**20 May 2010**

FUTURE PLC

**Interim results for the half-year ended 31 March 2010**

Future plc (LSE: FUTR), the international special-interest media group, today announces its unaudited interim results for the half-year ended 31 March 2010. An analyst presentation will be held today at 10.00am at the offices of Numis, 10 Paternoster Square, London EC4M 7LT.

| **Results:** | **H1 10** | **H1 09** | **Change** |
|---|---|---|---|
| Revenue | £71.4m | £76.6m | - 7% |
| EBITA * | £4.4m | £4.6m | - 4% |
| EBITA margin | 6% | 6% | - |
| Operating profit | £3.0m | £2.6m | + 15% |
| Reported Pre-tax profit | £2.2m | £1.2m | + 83% |
| Adjusted ** Pre-tax profit | £3.6m | £3.2m | + 13% |
| Earnings per share (p) | 0.4p | 0.2p | + 100% |
| Adjusted ** earnings per share (p) | 0.7p | 0.6p | + 17% |
| Dividends relating to the period (pence per share) | 0.5p | 0.4p | + 25% |

**Summary:**

- H1 EBITA slightly ahead of expectations thanks to significant progress towards returning the US business to profit and continuing robust UK performance

- Revenues stabilising:
    - Notable improvements in Q2 year-on-year revenue trends
    - Overall, UK H1 revenue down 3% (-7% H1 09), and US H1 revenue down 10% (-18% H109) on a product portfolio reduced by 6%
    - Active, Technology and Music & Movies segments showed resilience, Games (27% of group revenue) experienced a tough market and difficult, but easing, comparatives

- Strong progress in strategy:
    - Customer publishing revenue up 20%, with significant new client wins
    - UK subscriptions revenue up 6%
    - Commercial partnerships strengthened
    - Digital development continues

- Net debt £11.5m, down 50% since 31 March 2009; Group strongly cash generative

- Adjusted earnings per share up 17% at 0.7p

**Outlook:**

- Group EBITA on track for full year
- Q2 improvements in advertising trends expected to continue into Q3

**Dividend:**

- Interim dividend 0.5p

Stevie Spring, Future's Chief Executive said:

"After an extraordinary 2009, dominated by the industry-wide newsstand disruption in the US, we are getting back on track to benefit from the operational and strategic changes we've made and from tentative improvements in our host markets.

During the first half, we've made good progress towards returning our US business to profit – our key priority – with our UK business delivering another robust performance. At a strategic level, we're strengthening and expanding our commercial partnerships, developing our digital offer to keep it at the forefront of continuous change, and adapting our teams and processes to stay flexible against continued macro-economic uncertainty. All of these will benefit us in the mid-term.

While it may be tempting fate to say that the worst is behind us, we are now seeing some notable improvements in trading patterns which we're confident will benefit us through the second half.

These early signs of market improvement; our tight operational and strategic focus; and the talent and commitment of our people, all give me the confidence to say that we remain on track for the full year and as well-positioned for the future as we can be."

**Enquiries:**


**Future plc**

| | |
|---|---|
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**Financial Dynamics**

| | |
|---|---|
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**Notes**

** EBITA represents operating profit before amortisation of intangible assets.*

*** Adjusted profit before tax and earnings per share are based on statutory results, but exclude amortisation of intangibles and related tax effects.*

*The most significant foreign currency affecting the Group is the US Dollar. The average exchange rate for the period was $1.60=£1 (2009: $1.51=£1) representing a 6% weakening in the US Dollar against Sterling. Revenue analyses later in this statement are also shown in constant currency.*

**About Future:**

Future plc is an international special-interest media group that is listed on the London Stock Exchange (symbol FUTR). Founded in 1985 with one magazine, today we have operations in the UK, US and Australia creating over 180 special-interest publications, websites and events for people who are passionate about their interests. We hold strong market positions in games, film, music, technology, cycling, automotive and crafts. Our biggest-selling magazines include *T3, Total Film, Digital Camera, Fast Car, Classic Rock, Guitar World, Official Xbox Magazine, Official PlayStation Magazine, Nintendo Power, Maximum PC* and *MacLife*. Our websites include *gamesradar.com, bikeradar.com, techradar.com*, *photoradar.com* and *musicradar.com*. Future sells more than three million magazines each month; we attract more than 27 million unique visitors to our websites; and we host 27 annual live events that attract hundreds of thousands of enthusiasts. In addition, Future exports, syndicates or licenses its publications to 90 countries internationally, making us the UK's number one exporter and licensor of monthly magazines.

## Chief Executive's Statement

We embarked on 2010 after an extraordinary 2009, armed with very little visibility but with a single-minded focus on our operational and strategic priorities for the coming year. During the first half, this focus has protected us from the worst of the media recession, while enabling us to benefit from some tentative improvements in our host market sectors. And while it may be tempting fate to say that the worst is behind us, not least with so many continuing uncertainties at a macro-economic level, we are now seeing some notable improvements in trading patterns which we're confident will benefit us in the second half.

Group EBITA in the first half was £4.4m, reflecting good performances from our Technology, Music & Movies and Active sectors, and, as expected, a weaker comparative performance in our Games business. Excluding the impact of foreign exchange, the EBITA margin in our UK business was maintained. Importantly, we've stemmed the losses in our US business considerably, a hugely positive first step towards our goal of returning this business to profit.

One of Future's key strengths is its portfolio model. We're not over-reliant on any single product, business sector or revenue stream. During the first half, three of our four core sectors – Technology, Music & Movies and Active (which together make up 73% of our business) – all demonstrated robust performances. Some of our biggest cross-platform products have recorded impressive growth during the first half. Classic Rock, for example, increased its circulation revenue by 25% and advertising revenue by 55%, improving its market share against competitors like Uncut and Mojo, and attracting new non-endemic advertisers for the first time such as Renault, JVC and Canon. T3 has made double-digit gains in both print and online advertising revenue through cross-platform deals with clients like LG and Sony Ericsson. Cycling Plus grew its total revenues by 29% and Guitarist by 4%.

Our Games business had a more difficult first half, impacted by tough comparatives and a lack of impetus in both hardware and software sales that affected both advertising and circulation. Given Games comprises nearly half of US revenue, this has hit our US business particularly hard in H1. However, we're improving our editorial and commercial focus, we're improving the efficiency of our games products, and we're continuing to innovate with new products in print, online and on-console. We've launched the first edition of the official *World of Warcraft* magazine; the first episode of FirstPlay, a weekly paid-for on-console product for Sony; and we've increased traffic to computerandvideogames.com, our flagship games news website, by 65% year on year. And we expect the games market to improve in the second half with the introduction of new peripheral devices from all three major games manufacturers, Sony, Nintendo and Microsoft.

