

21 July 2005

## HUVEAUX PLC

### Interim Results for the six months ended 30 June 2005 and the proposed acquisition of JB Baillière Santé for €11.5 million (£7.9 million) in cash

#### Highlights

- Turnover up 96 per cent. to £9.0 million including organic sales growth:
  - in the Political Division, up 20 per cent.
  - in Lonsdale (part of the Learning Division), up 21 per cent.
- Pre-tax profits up 73 per cent. to £0.63 million\*
- EPS up 20 per cent. to 0.42 pence\*
- Outlook for the remainder of 2005 is for continued good performance
- Offer announced today to acquire JB Baillière Santé, a leading publisher in the French medical sector, for €11.5 million (£7.9 million) in cash

#### Interim Results: Summary

<b>£'000</b>	<b>Six months to 30 June 2005 Unaudited</b>	<b>Six months to 30 June 2004 Unaudited</b>
Turnover	9,046	4,638
Profit before tax and exceptional items*	635	367
Profit before tax	635	66
Earnings per share pre exceptional items (basic)*	0.42p	0.35p
Earnings per share (basic)	0.42p	0.06p

\* *Exceptional items in 2004 amounted to £301,000 pre tax (2005: nil) relating principally to the cost of restructuring the Parliamentary Communications business acquired in 2004.*

John van Kuffeler, executive Chairman of Huveaux, commented:

"The results demonstrate our continued strong performance, particularly in the seasonally quiet first half of the year, and our commitment to achieve a solid balance of organic and acquisition-led growth.

The offer announced today for JB Baillière Santé will help us build on the success we have already achieved through our existing ATP-Egora business in the attractive French medical press sector. With the increasing scale of our combined operations, we have now created the Professional Division whose focus will be to provide essential information and continuing education to the medical profession.

The outlook for Huveaux for the remainder of the 2005 financial year remains good and the Board expects the acquisition of JB Baillière Santé to enhance significantly Huveaux's EPS going forward#."

*# This statement should not be taken to mean that the future EPS of Huveaux will necessarily match or exceed the historical reported EPS of Huveaux and no forecast is intended or implied.*

**For further information, please contact:**

John van Kuffeler, Executive Chairman, Huveaux	020 7245 0270
James Leviton, Finsbury Limited	020 7861 3801

An analysts presentation will be held at 9.30 am this morning at the offices of Dresdner Kleinwort Wasserstein, 20 Fenchurch Street, London.

**Note to Editors :**

Huveaux is a publishing and media group which operates through its Political, Learning and Professional Divisions. Since being admitted to AIM in December 2001, the Company has successfully completed the acquisition of seven complementary businesses.

Huveaux was founded by John van Kuffeler, formerly Chief Executive and now non-executive Chairman of Provident Financial plc.

## **OPERATING AND FINANCIAL REVIEW**

### **Financial Performance**

Huveaux achieved substantial growth in sales, profit and EPS in the seasonally quiet first half of 2005.

Sales increased from £4.64 million to £9.05 million of which £3.70 million of the increase came from the three acquisitions made last year. Organic sales growth for the Group was 15 per cent. Pre-tax profits (before exceptional items) increased from £367,000 to £635,000 and adjusted EPS increased 20 per cent. to 0.42 pence per share.

### **Divisional Highlights**

- **Political Division**

The Political Division operates as Dod's Parliamentary Communications in the UK where operations comprise political magazines; new media services; political training and seminars; database and reference books and recruitment. In the EU, our activities consist of reference books, newsletters, magazines, websites and reference books.

The first half results demonstrate an excellent performance from the Political Division which saw underlying organic sales growth of 20 per cent. supplemented by £3.70 million from acquisitions and £0.25 million from the recognition of deferred revenue on the publication of Eurosource.

In the UK, the General Election in May provided a platform for continuing strong demand for advertising in our portfolio of magazines and the value of orders for Dod's Parliamentary Companion reached a new record level.

Our new media websites, political seminars and events and political recruitment businesses each performed well and all achieved good growth.

In France, our political business is trading in line with management's expectations and its results are almost entirely weighted to the second half. In Brussels, Parliament Magazine achieved a further 20 per cent. growth in revenues following its 46 per cent. revenue growth achievement in 2004.

