19 August 2013

ELECTRIC WORD PLC
Interim Results to 31 May 2013

Electric Word, the specialist information publisher, announced today interim results for the six months ended 31 May 2013.

HIGHLIGHTS

- Increase in organic investments, mainly in building digital subscriptions products and revenues
- H1 2013 Adjusted* EBITA of £326k loss below H1 2012 profit of £463k as a result of revenue timing differences and organic investments
- Transition of Education subscriptions from paper to digital largely completed; some early signs of increased sales value from subscribing schools
- Education conferences re-grown to 17 in H1 2013 from 13 in H1 2012
- Education subscriptions sales and marketing resource increased by £230k over H1 2012
- Sport & Gaming division launches new subscription services in SportBusiness on back of strong growth in TV Sports Markets
- i-Gaming Business events showing strong like-for-like growth (one major event falls in H2 2013 that was in H1 2012
- Health market stabilises after difficult start to year, with new digital product development under way
- Cash generation improved despite lower EBITA
- Net debt† reduced from £1,100k at H1 2012 to net funds/debt neutral at H1 2013

* Adjusted numbers (note 3) exclude amortisation and impairment of goodwill and intangible assets, acquisition-related and restructuring costs, and share based payment costs, as well as the tax impact of those adjusting items and any non-cash tax credits and charges.

† Net funds / debt (note 6) are cash held net of bank overdrafts and loans, but exclude provisions for deferred and contingent consideration in relation to acquisitions.

Julian Turner, Chief Executive of Electric Word, commented:

The most important achievements in this period have been the growth in a new core of subscribers to the digital school support service, increasing the number of schools conferences again after reductions in 2011 and 2012, building and launching new high-value subscription services in SportBusiness following the successful growth of TV Sports Markets, continued growth in iGaming and the strengthening of the Group management team.

The fundraising in September 2012 has enabled the Group to focus on growing the long-term value of its businesses. Those funds are being invested through the course of 2013 with benefits expected to show in the second half of the year and into 2014.
The redevelopment of the Education business has continued. The biggest investment has been in building the sales and marketing resource needed to migrate legacy print subscription customers to the new Optimus digital service and start growing the value of those subscriptions. New teacher training products have been developed and launched through the course of the year which will form a valuable portfolio and, in 2014, the basis of a new subscription service. We have also invested in re-growing the Optimus events team to add new events and increase the sales and marketing effort for events in the new academic year. These investments have reduced profits in the Education business in the first half but it is notable that revenue in the first half is higher than in the second half of 2012 and growth prospects for the sector are encouraging in the light of the reduced capacity of Local Authorities to support school improvement and the managers responsible for delivering it.

Investment in the Health division has been focused on medical education and the development of e-learning materials for students, specialist trainees and qualified doctors. This is one of a number of areas *that have been identified for the development of digital products to complement the existing portfolio of books and journals. In future the division will focus on supporting medical students and specialist trainees and serving the professional development needs of medical educators and particular communities of practice such as speech and language therapists,*

The Sport & Gaming business has made good progress in both its underlying profitability (allowing for timing differences) and in enhancing its portfolio of digital subscriptions products. Our TV Sports Markets deals analysis service has enjoyed a particularly strong year. The iGaming Affiliate events continue to grow, although a significant element of revenues will now be seen in the second half of the year with a major event moving from May to June.

The foundations that have been laid in the first half put the Group in a good position to grow in the second half of the year and into 2014.

Financial summary	**2013 6 months £'000**	**2012 6 months £'000**	**% Change £'000**	**2012 12 months £'000**
Revenue	**6,653**	7,730	-14%	**14,331**
Gross Profit	**3,158**	3,803	-17%	**7,129**
Adjusted EBITA*	**(326)**	463	-170%	**1,166**
Adjusted profit before tax*	**(354)**	422	-184%	**1,086**
Less amortisation and impairment	***(439)***	*(526)*		***(1,255)***
Add acquisition-related and restructuring credits	***30***	*238*		***486***
Add / (less) share-based payment credits / (charges)	***12***	*(82)*		***(144)***
(Loss) / profit before tax	**(751)**	(52)		**173**
Diluted (loss) / earnings per share	**(0.16)p**	0.01p		**0.03p**
Adjusted diluted (loss) / earnings per share*	**(0.11)p**	0.07p	-257%	**0.24p**
Cash and cash equivalents	**603**	25		**983**
Net funds / (debt)†	**3**	(1,100)		**108**

* Adjusted numbers (note 3) exclude amortisation and impairment of goodwill and intangible assets, acquisition-related and restructuring costs, and share based payment costs, as well as the tax impact of those adjusting items and any non-cash tax credits and charges.

† Net funds / debt (note 6) comprise cash held net of bank overdrafts and loans, but exclude provisions for deferred and contingent consideration in relation to acquisitions.

