THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

This document has been prepared for the purpose of paragraph 1.2.2R(2) of the Prospectus Rules made under section 84 of the Financial Services and Markets Act 2000.

Huveaux and the Huveaux Directors, whose names and functions are set out on page 10 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of Huveaux and the Huveaux Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

In addition, Epic and the Epic Directors accept responsibility for the financial information relating to Epic contained in Part 6 of this document. To the best of knowledge of Epic and the Epic Directors (who have taken all reasonable care to ensure such is the case) such information is contained in such reports is in accordance with the facts and makes no omission likely to affect the import of such information. If you have sold or otherwise transferred all your Huveaux Shares and/or Epic Shares, please send this document, together with the accompanying documents, immediately to the purchaser or the transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents must not be forwarded in or into the United States, Canada, Australia, Japan or the Republic of Ireland or any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your Huveaux Shares you should retain these documents.

Application has been made for the New Huveaux Shares to be admitted to trading on AIM, a market operated by the London Stock Exchange plc. It is expected that Admission will become effective and unconditional dealings will commence in the New Huveaux Shares on the Dealing Day following the day on which the Offer becomes or is declared unconditional in all respects (save only for the condition relating to Admission). No application is currently intended to be made for the New Huveaux Shares to be admitted to listing or dealt with on any other exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

London Stock Exchange plc has not itself examined or approved the contents of this document.

The whole text of this document should be read. Attention is drawn in particular to the section entitled "Risk Factors" in Part II of this document.

Huveaux PLC

(Incorporated in England and Wales under the Companies Act 1985 – Registered Number 04267888)

Document relating to the issue of Ordinary Shares in connection with the

Recommended Offer

by Dresdner Kleinwort Wasserstein Limited on behalf of Huveaux PLC

for Epic Group plc

Dresdner Kleinwort Wasserstein Limited, which is authorised and regulated by the Financial Securities Authority, is acting exclusively for Huveaux and for no-one else in connection with the contents of this document and will not be responsible to anyone other than Huveaux for providing the protections afforded to customers of Dresdner Kleinwort Wasserstein Limited, or for affording advice in relation to the contents of this document or any matters referred to herein. Dresdner Kleinwort Wasserstein Limited has given and not withdrawn its written consent to the issue of this document with the inclusion of the reference to its name in the form and context in which it is included.

The Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of Ireland or their respective territories or possessions, and documents must not be distributed, forwarded or transmitted in or into such territories. The New Huveaux Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of Ireland.

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PART 1

SUMMARY

You should read the whole of this document, and not rely solely on the summary information set out below. This Summary section should be read as an introduction to the document, which comprises the whole of this document. Any decision to accept the Offer and receive the New Huveaux Shares should be based on a consideration of the document as a whole by the investor.

Where a claim relating to the information contained in a document is brought before a court, a plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the document before the legal proceedings are initiated.

Civil liability will attach to those persons who are responsible for the Summary, including any translation of the Summary, if, but only if, the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the document.

1. Introduction

The boards of Huveaux and Epic announced today that they had reached agreement on the terms of a recommended share and cash offer to be made by Dresdner Kleinwort Wasserstein, on behalf of Huveaux, for the whole of the issued and to be issued ordinary share capital of Epic. The Offer Document, together with a copy of this document, is being posted today to Epic Shareholders and, for information only, to Huveaux Shareholders.

The Offer values each Epic Share at 95.5 pence and comprises 1.33 New Huveaux Shares and 35.0 pence in cash for each Epic Share (calculated using the Closing Price of one Huveaux Share of 45.5 pence on 27 July 2005, being the last practicable Dealing Day prior to the date of publication of this document). The Offer values the existing issued share capital of Epic at approximately £22.7 million.

In aggregate, irrevocable undertakings, and a letter of intent, to accept, or procure the acceptance of, the Offer have been received by Huveaux in respect of 12,399,243 Epic Shares, representing approximately 52.1 per cent. of Epic's existing issued share capital.

In a separate transaction, announced on 21 July 2005, Huveaux made a €11.5 million (£7.9 million) cash offer to acquire JBB Santé, a leading publisher of medical journals in France specialising in the market for continuing medical education of healthcare professionals. Subject, *inter alia*, to the satisfactory conclusion of a mandatory works council consultation programme (which is in progress), the Board of Huveaux expect the offer to lead to the successful acquisition of JBB Santé by mid-September. JBB Santé and the existing ATP-Egora business of Huveaux (also based in France) will combine to form Huveaux's new Professional Division.

2. Description of Huveaux's Business

Huveaux was formed in 2001 with the objective of building a substantial publishing and media business focused on the creation and delivery of "must have" information across both the public and private sectors. On inception, it was stated that development would be driven by an appropriate balance of organic and acquisition growth. On 17 December 2001, Huveaux was floated on AIM.

To date Huveaux has completed seven acquisitions and reported increased sales, pre-tax profits and dividends in each of the three financial years since its formation. Its business now consists of three Divisions: Political, Learning and Professional. Within these areas, Huveaux's operations comprise a mix of magazines, websites, databases, reference books, revision guides, manuals, videos, conferences, seminars and events in the B2B sector. Huveaux's Political Division has established itself as a market leader in its field. Huveaux has approximately 200 employees located in offices in London, Paris and Brussels as well as in four UK regional offices.

After three years of significant progress, Huveaux remains focused on its original objective and the proposed Acquisition (and the proposed acquisition of JBB Santé) represents a further step towards the fulfilment of that objective.

For the year ended 31 December 2004, Huveaux reported in its published audited annual report and accounts turnover of £14.4 million and a profit before tax of £2.1 million. At 31 December 2004, Huveaux had net assets of £39.1 million. For the six-month period ended 30 June 2005, Huveaux reported, in its published unaudited interim results, turnover of £9.0 million and a profit before tax of £0.6 million. At 30 June 2005, Huveaux had net assets of £39.5 million.

Investors should read the whole of this document and not just rely on the summarised information set out above.

3. Description of Epic's Business

Epic is a market leader in e-learning in the UK. It has a quality customer base in both the private and public sectors, including major banks, retailers and consultancies in the private sector and governmental departments, education, health and defence in the public sector. Epic offers bespoke e-learning content, strategic consultancy and research to help organisations plan and implement innovative learning strategies and also has a range of 'off-the-shelf' courseware and technology tools. Epic designs and builds websites that provide the context for organisational learning and knowledge management. It also operates a dedicated testing facility for e-learning, called 'EpiCentre'.

For the year ended 31 May 2005, Epic reported in its published audited annual report and accounts turnover of £8.1 million and a profit before tax of £2.1 million. At 31 May 2005, Epic had net assets of £9.1 million, including net cash balances of £10.3 million.

4. Background to, and reasons for, the Offer

Huveaux was formed in 2001 with the objective of building a substantial publishing and media business focused on the creation and delivery of "must have" information across both the public and private sectors. On inception, it was stated that development would be driven by an appropriate balance of organic and acquisition growth.

The Huveaux Directors believe the acquisition of Epic represents both an excellent opportunity to acquire a market leader in the growing UK market for e-learning and a good strategic fit with Huveaux's existing businesses. Epic is a profitable, cash-generative business with a quality customer base in both the private and public sectors, including major banks, retailers and consultancies in the private sector and governmental departments, education, health and defence in the public sector. It provides e-learning solutions which are increasingly becoming a prerequisite for organisations in their training and learning activities.

The Huveaux Directors further believe that Epic's acquisition by Huveaux will provide it with the support of a larger publishing group and the strong management resources needed for its further growth and to help deliver on the cross-selling opportunities to customers of both organisations. The combination of the two businesses will also provide Huveaux with the ability to offer a broader range of learning solutions (including blended solutions) to existing customers of its Learning Division, and those of its Political and Professional Divisions. In addition, it will provide the ability to extract further value from its existing products and intellectual property through the in-house development of owned e-learning products.

The UK is currently experiencing significant growth in the largest e-learning market. A recent Chartered Institute of Personnel and Development survey for 2005 expects e-learning in the UK to increase over the next three years from less than 10 per cent. of total training time to up to 50 per cent. of total training time in a significant number of organisations. Due to the Government's strong support for IT literacy training, market commentators expect this market place to grow by up to 40 per cent. in value over the next two years.

The Directors of Huveaux believe that the Acquisition will provide Huveaux with the following opportunities:

- to establish itself as a market leader in e-learning in the UK;
- to be an influential and key player within this growth market;
- to apply Huveaux's management expertise to drive the future growth of the Epic business;
- to enable Huveaux to extract further value from its existing products through the development of e-learning applications under its own control;
- to broaden the range and quality of products offered by Huveaux; and
- to benefit from the operational efficiencies and cost saving opportunities available from the combination of two senior management teams and the future need for only one corporate head office structure.

The Huveaux Directors therefore believe that the Acquisition of Epic represents a further opportunity to build shareholder value for Huveaux that would not otherwise be open to either Huveaux or Epic on a standalone basis.

5. Structure and terms of the Offer

The Offer, which is subject, *inter alia*, to the conditions and further terms set out in the Offer Document and (in respect of certificated Epic Shares) in the Form of Acceptance, is being made by Dresdner Kleinwort Wasserstein, on behalf of Huveaux, on the following basis:

for each Epic Share 1.33 New Huveaux Shares and 35.0 pence in cash

The Offer values the entire issued share capital of Epic at approximately £22.7 million and each Epic Share at 95.5 pence based on the Closing Price of one Huveaux Share of 45.5 pence on 27 July 2005, being the last practicable Dealing Day prior to the posting of this document. At 95.5 pence per Epic Share, the Offer represents a premium of:

- 43.6 per cent. over the Closing Price of an Epic Share of 66.5 pence on 27 June 2005, being the last practicable Dealing Day prior to Epic entering an Offer Period; and
- 9.8 per cent. over the Closing Price of an Epic Share of 87.0 pence on 27 July 2005, being the Dealing Day prior to the posting of this document.

If all Epic Shareholders accept the Offer then approximately 32.5 million New Huveaux Shares will be issued by Huveaux representing approximately 23.2 per cent. of the Enlarged Share Capital.

The Epic Directors consider the terms of the Offer to be fair and reasonable and are unanimously recommending Epic Shareholders to accept the Offer.

Huveaux has received irrevocable undertakings to accept, or procure the acceptance of, the Offer in respect of an aggregate of 12,399,243 Epic Shares, representing approximately 52.1 per cent. of Epic's existing issued share capital.

6. Financial effects of the Offer

The Directors believe that the Acquisition will be earnings enhancing in the first full financial year of acquisition[(1)].

7. Current trading and prospects for the Enlarged Group

Huveaux is currently trading in line with the Board's expectations and the Board is confident in the outlook for 2005.

On 21 July 2005, Huveaux announced its interim results which included the following update on current trading:

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

The prospects for the Enlarged Group will be largely driven by the continued organic growth of both the Huveaux and Epic businesses together with the successful integration of Epic (and JBB Santé) into the Enlarged Group. The Board will continue to target selective businesses which satisfy its acquisition criteria. Huveaux is well positioned to take advantage of the growth opportunities that will arise from the Acquisition, incuding the new and more diverse product range offerings and customer base, as well as the cost and efficiency savings that are expected to arise from a successful integration. The Huveaux Directors believe that the Acquisition will better position Huveaux to benefit from the growing e-learning marketplace and enable it to further develop its existing business. The Huveaux Board is therefore confident in the financial and trading prospects of the Enlarged Group.

8. Risk factors

The principal risk factors affecting the Company and the Ordinary Shares are considered to include the following:

The success of the Enlarged Group will be dependent upon its current and future executive management team. The Enlarged Group's future success will also be dependent on its ability to continue to recruit and retain suitably qualified individuals.

1 This statement should not be taken to mean that the earnings per share of Huveaux will necessarily match or exceed the historical reported earnings per share of Huveaux and no forecast is intended or implied.

Huveaux has owned its operating businesses for only a relatively short period. The businesses which Huveaux has acquired to date have not yet been managed by it over a typical business cycle which may include periods of highly fluctuating economic conditions.

The Huveaux Board recognises that the Offer (on its own and together with JBB Santé) will represent a major expansion in the size and complexity of the Group's business. The future prospects of the Company will be driven, at least in part, by the successful integration of these two businesses through its current and future executive management team and the Company's ability to execute the proposed business plans. Failure to achieve either of these could adversely affect the profitability of the Group and/or the value of Ordinary Shares.

The acquisitions of Epic and JBB Santé, if successful, will involve the Company in taking on significant levels of indebtedness. This will increase the financial risk profile of the Ordinary Shares.

PART 2

RISK FACTORS

Prospective investors should carefully consider all the information in this document including the risks described below. The risks and uncertainties described below are the material risk factors facing the Enlarged Group which are currently known to the Directors. There may be additional risks and uncertainties not presently known or currently deemed immaterial which may also have a material adverse effect on the Enlarged Group's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Enlarged Group's business, financial condition, operational performance and share price could be materially and adversely affected to the detriment of the Enlarged Group and its Shareholders.

For the avoidance of doubt none of the risk factors detailed below seek to qualify the working capital statement set out in paragraph 13 of Part 8 of this document.

An investment in the Company may not be suitable for all recipients of this document. Accordingly, investors are strongly advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000, who specialises in advising upon investments of this nature before making their decision to invest.

General risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment.

A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the UK Listing Authority. In general, the market for shares in smaller public companies is less liquid than for larger public companies. Consequently the share price may be subject to greater fluctuation and the Ordinary Shares may be difficult to buy and sell.

Changes in economic conditions including, for example, interest rates, exchange rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and changes in legislation and other factors can substantially and adversely affect equity investments and the Enlarged Group's prospects.

Risks relating to the Company and its business

No guarantees can be given that the Political, Learning and Professional Divisions will not face increased competition.

No guarantees can be given that (a) the Political Division will retain the current degree of access they have to parliamentary and governmental institutions and (b) in the longer term, presently rising trends in legislation and regulation, and the consequent interest of the client bases of the Political Division in the structure and workings of public sector institutions, will continue. The activities of the Political Division might, in addition, be affected by future changes in the law relating to data protection.

No guarantees can be given that the need for training and learning products and services in the UK will be maintained at existing levels or otherwise.

Although the Group has entered into contractual arrangements to secure the services of the Directors and key executives of Huveaux and certain of those of Epic, the retention of these services in the Enlarged Group cannot be guaranteed and any failure to do so may adversely affect the prospects of the Enlarged Group.

The Enlarged Group's future success will, to an extent, also be dependent on its ability to continue to recruit, motivate and retain suitably qualified individuals and the ability to identify and recruit authors to write and rewrite publications.

Following the Offer, Huveaux may need to make changes to the management structure of the Enlarged Group that it believes are appropriate to optimise the benefits available from the combination of the businesses. Accordingly, the Enlarged Group may face unforeseen difficulties as those changes are carried out.

Although the Huveaux Directors believe this is unlikely, issues may come to light during the course of the integration of Epic and JBB Santé into the Enlarged Group that may have an adverse effect on the financial condition and results of operation of the Enlarged Group.

Huveaux has owned its operating businesses for only a relatively short period. The businesses which Huveaux has acquired have not yet been managed by it over a typical business cycle which may include periods of highly fluctuating economic conditions.

Huveaux can offer no assurances that it will realise all or some of the identified potential benefits of the Offer and the proposed acquisition of JBB Santé (including, without limitation, cost savings) to the extent and within the timeframe contemplated. If Huveaux is unable to manage Epic successfully, it could have a negative impact on the results of operations or financial condition of the Enlarged Group. The is also no guarantee that the acquisition of JBB Santé will be completed on the terms envisaged or at all.

The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets.

The Group's future strategy will not be influenced by whether or not taxation reliefs are available to shareholders of the Company and investors should not rely on the availability of those reliefs in deciding whether to invest in the Company.

The Huveaux Board recognises that the Offer (on its own and together with the proposed acquisition of JBB Santé) will represent a major expansion in the size and complexity of the Group's business. The future prospects of the Company will be driven, at least in part, by the successful integration of these two businesses through its current and future executive management teams and the Company's ability to execute the proposed business plans. Failure to achieve either of these could adversely affect the profitability of the Group and/or the value of the Ordinary Shares.

The acquisitions of Epic and JBB Santé, if successful, will involve the Company in taking on significant levels of indebtedness. This will increase the financial risk profile of the Ordinary Shares.

The completion of the acquisition of JBB Santé would significantly increase the exposure of the Enlarged Group to currency fluctuations between Sterling and the Euro. Although the funding of JBB Santé by way of Euro-denominated debt does provide a natural hedge, since the cash flows from the acquisition will be used to repay the debt, it significantly increases the level of operating results that are denominated in a foreign currency, and therefore exposes the Group to a greater degree of volatility in future reported earnings as a result of currency movements.

PART 3

INFORMATION RELATING TO THE COMPANY

Directors and advisers

Directors:	John P de Blocq van Kuffeler, Executive Chairman Christina G Benn, Non-executive director Timothy J Benn, Non-executive director John L Clarke, Non-executive director Kevin L Hand, Non-executive director David B Horne, Finance Director and Company Secretary Gerry Murray, Chief Executive, Huveaux UK Jean-Marie G Simon, Directeur Général, Huveaux Europe all of 4 Grosvenor Place, London SW1X 7DL
Registered office:	4 Grosvenor Place, London SW1X 7DL
Sponsor, financial adviser and NOMAD to the Company:	Dresdner Kleinwort Wasserstein Limited 20 Fenchurch Street, London EC3P 3DB
Joint stockbrokers to the Company:	Dresdner Kleinwort Wasserstein Limited 20 Fenchurch Street, London EC3P 3DB Bell Lawrie 48 St. Vincent Street, Glasgow, Scotland G2 5TS
Auditors to the Company:	KPMG Audit PLC 8 Salisbury Square, London EC4Y 8BB (Regulated by the Institute of Chartered Accountants in England and Wales)
Solicitors to the Company:	Eversheds LLP Senator House, 85 Queen Victoria Street, London EC4V 4JL
Registrars:	Lloyds TSB Registrars The Causeway, Worthing, West Sussex BN99 6DA
Bankers:	Bank of Scotland 155 Bishopsgate, London EC2M 3YB

1. History and development of Huveaux

Huveaux was formed in 2001 with the objective of building a substantial publishing and media business focused on the creation and delivery of "must have" information across both the public and private sectors. On inception, it was stated that development would be driven by an appropriate balance of organic and acquisition growth. On 17 December 2001, Huveaux was floated on AIM.

To date Huveaux has completed seven acquisitions and reported increased sales, pre-tax profits and dividends in each of the three financial years since its formation. Its business now consists of three Divisions: Political, Learning and Professional. Within these areas, Huveaux's operations comprise a mix of magazines, websites, databases, reference books, revision guides, manuals, videos, conferences, seminars and events in the B2B sector. Huveaux's Political Division has established itself as a market leader in its field. Huveaux has approximately 200 employees located in offices in London, Paris and Brussels as well as in four UK regional offices.

After three years of significant progress, Huveaux remains focused on its original objective and the proposed Acquisition (and the proposed acquisition of JBB Santé) represents a further step towards the fulfilment of that objective.

2. Principal activities of Huveaux

Political Division

Huveaux's Political Division operates as Dod's Parliamentary Communications in the UK and is the largest operating unit within the Group. It is the leading political information, public affairs and policy communication specialist in the UK comprising magazines, websites, databases, reference books, seminars and events. The UK Political Division is based in London.

Huveaux's portfolio of UK political magazines reaches a wide audience which includes MPs, Members of the House of Lords, leading civil servants and public affairs professionals. The suite of titles offers advertisers access to the key opinion formers and decision makers within government, the civil service and the public affairs industry.

Huveaux's UK political magazines account for some 35 per cent. of Dod's Parliamentary Communications sales and comprise:

- The House Magazine;
- The Parliamentary Monitor;
- Whitehall & Westminster World;
- Public Affairs News;
- pH7; and
- The International Development Magazine.

Huveaux's UK new media services comprises:

- ePolitix.com, a highly regarded open access politics website with news, policy bulletins and a comprehensive legislation guide;
- ePolitixlocal.com, the local government equivalent of ePolitix.com;
- dodonline.co.uk, an authoritative online political intelligence resources (based on the highly respected and accurate Dod's Parliamentary Companion database) covering the people, institutions and constituencies in the UK; and
- ePolitixplus.com, a specialist information provider for political monitoring.

Huveaux's UK political training and seminar business comprises:

- Westminster Explained;
- Westminster Briefing; and
- The Certificate in Public Sector Delivery.

Huveaux's database and reference book business principally consists of:

- Dod's Parliamentary Companion;
- Dod's Civil Service Companion;
- Dod's Scotland, Wales and Northern Ireland Companion;
- Dod's Constituency Guide; and
- Vacher's Quarterly;

Electus is a leading search and selection consultancy for the public affairs and political communications industry.

Huveaux's UK political events comprise the following annual awards:

- The House Magazine Parliamentary Awards;
- The Charity Champion Awards; and
- The Public Affairs News Awards.

In the EU, Huveaux's activities are based in Paris and Brussels and consist of:

- Le Trombinoscope (two reference books, a newsletter, a subscription website and the prestigious 'Prix du Trombinoscope' political awards);
- Parliament Magazine, published fortnightly, which reports and reflects upon the work of the European Parliament and the European Commission (as well as upon broader European issues). It also hosts the Parliament Magazine MEP annual awards;
- EUPolitix.com, which mirrors the activities of ePolitix.com in the UK, described above; and
- Eurosource, a two volume reference book concerning the EU Parliament and the EU Commission.

Learning Division

The Learning Division (formerly called the Education and Training Division) consists of the Fenman and Lonsdale businesses and will include the acquisition of Epic.

