02 March 2008

Huveaux PLC

2008 PRELIMINARY RESULTS

Financial Highlights

- Revenue at £36.3 million (2007: £46.1 million)
- Revenue from retained business at £27.9 million (2007: £28.1 million)*
- EBITDA at £4.8 million (2007: £5.9 million) **
- Statutory operating profit at £1.3 million (2007: £0.02 million)
- EBITDA from retained business at £4.3 million (2007: £4.4 million)
- Normalised profit before tax for the year of £3.1 million (2007: £3.1 million) ***
- No dividend recommended (2007: 0.75 pence)

Operating Highlights

- Strong organic growth in the Political Division
- Successful disposal of non-core operations in the first half of year
- Successful launch of Civil Service Live and other significant Events
- Exciting growth in Political Knowledge and EU Political businesses
- Results depressed by abolition of Key Stage 3 SATs in Education
- Improved balance sheet, robust ahead of difficult economic conditions

Summary of Results	2008	2007
	£'000	£'000
Revenue	36,323	46,069
Revenue from retained business *	27,942	28,069
EBITDA**	4,845	5,925
EBITDA from retained business	4,288	4,381
(Loss) / Profit for the year	(3,984)	362
Normalised profit before tax ***	3,134	3,066
EPS on continuing activities (basic)	0.92p	0.06p
Dividends per share	-	0.75p

* Retained business is excluding the sold French Healthcare and Epic businesses. The results of Epic are included in continuing business for statutory purposes.

** EBITDA is calculated as earnings before interest, tax, depreciation, amortisation of intangible assets acquired through business combinations, and non-trading items.

*** Normalised profit is stated before amortisation of intangible assets acquired through business combinations, share based payment charges and non-trading items and related tax and discontinued operations.

The Group believes that these measures provide additional guidance to the statutory measures of performance of the business. These measures are not defined under adopted IFRS and therefore may not be directly comparable with other companies' adjusted profit measures.

Non-trading items are items which, in management's judgement, need to be disclosed by virtue of size, incidence or nature. Such items are included within the income statement caption to which they relate and are separately disclosed either in the notes to the consolidated financial statements or on the face of the consolidated income statement.

An analyst presentation will be held at 9.30am today at the offices of Brewin Dolphin, 12 Smithfield Street, London EC1A 9BD, with coffee available from 9.00am.

Kevin Hand, Non-Executive Chairman of Huveaux, commented:

"We took hard decisions in 2008. We disposed of two non-performing divisions, cut our debt in half, reduced costs throughout the business and focused our efforts on Politics and Education. This has significantly reduced the operational and financial risk profile of the Group, produced a good result in 2008 and put the Group in a much better position to face the difficult economic climate of 2009.

In the past year our Political division has shown substantial organic growth, driven by Events and Digital. Sales in our Education division suffered from the abolition of Key Stage 3 SATs and the recession's effect on High Street footfall and this will continue into 2009. We have cut costs across the division to mitigate against the projected shortfall in sales.

Our Political division is now well established as the leading information provider in its market and we believe it will continue to show good organic growth as we move towards an election year in 2010."

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Note to editors:

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

CHAIRMAN'S STATEMENT

2008 Overview

Our first priority in 2008 was to ensure that the Group structure was best aligned to the changing economic conditions. Following a detailed strategic review, the Board decided to divest of two major business units. Both the French Healthcare business and Epic were sold in June 2008 to their respective management teams for a combined consideration of £11.3m. While these sales gave rise to a book loss on disposal, the cash generated allowed us to repay our € loan in full and helped to provide financial stability to the Group.

Following these disposals, the Group now is concentrated on its two core Divisions – Politics and Education.

For the whole Group, revenue declined from £46.1 million to £36.3 million, but this includes the divested companies. On a retained basis, the Group delivered a performance broadly in line with 2007. Group revenue was £27.9 million (2007: £28.1 million), while earnings before interest, tax, amortization and non-trading items (EBITDA) was flat at £4.3 million, and in line with expectations.

One-off items amounted to a total of £5.3 million, including the net loss on the disposal of the two businesses (£5.1 million) and the impact of the Group's continued initiatives to reduce costs (£0.2 million).

The Board is not recommending a dividend at this time. In the current climate, the Board believes that prudent management of the Group's cash resources is of paramount importance.

Strategy

In last year's Chairman's statement my predecessor set out the strategic priorities as being the migration of Huveaux's business and financial profile towards one of strong organic revenue and EBITDA growth with good margins in attractive B2B sectors with significant digital and events revenue.

Within the Politics Division, 2008 has seen this strategy working well. The successful launch of C*ivil Service Live* in April, and the expanding number of significant events organised across the portfolio, has been a significant driver of profit in 2008 and is set to increase further in 2009. In our European business we have seen a large increase in the use of our digital monitoring products and our Political Knowledge business has increased the number of larger conferences and long-term contracts.

After showing significant growth in 2007, the Education Division was hit hard by two factors in 2008. The large-scale curriculum change created the expected hiatus in sales as schools absorbed the effects of these changes, while the sudden announcement of the abolition of SATs at Key Stage 3 in October substantially affected the trading for this year-group. Despite these factors, the strategic goals remain to provide schools and students with market leading products across the curriculum.