Revenue by activity	**2013 6 months £'000**	**%**	**2012 6 months £'000**	**%**	**2012 12 months £'000**	**%**
Subscriptions	**1,621**	**24%**	1,868	24%	3,485	24%
Event delegates and training	**1,020**	**15%**	938	12%	1,988	14%
Books and reports	**1,700**	**26%**	2,081	27%	3,768	26%
Sales of content	**4,341**	**65%**	**4,887**	**63%**	**9,241**	**64%**
Advertising, sponsorship and exhibitions	**1,640**	**25%**	1,927	25%	3,493	24%
Bespoke publishing and consultancy services	**404**	**6%**	628	8%	703	5%
Commerce	**268**	**4%**	288	4%	894	6%
Sales of access to communities	**2,312**	**35%**	**2,843**	**37%**	**5,090**	**36%**
Total	**6,653**	**100%**	**7,730**	**100%**	**14,331**	**100%**

ENDS

Julian Turner, Chief Executive, Electric Word 020 7954 3470
Andrew Potts, Panmure Gordon 020 7886 2500

Notes to Editors

ELECTRIC WORD plc is a specialist media group providing professional education and compliance support through a wide range of digital, paper and live formats. The Group is composed of three market-facing divisions:

- **Education**: provides school management and professional development information through an online subscription service supplemented by conferences and training products.

- **Health:** provides professional education and training products for doctors, healthcare managers, speech therapists, elderly care and other health professionals.

- **Sport & Gaming:** provides insight, data and analysis to professionals in the business of sport and the online gaming industry.

The Group provides content in many different formats, including subscription websites, journals, magazines, events, online training, books, reports, bespoke research and consultancy. Competencies developed in one sector can then be transferred to another as opportunities arise.

Total Group	**2013 6 months Total £'000**	**2012 6 months Total £'000**	**2012 12 months Total £'000**
Revenue	6,653	7,730	14,331
Adjusted EBITA*	(326)	463	1,166
Margin	*-5%*	*6%*	*8%*
Net interest payable	(28)	(41)	(80)
Adjusted PBT*	(354)	422	1,086

* Adjusted numbers (note 3) exclude amortisation and impairment of goodwill and intangible assets, acquisition-related and restructuring costs, and share based payment costs, as well as the tax impact of those adjusting items and any non-cash tax credits and charges.

Revenue by activity	**2013 6 months £'000**	**%**	**2012 6 months £'000**	**%**	**2012 12 months £'000**	**%**
Subscriptions	**1,621**	**24%**	1,868	24%	3,485	24%
Event delegates and training	**1,020**	**15%**	938	12%	1,988	14%
Books and reports	**1,700**	**26%**	2,081	27%	3,768	26%
Sales of content	**4,341**	**65%**	**4,887**	**63%**	**9,241**	**64%**
Advertising, sponsorship and exhibitions	**1,640**	**25%**	1,927	25%	3,493	24%
Bespoke publishing and consultancy services	**404**	**6%**	628	8%	703	5%
Commerce	**268**	**4%**	288	4%	894	6%
Sales of access to communities	**2,312**	**35%**	**2,843**	**37%**	**5,090**	**36%**
Total	**6,653**	**100%**	**7,730**	**100%**	**14,331**	**100%**

In September 2012 the Group raised funds with the aim of investing to build greater future value in its publishing assets and to reduce bank debt. As a result, the first half of 2013 has seen a significant increase in the Group's organic investments, both in product development and sales and marketing. At the same time it has continued to focus on the areas of greatest potential value and cut back non-strategic activities.

The most important achievements in this period have been the growth in a new core of subscribers to the digital school support service, driven by a new sales and marketing team, retaining a high market share in UK secondary schools through the transition from paper to digital, increasing the yield from renewing digital subscribers, ramping up the number of schools conferences again after reductions in 2011 and 2012, building and launching new high-value subscription services in SportBusiness following the successful growth of TV Sports Markets, new digital product development around medical education in the Health division and the strengthening of the Group management team.

Revenue bridge		Impact of			
	2012 6 months £'000	Discont'd Activities £'000	Timing £'000	Trading £'000	2013 6 months £'000
Education	2,544	(110)	-	(225)	2,209
Health	2,503	-	-	(489)	2,014
Sport & Gaming	2,683	-	(457)	204	2,430
Total	**7,730**	**(110)**	**(457)**	**(510)**	**6,653**

Like-for-like revenue in the first half is down £0.5m on 2012. This is due to £0.25m from the reduction in scale of Incentive Plus (a low-margin reseller of education resources which remains a useful channel for other Group products) and £0.29m of net revenue in Health (down £0.49m) and Sport & Gaming (up £0.2m). On top of this, the prior year revenues included £457k for iGaming activities which took place in the first half in 2012 but will move to the second half in 2013, and £110k which relate to *The School Run* (sold in 2012).