Fenman is a specialist publisher of material for training managers in both the public and private sectors, including larger companies, government departments, local authorities, the armed forces and large accounting firms. Its flagship product is a monthly publication, The Training Journal, which has some 4,000 annual subscribers. Fenman also makes and sells a wide range of training videos and publishes approximately 100 different training manuals. In addition, it runs seminars and courses for training managers at locations throughout the UK, and operates a website for training managers. Fenman is based in Ely, Cambridgeshire.

Lonsdale is a specialist publisher of revision guides and workbooks for schools in England and Wales. It specialises in Key Stages 2, 3 and 4, including GCSE (for pupils between the ages of 7 and 16) and has more than 90 current titles. Sales are made directly to schools and the guides and workbooks are priced at between £1 and £5 each. The guides are designed to assist teachers to ensure that their pupils receive the exact material on which they will be assessed. Lonsdale is based in Holmfirth, Yorkshire and in Carnforth and Penrith in the Lake District.

Professional Division

ATP-Egora was acquired in 2004 and is based in Paris. It consists principally of four quarterly specialist medical magazines under the brand "Réseaux" and a website for professionals in the French healthcare sector.

As referred to above, Huveaux also announced on 21 July 2005 that it had made a cash offer of €11.5 million (£7.9 million) to acquire JBB Santé which, if successful, will form part of the Professional Division. The full text of the announcement, including details of the terms of that proposed acquisition, are set out in Part 7B of this document

JBB Santé is the leading publisher focusing on continuing medical education for the French healthcare sector. The principal publications of JBB Santé include Panorama du Médecin, La Revue du Praticien and Le Concours Médical.

3. Huveaux's principal markets

All revenue generated by Huveaux relates to one business segment, that of publishing. A geographical breakdown of revenue is provided below:

	2002	*2003*	*2004*
	£'000	*£'000*	*£'000*
Group turnover by geographical area:			
United Kingdom	1,055	4,060	12,225
Continental Europe & rest of the world	—	515	2,208
	1,055	4,575	14,433

4. Financial condition and business development

The following audited financial information on the Group has been extracted from the Financial Information set out in Part 5 of this document:

	Years ended 31 December		
	2002	*2003*	*2004*
	£'000	*£'000*	*£'000*
Turnover	1,055	4,575	14,433
Operating profit	285	1,109	2,022
Profit before tax (before exceptional items)	368	1,205	2,450
Profit before tax (reported in accordance with FRS3)	368	1,205	2,128

For the six months ended 30 June 2005, Huveaux reported in its published unaudited interim results turnover of £9.0 million and a profit before tax of £0.6 million. At 30 June 2005, Huveaux had net assets of £39.5 million.

Huveaux has grown significantly over the past three years. The principal drivers of the financial performance of the business have been:

- the seven successful business acquisitions and subsequent integration programmes across the Political and Learning Divisions since flotation in December 2001; and
- organic growth within the businesses acquired, particularly within the Political Division which posted 16 per cent. like-for-like growth in the year to 31 December 2004.

The results for 2002 reflect Huveaux's first acquisition, Vacher Dod Publishing Limited, which was made in August of that year. In 2003, as a result of acquiring Lonsdale (in March), and Le Trombinoscope and Fenman (both in September), the turnover for the Group increased more than fourfold, and pre-tax profits more than trebled. Three additional acquisitions in 2004, of Public Affairs Newsletter (in March), Parliamentary Communications (in May) and ATP-Egora (in September) contributed to a further trebling of turnover, whilst pre-tax profit (before exceptional items) more than doubled.

Huveaux has a strong Board. Five of its eight Directors are highly experienced publishers and three have served on FTSE 100 company Boards. This gives Huveaux confidence that it has the right management team in place to exploit fully the next phase of its growth and development potential. Biographies of all the Directors are set out in paragraph 8 of this Part 3.

This summary of audited financial information on the group should be read in conjunction with the financial information set out in Part 5 of this document. Investors should read the whole of this document and not just rely on the financial information summarised above.

5. Capital resources

At present, Huveaux is a cash-generative business with no borrowings. Its seven acquisitions have been funded through a mix of equity placings and by cash generated from operations.

During the financial year to 31 December 2004, Huveaux experienced cash inflows from operating activities of £0.9 million. In addition, Huveaux made certain acquisitions which resulted in a total cash outflow of approximately £17.1 million (namely, Parliamentary Communications Limited – £15.8 million; Public Affairs Newsletter – £0.8 million; and ATP Egora SA – €0.5 million), largely funded by an equity fundraising of £16.8 million. At the end of Huveaux's last financial year to 31 December 2004, the Group had £3.1 million in cash. Since that year-end, payments totalling £1.6 million have been made representing the final instalments of deferred consideration due in respect of the Lonsdale SRG and Parliamentary Communications Limited acquisitions completed in 2003 and 2004 respectively, as well as the final dividend for 2004 of £1.1 million. The cash balance at 30 June 2005 is £0.6 million, reflecting net cash inflows in the seasonally quiet first six months of the year of £0.4 million which is in line with management expectations. There are no other material liabilities and no legal or economic restrictions on the transfer of funds between Huveaux's subsidiaries and Huveaux PLC.

Huveaux's principal operations are in the UK, with smaller operations in France and Belgium. As such, the majority of its cash flows are denominated in Sterling, with the balance in Euros. The Group has not entered into any currency hedging arrangements.

The Huveaux group's capital requirements include the funding of ongoing operations, payments due under lease obligations and the financing of any future acquisition opportunities. Huveaux's lease obligations are expected to be met from operating cash flows. Huveaux has been cash flow positive at the operating level in each of the last three years and intends to continue with its established progressive dividend policy, under which dividends paid to date have been 0.75 pence, 0.88 pence and 1.00 pence per share in the years ended 31 December 2002, 2003 and 2004 respectively.

On 20 July 2005, Huveaux entered into new finance facilities with Bank of Scotland comprising a term loan of €15 million to finance Huveaux's potential acquisition of JBB Santé and a £1.0 million revolving credit facility. The term loan facility has a maximum term of 7 years and an annual interest cost of 1 per cent. above Euro LIBOR. The revolving credit facility may be used for working capital and/or general corporate purposes of the Huveaux Group. Both the term loan and the revolving credit facility contain certain non-restrictive covenants of a customary nature.

In addition, the cash element of the Offer will be financed by way of a £8.5 million bridge finance facility, to be provided by the Bank of Scotland and repaid out of the distributable reserves of Epic following completion of the Acquisition. The bridge finance facility has a maximum term of six months. As at 31 May 2005, Epic had reported cash balances of £10.3 million.

Further details of the facilities referred to above are provided in paragraph 9(i) of Part 8 of this document.

6. Operating results and current trading

The operating performance of Huveaux's three divisions is affected by the following principal factors, namely:

- the amount of legislation and regulation proposed and actually introduced by the UK Government and the EU Parliament;
- the need for companies, organisations, charities and other parts of Government to make their views known and lobby for changes in relation to proposed legislation and regulation set out above; and
- the extent to which local Government, the EU Parliament and other regulators and professional bodies increase levels of legislation and regulation within education, training and professional development, thereby increasing demand by practitioners within these sectors for publications and other materials and events.

All of these factors remain as significant now as they have been in the previous three years, with growth being experienced in all three areas. There are trends towards the lesser use of training manuals and videos as a form of training which the Huveaux Directors believe reflects the increasing use of other learning solutions, particularly including e-learning.

Costs increases in 2005 are broadly expected to be in line with inflation although there may be an above inflation increase in the cost of paper in the second half of 2005.

Current trading is in line with Directors' expectations as commented upon in Huveaux's interim results announcement for the six month period to 30 June 2005 released on 21 July 2005. The second half of the year is an important period as it coincides with the start of the new academic and parliamentary years in September and October.

7. Trend information and prospects

Political Division

- In the Political Division, the result of the UK General Election in May 2005 confirmed the likely continuation of the trend of increasing legislation and regulation seen in the UK over the past eight years.
- Whilst the enlargement of the EU in 2004 provided greater business opportunities within the EU, the recent "No" votes to the proposed EU Constitution by France (and its resulting change in government) and The Netherlands, and the more recent failure to agree the 2007 EU Budget, have created some uncertainty regarding the future volume and timing of legislation and regulation by the European Commission and the European Parliament. Nevertheless, the Political Division is well positioned to take advantage of the many opportunities available to Huveaux as market leader in this sector.
- Huveaux is continuing to see the benefits of bringing together the separate teams from Vacher Dod, Public Affairs Newsletter and Parliamentary Communications, both in terms of revenue synergies and cross-selling opportunities, as well as in terms of improved efficiences derived from the business integration programme at the end of 2004.

Learning Division

- The Lonsdale business has had an excellent first half to the current year and the Directors expect that the same trend will continue for the remainder of 2005. It continues to develop new revision guides to address syllabus areas not already covered, and the complete overhaul of the Science syllabus in the 2006-07 academic year is expected to provide an opportunity for further growth. Recent structural changes made to the Fenman business have also helped in establishing a more efficient cost model that will help to maximise future returns.

Professional Division

- The Professional Division as proposed to be enlarged by the acquisition of JBB Santé, has a good position in the French medical and healthcare market. Changes planned in editorial and publishing policy for certain magazines (in terms of improved editorial standards, content and design), offers significant relaunch opportunities and increased readership numbers and should benefit the business starting in 2006. The introduction of compulsory continuing medical education ("CME") for healthcare professionals in France represents a significant opportunity for JBB Santé, which owns the only two CME-focused titles in France, although the timing of its introduction will be an important factor affecting the future results of the Company.

8. Directors and senior management

The Board comprises the following persons:

John P de Blocq van Kuffeler, co-founder and executive Chairman, aged 56

John is executive Chairman of Huveaux. He is also Chairman of Provident Financial plc. He was formerly CEO of Provident Financial plc and prior to that CEO of Brown Shipley Holdings plc.

Christina G Benn, co-founder and non-executive, aged 65

Christina was formerly Head of Personnel and Training at Benn Brothers plc and CEO of Timothy Benn Publishing Limited and Dalesman Publishing Company Ltd.

Timothy J Benn, co-founder and non-executive, aged 68

Timothy was formerly Chairman of Benn Brothers plc, Timothy Benn Publishing Limited and Dalesman Publishing Company Ltd.

John L Clarke, co-founder and non-executive, aged 56

After a career at Peat Marwick & Co. (now KPMG), John became a partner at Moores Rowland, and subsequently founded Clarke & Co, chartered accountants in 1990. He is also Chairman of Cranzon Systems Ltd.

Kevin L Hand, non-executive, aged 54

Kevin is Chairman of Hachette Filipacchi UK Limited, the UK publisher of consumer magazines, including ELLE, which is part of Lagardère Group. Prior to that he was CEO and director of Emap plc, having joined them in 1983. During that time he was responsible for establishing their French business, and being CEO of Emap's newly created Consumer Magazine Division.

David B Horne, Finance Director and Company Secretary, aged 43

Prior to joining the Board of Huveaux, David ran his own consultancy practice. He was formerly European Finance Director of BSMG Worldwide, the international PR agency. He qualified with Price Waterhouse in Canada.

Gerry Murray, Chief Executive, Huveaux UK, aged 52

Gerry started his publishing career as a journalist becoming a senior publisher at Emap plc in the 1980s. Gerry built up Emap's stable of business magazines and was the CEO of Emap Business Publishing and a main board director of Emap plc between 1988 and 1991.

Jean-Marie G Simon, Directeur Général, Huveaux EU, aged 46

Jean-Marie was formerly Deputy General Manager of Emap, France, following senior finance roles with The Walt Disney Company (Paris and Los Angeles) and G D Searle (Chicago, Eastern Europe and France). Prior to that he worked for Arthur Andersen, Paris.

9. Corporate governance

Huveaux is listed on AIM and as a result is not obliged to comply with the provisions of the Combined Code on Corporate Governance issued by the Financial Reporting Council in July 2003. However, the Huveaux Directors intend, so far as is possible given the Group's size, to comply with the principles of good corporate governance. Further information on the Group's current corporate governance arrangements is set out in paragraph 7 of Part 8 of this document.

PART 4

INFORMATION RELATING TO THE ORDINARY SHARES AND THE OFFER

1. Introduction

The boards of Huveaux and Epic announced today that they had reached agreement on the terms of a recommended conditional share and cash offer to be made by Dresdner Kleinwort Wasserstein, on behalf of Huveaux, for the whole of the issued and to be issued ordinary share capital of Epic. The Offer Document is also being posted today with this document to Epic Shareholders.

The Offer values each Epic Share at 95.5 pence and comprises 1.33 New Huveaux Shares and 35.0 pence in cash for each Epic Share (calculated using the Closing Price of a Huveaux Share of 45.5 pence on 27 July 2005, being the last practicable Dealing Day prior to the date of publication of this document). The Offer values the existing issued share capital of Epic at approximately £22.7 million.

In aggregate, irrevocable undertakings, and a letter of intent, to accept, or procure the acceptance of, the Offer have been received by Huveaux in respect of 12,399,243 Epic Shares, representing approximately 52.1 per cent. of Epic's existing issued share capital.

2. Structure

The Offer, which is subject, *inter alia*, to the conditions and further terms set out in the Offer Document and (in respect of certificated Epic Shares) the Form of Acceptance, is being made by Dresdner Kleinwort Wasserstein, on behalf of Huveaux, on the following basis:

for each Epic share 1.33 New Huveaux Shares and 35.0 pence in cash

The Offer values the existing issued share capital of Epic at approximately £22.7 million and each Epic Share at 95.5 pence based on the Closing Price of one Huveaux Share of 45.5 pence on 27 July 2005, being the last practicable Dealing Day prior to the posting of this document. At 95.5 pence per Epic Share, the Offer represents a premium of:

– 43.6 per cent. over the Closing Price of an Epic Share of 66.5 pence on 27 June 2005, being the last Dealing Day prior to Epic entering an Offer Period; and

– 9.8 per cent. over the Closing Price of an Epic Share of 87.0 pence on 27 July 2005, being the last Dealing Day prior to posting of this document.

The New Huveaux Shares to be issued pursuant to the Offer will be issued credited as fully paid and free from all liens, equities, encumbrances, and other interests. The New Huveaux Shares will rank *pari passu* in all respects with, and have the same rights as, the Existing Huveaux Shares, including the right to receive all future dividends and other distributions declared, made or paid by Huveaux after the Announcement.

The Epic Shares will be acquired by Huveaux fully paid and free from all liens, charges, equitable interests, encumbrances and any other third party rights of any nature whatsoever and together with all rights now or hereafter attaching to them, including the right to receive in full and retain all dividends and other distributions (if any) subsequently declared, made or paid.

The Epic Directors consider the terms of the Offer to be fair and reasonable and are unanimously recommending Epic Shareholders to accept the Offer.

Huveaux has received irrevocable undertakings, and a letter of intent, to accept, or procure the acceptance of, the Offer in respect of an aggregate of 12,399,243 Epic Shares, representing approximately 52.1 per cent. of Epic's existing issued share capital. Further details of the irrevocable undertakings to accept the Offer are set out below and in the Offer Document posted today to Epic Shareholders.

Full acceptance of the Offer, assuming the exercise of all outstanding options with an exercise price of less than 95.5 pence per share under the Epic Share Option Schemes before the Offer closes, will result in the payment of approximately £8.5 million in cash and the issue of approximately 32.5 million New Huveaux Shares by Huveaux and in Epic Shareholders holding approximately 23.2 per cent. of the Enlarged Share Capital.

3. Background to, and reasons for, the Offer

Huveaux was formed in 2001 with the objective of building a substantial publishing and media business focused on the creation and delivery of "must have" information across both the public and priviate sectors. On inception, it was stated that development would be driven by an appropriate balance of organic and acquisition growth.

Since flotation in December 2001, Huveaux has made seven acquisitions and successfully built its Political Division into one of the leading publishers and information providers to the UK and European political and public affairs communities. In addition, Huveaux has established a strong presence in the Learning market through its Fenman and Lonsdale businesses and is proposing to strengthen its presence in the Professional market through its proposed acquisition of JBB Santé, one of France's leading publishers of medical journals which has a strong focus on the continuing medical education for healthcare professionals. Huveaux announced details of this proposed acquisition on 21 July 2005.

The Huveaux Directors believe the acquisition of Epic represents both an excellent opportunity to acquire a market leader in the growing UK market for e-learning and a good strategic fit with Huveaux's existing businesses. Epic is a profitable, cash-generative business with a quality customer base in both the private and public sectors including major banks, retailers and consultancies in the private sector and governmental departments, education, health and defence in the public sector. It provides e-learning solutions which are increasingly becoming a prerequisite for organisations in their training and learning activities.

The Huveaux Directors further believe that Epic's acquisition by Huveaux will provide it with the support of a larger publishing group and the strong management resources needed for its further growth and to help deliver on the cross-selling opportunities to customers of both organisations. The combination of the two businesses will also provide Huveaux with the ability to offer a broader range of learning solutions (including blended solutions) to existing customers of its Learning Division and those of its Political and Professional Divisions. In addition, it will provide the ability to extract further value from its existing products and intellectual property through the in-house development of owned e-learning products.

The Board of Huveaux have identified the following key strategic, financial and operational benefits which are expected to arise from the Acquisition:

- Epic is a leading UK provider of e-learning products and services to a broad range of quality customers across both the public and private sectors;
- the Directors of Huveaux believe the e-learning market represents a significant growth opportunity, as companies, professions and public bodies continue to look for greater productivity through training and development, but at a lower cost of delivery;
- the business combination of Huveaux with Epic opens up an opportunity to offer e-learning products and blended learning solutions to new and existing customers and subscribers within Huveaux's Political, Learning and Professional Divisions. This broader product offering across a range of communication channels will, the Huveaux Directors believe, also extend and deepen Huveaux's relationship with its existing customers and subscribers;
- the Directors of Huveaux also believe that Epic will be better placed to exploit these opportunities as part of a larger, broad-based publishing and media group and will benefit from the experience of the senior management team at Huveaux in further building and developing the Epic business;
- combining Huveaux's owned intellectual property with Epic's technologically advanced delivery system;
- the opportunity to retain Epic's e-learning products and content rights in-house for further development and exploitation within the Enlarged Group;
- operational efficiencies and cost saving opportunities from the combination of the two senior management teams and the future need for only one corporate head office; and
- the Directors of Huveaux believe that the Acquisition will be earnings enhancing in the first full financial year of acquisition[1].

(1) This statement should not be taken to mean that the earnings per share of Huveaux will necessarily match or exceed the historical reported earnings per share of Huveaux and no forecast is intended or implied.

The UK is currently experiencing significant growth in the e-learning market. A recent Chartered Institute of Personnel and Development survey for 2005 expects e-learning in the UK to increase over the next three years from less than 10 per cent. of total training time to up to 50 per cent. of total training time in a significant number of organisations. Due to the Government's strong support for IT literacy training, market commentators expect this market place to grow by up to 40 per cent. in value over the next two years.

Whilst the UK e-learning market is both diverse and fragmented, there are important barriers to entry in producing products that are acceptable to significant organisations, not least the lead-time necessary to establish and nurture a customer relationship which ultimately allows access to the organisation's learning and training programmes. Once such a training programme is in place, it is more difficult for a new entrant to penetrate existing relationships. Epic has achieved approved supplier status with a number of substantial organisations.

The Offer for Epic by Huveaux has been unanimously recommended by the Epic Board.

4. Compulsory acquisition and cancellation of listing

If Huveaux receives acceptances under the Offer in respect of, and/or otherwise acquires 90 per cent. or more of the Epic Shares to which the Offer relates and the Offer becomes unconditional in all respects, Huveaux intends to exercise its rights pursuant to the provisions of sections 428 to 430F (inclusive) of the Act to acquire compulsorily Epic Shares in respect of which acceptances have not then been received.

It is intended that, following the Offer becoming or being declared unconditional in all respects and subject to any applicable requirements of the London Stock Exchange, Huveaux will procure that Epic applies to AIM for the trading of the Epic Shares on AIM to be cancelled. It is anticipated that such cancellations will take effect no earlier than 20 business days after the Offer becomes or is declared unconditional in all respects. Huveaux will make an announcement when the Offer becomes or is declared wholly unconditional and such announcement will include a statement of Huveaux's intentions regarding the cancellation of the trading of Epic Shares on AIM. Cancellation of the trading of Epic Shares on AIM would significantly reduce the liquidity and marketability of any Epic Shares in respect of which acceptances of the Offer have not been submitted.

5. Fractional entitlements

Fractions of New Huveaux Shares will not be allotted or issued to Epic Shareholders who accept the Offer but will be aggregated and sold in the market for the benefit of the Enlarged Group.

6. Irrevocable undertakings

Huveaux has received irrevocable undertakings from all of the Epic Directors who beneficially own Epic Shares to accept, or to procure the acceptance of, the Offer in respect of, an aggregate, 2,392,381 Epic Shares in which they (and certain persons connected with them) are interested, representing approximately 10.0 per cent. of the existing issued share capital of Epic. All of these irrevocable undertakings to accept the Offer are binding, even if a higher competing offer is announced by a third party, unless the Offer lapses or is withdrawn.

Huveaux has also received irrevocable undertakings from certain other shareholders to accept, or to procure the acceptance of, the Offer in respect of, in aggregate, 9,406,862 Epic Shares, representing approximately 39.5 per cent. of Epic's existing issued ordinary share capital. These undertakings will cease to be binding in the event of an offer for the issued and to be issued share capital of Epic by another party that has a value, upon announcement, which exceeds the value of the Offer by 15 per cent. or more in respect of 2,232,886 Epic Shares; by 10 per cent. or more in respect of 3,988,100 Epic Shares; by more than 10 per cent. in respect of 1,500,000 Epic Shares, and has a value of 100 pence per Epic Share or higher in respect of 1,685,876 Epic Shares.