At the end of 2009, we set out a key priority to return our US business to profit, and we've made very positive progress here. With a new management team in place, we've conducted a root and branch review of every product, from cover design to distribution, from pricing to paper. We have a new contract in place with our distribution partner Time Warner Retail, that provides us with greater certainty about magazine returns. We've improved the efficiency of every one of our print products by micro-managing the supply and distribution footprint. We're improving the quality and "collectability" of our products which in turn is helping us to experiment with driving up prices in a sustainable way. As a result of all of these efforts, we have a more efficient retail structure and we've seen a very encouraging swing from an 18% drop in circulation revenue in H1 2009 to just a 2% decrease in H1 2010, despite 50% fewer specials. So we're moving in the right direction.

One of our key strategic priorities is to diversify our revenue model beyond print and we've continued to make strong progress here during the first half. Significant growth in traffic to our online properties in the last 18 months is being turned into a push for real engagement with our 'prosumer' audiences online – increasing time spent on site, growing the number of forum users, Facebook and Twitter followers. So we're gaining more commercial benefit from these relationships. Take TechRadar. We launched this technology website from a standing start in 2007 and in just over two years we're now vying with CNET in the UK for the top spot in the technology space, with nearly one million unique users per month and with dwell time double that of CNET *(source: Hitwise Feb 10)*. Thanks to this depth of engagement, we've seen commercial revenues jump 21% in just a year.

We're continuing to invest in new products where we see an opportunity for growth. We continue to launch in print – monthlies, specials, bookazines, quarterlies – quality, collectable, content-rich products, playing to Future's core strengths. In the last six months we've launched the *World of Warcraft* magazine, *Comic Heroes*, *The Gadget Show magazine*, *Classic Rock presents Slash*, *Guitarist 100 Guitar Heroes* – all high quality, premium-priced products. And we're introducing new large-scale but carefully targeted events that tap into our prosumer expertise: the London Music Show, Classic Rock's High Voltage festival, Revolver's Golden Gods, BikeRadar Live.

I'm also happy to report that thanks to our obsessive cash focus, we've reached another milestone in reducing our debt. In 12 months we've reduced net debt by 50% to £11.5m, which is well within our banking covenants.

While it's too early to talk about sustained recovery, we're encouraged that Q2 showed markedly better year-on-year trading patterns and revenue trends than Q1, and that our current indications are that forward advertising bookings for the quarter to June (Q3) are more positive than Q3 2009.

These early signs of market improvement; our single-minded operational and strategic focus; and the talent and commitment of our people, all give me the confidence to say that we remain on track for the full year and as well-positioned for the future as we can be.

**Stevie Spring,**
**Chief Executive, Future plc**
**20 May 2010**

## Interim statement

### Statutory results for half-year to 31 March 2010

First half-year revenue was £71.4m (2009: £76.6m) and the business generated EBITA of £4.4m (2009: £4.6m). The resultant EBITA operating margin was 6.2% (2009: 6.0%). The half-year income statement includes a charge for amortisation of intangible assets of £1.4m (2009: £2.0m) and net finance costs of £0.8m (2009: £1.4m), leading to a pre-tax profit of £2.2m (2009: £1.2m) for the period.

| **Results for the period** | **2010**<br>**£m** | 2009<br>£m |
|---|---|---|
| Revenue | **71.4** | 76.6 |
| EBITA | **4.4** | 4.6 |
| EBITA margin | **6.2%** | 6.0% |
| Amortisation of intangible assets | **(1.4)** | (2.0) |
| Operating profit | **3.0** | 2.6 |
| Net finance costs | **(0.8)** | (1.4) |
| Pre-tax profit | **2.2** | 1.2 |
| | | |
| Earnings per share (p) | **0.4p** | 0.2p |
| Adjusted earnings per share (p) | **0.7p** | 0.6p |
| Dividends relating to the period (pence per share) | **0.5p** | 0.4p |

Group revenue fell 7%, or 5% in constant currency reflecting the change in the average exchange rate with the US Dollar, which weakened against Sterling by 6%. Analyses of revenue are provided below.

Group EBITA of £4.4m was slightly lower than H1 2009. In the UK, underlying EBITA performance was robust although results this year included a much lower foreign exchange gain (£0.3m) than last year (£1.3m). In the US, EBITA trading losses were stemmed significantly. Central costs remain firmly under control: at an underlying level these were flat, although it should be noted that those for the prior year benefited from provision releases of £0.3m. The impact of these factors is reflected in the following table:

### Analysis of EBITA for half-year to 31 March

| | **2010**<br>**£m** | 2009<br>£m | Change<br>£m |
|---|---|---|---|
| UK | **6.1** | 7.4 | (1.3) |
| US | **(0.4)** | (1.7) | 1.3 |
| Central costs | **(1.3)** | (1.1) | (0.2) |
| **Total EBITA** | **4.4** | 4.6 | (0.2) |

The Group is managed primarily on a geographical basis.

## Review of operations

The review of operations is based primarily on a comparison of our half-year results for the six months ended 31 March 2010 with those for the six months ended 31 March 2009. Unless otherwise stated, change percentages relate to a comparison of these two periods. There has been no significant change to the scope of the Group's activities.

### Analysis of revenue for half-year to 31 March

| | Group % | **2010 £m** | 2009 £m | Change % | CC change % |
|---|---|---|---|---|---|
| Circulation | 60% | **43.0** | 45.4 | - 5% | - 4% |
| Advertising | 29% | **21.2** | 24.5 | - 13% | - 11% |
| Customer publishing | 7% | **4.8** | 4.0 | + 20% | + 23% |
| Licensing, events & other | 4% | **2.7** | 2.9 | - 7% | - 7% |
| Intra-group | | **(0.3)** | (0.2) | | |
| **Total revenue** | 100% | **71.4** | 76.6 | - 7% | - 5% |

Constant currency (CC) change percentages represent the year-on-year change, excluding the impact of foreign currency movements.

While total revenue fell by 7%, in constant currency revenue fell by 5%. A 13% decline in advertising revenue was primarily driven by comparative weakness in Games, which impacted our US business in particular.

### Geographical analysis of revenue for half-year to 31 March

| | Group % | **2010 £m** | 2009 £m | Change % | CC change % |
|---|---|---|---|---|---|
| UK | 71% | **50.7** | 52.1 | - 3% | - 3% |
| US | 29% | **21.0** | 24.7 | - 15% | - 10% |
| Intra-group | | **(0.3)** | (0.2) | | |
| **Total revenue** | 100% | **71.4** | 76.6 | - 7% | - 5% |

In the UK, revenue fell by 3%, however excluding the impact of foreign exchange gains, the EBITA operating margin has been maintained through cost mitigation. In the US, Dollar revenue fell by 10% primarily reflecting a planned reduction in the number of products published during the period.