Adjusted EBITA bridge		Impact of				
	2012 6 months £'000	Discont'd Activities £'000	Timing £'000	Investments £'000	Trading £'000	2013 6 months £'000
Education	(25)	129	-	(381)	(5)	(282)
Health	241	-	-	(154)	(56)	31
Sport & Gaming	588	-	(354)	(88)	119	265
Central costs	(341)	-	-	-	1	(340)
Total	**463**	**129**	**(354)**	**(623)**	**59**	**(326)**

The EBITA for the period is most significantly affected by the additional investments made in the period (amounting to £623k in H1 2013), and principally relating to sales and marketing, and product development. Combined with timing differences in iGaming, these account for more than the overall reduction in EBITA, which was improved by like-for-like profit growth in Sport & Gaming and a £129k benefit from the discontinued "The School Run" business.

EDUCATION DIVISION

Continuing Operations	**2013 6 months £'000**	**2012 6 months £'000**	***Change* %**	**2012 12 months £'000**
Revenue	2,209	2,434	*-9%*	4,601
Adjusted EBITA*	(282)	104	*-371%*	263
Margin	*-13%*	*4%*		*6%*

The above results exclude '*The School Run'* which was disposed of for no consideration in April 2012. For the period to 31 May 2012, this contributed revenue of £110,000 and adjusted EBITA* of £129,000 loss before disposal (30 November 2012: £108,000 revenue and £133,000 adjusted EBITA* loss before disposal). The Group now receives a licence income calculated as a percentage of revenue.

The Education division centres on the Optimus professional development services, which support teacher professional development through an online subscription service, training products and live conferences.

Over the last two years the conferences business has been recovering from a drop in revenue in the school year 2010-11 resulting from uncertainty over school budgets. The first six months of 2013 continued that trend with revenue up 15% on the first half of 2012, though investment in re-growing the conferences team has reduced margins in the year to date. Margins are expected to recover in the second half, when the bulk of the conferences take place.

At the same time as the conferences have been recovering, the portfolio of paper subscription newsletters has been replaced by the transition to an online support service for school managers. This is a very significant change for the business which is adding value for our customers by enabling all staff in a subscribing school to access the same information and advice. Once fully implemented, it will ultimately lead to higher revenues per school and a higher-margin business which is therefore more valuable for the Group. However this does require replacing legacy subscriptions to the individual paper newsletters with whole-school site licences for online access. This has entailed adding £230k of additional sales and marketing cost in the first half of 2013 compared to the first half of 2012. The effect of losing some legacy revenue from the paper newsletter subscriptions while also increasing sales and marketing expenditure means that the subscriptions business will lose money before it rebuilds to what are expected to be higher profits than previously. Encouragingly, the first schools to be converted to the new online service last year are starting to purchase the additional services which will drive future revenue and subscribers have so far been renewing at an average price which is over 30% higher than their previous paper newsletter subscription. The process of converting existing subscribers from paper to digital is expected to complete this year, which will result in a smaller number of subscribers at a higher average value and a strong base from which to grow.

From 2014 the new product enhancements that are currently in development should help drive revenues by further increasing the average subscriber value of the service as well as supporting growth in the number of subscribing schools. With the conferences already profitable, profit growth in the division as a whole will be driven by the subscription business moving out of this important investment phase.

With Local Authorities considerably reduced in scale as a result of funding being increasingly directed to schools themselves, the demand for support in improving standards of management and teaching in schools, especially in the new Academies, is expected to increase. The new Optimus platform for delivering cost-effective compliance information, best practice guidance and training solutions puts the Education division in a strong position for future growth.

HEALTH DIVISION

	2013 6 months £'000	**2012 6 months £'000**	***Change* %**	**2012 12 months £'000**
Revenue	2,014	2,503	*-20%*	4,445
Adjusted EBITA*	31	241	*-87%*	444
Margin	*2%*	*10%*		*10%*

The Health division is made up of the Radcliffe and Speechmark publishing businesses, the Radcliffe Solutions software business and the Sports Performance websites.

The division had a difficult start to the year, with book sales through trade channels reflecting general weakness in book retailing and software solutions proving difficult to sell into an NHS facing organisational change and uncertainty. At the same time, the division has been investing in developing new digital product to support medical education. The medium term goal is to increase the focus of the business though deeper engagement with a smaller number of targeted segments.

In future the division will focus on supporting medical students and specialist trainees and serving the professional development needs of medical educators and particular communities of practice such as speech and language therapists.

