26 July 2007

Huveaux PLC

Interim Results for the six months ended 30 June 2007

Financial Highlights

- Revenue up 8% to £21.7 million
- EBITDA at £1.0 million (2006: £1.8 million)*
- Profit before tax of £0.1 million (2006: £1.4 million)**
- EPS of 0.02 pence (2006: 0.68 pence)**

Operational Highlights

- Significant sales and profits growth in Education Division
- Strong outlook for Political Division following change of Prime Minister
- Healthcare Division impacted by very weak French pharmaceutical advertising
- Learning Division impacted by lower public sector training spend
- Strategy in place to drive near-term financial and operational performance

Summary of Results ***£'000***	**Six months to 30 June 2007 Unaudited**	**Six months to 30 June 2006 Unaudited and Restated*** **
Turnover	21,663	20,075
EBITDA*	963	1,780
Normalised (loss)/profit before tax**	58	1,380
(Loss)/profit before tax	(1,525)	497
Normalised earnings per share (basic)**	0.02p	0.68p
(Loss)/earnings per share (basic)	(0.75)p	0.24p

* EBITDA is calculated as operating profit before amortisation, depreciation and restructuring costs
** Normalised profit is stated before amortisation of intangible assets
*** Restated for conversion to IFRS

John van Kuffeler, Executive Chairman of Huveaux, commented:

"Our first half performance has been impacted by the very weak French pharmaceutical advertising market, which has affected our Healthcare Division and UK government cutbacks in training budgets, which have affected our Learning Division.

However, the outlook for the second half is encouraging across much of the Group. Although the French pharmaceutical advertising market continues to be difficult, the political environment across Europe remains buoyant and the Education Division is trading well, with many new products in the pipeline. Recent weeks have seen some recovery in public sector training spending and the Learning Division therefore looks set to achieve a satisfactory performance in the second half.

The Board has initiated an operational and profit improvement programme which it is confident will return us to growth in 2008."

For further information, please contact:

Huveaux
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An analyst presentation will be held at 9.30am at Dresdner Kleinwort, 30 Gresham Street, London EC2P 2XY, with coffee available from 9am.

Note to Editors:

Huveaux PLC is a public limited company listed on the Alternative Investment Market (ticker HVX.L).

The Company was formed in 2001 with the objective of building a substantial, high-quality media group. Huveaux has completed and successfully integrated 13 acquisitions over the past six years and employs more than 500 staff in London, Paris, Brussels, Edinburgh and four other UK regional offices.

The Group consists of four Divisions, each of which has strong brands and market leading positions:

Political Division
The market leader in political business-to-business publishing in the UK and EU, serving both the political and public affairs communities. The Division comprises Dods Parliamentary Companion, The House Magazine, Epolitix.com and numerous other political magazines, reference books, monitoring products and revenue-generating websites as well as events, awards and recruitment services.

Learning Division
A leading provider of resources to learning communities in the UK, including e-learning solutions for the public and private sector and blended learning solutions, seminars and events for the political, public affairs and training markets. The Division comprises Epic, the UK market leader in e-learning; The TJ magazine; and the highly acclaimed Westminster Explained conferences and seminars business.

Education Division (established 1 January 2007)
The leading supplier of study aids and revision guides in the UK, with full product coverage across all subjects and stages of the entire curriculum in UK schools. The Division comprises Lonsdale, Letts Educational and Leckie & Leckie.

Healthcare Division
One of the leading providers of specialist B2B publications and online education for the medical sector in France. The Division comprises Panorama du Médecin, a leading weekly magazine for French doctors, Le Concours Medical and La Revue du Praticien, market-leading Continuing Medical Education magazines, Egora.fr; the leading medical information website; a medical conference business; and a number of other magazines and reference materials.

OPERATING AND FINANCIAL REVIEW

Group Performance

The first half of 2007 saw an 8% growth in revenue to £21.7 million (2006: £20.1 million), driven by the acquisition of Letts and Leckie & Leckie in September 2006. Organic revenue growth in the Political and Education divisions has been offset by decreases in revenue in the Learning and Healthcare divisions.