The Board, Management and People

Another significant change in 2008 was the resignation from the Board of the Group's Non-Executive Chairman, John de Blocq van Kuffeler. As the Group's founder, John was instrumental in creating the Group and in all of the subsequent acquisitions and developments. I would like to thank John on behalf of the Board for his hard work and commitment to the Group and to wish him well in his future career. I am honoured to be succeeding him as your Chairman.

There have been two other changes at Board level in the year. As announced in the Chairman's statement last year, Rupert Levy duly joined as our Finance Director in April and he has also taken over as our Company Secretary. John Clarke, who had been a Director of the Group since 2001, also resigned as a Non-Executive Director in November. I would like to thank him on behalf of the Board for his service to the Group.

The changes at Board level have helped to significantly reduce the cost base of the Group.

Huveaux, like all UK companies, has had to work in increasingly difficult external markets. I would like to thank our management and staff for their considerable efforts during this difficult year. The strength of the products and the dedication of our staff leave Huveaux in a strong position to compete well in the year ahead.

Outlook

The Board is mindful that the external economic environment in 2009 remains uncertain and is likely to be difficult. The media industry has been particularly badly hit by the downturn in marketing budgets and no sector is totally immune from these factors. The Education Division will continue to show the effects of the abolition of SATs at the Key Stage 3 level, while the growth within the Politics Division will continue, but may be dampened by the overall market environment.

Nevertheless, Huveaux benefits from being focused on two divisions, which each enjoy the benefits of market-leading products and a degree of insulation against the recession.

As a result, your Board is confident that the Group can deliver a satisfactory performance in 2009 given the global economic downturn.

CHIEF EXECUTIVES' BUSINESS AND FINANCIAL REVIEW

Introduction

Throughout the Group this was a year of significant developments. In the first half of the year we disposed of the non-core and lower margin businesses of Epic and the French Healthcare business. These transactions were successfully completed in June and greatly reduced the debt of the Group resulting in a smaller but more focused business, better set to face the difficult economic circumstances of our time. Our Politics Division coped well with these tough conditions and has shown excellent growth in both revenue and profit.

In addition 2008 was a time of great change in the secondary school curriculum and our Education business had much to cope with. We were not helped when the government, in a policy u-turn and without consultation, ended KS3 SATs overnight. This had been a material part of our portfolio and all our KS3 sales were immediately and adversely affected.

As we enter 2009, the economic climate remains difficult and we are cautious about immediate prospects. However, we have a portfolio of market leading products in both Politics and Education and are well placed to drive organic growth and improve our long term market position.

Business Overview

Following our disposals, the retained businesses of Politics and Education have shown positive signs, especially Politics which has shown significant growth in the year. Education has suffered from external factors, more to do with government policy than the economy, but our brands are strong and we are well set to exploit future opportunities as they arise.

The Group started a cost-reduction exercise in 2007 and this has been continued throughout 2008. At the same time, targeted investment has continued in new products which have met the demands of our customers. Our cost base is now significantly lower, especially within Head Office, and this matches the commercial necessities of our time.

Following the disposals, the Group is now reported in its two core divisions – Education and Politics. The businesses of Westminster Explained, Westminster Briefings and Fenman which were included in Learning in prior years are now within Political, as is Trombinoscope, previously shown within Healthcare.

While there were no major elections in our political markets in the year, the continued rise of the Conservative Party in the UK has increased the need for political lobbying activity and has resulted in a significant increase in revenues around the Party Conference season. We have developed an increasing portfolio of face-to-face events which have provided real returns on our customers' marketing budgets. This culminated in the launch of the highly successful *Civil Service Live* in April. These events, together with the development of our awards events, provide

the engine for the growth of this Division. We have also made significant investment in technology and, in particular, technology to improve our political monitoring. As a result, 2008 has seen strong growth from our digital monitoring business especially in the EU which has seen a doubling of users in the year.

After strong growth in 2007, Education saw reduced sales in the year. The curriculum change across the secondary sector in KS3 and A-level was significant. As predicted, we saw a reduction in the sales of revision guides as schools assessed their needs for text books for both the old and the new curricula – mirroring the effects which were seen in 2006 following curriculum changes in GCSE Science. While this was predicted, the abolition of the SATs for Key Stage 3 was a shock to the whole industry and had a significant adverse effect on trading. These two events have, for the moment, overshadowed the ongoing development of the Letts & Lonsdale and Leckie & Leckie brands across the UK's schools market.

2009 Priorities

Huveaux is now a fundamentally different company than it was going in to 2008. While it was established with a "buy and build" strategy, its development is now focused on growing its two core divisions through organic growth. 2009 will be a year for media companies to protect their assets and to ensure that their existing strengths are maintained. We will continue to focus on new events and products which can exploit opportunities – and, in due course, can use our strong brands to drive further additions to the portfolio. 2009 will not be a year where Huveaux (nor many media companies) shows significant overall growth, but we are confident that the continued focus on margin management will provide a solid result for the year.