SPORT & GAMING DIVISION

	2013 6 months £'000	**2012 6 months £'000**	***Change %***	**2012 12 months £'000**
Revenue	2,430	2,683	*-10%*	5,177
Adjusted EBITA*	265	588	*-55%*	1,307
Margin	*11%*	*22%*		*25%*

The Sport & Gaming Division provides market information and support to professionals in the global businesses of sport and gaming. The division has had a strong first half to the year, with like-for-like revenue and profits growing and the launch of new subscription services in sport on the back of the success of *TV Sports Markets*. The apparent decrease in revenues and profits from H1 2012 to H1 2013 is due to timing differences in iGaming.

TV Sports Markets is a premium subscription service that analyses media rights deals in global sport. It has now been joined by Sports Sponsorship Insider, which analyses sports sponsorship deals, and the SportBusiness Knowledge Centre, which brings together a wealth of case studies, market intelligence and analysis. There has been a significant investment in developing these high-value services, with the aim of increasing the proportion of SportBusiness revenue coming from digital subscriptions. In the first half these increased to 41% of SportBusiness revenues from 33% in 2012.

iGaming Business continues to deliver profits at high margins and has seen further growth in the iGB Affiliate events business, although changes in the timing of events in 2013 will rebalance profits through the year.

CENTRAL COSTS

	2013 6 months £'000	**2012 6 months £'000**	***Change %***	**2012 12 months £'000**
Adjusted EBITA*	(340)	(341)	-	(715)
As % of Group revenue	*5%*	*4%*		*5%*
Net interest payable	(28)	(41)		(80)

Central costs remain consistent with previous periods. The reduced level of bank debt is reflected in lower interest costs.

Since the previous reporting period, there have also been changes to the composition of the Board of Directors. William Fawbert was appointed as Finance Director on 15 February 2013, replacing Quentin Brocklebank and Andrew Brode replaced Peter Rigby as Chairman on 1 June 2013.

FINANCIAL REVIEW

In January 2013, the Group's banking arrangements were amended to increase loan repayments in 2013 but with a relaxation in certain covenants. This allows the Group increased flexibility to continue its investment programme, with reduced restrictions and caps.

Cash conversion	**2013 6 months £'000**	**2012 6 months £'000**	***Change %***
Adjusted EBITA*	(326)	463	
Depreciation	66	65	
Adjusted EBITDA*	(260)	528	*-149%*
Add back: non-cash acquisition credits	44	282	
Increase in inventories	(39)	(186)	
(Increase) / decrease in trade receivables	(18)	(417)	
(Increase) / decrease in prepay / other receivables	(228)	(381)	
Increase / (decrease) in deferred income	838	(99)	
Increase / (decrease) in trade payables	383	159	
Increase / (decrease) in accruals / other payables	(449)	225	
Cash from adjusted EBITDA*	271	111	*+144%*
*Conversion percentage of adjusted EBITA**	*-83%*	*24%*	

As noted above, adjusted EBITA has been negatively impacted compared to 2012, primarily as a result of the timing change of the iGaming event from May to June 2013 and the continued investments programme, particularly in the Education division. Despite this, cash conversion has remained strong and is a result of a continued focus on cash management and the impact of billing and collecting the majority of the June iGaming event revenues before the end of May 2013. The change in timing of the iGaming event compared to 2012, also resulted in significant increases in prepayments, deferred income and trade payables compared to 2012.

In addition, Group cash flow has also been positively impacted by £151k relating to a share issue on 22 May 2013 (note 7).

CURRENT TRADING AND PROSPECTS

Current trading is in line with the Board's expectations and H2 2013 results are expected to be significantly improved compared to H1.

The finalisation of the online migration plans for the Education subscriptions business during H2 2013 will be a significant milestone and should provide the platform from which subscriptions revenues will grow in 2014. The Education conferences business has grown from last year and is well placed to enjoy a strong H2 2013, carried through to 2014.

In the Health division, following a difficult first quarter, we are now experiencing market stabilisation. The recruitment of a new Health MD coupled with plans to focus the business through deeper engagements with fewer, targeted segments should enable us to build value in the medium term.

The Sport & Gaming division's H2 2013 results will benefit from the timing differences in iGaming. In the short to medium term, we expect this division to enjoy continued growth in both the iGaming events business and the SportBusiness digital subscription products.

Overall, as anticipated at the time of the September 2012 Placing, 2013 will be a year of increased investment, with benefits expected to be realised in 2014, especially in the Education and Sport & Gaming Divisions. Targeted investments are expected to continue into 2014, with the objective of creating enhanced value across all divisions in the medium to long term.

