



15 December 2010

**Publishing Technology plc ("Publishing Technology" or "the Company")**

**Trading Update**

Publishing Technology, which provides targeted software and consulting solutions for publishers and information providers, announces that it expects results for the year ending 31 December 2010 to be broadly in line with the prior year, but below market expectations. This is due mainly to potential customers deferring technology investment decisions in our products into 2011. This has resulted in slightly lower revenues than expected in the latter months of 2010.

The appointment of a new Head Global Sales and Marketing in July 2010 is already having a positive impact on our order book and the pipeline for advance and pub2web continues to strengthen.

The new advance product set is attracting new customers and we have added to our growing order book in 2010 with the USA and Brazil being the notable markets.

The Company continues to have a solid base of recurring revenues underpinning the business from ingentaconnect, publisher hosting, representation services, Annual Maintenance and Applications Management.

The expansion into Brazil is progressing well and gaining significant traction. The Sao Paolo office opened in November 2010 and we have already sold the higher end advance and ICS products in Brazil ahead of our expectations.

The Company is in discussions with the holders of £1.5m in aggregate of convertible loan notes, regarding a potential conversion to ordinary shares at market price in early 2011 to strengthen the Company's balance sheet, reduce interest costs and improve the debt equity ratio. The Company expects to release a further announcement regarding the potential conversion in due course.

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