- **Professional Division**

Today we announced an offer to acquire JB Baillière Santé, a leading publisher in the French medical press sector based in Paris, for €1.5 million (£7.9 million) in cash. The business will be merged with our existing ATP-Egora operations and as a result of this combined scale the new Professional Division is being created. This acquisition is expected to be significantly earnings enhancing#.

During the first half, underlying sales growth at ATP-Egora was 28 per cent. This substantial increase was due in part to two large new contracts which we won for our medical website business in France.

- **Learning Division**

The Learning Division (formerly entitled the Education & Training Division) comprises Fenman, which publishes material for professional training managers, and Lonsdale, which publishes specialist revision guides for schools.

In response to changing market conditions we have reduced Fenman's dependence on direct marketing, which will result in a business with lower sales but higher profit margins. During the first half of 2005 direct marketing costs were reduced by 35 per cent. and sales were 9 per cent. lower than in the same period last year. The margin benefit is expected to flow through in the second half of this financial year.

The training seminars business continued its strong growth performance. Our subscription magazine, the Training Journal, completed a successful move into our existing London based magazine publishing operations which will deliver both operating efficiencies and further sales opportunities in the future.

Lonsdale achieved overall sales growth of 21 per cent. in the first six months of this year with new titles selling particularly well. The revision guides continue to be a quick and inexpensive solution for achieving better examination results in schools.

## **Cash**

Cash on deposit at 30 June 2005 amounted to £ 625,000. During the first half we settled all deferred cash considerations outstanding from previous acquisitions totalling £1.6 million and paid the final 2004 dividend of £1.1 million. Huveaux continues to maintain a strong balance sheet.

## **Outlook**

The second half of the year is an important period for the business as it coincides with the start of the academic and parliamentary years in September and October. Forward orders are already strong and the outlook for the remainder of the 2005 financial year continues to be good. This positive position will be further significantly enhanced by the proposed acquisition of JB Baillière Santé which was announced today.

Acquisitions remain an important part of Huveaux's growth strategy and the Board is currently pursuing another acquisition opportunity.

*# This statement should not be taken to mean that the future EPS of Huveaux will necessarily match or exceed the historical reported EPS of Huveaux and no forecast is intended or implied.*

**HUVEAUX PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	Notes	<b>For the six months ended 30 June 2005 Unaudited £000s</b>	For the six months ended 30 June 2004 Unaudited £000s	For the year ended 31 December 2004 Audited £000s
<b>Turnover</b>				
Continuing operations	3	<b>9,046</b>	3,192	7,572
Acquisitions	3	-	1,446	6,861
		<b>9,046</b>	4,638	14,433
Cost of sales		<b>(5,370)</b>	(2,006)	(6,872)
<b>Gross profit</b>		<b>3,676</b>	2,632	7,561
Administrative expenses		<b>(3,045)</b>	(2,308)	(5,217)
Exceptional items		-	(301)	(322)
<b>Total operating expenses</b>		<b>(3,045)</b>	(2,609)	(5,539)
Continuing operations	3	<b>631</b>	61	1,281
Acquisitions		-	(38)	741
<b>Total operating profit</b>		<b>631</b>	23	2,022
Other interest receivable and similar income		<b>27</b>	52	116
Interest payable and similar charges		<b>(23)</b>	(9)	(10)
<b>Profit on ordinary activities before taxation</b>		<b>635</b>	66	2,128
Tax on profit on ordinary activities	4	<b>(190)</b>	(20)	(345)
<b>Profit for the period</b>		<b>445</b>	46	1,783
Dividends on equity shares		-	-	(1,065)
<b>Retained profit for the period</b>		<b><u>445</u></b>	<u>46</u>	<u>718</u>
Adjusted basic earnings per share before exceptional items	5	<b>0.42 p</b>	0.35 p	2.19 p
Earnings per share – basic	5	<b>0.42 p</b>	0.06 p	1.94 p
Earnings per share – diluted	5	<b>0.42 p</b>	0.06 p	1.92 p