In addition, Huveaux has received a letter of intent to accept the Offer in respect of 600,000 Epic Shares representing 2.5 per cent. of Epic's existing issued share capital.

Therefore, in aggregate, irrevocable undertakings, and a letter of intent, to accept, or to procure the acceptance of, the Offer have been received in respect of 12,399,243 Epic Shares representing approximately 52.1 per cent. of the existing issued share capital of Epic.

7. The New Huveaux Shares

If all Epic Shareholders accept the Offer then approximately 31.7 million New Huveaux Shares will be issued by Huveaux representing approximately 22.7 per cent. of the Enlarged Share Capital.

The New Huveaux Shares to be issued pursuant to the Offer will be issued credited as fully paid and free from all liens, equities, encumbrances, and other interests. The New Huveaux Shares will rank *pari passu* in all respects with, and have the same rights as, the Existing Huveaux Shares, including the right to receive all future dividends and other distributions declared, made or paid by Huveaux following the Announcement, and hence will rank for any dividend declared in respect of the year ended 31 December 2005. Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms and subject to the terms of the Offer, settlement of the consideration to which any Epic Shareholder is entitled pursuant to the Offer (including the issue of New Huveaux Shares) will be effected: (i) within 14 days of the date on which the Offer becomes or is declared unconditional in all respects in the case of acceptances received before such date; and (ii) within 14 days after the receipt of such acceptances in the case of acceptances received after the Offer becomes or is declared unconditional in all respects.

8. Admission to trading and dealing arrangements

Application has been made to the London Stock Exchange for the New Huveaux Shares to be admitted to trading on AIM. It is expected that admission of the New Huveaux Shares to AIM will become effective and that dealings on AIM (for normal settlement) will commence at 8.00 a.m. on the first business day after the date on which the Offer becomes or is declared unconditional in all respects (save only for any condition as to Admission).

No application is being made for the New Huveaux Shares to be admitted to listing or to be dealt in on any other exchange.

9. Dividend policy

Huveaux's current intention is to continue with its established progressive dividend policy under which dividends paid to date have been 0.75 pence, 0.88 pence and 1.00 pence per share in the years ended 31 December 2002, 2003 and 2004 respectively.

PART 5

FINANCIAL INFORMATION RELATING TO THE HUVEAUX GROUP

The financial information set out below does not constitute Huveaux's statutory accounts within the meaning of section 240 of the Companies Act. Copies of the statutory consolidated accounts of Huveaux for the years ended 31 December 2002, 31 December 2003 and 31 December 2004 have been delivered to the Registrar of Companies in England and Wales, pursuant to section 242 of the Companies Act.

The auditor of Huveaux for the years ended 31 December 2002, 31 December 2003 and 31 December 2004 was KPMG Audit Plc. KPMG Audit Plc, Chartered Accountants and Registered Auditor of 8 Salisbury Square, London, EC4Y 8BB, made a report under section 235 of the Companies Act in respect of the statutory consolidated accounts for the years ended 31 December 2002, 31 December 2003 and 31 December 2004. That report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act.

Part 5A Historical financial information

KPMG Audit
1 Puddle Dock
London EC4V 3PD

The Directors
Huveaux PLC
4 Grosvenor Place
London
SW1X 7DL

28 July 2005

Dear Sirs

Huveaux PLC

We report on the financial information set out below. This financial information has been prepared for inclusion in the document dated 28 July 2005 (and we understand that it will be incorporated by reference in the Offer Document dated 28 July 2005) of Huveaux PLC ('the Company') on the basis of the accounting policies set out in note 1.

Responsibility

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board of the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion the financial information gives, for the purposes of the equivalent information document, a true and fair view of the state of affairs of Huveaux PLC as at the dates stated and of its profits, cash flows and recognised gains and losses for the years then ended in accordance with the basis of preparation set out in note 1 and in accordance with applicable accounting standards in the United Kingdom.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the equivalent information document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the equivalent information document in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG Audit Plc

Consolidated profit and loss account

for the years ended 31 December

	Note	*2004* *£000*	*2003* *£000*	*2002* *£000*
Turnover				
Continuing operations	2	7,572	4,575	1,055
Acquisitions	2	6,861	—	—
		14,433	4,575	1,055
Cost of sales	3	(6,872)	(1,497)	(495)
Gross profit	3	7,561	3,078	560
Administrative expenses	3	(5,217)	(1,969)	(275)
Exceptional items	3,4	(322)	—	—
Total administrative expenses		(5,539)	(1,969)	(275)
Operating profit:				
Continuing operations	2	1,281	1,109	285
Acquisitions	2	741	—	—
Total operating profit		2,022	1,109	285
Interest receivable and other similar income	8	116	99	83
Interest payable and similar charges	9	(10)	(3)	—
Profit on ordinary activities before taxation	5	2,128	1,205	368
Tax on profit on ordinary activities	10	(345)	(250)	(67)
Profit for the financial year		1,783	955	301
Dividends on equity shares	11	(1,065)	(629)	(155)
Retained profit for the year	22	718	326	146
Adjusted basic earnings per share before exceptional items	12	2.19p	2.01p	2.05p
Earnings per share – basic	12	1.94p	2.01p	2.05p
Earnings per share – diluted	12	1.92p	2.01p	2.05p

The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated balance sheet
as at 31December

	Note	2004 £000	2003 £000	2002 £000
Fixed assets				
Intangible assets	14	38,046	19,451	4,950
Tangible assets	15	800	515	68
		38,846	19,966	5,018
Current assets				
Stocks	16	1,329	841	89
Debtors	17	4,638	1,153	439
Cash at bank and in hand		3,120	3,710	1,361
		9,087	5,704	1,889
Creditors: amounts falling due within one year	18	(8,736)	(2,901)	(812)
Net current assets		351	2,803	1,077
Total assets less current liabilities		39,197	22,769	6,095
Creditors: amounts falling due after more than one year	19	(77)	(1,162)	—
Provision for liabilities and charges	20	—	(22)	—
Net assets		39,120	21,585	6,095
Capital and reserves				
Called up equity share capital issued	21	10,646	7,146	2,066
Called up equity share capital not issued	21	400	400	—
Share premium account	22	26,444	13,157	3,883
Merger reserve	22	409	409	—
Profit and loss account	22	1,221	473	146
Equity shareholders' funds		39,120	21,585	6,095

The accompanying notes are an integral part of this consolidated balance sheet.

Consolidated cash flow statement

for the years ended 31 December

	Note	*2004* *£000*	*2003* *£000*	*2002* *£000*
Reconciliation of operating profit to net cash inflow from operating activities				
Operating profit		2,022	1,109	285
Depreciation charges		238	45	10
Increase in stocks		(483)	(106)	(75)
Increase in debtors		(773)	(258)	(132)
Decrease in creditors		(108)	(631)	(268)
Net cash inflow from operating activities		896	159	(180)
Cash flow statement				
Cash flow from operating activities		896	159	(180)
Returns on investments and servicing of finance	25	106	96	83
Taxation		(49)	—	(27)
Capital expenditure and financial investments	25	(309)	(240)	(47)
Acquisitions and disposals	25	(17,122)	(12,514)	(3,926)
Equity dividends paid		(629)	(155)	—
Management of liquid resources		(47)	—	—
Cash outflow before financing		(17,154)	(12,654)	(4,097)
Financing	25	16,787	14,763	2,646
(Decrease)/increase in cash in the year	26	(367)	2,109	(1,451)

Consolidated statement of total recognised gains and losses

for the years ended 31 December

	2004	*2003*	*2002*
	£000	*£000*	*£000*
Profit for the financial year	1,783	955	301
Currency translation differences	30	1	—
Total recognised gains and losses for the year	1,813	956	301

Reconciliation of movements in consolidated shareholders' funds

for the years ended 31 December

	2004	*2003*	*2002*
	£000	*£000*	*£000*
Profit for the financial year	1,783	955	301
Dividends	(1,065)	(629)	(155)
Retained profit for the financial year	718	326	146
Other recognised gains and losses relating to the year (net)	30	1	—
Shares to be issued	—	400	—
New share capital subscribed (net of issue costs)	16,787	14,763	3,219
Net addition to shareholders' funds	17,535	15,490	3,365
Opening shareholders' funds	21,585	6,095	2,730
Closing shareholders' funds	39,120	21,585	6,095

Notes to the financial information

(forming part of the financial information)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the Group's financial information.

Basis of preparation

The consolidated financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985, except in respect of intangible assets, for inclusion in the Equivalent Information Document dated 28 July 2005 (and incorporation by reference in the Offer Document dated 28 July 2005).

Basis of consolidation

The consolidated information statements include the financial statements of the company and its subsidiary undertakings made up to 31 December each year. Profits arising on trading between Group undertakings are excluded. The acquisition method of accounting has been adopted. Under this method the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition.

Turnover and revenue recognition

Turnover represents the amounts derived from the provision of goods and services to third party customers, net of trade discounts and VAT. Turnover in respect of subscription-based services, including online services is recognised on a straight line basis over the period of the subscription. Turnover in respect of advertising services is recognised upon publication. Turnover in respect of conferences and seminars is recognised when the event is held. Where publications are printed and distributed in more than one volume, revenue is deferred until the complete publication has been delivered. Turnover in all other respects is recognised when the goods or services are delivered to the customer.

Intangible assets

In accordance with FRS 10: "Goodwill and intangible assets", intangible assets arising on consolidation are capitalised. Intangible assets are amortised to nil by equal instalments over their estimated useful economic lives unless they are considered to have an indefinite useful economic life, in which case they are not amortised but subject to annual review for impairment. Each acquisition is assessed with reference to its durability, ability to sustain long term profitability and proven ability to maintain market leadership.

Based on their assessment, the directors are of the opinion that the intangible assets of the Group have indefinite useful economic lives.

Where intangible assets are treated as having an indefinite economic life, the financial statements depart from the requirement of Schedule 4 of the Companies Act 1985 to amortise intangible assets over finite period, in order to give a true and fair view for the reasons outlined above. Capitalised intangible assets regarded as having an indefinite useful economic life amounted to £38,046,000 as at 31 December 2004 *(2003: £19,451,000; 2002: £4,950,000)*. If these intangible assets were to be amortised over a period of 20 years, the maximum period recommended under FRS 10, operating profit for the year ended 31 December 2004 would have decreased by £1,600,000 *(2003: £597,000; 2002: £103,000)*.

In accordance with FRS 10 and FRS 11: "Impairment of fixed assets and goodwill", the carrying values of intangible assets are reviewed annually on the basis stipulated in FRS 11 and adjusted to the recoverable amount if required. No such adjustment was considered necessary as at 31 December 2004, 2003 and 2002.

Negative goodwill

Negative goodwill arising on consolidation in respect of acquisitions is included within fixed assets and released to the profit and loss account in the periods in which the fair values of non-monetary assets purchased in the same acquisition are recovered, whether through depreciation or sale.

Fixed assets and depreciation

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

Freehold buildings	–	50 years
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

Current asset investments

Current asset investments are stated at the lower of cost and market value.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising from the translation of the opening net assets and the results of overseas operations are reported in the consolidated statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks and work in progress

Finished goods 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.

For new publications and other new products, development costs are deferred and amortised over the period of between one and five years following the first release of the new product for sale.

Deferred revenue and deferred marketing expenditure

As explained under Turnover and revenue recognition, revenue from subscription-based services is recognised over the period of the subscription. The unrecognised element is carried within creditors as deferred revenue.

Where marketing expenditure has been incurred that is directly attributable to that deferred revenue, it is carried within other debtors as deferred marketing and is recognised on the same basis as the deferred revenue.

Taxation

The charge for taxation is based on the profit for the year. Deferred tax is recognised with discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, as allowed by FRS 19: "Deferred Tax".

Cash and liquid resources

Cash for the purpose of the cash flow statement, comprises cash at bank and in hand, deposits repayable on demand less overdrafts payable on demand.

Employee share schemes

The cost of awards to employees that take the form of shares or rights to shares are recognised over the period of the employee's related performance. Where there are no performance criteria, the cost is recognised where the employee becomes unconditionally entitled to the shares. No cost is recognised in respect of SAYE schemes that are offered on similar terms to all or substantially all employees in accordance with exemptions provided under UITF 17.

2 Segmental information

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

	Continuing operations 2004 £000	*Acquisitions 2004 £000*	*Total 2004 £000*	*Total 2003 £000*	*Total 2002 £000*
Group turnover by geographical area					
United Kingdom	6,645	5,580	12,225	4,060	1,055
Continental Europe & rest of the world	927	1,281	2,208	515	—
	7,572	6,861	14,433	4,575	1,055
Operating profit after exceptional items by geographical area					
United Kingdom	1,182	614	1,796	889	285
Continental Europe & rest of the world	99	127	226	220	—
	1,281	741	2,022	1,109	285
Net assets/(liabilities) by geographical area					
United Kingdom	38,553	(575)	37,978	21,459	6,095
Continental Europe & rest of the world	595	547	1,142	126	—
	39,148	(28)	39,120	21,585	6,095

Head office operating costs of £917,000 *(2003: £378,000; 2002: £nil)* have been allocated to operating profits on a *pro rata* basis.

Exceptional items of £322,000 *(2003: £nil; 2002: £nil)* were incurred in respect of the United Kingdom totalling £306,000 and Continental Europe and rest of the world totalling £16,000.

3 Profit and loss account items split between continuing operations and acquisitions

	2004 £000	*2003 £000*	*2002 £000*
Cost of sales			
Continuing operations	2,521	1,497	495
Acquisitions	4,351	—	—
Total cost of sales	6,872	1,497	495
Gross profit			
Continuing operations	5,051	3,078	560
Acquisitions	2,510	—	—
Total gross profit	7,561	3,078	560
Administrative expenses before exceptional items			
Continuing operations	3,749	1,969	275
Acquisitions	1,468	—	—
Total administrative expenses before exceptional items	5,217	1,969	275

4 Exceptional items

	2004 £000
Wages and salaries	182
Social security costs	78
Legal fees	27
Redundancy and people related costs	287
Provisions for vacant properties	35
	322

Immediately following the acquisition of Parliamentary Communications Limited, the Group carried out a significant cost reduction exercise in parts of that business that were loss-making. 18 people left the Group and a property was vacated. Following the integration of our UK Political Division into a single location, 2 further properties were vacated. The exceptional charge for the properties represents the costs incurred in vacating them and provisions for future rental costs, net of expected rental income.

There were no exceptional items in the 2003 and 2002.

Wages and salaries, and social security costs as disclosed above are included in aggregate payroll costs disclosed under note 7.

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2004 £000	2003 £000	2002 £000
Auditors' remuneration			
– audit services, Group	130	105	15
– audit services, Company	74	77	15
Depreciation of owned tangible fixed assets	238	45	10
Hire of plant and machinery – operating leases	27	4	—
Hire of property – operating leases	239	21	42

Auditors' remuneration for non-audit services of £78,000 *(2003: £163,000; 2002: £140,000)* related to share placing and £243,000 *(2003: £191,000; 2002: £nil)* related to due diligence work on acquisitions have been capitalised to the share premium account and investments, respectively.

6 Directors' remuneration

	2004 £000	2003 £000	2002 £000
Directors' emoluments	340	144	56
Company contributions to money purchase pension schemes	37	—	—
Other benefits	4	—	—
	381	144	56

The emoluments of the highest paid director were £140,000 (*2003: £67,000; 2002: £48,000)*, and company pension contributions of £14,000 *(2003: £nil; 2002: £nil)* were made to a money purchase scheme on the director's behalf.

Three directors waived their emoluments for 2002 and the first six months of 2003.

Retirement benefits are accruing to the following number of directors under:

	2004 £000	2003 £000	2002 £000
Money purchase scheme	3	—	—

7 Staff costs

The average number of persons employed by the Group (including executive directors) during the year, within each category was:

	Number of employees		
	2004	*2003*	*2002*
Editorial and production staff	48	21	11
Sales and marketing staff	52	18	8
Managerial and administrative staff	38	24	3
Research and development staff	1	1	1
	139	64	23

The aggregate payroll costs of these persons (including executive directors) were:

	2004	*2003*	*2002*
	£000	*£000*	*£000*
Wages and salaries	4,571	1,037	259
Social security costs	635	148	26
Pension and other costs	57	61	—
	5,263	1,246	285

8 Other interest receivable and similar income

	2005	*2004*	*2003*
	£000	*£000*	*£000*
Bank interest receivable	98	99	83
Net exchange gains	18	—	—
	116	99	83

9 Interest payable and similar charges

	2004	*2003*	*2002*
	£000	*£000*	*£000*
On bank loans and overdrafts	10	3	—

10 Taxation

	2004 £000	2003 £000	2002 £000
UK corporation tax			
Current tax on income for the period	272	46	7
Over accrual in respect of prior periods	(4)	—	—
	268	46	7
Double taxation relief	(5)	—	—
Foreign tax			
Current tax on income for the period	5	—	—
Total current tax	268	46	7
Deferred tax (note 20)			
Origination and reversal of timing differences	371	275	60
Deferred tax asset on French losses	(278)	—	—
Impact of discounting	(16)	(71)	—
Total deferred tax	77	204	60
Tax on profit on ordinary activities	345	250	67

Factors affecting the tax charge for the current year

The tax charge for the period differs from the standard rate of corporation tax in the UK of 30% *(2003: 30%; 2002: 19%)*. The differences are explained below:

	2004 £000	2003 £000	2002 £000
Current tax reconciliation			
Profit on ordinary activities before tax	2,128	1,205	368
Current tax at 30% *(2003: 30%; 2002: 19%)*	639	361	70
Effects of:			
Permanent differences between expenditures charged in arriving at income and expenditure allowed for tax purposes	28	(6)	(2)
Capital allowances in excess of depreciation	(115)	(128)	(7)
Effect of differing tax rates	—	(125)	(1)
Adjustments to tax charge in respect of prior periods	(4)	—	—
Utilisation of tax losses	(280)	(56)	(53)
Total current tax	268	46	7

11 Dividends

	2004 £000	2003 £000	2002 £000
Equity shares – Final dividend proposed 1.00p *(2003; £0.88p; 2002: 0.75p)*	1,065	629	155

12 Earnings per share

	2004 *£000*	*2003* *£000*	*2002* *£000*
Profit attributable to shareholders	1,783	955	301
Add: exceptional items – note 4	322	—	—
Less: tax in respect of exceptional items	(97)	—	—
Adjusted profit attributable to shareholders	2,008	955	301

	2004 *Shares*	*2003* *Shares*	*2002* *Shares*
Weighted average number of shares			
In issue during the year – basic	91,737,954	47,473,307	14,704,126
Dilutive potential ordinary shares	1,179,162	—	—
Diluted	92,917,116	47,473,307	14,704,126
Adjusted basic earnings per share before exceptional items (pence)	2.19	2.01	2.05
Earnings per share – basic (pence)	1.94	2.01	2.05
Earnings per share – diluted (pence)	1.92	2.01	2.05

13 Acquisitions

Each of the following acquisitions has been accounted for by the acquisition method. An analysis of the book value and provisional fair value of the net assets acquired on each is set out below. Publishing rights have, for each acquisition, been valued to reflect their estimated fair values, and each publication can be separately identified and valued.

(a) Vacher Dod Publishing Limited

On 1 August 2002 the Group acquired the entire share capital of Vacher Dod Publishing Limited.

Goodwill arising on the acquisition has been calculated as follows:

	Book value *£000*	*Fair value adjustments* *£000*	*Fair value* *£000*
Publishing rights	529	4,421	4,950
Tangible fixed assets	28	—	28
Investments	202	—	202
Stock	15	—	15
Debtors	228	—	228
Deferred tax	138	—	138
Cash at bank and in hand	95	—	95
Creditors	(1,061)	—	(1,061)
Net asset acquired	174	4,421	4,595
Goodwill			—
Total consideration			4,595
Satisfied by:			
Cash			3,927
Shares			573
Acquisition costs			95
			4,595

Publishing rights have been valued to reflect their estimated fair value each publication can be separately identified and valued.

Vacher Dod Publishing Limited made a loss of £591,000 from the beginning of its financial year to the date of acquisition. In its previous financial year the profit before tax was £109,000 (restated).

On the date of acquisition all of the assets and liabilities of Vacher Dod Publishing Limited were hived up to Huveaux PLC.

(b) Lonsdale SRG

On 31 March 2003 the Group acquired the assets and trade of Lonsdale SRG, a partnership, excluding the cash, trade debtors and creditors of the business.

The following table sets out the book value of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book value	*Fair value adjustments*	*Fair value*
	£000	*£000*	*£000*
Publishing rights	—	6,415	6,415
Tangible fixed assets	208	—	208
Stock	293	—	293
Net assets acquired	501	6,415	6,916
Goodwill			—
Total consideration			6,916
Satisfied by:			
Cash paid			4,896
Contingent consideration – payable in cash			1,400
Contingent consideration – payable in shares			400
Acquisition costs			220
			6,916

The Lonsdale SRG acquisition involves an arrangement whereby the consideration payable includes a deferred element that is contingent on the total turnover of, and the number of profitable new titles launched by Lonsdale SRG in the two-year period from 1 January 2003 to 31 December 2004. The provision for contingent consideration for Lonsdale SRG represents the expected future consideration payable. The contingent consideration is payable in cash of £1.4 million and the allotment of shares of £0.4 million, which is included within shares to be issued (note 21). The conditions to be satisfied are

1. £1 million if the number of profitable future titles launched by 31 December 2004 is 10 or more, reducing by £100,000 per title to the extent the number of profitable future titles is less than 10.
2. £800,000 payable half in cash and half by way of the issue of the deferred consideration shares credited as fully paid up as 35 pence per share, reducing pound for pound to the extent that the aggregate audited turnover of the years ended 31 December 2003 and 2004 is less than £5 million, but so that no such additional amount will be payable if the aggregate audited turnover of the period is less than £4,000,000.