Andrew Brode *Chairman*
Julian Turner *Chief Executive*

Electric Word plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 May 2013 – unaudited

	Note	**Six months ended 31 May 2013 £'000**	Six months ended 31 May 2012 £'000	Year ended 30 November 2012 £'000
REVENUE	2	**6,653**	7,730	14,331
Cost of sales – direct costs		**(2,589)**	(2,978)	(5,464)
Cost of sales – marketing expense		**(906)**	(949)	(1,738)
GROSS PROFIT		**3,158**	3,803	7,129
Other operating expenses		**(3,406)**	(3,357)	(5,980)
Restructuring expense		**(14)**	(44)	(201)
Acquisition-related credits		**44**	282	687
Depreciation expense		**(66)**	(65)	(127)
Amortisation expense		**(439)**	(494)	(955)
Impairment charges and reduction to goodwill	3	**-**	(32)	(300)
Total administrative expenses		**(3,881)**	(3,710)	(6,876)
OPERATING (LOSS) / PROFIT	2, 3	**(723)**	93	253
Finance costs		**(28)**	(41)	(80)
(LOSS) / PROFIT BEFORE TAX	3	**(751)**	52	173
Taxation	4	**151**	86	54
(LOSS) / PROFIT FOR THE PERIOD		**(600)**	138	227
Attributable to:				
- Equity holders of the parent	3, 8	**(646)**	39	111
- Non-controlling interest		**46**	99	116
TOTAL COMPREHENSIVE (LOSS) / INCOME		**(600)**	138	227
(LOSS) / EARNINGS PER SHARE	5			
Basic		**(0.16)p**	0.01p	0.03p
Diluted		**(0.16)p**	0.01p	0.03p

The result for the period arises from the Group's continuing operations.

Electric Word plc

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 May 2013 - unaudited

	Share capital £'000	Share premium account £'000	Other reserves £'000	Reserve for own shares £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 30 November 2011	2,989	7,061	105	(123)	(3,425)	6,607	133	6,740
Total comprehensive income	-	-	-	-	39	39	99	138
Tax taken directly to equity	-	-	-	-	(13)	(13)	-	(13)
	2,989	7,061	105	(123)	(3,399)	6,633	232	6,865
Share based payments	-	-	-	-	82	82	-	82
At 31 May 2012	2,989	7,061	105	(123)	(3,317)	6,715	232	6,947
Total comprehensive income	-	-	-	-	72	72	17	89
Tax taken directly to equity	-	-	-	-	(17)	(17)	-	(17)
	2,989	7,061	105	(123)	(3,262)	6,770	249	7,019
Share issues	1,007	503	-	-	-	1,510	-	1,510
Share issue costs	-	(112)	-	-	-	(112)	-	(112)
Share based payment costs	-	-	-	-	62	62	-	62
At 30 November 2012	3,996	7,452	105	(123)	(3,200)	8,230	249	8,479
Total comprehensive income	-	-	-	-	(646)	(646)	46	(600)
	3,996	7,452	105	(123)	(3,846)	7,584	295	7,879
Dividend paid by subsidiary	-	-	-	-	-	-	(100)	(100)
Share issues	72	79	-	-	-	151	-	151
Share based payment credits	-	-	-	-	(12)	(12)	-	(12)
At 31 May 2013	**4,068**	**7,531**	**105**	**(123)**	**(3,858)**	**7,723**	**195**	**7,918**

Electric Word plc

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 May 2013 – unaudited

	Note	**31 May 2013 £'000**	31 May 2012 £'000	30 November 2012 £'000
ASSETS				
Non-current assets				
Goodwill		**5,820**	6,351	5,820
Other intangible assets		**2,775**	3,192	2,972
Property, plant and equipment		**65**	180	124
Deferred tax assets		**1,169**	944	1,021
		9,829	10,667	9,937
Current Assets				
Inventories		**1,687**	1,470	1,648
Trade and other receivables		**2,964**	3,463	2,718
Cash and cash equivalents	6	**603**	55	983
		5,254	4,988	5,349
TOTAL ASSETS		**15,083**	15,655	15,286
EQUITY AND LIABILITIES				
Capital and reserves				
Called up ordinary share capital	7	**4,068**	2,989	3,996
Share premium account		**7,531**	7,061	7,452
Merger reserve		**105**	105	105
Reserve for own shares		**(123)**	(123)	(123)
Retained earnings		**(3,858)**	(3,317)	(3,200)
Equity attributable to equity holders of the parent	7	**7,723**	6,715	8,230
Non-controlling interest		**195**	232	249
TOTAL EQUITY		**7,918**	6,947	8,479
Non-current liabilities				
Borrowings	6	**475**	1,000	475
Provisions	6	**-**	324	95
Deferred tax liabilities		**385**	585	419
		860	1,909	989
Current liabilities				
Borrowings	6	**125**	155	400
Current tax liabilities		**48**	102	80
Trade payables and other liabilities		**2,747**	3,609	2,769
Provisions	6	**103**	300	125
Deferred income		**3,282**	2,633	2,444
		6,305	6,799	5,818
TOTAL LIABILITIES		**7,165**	**8,708**	6,807
TOTAL EQUITY AND LIABILITIES		**15,083**	**15,655**	15,286

These financial statements were approved by the Board of Directors and are authorised for issue on 19 August 2013.

