19 May 2017

Future plc

Global specialist media platform delivering strong profitable growth across all divisions, ahead of expectations

Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today publishes results for the six months ended 31 March 2017.

Financial highlights

- Group revenue increased 35% to £40.9m (2016: £30.2m)
  - Media division revenue up 23% to £16.2m (2016: £13.2m)
    - E-commerce revenues increased 72% year-on-year to £4.3m
    - Revenue from events portfolio grew 15% year-on-year to £3.0m
  - Magazine division revenue up 45% to £24.7m (2016: £17.0m), driven by the acquisition of Imagine Publishing and strong UK performance in subscriptions
  - Recurring revenue streams now represent 27% (2016: 25%) of total revenue
- Adjusted operating profit increased by 375% to £3.8m (2016: £0.8m), more than the £2.8m achieved in the full year FY16
- Adjusted EBITDA* increased by 140% to £4.8m (2016: £2.0m), reflecting margin expansion and Media division revenue growth
- Statutory profit before tax increased significantly to £0.9m (2016: £0.3m loss)
- Adjusted EPS up significantly to 9.3p (2016: 2.5p)
- Strong cash flow performance
  - Adjusted operating cash inflow of £6.2m (2016: £2.6m) with cash conversion of 129%
  - Reduction in net debt (since Imagine acquisition financing) to £5.2m at 31 March 2017

Operational highlights

- Delivering on global platform strategy for specialist media, with strong progress in both revenue diversification and development of the platform
- Media division
  - Specialist content driving substantial online audience growth – 53 million online users in March 2017, up 18% year-on-year
  - Strong organic revenue growth in core global brands – PCGamer.com up 81%, GamesRadar+ up 40% and T3.com up 72% year-on-year
  - Growth of events portfolio to 17 annual events and increasing visitor numbers
  - Strategic partnerships leveraging unique platform proposition by offering high-margin licensing and franchising of key brands
  - Further progress on platform development, with new brand launched in just two weeks (T3 Baby)
- Magazine division focusing on market-leading specialist content, delivering efficiency in operations and continual innovation
- The acquisitions of Imagine Publishing and Team Rock now fully integrated
  - Imagine Publishing substantially increased scale of Group; full year effect of synergy savings of £3m expected in FY18 as planned

- o Acquisition of Team Rock in January 2017 brings scalable brands with loyal fan bases

Zillah Byng-Thorne, Future's Chief Executive, said:

"We have delivered another strong performance with substantial increases in both revenue and profitability, driven by organic growth and acquisition. We are seeing clear benefits from our operational gearing and we continue to focus on cash conversion.

"Our strategy to build a global scalable platform business for specialist media with data at its heart is gaining real momentum as we continue to diversify our revenue streams.

"The quality of our content – as a trusted destination for consumers and for our customers – allied with our market-leading and global super brands have driven further significant online audience growth."

*Earnings before share based payments, interest, tax, depreciation, amortisation, impairment of intangible assets and exceptional items.

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

Note to editors

The Media division focuses on being at the forefront of digital innovation with three complementary revenue streams: e-commerce, events and digital advertising. It operates in a number of sectors including the high growth technology and games markets and has a number of leading brands including Techradar, PC Gamer, GamesRadar+, The Photography Show, Generate and Golden Joysticks.

The Magazine division is specialist and brand-led, with over 100 publications. The Magazine portfolio spans Technology, Games, Music, Film, Photography, Creative & Design, Field Sports and Science & Knowledge. Its market-leading titles include T3, Total Film, How It Works, Edge and All About History. The division also publishes over 440 bookazines per year with a total global circulation of 1.2 million.

Overview

The Group has made significant progress during the six month period, driven by organic growth and acquisitions, and a clear focus on operating leverage and cash conversion.

Diversification of the Group's revenue streams through its global and scalable brands has produced strong organic growth in the Media division, with the continual growth of e-commerce, up 72% year-on-year, and a growing events portfolio, for which revenue is up 15% year-on-year.

Group adjusted operating profit increased by 375% to £3.8m (2016: £0.8m) with adjusted EPS up to 9.3p (2016: 2.5p).

Future has invested in content extensions, new launches, re-investment in existing brands and technology to drive the Group's strategy of building a platform business, focused on delivering diversified and recurring revenues through the use of content. This has resulted in organic growth across the Media division and further expansion of its global reach.

The Group acquired Team Rock in January 2017 and its dedicated fan base greatly complements the Future offering and provides the opportunity to leverage the connection with the audience built through the print assets into a compelling digital offering.

Future completed its acquisition of Imagine Publishing in October 2016 with the integration now fully completed. Imagine Publishing has substantially enhanced the scale and reach of the Group, and brought further operational synergies.

