Random House; Oxford, Cambridge, Manchester, California and Chicago University Presses.

There are a number of different revenue streams for the Company's various activities but the business is underpinned by recurring fees charged on over 60 per cent. of its sales, in many cases under multi year agreements, for the hosting of applications and annual maintenance of software.

The Directors believe that Publishing Technology's technical skills, strong customer relationships and broad understanding of the issues faced by publishers and information providers, are key business advantages for the Group.

## **Reasons for the Placing and Conversion and use of proceeds**

The Placing will raise approximately £0.94 million, net of expenses for the Company. As detailed above, this, together with the reduction in overall debt resulting from the Conversion and the deferral of the next repayment date under the Loan Notes will contribute to available working capital and the Company will utilise this to strengthen its balance sheet and assist in Publishing Technology's continued development.

## **Results**

The results for the financial period ended 31 December 2007 have been announced today and can be viewed at [www.publishingtechnology.com](http://www.publishingtechnology.com). Report and accounts for the financial period ended 31 December 2007 will be sent to Shareholders in due course.

Due to the reverse acquisition of Vista International Limited on 28 February 2007, the accounts for this period cover an 18 month period, or specifically, Vista's trading prior to the acquisition from 1 July 2006 to 28 February 2007, and a further 10 months of the combined Publishing Technology businesses to 31 December 2007.

Highlights on post-merger trading include:

- Revenues have increased each quarter post merger;
- Overheads of combined businesses substantially reduced;
- Trading cash flow positive by end of period;
- Over 50 new customers during 2007 and high level of customer retention; and
- Significant impact on revenues and profits by US Dollar exchange rate weakening in 2007.

Financial highlights for full reporting period:

- EBITDA of £0.2 million;
- Total revenues of £18.4 million;
- Gross profit of £6.2 million; and
- Pre-tax loss of £1.7 million after foreign exchange losses of £0.3 million and amortisation of intangible assets of £0.8 million.

### **Current trading and prospects**

2007 saw the Company focus primarily on integration synergies and consolidation to provide the Group with a stable and growing revenue base, and overheads were reduced significantly. The Directors are particularly pleased that the expertise and relationships of the combined Publishing Technology sales team have successfully enabled realisation of new business opportunities that the separate organisations had previously lacked the authority and ability to complete.

The Directors believe that the results of this greater customer confidence in Publishing Technology are illustrated in the improvement in trading post merger, and the Board is confident that this can be carried forward into 2008 by:

- continuing to focus on increasing high-margin revenue streams;
- providing innovative products to the expanding publishing and information industries; and
- using the breadth of the Publishing Technology tools and services to differentiate the Group from its competitors.

Having completed vital integration and consolidation activities during 2007, the Directors believe that the potential for the business in the coming years is considerable and they look forward to the future with confidence.

### **The Reorganisation**

The Reorganisation will result in the sub-division of each Existing Ordinary Share of 1p into one New Ordinary Share of 0.1p and one Deferred "B" Share of 0.9p. The number of New Ordinary Shares in issue following the Reorganisation (but prior to the issue of the Placing Shares and Conversion Shares) will equal the number of Existing Ordinary Shares currently in issue. Details of the Company's existing share capital and as it will be after the Reorganisation, the Placing and the Conversion are set out in Part II of this document.

After the implementation of the Reorganisation the nominal value of each New Ordinary Share will be one tenth of that of each Existing Ordinary Share but subject to that, each New Ordinary Share will have the same rights (including voting and dividend rights and rights on a return of capital) as each Existing Ordinary Share has at present.

The rights attaching to the Deferred "B" Shares, which are set out below and for which no application for admission to trading on AIM will be made, will be minimal, thereby rendering them effectively valueless. No certificates will be issued in respect of the Deferred "B" Shares. The rights attaching to the Deferred "B" Shares can be summarised as follows:

- they will not entitle holders to receive any dividend or other distribution or to receive notice of, attend, speak at or vote at general meetings of the Company;
- on a return of assets on a winding up, they will only entitle the holder to the amounts paid up on such shares after the repayment of £10 million per New Ordinary Share;
- they will authorise the Company to appoint any person to execute on behalf of the holders of the Deferred "B" Shares a transfer of such shares to the Company, or such person as the Company may nominate as custodian, without any payment therefore and without the sanction of the holders of the Deferred "B" Shares; and



- the creation and issue of further shares which rank equally or in priority to the Deferred “B” Shares or the passing of a resolution of the Company to cancel the Deferred “B” Shares or to effect a reduction in capital shall not constitute a modification or abrogation of their rights. Only whole numbers of shares will be issued.