EBITDA decreased from £1.8 million to £1.0 million, reflecting the market conditions in France and lower public sector training spend in the UK. Earnings per share decreased from 0.68 pence to 0.02 pence.

Operating Review

- **Political Division**

The Political Division had first half revenues of £4.6 million (2006: £4.1m).

With the appointment of Gordon Brown as Prime Minister, the second half of 2007 will prove to be an even busier period than usual for our Political Division. The timing of his appointment has meant that a number of our regular publications, which would normally be produced in the first half of the year, have been moved into the third quarter of 2007. This, together with the new launch activity detailed below, will increase the usual second half weighting of the profits in the division.

The first half has seen us release two new books following the recent devolved elections: the *Scottish Parliament Companion* and the *National Assembly for Wales Companion.*

Our European business is showing excellent growth in both online and print. The Regional Review will expand to publish six times a year and this incorporates the launch of two further titles in Brussels, the *Research Review* and the *Employment and Learning Review*.

Our portfolio in Brussels has been enhanced by the acquisition of the *European Public Affairs Directory* (EPAD) for £0.2 million cash in April. The acquisition of EPAD is expected to be earnings neutral in 2007.

In France, following the recent presidential and parliamentary elections, our print and online sales are good and will be ahead of last year.

Our awards and events businesses in London, Paris and Brussels go from strength to strength and forward sales into the busy party conference season are strong. With our expanded portfolio, an increasing number of awards and events and a buoyant political market across Europe, we expect the Political Division to deliver good revenue and profit growth across the board in 2007.

- **Learning Division**

The Learning Division had revenues of £5.2 million in the first half of 2007 compared to £6.6 million last year. The division experienced a slowdown in public sector training spend in the first half ahead of the appointment of the new Prime Minister and Cabinet. This adversely affected both our Westminster Explained and Epic businesses.

At Fenman, we have substantially increased our profit levels while continuing to reduce our reliance on the sale of training resources for trainers. The TJ Events business continues to grow and TJ Online has been successfully launched.

This year we have established a conference business within the Learning Division, with a total of 18 conferences planned for 2007, 15 of which will take place in the second half of the year. Our Westminster Briefing business continues to expand at a healthy rate.

Epic continues to win significant public sector contracts and its current win rate is one in three for new competitive tenders.

We have reorganised the senior and local management teams within the Learning Division and have reduced the cost base as a result. In recent weeks we have seen an increase in public sector training bookings and the outlook for the second half of the year is more positive, with growth in revenue expected from the increased number of events and awards.

- **Education Division**

Following the successful integration of Letts and Leckie & Leckie, which were acquired in September 2006, we created a separate Education Division from the start of this year, comprising both these companies together with our existing Lonsdale business. The division's sales in the first half of 2007 amounted to £5.5 million, compared to £1.2 million in the first half of 2006, with the increase largely driven by the two acquisitions made last September.

Lonsdale has seen 10% organic growth in the first half of the year driven mainly by increased sales volumes of its Science curriculum products at Key Stage 4. Organic sales at Leckie & Leckie have also been strong and the historic sales decline at Letts has been halted. Encouragingly, sales to schools have risen over 20% across the division.

Additionally, the division has also delivered an impressive increase in profits with Lonsdale's EBITDA increasing 34%. Profits across the division have benefited from synergies including reduced distribution costs, print savings and more efficient use of the publishing cost base.

There has also been substantial investment in new publishing with 51 new titles released in the first half of the year and a further 164 new titles scheduled to be published in the second half. This includes the launch of a new range of revision guides, *Essentials GCSE Science*, which has 26 titles in book format, together with a corresponding digital e-learning product developed jointly with Epic.