**HUVEAUX PLC**  
**CONSOLIDATED BALANCE SHEET**

	Notes	As at 30 June 2005 Unaudited £000s	As at 30 June 2004 Unaudited £000s	As at 31 December 2004 Audited £000s
<b>Fixed assets</b>				
Intangible assets	6	38,046	37,967	38,046
Tangible assets		836	687	800
		<b>38,882</b>	<b>38,654</b>	<b>38,846</b>
<b>Current assets</b>				
Stocks		1,287	1,022	1,329
Debtors		6,317	3,522	4,638
Cash at bank and in hand		625	2,653	3,120
		<b>8,229</b>	<b>7,197</b>	<b>9,087</b>
<b>Creditors: amounts falling due within one year</b>		<b>(7,565)</b>	<b>(7,390)</b>	<b>(8,736)</b>
<b>Net current assets</b>		<b>664</b>	<b>(193)</b>	<b>351</b>
<b>Total assets less current liabilities</b>		<b>39,546</b>	<b>38,461</b>	<b>39,197</b>
<b>Creditors: amounts falling due after more than one year</b>		-	-	(77)
Provision for liabilities and charges		-	(38)	-
<b>Net assets</b>		<b><u>39,546</u></b>	<b><u>38,423</u></b>	<b><u>39,120</u></b>
<b>Capital and reserves</b>				
Called-up equity share capital issued		10,761	10,646	10,646
Called-up equity share capital not issued		-	400	400
Share premium account		26,726	26,450	26,444
Merger reserve		409	409	409
Profit and loss account		1,650	518	1,221
<b>Equity shareholders' funds</b>	7	<b><u>39,546</u></b>	<b><u>38,423</u></b>	<b><u>39,120</u></b>

**HUVEAUX PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**

	Notes	As at 30 June 2005 Unaudited £000s	As at 30 June 2004 Unaudited £000s	As at 31 December 2004 Audited £000s
<b>Reconciliation of operating profit to net cash flow from operating activities</b>				
Operating profit		631	23	2,022
Depreciation charges		154	25	238
Decrease/ (increase) in stocks		25	(166)	(483)
(Increase)/ decrease in debtors		(1,741)	794	(773)
Increase/ (decrease) in creditors		1,284	(580)	(108)
Net cash inflow from operating activities		<u>353</u>	<u>96</u>	<u>896</u>
<b>Cash Flow statement</b>				
Cash flow from operating activities		353	96	896
Returns on investments and servicing of finance	8	4	43	106
Taxation		-	(7)	(49)
Capital expenditure and financial investment	8	(193)	(29)	(309)
Acquisitions and disposals	8	(1,571)	(17,084)	(17,122)
Equity dividends paid		(1,076)	(629)	(629)
Management of liquid resources		-	-	(47)
Cash outflow before financing		(2,483)	(17,610)	(17,154)
Financing	8	(3)	16,793	16,787
Decrease in cash in the year	9	<u>(2,486)</u>	<u>(817)</u>	<u>(367)</u>

**HUVEAUX PLC**  
**Notes to the Accounts**  
**30 June 2005**

1. These accounts comply with relevant accounting standards and have been prepared using the accounting policies set out in the Annual Report 2004.
2. The financial information included in this document does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The accounts for the year ended 31 December 2004, which have been filed with the Registrar of Companies, received an unqualified audit report and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The financial information contained herein in respect of the six month period to 30 June 2005 is unaudited.

**3. Segmental information**

All amounts shown relate to one business segment, that of publishing.

	<b>Period ended 30 June 2005 Unaudited £000s</b>	Period ended 30 June 2004 Unaudited £000s	Year ended 31 December 2004 Audited £000s
Group turnover by geographical area			
United Kingdom			
Continuing operations	<b>7,060</b>	3,101	6,645
Acquisitions	-	1,214	5,580
	<b>7,060</b>	4,315	12,225
Continental Europe and the rest of the world			
Continuing operations	<b>1,986</b>	91	927
Acquisitions	-	232	1,281
	<b>1,986</b>	323	2,208
Total turnover	<b><u>9,046</u></b>	4,638	<u>14,433</u>
Operating profit before exceptional items by geographical area			
United Kingdom			
Continuing operations	<b>623</b>	239	1,182
Acquisitions	-	261	614
	<b>623</b>	500	1,796
Continental Europe & the rest of the world			
Continuing operations	<b>8</b>	(178)	99
Acquisitions	-	(299)	127
	8	(477)	226
Total operating profit	<b><u>631</u></b>	<u>23</u>	<u>2,022</u>



Net assets/ (liabilities) by geographical area			
United Kingdom			
Continuing operations	38,878	38,526	38,553
Acquisitions	-	106	(575)
	<u>38,878</u>	<u>38,632</u>	<u>37,978</u>
Continental Europe & rest of the world			
Continuing operations	668	1	595
Acquisitions	-	(210)	547
	668	(209)	1,142
Total net assets	<u>39,546</u>	<u>38,423</u>	<u>39,120</u>

Turnover by geographic destination is not materially different from turnover by geographic origin.