The summarised profit and loss account for Lonsdale SRG for the year ended 31 July 2002 is given below. No results are given for the period from 1 August 2002 to 31 March 2003, as Lonsdale SRG was a partnership and therefore under no obligation to disclose its results publicly. The results for the year ended 31 July 2002 are publicly available, as they were disclosed in the acquisition and listing documents.

	(unaudited) Year ended 31 July 2002 £000
Turnover	2,223
Operating profit	838
Profit before taxation	839
Taxation	(222)
Profit for the year	617

(c) Publications Professionnelles Parlementaires SAS ("PPP")

On 15 September 2003 the Group acquired the entire share capital of PPP, publishers of Le Trombinoscope. The transaction was denominated in Euros and has been converted to Sterling as described in Note 1.

The following table sets out the book value of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book value £000	*Fair value adjustments £000*	*Fair value £000*
Publishing rights	290	1,507	1,797
Tangible fixed assets	13	—	13
Stock	11	—	11
Debtors	271	—	271
Deferred tax	—	100	100
Cash at bank and in hand	71	—	71
Creditors	(688)	—	(688)
Net asset acquired	(32)	1,607	1,575
Goodwill			—
Total consideration			1,575
Satisfied by:			
Cash paid			1,380
Acquisition costs			195
			1,575

The summarised profit and loss account for PPP for the year ended 31 December 2002 and the period from 1 January to 31 August 2003 is given below:

	(unaudited) Period ended 31 August 2003 £000	*(unaudited) Year ended 31 December 2002 £000*
Turnover	262	1,113
Operating (loss)/profit	(300)	206
(Loss)/profit before taxation	(343)	153
Taxation	123	(55)
(Loss)/profit after tax	(220)	98

As part of the transaction to acquire PPP, the company provided an unconditional guarantee amounting to £210,000 to the vendor in respect of amounts payable by PPP to the vendor. The guarantee lapsed on 31 January 2004. without claim.

(d) Fenman Limited and Covelstone Publishing Limited

On 1 October 2003 the Group took effective control of Fenman Limited and Covelstone Publishing Limited (since renamed Training Journal Limited).

The following table sets out the book value of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book value £000	*Fair value adjustments £000*	*Fair value £000*
Publishing rights	—	6,280	6,280
Tangible fixed assets	69	(26)	43
Stock	386	(44)	342
Debtors	311	(26)	285
Deferred tax	—	4	4
Cash at bank and in hand	281	—	281
Creditors	(1,116)	56	(1,060)
Net asset acquired	(69)	6,244	6,175
Goodwill			—
Total consideration			6,175
Satisfied by:			
Cash paid			6,000
Acquisition costs			175
			6,175

The summarised consolidated profit and loss account for the Fenman Group for the year ended 31 July 2003 and the period from 1 August to 30 September 2003 is given below:

	(unaudited) Period ended 30 September 2003 £000	*Year ended 31 July 2003 £000*
Turnover	342	3,045
Operating (loss)/profit	(188)	820
(Loss)/profit before taxation	(188)	857
Taxation	56	(258)
(Loss)/profit after tax	(132)	599

(e) Public Affairs Newsletter

On 5 May 2004 the Group acquired the assets and trade of the Public Affairs Newsletter, a sole proprietorship, excluding the cash of the business.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. All fair values are awaiting final determination of the balances required.

	Book value £000	*Fair value adjustments £000*	*Fair value £000*
Publishing rights	—	818	818
Debtors	85	—	85
Creditors	(85)	—	(85)
Net assets acquired	—	818	818
Goodwill			—
Total consideration			818
Satisfied by:			
Cash paid			750
Acquisition costs			68
			818

The summarised consolidated profit and loss account for the Public Affairs Newsletter for the year ended 31 January 2004 is given below:

	(unaudited) Year ended 31 January 2004 £000
Turnover	199
Profit before taxation	119

(f) Parliamentary Communications Limited

On 6 May 2004 the Group took effective control of Parliamentary Communications Limited.

A number of loss-making activities (investments in and intercompany funding of other business activities controlled by the vendors) and other assets and liabilities were hived out of Parliamentary Communications Limited prior to completion. The book value of these adjustments is as follows:

	Book value £000
Tangible fixed assets	66
Fixed asset investments	588
Creditors	(678)
Net liabilities hived out	(24)

The following table sets out the book values of the identifiable assets and liabilities acquired (after hive-out) and their fair value to the Group. The adjustment to tangible fixed assets was made to reduce to zero the net book value of software and leasehold improvements that are no longer used in the operation. The adjustments to stock, deferred tax and creditors were made to ensure consistency of accounting policies. The fair value adjustment to debtors reflects write-down to estimated realisable value. All fair values are provisional, awaiting final determination of the balances acquired.

	Book value £000	*Fair value adjustments £000*	*Fair value £000*
Publishing rights	1	17,744	17,745
Tangible fixed assets	607	(439)	168
Stock	27	(11)	16
Debtors	1,730	(51)	1,679
Deferred tax	81	510	591
Creditors	(3,037)	(937)	(3,974)
Net (liabilities)/assets acquired	(591)	16,816	16,225
Goodwill			—
Total consideration			16,225
Satisfied by:			
Cash paid			15,229
Deferred consideration			471
Acquisition costs			525
			16,225

On the date of acquisition, an agreement was entered into for the simultaneous creation and repurchase of a minority interest in the subsidiary. Subsequent to 6 May 2004, options over 9,009,009 ordinary shares of Parliamentary Communications Limited were exercised and £450,000 was paid into that company. Huveaux PLC controlled 100% of the share capital throughout the post-acquisition period.

The summarised consolidated profit and loss account for Parliamentary Communications Limited for the year ended 30 June 2003 and the period 1 July 2003 to 30 April 2004, both before hive-out as previously noted, is given below:

	(unaudited) Period ended 30 April 2004 £000	*Year ended 30 June 2003 £000*
Turnover	6,836	7,980
Operating profit/(loss)	1,099	(437)
Profit/(loss) before taxation	452	(417)
Taxation	(250)	(271)
Profit/(loss) after tax	202	(688)

(g) ATP-Egora SA

On 1 September 2004 the Group took effective control of ATP-Egora SA.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The adjustment to deferred tax was made to ensure consistency of accounting polices. All fair values are awaiting final determination of the balances acquired.

	Book value £000	*Fair value adjustments £000*	*Fair value £000*
Publishing rights	—	1	1
Tangible fixed assets	33	—	33
Debtors	330	—	330
Deferred tax	—	173	173
Cash at bank and in hand	238	—	238
Creditors	(287)	—	(287)
Net assets acquired	314	174	488
Goodwill			—
Total consideration			488
Satisfied by:			
Cash paid			341
Acquisition costs			147
			488

The summarised consolidated profit and loss account for ATP-Egora SA for the year ended 31 December 2003 and the period from 1 January 2004 to 31 August 2004, is given below:

	(unaudited) Period ended 31 August 2004 £000	*Year ended 31 December 2003 £000*
Turnover	700	1,294
Operating profit/(loss)	45	(62)
Profit/(loss) before taxation	19	(632)
Taxation	—	—
Profit/(loss) after tax	19	(632)

14 Intangible fixed assets

	Publishing rights £000
Cost and net book value	
At 1 January 2002	—
Additions through acquisitions	4,950
At 31 December 2003	4,950
Additions	9
Additions through acquisitions	14,492
At 31 December 2003	19,451
Additions	5
Additions through acquisition	18,564
Fair value adjustments	26
At 31 December 2004	38,046

Additions to publishing rights of £5,000 in 2004 are additional costs in respect of the acquisitions of Publications Professionnelles Parlementaires SAS and Fenman Limited.

Additions to publishing rights of £9,000 in 2003 are sundry costs in respect of the 2002 acquisition of Vacher Dod Publishing.

Fair value adjustments to publishing rights of £26,000 are in respect of changes to the provisional fair values of Fenman Limited, as follows:

	£000
Stock (finished goods)	59
Creditors (accruals and deferred income)	28
Debtors (trade debtors)	4
Cost of sales	(39)
Tangible fixed assets (additions through acquisition)	(15)
Turnover (continuing operations)	(11)
	26

The directors' impairment review of intangible fixed assets used a discount rate of 10% in the net present value calculation of the carrying value.

15 Tangible fixed assets

	Freehold land and buildings £000	*Short leasehold buildings £000*	*Equipment and motor vehicles £000*	*Total £000*
Cost				
At 1 January 2002	—	—	3	3
Additions	—	—	47	47
Additions through acquisitions	—	6	90	96
At 31 December 2002	—	6	140	146
Additions	—	8	223	231
Additions through acquisitions	200	—	246	446
At 31 December 2003	200	14	609	823
Exchange adjustment	—	—	16	16
Additions	—	56	257	313
Additions through acquisitions	—	3	791	794
Disposals	—	—	(174)	(174)
At 31 December 2004	200	73	1,499	1,772
Depreciation				
At 1 January 2002	—	—	—	—
Charge for the year	—	1	9	10
Additions through acquisitions	—	2	66	68
At 31 December 2002	—	3	75	78
Charge for the year	3	1	41	45
Additions through acquisitions	—	—	185	185
At 31 December 2003	3	4	301	308
Exchange adjustment	—	—	15	15
Charge for the year	4	7	227	238
Additions through acquisitions	—	1	577	578
Disposals	—	—	(167)	(167)
At 31 December 2004	7	12	953	972
Net book value				
At 31 December 2002	—	3	65	68
At 31 December 2003	197	10	308	515
At 31 December 2004	193	61	546	800

16 Stocks

	2004 £000	*2003 £000*	*2002 £000*
Work-in-progress	794	325	50
Finished goods	535	516	39
	1,329	841	89

17 Debtors

	2004 £000	2003 £000	2002 £000
Trade debtors	3,216	713	288
Other debtors	172	278	47
Deferred tax asset – note 20	677	—	78
Prepayments and accrued income	573	162	26
	4,638	1,153	439

Other debtors include current asset investments of £47,000 *(2003: £nil; 2002: £nil)*. This represents the Company's investment in a company listed on the London Stock Exchange. The market value as at 31 December 2004 was £51,000.

18 Creditors: amounts falling due within one year

	2004 £000	2003 £000	2002 £000
Short term loan	—	240	—
Trade creditors	1,874	530	160
Other creditors including tax and social security	2,951	997	7
Accruals and deferred income	2,846	505	490
Dividend proposed	1,065	629	155
	8,736	2,901	812

Other creditors include £1,571,000 *(2003: £400,000; 2002: £nil)* in respect of deferred consideration which has been paid subsequent to the balance sheet date as disclosed under note 27. Other creditors include £32,000; *(2003: £nil; 2002: £nil)* in respect of onerous lease provisions and £16,000 *(2003: £nil; 2002: £nil)* in respect of staff costs that have been charged as exceptional items during the year as disclosed under note 4. The short term loan of £240,000 held at 31 December 2003, representing an interest-free vendor loan in respect of the Fenman acquisition, was repaid during 2004.

19 Creditors: amounts falling due after more than one year

	2004 £000	2003 £000	2002 £000
Other creditors	77	1,162	—

£1.1 million of the amount included at 31 December 2003, representing deferred consideration in respect of the Lonsdale acquisition, is included at 31 December 2004 in creditors: amounts falling due within one year (note 18).

20 Provisions for liabilities and charges

	2004	*2003*	*2002*
	£000	*£000*	*£000*
Deferred tax (asset) – note 17	(677)	—	(78)
Deferred tax liability	—	22	—

The elements of deferred tax are as follows:

	2004	*2003*	*2002*
	£000	*£000*	*£000*
Accelerated capital allowances	205	136	8
Change in effective tax rate from 19% to 30%	—	44	—
	205	180	8
Tax losses	(866)	(30)	(86)
Change in effective tax rate from 19% to 30%	—	(50)	—
	(866)	(80)	(86)
Undiscounted net deferred tax (asset)/liability	(661)	100	(78)
Effect of discounting	(16)	(78)	—
Discounted net deferred tax (asset)/liability	(677)	22	(78)

Movement in deferred tax for the year are set out below.

	£000
Discounted net deferred tax asset at 1 January 2002	—
Assets acquired during the year	138
Charge to the profit and loss account	(60)
Discounted net deferred tax asset at 31 December 2002	78
Assets acquired during the year	104
Charge to the profit and loss account	(204)
Discounted net deferred tax liability at 31 December 2003	(22)
Assets acquired during the year	764
Charge to the profit and loss account	(77)
Exchange adjustment	12
Discounted net deferred tax asset at 31 December 2004	677

The charge to the profit and loss account of £77,000 *(2003: £204,000*; *2002: £60,000)* is stated after recording a deferred tax asset of £278,000 (before discounting) *(2003: £nil*; *2002: £nil)* in respect of tax losses, the recovery of which has been enabled by the merger of our French operations. There are other potential deferred tax assets totalling £443,000 *(2003: £nil*; *2002: £nil)* that have not been recognised on the basis that their future economic benefit is uncertain. Liabilities in respect of deferred consideration and exceptional costs for onerous leases and staff are disclosed under notes 18 and 19.

21 Called-up share capital

Company

	2004 *£000*	2003 *£000*	2002 *£000*
Authorised			
Equity: 175,000,000 *(2003: 120,000,000; 2002:30,000,000)* *ordinary shares of 10p each*	17,500	12,000	3,000
Allotted, called-up and fully paid			
Equity: 106,464,730 *(2003: 71,464,730; 2002:20,661,909)* ordinary shares of 10p each	10,646	7,146	2,066
Equity shares to be issued	400	400	—

During 2004 the company issued 35,000,000 ordinary shares of 10p each for consideration of £3,500,000 and share premium of £13,287,000 net of expenses, as disclosed under note 22.

Shares to be issued of £400,000 relates to the settlement of contingent consideration in relation to the acquisition of Lonsdale SRG in 2003.

During 2003 the company issued 50,802,821 ordinary shares of 10p each for consideration of £5,080,000 and a share premium of £9,683,000 net of expenses, as disclosed in note 22.

During 2002 the company issued 10,208,758 ordinary shares of 10p each for consideration of £1,021,000 and a share premium of £2,198,000 to fund the acquisition of Vacher Dod Publishing Limited. Part of this consideration was the allotment of shares to Edward Peck for £573,000 as part of his consideration for his share of Vacher Dod Publishing Limited.

Share options

The following options over 10p ordinary shares have been granted and are outstanding at 31 December 2004:

	Number of shares
Unapproved Executive Share Option Scheme	
Outstanding options at 1 January 2004, 2003 and 2002	—
Granted during the year	3,136,925
Outstanding options at 31 December 2004	3,136,925

Outstanding options are analysed as follows:

	2004 Number of shares	*Exercise price*	*Exercise date*
Granted in May 2004:			
EMI options	878,000	65.0p	May 2007-2014
Unapproved options	763,000	65.0p	May 2007-2014
	1,641,000		
Granted in November 2004:			
Unapproved options	1,495,925	54.0p	November 2007-2014
Outstanding options at 31 December 2004	3,136,925		
comprising:			
EMI options	878,000		
Unapproved options	2,258,925		
Outstanding options at 31 December 2004	3,136,925		

	Number of shares
Savings related share option scheme	
Outstanding options at 1 January 2004, 2003 and 2002	—
Granted during the year	585,643
Lapsed during the year	(6,228)
Outstanding options at 31 December 2004	579,415

Outstanding options analysed as follows:

	2004 Number of shares	*Exercise price*	*Exercise date*
Granted in June 2004	145,605	52.5p	July 2007-2009
Granted in September 2004	433,810	44.0p	November 2007-2009
Outstanding option at 31 December 2004	579,415		

22 Share premium and reserves

	Share premium £000	*Merger reserve £000*	*Profit and loss account £000*
At 1 January 2002	1,685	—	—
Retained profit for the year	—	—	146
Premium on shares issued, less expenses	2,198	—	—
At 31 December 2002	3,883	—	146
Retained profit for the year	—	—	326
Currency translation differences	—	—	1
Transfer	(409)	409	—
Premium on shares issued, less expenses	9,683	—	—
At 31 December 2003	13,157	409	473
Retained profit for the year	—	—	718
Currency translation differences	—	—	30
Premium on shares issued, less expenses	13,287	—	—
At 31 December 2004	26,444	409	1,221

23 Commitments

	2004 Land and buildings £000	*2004 Other £000*	*2003 Land and buildings £000*	*2003 Other £000*	*2002 Land and buildings £000*	*2002 Other £000*
Expiry date:						
– within one year	262	25	148	4	48	—
– between two and five years	510	49	159	16	73	—
	772	74	307	20	121	—

24 Financial commitments

The Group's financial instruments comprise cash at bank and in hand, consideration for acquisitions and various items such as trade debtors and creditors that arise as a result of normal operations. The Group does not enter into complex derivative transactions and does not trade in financial instruments. As permitted by FRS13: "Derivatives and other financial instruments: disclosure" short-term debtors and creditors have been excluded from all financial instrument disclosures. The fair value of financial assets and liabilities is the same as the carrying amount as at 31 December 2004, 2003 and 2002.

The Group's financial assets at 31 December 2004 comprise sterling and Euro deposits, current accounts and marketable securities. £852,000 *(2003: £175,000; 2002: £nil)* of the Group's cash was denominated in Euros at 31 December 2004 *(2003: £175,000; 2002: £nil)*. The balance of cash is held in sterling accounts. Cash at bank and in hand includes a £700,000 *(2003: £1,000,000; 2002: £nil)* term deposit at a weighted average interest of 4% and £2,420,000 *(2003: £2,710,000; 2002: £1,361,000)* at a weighted average interest of 3.8%. The marketable securities are listed investments with a cost of £47,000 *(2003: £nil; 2002: £nil)* and a market value of £51,000 *(2003: £nil; 2002: £nil)*.

The financial liabilities on which no interest is paid are a loan which was repaid during the year *(2003: £240,000; 2002: £nil),* deferred consideration of £1,100,000 *(2003: £1,400,000; 2002: £nil)* in respect of the Lonsdale acquisition and deferred consideration of £471,000 *(2003: £nil; 2002: £nil)* in respect of the acquisition of Parliamentary Communications Limited as disclosed under note 13.

25 Analysis of cash flows

	2004	*2003*	*2002*
	£000	*£000*	*£000*
Returns on investment and servicing of finance			
Interest and similar income received	116	99	83
Interest paid	(10)	(3)	—
	106	96	83
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(304)	(231)	(47)
Purchase of intangible fixed assets	(5)	(9)	—
	(309)	(240)	(47)
Acquisitions and disposals			
Purchase of subsidiary undertakings and assets	(17,060)	(12,866)	(4,021)
Lonsdale deferred consideration paid	(300)	—	—
Cash acquired on acquisition of subsidiary	238	352	95
	(17,122)	(12,514)	(3,926)
Financing			
Short term funding received	—	1,380	—
Short term funding paid	—	(1,380)	—
Issue of ordinary share capital	17,500	15,573	3,000
Expenses paid in connection with share issue	(713)	(810)	(354)
	16,787	14,763	2,646

26 Analysis of net funds

	At beginning of year *£000*	*Cash flow* *£000*	*Exchange movement* *£000*	*At end of year* *£000*
2002				
Cash at bank and in hand	2,812	(1,451)	—	1,361
2003				
Cash at bank and in hand	1,361	2,349	—	3,710
Debt due within one year	—	(240)	—	(240)
	1,361	2,109	—	3,470
2004				
Cash at bank and in hand	3,710	(607)	17	3,120
Debt due within one year	(240)	240	—	—
	3,470	(367)	17	3,120

27 Post balance sheet events

Payments totalling £1,100,000 of deferred consideration in respect of the Lonsdale acquisition were settled in full on 16 February 2005.

A payment of £471,000 of deferred consideration in respect of the Parliamentary Communications Limited acquisition was paid on 2 March 2005.

The Board of Huveaux PLC announced on 21 July 2005 that it made a formal offer of €11.5 million (£7.9 million) in cash to acquire the entire issued share capital and debt of COPEF S.A. which comprises the business of JB Baillière Santé ("JBB Santé"), a leading publisher in the French medical press sector. The business, which was originally founded in 1818 and is based in Paris, is being acquired from a private equity fund.

28 Related party disclosures

Payments of £10,000 *(2003: £10,000*; *2002: £7,500)* were made by the Company for proprietor financial services to Clarke & Co, of which John Clarke, a director of Huveaux PLC, is a partner. This is included in directors' remuneration as disclosed in note 6.

In 2004, no payments *(2003: £41,667*; *2002: £nil)* were made by the Company for management services to Dalesman Publishing Company Limited, of which Timothy and Christina Benn, directors of Huveaux PLC, were directors.

Payments of £65,000 *(2003: £nil*; *2002: £nil)* were made by the Company for management services to Virtual Reality Centre Limited, of which Gerry Murray is a director. These payments were made in respect of the period prior to his appointment as a director of Huveaux PLC.

Part 5B

Pro forma financial information

Unaudited pro forma statement of net assets of the Enlarged Group

The following is an unaudited pro forma statement of net assets of the Enlarged Group following the proposed acquisitions of Epic and JBB Santé, prepared on the basis and assumptions set out in the notes below and on the basis of the accounting policies to be adopted by Huveaux in preparing its financial statements for the year ending 31 December 2005. No adjustments are considered necessary to align the accounting policies of Huveaux, Epic and JBB Santé. Adjustments have been made to illustrate the effect of the acquisitions on the net assets of Huveaux at the date of its last published balance sheet, 30 June 2005, as if they had taken place on that date. This statement is prepared for illustrative purposes only and, because of its nature, the pro forma statement of net assets of the Enlarged Group addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position.