## UK performance in half-year

| | **2010 £m** | 2009 £m | Change % |
|---|---|---|---|
| Circulation revenue | **32.5** | 34.0 | - 4% |
| Advertising revenue | **13.0** | 13.1 | - 1% |
| Customer publishing | **3.2** | 2.6 | + 23% |
| Licensing, events & other | **2.0** | 2.4 | - 17% |
| Total revenue | **50.7** | 52.1 | - 3% |
| EBITA | **6.1** | 7.4 | - 18% |
| *EBITA margin* | **12%** | 14% | |

Overall, UK revenue for the half-year fell by 3%.

Circulation revenue fell by 4% and within this subscription revenue grew by 6%, domestic newsstand revenue declined 10% and export revenue declined by 2%.

Advertising revenue was largely flat at the half-year, reflecting year-on-year weakness in Q1 (down 13%), but significant year-on-year growth in Q2 (up 17%).

The movements in other sources of revenue are shown in the table above.

The following table shows performance by sector. During the period, Games revenue fell by 17% as a result of a particularly challenging market and tough comparatives. However our three other key sectors delivered resilient performances that together helped offset the shortfall in Games.

| | 2010 Revenue £m | 2010 Contribution £m | 2010 Margin % | 2010 % of revenue | 2009 Revenue £m | 2009 Contribution £m | 2009 Margin % |
|---|---|---|---|---|---|---|---|
| Games | 10.1 | 2.7 | 27% | 20% | 12.1 | 4.1 | 34% |
| Music & Movies | 12.2 | 3.4 | 28% | 24% | 11.8 | 3.2 | 27% |
| Technology | 15.4 | 4.6 | 30% | 30% | 15.9 | 4.9 | 31% |
| Active | 13.0 | 3.2 | 25% | 26% | 12.3 | 2.6 | 21% |
| | 50.7 | 13.9 | 27% | 100% | 52.1 | 14.8 | 28% |
| Overheads | | (7.8) | | | | (7.4) | |
| EBITA | 50.7 | 6.1 | 12% | | 52.1 | 7.4 | 14% |

We have maintained our control of operating and other costs.

**US performance in half-year (shown in US Dollars)**

| | **2010 $m** | 2009 $m | Change % |
|---|---|---|---|
| Circulation revenue | **16.8** | 17.2 | - 2% |
| Advertising revenue | **13.2** | 17.2 | - 23% |
| Customer publishing | **2.6** | 2.1 | + 24% |
| Licensing, events & other | **0.9** | 0.8 | + 13% |
| Total revenue | **33.5** | 37.3 | - 10% |
| EBITA | **(0.6)** | (2.5) | + 76% |
| *EBITA margin* | **- 2%** | - 7% | |

US revenue for the half-year fell by 10%, reflecting a planned reduction of 6% in the number of products published during the six months and a 23% reduction in advertising revenue, driven by weakness in Games. Customer publishing recorded strong growth, with significant new client wins.

Circulation revenue decreased by 2% as a result of a return to more normalised trading following last year's industry-wide newsstand disruption.

Advertising revenue fell by 23% for the half-year, reflecting year-on-year weakness in Q1 (down 32%) but a much smaller reduction in Q2 (down 9%).

The following table shows performance by sector. During the period, Music & Movies, Technology and Active sectors all reported revenue increases, however Games, which comprises 45% of revenue (2009: 50%), reported a 20% revenue decline.

| | 2010 Revenue $m | 2010 Contribution $m | 2010 Margin % | 2010 % of revenue | 2009 Revenue $m | 2009 Contribution $m | 2009 Margin % |
|---|---|---|---|---|---|---|---|
| Games | 15.3 | 2.2 | 14% | 45% | 19.1 | 2.5 | 13% |
| Music & Movies | 7.6 | 0.9 | 12% | 23% | 8.3 | 0.5 | 6% |
| Technology | 8.3 | 1.4 | 17% | 25% | 7.9 | 1.3 | 16% |
| Active | 2.3 | (0.2) | - 9% | 7% | 2.0 | (0.2) | - 10% |
| | 33.5 | 4.3 | 13% | 100% | 37.3 | 4.1 | 11% |
| Overheads | | (4.9) | | | | (6.6) | |
| EBITA | 33.5 | (0.6) | - 2% | | 37.3 | (2.5) | - 7% |

We have maintained our control of operating and other costs.

**Digital**

The UK and US segmental figures above include digital revenue and operating costs. Digital development continues as a key focus for the business and Group digital revenue of £5.7m (H1 2009: £5.8m) represented more than a quarter of commercial revenue for the half-year.

**Net finance costs**

Net finance costs include £0.8m for net interest payable, the same figure as last year, reflecting increased borrowing costs but on reduced bank debt. The prior year included a provision of £0.6m in respect of interest rate swaps contracted by the Group in 2007, at a time when UK interest rates were many times higher than they have been during 2009 and 2010.

| | **2010 £m** | 2009 £m | Change £m |
|---|---|---|---|
| Net interest payable | **0.8** | 0.8 | - |
| Fair value loss on interest rate swaps | **-** | 0.6 | (0.6) |
| Net finance costs | **0.8** | 1.4 | (0.6) |

**Taxation**

The tax charge for the half-year was £0.7m (2009: £0.4m) which represents an estimated effective tax rate of 33% (2009: 30%) applied to profit before tax. This is the effective rate estimated to apply to taxable profits of the Group for the full financial year.

**Cash flow and net debt**

Net debt at 30 September 2009 was £15.6m. Future continues to be strongly cash-generative and during the period cash generated from operations amounted to £5.9m (2009: £5.8m).

During the period cash outflows totalled £1.6m (2009: £4.2m) in respect of the following items: £Nil (2009: £2.0m) in dividends, £0.7m (2009: £2.0m) in respect of capital expenditure, £0.8m (2009: £0.8m) in net interest payments, and net tax payments of £0.1m (2009: net tax receipts of £0.6m). Exchange and other movements accounted for the balance of cashflows.

Net debt at 31 March 2010 was £11.5m, a reduction of 50% since 31 March 2009. Approximately three-quarters of Future's net bank debt is in Sterling; net debt at 31 March 2010 denominated in US Dollars amounted to $4.7m.

**Bank covenants**

Future funds its operations through a mixture of operating cash flow generated by the business and bank debt. Since 2001 the Group has complied at all times with all covenants under its banking facilities. The position at 31 March 2010 is well within the bank covenants as set out in the following table.

| | 31 March 2010 | Bank covenant |
|---|---|---|
| Net debt/ EBITDA | 1.04 times | Less than 2.5 times |
| EBITDA / interest | 7.85 times | More than 4.0 times |
| Cashflow cover | 3.24 times | More than 1.15 times |

The Group's credit facility was renewed in May 2009 and matures on 30 November 2012. The Board considers that the level of the Group's net bank debt is acceptable.

**Interim dividend**

The Board is encouraged by improvements in the US, that non-games revenue streams during the first half held up well and that quarterly trends in advertising revenues are improving. The Board is also encouraged by the 17% increase in adjusted earnings per share for the half-year and the significant reduction in net debt during the past 12 months.