Electric Word plc

CONSOLIDATED CASH FLOW STATEMENT
For the period ended 31 May 2013 – unaudited

	Note	**6 months ended 31 May 2013 £'000**	6 months ended 31 May 2012 £'000	Year ended 30 November 2012 £'000
OPERATING ACTIVITIES				
(Loss) / profit for the period		**(600)**	**138**	227
Taxation		**(151)**	**(86)**	(54)
Amortisation & impairment expense, reduction in goodwill		**439**	**526**	1,255
Depreciation		**66**	**65**	127
Finance costs		**28**	**41**	80
Share based payment (credits) / charges		**(12)**	**82**	144
Operating cash flows before movements in working capital		**(230)**	**766**	1,779
(Increase) / decrease in inventories		**(39)**	**(186)**	(364)
(Increase) / decrease in receivables		**(246)**	**(798)**	(52)
Increase / (decrease) in payables		**772**	**285**	(1,208)
Cash inflow from operating activities before interest and tax		**257**	**67**	155
Interest paid		**(26)**	**(38)**	(77)
Taxation paid		**(63)**	**(47)**	(99)
Cash inflow / (outflow) from operating activities		**168**	**(18)**	(21)
INVESTING ACTIVITIES				
Acquisition of subsidiaries, net of cash acquired			**-**	-
Deferred consideration paid	8	**(75)**	**(29)**	(29)
Purchase of property, plant and equipment		**(7)**	**(44)**	(51)
Purchase of intangible assets		**(242)**	**(189)**	(429)
Loss on disposal of intangible assets		**-**	**-**	60
Cash outflow from investing activities		**(324)**	**(262)**	(449)
FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares	7	**151**	**-**	1,510
Costs of issuing shares		**-**	**-**	(112)
Proceeds from new long term borrowings		**-**	**1,000**	875
Proceeds from new short term borrowings		**-**	**125**	250
Repayments of borrowings	6	**(275)**	**(1,125)**	(1,375)
Payment of dividend to non-controlling interest		**(100)**	**-**	-
Cash (outflow) / inflow from financing activities		**(224)**	**-**	1,148
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(380)**	**(280)**	678
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**983**	**305**	305
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6**	**603**	**25**	983

1 PRESENTATION OF INTERIM RESULTS

GENERAL INFORMATION

Electric Word plc (the "Company") is a company incorporated in the United Kingdom. The unaudited condensed set of consolidated financial statements as at May 2013 and for the six months then ended comprise those of the Company and its subsidiaries (together referred to as the "Group").

The information for the six months ended 31 May 2013 and the comparative information for the six months ended 31 May 2012 are not audited by the Group's auditors. The comparative figures for the financial year ended 30 November 2012 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The consolidated financial statements of the Group as at and for the year ended 30 November 2012 are available upon request from the Company's registered office at 33-41 Dallington Street, London, EC1V 0BB or at www.electricwordplc.com.

ACCOUNTING POLICIES AND ESTIMATES

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union. The condensed set of consolidated financial statements included in this interim report has been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting", as adopted by the European Union.

The accounting policies, presentation and methods of computations applied by the Group in its consolidated financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 30 November 2012.

The preparation of the condensed set of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expense. Actual results may differ from these estimates.

In preparing these condensed set of consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 November 2012.

GOING CONCERN

The Group has a net current liability position as at 31 May 2013 at £1,051,000 (31 May 2012: £1,811,000 and 30 November 2012 £469,000). The directors have prepared Group cash flow forecasts for the period ending 30 November 2015. These forecasts indicate that the Group will continue to meet its liabilities and bank debt requirements as they fall due for the foreseeable future. The business is currently trading in line with these forecasts. In the event of forecast trading levels not being met due to a weaker economic climate than forecast, the directors have the scope to take further actions, to enable the group to meet its liabilities as they fall due for the foreseeable future and for it to remain within its financial covenants. There is long-term financing in place, and the Group's bank debt was renewed in January 2013 to a term loan with repayments over the period to May 2016 (note 6). The Group continues to maintain annual positive cash flows excluding acquisition spend. On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

2 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business divisions. This format is based on the Group's management and internal reporting structure, as seen by the Board in its financial information used in allocating resources and making strategic decisions.

The format consists of three market sectors and a central function:

- Education (E): provides school management and professional development information;
- Health (H): provides professional education and training products for doctors and healthcare managers, speech therapists and mental health and elderly care professionals, and athletes, coaches and sports injury therapists;
- Sport & Gaming (S&G): provides insight, data and analysis to the business communities behind the sport and online gaming industries, including their marketing affiliates; and
- Central costs (PLC): the group function represents central PLC costs which are not directly related to the sector trading and are not recharged. Finance costs and investment income are also included here as these are driven by central policy which manages the cash positions across the Group.