	Huveaux at 30 June 2005 (note 1A) £000	*Epic at 31 May 2005 (note 1B) £000*	*JBB Santé at 31 December 2004 (note 1C) £000*	*Adjustments Epic (note 1D) £000*	*Adjustments JBB Santé (note 1E) £000*	*Pro forma Huveaux Group £000*
Fixed assets						
Intangible assets	38,046	—	12,219	14,794(iii)	(5,253)(iii)	59,806
Investments	—	100	379	—	—	479
Tangible assets	836	149	229	—	—	1,214
	38,882	249	12,827	14,794	(5,253)	61,499
Current assets						
Stocks	1,287	—	256	—	—	1,543
Debtors	6,317	2,561	6,823	—	—	15,701
Cash at bank and in hand	625	10,281	457	—	(457)(i)	10,906
	8,229	12,842	7,536	—	(457)	28,150
Creditors: amounts falling due within one year	(7,565)	(4,037)	(7,092)	(9,440)(i)(ii)	379(i)(ii)	(27,755)
Net current assets	664	8,805	444	(9,440)	(78)	395
Total assets less current liabilities	39,546	9,054	13,271	5,354	(5,331)	61,894
Creditors: amounts falling due after more than one year	—	—	(12,418)	—	4,478(i)	(7,940)
Net assets	39,546	9,054	853	5,354	(853)	53,954

1. Notes to the unaudited pro forma statement of combined net assets

A. Net assets of Huveaux

The net assets of Huveaux have been extracted without material adjustment from its published interim accounts for the period ended 30 June 2005, as set out in Part 7.

B. Net assets of Epic

The net assets of Epic have been extracted without material adjustment from its published audited annual accounts for the year ended 31 May 2005, as set out in Part 6.

C. Net assets of JBB Santé

The net assets of JBB Santé have been extracted without material adjustment, except for the conversion of those net assets from Euros to Sterling using the closing exchange rate between these currencies as at year end of £1: Euros 1.41, from its unaudited consolidated accounts for the year ended 31 December 2004.

D. Epic adjustments

(i) The purchase consideration is £22.7 million. £8.3 million of this consideration will be payable in cash at acquisition and the balance will be satisfied by the issue of shares at acquisition in Huveaux to the shareholders of Epic. The adjustment to "Creditors: amounts falling due within one year" of £9.4 million comprises a bridging loan that Huveaux has secured to finance the cash element of the consideration and an accrual for transaction costs of £1.1 million.

(ii) Expenses of £1.1 million arising as a result of the transaction.

(iii) The difference between the aggregate fair value of the consideration and the expenses of the transaction and the fair value of the net assets acquired will be included within goodwill. For the purposes of the pro forma statement of net assets, goodwill at £14.8 million represents total consideration payable (including expenses of the transaction) of £23.8 million less the net assets of Epic at 31 May 2005 of £9.0 million.

E. JBB Santé adjustments

(i) The purchase consideration is Euros 11.5 million (approximately £7.9 million), which will be payable in cash, to be financed by a bank loan. The terms of the acquisition of JBB Santé by Huveaux provide that JBB Santé will be acquired on a debt and cash free basis. For the purposes of this statement the outstanding net debt and cash position at 31 December 2004 of £12.9 million has been used to illustrate the impact on net assets. The adjustment of £0.4 million to "Creditors: amounts falling due within one year" comprises a reduction in debt of £1 million and an accrual for transaction costs of £0.6 million. The adjustment of £4.5 million to "Creditors: amounts falling due after more than one year" comprises a reduction in debt of £12.4 million and an increase in bank borrowing by Huveaux to finance the acquisition consideration of approximately £7.9 million.

(ii) Expenses of £0.6 million arising as a result of the transaction.

(iii) The difference between the aggregate fair value of the consideration and the expenses of the transaction and the fair value of the net assets acquired will be included within goodwill. For the purposes of the pro forma statement of net assets, a reduction in goodwill of £5.2 million comprises total consideration payable (including expenses of the transaction) of £8.5 million less the net assets of JBB Santé at 31 December 2004 of £13.8 million, being £0.9 million reported in the unaudited consolidated accounts and £12.9 million of net debt at 31 December 2004.

F. Post balance sheet trading

The pro forma net assets statement does not reflect the trading since 30 June 2005 for Huveaux, 31 May 2005 for Epic and 31 December 2004 for JBB Santé.

The Directors of Huveaux believe that the acquisition of Epic will be earnings enhancing in the first full financial year of acquisition(1).

The Board of Huveaux expects the acquisition of JBB Santé to enhance significantly Huveaux's EPS in 2005 and 2006(1).

1 This statement should not be taken to mean that the earnings per share of Huveaux will necessarily match or exceed the historical reported earnings per share of Huveaux and no forecast is intended or implied.

Accountants' report on pro forma statement of net assets

KPMG Audit
1 Puddle Dock
London EC4V 3PD

The Directors
Huveaux
4 Grosvenor Place
London SW1X 7DL

28 July 2005

Dear Sirs

Huveaux PLC

We report on the pro forma financial information (the 'pro forma financial information') set out in Part 5B of the document dated 28 July 2005, which has been prepared on the basis described in note 1, for illustrative purposes only, to provide information about how the Acquisitions of Epic and JBB Santé might have affected the financial information presented on the basis of the accounting policies to be adopted by Huveaux in preparing the financial statements for the period ending 31 December 2005. This report is required by paragraph 20.2 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility solely of the directors of Huveaux to prepare the pro forma financial information in accordance with paragraph 20.2 of Annex I of the Prospectus Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the pro forma financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board of the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of Huveaux.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated.

Opinion

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Huveaux.

Declaration

For the purposes of Prospective Rule 5.5.3R(2)(f) we are responsible for this report as part of the equivalent information document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the equivalent information document in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG Audit Plc

PART 6

FINANCIAL INFORMATION RELATING TO EPIC

The financial information set out below does not constitute Epic's statutory accounts within the meaning of section 240 of the Companies Act. Copies of the statutory consolidated accounts of Epic for the years ended 31 May 2003 and 31 May 2004 have been delivered to the Registrar of Companies in England and Wales pursuant to Section 242 of the Companies Act. Consolidated accounts of Epic for the year ended 31 May 2005 have been approved by the directors and its auditors and will be filed with Companies House following their adoption at Epic's next AGM.

The auditor of Epic for the year ended 31 May 2003 was KPMG Audit Plc, Chartered Accountants and Registered Auditor of 1 Forest Gate, Brighton Road, Crawley RH11 9PT, made a report under section 235 of the Companies Act in respect of the statutory consolidated accounts for the year ended 31 May 2003. That report was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act.

The auditor of Epic for the years ended 31 May 2004 and 31 May 2005 was Baker Tilly. Baker Tilly, Chartered Accountants and Registered Auditor of International House, Queens Road, Brighton, BN1 3XE, made a report under section 235 of the Companies Act in respect of each of the statutory consolidated accounts for the year ended 31 May 2004 and 31 May 2005. Such reports were unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act.

The financial information for the years ended 31 May 2003, 2004 and 2005 has been extracted without material adjustment from the audited consolidated financial statements of Epic for the years then ended.

Consolidated profit and loss account
for the years ended 31 May

	Note	*2005* *£000*	*2004* *£000*	*2003* *£000*
Turnover	2	8,104	7,296	8,750
Cost of sales		(3,810)	(3,524)	(4,266)
Gross profit		4,294	3,772	4,484
Administrative expenses		(2,725)	(2,887)	(3,059)
Operating profit on ordinary activities before interest and taxation		1,569	885	1,425
Interest receivable and similar income	5	516	479	377
Profit on ordinary activities before taxation	3	2,085	1,364	1,802
Tax on profit on ordinary activities	6	(550)	(330)	(55)
Profit on ordinary activities after taxation		1,535	1,034	1,747
Dividends paid and proposed	7	(1,117)	(471)	(362)
Profit retained for the financial year	14	418	563	1,385
Earnings per share	8			
Earnings per share		6.3p	4.0p	6.8p
Diluted earnings per share		6.2p	3.9p	6.6p

There is no material difference between historical cost profits and those shown above; therefore, no separate note of historical cost profits and losses has been presented.

The Group has no recognised gains or losses during the current and previous years other than the above results.

All of the results above arose from continuing operations during the current and previous years.

Consolidated balance sheet
as at 31 May

	Note	*2005* *£000*	*2004* *£000*	*2003* *£000*
Fixed assets				
Tangible fixed assets	9	149	148	163
Investments	10	100	100	100
		249	248	263
Current assets				
Debtors	11	2,561	1,908	1,735
Cash at bank and in hand		10,281	12,470	11,720
		12,842	14,378	13,455
Creditors: amounts falling due within one year	12	(4,037)	(3,630)	(3,384)
Net current assets		8,805	10,748	10,071
Net assets		9,054	10,996	10,334
Capital and reserves				
Called up share capital	13	238	262	259
Share premium account	14	26	4,114	4,018
Capital redemption reserve	14	28	—	—
Other reserves	14	—	1,090	1,090
Profit and loss account	14	8,762	5,530	4,967
Equity shareholders' funds	15	9,054	10,996	10,334

Consolidated cash flow statement

for the years ended 31 May

	Note	*2005* *£000*	*2004* *£000*	*2003* *£000*
Net cash inflow from operating activities	16	684	818	1,910
Returns on investments and servicing of finance	17	525	440	397
Taxation		(314)	(46)	(22)
Capital expenditure	17	(111)	(96)	(91)
Equity dividends paid		(613)	(465)	(101)
Cash inflow before financing		171	651	2,093
Financing	17	(2,360)	99	178
(Decrease)/increase in cash in the year	18	(2,189)	750	2,271

Reconciliation of net cash flow to movement in consolidated net funds

for the years ended 31 May

	Note	*2005* *£000*	*2004* *£000*	*2003* *£000*
(Decrease)/increase in cash in the year		(2,189)	750	2,271
Change in net funds resulting from cash flow and movement in net funds in the year		(2,189)	750	2,271
Net funds at beginning of year		12,470	11,720	9,449
Net funds at end of year	18	10,281	12,470	11,720

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently throughout the accounting period in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Basis of consolidation

The Group financial statements consolidate the financial statements of Epic and all its subsidiary undertakings.

The merger accounting principles have been adopted in the consolidation of the parent company with Epic Multimedia Limited and its subsidiary companies (the 'Epic Multimedia Limited group'). The merger took place following a share for share exchange on 10 May 1996.

The acquisition method of accounting has been adopted by the Epic Multimedia Limited group. Under this method, the results of subsidiary undertakings acquired and disposed of during the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Goodwill

Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisitions before 1 June 1998, when Financial Reporting Standard 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given and associated costs over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 June 1998 is capitalised. On the subsequent disposal or termination of a business, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful economic life.

Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services to customers during the year and is recognised on the basis of the accounting policies on long-term contracts.

Long-term contracts and work in progress

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. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Certain subcontractor costs and associated turnover are deferred and released to cost of sales and turnover in the accounting period when the appropriate milestone is accepted by the ultimate client.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Other fixed assets and depreciation

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

Leasehold improvements	– the shorter of 10 years and the unexpired lease term
Computer equipment	– 2 to 4 years
Fixtures, fittings and equipment	– 4 years
Motor vehicles	– 4 years

Leases

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. Assets are capitalised and depreciated over the shorter of their estimated useful lives in accordance with the above depreciation policy and the lease term. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the interest element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding obligation for future instalments.

The costs of operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Pension benefits

The Company makes payments to defined contribution arrangements for eligible staff. The annual contributions payable are charged to the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2 Segmental information

The turnover and pre-tax profit are wholly attributable to the Group's principal activity, the production of interactive multimedia programmes, and arise solely in the UK.

3 Profit on ordinary activities before tax

	2005 £000	2004 £000	2003 £000
Profit on ordinary activities before taxation is stated after charging:			
Amounts payable to auditors:			
For audit services			
– statutory audit	13	12	20
For non-audit services			
– audit related regulatory reporting	4	4	2
– further assurance services (included in exceptional item below)	—	40	—
– taxation services (compliance)	2	2	3
Depreciation and other amounts written off fixed assets:			
– owned assets	110	120	163
Rentals payable under operating leases:			
– hire of plant and machinery	5	5	22
– other operating leases	133	133	133
Exceptional item:			
Aborted transaction fees (including amounts in respect of Group auditors)	—	115	—
Fixed asset investment provisions	—	—	145

4 Employees and directors

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees		
	2005	2004	2003
Production	129	120	140
Administration	6	7	8
Sales and marketing	19	16	17
	154	143	165

The aggregate payroll costs of these persons were as follows:

	2005 £000	2004 £000	2003 £000
Wages and salaries	4,186	4,076	4,188
Social security costs	439	432	416
Pension costs	54	64	45
	4,679	4,572	4,649

The above analysis includes costs related to directors. Directors emoluments can be analysed as follows:

	2005 £000	2004 £000	2003 £000
Directors emoluments	444	361	444
Company contributions to money purchase pension schemes	24	23	22
	468	384	466
Unrealised gains made by the directors on share options	221	—	—

Emoluments and pension contributions for the highest paid director were as follows:

	2005	*2004*	*2003*
	£000	*£000*	*£000*
Emoluments	177	135	200
Pension contributions	14	13	13

5 Interest receivable

	2005	*2004*	*2003*
	£000	*£000*	*£000*
Interest earned on cash deposits	516	479	377

6 Taxation

Analysis of charge in period

	2005	*2004*	*2003*
	£000	*£000*	*£000*
UK corporation tax			
Current tax on income for the period	553	400	55
Adjustment in respect of prior periods	(15)	—	—
Current corporation tax charge	538	400	55
Deferred tax			
Deferred tax (credit) in respect of prior periods	—	(78)	—
Deferred tax charge in respect of current periods	12	8	—
Total tax on profit on ordinary activities	550	330	55

Tax reconciliation

The difference between the corporation tax charge for the period (as shown above) and the standard rate of UK corporation tax are as follows:

	2005	*2004*	*2003*
	£000	*£000*	*£000*
Current tax reconciliation			
Profit on ordinary activities before tax	2,085	1,364	1,802
Expected corporation tax at 30% *(2004: 30%; 2003: 30%)*	625	410	540
Effects of:			
Expenses not deductible for tax purposes	4	41	19
Depreciation in excess of capital allowances	—	—	5
Capital allowances in excess of deprecation	(8)	(8)	—
Tax relief on share option exercise	(68)	—	—
Small company relief	—	—	(7)
Utilisation of tax losses	—	(43)	(502)
Adjustments in respect of prior periods	(15)	—	—
Total current corporation tax charge (see above)	538	400	55

7 Dividends

	2005 £000	2004 £000	2003 £000
Ordinary shares:			
Interim dividend 1.6p per share *(2004: 0.8p; 2003: 0.4p)*	357	209	103
Proposed final dividend 3.2p per share *(2004: 1.0p; 2003: 1.0p)*	760	262	259
	1,117	471	362

8 Earnings per share

The calculation of earnings per share is calculated on the profit after tax of £1,535,000 (2004: £1,034,000; 2003: £1,747,000) divided by the weighted average number of shares of 24,511,055 *(2004: 26,061,643; 2003: 25,569,071)*. The calculation of the diluted earnings per share is calculated on 24,603,576 ordinary shares *(2004: 26,650,815; 2003: 26,455,748)* being the weighted average number of shares in issue adjusted for the effects of dilutive potential shares arising from share option grants.

9 Tangible fixed assets

	Leasehold Improvements £000	*Fixtures and fittings £000*	*Motor vehicles £000*	*Computer equipment £000*	*Total £000*
Cost					
At 1 June 2002	77	264	42	3,013	3,396
Additions	6	5	—	84	95
Disposals	—	—	(18)	—	(18)
At 31 May 2003	83	269	24	3,097	3,473
Depreciation					
At 1 June 2002	71	249	35	2,810	3,165
Charge for the year	4	6	5	148	163
Disposals	—	—	(18)	—	(18)
At 31 May 2003	75	255	22	2,958	3,310
Net book value					
At 31 May 2002	6	15	7	203	231
At 31 May 2003	8	14	2	139	163

	Leasehold Improvements £000	*Fixtures and fittings £000*	*Motor vehicles £000*	*Computer equipment £000*	*Total £000*
Cost					
At 1 June 2003	83	269	24	3,097	3,473
Additions	—	14	—	91	105
Disposals	—	—	(24)	—	(24)
At 31 May 2004	83	283	—	3,188	3,554
Depreciation					
At 1 June 2003	75	255	22	2,958	3,310
Charge for the year	5	15	2	98	120
Disposals	—	—	(24)	—	(24)
At 31 May 2004	80	270	—	3,056	3,406
Net book value					
At 31 May 2003	8	14	2	139	163
At 31 May 2004	3	13	—	132	148
Cost					
At 1 June 2004	83	283	—	3,188	3,554
Additions	5	2	—	104	111
At 31 May 2005	88	285	—	3,292	3,665
Depreciation					
At 1 June 2004	80	270	—	3,056	3,406
Charge for the year	3	14	—	93	110
At 31 May 2005	83	284	—	3,149	3,516
Net book value					
At 31 May 2004	3	13	—	132	148
At 31 May 2005	5	1	—	143	149

10 Fixed asset investments

	Investments £000
Cost	
At beginning and end of years	245
Provisions:	
At beginning and ends of years	145
Net book value	
At 31 May 2005	100
At 31 May 2004	100
At 31 May 2003	100

11 Debtors

	2005 £000	2004 £000	2003 £000
Amounts falling due within one year:			
Trade debtors	1,361	1,017	955
Amounts recoverable on contracts	1,052	703	627
Other debtors	9	9	9
Prepayments and accrued income	81	109	144
Deferred tax (recoverable in more than one year)	58	70	—
	2,561	1,908	1,735

The deferred tax balance represents the tax effect of depreciation in excess of capital allowances.

12 Creditors: amounts falling due within one year

	2005 £000	2004 £000	2003 £000
Payments received on account	1,446	1,792	1,955
Trade creditors	177	212	173
Corporation tax	633	409	55
Other taxes and social security	532	361	333
Dividends payable	771	267	261
Accruals and deferred income	478	589	607
	4,037	3,630	3,384

13 Called up share capital

	2005 £000	2004 £000	2003 £000
Authorised			
Ordinary shares of 1p each	2,500	2,500	2,500
Allotted, issued and fully paid			
Ordinary shares of 1p each	238	262	259

The issued share capital of the company is 23,743,103 *(2004: 26,175,076; 2003: 25,925,976)* ordinary shares of 1p each.

During 2003 the company issued 448,500 ordinary shares of 1p each as a result of exercise under share option agreements. Proceeds from these issues were £178,000.

During 2004 the company issued 249,100 ordinary shares of 1p each as a result of exercises under share option agreements. Proceeds from these issues were £99,000.

During 2005 the company repurchased 2,828,473 ordinary shares of 1p each at a cost of £2,444,000. It also issued 396,500 ordinary shares of 1p each as a result of exercises under share option agreements, the proceeds to the company were £84,000.

At 31 May 2005, the Group had options outstanding to subscribe for 841,500 *(2004: 1,326,000; 2003: 1,610,000)* ordinary shares of 1p each. All the options are exercisable between 3 and 10 years from the date of grant, the exercise prices being between £0.26 and £1.19.

14 Reserves

	Share premium account £000	*Capital redemption reserve £000*	*Other capital reserve £000*	*Profit and loss account £000*	*Total £000*
At 1 June 2002	3,844	—	1,090	3,582	8,516
Share capital subscribed	174	—	—	—	174
Retained profit for the year	—	—	—	1,385	1,385
At 1 June 2003	4,018	—	1,090	4,967	10,075
Share capital subscribed	96	—	—	—	96
Retained profit for the year	—	—	—	563	563
At 1 June 2004 (as restated)	4,114	—	1,090	5,530	10,734
Transfer	—	—	(1,090)	1,090	—
Share capital subscribed	80	—	—	—	80
Capital reconstruction	(4,168)	—	—	4,168	—
Share capital repurchased	—	28	—	(2,444)	(2,416)
Retained profit for the year	—	—	—	418	418
At 31 May 2005	26	28	—	8,762	8,816

The capital reserve of the Group represents the share premium account and capital redemption reserve of subsidiary companies reclassified on consolidation. Following a review of the group structure in 2005, the directors decided that various dormant subsidiaries were no longer required and have commenced the process to get these dissolved. As a result of this review, it was identified that the Other capital reserve of £1,090,000 could be treated as distributable reserves and a transfer has been made above to reflect this.

Under a court approved capital reconstruction in May 2005 the balance then outstanding on the share premium account was transferred to the profit and loss account of the company.

The cumulative total of goodwill written off against group profit and loss account reserves in respect of acquisitions prior to 1 June 1998 when Financial Reporting Standard 10, goodwill and intangible assets was adopted amounts to £nil *(2004: £52,461; 2003: £52,461)*.