Encouraged by these factors, the Board has decided on a 25% increase in the interim dividend to 0.5p per share (2009: 0.4p) to be paid on 1 October 2010 to all shareholders on the register on 20 August 2010. The ex-dividend date is 18 August 2010. This restores the size of the interim dividend to the level paid in 2008.

**Key performance indicators**

An updated set of key performance indicators is presented at the end of this statement.

**Risks**

The principal risks and uncertainties that affect the Group on an ongoing basis are described in our Annual Report 2009 (on Page 24), which is available at www.futureplc.com.

The three risks that may impact the Group's performance during the second half of the financial year are highlighted immediately below. The impact of these risks could cause actual results to differ from expected and historical results.

**Risks that may impact the second half of the financial year**

**Macro-economic environment**
The macro-economic environment during 2009 was the worst in the Company's history, with both the UK and US in recession. Against this backdrop and while trading conditions remain tough, Future has continued to prove remarkably resilient in the UK, which reflects the Group's focus on areas of special-interest and its portfolio model. Nonetheless the Group may be exposed to any significant or extended downturn in consumer confidence.

**Consumer behaviour**
60% of the Group's revenue is dependent on consumers actively purchasing magazines. Such purchases depend on the normal, competitive publishing environment, which was challenging during 2009, and on the macro-economic environment. However, the out-of-pocket cost of magazines is low in comparison with many other items of consumer expenditure and research shows that magazines are often regarded by consumers as a low-cost treat.

Future believes that while its consumers are likely to seek information about their chosen area of interest through a variety of media, an increasing number of consumers are spending more time online. Advertising growth patterns continue to change and in the UK, internet advertising now accounts for a greater share of advertising expenditure than is allocated to television, radio, billboards, magazines or newspapers.

Consumers' propensity to spend money on magazines, online shopping, events and other products is influenced by a number of economic factors, including general economic indicators.

**Advertiser behaviour**
Advertising represents less than one third of the Group's revenue and is subject to variation not only in relation to the strength of the Group's products but also in relation to shifts in macro-advertising trends. However, over 90% of the Group's advertising revenue is tailored to areas of special-interest and is arguably, therefore, less susceptible to changes in levels of mainstream advertising, reflecting the advertising health of each sub-sector.

## Other risks disclosed in the Annual Report 2009

### Risk management

We operate a continuous process of identifying, evaluating and managing risk. There are a number of general business risks to which Future is naturally exposed in the UK and US, but the range of risks faced by Future increased compared with 2008, due to the particular trading risks which crystallised in the US during the recession. Our internal controls seek to minimise the impact of such risks.

### Distribution and magazine costs

Future contracts out printing and distribution and is therefore reliant on the efficiency of suppliers of these services. The cost of paper and printing generally reflects market conditions. Approximately half of Future's magazines are sold with cover-mounted CDs or DVDs and these too are purchased from external suppliers. Magazines are distributed by nominated distributors and there are many links in the chain to ensure that magazines, once printed, reach retail outlets on a timely basis. The cost and efficiency of postal arrangements affects magazines sold by subscription, which is particularly significant for Future in the US, and increasingly so for the UK.

### Regulatory

In addition to legislative constraints applicable to any business in the UK and US, Future is potentially constrained by competition regulation, and by other regulations affecting the content of a small number of our publications.

In the UK, the Office of Fair Trading announced in September 2009 that it would not refer the newspaper and magazine distribution sector to the Competition Commission.

### Sources of Intellectual Property

The majority of our Group revenues and profits are built on our own brands. A proportion of the Group's revenue and profit is derived from magazines which are branded 'Official' in accordance with contracts with major companies including Microsoft, Sony and Nintendo. Although the loss of any such contract would constitute a loss of revenue, the Group has a long history of successful publishing partnerships with these and other companies.

### Financial

The Group is exposed to interest rate and foreign exchange risk, which it manages where appropriate by hedging arrangements. Taxation and VAT arrangements impacting the business are different in each country and any adverse change in such arrangements could impact our business.

## The Board

At the Annual General Meeting held on 18 March 2010 it was announced that Michael Penington and Patrick Taylor have decided not to put themselves forward for re-election at the Company's next Annual General Meeting in 2011. Michael Penington has been a Director since 2000 and was appointed senior independent non-executive Director in 2002. A new senior independent non-executive director will be announced in advance of Michael stepping down. Patrick Taylor was appointed to the Board in April 2001 and has served as a non-executive Director and as chairman of the Audit Committee since then. The Company has commenced a search for a replacement chairman of the audit committee. In the meantime Patrick Taylor continues to serve in his current capacity.

## Current trading and outlook

We embarked on 2010 after an extraordinary 2009, armed with very little visibility but with a single-minded focus on our operational and strategic priorities for the coming year. During the first half, this focus has protected us from the worst of the media recession, while enabling us to benefit from some tentative improvements in our host market sectors. And while it may be tempting fate to say that the worst is behind us, not least with so many continuing uncertainties at a macro-economic level, we are now seeing some notable improvements in trading patterns which we're confident will benefit us in the second half.

While it's too early to talk about sustained recovery, we're encouraged that Q2 trading showed markedly better year-on-year trading patterns and revenue trends than Q1, and that our current indications are that forward advertising bookings for the quarter to June (Q3) are more positive than Q3 2009.

These early signs of market improvement; our single-minded operational and strategic focus; and the talent and commitment of our people, all give the Board the confidence to say that we remain on track for the full year and as well-positioned for the future as we can be.

**Roger Parry**, Chairman
**Stevie Spring**, Chief Executive
**John Bowman**, Group Finance Director
**Michael Penington**, senior independent non-executive Director
**Patrick Taylor**, independent non-executive Director
**Seb Bishop**, independent non-executive Director
**Mark Wood**, independent non-executive Director

20 May 2010

## Consolidated income statement
for the six months ended 31 March 2010

| | Note | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|---|
| **Revenue** | 1 | **71.4** | 76.6 | 153.1 |
| **Operating profit before amortisation of intangible assets** | 1 | **4.4** | 4.6 | 10.1 |
| Amortisation of intangible assets | 2 | **(1.4)** | (2.0) | (3.9) |
| **Operating profit** | 1, 2 | **3.0** | 2.6 | 6.2 |
| Finance income | 4 | **-** | - | 0.1 |
| Finance costs | 4 | **(0.8)** | (1.4) | (2.6) |
| **Net finance costs** | 4 | **(0.8)** | (1.4) | (2.5) |
| **Profit before tax** | | **2.2** | 1.2 | 3.7 |
| Tax on profit | 5 | **(0.7)** | (0.4) | (0.9) |
| **Profit for the period** | | **1.5** | 0.8 | 2.8 |