Political Division

£'000	2008	2007
Revenue	17,229	16,009
EBITDA*	3,063	2,823

A reconciliation between EBITDA and operating profit is provided in Schedule A.

2008 was notable for the increased importance of the Conservative Party. This peaked in the summer, before the impending recession brought a bounce to the Prime Minister's popularity. This uncertainty provided some increased activity within the public affairs market.

For Huveaux it was a year of significant growth in our Political Division. While some of the magazine titles were adversely hit by the downturn in advertising, our portfolio of events, exhibitions and digital products grew strongly and this was also reflected in our European operations.

Highlights:

- Division grew revenue by 8% and EBITDA by 9%.
- Revenues in our European political publishing business increased by 17% (following growth of 18 per cent in 2007) despite a reduction in "Project" spending.
- We remain the clear leader in EU political monitoring and this business more than doubled in size for the second year in succession.
- We now run over 200 political events across the Group.
- We ran the first Civil Service Live, showcasing best practice and innovation in public sector delivery by the Civil Service. The exhibition attracted an audience of 6,000 top civil servants and speakers including the Prime Minister Gordon Brown.
- The Political Knowledge training and events business grew revenue by 23% and contribution by 50%.

Within the Parliament Division, serving the Houses of Parliament, there was continued weakness in traditional display advertising. While *The House Magazine* did show a small drop in revenue in

2008, the fall in display advertising was mostly offset by increases in events revenue. Most positively, we have now established ourselves as a leading provider of Fringe Events at the Party Conference season with 29 events held in 2008 (14 in 2007). In addition, we worked with the House of Commons to provide the *Your Parliament* exhibition which was held in Westminster Hall in the Palace of Westminster over the summer. This exhibition celebrated the 175th year of Parliament and was open to all visitors to the Palace of Westminster, and had a significant schools attendance.

Our Government business, which operates under the brand of Whitehall and Westminster World, has gone from strength to strength. Revenue grew by 11% (29% in 2007) and contribution more than doubled. All of its products grew well – and it has established itself as being an integral part of the media and communications plans of government departments and their stakeholders.

As announced in 2007, we launched Civil Service Live in April 2008. This event attracted 6,000 senior civil servants over three days at the Queen Elizabeth Centre in Westminster and delivered a large number of seminars and conferences aimed at promoting innovation and best practice within the Civil Service. This event was a great success with all of its stakeholders and is now an annual event. The second edition will be held at Olympia (to allow for growth) in July 2009 and a smaller regional event will be held in Gateshead in March 2009.

The successful launch of this exhibition will be followed by other digital and face-to-face innovations which will leverage our growing brand within this market. Across the portfolio, we held more than 90 events in 2008, nearly twice as many as in 2007.

In the UK our information business showed a steady year, with margin improvements arising from a focus on costs within this area without threatening our need to invest in better technology to drive long term growth. In our European business, there were modest increases in revenue within the magazines, with the small increase in revenue from the Regional Review coming at a time when the core regional Project income had dried up following the cyclical downturn in these projects. The alternative regional income that the magazine generated will continue and should be supplemented by the return of the Project income in 2009.

In European information, we continued to show strong growth with a doubling of revenue from our EU Monitoring services. We have mirrored the development of face-to-face events in Brussels, and these, together with the digital information products, should deliver further growth to the business.

Our Political Knowledge business finished 2007 on a high and this continued strongly throughout 2008. With revenues up by 23% and contribution up by 50%, the business is now firmly established as the market leader in this field.

In our classroom training business, Westminster Explained, the move towards a more customized model and the winning of longer term contracts continued to pay dividends, with such business more than doubling in 2008. We have succeeded in being appointed to the new OGC framework contract for government training in specialist areas.

Our Westminster Briefing business continued to prosper throughout the year again putting on a record number of briefings and conferences – conference revenue increased by 37% and delegate numbers were 9% higher.

The strength of this business allowed us to put on new, larger conference events. Our established conferences including *The Coming Year in Parliament* at which numerous MP’s spoke, and *The Transformation, Innovation & Delivery Conference* were augmented by launches such as *The New Regulatory & Reform Agenda* at which the keynote speech was delivered by the Rt Hon John Hutton MP. The latter is now scheduled as an annual event for the Government regulator.

In France, we retained *Le Trombinoscope* following the disposal of the remainder of the French

portfolio. Despite 2008 being a “non-election year” following on from the elections in 2007, revenue increased by 4%, in part due to the strength of the Euro.

Our UK Training Business, *Fenman,* was hit by the onset of the recession in the latter half of the year which saw the market for training DVD’s and manuals slow. *Training Journal* was also hit by these factors – but remains the market leader in its field and has successfully developed face-to-face events to offset the fall in advertising revenues.

Education Division

£’000	2008	2007
Revenue	10,713	12,060
EBITDA*	2,262	2,934

A reconciliation between EBITDA and operating profit is provided in Schedule A.