15 Reconciliation of movements in consolidated shareholders' funds

	2005 £000	*2004 £000*	*2003 £000*
Profit for the financial year	1,535	1,034	1,747
Dividends	(1,117)	(471)	(362)
Share capital subscribed net of issue costs	84	99	178
Share capital repurchased	(2,444)	—	—
Net movement in shareholders' funds	(1,942)	622	1,563
Opening shareholders' funds	10,996	10,334	8,771
Closing shareholders' funds	9,054	10,996	10,334

16 Reconciliation of operating profit to net cash inflow from operation activities

	2005 *£000*	*2004* *£000*	*2003* *£000*
Operating profit	1,569	885	1,425
Depreciation	110	120	163
Profit on the disposal of fixed assets	—	(9)	(4)
Provision against fixed asset investment	—	—	145
(Increase)/decrease in debtors	(674)	(64)	357
Decrease in creditors	(321)	(114)	(176)
Net cash inflow from operating activities	684	818	1,910

17 Analysis of cash flows for headings netted in the cash flow statement

	2005 *£000*	*2004* *£000*	*2003* *£000*
Returns on investments and servicing of finance			
Interest received	525	440	397
Net cash inflow from returns on investment and servicing of finance	525	440	397
Capital expenditure			
Purchase of tangible fixed assets	(111)	(105)	(95)
Receipts from the disposal of fixed assets	—	9	4
Net cash outflow from capital expenditure	(111)	(96)	(91)
Financing			
Issue of ordinary share capital	84	99	178
Share capital repurchased	(2,444)	—	—
Net cash (outflow)/inflow from financing	(2,360)	99	178

18 Analysis of net funds

	1 June 2002 £000	*Cash flow £000*	*1 June 2003 £000*	*Cash flow £000*	*1 June 2004 £000*	*Cash flow £000*	*31 May 2005 £000*
Cash in bank and in hand	9,449	2,271	11,720	750	12,470	(2,189)	10,281

19 Financial commitments

The Group had annual commitments under non-cancellable operating leases as follows:

	2005		*2004*		*2003*	
	Land and buildings £000	*Other £000*	*Land and buildings £000*	*Other £000*	*Land and buildings £000*	*Other £000*
Operating leases which expire:						
In two to five years	—	5	—	5	—	5
Over five years	133	—	133	—	133	—
	133	5	133	5	133	5

20 Financial instruments

The Group's financial instruments comprised cash and various items (such as trade debtors and trade creditors) that arise directly from its operations. The main purpose of these financial instruments is to finance the Group's operations. The disclosures in this note exclude short-term debtors and creditors.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks. The Group finances its operations through retained profits and cash balances. The policy throughout the period has been that surplus cash balances are placed on short-term deposits with major European banks at variable interest rates.

PART 7

RECENT HUVEAUX ANNOUNCEMENTS

Part 7A Unaudited interim results for the six months to 30 June 2005.

On 21 July 2005, Huveaux announced its unaudited interim results for the six months to 30 June 2005, the full text of which is set out below.

"Highlights

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

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

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

John van Kuffeler, executive Chairman of Huveaux, commented:

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

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

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

For further information, please contact:

John van Kuffeler, Executive Chairman, Huveaux
James Leviton, Finsbury Limited

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

Note to Editors :

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

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

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

OPERATING AND FINANCIAL REVIEW

Financial Performance

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

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

Divisional Highlights

- **Political Division**

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

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

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

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

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

- **Professional Division**

Today we announced an offer to acquire JB Baillière Santé, a leading publisher in the French medical press sector based in Paris, for €11.5 million (£7.9 million) in cash. The business will be merged with our existing ATP-Egora operations and as a result of this combined scale the new Professional Division is being created. This acquisition is expected to be significantly earnings enhancing.[#]

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

- **Learning Division**

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

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

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

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

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

Cash

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

Outlook

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

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

HUVEAUX PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

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

HUVEAUX PLC
CONSOLIDATED BALANCE SHEET

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

HUVEAUX PLC
CONSOLIDATED CASH FLOW STATEMENT

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

HUVEAUX PLC

Notes to the Accounts
30 June 2005

1. These accounts comply with relevant accounting standards and have been prepared using the accounting policies set out in the Annual Report 2004.

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

3. **Segmental information**

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

	Period ended 30 June 2005 Unaudited £000s	*Period ended 30 June 2004 Unaudited £000s*	*Year ended 31 December 2004 Audited £000s*
Group turnover by geographical area			
United Kingdom			
Continuing operations	7,060	3,101	6,645
Acquisitions	—	1,214	5,580
	7,060	4,315	12,225
Continental Europe and the rest of the world			
Continuing operations	1,986	91	927
Acquisitions	—	232	1,281
	1,986	323	2,208
Total turnover	9,046	4,638	14,433
Operating profit before exceptional items by geographical area			
United Kingdom			
Continuing operations	623	239	1,182
Acquisitions	—	261	614
	623	500	1,796
Continental Europe & the rest of the world			
Continuing operations	8	(178)	99
Acquisitions	—	(299)	127
	8	(477)	226
Total operating profit	631	23	2,022
Net assets/ (liabilities) by geographical area			
United Kingdom			
Continuing operations	38,878	38,526	38,553
Acquisitions	—	106	(575)
	38,878	38,632	37,978
Continental Europe & rest of the world			
Continuing operations	668	1	595
Acquisitions	–	(210)	547
	668	(209)	1,142
Total net assets	39,546	38,423	39,120

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

4. Taxation

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

5. Earnings per share

	Period ended 30 June 2005 Unaudited £000s	*Period ended 30 June 2004 Unaudited £000s*	*Year ended 31 December 2004 Audited £000s*
Profit attributable to shareholders	445	46	1,783
Add: exceptional items	—	301	322
Less: tax in respect of exceptional items	—	(90)	(97)
Adjusted profit attributable to shareholders	445	257	2,008

	2005 Shares	*2004 Shares*	*2004 Shares*
Weighted average number of shares			
In issue during the year – basic	107,108,770	74,142,326	91,737,954
Dilutive potential ordinary shares	21,761	—	1,179,162
Diluted	107,130,531	74,142,326	92,917,116
Adjusted earnings per share before exceptional items (pence)	0.42	0.35	2.19
Earnings per share- basic (pence)	0.42	0.06	1.94
Earnings per share- diluted (pence)	0.42	0.06	1.92

6. Intangible fixed assets

	Period ended 30 June 2005 Unaudited £000s	*Period ended 30 June 2004 Unaudited £000s*	*Year ended 31 December 2004 Audited £000s*
Cost & net book value			
Opening balance	38,046	19,451	19,451
Additions	—	—	5
Additions through acquisition	—	18,516	18,564
Fair value adjustments	—	—	26
Closing balance	38,046	37,967	38,046

7. Reconciliation of movements in equity shareholders' funds

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

8. Analysis of cash flows

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

9. Analysis of net funds

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

Part 7B Acquisition of JBB Santé

On 21 July 2005, Huveaux announced the acquisition of JBB Santé, the full text of which is set out below.

"The Board of Huveaux PLC (announced on 21 July 2005) is pleased to announce that it has today made a formal offer of €11.5 million (£7.9 million) in cash to acquire the entire issued share capital and debt of COPEF S.A. which comprises the business of JB Baillière Santé ("JBB Santé"), a leading publisher in the French medical press sector. The business, which was originally founded in 1818 and is based in Paris, is being acquired from a private equity fund.

The principal publications of JBB Santé are Panorama du Médecin, La Revue du Praticien and Le Concours Médical. These publications represent a leading position in the medical press sector and are uniquely placed to address the market for Continuing Medical Education ("CME") which is being introduced as a compulsory requirement for all medical practioners in line with recent French legislation.

JBB Santé will be merged with Huveaux's fast growing medical publication business, ATP- Egora, which is also based in Paris. The enlarged operation will be led by Alain Trébucq, the Directeur Général of Huveaux's existing medical publishing business, who is highly experienced in the sector and was formerly General Manager of Panorama du Médecin.

Huveaux's enlarged medical publishing business in France will form the Group's new Professional Division which will run alongside Huveaux's other two existing operations, namely the Political Division and the Learning Division (formerly entitled the Education & Training Division).

The consideration payable for JBB Santé on completion will be €11.5 million (£7.9 million) in cash which, together with reorganisation costs, initial working capital requirements and transaction fees, will be financed through a €15.0 million (£10.3 million) seven-year term loan from the Bank of Scotland. The net assets of JBB Santé amounted to €1.2 million (£0.8 million) as at 31 December 2004 and the acquisition is to be made on an effective debt free and cash free basis.

The transaction, which is subject to the satisfactory completion of certain conditions and a mandatory Works Council consultation programme, is expected to complete by mid-September 2005.

JBB Santé's statutory results for the three financial years ended 31 December 2004, adjusted for comparability purposes, were as follows:

€'000	*2002*	*2003*	*2004*
Revenue	19,991	18,635	18,930
EBITDA	1,896	1,587	1,823

Upon completion, an integration programme is proposed by Huveaux at an estimated cash cost of €2.0 million (£1.4 million). This will be taken as an exceptional charge in Huveaux's 2005 results. It is expected that this programme would yield annual cost savings of approximately €1.0 million (£0.7 million) commencing in 2006.

The Board of Huveaux expects the acquisition of JBB Santé to enhance significantly Huveaux's EPS in 2005 and 2006*.

For further information, please contact:

John van Kuffeler, Executive Chairman, Huveaux PLC
Jean-Marie Simon, Directeur Général, Huveaux EU
James Leviton, Finsbury Limited

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

About Huveaux:

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

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

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

PART 8

ADDITIONAL INFORMATION

1 Incorporation and general

Incorporation

(a) The Company was incorporated in England on 9 August 2001 under the name of Huveaux PLC with registered number 04267888 as a company with limited liability under the Companies Act. Its registered office and its principal place of business is at 4 Grosvenor Place, London SW1X 7DL. It is domiciled in the United Kingdom.

Organisational structure

(b) The Company is the ultimate holding company of the Group, and has the following significant subsidiary undertakings, all of which are directly or indirectly wholly owned and incorporated in England and Wales (with the exception of Huveaux France SAS, which is registered in France, and European Parliamentary Communications Services SPRL, which is registered in Belgium):

Name	*Registered Office*	*Principal Activity*	*% of issued share capital held by the Company*
Vacher Dod Publishing Limited		Dormant	100
Training Journal Limited		Holding company	100
Fenman Limited		Publishing	100
Dods Parliamentary Communications Limited		Publishing	100
Huveaux France SAS	8 rue de l'Hotel de Ville, 92200 Neuilly-sur-Seine	Publishing	100
European Parliamentary Communications SPRL	Rue de Trèves 45 1041 Bruxelles	Publishing	100

(c) The registered office of each of the above companies is at 4 Grosvenor Place, London SW1X 7DL (except where otherwise stated).

Information on holdings

Save as disclosed under the organisational structure above, Huveaux does not hold capital in any undertaking which is likely to have a significant effect on its own financial position.

2 Share capital

Share capital

Information concerning the securities

(a) The following table shows the authorised and issued share capital of the Company (which has been created under the laws of the United Kingdom and is denominated in pounds sterling) as at the date of this document:

	Authorised	*Number*	*Issued and fully paid*	*Number*
(i) Current	£17,500,000	175,000,000	£10,760,758.50	107,607,585
(ii) Proposed[1]	£20,000,000	200,000,000	£14,008,432.70	140,084,327

(b) As at 1 January 2005 the Company had 106,464,730 Ordinary Shares in issue. As at the date of this document the Company has 107,607,585 Ordinary Shares in issue following the issue of 1,142,855 Ordinary Shares as referred to in paragraph (c)(v) below. All of the issued Ordinary Shares have a nominal value of £0.10 and are fully paid.

(c) The following alterations in the share capital of the Company have taken place in the three years preceding the date of this document:

[1] Assuming full acceptance under the Offer and full exercise of rights under the Epic Share Option Schemes in respect of Options exercisable at a price of less than 95.5 pence per Share.

(i) on 31 July 2002, the share capital of the Company was increased from £1,435,000 to £3,000,000 by the creation of a further 15,650,000 Ordinary Shares of 10p;

(ii) on 28 March 2003, the share capital of the Company was increased from £3,000,000 to £8,000,000 by the creation of a further 50,000,000 Ordinary Shares of 10p;

(iii) on 20 October 2003, the share capital of the Company was increased from £8,000,000 to £12,000,000 by the creation of 40,000,000 Ordinary Shares of 10p;

(iv) on 1 June 2004, the share capital of the Company was increased from £12,000,000 to £17,500,000 by the creation of 55,000,000 Ordinary Shares of 10p;

(v) on 21 March 2005, 1,142,855 Ordinary Shares were issued, allotted and credited as fully paid to the vendors of the business of Lonsdale representing deferred consideration in relation to the purchase of the business of Lonsdale in March 2003.

(d) As at the latest practicable date prior to the date of this document (being 27 July 2005), the following options to subscribe for Ordinary Shares have been granted to employees and Directors of the Group under the Company's Executive and SAYE Schemes for nil consideration and remain outstanding:

Scheme	*Number of Ordinary Shares under option*	*Date of grant*	*Exercisable from*	*Exercisable until*	*Exercise price (pence)*
Executive	1,641,000	27 May 2004	27 May 2007	26 May 2014	65
	1,495,925	2 November 2004	2 November 2007	1 November 2014	54
SAYE	51,341	4 June 2004	1 July 2007	1 January 2008	52.5
	28,026	4 June 2004	1 July 2009	1 January 2010	52.5
	49,525	20 September 2004	1 November 2007	1 May 2008	44
	52,578	20 September 2004	1 November 2009	1 May 2010	44
	635,106	10 May 2005	1 July 2008	1 January 2009	31
	399,793	10 May 2005	1 July 2010	1 January 2011	31

(e) Save as disclosed in paragraphs (d) above and 5(b) below, no share or loan capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

(f) (i) Pursuant to an ordinary resolution passed at the annual general meeting on 12 April 2005, the Directors were generally and unconditionally authorised in accordance with section 80 of the Companies Act to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £3,600,000 (representing 33.8% per cent. of the then issued share capital) such authority to expire at the conclusion of the next annual general meeting of the Company or 12 July 2006, whichever is the earlier; and

(ii) Pursuant to an ordinary resolution passed at the annual general meeting on 12 April 2005 the Directors were empowered (pursuant to section 95(1) of the Companies Act) to allot equity securities (as defined in section 94(2) of the Companies Act) for cash pursuant to the authority described in paragraph 3(e)(ii) above as if section 89(1) of the Companies Act did not apply to such allotment for the purposes of any allotment of equity securities by way of rights in proportion to the respective number of shares held by or deemed to be held by the holders of equity securities or other persons entitled to participate in the issue on the relevant record date and in respect of any other issue up to an aggregate nominal amount of £532,323, such power being expressed to expire on the date of the next annual general meeting of the Company or on 12 July 2006 whichever is the earlier.

(g) At the Extraordinary General Meeting, resolutions will be proposed (subject to and conditional upon the Offer becoming or being declared unconditional in all respects) to (i) increase the authorised share capital of the Company to £20,000,000 divided into 200,000,000 Ordinary Shares and (ii) generally and unconditionally authorise the Directors to allot relevant securities (as defined in section 80 of the Act) up to an aggregate nominal value of £4,600,000, such authority to expire at the conclusion of the next annual general meeting of Huveaux to be held in 2006 and shall be in addition to any existing authority pursuant to the said section 80 to the extent not utilised either at the date that the resolution is passed or in connection with the Offer and (iii) to generally and unconditionally authorise the Directors, pursuant to the provisions of section 95 of the Act, to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the authority given above, such authority to expire at the conclusion of the next annual general meeting of the Company to be held in 2006 and shall be in addition to any existing authority pursuant to section 95 of the Act to the extent not utilised by the Company either at the date that the Resolution is passed or in connection with the Offer.

(h) The Ordinary Shares of the Company (ISIN no. GB0031129579) are currently traded on AIM, a market operated by the London Stock Exchange.

(i) The New Huveaux Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

(j) The New Huveaux Shares are in registered form and capable of being held in uncertificated form. None of the Ordinary Shares are being marketed or made available in whole or in part to the public in conjunction with the application for Admission other than pursuant to the Offer.

3 Memorandum and Articles of Association

Memorandum and Articles of Association

The Company's principal objects are set out in clause 4 of its Memorandum of Association and include the carrying on of the business of a general commercial company and holding company.

The Articles of Association of the Company, which were adopted on 7 December 2001 and amended by a special resolution dated 17 June 2005 ("the Articles"), contain provisions, *inter alia*, to the following effect:

3.1 Votes of members

3.1.1 Subject to any restrictions imposed by or pursuant to the Articles and to any rights or restrictions attached to any shares, on a show of hands every member personally present (or, being a corporation, present by a duly appointed representative) shall have one vote only, and in the case of a poll every member present in person or by proxy shall have one vote for every share held by him.

3.1.2 No holder of a share shall, unless the Directors otherwise determine, be entitled (save as proxy for another member) to be present or vote at a general meeting either personally or by proxy if:

(a) any call or such other such sum as is presently payable by him to the Company in respect of that share remains unpaid; or

(b) he or any other person who appears to be interested in that share has been duly served, pursuant to section 212(1) of the Act or any other statutory provision concerning the disclosure of interests in voting shares, with a notice requiring the provision to the Company of information regarding that share, and is in default in complying with such notice; or

(c) he has been duly served with a notice pursuant to the Articles requiring the disclosure of the identity of the beneficial owner of that share and such other information specified in the Articles as may be required by that notice, and is in default in complying with such notice.

Any such notice must, *inter alia*, specify a period for compliance with its requirements which must not be less than 14 days from the date of service of the notice.

3.2 Dividends

3.2.1 The Company may by ordinary resolution declare dividends but no dividend shall be payable except out of the profits of the Company available for distribution in accordance with the provisions of the Statutes, or in excess of the amount recommended by the Directors.

3.2.2 The Directors may, if in their opinion the profits of the Company justify such payments, pay the fixed dividends of any class of shares carrying a fixed dividend expressed to be payable on fixed dates for the payment thereof and subject thereto may pay interim dividends of such amounts and on such dates as they think fit.

3.2.3 Subject to any rights or privileges for the time being attached to any shares having preferential or special rights in regard to dividend, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares in proportion to the amounts paid up thereon respectively otherwise than in advance of calls and so that all dividends shall be apportioned and paid *pro rata* according to the portion or portions of the period in respect of which the dividend is paid during which any such amount or amounts were paid up. If any share is issued upon terms providing that it shall rank for dividend as from or after a particular date, or be entitled to dividends declared after a particular date, such share shall rank for or be entitled to dividend accordingly. Dividends may be paid in any currency.

3.2.4 The Directors may retain any dividend payable on or in respect of a share on which the Company has a lien or (except in the circumstances specified in the Articles) if:

(a) a notice has been duly served in respect of that share pursuant to section 212(1) of the Act or any other statutory provision concerning the disclosure of interests in voting shares;

(b) the share or shares which are the subject of that notice represent in aggregate at least 0.25 per cent, of that class of share; and

(c) the notice has not been complied with within the period stipulated in the notice (which must not be less than 14 days from the date of service of the notice).

3.2.5 Any dividend remaining unclaimed after a period of 12 years from the date such dividend becomes due for payment shall be forfeited and shall revert to the Company.

3.3 Distribution of assets on a winding-up

Subject to any special rights for the time being attached to any class of shares, on a return of assets on liquidation or otherwise the surplus assets remaining after payment of the Company's liabilities shall be distributed in proportion to the amounts paid up or deemed to be paid up on the shares of the Company then in issue.

3.4 Changes in capital

3.4.1 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the capital of the Company for the time being may be allotted with such special rights, privileges or restrictions as the Company may by ordinary resolution (before the allotment of such shares) from time to time determine.

3.4.2 The Company may from time to time by ordinary resolution increase its capital by the creation of new shares.

3.4.3 The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or

(b) cancel any shares which at the date of the passing of the relevant resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal amount of the shares so cancelled; or

(c) by sub-division of its existing shares, or any of them, divide its capital, or any part thereof, into shares of smaller amount.

3.4.4 The Company may from time to time by special resolution reduce its share capital, any capital redemption reserve and any share premium account.

3.4.5 The Company may from time to time purchase its own shares (including any redeemable shares) but no contract for such a purchase shall be entered into unless the purchase has previously been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of any class of securities issued by the Company which are listed and convertible into shares which are of the same class as those proposed to be purchased.

3.5 Variation of class rights and class meetings

Whenever the share capital is divided into different classes of shares, all or any of the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be modified, varied, extended, abrogated or surrendered either in such manner (if any) as may be provided by such rights or (in the absence of any such provision) with the written consent of the holders of at least three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To every separate general meeting of the holders of a particular class of shares the provisions of the Articles relating to general meetings shall (*mutatis mutandis*) apply except that:

3.5.1 no member shall be entitled to receive notice of such meeting or to attend it unless he is a holder of shares of the class in question and no vote shall be given except in respect of a share of that class;

3.5.2 the necessary quorum shall be two persons at least present in person and holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question;

3.5.3 if any such separate general meeting shall be adjourned by reason of there being no quorum present and at the adjourned meeting a quorum as defined above shall not be present within fifteen minutes after the time appointed for such adjourned meeting, one holder of shares of the class in question present in person or by proxy shall be a quorum;

3.5.4 any holder of shares of the class in question who is present in person or by proxy and entitled to vote may demand a poll; and

3.5.5 on a poll every holder of shares of the class in question who is present in person or by proxy shall have one vote for every share of that class held by him.

3.6 Transfer of shares

3.6.1 All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors or by any other method which is authorised by statute and approved or adopted by the Directors. Any such instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof.

3.6.2 The Directors may in their absolute discretion, and without assigning any reason therefor, refuse to register or authorise the registration of any transfer of a share:

(a) which is not fully paid and on which the Company has a lien and provided the Directors do not prevent dealings in the Share from taking place;

(b) where a notice has been duly served in respect of that share pursuant to section 212(1) of the Act or any other statutory provision concerning the disclosure of interests in voting shares; and

(c) where the share or shares which are the subject of that notice represent in aggregate at least 0.25 per cent, of that class of share; and

(d) the notice has not been complied with within the period stipulated in the notice (which must not be less than 14 days) and continues not to be complied with, unless the transfer in question was effected pursuant to a sale through a recognised investment exchange (as defined in the Articels) or other recognised market or as a result of an acceptance of a take-over offer for the Company or the Directors are satisfied that it was effected pursuant to a bona fide sale to an unconnected person;

(e) whether fully paid or not which is in favour of more than four persons jointly.