### **Amendment to the Articles**

As part of the Reorganisation, the Company’s Articles will need to be amended to include the rights of the Deferred “B” Shares as described above.

Save in respect of the Deferred “B” Shares, no further amendments to the Company’s Articles will be undertaken.

### **The Placing and the Placing Agreement**

Pursuant to the Placing Agreement entered into on 1 April 2008, 168,230,560 New Ordinary Shares have been conditionally placed with institutional and other investors at the Placing Price to raise net proceeds of approximately £0.94 million. The Placing Shares will, on Admission, be credited as fully paid and will have the same rights in all respects as the New Ordinary Shares arising from the Reorganisation and the Conversion Shares, including the right to receive all dividends and other distributions declared, made or paid on the New Ordinary Shares by reference to any record date following Admission.

The Placing is conditional, *inter alia*, upon:

- the approval of the Resolutions at the EGM;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission.

The Placing is to be effected on behalf of the Company by FinnCap, on the terms of the Placing Agreement. Completion of the Placing is subject to certain conditions including those listed above.

The Placing Agreement contains certain warranties given by the Company with respect to its business and the Group and certain matters connected with the Placing. In addition, the Company has given indemnities to FinnCap in connection with the Placing and FinnCap’s performance of services in relation to the Placing.

The Placing Agreement may be terminated by FinnCap in a number of circumstances, for example if FinnCap becomes aware of any breach of warranty which is material in the context of the Placing and such breach is not remedied within the timetable contemplated by the relevant Placing or if there shall occur a material adverse change in the national or international financial, monetary, political, economic or general market conditions or circumstances arise which constitute a material adverse change in the conditions or prospects (financial or otherwise) of the Company or any member of the Group.

As part of the Placing, Directors and members of the senior management team have agreed to subscribe in aggregate for 89,221,560 Placing Shares at the Placing Price, which represents £580,000 in aggregate or approximately 53 per cent. of the Placing.

### **Conversion and Amendments to the Loan Notes**

Under current terms, the Loan Notes can be converted into Ordinary Shares only in the months of June and December in the years 2008, 2009 and 2010, at a rate of 26.67 Ordinary Shares for every £1.00 of Loan Notes converted in 2008 (effectively, 3.75p per share), 19.05 Ordinary Shares for every £1.00 of Loan Notes converted in 2009 (effectively, 5.25p per share) and 14.29 Ordinary Shares for every £1.00 of Loan Notes converted in 2010 (effectively, 7.00p per share). The Loan Notes are held by the trustees of the MC Rose Settlement No. 1, a settlement of which Martyn Rose, a director of the Company, is a trustee and beneficiary.



The Company has today entered into an agreement with the Trustees providing for conversion of part of the Loan Notes and amendment of the terms of the remaining Loan Notes. The key terms of this agreement can be summarised as follows:

- the agreement is conditional on the passing of the Resolutions and completion of the Placing save for Admission;
- £500,000 of the Loan Notes will be converted, at the Placing Price, into 76,923,060 New Ordinary Shares, being the Conversion Shares;
- outstanding interest of approximately £185,000 due to the Trustees will be repaid immediately after Admission and the Trustees will waive any claim against the Company for its default in not making payments of principal and interest to date. Additionally, interest accruing from Admission will only become payable on 31 December 2008, with no interest payable in June 2008;
- The next Loan Notes conversion window, June 2008, will be deferred to December 2008;
- the conversion price applying during the conversion window in December 2008, currently 3.75p per ordinary share, will be reduced to 1p per New Ordinary Share in respect of up to £1 million of the Loan Notes and any balance of the £1 million of Loan Notes not converted in December 2008, will be available for conversion at 1p per New Ordinary Share between 1 April 2009 and 30 June 2009;
- the conversion price applying during the conversion window of December 2009, currently 5.25p per ordinary share, will be reduced to 1p per New Ordinary Share in respect of up to £500,000 of Loan Notes, provided that no more than a total of £1 million of Loan Notes is converted at 1p per New Ordinary Share in the December 2008 and 1 April 2009 to 30 June 2009, and December 2009 conversion periods;
- the next repayment date of 31 December 2008, on which £500,000 is repayable, will be postponed until 30 June 2009.