Following an excellent year in 2007, our Education Division endured a much tougher period in 2008. The wide scale curriculum change across the UK Secondary System had the expected effect of creating a hiatus in spending on revision guides , while the announcement from the Secretary of State for Children, Schools and Families on the 14th October 2008 that SATs for 14 year olds (Key Stage 3) were to be abolished with immediate effect was both without any forewarning and represented a complete u-turn from all previous announcements.

Along with all other education publishers, this announcement had a material effect on our business as it fundamentally affected one of our major year groups and thus published material.

The above factors led to the fall in revenue of 11% from 2007. This reduction correlates to the reduction in the revision guide market across the UK and does not represent a reduction in market share. The Curriculum Change provided opportunities for additional publishing and the Division enters 2009 in a strong position to maximise its opportunities.

Highlights

- Trade sales showed strong resilience to a falling market. Year on year showed flat sales – against a market showing decline in the latter half of the year as the recession started.
- Leckie & Leckie saw 5% growth in trade sales in the year, further strengthening Leckie & Leckie as the leading Scottish educational publisher.
- Letts & Lonsdale showed significant growth in the key GCSE English and Maths subjects.
- Overall sales of GCSE materials direct to Schools, although down year on year, were significantly ahead of the overall decline in the market. This decline was as expected following the curriculum change and the performance of Letts & Lonsdale is an indication of strength going into 2009.
- The development of our online sales capability continues. The average online order value in the last quarter of 2008 was 60% higher than the equivalent in the last quarter of 2007.
- Launch of Revise on the Move and iRevise in collaboration with RM.

Our Education Division revenue for the full year was in line with the overall decline in the market, while EBITDA was managed by close attention to the cost of sales – and continued work on the margin. The Scottish market was not affected either by the curriculum change or the Key Stage 3 SATs decision. The Schools market was lower than in 2007 due to the effects of the extra funding given to schools by the Scottish Executive in 2007 and by a slowing down in the economy in the latter half of the year. Nevertheless, *Leckie & Leckie*, while showing a 12% reduction in revenue against 2007 purely reflected the market fall.

Some of the fall in schools funding was offset by an increase in trade revenue as parents compensated for a reduction in school purchases by purchasing books in the high street. This resulted in a 5% increase in trade sales in the year.

In 2008 we have combined our two UK brands *Lonsdale* and *Letts* into the *"Letts & Lonsdale"* brand. This consolidated branding ensures that there is commonality between the books being used in schools and the books seen on the shelves in the high street.

Letts & Lonsdale finished the year with sales of £8.2 million, 13% lower than 2007. Trade sales had performed strongly throughout the first three quarters of the year – up 7% on 2007.
This increase over 2007 was reversed in the last quarter as the twin effects of the recession and the abolition of Key Stage 3 SATs hit sales. At the same time, School sales were hit further, with A level textbook spend being prioritized over revision spend, ending the year 17% lower than 2007.

The Key Stage 3 announcement resulted in an immediate hiatus in spending in this area – and a ripple effect that knocked on to general school spending as a whole. Schools were faced with uncertainty and have taken a significant amount of time to assess how they should spend budget across the curriculum. At a time of curriculum change, this has exacerbated the situation.

In order to offset some of the decline in sales, additional areas were targeted, with sales to non-traditional trade accounts (including supermarkets and other high street outlets) increasing by 9%. We were delighted to open new channels to market in the year, including Argos (where Letts & Lonsdale became the first educational publisher listed in their catalogue) and the Netto chain of supermarkets. In addition, our export sales increased 9% over 2007.

The Education Division continues to drive sales online. Our sales through third parties grew in the year (Amazon sales being 5% higher), while sales through our own website (www.letts-educational.com) increased by 11%. 2008 also saw the launch of iRevise, a digital revision product for GCSE Science, produced in collaboration with RM, the leading provider of ICT software, infrastructure and services to UK education. We also launched our first podcast product, Revise on the Move.

The Education Division has looked to address the issues that have arisen in 2008. GCSE spending will be enhanced by the effect of "The National Challenge", which gives additional funding for GCSE English and Maths provision and this should be added to by some schools moving to teaching Key Stage 3 in two years and thus giving an extra year for GCSE. Plans for the development of our digital offering within our collaboration with RM are well advanced and will grow significantly during 2009 and beyond.

Financial Review

Revenue and Operating Results

Operating performance was mixed across the portfolio. Overall revenue fell from £46.1 million to £36.3 million and EBITDA fell from £5.9 million to £4.8 million. This decline includes the disposed businesses – Epic within "continuing business" for statutory purposes and the French Healthcare business within "discontinued items".

On a retained basis, revenue was flat at £27.9 million, while EBITDA of £4.29 million was slightly behind 2007 (2007: £4.38 million). Loss for the year was £4.0 million (2007 profit: £0.4 million). This includes the effect of the disposals. The sale of the French Healthcare business was for a cash consideration of €8.25 million, and gave rise to a loss on disposal of £7.5 million, while Epic was sold for a cash consideration of £4.75 million and gave rise to a profit on disposal of £0.3 million.

Non-trading items

Non-trading items for the year totalled £0.2 million, relating to redundancy and related staff costs within a number of reorganizations and restructurings within the Group. These gave rise to significant cost savings, which will only be fully realised in 2009.