This investment reinforces Huveaux's position as the leading publisher in the UK revision market. As we approach the key trading period ahead of the new academic year, the overall outlook for the Education Division is for further good growth in revenue and profitability in 2007.

- **Healthcare Division**

The Healthcare Division's sales in the first half were £6.3 million, compared to £8.2 million in the corresponding period last year. This year's first half performance has been significantly impacted by the 19% year-on-year decrease in the French pharmaceutical advertising market. This has arisen due to pharmaceutical companies reducing their advertising budgets to the primary care sector in response to the sharp rise in generic drugs and the lack of new blockbuster drug launches.

In June 2007 we disposed of our non-core contract publishing business for £0.6 million in cash. This divestment is expected to have a neutral impact on the Group's earnings in 2007 and beyond.

The revenues from our *Continuing Medical Education* and *Evaluation of Medical Practice* accredited product offerings have started to flow through, with £0.3 million recognised in the first half. These are anticipated to provide a growing revenue stream in the second half of 2007.

Overall, the outlook for the Healthcare Division in 2007 is for sales and EBITDA to be significantly lower than in 2006. Nevertheless, this expected performance will still generate at least a 15% pre-tax return on the original cost of acquisition - well in excess of our cost of capital. Longer term the focus for the division remains on controlling the costs of our print publications and growing CME revenue streams.

Financial Review

Net debt at 30 June 2007 amounted to £18.5 million. During the first half we generated £2.7 million of operating cash flows, particularly from positive working capital movements. In addition, the Group repaid £1.6 million of its outstanding loans and paid £1.8 million in satisfaction of the 2006 final dividend. The level of gearing for the Group, with net debt to EBITDA of 3.1 times, provides a robust financial position going forward.

On 11 May 2007, the Company announced its adoption of International Financial Reporting Standards (IFRS) for the year ended 31 December 2007. The comparative financial information for the six months to 30 June 2006 and the year ended 31 December 2006 has been restated accordingly.

Profit Improvement Programme

The Board remain committed to increasing shareholder value and have initiated an operational and profit improvement programme. This consists of revenue growth, driven principally from new conferences and exhibitions and by new publications across the four divisions as summarised above. In addition, we have completed a print and paper review which will yield significant savings in 2008. We have reduced the cost base of the management team in the Learning Division and completed plans to reduce our central overhead by more than 20%.

Outlook

The second half of the financial year is always seasonally more important for Huveaux, as it coincides with the start of the academic and parliamentary years in September and October respectively. The second-half weighting is heightened this year by the appointment of a new Prime Minister and the impact of this on the timing of our political publications and the expected increase in public sector training spend.

The outlook for Huveaux in the second half of 2007 is encouraging across much of the Group. The political market remains buoyant and the Education Division is performing well. There has been some recovery in public sector training spend in recent weeks and the Learning Division therefore looks set to achieve a satisfactory performance in the second half. The pharmaceutical advertising market in France remains difficult, with revenues in France expected to continue at levels well below those of previous years. Our focus in the Healthcare Division is on controlling costs and accelerating our CME revenue streams.

HUVEAUX PLC
CONSOLIDATED INCOME STATEMENT

	Note	**For the six months ended 30 June 2007 Unaudited £ 000s**	For the six months ended 30 June 2006 Unaudited £ 000s	For the year ended 31 December 2006 Unaudited £ 000s
Revenue	3	**21,663**	20,075	45,028
Cost of sales		**(14,231)**	(12,443)	(26,408)
Gross profit		**7,432**	7,632	18,620
Administrative expenses before amortisation and impairment		**(6,734)**	(6,100)	(12,597)
Amortisation of intangible assets		**(1,583)**	(883)	(2,132)
Total administrative expenses		**(8,317)**	(6,983)	(14,729)
(Loss)/profit from operations		**(885)**	649	3,891
Financing income		**112**	46	161
Financing costs		**(752)**	(198)	(872)
(Loss)/profit before taxation		**(1,525)**	497	3,180
Income tax credit/(expense)	4	**378**	(162)	(892)
(Loss)/profit for the period		**(1,147)**	335	2,288
Earnings per share - basic	5	**(0.75 p)**	0.24 p	1.59 p
Earnings per share - diluted	5	**(0.75 p)**	0.24 p	1.58 p