The sector analysis includes the adjusted definition of operating profit (note 3) to allow shareholders to gain a further understanding of the trading performance of the Group and is considered by the Board alongside operating profit and profit before tax to assess performance and review strategy.

Analysis by market sector	**Six months ended 31 May 2013**					Six months ended 31 May 2012				
	E	**H**	**S&G**	**PLC**	**Total**	E	H	S&G	PLC	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000
Revenue	**2,209**	**2,014**	**2,430**	**-**	**6,653**	2,544	2,503	2,683	-	7,730
Adjusted operating profit (note 3)	**(282)**	**31**	**265**	**(340)**	**(326)**	(25)	241	588	(341)	463
Share based payment credits / (charges)	**4**	**2**	**4**	**2**	**12**	(28)	(20)	(23)	(11)	(82)
Restructuring costs	**-**	**-**	**-**	**(14)**	**(14)**	(36)	-	-	(8)	(44)
Acquisition-related credits	**-**	**44**	**-**	**-**	**44**	-	282	-	-	282
Amortisation of intangible assets	**(137)**	**(87)**	**(188)**	**(27)**	**(439)**	(178)	(71)	(192)	(53)	(494)
Impairment expense	**-**	**-**	**-**	**-**	**-**	-	-	(32)	-	(32)
Operating (loss) / profit	**(415)**	**(10)**	**81**	**(379)**	**(723)**	(267)	432	341	(413)	93
Finance costs	**-**	**-**	**-**	**(28)**	**(28)**	-	-	-	(41)	(41)
(Loss) / profit before tax	**(415)**	**(10)**	**81**	**(407)**	**(751)**	(267)	432	341	(454)	52

2 SEGMENTAL INFORMATION (continued)

Analysis by market sector	Year ended 30 November 2012				
	E	H	S&G	PLC	Total
	£'000	£'000	£'000	£'000	£'000
Revenue	4,709	4,445	5,177	-	14,331
Adjusted operating profit (note 3)	130	444	1,307	(715)	1,166
Share based payment charges	(45)	(40)	(40)	(19)	(144)
Restructuring costs	(41)	-	-	(160)	(201)
Acquisition-related credits	-	687	-	-	687
Amortisation of intangible assets	(151)	(320)	(383)	(101)	(955)
Impairment expense	-	(300)	-	-	(300)
Operating (loss) / profit	(107)	471	884	(995)	253
Finance costs	-	-	-	(80)	(80)
Profit before tax	(107)	471	884	(1,075)	(173)

3 ADJUSTED PROFITS

The adjusted profits have been prepared to allow shareholders to gain a further understanding of the trading performance of the Group. Profits are adjusted for items not perceived by management to be part of the underlying trends in the business and the related tax effect of those items. The adjustments add back items which have no cash impact or that are both not trade related and of a non-recurring type.

3 ADJUSTED PROFITS (continued)

	6 months ended 31 May 2013 £'000	6 months ended 31 May 2012 £'000	Year ended 30 November 2012 £'000
Operating (loss) / profit for the period	**(723)**	93	253
Amortisation of intangible assets	**439**	494	955
Impairment charges and reduction to goodwill	**-**	32	300
Acquisition-related and restructuring credits	**(30)**	(238)	(486)
Share based payment (credits) / charges	**(12)**	82	144
Adjusting items to operating profit	**397**	370	913
Adjusted operating profit for the period	**(326)**	463	1,166
Depreciation	**66**	65	127
Adjusted earnings before interest, tax, depreciation and amortisation for the period	**(260)**	528	1,293
(Loss) / profit before tax for the period	**(751)**	52	173
Adjusting items to operating profit	**397**	370	913
Adjusting items to profit before tax	**397**	370	913
Adjusted (loss) / profit before tax for the period	**(354)**	422	1,086
(Loss) / profit for the period attributable to equity holders of the parent	**(646)**	39	111
Adjusting items to profit before tax	**397**	370	913
Attributable tax expense on adjusting items	**(4)**	(11)	(50)
Exclude movements on deferred tax assets and liabilities taken to income statement	**(188)**	(188)	(185)
Adjusting items to profit for the year	**205**	171	678
Adjusted (loss) / profit for the period	**(441)**	210	789

Acquisition-related and restructuring credits of £30,000 in the period result from a £44,000 reduction in the provisions for contingent consideration (note 6), net of £14,000 costs related to Board level changes which have now been completed.

4 TAXATION

Income tax expense has been calculated based on management's best estimate of the weighted average annual income tax rate expected for the year ending 30 November 2013.