Taxation

The utilisation of tax losses in the year has led to a low tax payment in the year and a net tax credit of £0.9 million (2007: £1.1 million) in the year. Whilst the Group continues to seek to optimise its tax position going forward, it is expected that the effective tax rate will increase.

Earnings per Share (EPS)

Normalised EPS (before non-trading items, discontinued operations, share based payments credits and amortisation of intangible assets acquired through business combinations) was 2.62 pence (2007: 2.77 pence). Basic EPS on continuing operations was 0.92pence (2007: 0.06 pence).

Dividends

The Board is not proposing a final dividend for the year (2007: 0.75 pence per share).

Liquidity and Capital Resources

During the year, Huveaux repaid a significant part of its outstanding loans. Following the disposals in June, Huveaux repaid the outstanding €12.75 million loan in full. In addition, Huveaux repaid £2.1 million of its sterling debt and ended the year with gross bank debt of £9.1 million (2007: £20.7 million).

We have recently renegotiated our banking facilities with Bank of Scotland, increasing the working capital facility from £2.0 million to £2.5 million and rephasing the repayments of the outstanding loans so as to better reflect the seasonality of the Group's operating cash flows following the disposals. In addition, the covenants attached to the outstanding loans have been relaxed for 2009.

Interest payable during the year amounted to £1.1 million (2007: £1.7 million). This decrease reflects both the reduction of the gross debt and the reduction in the interest rate later in the year. The interest rate has been capped and therefore the Group did not suffer from the top end of the rise in interest rates, but will benefit further in 2009 from the reduction in rates. Interest receivable was £0.1 million (2007: £0.1 million).

During the year, underlying cash conversion was in line with expectations; however this was reduced by the dividend payment and the capital repayments. The Group generated £3.3 million (2007: £6.5 million) of cash from its operating activities. At the year-end, the Group had cash balances of £0.1 million (2007: £2.0 million) resulting in net debt of £9.0 million (2007: £18.7 million), representing a Net Debt to Retained EBITDA ratio of 2.1 times (2007: 3.2 times).

Derivatives and Other Instruments

In 2008, Huveaux's financial instruments comprised bank loans, cash deposits and other items such as normal receivables and payables. The main purpose of these financial instruments is to finance the Group's day-to-day operations.

During 2008, the Company entered into certain derivative transactions in order to manage the financial risk exposures arising from the Group's activities such as interest rate, liquidity and foreign currency risks. The Group's policy is that no speculative trading in derivatives is permitted. The Board regularly reviews and agrees policies for managing these risks and the current situation is as follows:

Interest Rate Risk

The £9.1 million term loans attract interest payable in sterling, calculated with reference to prevailing LIBOR. In order to limit our forward exposure to changes in LIBOR, the Group has entered into interest rate caps for the term of the loan.

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2008

	Note	**Audited 2008 £'000**	Audited 2007 £'000
Revenue		**30,759**	34,197
Cost of sales		**(17,866)**	(19,512)
Gross profit		**12,893**	14,685
Administrative expenses:			
Non-trading items	2	**(190)**	(1,032)
Profit on disposal of subsidiary undertaking	4	**300**	-
Amortisation of intangible assets acquired through business combinations		**(2,757)**	(2,969)
Net administrative expenses		**(8,959)**	(10,659)
Total administrative expenses		**(11,606)**	(14,660)
Operating profit		**1,287**	25
Finance income		**276**	129
Financing costs		**(1,058)**	(1,213)
Profit / (loss) before tax		**505**	(1,059)
Income tax credit	3	**891**	1,146
Profit after tax from continuing operations		**1,396**	87
Results from discontinued operations	4	**(5,380)**	275
(Loss) / profit for the year attributable to equity holders of parent company		**(3,984)**	362
(Loss) / Earnings per share			
Basic	6	**(2.62)p**	0.24 p
Diluted	6	**(2.62)p**	0.24 p
Earnings per share on continuing operations			
Basic	6	**0.92p**	0.06 p
Diluted	6	**0.92p**	0.06 p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the year ended 31 December 2008

	Audited 2008 £'000	Audited 2007 £'000
Actuarial gains on defined benefit scheme	**-**	28
Exchange differences recognised on disposal of discontinued operations	**565**	-
Exchange differences on translation of foreign operations	**21**	(723)
Net income/(expense) recognised directly in equity	**586**	(695)
(Loss) / profit for the year	**(3,984)**	362
Total recognised income and expense for the year attributable to equity holders of parent company	**(3,398)**	(333)