HUVEAUX PLC
CONSOLIDATED BALANCE SHEET

	Note	**As at 30 June 2007 Unaudited £ 000s**	As at 30 June 2006 Unaudited £ 000s	As at 31 December 2006 Unaudited £ 000s
Goodwill	6	**28,046**	19,869	28,165
Intangible assets	7	**43,083**	35,222	44,778
Property, plant and equipment		**1,125**	886	991
Non-current assets		**72,254**	55,977	73,934
Inventories		**3,657**	1,941	3,268
Trade and other receivables		**10,571**	10,889	15,158
Derivative financial instruments		**140**	87	140
Cash and cash equivalents		**2,925**	1,033	4,307
Assets held for sale		**-**	189	188
Current assets		**17,293**	14,139	23,061
Income tax payable		**(163)**	(252)	(412)
Provisions for liabilities and charges		**(86)**	(615)	(368)
Trade and other payables		**(18,226)**	(13,559)	(19,871)
Current liabilities		**(18,475)**	(14,426)	(20,651)
Net current (liabilities)/assets		**(1,182)**	(287)	2,410
Total assets less current liabilities		**71,072**	55,690	76,344
Interest bearing loans and borrowings		**(18,022)**	(9,328)	(19,855)
Employee benefits		**(156)**	(137)	(156)
Deferred tax liability		**(7,768)**	(5,645)	(8,248)
Other non-current liabilities		**-**	-	(96)
Non current liabilities		**(25,946)**	(15,110)	(28,355)
Net assets		**45,126**	40,580	47,989
Capital and reserves				
Issued capital		**15,200**	14,017	15,200
Share premium		**30,816**	26,795	30,816
Other reserves		**409**	409	409
Retained (loss)/earnings		**(1,299)**	(641)	1,564
Equity shareholders' funds	8	**45,126**	40,580	47,989

HUVEAUX PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the six months ended 30 June 2007 Unaudited £ 000s	For the six months ended 30 June 2006 Unaudited £ 000s	For the year ended 31 December 2006 Unaudited £ 000s
Cash flows from operating activities				
(Loss)/profit for the period		(1,147)	335	2,288
Depreciation of property, plant and equipment		265	248	511
Amortisation of intangible assets		1,583	883	2,132
Profit on disposal of property, plant and equipment		(67)	-	-
Profit on disposal of discontinued operation		5	-	-
Credits on defined benefit scheme		-	-	(1)
Share based payments charges		125	117	153
Net finance costs		640	152	711
Income tax expense		(378)	162	892
Cash flow relating to restructuring provisions		(282)	(937)	(1,824)
Operating cash flows before movements in working capital		744	960	4,862
Change in inventories		(389)	209	199
Change in receivables		4,375	647	(1,449)
Change in payables		(2,023)	(1,127)	1,000
Cash generated by operations		2,707	689	4,612
Interest and similar expenses paid		(296)	(198)	(1,066)
Income tax paid		(280)	-	(745)
Net cash from operating activities		2,131	491	2,801
Cash flows from investing activities				
Interest and similar income received		112	46	153
Proceeds from sale of property, plant and equipment		275	-	-
Proceeds from sale of investments		-	-	55
Escrow received on acquisition of Letts and Leckie		400	-	-
Disposal of discontinued operation		370	-	131
Acquisition of subsidiary, net of overdraft acquired		-	-	(16,842)
Deferred consideration paid on Political Wizard		(500)	-	-
Acquisition of property, plant and equipment		(325)	(548)	(854)
Acquisition of publishing rights		(164)	-	-
Acquisition of other intangible assets		(277)	(75)	(312)
Net cash used in investing activities		(109)	(577)	(17,669)
Cash flows from financing activities				
Proceeds from issue of share capital		-	-	5,500
New loans acquired		-	-	13,400
Payment of transaction costs		-	-	(296)
Repayment of borrowings		(1,569)	-	(516)
Dividends paid		(1,839)	(1,542)	(1,542)
Net cash used in financing activities		(3,408)	(1,542)	16,546
Net decrease in cash and cash equivalents	9	(1,386)	(1,628)	1,678
Opening cash and cash equivalents		4,307	2,678	2,678
Effect of exchange rate fluctuations on cash held		4	(17)	(49)
Closing cash and cash equivalents	9	2,925	1,033	4,307