In addition, the Group is expanding its global reach through strategic partnerships and scaling investments in its platform business by offering digital licensing and franchising of its platforms and brands, through partnerships such as a recently agreed deal with Times of India to license the Techradar platform.

Current trading and outlook

Overall trading for the year to date has been positive. The Group's Media division is performing strongly with the fast growing revenue streams of e-commerce and events up 72% and 15% year-on-year respectively.

With the integration of Imagine Publishing now complete, the full impact of synergies will be delivered in FY18 as planned, whilst the assets acquired from Team Rock in January are trading in line with expectations.

The Group's cashflow performance has been strong, reducing net debt since the Imagine acquisition financing to £5.2m at the end of the first half with positive cash flow from operations expected to continue in the second half of the year.

Trading in the second half of the financial year is expected to be slightly ahead of the Board's expectations.

Strategy

The Group's strategy is to utilise its global platform for specialist media with scalable, diversified brands; creating fans of its brands by giving them a place they want to spend their time, where they go to meet their needs; and to continue to create loyal communities.

This will enable Future to expand its global reach through organic growth, acquisitions and strategic partnerships and diversify its monetisation models to create significant revenue streams.

Operational review

Fast growing global platform for specialist media

Future's specialist media brands cover a broad range of sectors enabling the Group to mitigate risk and lessen its cyclical exposure to any one vertical.

Future has built a global platform business that is focused on recurring revenues through the use of content. The Group generates revenue from digital advertising, e-commerce, events, licensing, retail, subscriptions and contract publishing.

The platform business is underpinned by the strength of Future's global, scalable and market-leading brands.

Media division

The Media division reported an increase in revenue of 23% to £16.2m. This was driven by a continued increase in e-commerce revenues, up 72% year-on-year, a growing events portfolio, resulting in 15% growth in events revenue year-on-year, and digital advertising, which rose 5% on the previous year.

Magazine division

The Magazine division has continued to focus on efficiency and operational excellence as well as continuing to innovate with re-launches. Revenues in the Magazine division rose to £24.7m (2016: £17.0m), reflecting the acquisition of Imagine Publishing.

Tight management of the decline of the print business coupled with innovation in the bookazine segment has added to the further growth in operating profit in this division. In addition, the division is seeing synergies from the acquisitions of Imagine and Team Rock.

Leading global brands with loyal communities

Future has at its heart excellence in content with editorial authority creating loyal communities. As a result, Future's online audience has risen to 53m users globally, up 18% year-on-year. The Group has strong engagement with its users through its substantial social media following and reached 56.1m people across Facebook, Twitter and YouTube.

Techradar retains its position as the number one consumer technology website in the UK, and delivered audience growth of 29% year-on-year.

PCGamer.com is the number one English language PC gaming website in the world and was voted "Best Online Consumer Media Brand" at the AOP Digital Publishing Awards 2016. Organic revenue growth at PCGamer.com rose 81% year-on-year.

T3 has also shown notable growth, with online revenue up 72% year-on-year and online audience up 46% year-on-year. The Group has launched a new content channel, T3 Home & Kitchen, to further drive growth.

The Group also hosts events across three countries and the acquisitions of Team Rock, Noble House Media and Blaze Publishing in 2016 boosted Future's events portfolio grow to 17 annual events. The Photography Show has continued to grow, with visitor numbers now exceeding 32,000, up 6% over the previous year.

Organic growth

A critical element of the Group's growth strategy is the development of the platform proposition; an in-house built website template integrated with proprietary Content Management System (CMS) and e-commerce functionality.

Having migrated the major sites to Future's proprietary software, the next stage of platform development was launched in the half, with:

- The launch of a new site (T3 Baby) with a full consumer proposition launched in two weeks, proving the scalability of the platform.

- Adding the ability to share the platform with third parties in order to expand its digital brands through a licensing and franchise model.

    - The Group has already had success in India with a franchise partnership for Techradar with Times of India. Future's digital licensing and franchises enable its global partners to optimise their local offering by accessing trusted brands and authoritative content and leveraging a unique commercial model developed by Future.

- Development of an online subscription with Team Rock+ relaunched in the period to further monetise the connection with an online audience.

Growth through acquisitions

Future continued to expand its global scale and reach through acquisition.

Imagine Publishing, acquired in October 2016, has now been fully integrated, increasing the scale of the Group and bringing further operational synergies.

The addition of Imagine Publishing brings a portfolio of 18 periodical magazines and significant presence in bookazines, with a total monthly circulation of 250 thousand, as well as a growing complementary web presence. The acquisition also provided a portfolio in the knowledge & science vertical, adding new high-quality genres to the Future business.

The acquisition of Team Rock in January 2017 included the magazines, events and websites of Classic Rock, Metal Hammer, Prog, Blues and the Golden Gods.