5 EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on the following:

	6 months ended 31 May 2013 Number	6 months ended 31 May 2012 Number	Year ended 30 November 2012 Number
Weighted average number of shares	**399,977,442**	298,916,380	321,469,843
Adjustment in respect of SIP shares	**(987,765)**	(1,314,212)	(1,111,235)
Weighted average number of shares used in basic earnings per share calculations	**398,989,677**	297,602,168	320,358,608
Dilutive effect of share options	**1,678,487**	2,125,463	1,955,076
Weighted average number of shares used in diluted earnings per share calculations	**400,668,164**	299,727,631	322,313,684

	Note	**6 months ended 31 May 2013 £'000**	6 months ended 31 May 2012 £'000	Year ended 30 November 2012 £'000
Basic and diluted (loss) / earnings		**(646)**	39	111
Adjustment to earnings	3	**205**	171	678
Adjusted basic and diluted earnings figure		**(441)**	210	789

Earnings per share

- Basic (loss) / earnings per share	**(0.16)p**	0.01p	0.03p
- Diluted (loss) / earnings per share	**(0.16)p**	0.01p	0.03p

Adjusted earnings per share

- Adjusted (loss) / earnings per share	**(0.11)p**	0.07p	0.25p
- Adjusted (loss) / earnings per share	**(0.11)p**	0.07p	0.24p

6 ANALYSIS OF NET DEBT

Bank net debt

	At 1 December 2012 £'000	Cash flow £'000	**At 31 May 2013 £'000**
Cash at bank and in hand	983	(380)	**603**
Overdraft	-		**-**
Net cash	983	(380)	**603**
Bank loans due within one year	(400)	275	**(125)**
Debt due within one year	(400)	275	**(125)**
Bank loans due after one year	(475)	-	**(475)**
Debt due after one year	(475)	-	**(475)**
Gross debt	(875)	275	**(600)**
Net funds	**108**	**(105)**	**3**

The Group has two types of lending facility from its Bankers. The first is an overdraft facility of £750,000 which when utilised is repayable on demand and charges an effective interest rate of 2.25% over the lending Bank's base rate.

The second is a term loan facility which was renegotiated in January 2013 and is repayable over 3.5 years ending in May 2016 (2011: repayable over 4 years ending in November 2014). Interest payable is consistent with the original loan at 4.25% over LIBOR.

Acquisition consideration

In 2010 a provision of £257,000 was made for the contingent consideration relating to the acquisition of Radcliffe Publishing Limited which could be payable in 2013 based on results in the 2012 financial year, with a maximum payable of £800,000. The provision was reduced during the year ended 30 November 2012 to an expected payment in 2013 of £50,000. During the period ended 31 May 2013, the provision has been reduced further to £6,000 to reflect confirmation of the final amount payable. The £44,000 provision release is reflected in acquisition-related credits in the income statement.

In 2011 provisions were made in relation to the acquisition of Radcliffe Solutions, (formerly Ikonami Limited,) representing up to £150,000 payable in January 2013 plus an earn-out payable in 2014 based on results in the 2013 financial year. The maximum payable in 2014 is £1,850,000 but £550,000 was originally provided (net of a notional interest discount of £71,000 which is unwinding through to the payment date). At 30 November 2012, the January 2013 provision was reduced to £75,000 and the 2014 provision was reduced to £100,000 less the corresponding notional interest. The January 2013 provision of £75,000 was paid out in the period to 31 May 2013 (note 8).

7 CAPITAL AND RESERVES

The Company does not have an authorised share capital in either period.

Allotted, issued and fully paid:

	Ordinary shares £'000
As at 31 May 2012	2,989
Issue of share capital	1,007
As at 30 November 2012	3,996
Issue of share capital	72
As at 31 May 2013	**4,068**

A reconciliation of the movements in issued ordinary share capital is as follows:

		Number of shares Number	Total Share capital £'000	Share price at issue Pence
At 31 May 2012		298,916,380	2,989	
10 September 2012	Share issue at 1.5 pence per share	100,665,458	1,007	1.80p
At 30 November 2012		399,581,838	3,996	
22 May 2013	Share issue at 2.1 pence per share	7,200,000	72	2.05p
At 31 May 2013		**406,781,838**	**4,068**	

In the period to 31 May 2013, 7,170,000 unvested options under the Share Price Growth Scheme were forfeited resulting in a net share based payment credit of £12,000 for the period.

The reserve for own shares relates to the Share Incentive Plan under which the Group owns 1,323,580 shares (31 May 2012: 1,652,094 shares; 30 November 2012: 1,434,296 shares).

8 BUSINESS COMBINATIONS, TRADE CONTRACT BUYOUTS AND DISPOSALS

Business combinations
Cash paid net of cash acquired:

	Date of acquisition	**6 months ended 31 May 2013 £'000**	6 months ended 31 May 2012 £'000	Year ended 30 November 2012 £'000
Prior year acquisition: Radcliffe Solutions Limited (formerly Ikonami Limited)	14 April 2011	**75**	29	29
		75	29	29