CONSOLIDATED BALANCE SHEET
at 31 December 2008

	Note	**Audited 2008 £'000**	Audited 2007 £'000
Goodwill		**22,847**	28,651
Intangible assets		**31,024**	42,325
Property, plant and equipment		**378**	887
Non-current assets		**54,249**	71,863
Inventories		**2,496**	3,181
Trade and other receivables		**4,967**	12,175
Derivative financial instruments		**45**	117
Cash		**96**	1,994
Income tax receivable		**-**	163
Current assets		**7,604**	17,630
Interest bearing loans and borrowings	7	**(2,130)**	(3,788)
Income tax payable		**(240)**	–
Provisions		**-**	(709)
Trade and other payables		**(6,207)**	(14,703)
Current liabilities		**(8,577)**	(19,200)
Net current liabilities		**(973)**	(1,570)
Total assets less current liabilities		**53,276**	70,293
Interest bearing loans and borrowings	7	**(7,010)**	(16,877)
Employee benefits		**-**	(141)
Deferred tax liability		**(4,937)**	(7,390)
Non-current liabilities		**(11,947)**	(24,408)
Net assets		**41,329**	45,885
Equity attributable to equity holders of parent company			
Issued capital		**15,200**	15,200
Share premium		**30,816**	30,816
Other reserves		**409**	409
(Deficit) / retained earnings		**(5,117)**	25
Translation reserve		**21**	(565)
Total equity	8	**41,329**	45,885

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2008

	Note	**Audited 2008 £'000**	Audited 2007 £'000
(Loss) / profit for the year		**(3,984)**	362
Depreciation of property, plant and equipment		**153**	300
Amortisation of intangible assets acquired through business combinations		**2,757**	2,969
Amortisation of other intangible assets		**1,069**	828
Results from discontinued operations		**5,380**	(275)
Profit on sale of subsidiary undertaking		**(300)**	-
Profit on disposal of assets held for sale		**-**	(64)
Share based payments charges		**(18)**	105
Net finance costs		**782**	1,083
Income tax credit		**(891)**	(1,146)
Cash flow relating to restructuring provisions		**(899)**	(719)
Operating cash flows before movements in working capital		**4,049**	3,443
Change in inventories		**714**	(76)
Change in receivables		**6,612**	1,363
Change in payables		**(8,059)**	1,819
Cash generated by operations		**3,316**	6,549
Income tax paid		**(22)**	(417)
Net cash from operating activities		**3,294**	6,132
Cash flows from investing activities			
Interest and similar income received		**276**	129
Proceeds from sale of property, plant and equipment		**439**	19
Proceeds from sale of assets held for sale		**-**	252
Net deferred consideration paid		**-**	(140)
Proceeds from sale of subsidiary undertaking		**4,600**	-
Cash divested with sale of subsidiary undertaking		**(69)**	-
Acquisition of property, plant and equipment		**(124)**	(256)
Acquisition of publishing rights		**-**	(183)
Acquisition of other intangible assets		**(1,468)**	(1,697)
Net cash from / (used in) investing activities		**3,654**	(1,876)
Cash flows from financing activities			
Interest and similar expenses paid		**(958)**	(1,460)
Repayment of borrowings		**(11,525)**	(3,186)
Dividends paid		**(1,140)**	(1,839)
Net cash used in financing activities		**(13,623)**	(6,485)
Net decrease in cash		**(6,675)**	(2,229)
Opening cash		**1,477**	3,685
Effect of exchange rate fluctuations on cash held		**(913)**	21
Closing cash from continuing operations		**(6,111)**	1,477
Cash flows from discontinued operations			
Net cash increase / (decrease) from operating activities		**679**	(558)
Net cash frominvesting activities		**5,149**	417
Net cash used in financing activities		**(210)**	(18)
Net increase / (decrease) in cash		**5,618**	(159)
Opening cash		**517**	622
Effect of exchange rate fluctuations on cash held		**72**	54
Closing cash in discontinued operations		**(6,207)**	517
Closing cash	9	**96**	1,994

Notes to the preliminary announcement
31 December 2008

1 Basis of Preparation

The Group financial statements consolidate those of Huveaux PLC and its subsidiaries (together referred to as the "Group"). The financial statements have been prepared on the basis of the accounting policies set out on pages 8 to 14 of the Huveaux PLC Interim Report for 2008 which have been consistently applied.

The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2008 or 2007. Statutory accounts for 2007 which were prepared under IFRS, have been delivered to the registrar of companies, and those for 2008 prepared under accounting standards adopted by the EU, will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under section 237(2) or (3) of the Companies Act 1985.

As required by EU law (IAS regulation EC 1606/2002) the Group's accounts have been prepared in accordance with International Financial Reporting Standards endorsed by the International Accounting Standards Board (IASB) as adopted by the EU ("Adopted IFRS").

2 Non-trading items

	Audited 2008 £'000	Audited 2007 £'000
Redundancy and people related costs	**151**	648
Abortive deal costs	**39**	448
Profit on sale of assets held for sale	**-**	(64)
	190	1,032

Non-trading items are items which in management's judgement need to be disclosed by virtue of their size, incidence or nature. Such items are included within the income statement caption to which they relate and are separately disclosed either in the notes to the consolidated financial statements or of the face of the consolidated income statement.

Non-trading redundancy and people related costs represent the effect of a Group initiative to reduce costs. Abortive deal costs represent advisory fees relating to the aborted transaction with a private equity firm.

Assets held for sale comprised a warehouse in 2007. The sale was completed on 16 March 2007.