3.6.3 The Directors may also decline to recognise a transfer of shares unless it is in respect of only one class of share and is deposited at the place where the register of members of the Company is kept for the time being (or at such other place as the Directors may from time to time determine) accompanied (save in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange (as defined in the Articles), unless and to the extent that certificates must by law have been issued in respect of the shares in question) by the relevant share certificate(s) and in any case such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

3.6.4 The Articles do not contain any pre-emption rights.

3.7 Directors

3.7.1 Save as provided in the Articles, a director shall not vote as a director in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal whatsoever in which he has any interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company), and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting.

3.7.2 A director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution relating to any of the following matters namely:

(a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or its parent company (if any) or any other subsidiary undertaking of any such parent company; or

(b) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or

(c) an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings or its parent company (if any) or any other subsidiary undertaking of any such parent company for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate; or

(d) any other company in which he or any person connected with him is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings or its parent company (if any) or any other subsidiary undertaking of any such parent company) of or beneficially interested in one per cent, or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances); or

(e) an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

(f) the purchase and/or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.

3.7.3 Fees may be paid out of the funds of the Company to directors who are not managing or executive directors at such rates as the Directors may from time to time determine provided that such fees do not in the aggregate exceed the sum of £200,000 per annum (exclusive of value added tax if applicable) or such other figure as the Company may by ordinary resolution from time to time determine.

3.7.4 Any director who devotes special attention to the business of the Company, or otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a director, may be paid such additional remuneration as the Directors or any committee authorised by the Directors may determine.

3.7.5 The Directors (including alternate Directors) shall be entitled to be paid out of the funds of the Company all their travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, including their expenses of travelling to and from meetings of the Directors, committee meetings or general meetings.

3.7.6 A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine, and no director or intending director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any other such office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, arrangement, transaction or proposal or any contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any director or any person connected with him is in any way interested (whether directly or indirectly) be liable to be avoided, nor shall any director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised from any such contract, arrangement, transaction or proposal by reason of such director holding that office or of the fiduciary relationship thereby established, but his interest shall be disclosed by him in accordance with the Act.

3.7.7 The remuneration and other terms and conditions of appointment of a director appointed as managing director or to any other executive office or employment under the Company shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Directors, and may (without limitation) be by way of fixed salary, lump sum, commission on the dividends or profits of the Company (or of any other company in which the Company is interested) or other participation in any such profits or otherwise or by any or all or partly by one and partly by another or others of those modes.

3.7.8 Any statutory provision which, subject to the provisions of the Articles, would have the effect of rendering any person ineligible for appointment as a director or liable to vacate office as a director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any director over a specified age shall not apply to the Company.

3.8 Borrowing powers

3.8.1 Subject to the provisions of the Articles the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its holding company (if any) or any subsidiary of the Company or its holding company or of any third party.

3.8.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (which expression in the relevant Articles means and includes the Company and all its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to three times the Adjusted Capital and Reserves as defined in the Articles. The certificate of the Auditors for the time being as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding upon all concerned.

3.9 Annual General Meetings and Extraordinary General Meetings

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall determine. All general meetings, other than annual general meetings, shall be extraordinary general meetings. The Board may call an extraordinary general meeting whenever it thinks fit, and extraordinary general meetings shall also be convened when and in the manner required by section 142 of the Companies Act (which relates to the obligation of the Directors to convene an extraordinary general meeting in the event of serious loss of capital). Extraordinary general meetings shall also be convened on requisition, or in default may be convened by such requisitionists, as provided by statute. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum for a meeting of Directors, any director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors. An annual general meeting and any general meeting at which it is proposed to pass a special resolution or a resolution of which special notice has been given to the Company, shall be called by twenty-one clear days' notice in writing at the least and any other general meeting by fourteen clear days' notice in writing at the least. The notice shall specify the place, day and hour of the meeting and, in the case of special business, the general nature of that business. A meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this paragraph, be deemed to have been duly called if, in the case of an annual general meeting, it is so agreed by all the shareholders entitled to attend and vote. An extraordinary general meeting of the Company will be deemed to have been duly called notwithstanding that it is called by shorter notice than specified in this paragraph if it is so agreed by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than such minimum percentage in nominal value of the shares giving that right as the Companies Act may prescribe at the time such meeting is held. The accidental omission to give notice to, or the non-receipt of notice by, any such person shall not invalidate any resolution passed or proceeding at any such meeting. Subject to the Companies Act and the Articles, every shareholder can attend a general meeting in person or by proxy. A shareholder may be represented at a general meeting by proxy appointed in accordance with the Articles and the proxy may be counted in the quorum and vote on a poll at any general meeting. If any shareholder has been duly served with a notice requiring him to disclose to the Company the identity of any person other than such shareholder who has any interest in the shares held by the shareholder in the nature of such interest, and is in default in supplying to the Company the information thereby required, in respect of the shares in relation to which the default occurred and any other shares held by that shareholder, the shareholder shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company unless the directors otherwise determine. No member shall be entitled to be present and vote at any general meeting of the Company either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until he shall have paid all calls for the time being due and payable on any share held by him, whether alone or jointly with any other person, together with any interest and expenses (if any).

4 Share option schemes

The Company has adopted two share option schemes, the principal provisions of which are summarised below.

4.1 The Huveaux plc Executive Scheme (the "Executive Scheme")

The Executive Scheme was approved by the Company in general meeting on 6 April 2004.

The Executive Scheme provides for the grant of options under the Enterprise Management Incentive Scheme ("EMI Options") and the grant of unapproved options.

4.2 Executive Scheme

4.2.1 Eligibility & grant

All employees (including full time directors) who devote substantially the whole of their working hours to the business of any company within the Group may be granted options over Ordinary Shares under the Executive Scheme.

The Remuneration Committee has absolute discretion to select the persons to whom options are to be granted and (subject to the limits set out below) in determining the number of Ordinary Shares subject to each option and the time or times at which an option is first capable of exercise. There are, however, restrictions on when options may be granted and options may not be granted to employees who are expected to retire within two years of the date of grant.

No consideration is payable for the grant of an option.

4.2.2 Scheme limits

On any date, no option may be granted under the Executive Scheme, if as a result, any of the following limits would be exceeded:

(a) the aggregate nominal value of Ordinary Shares issued or issuable pursuant to options granted under the Executive Scheme or any other employees' share scheme of the Company or any company within the Group (other than pursuant to a SAYE scheme or a Share Incentive Plan) during the previous 10 years would exceed 5% of the nominal value of the Ordinary Shares at that time in issue; or

(b) the aggregate nominal value of Ordinary Shares issued or issuable pursuant to options granted under the Executive Scheme or any other employees' share scheme or profit sharing scheme or employee share ownership plan approved by the Company in general meeting during the previous 10 years would exceed 10% of the nominal value of the Ordinary Shares at that time in issue; or

(c) the aggregate nominal value of Ordinary Shares issued or issuable pursuant to options granted under the Executive Scheme or any other employees' share scheme or profit sharing scheme or employee share ownership plan approved by the Company in general meeting during the previous 5 years would exceed 5% of the nominal value of the Ordinary Shares at that time in issue.

4.2.3 Individual limits

Each individual's participation is limited so that the aggregate market value of Ordinary Shares subject to all options, (taken as at the date of grant of each option), held by that individual and granted under the Executive Scheme and any other employee's share scheme (other than pursuant to a SAYE scheme or a Share Incentive Plan) operated by the Company, or any company within the Group, shall not exceed four times the individual's annual salary.

4.2.4 Exercise price

The exercise price of an option is determined by the Remuneration Committee at the time of grant but may not be less than the closing price of the Ordinary Shares on the dealing day preceding the date of grant. If, at the date of grant, the Ordinary Shares are no longer traded on AIM, the exercise price may not be less than the market value of the Ordinary Shares calculated in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 as at the date of grant.

The exercise price may be adjusted by the Remuneration Committee in the event of certain capitalisation issues, or certain rights issues, or any rights offer, or any other variation in the share capital of the Company, including any subdivision, consolidation or reduction of capital.

4.2.5 Performance conditions

The exercise of options granted under the Executive Scheme may be subject to and conditional upon objective conditions and will normally be subject to a condition that the growth in earnings per share exceeds by at least 3% the growth in the Retail Prices Index over any period of three consecutive financial years (commencing no earlier than the financial year of the Company in which such option is granted). If events occur which cause the Remuneration Committee to consider that a different or amended performance condition would be a fairer measure of the performance of the Company, or any other member of the Group, or the option holder (as appropriate) it may amend or waive such performance condition provided that such amendment shall not result in a performance condition which is more difficult to satisfy than the existing performance condition.

4.2.6 Exercise of options

Options may normally only be exercised between the third and tenth anniversaries of the date of grant provided that the performance conditions to which they are subject have been satisfied or waived. Options may, however, be exercised for a limited period after the option holder ceases to be employed within the Group in certain special circumstances, irrespective of whether performance conditions to which they are subject have been satisfied. These circumstance are the death, injury, redundancy, or ill-health, or disability of the option holder, or upon the sale or transfer out of the Group of the company or undertaking employing him. Options may also be exercised for a limited period after the option holder ceases to be employed within the Group upon retirement, or early retirement (with the agreement of his employer), of the option holder. Where an option holder ceases to be employed within the group upon retirement or early retirement, any performance conditions to which the options are subject must be satisfied before exercise can occur in circumstances where the Remuneration Committee expected the option holder to retire during the period in which the option could be exercised and the option holder did so retire. Where an option holder ceases to be employed within the Group for any other reason, at the discretion of the Remuneration Committee, options may also become exercisable but in these circumstances the performance conditions will need to be satisfied before exercise can occur (unless such performance conditions are, at the discretion of the Remuneration Committee, waived).

Irrespective of whether performance conditions to which options are subject have been satisfied, options may also be exercised in the event of a takeover, or an amalgamation or reconstruction sanctioned by the court, or the voluntary winding up of the Company, or in the event of a demerger.

4.2.7 Other option terms & issues of Ordinary Shares

Options are not capable of transfer or assignment.

Until options are exercised, option holders have no voting or other rights in relation to the Ordinary Shares subject to those options.

Ordinary Shares allotted pursuant to the exercise of an option will rank *pari passu* in all respects with the Ordinary Shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of such exercise. For so long as the Ordinary Shares are admitted to trading on AIM, the Company will use its best endeavours to procure that the Ordinary Shares issued following exercise of any options are admitted to trading as soon as practicable after allotment.

Benefits obtained under the Executive Scheme are not pensionable.

4.2.8 Administration & amendment

The Executive Scheme is administered by the Remuneration Committee. The Board may, by Board resolution, amend the provisions of the Executive Scheme. No amendment:

(a) which is to the advantage of option holders (present or future), being an amendment to: (a) the persons to whom Ordinary Shares are provided under the Executive Scheme; or (b) the limitations on the number or amount of Ordinary Shares subject to the Executive Scheme; or (c) the maximum entitlement for any eligible employee; or (d) the basis for determining an eligible employee's entitlement to Ordinary Shares or options and for the adjustment thereof in the event of a capitalisation issue, a rights issue or open offer, sub-division or consolidation of shares, or reduction of capital, or any other variation of capital of the Company, will be effective unless it is either approved by shareholders in general meeting, or it is a minor amendment to benefit the administration of the Executive Scheme, or is necessary to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders or eligible employees of any company within the Group; and

(b) shall be effective materially to abrogate or alter adversely any rights then subsisting of option holders except with such consent or sanction on the part of the option holders as would be required under the provisions of the Company's Articles of Association as if the options constituted a single class of capital (or, where the Board deems it appropriate, two or more classes of capital according to the periods, as determined by the Board, in which the dates of grant fall) and as if such provisions applied *mutatis mutandis* thereto.

4.2.9 Termination

The Executive Scheme may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its approval by shareholders. Termination shall not affect the outstanding rights of existing option holders.

4.3 The Huveaux plc SAYE Scheme ("SAYE Scheme")

The SAYE Scheme was adopted by the Company in general meeting on 6 April 2004 and was approved by HM Revenue & Customs on 30 April 2004.

4.3.1 Eligibility

Any employee (including full time directors) of the Company or any subsidiary which is a constituent company who is liable to income tax in respect of earnings for a year when he is resident and ordinarily resident in the United Kingdom, who is not ineligible to participate under the legislation relating to SAYE schemes by virtue of having a material interest in the Company, and who has the requisite minimum period of continuous employment (determined by the Board but which shall not exceed five years ending with the date of grant of the option to such employee) with any one or more constituent companies, or any other employee (including full time directors) of the Company or any subsidiary which is a constituent company who has been nominated by the Board, is eligible to participate in the SAYE Scheme.

4.3.2 Invitations & Grant of Options

The Board may issue invitations to eligible employees to apply for the grant of options. If the Board resolves to issue invitations at any time it must issue invitations to participate to all eligible employees.

Invitations may normally be issued only during the period of 42 days following: (i) the fourth dealing day immediately following the day on which the Company makes an announcement of its annual or half-yearly results; or (ii) where the grant or offer of options is prohibited under the provisions of the AIM Rules for Companies published by the London Stock Exchange plc effective at such time to prevent the grant of options, the dealing day following the first day on which such restrictions cease to apply.

Options shall be granted to persons who take up their invitations within 30 days of the date by reference to which the exercise price relating to such options is determined, unless scaling down is necessary, in which case options shall be granted within 42 days of such date.

No payment is required for the grant of an option.

The number of Ordinary Shares subject to an option will be determined at its date of grant by dividing the total possible savings that may be made in relation to the savings contract entered into by the option holder (together with any bonus or interest payable on such savings) by the exercise price.

4.3.3 Exercise Price

The exercise price payable to exercise an option is determined by the Board, and may not be less than the higher of 80% (or such lower percentage as is permitted by the applicable legislation) of (1) either: (i) the average of the middle market quotations for the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange for the three dealing days immediately preceding the date of the invitation to apply for the grant of the option in the event that the Ordinary Shares are admitted to trading on the Official List of the UK Listing Authority; or (ii) if this is not the case, the value of an Ordinary Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 as at the invitation date and agreed with HM Revenue & Customs, Shares Valuation on or prior to the invitation date; and (2) (in the case of an option to subscribe for Ordinary Shares), the nominal value of an Ordinary Share.

The exercise price may be adjusted by the Board in the event of certain capitalisation issues, or certain rights issues, or any rights offer, or any other variation in the share capital of the Company, including any subdivision, consolidation or reduction of capital. Any such adjustment will require the prior approval of HM Revenue & Customs.

4.3.4 Savings Contracts

It is a condition of participation in the SAYE Scheme that a director or employee enters into a savings contract under a certified contractual savings scheme.

At the discretion of the Board, the invitations issued to eligible employees will specify whether individuals may enter into a three year, five year or seven year savings contract or may give the individual the choice between these three savings contracts maturing after three, five or seven years. Participants may save up to £250 (or a sum less than £250 selected at the discretion of the Board) per month, such sums to be deducted from the relevant participant's salary.

After 36 contributions (in the case of a three year savings contract) or 60 contributions (in the case of a five year savings contract) have been made interest is payable (tax-free) on the savings made. In the case of a seven-year savings contract an additional tax free bonus will be payable two years after the 60 contributions have been made.

Each option can only be exercised using the available proceeds resulting from the savings contract linked to that option.

4.3.5 Scheme Limits

On any date no option may be granted under the SAYE Scheme, if as a result, any of the following limits would be exceeded:

(i) the aggregate nominal value of Ordinary Shares issued or issuable pursuant to options granted under the SAYE Scheme or any other employees' share scheme approved by the Company in general meeting during the previous 5 years would exceed 5% of the nominal value of the Ordinary Shares at that time in issue; or

(ii) the aggregate nominal value of Ordinary Shares issued or issuable pursuant to options granted under the SAYE Scheme or any other employees' share scheme approved by the Company in general meeting during the previous 10 years would exceed 10% of the nominal value of the Ordinary Shares at that time in issue.

4.3.6 Exercise of Options

An option will normally be exercisable only during the period of six months following the payment of the savings related bonus after maturity of the relevant savings contract and only if the option holder is a group employee at the time of exercise. However, options may be exercised at an earlier time for a limited period following cessation of employment in certain specified circumstances, such as the death, injury, disability, redundancy, retirement on attainment of 60 years old or other contractual retirement age of the option holder or upon the sale or transfer out of the Group of the company or undertaking employing him. Options may also be exercised during a limited period following cessation of employment after the expiry of three years from the date of grant of an option by reason of early retirement or voluntary redundancy. Furthermore, if an option holder reaches the age of 60 and continues as an employee, he may exercise his option for a limited period following the date on which he turns 60.

Exercise is also possible before the maturity of the relevant savings contract in the event of the takeover, amalgamation or reconstruction of the Company sanctioned by the court or the voluntary winding up of the Company. Alternatively, in the event of a takeover of the Company or its amalgamation or reconstruction pursuant to a court sanctioned scheme an option holder may, with the agreement of the acquiring company, exchange his option for a new option over shares in the acquiring company or an associated company of the acquiring company provided that the rights under the new option are equivalent to those under the old option.

4.3.7 Other Option Terms & Issues of Ordinary Shares

Options are not capable of transfer or assignment.

Until options are exercised, option holders have no voting or other rights in relation to the Ordinary Shares subject to those options.

Ordinary Shares allotted pursuant to the exercise of an option will rank *pari passu* in all respects with the Ordinary Shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of such exercise. For so long as the Ordinary Shares are admitted to trading on AIM, the Company will use its best endeavours to procure that the Ordinary Shares issued following exercise of any options are admitted to trading as soon as practicable after allotment.

4.3.8 Administration & Amendment

The SAYE Scheme is administered by the Board.

The Board may, by Board resolution, amend the provisions of the SAYE Scheme. However, no amendment to a key feature of the SAYE Scheme shall have effect until HM Revenue & Customs has approved such amendment. Furthermore, no amendment may be made:

(i) which is to the advantage of present or future option holders unless it is approved by shareholders in general meeting; or

(ii) unless it is a minor amendment to benefit the administration of the SAYE Scheme or is necessary to take account of a change in legislation or amendments to obtain or maintain favourable tax, exchange control or regulatory treatment for eligible employees or option holders of any constituent company, provided that such minor amendment may not change the scheme limits on grant set out above to the material advantage of future or present option holders; and

(iii) no amendments shall be effective materially to abrogate or alter adversely any rights then subsisting of option holders except with such consent or sanction on the part of the option holders as would be required under the provisions of the Company's Articles of Association if the options constituted a single class of capital (or, where the Board deems it appropriate, two or more classes of capital according to the periods, as determined by the Board, in which the dates of grant fall) and as if such provisions applied *mutatis mutandis* thereto.

4.3.9 Termination

The SAYE Scheme may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its approval by shareholders. Termination shall not affect the outstanding rights of existing option holders.

5 Directors' and other interests

Directors business interests

(a) The interests of each Director and those of any person connected with them within the meaning of section 346 of the Companies Act ("Connected Person"), all of which are beneficial, in the share capital of the Company which (i) have been notified to the Company pursuant to section 324 or 328 of the Companies Act, or (ii) are required to be entered into the register maintained under section 325 of the Companies Act, or (iii) are interests of a Connected Person which would, if the Connected Person were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known or could with reasonable diligence be ascertained by the Director are as follows:

	Ordinary Shares	*%*
John van Kuffeler	2,459,036	2.3
Christina Benn	1,471,861	1.4
Timothy Benn	1,471,861	1.4
John Clarke	215,180	0.2
Kevin Hand	Nil	0.0
David Horne	237,000	0.2
Gerry Murray	100	0.0
Jean-Marie Simon	Nil	0.0

(b) The Directors are also interested in unissued Ordinary Shares under share options held by them pursuant to the Share Option Schemes, all of which were granted for nil consideration, as follows:

Name	*Scheme*	*Exercise Price (pence)*	*Ordinary Shares*	*Exercise Period*
John van Kuffeler	Executive	65	367,000	May 2007 to May 2014
David Horne	Executive	65	367,000	May 2007 to May 2014
David Horne	SAYE	31	53,306	July 2010 to January 2011
Gerry Murray	Executive	54	925,925	November 2007 to November 2014
Jean-Marie Simon	Executive	65	305,000	May 2007 to May 2014

(c) Save as disclosed above, no Director has any interest in the share capital or loan capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of section 346 of the Companies Act) have any such interests, whether beneficial or non-beneficial.

(d) The Directors have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

Director	*Company*	*Date of Cessation (where relevant)*
John Van Kuffeler	Finsbury Smaller Companies Trust Plc*	
	Provident Financial PLC	
	JPMorgan Fleming Technology Trust PLC**	
	EIDOS plc	17 May 2005
	Finsbury Smaller Quoted Companies Trust PLC	22 April 2003
	The Medical Defence Union Limited	21 September 2004
	MDU Investments Limited	21 September 2004
	Van Kuffeler & Company Limited	23 September 2003
	MDU Services Limited	21 September 2004
	Lancashire & London Finance Company Limited	16 April 2001
	TV Eye Limited	5 April 2005
Christina Benn	Ospreypress Limited	
	Countryman Publishing Limited***	23 June 2005
	Dalesman Publishing Co Limited	30 June 2004
	South Eastern Magazines Limited****	16 January 2001
	Bouverie Publishing Company Limited	3 December 2002
Timothy Benn	Ospreypress Limited	
	Countryman Publishing Limited***	23 June 2005
	Dalesman Publishing Co. Limited	30 June 2004
	South Eastern Magazines Limited****	16 January 2001
	Bouverie Publishing Company Limited	3 December 2002
John Clarke	Cranzon Systems Limited	
	Cranzon.com Limited	
Kevin Hand	Hachette Filipacchi (UK) Limited	
	Sugar Limited	
	Periodical Publishers Association Limited	
	HEML Limited	5 November 2002
	EMAP plc	25 May 2001
David Horne	Bowen Business Consultants Limited	
	BSMG Medical & Health Communications Limited	31 December 2001
	BSMG Worldwide (Europe) Limited	31 December 2001
	Charles Barker plc	31 December 2001
	Mediphacs Limited	31 December 2001
	The Three Castles' Trial Limited	1 March 2003
Gerry Murray	Virtual Reality Centre Limited	

* Note: John van Kuffeler is a director of Finsbury Smaller Companies Trust PLC which was the subject of a members' voluntary winding up. A liquidator was appointed on 17 December 1999.