Since the acquisition, Future has re-invested in the Team Rock online site, growing the audience to 1.8 million monthly users, reflecting a 178% growth in weekly users since acquisition and relaunching the online subscription proposition.

We have built a track record of acquiring businesses at sensible valuations and successfully integrating them into our platform and this will continue to be a key element of our strategy.

Geographical performance

Both the UK and US businesses performed well in the period – driven by the growth of the new revenue streams e-commerce and events, with the US in particular performing very strongly. Media revenue increased by 24% to £6.2m in the US (2016: £5.0m).

The Group's US online audience has shown remarkable growth, with users up 20% year-on-year and particularly high audience growth from its super brands, such as Techradar, which rose 32% and PCGamer.com, which increased 27% year-on-year.

Financial review

Financial summary

	2017 £m	2016 £m
Revenue	**40.9**	30.2
Adjusted EBITDA	**4.8**	2.0
Adjusted depreciation	**(0.2)**	(0.2)
Adjusted amortisation	**(0.8)**	(1.0)
Adjusted operating profit	**3.8**	0.8
Adjusted net finance costs	**(0.4)**	(0.2)
Adjusted profit before tax	**3.4**	0.6

Earnings/(loss) per share	2017	2016
Adjusted basic earnings per share (p)	**9.3**	2.5
Basic earnings/(loss) per share (p)	**2.8**	(1.3)

Reconciliation of non-statutory measures:

Statutory profit before tax reconciles to adjusted operating profit as follows:

	H1 17	H1 16
Adjusted operating profit	**3.8**	**0.8**

Adjusted finance costs	(0.4)	(0.2)
Adjusted profit before tax	**3.4**	**0.6**
Adjusting items:		
Share based payments	(0.4)	(0.2)
Exceptional costs	(1.1)	(0.5)
Amortisation of acquired intangibles	(1.0)	-
Non-trading foreign exchange losses	-	(0.2)
Statutory profit / (loss) before tax	**0.9**	**(0.3)**

The financial review is based primarily on a comparison of continuing adjusted results for the six months ended 31 March 2017 with those for the six months ended 31 March 2016. Unless otherwise stated, change percentages relate to a comparison of these two periods.

Revenue
Group revenue was £40.9m (2016: £30.2m), reflecting the acquisition of Imagine, which contributed £7.6m of revenue in the period, and the growth of Media revenues.

UK revenue increased by 40% to £33.0m (2016: £23.6m) and US revenue increased by 18% to £8.5m (2016: £7.2m).

Media division
Media revenue has increased by 23% to £16.2m (2016: £13.2m), driven by the Group's fast growing revenue streams; e-commerce and events. Media revenues now make up 40% of total revenue.

In the UK, revenues increased by 21% to £10.5m (2016: £8.7m), driven by the new revenue streams, with e-commerce growing 67% and events revenue increasing by 15%.

The US also experienced strong growth in revenues, which were up 24% year-on-year to £6.2m (2016: £5.0m), with revenue from affiliates being the biggest driver of this growth.

Magazine division
Magazine revenue increased to £24.7m (2014: £17.0m), reflecting the acquisition of Imagine.

The Group's focus is on building recurring revenue streams, which have annuity like qualities. These encompass e-commerce and subscriptions, which now represents 27% of the Group's total revenue (2016: 25%).

EBITDA
The Group's adjusted EBITDA increased to £4.8m (2016: £2.0m), reflecting the growth of the Media business and acquisition of Imagine.

Statutory exceptional items
Exceptional costs amounted to £1.1m (2016: £0.5m). These consist of restructuring and redundancy costs of £1.0m and £0.1m in respect of onerous property costs.

Statutory net finance costs
Net finance costs were £0.4m (2016: £0.4m) as the Group has continued to focus on efficient management of its cash position.

Taxation
The tax amount for the six months ended 31 March 2017 is based on the effective rate, estimated on a full year basis by territory, being applied to the taxable profits or losses of each territory for the six months ended 31 March 2017.

Earnings/(loss) per share

	2017	2016
Adjusted earnings per share (p)	**9.3**	2.5
Basic earnings/(loss) per share (p)	**2.8**	(1.3)

Adjusted earnings per share is based on the profit/(loss) after taxation which is then adjusted to exclude share based payments, exceptional items, amortisation of intangible assets arising on acquisitions, impairment of intangible assets, non-trading exchange movements and related tax effects.

Note that the comparative figures have been restated to reflect the impact of a share consolidation where Future issued one new Ordinary share of 15 pence for each 15 existing Ordinary shares. This was completed on 2 February 2017.

The adjusted profit after tax amounted to £3.3m (2016: £0.6m) and the weighted average number of shares in issue was 35.5m (2016: 23.9m).

Dividend
The Board is not recommending an interim dividend.

Cash flow and net debt
Net debt at 31 March 2017 was £5.2m (2016: net cash of £0.6m).