**Earnings per 1p Ordinary share**

| | Note | **6 months to 31 March 2010 Pence** | 6 months to 31 March 2009 Pence | 12 months to 30 September 2009 Pence |
|---|---|---|---|---|
| Basic earnings per share | 7 | **0.4** | 0.2 | 0.9 |
| Diluted earnings per share | 7 | **0.4** | 0.2 | 0.8 |

## Consolidated statement of comprehensive income

for the six months ended 31 March 2010

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| **Profit for the period** | **1.5** | 0.8 | 2.8 |
| | | | |
| Currency translation differences | **0.6** | 3.1 | 2.3 |
| Cash flow hedges | **(0.1)** | - | (0.2) |
| **Other comprehensive income for the period** | **0.5** | 3.1 | 2.1 |
| | | | |
| **Total comprehensive income for the period** | **2.0** | 3.9 | 4.9 |

## Consolidated statement of changes in equity

for the six months ended 31 March 2010

| | Note | Share capital £m | Share premium £m | Merger reserve £m | Treasury reserve £m | Cash flow hedge reserve £m | Retained earnings £m | Total equity £m |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 October 2009** | | 3.3 | 24.5 | 109.0 | (0.1) | (0.2) | (55.0) | 81.5 |
| Profit for the period | | - | - | - | - | - | 1.5 | 1.5 |
| Currency translation differences | | - | - | - | - | - | 0.6 | 0.6 |
| Cash flow hedges | | - | - | - | - | (0.1) | - | (0.1) |
| **Total recognised income for the period** | | - | - | - | - | (0.1) | 2.1 | 2.0 |
| Final dividend relating to 2009 | 6 | - | - | - | - | - | (1.6) | (1.6) |
| Share option schemes | | | | | | | | |
| - Value of employees' services | 3 | - | - | - | - | - | 0.3 | 0.3 |
| **Balance at 31 March 2010** | | **3.3** | **24.5** | **109.0** | **(0.1)** | **(0.3)** | **(54.2)** | **82.2** |
| | | | | | | | | |
| **Balance at 1 October 2008** | | 3.3 | 24.5 | 109.0 | (0.3) | - | (56.9) | 79.6 |
| Profit for the period | | - | - | - | - | - | 0.8 | 0.8 |
| Currency translation differences | | - | - | - | - | - | 3.1 | 3.1 |
| **Total recognised income for the period** | | - | - | - | - | - | 3.9 | 3.9 |
| Final dividend relating to 2008 | 6 | - | - | - | - | - | (2.0) | (2.0) |
| Share option schemes | | | | | | | | |
| - Value of employees' services | 3 | - | - | - | - | - | 0.2 | 0.2 |
| Treasury shares acquired | | - | - | - | (0.1) | - | - | (0.1) |
| Transfer between reserves | | - | - | - | 0.3 | - | (0.3) | - |
| **Balance at 31 March 2009** | | **3.3** | **24.5** | **109.0** | **(0.1)** | **-** | **(55.1)** | **81.6** |
| | | | | | | | | |
| **Balance at 1 October 2008** | | 3.3 | 24.5 | 109.0 | (0.3) | - | (56.9) | 79.6 |
| Profit for the year | | - | - | - | - | - | 2.8 | 2.8 |
| Currency translation differences | | - | - | - | - | - | 2.3 | 2.3 |
| Cash flow hedges | | - | - | - | - | (0.2) | - | (0.2) |
| **Total recognised income for the year** | | - | - | - | - | (0.2) | 5.1 | 4.9 |
| Final dividend relating to 2008 | 6 | - | - | - | - | - | (2.0) | (2.0) |
| Interim dividend relating to 2009 | 6 | - | - | - | - | - | (1.3) | (1.3) |
| Share option schemes | | | | | | | | |
| - Value of employees' services | 3 | - | - | - | - | - | 0.4 | 0.4 |
| Treasury shares acquired | | - | - | - | (0.1) | - | - | (0.1) |
| Transfer between reserves | | - | - | - | 0.3 | - | (0.3) | - |
| **Balance at 30 September 2009** | | **3.3** | **24.5** | **109.0** | **(0.1)** | **(0.2)** | **(55.0)** | **81.5** |

## Consolidated balance sheet
as at 31 March 2010

| | Note | **31 March 2010 £m** | 31 March 2009 £m | 30 September 2009 £m |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 8 | **3.6** | 4.7 | 4.1 |
| Intangible assets - goodwill | | **111.9** | 113.2 | 110.8 |
| Intangible assets - other | | **1.8** | 4.3 | 2.8 |
| Deferred tax | | **0.4** | 2.6 | 0.4 |
| **Total non-current assets** | | **117.7** | 124.8 | 118.1 |
| | | | | |
| **Current assets** | | | | |
| Inventories | | **4.4** | 4.6 | 3.3 |
| Corporation tax recoverable | | **0.3** | 0.9 | 0.2 |
| Trade and other receivables | | **20.7** | 25.3 | 23.1 |
| Cash and cash equivalents | | **13.7** | 7.3 | 14.6 |
| **Total current assets** | | **39.1** | 38.1 | 41.2 |
| **Total assets** | | **156.8** | 162.9 | 159.3 |
| | | | | |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Issued share capital | 9 | **3.3** | 3.3 | 3.3 |
| Share premium account | | **24.5** | 24.5 | 24.5 |
| Merger reserve | | **109.0** | 109.0 | 109.0 |
| Treasury reserve | | **(0.1)** | (0.1) | (0.1) |
| Cash flow hedge reserve | | **(0.3)** | - | (0.2) |
| Retained earnings | | **(54.2)** | (55.1) | (55.0) |
| **Total equity** | | **82.2** | 81.6 | 81.5 |
| | | | | |
| **Non-current liabilities** | | | | |
| Financial liabilities - interest-bearing loans and borrowings | | **9.3** | 12.8 | 10.8 |
| Financial liabilities - derivatives | | **0.6** | 0.4 | 0.5 |
| Deferred tax | | **4.0** | 2.2 | 3.4 |
| Provisions | | **1.0** | 1.3 | 1.1 |
| Other non-current liabilities | | **2.6** | 6.3 | 2.5 |
| **Total non-current liabilities** | | **17.5** | 23.0 | 18.3 |
| | | | | |
| **Current liabilities** | | | | |
| Financial liabilities - interest-bearing loans and borrowings | | **15.9** | 17.3 | 19.4 |
| Financial liabilities - derivatives | | **0.5** | 0.2 | 0.2 |
| Trade and other payables | | **40.5** | 40.8 | 39.8 |
| Corporation tax payable | | **0.2** | - | 0.1 |
| **Total current liabilities** | | **57.1** | 58.3 | 59.5 |
| **Total liabilities** | | **74.6** | 81.3 | 77.8 |
| **Total equity and liabilities** | | **156.8** | 162.9 | 159.3 |