Save as summarised above, the terms of the Loan Notes will remain unaltered.

Given that Martyn Rose is a substantial shareholder and a Director, the amendment of the terms of the existing Loan Notes is a related party transaction under the AIM Rules.

Immediately following Admission, the Company will have an authorised share capital of £15,274,164 divided into 1,200,000,000 New Ordinary Shares, 141,207,420 Deferred Shares of 4p and 936,207,420 Deferred "B" Shares of 0.9p, of which 841,361,040 New Ordinary Shares will be in issue.

Application will be made to the London Stock Exchange for New Ordinary Shares in issue arising from the Reorganisation, the Placing Shares and the Conversion Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the New Ordinary Shares in issue arising from the Reorganisation, the Placing Shares and the Conversion Shares will commence on 28 April 2008. No application has been or is being made for these shares to be admitted to any other recognised investment exchange.

### **Working capital**

In the opinion of the Directors having made due and careful enquiry (but without having engaged the Company's auditors to test or report on their findings), taking into account the bank and other facilities available to the Group, the reduction in debt arising on the Conversion and the net proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

### **Litigation**

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Company and/or the Group nor, so far as the Company is aware, are any such proceedings pending or threatened.

## **VCT Qualifying Holding Status**

On the basis of the information provided, HM Revenue & Customs has given provisional assurance that Publishing Technology will comply with the requirements of Chapter 4 of Part 6 of the Income Tax Act 2007 in respect of monies raised by a Venture Capital Trust ("VCT") by an issue of shares or securities prior to 6 April 2006 and that the New Ordinary Shares will be eligible shares for the purposes of VCTs. The continuing qualifying status for VCT purposes will be conditional, *inter alia*, upon the Company and the VCT continuing to satisfy the relevant requirements.

## **Extraordinary General Meeting**

A notice convening the Extraordinary General Meeting to be held at 44 Southampton Buildings, London WC2A 1AP at 11am on 25 April 2008 is set out at the end of this document. At the EGM, the following Resolutions will be proposed:

- (a) an ordinary resolution to effect the Reorganisation;
- (b) an ordinary resolution to increase the authorised ordinary share capital of the Company to £1,200,000 by the creation of 263,792,580 additional New Ordinary Shares;
- (c) an ordinary resolution to authorise the Directors to allot relevant securities (as defined in section 80 of the Act);
- (d) a special resolution to authorise the Directors, subject to the limits set out in that Resolution, to issue New Ordinary Shares for cash on a non-pre-emptive basis, including a specific authority to allot the Placing Shares and the Conversion Shares; and
- (e) a special resolution to amend the Company's Articles.

## **Recommendation**

**The Board, (with the exception of Martyn Rose who has taken no part in its deliberations) having consulted with FinnCap, believes that the terms of the Conversion and the other amendments to the terms of the Loan Notes are fair and reasonable insofar as Shareholders as a whole are concerned. Furthermore, the Board believes that the Placing is in the best interests of the Company and Shareholders taken as a whole. The Directors (excluding Martyn Rose) therefore unanimously recommend that you vote in favour of the Resolutions, as they intend to do in respect of their own shareholdings, which in aggregate total 105,196,792 Existing Ordinary Shares representing approximately 17.7 per cent. of the existing issued ordinary share capital of the Company.**

## **Action to be taken**

You will find enclosed with this document a Form of Proxy for use at the EGM. Whether or not you intend to attend the EGM you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Company's registrars, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and in any event so as to arrive no later than 11am on 23 April 2008. The completion and return of a Form of Proxy will not preclude Shareholders from attending the EGM and voting in person should they so wish.