1 Statement of Accounting Policies

The accounting policies set out below, have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements and in preparing an opening IFRS balance sheet at 1 January 2006.

Basis of preparation

The consolidated financial statements of Huveaux PLC have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRS").

The unaudited financial information presented in this document has been prepared on the basis of the expected accounting policies which the Group will comply with in the accounts to 31 December 2007 and on the basis of all International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees, as adopted by the EU. These are subject to ongoing amendment by the IASB and subsequent endorsement by the European Commission and are therefore subject to possible change. As a result, information contained within this release will require updating for any subsequent amendment to IFRS required for first time adoption or those new standards that the Group may elect to adopt early.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, except for derivative financial instruments which are stated at their fair value, and non-current assets and disposal groups held for sale which are stated at the lower of previous carrying value and fair value less costs to sell.

IFRS 1 exemptions

IFRS 1 "First time adoption of International Financial Reporting Standards" sets out procedures that the Group must follow when IFRS is adopted for the first time as the basis for preparing Group consolidated financial statements. It provides a number of exemptions that are available on first time adoption to assist companies in the transition to reporting under adopted IFRS. The following exemptions have been taken:

The Group has taken advantage of the exemption from restating all previous acquisitions under IFRS 3 "Business Combinations" and has chosen to restate all business combinations from 1 October 2003 onwards; and

The Group has set its cumulative translation differences to zero at the date of transition to adopted IFRS.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group controlled by the Company and its subsidiaries (the "Group"). Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the date control commences to the date control ceases. Where necessary, adjustments are made to the results of the acquired subsidiaries to align their accounting policies with those of the Group. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Revenue recognition - sale of goods

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns and cancellations.

Revenue in respect of advertising services is recognised on publication. Where publications are printed and distributed in more than one volume, the fair value of the revenue attributable to each volume is recognised as it is distributed. Revenue on books or magazines provided for clients is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

When books are sold on a sale or return basis, revenue is recognised on distribution less a provision for expected returns.

1 Statement of Accounting Policies (continued)

Revenue recognition - sale of services

Revenue in respect of subscription-based services, including online services, is recognised on a straight line basis over the period of subscription. The unrecognised element is carried within creditors as deferred revenue.

Where the outcome of an e-learning contract can be estimated reliably, revenue is recognised on a stage of completion basis based on the percentage of costs incurred at the balance sheet date. Where the outcome of an e-learning contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred and work in progress amounts are recorded in the balance sheet at cost. Costs consist of salaries of staff allocated to specific contracts on the basis of time spent on the contract, and any materials directly incurred on that contract. Costs do not include an apportionment of overheads. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where long term training is provided together with training materials, the fair value of the materials provided to delegates is recognised as revenue upon distribution. The remaining revenue is recognised in stages as courses occur.

When long term training programmes are designed on a client's behalf, revenue relating to the conception, set-up and design of the programme is recognised when the first event occurs. Revenue in relation to the organisation and administration of the programme is recognised over the programme's life. Revenue on all one-off events and conferences is recognised as they occur.

Leases

Operating lease rentals are charged to the income statement on a straight line basis over the period of the lease. Lease incentives are recognised in the income statement as an integrated part of the total lease expense.