## Consolidated cash flow statement
for the six months ended 31 March 2010

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | **5.9** | 5.8 | 14.5 |
| Interest received | **-** | - | 0.2 |
| Tax received | **-** | 0.7 | 0.9 |
| Interest paid | **(0.8)** | (0.8) | (1.5) |
| Tax paid | **(0.1)** | (0.1) | (0.2) |
| **Net cash generated from operating activities** | **5.0** | 5.6 | 13.9 |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | **(0.3)** | (0.7) | (1.1) |
| Purchase of magazine titles, websites and trademarks | **(0.1)** | (0.1) | (0.2) |
| Purchase of computer software and website development | **(0.3)** | (1.2) | (1.8) |
| **Net cash used in investing activities** | **(0.7)** | (2.0) | (3.1) |
| | | | |
| **Cash flows from financing activities** | | | |
| Purchase of own shares by Employee Benefit Trust | **-** | (0.1) | (0.1) |
| Draw down of bank loans | **-** | 7.3 | 17.9 |
| Repayment of bank loans | **(5.6)** | (11.0) | (18.7) |
| Rearrangement fees for bank loans | **-** | - | (0.8) |
| Equity dividends paid | **-** | (2.0) | (3.3) |
| **Net cash used in financing activities** | **(5.6)** | (5.8) | (5.0) |
| | | | |
| **Net (decrease)/increase in cash and cash equivalents** | **(1.3)** | (2.2) | 5.8 |
| Cash and cash equivalents at beginning of period | **14.6** | 8.4 | 8.4 |
| Exchange adjustments | **0.4** | 1.1 | 0.4 |
| **Cash and cash equivalents at end of period** | **13.7** | 7.3 | 14.6 |

## Notes to the consolidated cash flow statement
for the six months ended 31 March 2010

### A. Cash flows from operations

The reconciliation of operating profit to cash flows generated from operations is set out below:

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| Operating profit for the period | **3.0** | 2.6 | 6.2 |
| Adjustments for: | | | |
| Depreciation charge | **0.8** | 1.0 | 1.8 |
| Amortisation of intangible assets | **1.4** | 2.0 | 3.9 |
| Share option schemes | | | |
| - Value of employees' services | **0.3** | 0.2 | 0.4 |
| **Operating profit before changes in working capital and provisions** | **5.5** | 5.8 | 12.3 |
| Movement in provisions | **(0.1)** | - | (0.2) |
| (Increase)/decrease in inventories | **(0.9)** | - | 1.0 |
| Decrease in trade and other receivables | **2.6** | 5.4 | 6.9 |
| Decrease in trade and other payables | **(1.2)** | (5.4) | (5.5) |
| **Cash generated from operations** | **5.9** | 5.8 | 14.5 |

### B. Analysis of net debt

| | **At 1 October 2009 £m** | **Cash flows £m** | **Non-cash changes £m** | **Exchange movements £m** | **At 31 March 2010 £m** |
|---|---|---|---|---|---|
| Cash and cash equivalents | 14.6 | (1.3) | - | 0.4 | **13.7** |
| Debt due within one year | (19.4) | 5.6 | (1.6) | (0.5) | **(15.9)** |
| Debt due after more than one year | (10.8) | - | 1.5 | - | **(9.3)** |
| **Net debt** | **(15.6)** | **4.3** | **(0.1)** | **(0.1)** | **(11.5)** |

### C. Reconciliation of movement in net debt

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| Net debt at start of period | **(15.6)** | (21.9) | (21.9) |
| (Decrease) / increase in cash and cash equivalents | **(1.3)** | (2.2) | 5.8 |
| Movement in borrowings | **5.6** | 3.7 | 1.7 |
| Non-cash changes | **(0.1)** | - | - |
| Exchange movements | **(0.1)** | (2.4) | (1.2) |
| **Net debt at end of period** | **(11.5)** | (22.8) | (15.6) |

## Basis of preparation

This unaudited condensed interim financial information for the six months ended 31 March 2010 has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union, and in accordance with the Disclosure and Transparency Rules of the Financial Services Authority.

The interim financial information contained in the Interim Report should be read in conjunction with the Annual Report for the year ended 30 September 2009.

The Interim Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and has not been audited. A copy of the statutory financial statements for the year ended 30 September 2009 has been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified; it did not contain an emphasis of matter and did not contain any statements under section 498(2) or section 498(3) of the Companies Act 2006. The auditors have carried out a review of the Interim Report and their review report is set out below.

The accounting policies adopted, methods of computation and presentation are consistent with those set out in the Group's statutory accounts for the financial year ended 30 September 2009.

There has been no material impact from the adoption of the following new standards, amendments to standards or interpretations which are relevant to the Group:

- IFRS 8 'Operating Segments' (effective for annual periods beginning on or after 1 January 2009). IFRS 8 is a disclosure Standard and has had no impact on the Group's reportable segments (see note 1), nor on the reported results or financial position of the Group.

- IAS 1 (Revised) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 1 January 2009). The Standard has led to a number of terminology changes and has resulted in a number of changes in presentation and disclosure. The Group has chosen to present a separate income statement and statement of comprehensive income. However, adoption of the revised Standard has had no impact on the reported results or financial position of the Group.

- Amendments to IFRS 2 'Share-based Payment' (effective 1 January 2009). The amendment deals with vesting conditions and cancellations. The amendment does not have a material impact on the reported results or financial position of the Group.

- Amendments to IAS 23 'Borrowing Costs'.

- IFRS 3 (Revised) 'Business Combinations'.

- IAS 27 (Revised) 'Consolidated and Separate Financial Statements'.

- Amendments to IAS 39 'Financial Instruments: Recognition and Measurement'.

- Amendment to IAS 38 'Intangible Assets'.

- Amendments to IFRS 7 'Financial Instruments: Disclosures'.

- Amendment to IAS 32 'Financial Instruments: Presentation'.

- The following Interpretations are effective but not relevant for the Group: IFRIC 13, IFRIC 14, IFRIC 16 and IFRIC 17

## Notes to the financial information
for the six months ended 31 March 2010

### 1. Segmental reporting
The Group is organised and arranged primarily by geographical segment. The Group has adopted IFRS 8 'Operating Segments' with effect from 1 October 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Future plc in order to allocate resources to the segment and to assess its performance. The identification of the Group's reportable segments has not changed.

**Segment revenue**

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| UK | **50.7** | 52.1 | 106.5 |
| US | **21.0** | 24.7 | 47.0 |
| Revenue between segments | **(0.3)** | (0.2) | (0.4) |
| **Total segment revenue** | **71.4** | 76.6 | 153.1 |

Revenue from external parties is measured in a manner consistent with that in the income statement. Revenue between segments is carried out at arm's length.

