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Publishing Technology plc

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Trading Statement

Publishing Technology plc (AIM: PTO.L), the leading provider of world-class software and services to the global publishing industry, announces that the strategic review undertaken by the new Group CEO, Michael Cairns, is now complete and the Board has implemented a new growth based strategy for the Group with a target to exceed £25m revenue with a 20% PBIT within the next 5 years.

As a consequence of higher investment, some historic implementation decisions and one-off costs to realign the business, the Board expects the results for the year to 31 December 2014 to be significantly below the market expectations and extend the loss reported for the first half. However, it believes the new strategy will place the Group in a strong position to resume growth in revenues and profits in 2015. The Board expects the revised bank facilities recently negotiated to be sufficient to deal with the cash requirement created by these actions in the interim.

Conclusions of the strategic review

The Group will work with internationally recognised third-party implementation partners to provide the skills and processes needed to effectively and efficiently *advance* and *pub2web*.

A number of issues were identified during the strategic review concerning the implementation of certain projects, and action has now been taken to address them.

There were a number of circumstances where the Group agreed to develop additional product functionality as part of an implementation contract, which was a natural consequence of still being in the development stage of the *advance* products. With hindsight, too many product enhancements

position, improve our prospects for future growth, and in particular will allow us to move forward through 2015 cleansed of historic issues.

Next year Publishing Technology will be in a stronger position to reap the benefits of the considerable investment in our software by embracing the fundamental, strategic changes which I believe will build value by focussing on our core skills as a software developer and services provider.

For further information please contact:

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