Post retirement benefits - defined contribution

The Group contributes to independent defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

Post retirement benefits - defined benefit

The Group operates a defined benefit pension scheme in France providing benefits on final pensionable pay. The assets of the scheme are held separately from those of the Group. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognised income and expense, actuarial gains and losses. The Group recognises all actuarial gains and losses in the period in which they are valued.

The value of the defined benefit obligations at 30 June 2007 was £156,000.

Share based payment

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Deferred tax is recognised where it is likely that share relief will be available on the difference between exercise price and market price at the balance sheet date.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over their useful lives in accordance with IAS 38 "Intangible Assets". Assets are not revalued. The amortisation period and method are reviewed at each financial year end and are changed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" if this is considered necessary. The estimated useful lives are as follows:

Publishing rights	10-75 years
Brand name	15-20 years
Customer relationships	1-8 years
Customer lists	4 years
Order books	1 year
Other assets	1 year

Software which is not integral to a related item of hardware is included in intangible assets and amortised over its estimated useful life of 3 years.

For new publications and other new products, development costs are deferred and amortised over periods of between one and five years following the first release of the new product for sale. The costs of the design and development of revision material ("plate costs") are capitalised on individual projects where the future recoverability of the costs can be foreseen with reasonable certainty. Plate costs are stated at their direct cost less accumulated amortisation. Full provision is made for any plate costs where the revision material titles are excess to requirements or where they will no longer be used in the business. Amortisation is provided to write off the plate costs over one to three years at varying rates to match the anticipated future income streams.

In respect of acquisitions prior to 1 October 2003, publishing rights are held at deemed cost, which represents the amount recorded under UK GAAP. Under UK GAAP these assets were not amortised. Management have reviewed this accounting policy and consider it more appropriate to assign useful lives to these assets in accordance with the policy adopted for other publishing rights as detailed above.

The effect of amortising these assets over their useful lives has been to increase the loss for the period by £216,000 and to reduce intangible assets by the same amount.

1 Statement of Accounting Policies (continued)

Goodwill

Goodwill represents the difference between the cost of acquisition of a business and the fair value of identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Property, plant and equipment

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	Over the remaining life of the lease
Equipment, fixtures and fittings	5 years
Database development costs	5 years
Motor vehicles	4 years
IT systems	3 years

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Inventories, work in progress and long term contracts

Inventories are stated at the lower of cost and net realisable value. Work in progress consists of internal and third party editorial and production costs prior to print, which are capitalised for new publications and substantial updates of continuing publications. Work in progress is valued at the lower of cost and net realisable value being the recoverable amount based on anticipated forward sales from the first print run.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Contract work in progress is stated at costs incurred, less those transferred to the income statement, after deducting foreseeable losses and payments on account not matched with turnover. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible (with a maturity of three months or less) to a known amount of cash and are subject to an insignificant risk of changes in value.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Derivative financial instruments

The Group’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses foreign exchange forward contracts and interest rate caps to hedge these exposures. The group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. The fair value of interest rate caps is the estimated amount that the Group would receive or pay to terminate the cap at the balance sheet date.

1 Statement of Accounting Policies (continued)

Financial liabilities and equity instruments

Financial assets and financial transaction are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities, and includes no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group, or, where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and incremental costs directly attributable to the issue, are accounted for on an accruals basis as part of finance expenses in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period that they arise.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Foreign currencies

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated but remain at the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period ended on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Exchange rate differences arising, if any, are recognised directly in equity in the Group's translation reserve. Such translation differences are recognised as income or as expense in the period in which the operation is disposed of.

2 Nature of information

The interim accounts for the six months ended 30 June 2007 and the comparative figures for the six months ended 30 June 2006 are not audited by the Company's auditors. The comparative figures for the twelve months ended 31 December 2006 are not the Company's statutory accounts within the meaning of Section 240 of the Companies Act 1985 but are abridged from such accounts and then restated under IFRS.