**Segment EBITA**

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| UK | **6.1** | 7.4 | 15.9 |
| US | **(0.4)** | (1.7) | (3.3) |
| Central costs | **(1.3)** | (1.1) | (2.5) |
| **Total segment EBITA** | **4.4** | 4.6 | 10.1 |

Segment EBITA represents the EBITA earned by each segment without the allocation of central administration costs. This differs from the disclosure in the notes to the financial statements for the year ended 30 September 2009 where segment operating profit was disclosed. However, segment EBITA was disclosed in the Annual Report in the financial review.

A reconciliation of total segment EBITA to profit before tax is provided as follows:

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| **Total segment EBITA** | **4.4** | 4.6 | 10.1 |
| Amortisation of intangible assets | **(1.4)** | (2.0) | (3.9) |
| Net finance costs | **(0.8)** | (1.4) | (2.5) |
| **Profit before tax** | **2.2** | 1.2 | 3.7 |

## Notes to the financial information
for the six months ended 31 March 2010

### 1. Segmental reporting (continued)

**Revenue by type**
An additional analysis of the Group's revenue is shown below:

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| Circulation | **43.0** | 45.4 | 91.2 |
| Advertising | **21.2** | 24.5 | 46.9 |
| Customer publishing | **4.8** | 4.0 | 7.6 |
| Licensing, events & other | **2.4** | 2.7 | 7.4 |
| **Total** | **71.4** | 76.6 | 153.1 |

### 2. Operating profit

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| Revenue | **71.4** | 76.6 | 153.1 |
| Cost of sales | **(49.0)** | (52.6) | (104.0) |
| Gross profit | **22.4** | 24.0 | 49.1 |
| Distribution expenses | **(5.8)** | (6.4) | (12.5) |
| Administration expenses | **(12.2)** | (13.0) | (26.5) |
| Amortisation of intangible assets | **(1.4)** | (2.0) | (3.9) |
| **Operating profit** | **3.0** | 2.6 | 6.2 |

### 3. Employees

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| Wages and salaries | **21.2** | 21.8 | 43.6 |
| Social security costs | **2.8** | 3.0 | 5.7 |
| Other pension costs | **0.5** | 0.6 | 1.1 |
| Share option schemes | | | |
| - Value of employees' services | **0.3** | 0.2 | 0.4 |
| **Total** | **24.8** | 25.6 | 50.8 |

IFRS 2 'Share-based Payment' requires an expense for equity instruments granted to be recognised over the appropriate vesting period, measured at their fair value at the date of grant.

The Group has used the Black-Scholes model to value instruments with non market-based performance criteria such as earnings per share. For instruments with market-based performance criteria, notably total shareholder return, the Group has used a Monte Carlo model to determine the fair value.

The expense for the six months ended 31 March 2010 of £0.3m (2009: £0.2m) has been credited to reserves.

## Notes to the financial information
for the six months ended 31 March 2010

### 3. Employees (continued)

**Key management personnel compensation**

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| Salaries and other short-term employee benefits | **0.4** | 0.4 | 0.9 |
| Post-employment benefits | **0.1** | 0.1 | 0.1 |
| Share-based payments | **0.1** | - | 0.1 |
| **Total** | **0.6** | 0.5 | 1.1 |

Key management personnel are deemed to be the members of the Board of Future plc. It is this Board which has responsibility for planning, directing and controlling the activities of the Group.

### 4. Finance income and costs

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| Interest receivable | **-** | - | 0.1 |
| **Total finance income** | **-** | - | 0.1 |
| | | | |
| Interest payable on interest-bearing loans and borrowings | **(0.8)** | (0.8) | (1.6) |
| Fair value loss on interest rate swaps | **-** | (0.6) | (0.5) |
| Exchange gains/(losses) | **0.1** | - | (0.2) |
| Amortisation of bank loan arrangement fees | **(0.1)** | - | (0.2) |
| Other finance costs | **-** | - | (0.1) |
| **Total finance costs** | **(0.8)** | (1.4) | (2.6) |
| **Net finance costs** | **(0.8)** | (1.4) | (2.5) |

In line with the Board's existing policy of hedging interest rate risk, the Group entered into two interest rate swaps in October 2007 to reduce its exposure on a proportion of the outstanding debt under its committed facility. One of these swaps expired in October 2009. In September 2009, the Group entered into another UK interest rate swap which expires in October 2011. The valuation of these interest rate swaps at 31 March 2010 resulted in an expense for the six months ended 31 March 2010 of £nil (2009: £0.6m).

### 5. Tax on profit

The tax charge for the six months ended 31 March 2010 is based on the estimated effective rate of tax for the Group for the full year to 30 September 2010. The estimated effective rate is applied to the profit before tax.

## Notes to the financial information
for the six months ended 31 March 2010

### 6. Dividends

| Equity dividends | **6 months to 31 March 2010** | 6 months to 31 March 2009 | 12 months to 30 September 2009 |
|---|---|---|---|
| Number of shares in issue at end of period (million) | **327.9** | 327.2 | 327.2 |
| Dividends paid and payable in period (pence per share) | **0.5** | 0.6 | 1.0 |
| Dividends paid and payable in the period (£m) | **1.6** | 2.0 | 3.3 |

In accordance with IFRS interim dividends declared are recognised in the period in which they are paid and final dividends are recognised in the period in which they are approved.

No dividend was paid during the period ended 31 March 2010. A dividend of £1.6m being the final dividend of 0.5 pence per share declared for the year ended 30 September 2009 was approved on 18 March 2010 and paid on 1 April 2010.

The dividend of £2.0m paid during the period ended 31 March 2009 was the final dividend of 0.6 pence per share declared for the year ended 30 September 2008.

The dividends totalling £3.3m paid during the year ended 30 September 2009 were the interim dividend for the six month period to 31 March 2009 of 0.4 pence per share (£1.3m) and the final dividend declared for the year ended 30 September 2008 of 0.6 pence per share (£2.0m).

An interim dividend in respect of the half-year ended 31 March 2010 of 0.5 pence per share, amounting to £1.6m, has been declared by the Board. This interim statement does not reflect this interim dividend.

### 7. Earnings per share

Basic earnings per share are calculated using the weighted average number of Ordinary shares in issue during the period. Diluted earnings per share have been calculated by taking into account the dilutive effect of shares that would be issued on conversion into Ordinary shares of options held under employee share schemes.