Cash inflow from operations before exceptional items was £6.2m (2016: £2.6m). Exceptional cashflows of £3.0m represent payment of deal fees and other costs in respect of the Imagine acquisition and restructuring and redundancy costs.

Capital expenditure was £1.1m (2016: £1.0m) and the purchase of magazine titles (from Team Rock) was £0.8m.

Impact of acquisition of Imagine on the Group's balance sheet
The acquisition of Imagine was funded through the net issuance of £15.3m of new Future shares resulting in an increase in share premium of £13.5m and share capital of £1.8m.

The Group also refinanced Imagine's existing debt which has resulted in an increase in non-current financial liabilities – interest bearing loans and borrowings of £9.3m.

Principal risks and uncertainties
The principal risks and uncertainties for the remainder of the year are largely unchanged from those detailed in the Group's Annual Report and Accounts for the year ended 30 September 2016. Reference should be made to page 9 of the 2016 Annual Report and Accounts for more details on the potential impact of these risks and examples of mitigation.

Condensed consolidated interim financial statements

Consolidated income statement
for the six months ended 31 March 2017

		6 months to 31 March 2017			6 months to 31 March 2016		
	Note	**Adjusted results £m**	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Revenue	1,2	**40.9**	**-**	**40.9**	30.2	-	30.2
Net operating expenses	3	**(37.1)**	**(2.5)**	**(39.6)**	(29.4)	(0.7)	(30.1)
Operating profit		**3.8**	**(2.5)**	**1.3**	0.8	(0.7)	0.1
Finance costs	6	**(0.4)**	**-**	**(0.4)**	(0.2)	(0.2)	(0.4)
Profit/(loss) before tax	1	**3.4**	**(2.5)**	**0.9**	0.6	(0.9)	(0.3)
Tax on profit/(loss)	7	**(0.1)**	**0.2**	**0.1**	-	-	-
Profit/(loss) for the period attributable to owners of the parent		**3.3**	**(2.3)**	**1.0**	0.6	(0.9)	(0.3)

Earnings/(loss) per 15p Ordinary share

		6 months to 31 March 2017			6 months to 31 March 2016*		
	Note	**Adjusted results pence**	**Adjusting items pence**	**Statutory results pence**	Adjusted results pence	Adjusting items pence	Statutory results pence
Basic earnings/(loss) per share	9	**9.3**	**(6.5)**	**2.8**	2.5	(3.8)	(1.3)
Diluted earnings/(loss) per share	9	**8.7**	**(6.1)**	**2.6**	2.5	(3.8)	(1.3)

* The prior year comparatives have been restated to reflect the 15:1 share consolidation completed on 2 February 2017.

Consolidated statement of comprehensive income
for the six months ended 31 March 2017

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Profit/(loss) for the period	**1.0**	(0.3)
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**0.1**	0.2
Other comprehensive profit for the period	**0.1**	0.2
Total comprehensive profit/(loss) for the period attributable to owners of the parent	**1.1**	(0.1)

Consolidated statement of changes in equity
for the six months ended 31 March 2017

	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Treasur y reserve £m	Accumulated losses £m	Total equit y £m
Balance at 1 October 2016		3.7	27.6	109.0	(0.3)	(118.8)	21.2
Profit for the period		-	-	-	-	1.0	1.0
Currency translation differences		-	-	-	-	0.1	0.1
Other comprehensive income for the period		-	-	-	-	0.1	0.1
Total comprehensive income for the period		-	-	-	-	1.1	1.1
Share capital issued during the period		1.8	13.5	-	-	-	15.3
Share schemes - Value of employees' services	5	-	-	-	-	0.4	0.4
Balance at 31 March 2017		**5.5**	**41.1**	**109.0**	**(0.3)**	**(117.3)**	**38.0**
Balance at 1 October 2015		3.3	24.8	109.0	(0.3)	(105.4)	31.4
Loss for the period		-	-	-	-	(0.3)	(0.3)
Currency translation differences		-	-	-	-	0.2	0.2
Other comprehensive income for the period		-	-	-	-	0.2	0.2
Total comprehensive loss for the period		-	-	-	-	(0.1)	(0.1)
Share capital issued during the period		0.4	2.8	-	-	-	3.2
Share schemes - Value of employees' services	5	-	-	-	-	0.2	0.2
Balance at 31 March 2016		**3.7**	**27.6**	**109.0**	**(0.3)**	**(105.3)**	**34.7**