The financial statements for the twelve months ended 31 December 2006 as previously stated (under UK GAAP) have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors on such accounts was unqualified and did not contain any statement under Sections 237(2) or 237(3) of the Companies Act 1985.

3 Segmental information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. The secondary segment represents geographical destination of turnover.

	Six months ended 30 June 2007 Unaudited	Six months ended 30 June 2006 Unaudited	Year ended 31 December 2006 Unaudited
Turnover (primary segment)	**£ 000s**	£ 000s	£ 000s
Political	**4,624**	4,112	10,578
Learning	**5,232**	6,567	12,718
Education	**5,528**	1,233	6,798
Healthcare	**6,279**	8,163	14,934
	21,663	20,075	45,028
Turnover (secondary segment)			
United Kingdom	**14,243**	11,020	27,921
Continental Europe and rest of the world	**7,420**	9,055	17,107
	21,663	20,075	45,028

	Six months ended 30 June 2007 Unaudited	Six months ended 30 June 2006 Unaudited	Year ended 31 December 2006 Unaudited
EBITDA from operations (primary segment)*	**£ 000s**	£ 000s	£ 000s
Political	**195**	393	2,428
Learning	**209**	926	1,888
Education	**904**	383	2,159
Healthcare	**448**	1,048	2,366
Head Office	**(793)**	(970)	(1,667)
	963	1,780	7,174
EBITDA from operations (secondary segment)*			
United Kingdom	**449**	612	4,327
Continental Europe and rest of the world	**514**	1,168	2,847
	963	1,780	7,174

*EBITDA is defined by the Directors as being earnings before interest, tax, depreciation, amortisation and fundamental restructuring costs (previously classified as exceptional items under UK GAAP).

A reconciliation between EBITDA and profit from operations is shown in Schedule A.

4 Taxation

The taxation charge for the six months ended 30 June 2007 is based on the expected annual tax rate.

5 Earnings per Share

	Six months ended 30 June 2007 Unaudited £ 000s	Six months ended 30 June 2006 Unaudited £ 000s	Year ended 31 December 2006 Unaudited £ 000s
Profit attributable to shareholders	**(1,147)**	335	2,288
Add: costs relating to fundamental restructuring*	**-**	-	640
Add: amortisation of intangibles	**1,583**	883	2,132
Less: tax thereon	**(403)**	(272)	(845)
Adjusted profit attributable to shareholders	**33**	946	4,215
	Shares	Shares	Shares
Weighted average number of shares			
In issue during the year - basic	**151,998,453**	140,170,496	143,994,329
Dilutive potential ordinary shares	**950,981**	513,854	698,200
Diluted	**152,949,434**	140,684,350	144,692,529
Earnings per share - basic (pence)	**(0.75)**	0.24	1.59
Earnings per share - diluted (pence)	**(0.75)**	0.24	1.58
Adjusted earnings per share before fundamental restructuring costs and amortisation of intangibles (pence)	**0.02**	0.68	2.93

*previously disclosed as exceptional items under UK GAAP

6 Goodwill

	Six months ended 30 June 2007 Unaudited £ 000s	Six months ended 30 June 2006 Unaudited £ 000s	Year ended 31 December 2006 Unaudited £ 000s
Cost & Net book value			
Opening balance	**28,165**	19,869	19,869
Additions	**98**	-	343
Acquisitions through business combinations	**-**	-	5,031
Disposals	**(133)**	-	-
Movements in deferred tax asset	**(84)**	-	2,922
Closing balance	**28,046**	**19,869**	**28,165**