The adjusted earnings per share removes the effect of the amortisation of intangible assets, and any related tax effects from the calculation as follows:

**Adjustments to profit after tax**

| | **6 months to 31 March 2010 £m** | 6 months to 31 March 2009 £m | 12 months to 30 September 2009 £m |
|---|---|---|---|
| **Profit after tax** | **1.5** | 0.8 | 2.8 |
| Add: amortisation of intangible assets | **1.4** | 2.0 | 3.9 |
| Tax effect of the above adjustment | **(0.5)** | (0.7) | (0.9) |
| **Adjusted profit after tax** | **2.4** | 2.1 | 5.8 |

## Notes to the financial information
for the six months ended 31 March 2010

### 7. Earnings per share (continued)

| | **6 months to 31 March 2010** | 6 months to 31 March 2009 | 12 months to 30 September 2009 |
|---|---|---|---|
| Weighted average number of shares outstanding during the period: | | | |
| - basic | **327,122,804** | 326,060,911 | 326,261,814 |
| - dilutive effect of share options | **8,497,514** | 6,696,116 | 7,528,758 |
| - diluted | **335,620,318** | 332,757,027 | 333,790,572 |
| Basic earnings per share (in pence) | **0.4** | 0.2 | 0.9 |
| Adjusted basic earnings per share (in pence) | **0.7** | 0.6 | 1.8 |
| Diluted earnings per share (in pence) | **0.4** | 0.2 | 0.8 |
| Adjusted diluted earnings per share (in pence) | **0.7** | 0.6 | 1.7 |

The adjustments to profit have the following effect:

| | **6 months to 31 March 2010 Pence** | 6 months to 31 March 2009 Pence | 12 months to 30 September 2009 Pence |
|---|---|---|---|
| **Basic earnings per share** | **0.4** | 0.2 | 0.9 |
| Amortisation of intangible assets | **0.4** | 0.6 | 1.2 |
| Tax effect of the above adjustment | **(0.1)** | (0.2) | (0.3) |
| **Adjusted basic earnings per share** | **0.7** | 0.6 | 1.8 |
| | | | |
| **Diluted earnings per share** | **0.4** | 0.2 | 0.8 |
| Amortisation of intangible assets | **0.4** | 0.6 | 1.2 |
| Tax effect of the above adjustment | **(0.1)** | (0.2) | (0.3) |
| **Adjusted diluted earnings per share** | **0.7** | 0.6 | 1.7 |

### 8. Property, plant and equipment
During the six months ended 31 March 2010, property, plant and equipment additions totalled £0.3m (31 March 2009: £0.4m). The £0.3m is attributable to land and buildings £nil (2009: £0.1m), plant and machinery £0.3m (2009: £0.2m) and equipment, fixtures and fittings of £nil (2009: £0.1m).

There were no commitments for capital expenditure contracted for but not provided at 31 March 2010 (31 March 2009: £nil).

The depreciation charge for the period totalled £0.8m (31 March 2009: £1.0m). The £0.8m is attributable to land and buildings £0.2m (2009: £0.2m), plant and machinery £0.5m (2009: £0.6m) and equipment, fixtures and fittings £0.1m (2009: £0.2m).

### 9. Issued share capital
During the period, 676,647 Ordinary shares (year ended 30 September 2009: 324,200) with a nominal value of £6,766 (2009: £3,242) were issued by the Company for no cash consideration (2009: £688), pursuant to the exercise of share options.

As at 31 March 2010 there were 327,873,915 ordinary shares in issue.

### 10. Contingent assets and contingent liabilities
At 31 March 2010 there were no material contingent assets or contingent liabilities.

## Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge the condensed interim financial information contained in the Interim Report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the Interim Management report herein includes a fair review of the information required by the Disclosure and Transparency Rules.

On behalf of the Board

**John Bowman**
Group Finance Director
20 May 2010

**Directors**
**Roger Parry**, Chairman
**Stevie Spring**, Chief Executive
**John Bowman**, Group Finance Director
**Michael Penington**, senior independent non–executive Director
**Patrick Taylor**, independent non-executive Director
**Seb Bishop**, independent non-executive Director
**Mark Wood**, independent non-executive Director

**Company Secretary and General Counsel**
Mark Millar

The maintenance and integrity of the Future plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent review report to Future plc

**Introduction**
We have been engaged by the Company to review the condensed interim financial information in the half-yearly financial report for the six months ended 31 March 2010, which comprises the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, Consolidated balance sheet, Consolidated cash flow statement, Notes to the consolidated cash flow statement, Basis of preparation and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed interim financial information.

**Directors' responsibilities**
The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in the Basis of preparation, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed interim financial information included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

**Our responsibility**
Our responsibility is to express to the Company a conclusion on the condensed interim financial information in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of review**
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**
Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information in the half-yearly financial report for the six months ended 31 March 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

**PricewaterhouseCoopers LLP**
Chartered Accountants
20 May 2010
London

## Key performance indicators

for the six months ended 31 March 2010

| | **6 months to 31 March 2010** | 6 months to 31 March 2009 | 12 months to 30 September 2009 |
|---|---|---|---|
| Annual growth in revenue (at constant currency) | **-5%** | -11% | -13% |
| EBITA operating margin (as a %) | **6.2%** | 6.0% | 6.6% |
| Absolute EBITA (in Sterling) | **£4.4m** | £4.6m | £10.1m |
| Change in adjusted earnings per share (as a %) | **+17%** | -50% | -36% |
| Number of magazines sold per month | **3.3m** | 3.7m | 3.6m |
| Proportion of magazines sold from total number printed | **See notes 1-3** | See notes 1-3 | See notes 1-3 |
| Proportion of Group's business derived from our brands compared with partnership publishing | **77:23 (note 4)** | 76:24 (note 4) | 76:24 (note 4) |
| Number of unique users logging on to our websites per month | **27m (note 5)** | 25m (note 5) | 27m (note 5) |
| Growth in total advertising revenue (as a % at constant currency) | **- 11%** | -15% | -15% |
| Proportion of advertising revenue that is online (as a %) | **24%** | 24% | 23% |
| Human Capital | **See note 6** | See note 6 | See note 6 |
| Net bank debt | **£11.5m** | £22.8m | £15.6m |

Notes

1. The majority of magazines printed by the Group are sold, and those unsold are mainly recycled and used for newspaper production. The precise proportion sold at newsstand is a detailed KPI each month for every title. However, the Group believes that it is commercially sensitive to disclose these percentages, since competitors typically do not release this information. Magazines printed for subscription have no wastage.
2. In the UK 74% of magazines (by volume) are sold at newsstand. Our overall UK average newsstand efficiency has been maintained at the same level achieved in the first half of 2009. Future has increased the proportion of magazine volume sales derived from subscription rather than newsstand, from 23% to 26%. The majority of UK revenues for magazines are derived from cover price.
3. In the US 32% of magazines (by volume) are sold at newsstand. The majority are sold by subscription at heavily discounted prices.
4. Partnership publishing represents 23% of Group revenue for the first half of 2010. This category includes business from our Official magazines and programmes published for Microsoft (Xbox 360 and Windows), Sony (PlayStation and Qore), Nintendo, plus customer publishing activities. The majority of the Group's revenue is generated from our own brands.
5. For each of our websites we know the number of page impressions and the number of unique visitors to that website. We do not know how many unique visitors visit more than one of our websites. The number presented here is the simple total of each website's average monthly number of unique visitors.
6. Human Capital is the Group's most important resource, with 1,195 employees (at 31 March 2010). In the running of our business, we focus on retention of key employees and in refreshment of the team with new people and new ideas.