Consolidated balance sheet
as at 31 March 2017

	Note	**31 March 2017 £m**	31 March 2016 £m	30 September 2016 £m
Assets				
Non-current assets				
Property, plant and equipment		**0.9**	0.7	0.5
Intangible assets - goodwill		**46.4**	40.9	29.5
Intangible assets - other		**12.4**	2.8	3.7
Deferred tax		**1.7**	0.5	2.4
Total non-current assets		**61.4**	44.9	36.1
Current assets				
Inventories		**0.6**	0.4	0.4
Corporation tax recoverable		**0.2**	1.1	0.1
Trade and other receivables		**13.2**	12.4	12.4
Cash and cash equivalents		**4.8**	2.9	2.9
Total current assets		**18.8**	16.8	15.8
Total assets		**80.2**	61.7	51.9
Equity and liabilities				
Equity				
Issued share capital	10	**5.5**	3.7	3.7
Share premium account		**41.1**	27.6	27.6
Merger reserve		**109.0**	109.0	109.0
Treasury reserve		**(0.3)**	(0.3)	(0.3)
Accumulated losses		**(117.3)**	(105.3)	(118.8)
Total equity		**38.0**	34.7	21.2
Non-current liabilities				
Financial liabilities - interest-bearing loans and borrowings		**9.4**	0.1	0.1
Financial liabilities - derivatives		**0.1**	-	-
Corporation tax payable		**2.1**	3.1	2.6
Deferred tax		**1.5**	0.7	0.9
Provisions		**1.4**	1.4	1.5
Other non-current liabilities		**0.6**	0.6	0.5
Total non-current liabilities		**15.1**	5.9	5.6
Current liabilities				
Financial liabilities - interest-bearing loans and borrowings		**0.6**	2.2	2.3
Financial liabilities - derivatives		**0.1**	-	-
Trade and other payables		**25.0**	18.0	21.4
Corporation tax payable		**1.4**	0.9	1.4
Total current liabilities		**27.1**	21.1	25.1
Total liabilities		**42.2**	27.0	30.7
Total equity and liabilities		**80.2**	61.7	51.9

Consolidated cash flow statement
for the six months ended 31 March 2017

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Cash flows from operating activities		
Cash generated from operations	**3.2**	1.0
Tax received	**-**	0.1
Interest paid	**(0.3)**	(0.2)
Tax paid	**(0.8)**	(0.4)
Net cash generated from operating activities	**2.1**	0.5
Cash flows from investing activities		
Purchase of property, plant and equipment	**(0.5)**	(0.1)
Purchase of computer software and website development	**(0.6)**	(0.9)
Purchase of magazine titles and events	**(0.8)**	-
Purchase of subsidiary undertakings, net of cash acquired	**1.0**	-
Disposal of magazine titles and trademarks	**0.2**	-
Net cash used in investing activities	**(0.7)**	(1.0)
Cash flows from financing activities		
Proceeds from issue of Ordinary share capital	**-**	3.3
Costs of share issue	**(0.1)**	(0.2)
Draw down of bank loans	**11.3**	1.7
Repayment of bank loans	**(10.3)**	(4.5)
Bank arrangement fees	**(0.4)**	-
Net cash generated from financing activities	**0.5**	0.3
Net increase/(decrease) in cash and cash equivalents	**1.9**	(0.2)
Cash and cash equivalents at beginning of period	**2.9**	1.6
Cash and cash equivalents at end of period	**4.8**	1.4

Notes to the consolidated cash flow statement
for the six months ended 31 March 2017

A. Cash generated from operations

The reconciliation of profit/(loss) for the period to cash flows generated from operations is set out below:

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Profit/(loss) for the period	**1.0**	(0.3)
Adjustments for:		
Depreciation charge	**0.2**	0.2
Amortisation of intangible assets	**1.8**	1.0
Profit on disposal of magazine titles and trademarks	**-**	(0.1)
Share schemes		
- Value of employees' services	**0.4**	0.2
Net finance costs	**0.4**	0.4
Tax credit	**(0.1)**	-
Profit before changes in working capital and provisions	**3.7**	1.4
Movement in provisions	**(0.1)**	(0.7)
Decrease in inventories	**-**	0.1
Decrease in trade and other receivables	**2.0**	3.2
Decrease in trade and other payables	**(2.4)**	(3.0)
Cash generated from operations	**3.2**	1.0

B. Analysis of net cash/(debt)

	1 October 2016 £m	**Cash flows £m**	**Acquisitions £m**	**Non-cash changes £m**	**31 March 2017 £m**
Cash and cash equivalents	2.9	0.2	1.7	-	**4.8**
Debt due within one year	(2.3)	(1.0)	(6.9)	9.6	**(0.6)**
Debt due after more than one year	(0.1)	-	-	(9.3)	**(9.4)**
Net cash/(debt)	**0.5**	**(0.8)**	**(5.2)**	**0.3**	**(5.2)**

C. Reconciliation of movement in net cash/(debt)

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Net cash/(debt) at start of period	**0.5**	(1.8)
Increase/(decrease) in cash and cash equivalents	**1.9**	(0.2)
Movement in borrowings	**(1.0)**	2.8
Borrowings acquired with subsidiary	**(6.9)**	-
Finance leases entered into	**-**	(0.2)
Non-cash changes	**0.3**	-
Net (debt)/cash at end of period	**(5.2)**	0.6

Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 31 March 2017 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 Conduct 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 2016.