7 Intangible fixed assets

Assets acquired on acquisition	**Six months ended 30 June 2007 Unaudited £ 000s**	Six months ended 30 June 2006 Unaudited £ 000s	Year ended 31 December 2006 Unaudited £ 000s
Cost			
Opening balance	**47,927**	37,843	37,843
Acquisitions through business combinations	**164**	-	10,084
Disposals	**(477)**	-	-
Closing balance	**47,614**	**37,843**	**47,927**
Amortisation			
Opening balance	**4,097**	1,965	1,965
Charge for the period	**1,583**	883	2,132
Disposals	**(23)**	-	-
Closing balance	**5,657**	**2,848**	**4,097**
Net book value			
Opening balance	**43,830**	35,878	35,878
Closing balance	**41,957**	34,995	43,830
Other intangible assets			
Net book value			
Opening balance	**948**	210	210
Closing balance	**1,126**	227	948
Net intangible assets			
Opening balance	**44,778**	36,088	36,088
Closing balance	**43,083**	35,222	44,778

During the period the Group acquired the European Public Affairs Directory for a consideration of £164,000. The Group also disposed of its French cardiology publications for £572,000, of which £202,000 represents deferred consideration and is held within receivables.

All acquisition entries have been recorded on a provisional basis. Experience may result in revisions to fair values during the year to 31 December 2007 and the subsequent accounting period.

8 Reconciliation of movements in equity shareholders' funds

	Total equity shareholders' funds Unaudited £ 000s
Profit for the period	(1,147)
Payment of 2006 dividend	(1,839)
Share-based payments charges	125
Currency translation differences on foreign currency net investments	(2)
Net decrease in equity shareholders' funds	(2,863)
Equity shareholders' funds at 31 December 2006	47,989
Equity shareholders' funds at 30 June 2007	**45,126**

9 Analysis of net debt

	At beginning of period £ 000s	Cash flow £ 000s	Non-cash movements £ 000s	Exchange movement £ 000s	At end of period £ 000s
Cash at bank and in hand	4,307	(1,386)	-	4	2,925
Debt due within one year	(3,140)	1,569	(1,821)	1	(3,391)
Debt due after one year	(19,855)	-	1,821	12	(18,022)
	(18,688)	**183**	**-**	**17**	**(18,488)**

10 Reconciliation of comparative information to previously reported information

A reconciliation between results previously published under UK GAAP and the results presented above under IFRS was provided in the IFRS Conversion Statement released by the Group on 11 May 2007. Please refer to that document for a full reconciliation. A copy of the document can be found on the Group's website, www.huveauxplc.com.

Schedule A

Reconciliation between profit from operations and non-statutory measure

The following tables reconcile profit from operations as stated above to EBITDA, a non-statutory measure which the Directors believe is the most appropriate measure in assessing the performance of the Group.

EBITDA is defined by the Directors as being earnings before interest, tax, depreciation, amortisation and fundamental restructuring costs*.

Six months ended 30 June 2007

	Political	Learning	Education	Healthcare	Head Office	**Total**
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	**£ 000s**
(Loss)/profit from operations	**(496)**	**(163)**	**367**	**209**	**(802)**	**(885)**
Amortisation	585	307	502	189	-	**1,583**
Depreciation	106	65	35	50	9	**265**
EBITDA	**195**	**209**	**904**	**448**	**(793)**	**963**

Year ended 31 December 2006

	Political	Learning	Education	Healthcare	Head Office	**Total**
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	**£ 000s**
Profit/(loss) from operations	**1,187**	**984**	**1,711**	**1,704**	**(1,695)**	**3,891**
Amortisation	915	646	227	344	-	**2,132**
Depreciation	224	152	30	77	28	**511**
Restructuring costs*	102	106	191	241	-	**640**
EBITDA	**2,428**	**1,888**	**2,159**	**2,366**	**(1,667)**	**7,174**

Six months ended 30 June 2006

	Political	Learning	Education	Healthcare	Head Office	**Total**
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	**£ 000s**
(Loss)/profit from operations	**(106)**	**529**	**368**	**842**	**(984)**	**649**
Amortisation	388	323	-	172	-	**883**
Depreciation	111	74	15	34	14	**248**
EBITDA	**393**	**926**	**383**	**1,048**	**(970)**	**1,780**

*previously disclosed as exceptional items under UK GAAP