Yours faithfully

George Lossius  
Chief Executive

## PART II

### Details of Share Capital

#### 1. Share capital

- 1.1 As at the date of this document, the authorised and issued share capital of the Company, of which all of the issued shares were fully paid up, was as follows:

<i>Authorised</i>		<i>Issued</i>		
<i>Number</i>	<i>Amount</i>		<i>Number</i>	<i>Amount</i>
936,207,420	£9,362,074	Ordinary Shares of 1p	596,207,420	£5,962,074
141,207,420	£5,648,297	Deferred Shares of 4p	141,207,420	£5,648,297

- 1.2 The authorised and issued share capital of the Company as it is expected to be immediately following the Reorganisation and the issue of the Placing Shares and the Conversion Shares is as follows:

<i>Authorised</i>		<i>Issued</i>		
<i>Number</i>	<i>Amount</i>		<i>Number</i>	<i>Amount</i>
1,200,000,000	£1,200,000	New Ordinary Shares of 0.1p	841,361,040	£841,361
936,207,420	£8,425,867	Deferred "B" Shares	596,207,420	£5,365,867
141,207,420	£5,648,297	Deferred Shares of 4p	141,207,420	£5,648,927

#### 2. Directors' shareholdings and other interests

- 2.1 The interests of the Directors in the ordinary share capital of the Company as at the date of this document and as they are expected to be immediately following the Reorganisation and Admission are as follows:

	<i>Number of Existing Ordinary Shares of 1p each</i>	<i>Placing Shares</i>	<i>Conversion Shares</i>	<i>Enlarged Holding</i>	<i>Percentage of issued New Ordinary Shares</i>
Martyn Rose*	91,965,293	76,923,060	76,923,060	245,811,413	29.2
George Lossius	36,164,628	3,843,100	—	40,007,728	4.8
Alan Moug	36,414,628	3,843,100	—	40,007,728	4.8
Ward Shaw	6,308,978	—	—	6,308,978	0.7
Mark Rowse	26,558,558	769,200	—	27,327,758	3.2

\*34,591,265 Existing Ordinary Shares are held by the Trustees

- 2.2 In addition to the interests of the Directors set out in paragraph 2.1 and 2.2 above, as at 28 March 2008 (being the latest practicable date prior to the publication of this document), insofar as is known to the Company, the following persons currently hold and will on Admission, be directly or indirectly interested (within the meaning of Part VI of the Act) in three per cent. or more of of the ordinary share capital of the Company:

<i>Name</i>	<i>Pre-Admission</i>		<i>Post-Admission</i>	
	<i>Number of Existing Ordinary Shares of 1p each</i>	<i>Percentage of issued Existing Ordinary Shares</i>	<i>Number of New Ordinary Shares of 0.1p each</i>	<i>Percentage of issued New Ordinary Shares</i>
Chase Nominees Ltd	62,998,926	10.6	102,998,926	12.2
Almandine LLC	39,660,493	6.7	43,503,593	5.2
B P Gibson	36,164,628	6.1	36,164,628	4.3
JMFinn Nominees	31,126,355	5.2	47,126,355	5.6
C Bottle	29,510,460	4.9	29,510,460	3.5
Forest Nominees Ltd	20,097,186	3.4	20,097,186	2.4

2.3 Save as disclosed above, there are no persons, so far as the Company is aware, who will on Admission be interested, directly or indirectly, in three per cent. or more of the Company's issued ordinary share capital.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

# PUBLISHING TECHNOLOGY PLC

(the "Company")

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Publishing Technology Plc will be held at 44 Southampton Buildings, London WC2A 1AP on Friday 25 April 2008 at 11.00 am for the purposes of considering and, if thought fit, passing the following Resolutions, of which Resolutions 1 to 3 will be proposed as ordinary resolutions and Resolutions 4 and 5 will be proposed as special resolutions:

### ORDINARY RESOLUTIONS

- (1) That the existing share capital of the Company be re-organised as follows:
  - (a) each Ordinary Share of 1 pence ("**Existing Ordinary Shares**") in the share capital of the Company (both issued and unissued) be subdivided into ten ordinary shares of 0.1 pence each ("**Interim Ordinary Shares**");
  - (b) every 10 (both issued and unissued) Interim Ordinary Shares created pursuant to paragraph (a) of this Resolution 1, be and are hereby consolidated and converted into one deferred "B" share of 0.9 pence ("**Deferred "B" Shares**") and one new ordinary share of 0.1 pence ("**New Ordinary Share**") each having the rights and being subject to the respective restrictions set out in the Company's articles of association as amended pursuant to Resolution 5 below.
- (2) Subject to and conditional upon the passing of Resolution 1 above, that the authorised ordinary share capital of the Company be and is hereby increased from £15,010,371 to £15,274,164 by the creation of 263,792,580 New Ordinary Shares of 0.1 pence each ranking *pari passu* in all respects with the New Ordinary Shares of the Company created pursuant to Resolution 1.
- (3) Subject to and conditional upon the passing of Resolutions 1 and 2 above, that the directors be and they are hereby generally and unconditionally authorised in accordance with the Companies Act 1985 ("**the Act**") to exercise all powers of the Company to allot relevant securities within the meaning of section 80 of the Act up to the aggregate nominal amount of £280,454 provided that the authority hereby conferred shall operate in substitution for and to the exclusion of any previous authority given to the directors pursuant to section 80 of the Act and shall expire either 15 months from the date of this Resolution or at the Company's next annual general meeting, whichever is sooner, but the Company may at any time before such expiry make an offer or agreement which might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.

### SPECIAL RESOLUTIONS

- (4) Subject to and conditional upon the passing of Resolutions 1, 2 and 3 above, that the directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash as if section 89(1) of the Act did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 3 above (as varied from time to time by the Company in general meeting) PROVIDED THAT such power shall be limited to:-
  - (a) the allotment of 168,230,560 New Ordinary Shares in connection with the Placing (as such term is defined in the circular to shareholders dated 1 April 2008 ("**Circular**"));
  - (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of 76,923,060 New Ordinary Shares on conversion of part of the Loan Notes (as such term is defined in the Circular); and
  - (c) the allotment of equity securities otherwise than pursuant to sub-paragraphs (a) and (b) above up to an aggregate nominal value of £84,136

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors pursuant to section 95 of the Act and shall expire on whichever is the earlier of the conclusion of the next annual general meeting of the Company or the date falling 15 months from the date of the passing of this Resolution unless such power is renewed or extended prior to or at such meeting except that the Company may before the expiry of any power contained in

this Resolution make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

- (5) Subject to and conditional upon the passing of Resolutions 1, 2, 3 and 4 above, that the articles of association of the Company in the form presented to the meeting and signed for the purpose of identification by the Chairman of the Company, be adopted as the new articles of association of the Company in substitution for and to the exclusion of the existing articles of association.

*Registered Office*

Unipart House  
Garsington Road  
Oxford  
Oxon OX4 2GQ

By Order of the Board

Alan Moug  
*Chief Financial Officer/Company Secretary*

1 April 2008

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 5 pm on 23 April 2008 shall be entitled to attend and vote at the EGM.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the EGM and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the EGM to represent you. Details of how to appoint the Chairman of the EGM or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the EGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 5.
5. The notes to the Form of Proxy explain how to direct your proxy how to vote on each Resolution or withhold their vote.

To appoint a proxy using the Form of Proxy, the form must be:

- completed and signed;
- sent or delivered to Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by Capita Registrars no later than 11 am on 23 April 2008.

In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. Except as provided above, members who have general queries about the EGM should use the following means of communication (no other methods of communication will be accepted):
  - calling our shareholder helpline on 0871 664 0321 or if calling from outside the UK, on +44 20 8639 3399; or
  - Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.

You may not use any electronic address provided either:

- in this notice of EGM; or
- any related documents (including the Chief Executive Officer's letter and Form of Proxy),

to communicate with the Company for any purposes other than those expressly stated.

8. As at 5.00pm on the day immediately prior to the date of posting of this notice of the EGM, the Company's issued share capital comprised 596,207,420 ordinary shares of 1p each and 141,207,420 Deferred Shares of 4p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5 pm on the day immediately prior to the date of posting of this notice of EGM is 596,207,420.