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 2016 has been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, and it 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 included at the back of this report.

Having considered the Group's funding position and latest forecasts, the Directors believe that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed interim financial information.

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 2016.

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

Presentation of non-statutory measures

The Directors believe that adjusted results and adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and review the results of the Group on an adjusted basis internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit. Adjustments are made in respect of:

Share-based payments – share-based payment expenses or credits are excluded from the adjusted results of the Group as the Directors believe that the volatility of these charges can distort the user's view of the core trading performance of the Group.

Exceptional items – the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and likely to be non-recurring in nature (in the medium term) so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 4.

Amortisation of acquired intangible assets – the amortisation charge for those intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from non-trading investment activities. As such, they are not considered reflective of the core trading performance of the Group.

Non-trading foreign exchange losses – certain other items are excluded from adjusted results where they are considered large or unusual enough to distort the comparability of core trading results year on year.

The tax related to adjusting items is the tax effect of the items above that are allowable deductions for tax purposes calculated using the standard rate of corporation tax.

A reconciliation of adjusted operating profit to profit/(loss) before tax is shown below:

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Adjusted operating profit	**3.8**	0.8
Adjusted finance costs	**(0.4)**	(0.2)
Adjusted profit before tax	**3.4**	0.6
Adjusting items:		
Share based payments	**(0.4)**	(0.2)
Exceptional costs	**(1.1)**	(0.5)
Amortisation of acquired intangibles	**(1.0)**	-
Non-trading foreign exchange losses	**-**	(0.2)
Profit/(loss) before tax	**0.9**	(0.3)

A reconciliation between adjusted and statutory earnings per share measures is shown in note 9.

Notes to the financial information
for the six months ended 31 March 2017

1. Segmental reporting

The Group is organised and arranged primarily by reportable segment. The executive Directors consider the performance of the business from a geographical perspective, namely the UK and the US. The Australian business is considered to be part of the UK segment and is not reported separately due to its size.

Segment revenue

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
UK	**33.0**	23.6
US	**8.5**	7.2
Revenue between segments	**(0.6)**	(0.6)
Total	**40.9**	30.2

Transactions between segments are carried out at arm's length.

Segment EBITDA

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
UK	**2.9**	1.2
US	**1.9**	0.8
Total segment EBITDA	**4.8**	2.0

EBITDA is used by the executive Directors to assess the performance of each segment.

A reconciliation of total segment EBITDA to loss before tax is provided as follows:

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Total segment EBITDA	**4.8**	2.0
Share based payments	**(0.4)**	(0.2)
Depreciation	**(0.2)**	(0.2)
Amortisation	**(1.8)**	(1.0)
Exceptional items	**(1.1)**	(0.5)
Net finance costs	**(0.4)**	(0.4)
Profit/(loss) before tax	**0.9**	(0.3)

2. Revenue

An additional analysis of the Group's revenue is shown below:

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Media	**16.2**	13.2
Magazine	**24.7**	17.0
Total	**40.9**	30.2

3. Net operating expenses

Operating profit is stated after charging:

	6 months to 31 March 2017			6 months to 31 March 2016		
	Adjusted results £m	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Cost of sales	**(24.9)**	**-**	**(24.9)**	(19.3)	-	(19.3)
Distribution expenses	**(2.4)**	**-**	**(2.4)**	(1.8)	-	(1.8)
Share based payments	**-**	**(0.4)**	**(0.4)**	-	(0.2)	(0.2)
Exceptional items (note 4)	**-**	**(1.1)**	**(1.1)**	-	(0.5)	(0.5)
Depreciation	**(0.2)**	**-**	**(0.2)**	(0.2)	-	(0.2)
Amortisation	**(0.8)**	**(1.0)**	**(1.8)**	(1.0)	-	(1.0)
Other administration expenses	**(8.8)**	**-**	**(8.8)**	(7.1)	-	(7.1)
	(37.1)	**(2.5)**	**(39.6)**	(29.4)	(0.7)	(30.1)

4. Exceptional items

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Vacant property provision movements	**0.1**	(0.5)
Restructuring and redundancy costs	**1.0**	1.1
Profit on disposal of magazine titles and trademarks	**-**	(0.1)
Total	**1.1**	0.5

5. Employee costs

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Wages and salaries	**12.8**	12.0
Social security costs	**1.2**	1.1
Other pension costs	**0.3**	0.4
Share schemes		
- Value of employees' services	**0.4**	0.2
Total employee costs	**14.7**	13.7

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 fair value has been calculated using the Monte Carlo and Black-Scholes models, using the most appropriate model for each scheme. Assumptions have been made in these models for expected volatility, risk-free rates and dividend yields.