#### 4. Taxation

The taxation charge for the six months ended 30 June 2005 is based on the expected annual tax rate.

#### 5. Earnings per share

	<b>Period ended 30 June 2005 Unaudited £000s</b>	Period ended 30 June 2004 Unaudited £000s	Year ended 31 December 2004 Audited £000s
Profit attributable to shareholders	<b>445</b>	46	1,783
Add: exceptional items	-	301	322
Less: tax in respect of exceptional items	-	(90)	(97)
Adjusted profit attributable to shareholders	<u><b>445</b></u>	<u>257</u>	<u>2,008</u>
	<b>2005 Shares</b>	2004 Shares	2004 Shares
<b>Weighted average number of shares</b>			
In issue during the year - basic	107,108,770	74,142,326	91,737,954
Dilutive potential ordinary shares	21,761	-	1,179,162
Diluted	<u>107,130,531</u>	<u>74,142,326</u>	<u>92,917,116</u>
Adjusted earnings per share before exceptional items (pence)	0.42	0.35	2.19
Earnings per share- basic (pence)	0.42	0.06	1.94
Earnings per share- diluted (pence)	0.42	0.06	1.92

## 6. Intangible fixed assets

	<b>Period ended 30 June 2005 Unaudited £000s</b>	Period ended 30 June 2004 Unaudited £000s	Year ended 31 December 2004 Audited £000s
<b>Cost &amp; net book value</b>			
Opening balance	<b>38,046</b>	19,451	19,451
Additions	-	-	5
Additions through acquisition	-	18,516	18,564
Fair value adjustments	-	-	26
Closing balance	<b><u>38,046</u></b>	<b><u>37,967</u></b>	<b><u>38,046</u></b>

## 7. Reconciliation of movements in equity shareholders' funds

	Total equity shareholders' funds Unaudited £000s
Profit for the period	445
Currency translation differences on foreign currency net investments	(16)
Costs associated with issue of shares to former owners of Lonsdale SRG	(3)
Net increase in shareholders' funds	426
Shareholders' funds at 31 December 2004	39,120
Shareholders' funds at 30 June 2005	<u>39,546</u>

## 8. Analysis of cash flows

	<b>Period ended 30 June 2005 Unaudited £000s</b>	Period ended 30 June 2004 Unaudited £000s	Year ended 31 December 2004 Audited £000s
<b>Returns on investment and servicing of finance</b>			
Interest and similar income received	27	52	116
Interest and similar expenses paid	(23)	(9)	(10)
	<u>4</u>	<u>43</u>	<u>106</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(193)	(29)	(304)
Purchase of intangible fixed assets	-	-	(5)
	<u>(193)</u>	<u>(29)</u>	<u>(309)</u>
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings and assets	-	(17,084)	(17,060)
Lonsdale deferred consideration paid	(1,100)	-	(300)
PCL deferred consideration paid	(471)	-	-
Cash acquired on acquisition of subsidiary	-	-	238
	<u>(1,571)</u>	<u>(17,084)</u>	<u>(17,122)</u>
<b>Financing</b>			
Issue of ordinary share capital	-	17,500	17,500
Expenses paid in connection with share issue	(3)	(707)	(713)
	<u>(3)</u>	<u>16,793</u>	<u>16,787</u>

## 9. Analysis of net funds

	<b>Period ended 30 June 2005 Unaudited £000s</b>	Period ended 30 June 2004 Unaudited £000s	Year ended 31 December 2004 Audited £000s
<b>Cash at bank and in hand</b>			
Opening balance	3,120	3,710	3,710
Cash flow during the period	(2,486)	(1,057)	(607)
Exchange movement	(9)	-	17
Closing balance	<u>625</u>	<u>2,653</u>	<u>3,120</u>
<b>Debt due within one year</b>			
Opening balance	-	(240)	(240)
Cash flow during the period	-	240	240
Closing balance	-	-	-
	<u>625</u>	<u>2,653</u>	<u>3,120</u>