

21 January 2015

Publishing Technology plc

("Publishing Technology", "the Group" or "the Company")

Trading Statement

Publishing Technology plc (AIM: PTO.L), the leading provider of world-class software and services to the global publishing industry, announced on 22 September 2014 that its results for the year to 31 December 2014 would be significantly below market expectations as a result of higher investment, historic implementation decisions, and a realignment of revenue recognition on a major implementation of *advance* software following the appointment of new chief Executive Michael Cairns and a review of the business and its strategy.

Following a more detailed year end review of revenue recognition, the Board has now endorsed an accrued revenue adjustment which will result in recognised revenue and loss being materially below market expectations for the year ended 31 December 2014 but which will result in correspondingly more revenue being recognisable in 2015 and future years.

The majority of the further reduction in expected profitability is due to one major *advance* project, the scope of which has changed since inception leading to a realignment of the recognised revenue in 2014. This project is expected to deliver revenue and margin in 2015 and 2016.

As a result of the realignment, the Board believes that the business can start 2015 without any historic revenue issues which will allow the business to recognise revenue in line with associated costs and return to growth and profitability in 2015.

The Company also announces that it is in early stage discussions with an overseas third party which, subject to the conclusion of a satisfactory due diligence exercise and obtaining regulatory approvals, is considering a substantial investment to acquire a considerable minority interest in the Company through the issue of new shares at a significant premium to the current share price. There is no guarantee that such an investment, which would require shareholder approval, will take place. As a result the Board expects that the Group's final results announcement will be delayed this year. Further announcements will be made as appropriate.

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