Key management personnel compensation

	6 months to 31 March 2017 £m	6 months to 31 March 2016 £m
Salaries and other short-term employee benefits	**0.9**	0.4
Share schemes		
- Value of employees' services	**0.2**	-
Total	**1.1**	0.4

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.

6. Net finance costs

	6 months to 31 March 2017			6 months to 31 March 2016		
	Adjusted results £m	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Interest payable on interest-bearing loans and borrowings	**(0.2)**	**-**	**(0.2)**	(0.1)	-	(0.1)
Amortisation of bank loan arrangement fees	**(0.1)**	**-**	**(0.1)**	-	-	-
Other finance costs	**(0.1)**	**-**	**(0.1)**	(0.1)	-	(0.1)
Exchange losses	**-**	**-**	**-**	-	(0.2)	(0.2)
Net finance costs	**(0.4)**	**-**	**(0.4)**	(0.2)	(0.2)	(0.4)

7. Tax on profit/(loss)

The tax amount for the six months ended 31 March 2017 is based on the effective rate, estimated on a full year basis by territory, being applied to the taxable profits or losses of each territory for the six months ended 31 March 2016.

Consistent with prior periods the Group corporation tax provision reflects management's estimation of the amount of tax payable for fiscal years with open tax computations where liabilities remain to be agreed with Her Majesty's Revenue and Customs and other tax authorities.

8. Dividends

Equity dividends	**6 months to 31 March 2017**	6 months to 31 March 2016
Number of shares in issue at end of period (million)	**36.6**	24.5
Dividends paid and payable in period (pence per share)	**-**	-
Dividends paid and payable in period (£m)	**-**	-

Interim dividends are recognised in the period in which they are paid and final dividends are recognised in the period in which they are approved.

9. 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 awards held under employee share schemes.

On 2 February 2017, the Company issued one new Ordinary share of 15 pence for each 15 existing Ordinary shares following completion of a share consolidation. The weighted average number of shares in issue for all periods has been adjusted for the share consolidation.

Adjusted earnings per share remove the effect of share based payments, exceptional items, amortisation of intangible assets arising on acquisitions, impairment of intangible assets, exchange losses included in finance costs and any related tax effects from the calculation.

	6 months to 31 March 2017	6 months to 31 March 2016
Adjustments to profit/(loss) after tax:		
Profit/(loss) after tax (£m)	**1.0**	(0.3)
Share based payments (£m)	**0.4**	0.2
Exceptional items (£m)	**1.1**	0.5
Amortisation of intangible assets arising on acquisitions (£m)	**1.0**	-
Exchange losses included in finance costs (£m)	**-**	0.2
Tax effect of the above adjustments (£m)	**(0.2)**	-
Adjusted profit after tax (£m)	**3.3**	0.6
Weighted average number of shares in issue during the period:		
- Basic	**35,486,454**	23,870,308
- Dilutive effect of share options	**2,287,214**	77,878
- Diluted	**37,773,668**	23,948,186
Basic earnings/(loss) per share (in pence)	**2.8**	(1.3)
Adjusted basic earnings per share (in pence)	**9.3**	2.5
Diluted earnings/(loss) per share (in pence)	**2.6**	(1.3)
Adjusted diluted earnings per share (in pence)	**8.7**	2.5
The adjustments to profit/(loss) after tax have the following effect:		
Basic earnings/(loss) per share (pence)	**2.8**	(1.3)
Share based payments (pence)	**1.1**	0.9
Exceptional items (pence)	**3.1**	2.1
Amortisation of intangible assets arising on acquisitions (pence)	**2.8**	-
Exchange losses included in finance costs (pence)	**-**	0.8
Tax effect of the above adjustments (pence)	**(0.5)**	-
Adjusted basic earnings per share (pence)	**9.3**	2.5
Diluted earnings/(loss) per share (pence)	**2.6**	(1.3)
Share based payments (pence)	**1.1**	0.9
Exceptional items (pence)	**2.9**	2.1
Amortisation of intangible assets arising on acquisitions (pence)	**2.6**	-
Exchange losses included in finance costs (pence)	**-**	0.8
Tax effect of the above adjustments (pence)	**(0.5)**	-
Adjusted diluted earnings per share (pence)	**8.7**	2.5

10. Issued share capital

During the period 11,983,668 Ordinary shares (31 March 2016: 2,230,094) with a nominal value of £1,797,550 (31 March 2016: £334,514) were issued by the Company for a total cash commitment of £nil (31 March 201: £3,344,000), pursuant to the acquisition of Miura (Holdings) Limited, the holding company and ultimate parent company of Imagine Publishing Limited, in October 2016 and share scheme exercises throughout the period.