3 Taxation

	Audited 2008 £'000	Audited 2007 £'000
Current tax		
Current tax on income for the year at 28.5% (2007: 30%)	**447**	3
Adjustments in respect of prior periods	**(22)**	(247)
	425	(244)
Double taxation relief	**(2)**	(1)
Overseas tax		
Current tax expense on income for the year at 28.5% (2007: 30%)	**2**	1
Total current tax expense	**425**	(244)
Deferred tax		
Origination and reversal of temporary differences	**(1,126)**	54
Effect of change in tax rate	-	(592)
Benefit from previously unrecognised tax losses	**(190)**	(364)
Total deferred tax income	**(1,316)**	(902)
Total income tax credit	**(891)**	(1,146)

The effect of non-trading items charged during the year is to increase the tax charge by £53,000 (2007: £279,000).

The credit to the income statement in respect of deferred tax of £1,316,000 (2007: £902,000) is stated after recording a deferred tax asset of £190,000 (2007: £364,000) in respect of tax losses.

Included within the tax credit to the income statement is £548,000 of tax-related goodwill written off on the disposal of businesses (2007: £133,000).

The tax charge for the period differs from the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

Income tax reconciliation	**2008**	2007
	£'000	£'000
Profit / (loss) before tax	**505**	(1,059)
Notional tax charge at standard rate of 28.5% (2007: 30%)	**144**	(318)
Effects of:		
Expenses not deductible for tax purposes	**422**	1,184
Accelerated capital allowances and temporary differences	**(144)**	(110)
Continued operations sold in the year	**250**	146
Adjustments to tax charge in respect of prior periods	**(22)**	(247)
Utilisation of tax losses	**(225)**	(899)
Total income tax expense/(credit)	**425**	(244)

4 Discontinued operations

Discontinued operations comprise the results for the French Healthcare business, which was sold on the 3 June 2008. Results attributable to this business were as follows:

	2008	2007
	£'000	£'000
Revenue	**5,564**	11,872
Cost of sales	**(4,077)**	(8,406)
Gross profit	**1,487**	3,466
Non-trading items	**-**	101
Amortisation of intangible assets acquired through business combinations	**(138)**	(335)
Other administrative expenses	**(1,123)**	(2,286)
Operating profit	**226**	946
Net finance costs	**(202)**	(457)
Profit before tax	**24**	489
Related income tax	**-**	(214)
Deferred tax credit arising from intangible assets disposed	**2,077**	-
Loss on sale of discontinued operations (net of tax)	**(7,481)**	-
(Loss) / profit for the period	**(5,380)**	275

The segment was not classified as held for sale as at 31 December 2007 and the comparative income statement has been re-analysed to show the discontinued operations separately from the continuing operations. The cash inflow on the disposal after deducting expenses and costs relating to the sale was £6.2 million.

During 2008 the Group also sold its investment in Epic Group plc for a profit of £300,000. This is included within continuing operations as it did not constitute a material business segment.

5 Dividends

	Audited 2008 £'000	Audited 2007 £'000
The aggregate amount of dividends comprises:		
Final dividends paid in respect of the previous year but not recognised as liabilities in that year	**1,140**	1,839

6 (Loss) / Earnings per share

	Audited 2008 £'000	Audited 2007 £'000
(Loss) / profit attributable to shareholders	**(3,984)**	362
Add: non-trading items (see note 2)	**190**	1,032
Add: amortisation of intangible assets acquired through business combinations	**2,757**	2,969
Add: results from discontinued operations	**5,380**	(275)
Less: share based payments (credit) / charge	**(18)**	124
Less: profit on disposal of subsidiary undertaking	**(300)**	-
Normalised profit attributable to shareholders	**4,025**	4,212

Weighted average number of shares	Audited 2008 Ordinary shares	Audited 2007 Ordinary shares
In issue during the year – basic	**151,998,453**	151,998,453
Dilutive potential ordinary shares	**238,888**	634,341
In issue during the year – diluted	**152,237,341**	152,632,794
(Loss) / Earnings per share – basic	**(2.62) p**	0.24 p
(Loss) / Earnings per share – diluted	**(2.62) p**	0.24 p
Normalised earnings per (as above)	**2.65 p**	2.77 p
Earnings per share on continuing operations		
Earnings per share – basic	**0.92 p**	0.06 p
Earnings per share – diluted	**0.92 p**	0.06 p

7 Interest bearing loans and borrowings

	Audited 2008 £'000	Audited 2007 £'000
Borrowings are repayable as follows:		
On demand or within one year	**2,130**	3,788
Between one and two years	**2,130**	3,788
Between two and five years	**4,880**	12,469
After five years	**-**	620
	9,140	20,665
Less: Amounts due for settlement within 12 months (shown within trade and other payables)	**(2,130)**	(3,788)
Amount due for settlement after 12 months	**7,010**	16,877

Borrowings are taken out in the following currencies:	Interest	Principal £'000	Audited 2008 £'000	Audited 2007 £'000
Sterling	Floating linked to LIBOR	£13,400	**9,140**	11,270
Euros	Floating linked to EURIBOR	€15,000	**-**	9,395
Total			**9,140**	20,665

The weighted average interest rate paid on the bank loans was 6.25% (2007: 6.8%). The floating rates of interest expose the Group to cash flow interest rate risk, which is mitigated by the interest rate caps into which the Group has entered.