As at 31 March 2017 there were 36,567,574 Ordinary shares in issue (31 March 2016: 24,526,177).

11. Contingent assets and contingent liabilities

At 31 March 2017 there were no material contingent assets or contingent liabilities (31 March 2016: £nil).

12. Acquisitions

Acquisition of Miura (Holdings) Limited

On 21 October 2016, Future plc acquired 100% of the share capital of Miura (Holdings) Limited, the holding company and ultimate parent company of Imagine Publishing Limited, for total consideration of 179,567,841 new shares in the Company which, at the closing price of 8.6p on 21 October 2016, represents consideration of £15.4m.

The impact of the acquisition on the consolidated balance sheet was:

	Book value £m	Fair value adjustment £m	Provisional fair value £m
Intangible assets:			
- Publishing rights	-	6.8	6.8
- Brands	-	2.0	2.0
- Other intangibles	0.4	(0.3)	0.1
Tangible assets	0.1	-	0.1
Inventories	0.2	-	0.2
Trade and other receivables	2.6	-	2.6
Cash and cash equivalents	1.7	-	1.7
Trade and other payables	(6.2)	(0.1)	(6.3)
Corporation tax	(0.1)	-	(0.1)
Deferred tax	-	(1.5)	(1.5)
Loans and borrowings	(6.9)	-	(6.9)
Net liabilities acquired	(8.2)	6.9	(1.3)
Goodwill			16.7

Consideration:	
Equity shares	15.4
Total consideration	15.4

The goodwill is attributable to the synergies expected to arise in integrating the magazines into the wider Future group and through combining production and back office functions. The publishing rights and brands will be amortised over periods of five and ten years respectively.

Included within the Group's results for the period are revenues of £7.6m and statutory profit for the period of £1.2m from Miura (Holdings) Limited and its subsidiaries.

If the acquisition had been completed on the first day of the financial year, it would have contributed £8.1m of revenue and statutory profit of £1.3m during the period.

Acquisition of Team Rock

On 6 January 2017, Future Publishing Limited acquired certain assets from Team Rock Limited for cash consideration of £0.8m.

The impact of the acquisition on the consolidated balance sheet was:

	Book value £m	Fair value adjustment £m	Provisional fair value £m
Intangible assets:			
- Publishing rights	-	1.1	1.1
Trade and other payables	(0.3)	-	(0.3)
Deferred tax	-	(0.2)	(0.2)
Net assets acquired	(0.3)	0.9	0.6
Goodwill			0.2

Consideration:	
Cash	0.8
Total consideration	0.8

The goodwill is attributable to the synergies expected to arise in integrating the magazines and websites into the wider Future group. The publishing rights will be amortised over a period of five years.

Included within the Group's results for the period are revenues of £0.8m and statutory profit for the period of £0.3m from the Team Rock assets.

If the acquisition had been completed on the first day of the financial year, it would have contributed £2.5m of revenue and statutory profit of £0.8m during the period.

Acquisition of Next Commerce Pty Ltd

On 15 August 2016, Future Publishing (Overseas) Limited acquired 100% of the share capital of Next Commerce Pty Ltd. The consideration payable included deferred consideration of up to £0.6m, in the form of shares in Future plc, payable by 24 January 2017 based on revenue performance. At 30 September 2016 the provisional fair value of deferred consideration was measured at £0.6m. In January 2017, Future Publishing (Overseas) Limited agreed with the sellers to pay deferred consideration of £0.7m in cash instead of shares in Future plc. As a result, the provisional fair value of goodwill recognised at 30 September 2016 has been adjusted, as detailed below:

	Provisional fair value at 30 September 2016 £m	Fair value adjustment £m	Provisional fair value at 31 March 2017 £m
Goodwill	0.6	0.1	0.7

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 DTR 4.2.7 and DTR 4.2.8, namely: an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; a description of the principal risks and uncertainties for the remaining six months of the financial year; and material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

A list of current Directors is maintained on the Future plc website, www.futureplc.com.

By order of the Board

Directors
Peter Allen
Chairman
James Hanbury
Deputy Chairman
Zillah Byng-Thorne
Chief Executive
Penny Ladkin-Brand
Chief Financial Officer
Manjit Wolstenholme
Senior independent non–executive Director
Hugo Drayton
Independent non-executive Director

19 May 2017

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

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Future plc's condensed consolidated interim financial statements (the "interim financial statements") in the half year results of Future plc for the 6 month period ended 31 March 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated balance sheet as at 31 March 2017;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half year results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note basis of preparation to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The half year results, including the interim financial statements, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half year results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half year results based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

Independent review report to Future plc

What a review of interim financial statements involves

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.

We have read the other information contained in the half year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Bristol
19 May 2017