The sterling loans represent a £5,400,000 loan taken out in 2006 to finance the acquisition of Parliamentary Monitoring Services Limited and Political Wizard Limited, on which the last repayment is due in December 2012; and an £8,000,000 loan taken out in 2006 to finance the acquisition of Letts Educational Limited and Leckie & Leckie Limited, on which the last repayment is due in June 2013. All loans are taken out with Bank of Scotland.

The outstanding amount of the €15,000,000 loan was repaid out of the proceeds from the disposal of the two businesses in June 2008.

In connection with the Group's banking and borrowing facilities with the Bank of Scotland, the Company and its UK subsidiary undertakings have entered into a cross guarantee, which gives a fixed and floating charge over the assets of the UK trading companies of the Group.

The Group estimates the fair value of its loans to be the same as their carrying amount.

At 31 December 2008, the Group had available £1,840,000 (2007: £2,000,000) of undrawn facilities under its working capital facility. Management have recently renegotiated these facilities increasing the working capital facility from £2 million to £2.5 million (as below) and re-phasing the repayments of the outstanding loans so as to better reflect the seasonality of the business following the disposals. In addition, covenants attached to the outstanding loans have been relaxed accordingly for 2009. The working capital facility was extended as follows:

February 2009	£2,000,000
1 March 2009 to 30 June 2009	£2,250,000
1 July 2009 to 31 October 2009	£2,500,000

Interest on amounts drawn down under this facility is paid at 2% over base rate. These facilities are due for renewal in October 2009, subject to review by the bank.

8 Reconciliation of movements in equity

	Audited 2008 £'000	Audited 2007 £'000
Opening shareholders' funds	**45,885**	47,933
(Loss) / profit for the year	(3,984)	362
Dividends paid	(1,140)	(1,839)
Actuarial gains and losses	**-**	28
Exchange differences recognised on disposal of discontinued operations	565	-
Currency translation differences	21	(723)
Share based payment charges credited to equity	(18)	124
Closing shareholders' funds	**41,329**	45,885

9 Analysis of net debt

	At beginning of year	**Cash flow**	**Reclassification**	**Exchange movement**	**At end of year**
Cash at bank and in hand	1,994	(1,057)	-	(841)	96
Debt due within one year	(3,788)	3,788	(2,130)	-	(2,130)
Debt due after one year	(16,877)	7,362	2,130	375	(7,010)
	(18,671)	**10,093**	**-**	**(466)**	**(9,044)**

Cautionary statement
This press release may contain forward-looking statements based on current expectations or beliefs, as well as assumptions about future events. In that regard, such statements are:

* inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future; and

* not a guarantee of future performance and are subject to factors that could cause the actual results to differ materially from those expressed or implied.

The name Huveaux is a trademark of Huveaux PLC. All other trademarks mentioned herein are the property of Huveaux's respective subsidiary companies. All rights reserved.

The Huveaux PLC 2008 Annual Report and Financial Statements are being posted to shareholders in March 2009 and will be available to the public upon request at the Company's registered office: 4 Grosvenor Place, London, SW1X 7DL.

Copies of recent announcements, including this Preliminary Results announcement, and additional information on Huveaux, can be found at www.huveauxplc.com.

Schedule A

Reconciliation between operating profit and non-statutory performance measure

The following tables reconcile operating profit as stated in the income statement 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 of assets acquired through business combinations, and non-trading items.

Year ended 31 December 2008 £'000	**Operating Profit**	Depreciation*	Amortisation of intangible assets	Non-trading Items**	**EBITDA**
Political					
Political	**1,203**	354	1,262	5	**2,824**
Learning	**(103)**	24	308	10	**239**
	1,100	378	1,570	15	**3,063**
Learning	**(42)**	52	184	-	**194**
Education	**1,139**	113	1,003	7	**2,262**
Head Office	**(910)**	22	-	(150)	**(1,038)**
	1,287	**565**	**2,757**	**(128)**	**4,481**
Healthcare (discontinued)	**226**	-	138	-	**364**
	1,513	**565**	**2,895**	**(128)**	**4,845**

Year ended 31 December 2007 £'000	**Operating Profit**	Depreciation*	Amortisation of intangible assets	Non-trading Items**	**EBITDA**
Political					
Political	**672**	235	1,258	78	**2,243**
Learning	**249**	23	308	-	**580**
	921	258	1,566	78	**2,823**
Learning	**(500)**	114	400	212	**226**
Education	**1,910**	84	1,003	(63)	**2,934**
Head Office	**(2,306)**	20	-	910	**(1,376)**
	25	**476**	**2,969**	**1,137**	**4,607**
Healthcare (discontinued)	**946**	119	335	(82)	**1,318**
	971	**595**	**3,304**	**1,055**	**5,925**

* including amortisation of software shown within intangibles.
** including share based payments charges/(credits) and profit on disposal of subsidiary