** Note: John van Kuffeler is a director of JP Morgan Fleming Technology Trust PLC which was the subject of a members' voluntary winding up. A liquidator was appointed on 10 January 2003.

*** Note: Timothy Benn and Christina Benn were directors of Countryman Publishing Limited which was subject to a members' voluntary winding up. A liquidator was appointed on 26 February 2004. A final meeting of the company was held on 17 March 2005.

**** Note: Timothy Benn and Christina Benn were directors of South Eastern Magazines Limited which was subject to a creditors' voluntary liquidation. A liquidator was appointed on 28 January 1998. A final meeting of the Company was held on 12 October 2000.

(e) Save as disclosed above, no Director for at least the previous five years:

(i) has any convictions in relation to fraudulent offences; nor

(ii) has been the subject of any bankruptcies, receiverships or liquidations through acting in the capacity of a member of administrative, management or supervisory bodies or as a partner, founder or senior manager of any partnership or company; nor

(iii) has been the subject of an official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and has not been disqualified by court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company; nor

(iv) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; nor

(v) has had any public official incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); nor

(vi) has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

(f) Timothy Benn and Christina Benn are husband and wife.

Major shareholders

(g) So far as the Directors are aware, no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

(h) Save as set out below according to the register maintained by the Company under the Companies Act as at 27 July 2005, the Company is not aware of any person who is directly or indirectly interested in three per cent. or more of the issued share capital or voting rights of the Company:

	Ordinary Shares	*%*
Scottish Widows Investment Partnership Limited	10,515,384	9.8
Deutsche Asset Management Limited	10,169,614	9.5
F&C Asset Management Limited/ISIS	8,169,342	7.6
Schroder Investment Management Limited	7,030,436	6.5
Jupiter Asset Management Limited	6,609,000	6.1
Rathbone Investment Management Limited	5,505,500	5.1
Singer & Friedlander Investment Management Limited	5,083,234	4.7
Unicorn Asset Management Limited	4,004,420	3.7
Artemis Investment Management Limited	3,641,025	3.4

(i) There are no differences between the voting rights enjoyed by the shareholders described in paragraph 5(h) above and those enjoyed by any other holder of Ordinary Shares.

(j) There are no loans made or guarantees granted or provided by any member of the Group to or for the benefit of any Director.

(k) No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by the Company or any of its subsidiaries during the current or immediately preceding financial year or which was effected by the Company or any of its subsidiaries during any earlier financial year and remains in any respect outstanding or unperformed.

Directors conflicts of interest

In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.

Directors remuneration

The following table shows the remuneration payable and pension and other benefits granted to the Directors for the financial year ended 31 December 2004 under the arrangements in force at the date of this document. There were no other benefits in kind granted to the Directors.

	Salary or Fee £	Pension/ Other Benefits £	2004 Total Emoluments £
Executive			
John van Kuffeler	140,000	14,333	154,333
Gerry Murray	29,167	4,375	33,542
David Horne	120,000	18,000	138,000
Jean-Marie Simon	16,935	3,865	20,800

	Salary or Fee £	Pension Benefits £	2004 Total Emoluments £
Non-Executive			
Christina Benn	10,000	0	10,000
Timothy Benn	10,000	0	10,000
John Clarke	10,000	0	10,000
Kevin Hand	4,167	0	4,167

No amounts were accrued by the Company to provide pension or other benefits to the Directors of the Company.

6 Directors' service contracts

(a) The services of John van Kuffeler, co-founder and executive Chairman, are provided under the terms of a letter between the Company and Mr van Kuffeler dated 11 December 2001. The appointment commenced on 17 December 2001 and is subject to termination upon 30 days' written notice by either party. Mr de Blocq van Kuffeler receives an annual salary of £240,000 and pension contributions of 10 per cent. of salary. Upon termination of this employment, Mr van Kuffeler will be entitled to salary and pension contributions in respect of his notice period.

(b) The services of David Horne, Finance Director, are provided under the terms of a letter between the Company and Mr Horne dated 11 December 2003. The appointment commenced on 1 January 2004 and is subject to termination upon six months' notice by either party, with the exception that in the event that Mr Horne's employment is terminated within 12 months of a change in control of the Company, then his notice period from the Company will be 12 months. Mr Horne receives an annual salary of £132,000 and pension contributions of 15 per cent. of salary. Upon termination of this employment, Mr Horne will be entitled to salary and pension contributions in respect of his notice period.

(c) The services of Gerry Murray, Chief Executive Officer of Huveaux UK, are not provided for under any formal contractual arrangement. He was appointed to the Board on 1 November 2004. Mr Murray receives an annual salary of £175,000 and pension contributions of 15 per cent. of salary.

(d) The services of Jean-Marie Simon, Diréctéur General of Huveaux EU, are provided under the terms of a letter between the Company and Mr Simon dated 6 November 2003 for an initial period of three years from 1 October 2003 and subject to termination upon six months' notice by either party within that period. Mr Simon receives an annual salary of £132,000.

(e) The services of Christina Benn, co-founder and non-executive Director, are provided under the terms of a letter between the Company and Mrs Benn dated 11 December 2001. The appointment commenced on 17 December 2001 and is subject to termination upon 30 days' notice by either party. Mrs Benn receives an annual fee of £25,000.

(f) The services of Timothy Benn, co-founder and non-executive Director, are provided under the terms of a letter between the Company and Mr Benn dated 11 December 2001. The appointment commenced on 17 December 2001 and is subject to termination upon 30 days' notice by either party. Mr Benn receives an annual fee of £25,000.

(g) The services of John Clarke, co-founder and non-executive Director, are provided under the terms of a letter between the Company and Mr Clarke dated 11 December 2001. The appointment commenced on 17 December 2001 and is subject to termination upon 30 days' notice by either party. Mr Clarke receives an annual fee of £25,000.

(h) The services of Kevin Hand, non-executive Director, are not provided for under any formal contractual arrangement. He was appointed to the Board on 1 November 2004. Mr Hand receives an annual fee of £25,000 per annum.

(i) Save as stated above, none of the directors are entitled to benefits upon termination of their employment with the Company.

7 The Board and corporate governance

Directors details

Name	*Period served in office*
John van Kuffeler	from 19 October 2001 to date
Christina Benn	from 19 October 2001 to date
Timothy Benn	from 19 October 2001 to date
John Clarke	from 19 October 2001 to date
Kevin Hand	from 1 November 2004 to date
David Horne	from 1 January 2004 to date
Gerry Murray	from 1 November 2004 to date
Jean-Marie Simon	from 1 November 2004 to date

The Articles of Association provide that one-third of the directors, excluding the Chief Executive, or a number not exceeding one third if their number is not a multiple of three, must retire by rotation at the Annual General Meeting of the Company each year.

Committee details

Corporate Governance

The Ordinary Shares are traded on AIM and as a result is not obliged to comply with the provisions of the Combined Code. However, the directors intend, so far as is possible given the Group's size and the numbers on its Board, to comply with the Combined Code. Currently, the Board comprises eight members, four of whom are full-time executives.

Committees of the Board established by the Board

Remuneration Committee

The Remuneration Committee comprises the four independent non-executive directors of the Board. The members of the Committee are:

- Timothy Benn (Chairman)
- Christina Benn
- John Clarke
- Kevin Hand

The Committee normally meets twice per year and otherwise as necessary. The Chairman of the Committee has the power to call a meeting.

The Chairman of the Committee is appointed by the Board on the recommendation of the Nomination Committee. The quorum for the Committee is two and in the absence of the Chairman, the other members present shall choose one of them to chair the meeting.

The duties of the Committee are to:

(a) determine and agree with the Board the framework or broad policy for the remuneration of the chairman, executive directors and any employees that the Board delegates to it;

(b) within the terms of the agreed policy, determine individual remuneration packages including bonuses, incentive payments, share options, pension arrangements and any other benefits;

(c) determine the contractual terms on termination and individual termination payments, ensuring that the duty of the individual to mitigate loss is fully recognised;

(d) be told of and be given the chance to advise on any major changes in employee benefit structures in the Company;

(e) recommend and monitor the level and structure of remuneration for senior managers below Board level as determined; and

(f) agree the policy for authorising claims for expenses from the Chairman of the Board and executive directors.

The Committee is authorised by the Board to:

(a) seek any information it requires from any employee of the Company in order to perform its duties;

(b) be responsible for establishing the selection criteria and then for selecting, appointing and setting the terms of reference for any remuneration consultants providing external advice to the Committee, at the Company's expense; and

(c) obtain, at the Company's expense, outside legal or other professional advice where necessary in the course of its activities.

Audit Committee

The Group employs rigorous procedures to ensure the continued independence of the external auditor. The Audit Committee reviews each year the arrangements for safeguarding auditor objectivity and independence.

The Audit Committee comprises the four independent non-executive directors of the Board. The members of the Committee are:

- John Clarke, FCA (Chairman)
- Christina Benn
- Timothy Benn
- Kevin Hand

The Audit Committee meets at least twice per year. It reviews the scope, results and cost-effectiveness of external audit, and has delegated power from the Board to exercise the power from shareholders to agree fees for external auditors. The Audit Committee is responsible for satisfying itself on the independence and objectivity of external auditors. The Committee reviews the operation of internal controls and, from the coming year, will report to the Board on the annual review of the internal controls and risk management.

The Company Secretary is the secretary of the Committee.

Nomination Committee

The Nomination Committee comprises a majority of independent non-executive directors. The members of the Committee are:

- John van Kuffeler (Chairman)
- Christina Benn
- Timothy Benn
- Kevin Hand

The Nomination Committee meets as required. Its function is to provide a formal, rigorous and transparent procedure for the appointment of new directors to the Board. In carrying out its duties, the Nomination Committee is primarily responsible for:

- identifying and nominating candidates to fill board vacancies;
- evaluating the structure and composition of the board with regard to the balance of skills, knowledge and experience and making recommendations accordingly;
- reviewing the time requirements of non-executive directors;
- giving full consideration to succession planning; and
- reviewing the leadership of the Group.

8 Related party transactions

(a) Clarke & Co

In 2004, payments of £10,000 were made by the Company to Clarke & Co, of which John Clarke (a non-executive director of Huveaux) is a partner. Clarke & Co provided the services of John Clarke as a non-executive director of Huveaux. In 2003, payments of £10,000 were made by the Company to Clarke & Co.

(b) Dalesman Publishing Company Limited

In 2003, payments of £41,667 were made by the Company to Dalesman Publishing Company Limited, of which Timothy and Christina Benn (non-executive directors of Huveaux) were directors and shareholders. Dalesman Publishing Company Limited provided interim management services in order to assist the Company with certain post-acquisition integration programmes. In 2004, no such payments were made.

(c) Virtual Reality Centre Limited

In 2004, payments of £65,000 were made by the Company to Virtual Reality Centre Limited, of which Gerry Murray (a director of Huveaux) is a director. Virtual Reality Centre Limited provided the management services of Gerry Murray in the period prior to Gerry Murray's appointment as a director of Huveaux. In 2003, no such payments were made.

9 Material contracts

Material contracts

The following is a summary of those material contracts (not being contracts entered into in the ordinary course of business), which have been entered into by the members of the Huveaux Group within the two years immediately preceding the date of this document and of those other contracts (not being contracts entered into in the ordinary course of business) that contain any provisions under which any member of the Huveaux Group has an obligation or entitlement which is material to the Huveaux Group as at the date of this document:

(a) Publications Professionnelles Parlementaires

On 15 September 2003, an agreement was entered into between (1) the Company and (2) Capital Media ("the Vendor") for the sale and purchase of the entire issued share capital of Publications Professionnelles Parlementaires ("**PPP**"). The consideration payable by the Company in respect of the share purchase was €2,000,000. PPP was a *société par actions simplifiée* incorporated under the laws of France, registered at the Nanterre Trade and Companies Register under the number 382 866 721 RCS Nanterre, with a registered capital of €37,000.

PPP operated under the trade name of "*Le Trombinoscope*". PPP's main operation was the publication of the "*Le Trombinoscope*", a leading professional directory listing French political and administrative figures.

In order for the Company to secure the payment of a potential indemnity which could be due pursuant to the representations and warranties given by the Vendor in favour of the Company, the Vendor provided an unconditional guarantee (*garantie à première demande*) amounting to €500,000 and expiring on 15 September 2008.

(b) Fenman Limited and Training Journal Limited

On 25 September 2003, (1) the Company and (2) Covelstone Limited and Michael Herbert ("the Vendors") entered into a Share Purchase Agreement (the "Fenman Agreement") for the sale and purchase of the entire issued share capital of Covelstone Publishing Limited ("CPL") (which has now been re-named Training Journal Limited) and that part of the issued share capital of Fenman Limited not held by CPL. The consideration payable by the Company was £6,000,000, comprising £3,100,000 in respect of the shares as well as the repayment of a £2,900,000 debt owed by CPL to Covelstone Limited.

The Fenman Agreement imposes a number of restrictive covenants upon the Vendors following completion. Further, the Fenman Agreement contained a number of warranties by the Vendors in respect of Fenman and CPL. Pursuant to these warranties, the maximum liability of the Vendors for claims under the Fenman Agreement may not exceed £6,000,000 (the aggregate consideration).

The sale was conditional on a placing of shares by the Company, in which the Company placed 20,512,821 Ordinary Shares were placed at 39p per shares described in sub-paragraph (c) below.

(c) Placing Agreement

On 25 September 2003, a Placing Agreement was entered into between the Company (1), the directors of the Company (2) and Brewin Dolphin Securities Limited (3) pursuant to which Brewin Dolphin placed 20,512,821 Ordinary Shares at 39p per share and received fees from the Company totalling £250,000, being £90,000 plus commission at a rate of 2% of the aggregate value of the placing.

The Placing Agreement included certain warranties and undertakings by the Company and its directors in favour of Brewin Dolphin. Certain indemnities were also included by the Company in favour of Brewin Dolphin.

(d) Public Affairs Newsletter

On 5 March 2004, an Agreement was entered into between the Company (1) and Steven Atack (2) pursuant to which the Company acquired the assets and trade of the Public Affairs Newsletter, excluding the cash of the business for a price of £750,000 payable in cash at completion.

(e) First Light Online Limited

On 5 May 2004 Dods Parliamentary Communications Limited ("DPCL") entered into a software licence agreement ("Agreement") with FirstLight Online Limited ("the Licensor") to use the 'ePolitix.com' and 'EUPolitix.com' websites for certain specified purposes. The Agreement can be terminated by the Licensor after an initial five year period with twelve months notice or by DPCL at any time with twelve months notice.

(f) Parliamentary Communications Limited

On 6 May 2004, (1) the Company and (2) Keith Young and Colin Jeavons ("the Vendors") entered into a Share Purchase Agreement (the "PCL Agreement") for the sale and purchase of the entire issued share capital of Parliamentary Communications Limited ("PCL") and European Parliamentary Communications SPRL. The consideration payable by the Company in respect of the share purchase was a total of £16,150,000, (including a cash balance of £450,000 held by PCL at completion) comprising £15,679,000 for the business at completion, and a payment of £471,000 of deferred consideration paid on 2 March 2005.

The PCL Agreement imposes a number of restrictive covenants upon the Vendors following completion. The PCL Agreement contained a number of warranties from the Vendors in respect of the PCL Group. Pursuant to these warranties, the maximum liability of the Vendors for claims under the PCL Agreement may not exceed £16,150,000 (the consideration amount).

The sale was conditional on a placing by the Company to a minimum amount of £16,150,000. 35,000,000 Ordinary Shares were placed at 50p per share as described in sub-paragraph (g) below.

(g) Placing Agreement

On 6 May 2004, a Placing Agreement was entered into between the Company (1), the Directors of the Company (2) and Brewin Dolphin Securities Limited (3) pursuant to which Brewin Dolphin placed 35,000,000 Ordinary Shares at 50p per share and received fees from the Company totalling £475,000, being £125,000 plus commission at a rate of 2% of the aggregate value of the placing.

The Placing Agreement included certain warranties and undertakings by the Company and its Directors in favour of Brewin Dolphin. Certain indemnities were also included by the Company in favour of Brewin Dolphin.

(h) ATP-Egora

On 24 September 2004, an agreement was entered into between (1) the Company and (2) Compagnie Générale des Communications (COGECOM) for the sale and purchase of the entire issued share capital of ATP-Egora. The consideration payable by the Company in respect of the share purchase was €500,000.

ATP-Egora was a *société anonyme* incorporated under the laws of France with a registered share capital of €1,659,015.42, its registered office being then at 6 place d'Alleray 75015 Paris. It was registered at the Paris Trade and Companies Register under the number 422 422 063 RCS Paris.

(i) Bank Facility

(1) On 20 July 2005, a term loan facility (the "Term Loan") was made available by the Bank of Scotland to the Company in an amount of €15,000,000 for the purposes of funding the Company's proposed acquisition of the entire issued share capital and repay the existing indebtedness of JBB Santé, and to make payment of the costs and expenses arising in relation to the acquisition, restructuring costs and initial working capital requirements of JBB Santé and its financing. The Term Loan is repayable in six-monthly instalments commencing on 31 December 2006 and ending 31 December 2012. The margin applicable to the Term Loan is one per cent (1%) per annum provided that if the Company breaches any of the financial covenants set out in the Term Loan over LIBOR, the margin shall be increased by one per cent (1%) from the rate otherwise prevailing for so long as such breach continues. The Term Loan contains covenants of a customary nature. As security for the Term Loan and for any other money due, owing or incurred to the Bank of Scotland by the Company, JBB Santé and each of their subsidiaries from time to time which is not dormant, each material Huveaux Group company based in the United Kingdom is required as a condition precedent to drawdown of the Term Loan to enter a composite guarantee in favour of the Bank of Scotland.

(2) On 20 July 2005, a committed working capital facility (the "Committed Working Capital Facility") was made available by the Bank of Scotland to the Company in an amount of £1,000,000 for general working capital purposes. The Committed Working Capital Facility is repayable in full in one bullet repayment on 20 July 2006. The margin applicable to the Committed Working Capital Facility is one per cent (1%) per annum provided that if the Company breaches any of the financial covenants set out in the Committed Working Capital Facility, the margin shall be increased by one per cent (1%) from the rate otherwise prevailing for so long as such breach continues. The Committed Working Capital Facility contains covenants of a customary nature. As security for the Committed Working Capital Facility and for any other money due, owing or incurred to the Bank of Scotland by the Company or any of its subsidiaries from time to time which is not dormant, the Company is required as a condition precedent to drawdown of the Committed Working Capital Facility to enter a composite guarantee in favour of the Bank of Scotland.

(3) On 27 July 2005, a bridge facility (the "Bridge Facility") was made available by the Bank of Scotland to the Company in an amount of £8,500,000 for the purposes of funding the consideration payable by the Company for the shares being acquired by it pursuant to the Offer. The Bridge Facility is repayable on the date falling six months after the date that it was made available by Bank of Scotland. The margin applicable to the Bridge Facility is one per cent (1%) per annum. The Bridge Facility contains covenants of a customary nature. As security for the Bridge Facility and for any other money due, owing or incurred to the Bank of Scotland by the Company or any of its subsidiaries from time to time which is not dormant, the Company is required as a condition precedent to drawdown of the Bridge Facility to enter into a charge over the entire issued share capital of Epic.

(j) Donald Clark Consultancy Agreement

Upon the Offer becoming or being declared unconditional in all respects, Donald Clark's employment with Epic will terminate and the Company will enter into a consultancy agreement with Mr Clark ("Consultancy Agreement") for an initial term of 10 months ("Initial Term"). Thereafter, the Consultancy Agreement will be subject to two months' written notice by either party. Mr Clark will be paid at a daily rate of £1,000 per day (plus VAT if appropriate). During the first four months he will be required to work a minimum of 20 days and during the remaining six months of the Initial Term he will be required to work a minimum of 25 days. Thereafter, the number of days required (if any) will be agreed between the parties.

(k) Inducement fee arrangement

Epic entered into an agreement on 27 July 2005 (with the consent of the Panel) pursuant to which

(a) Epic agreed to pay the sum of £210,000 to Huveaux in the event that:

(i) a third party offer is announced before the Offer lapses or is withdrawn and subsequently becomes or is declared unconditional in all respects or otherwise completes (as relevant); or

(ii) the Epic Board fails to recommend the Offer or withdraws or alters its recommendation of the Offer other than in the event of the circumstances referred to in paragraph 9(k)(b)(i) below where there is a material adverse change in the financial or trading position of Huveaux that would require Huveaux to disclose publicly details of such matters and the Offer does not become or is not declared unconditional in all respects; and

(b) Huveaux has agreed to pay the sum of £210,000 to Epic in the event that:

(i) there occurs a material adverse change in the financial or trading position of Huveaux which would oblige Huveaux to disclose publicly details of such matter in accordance with the AIM Rules, the Prospectus Rules or FSMA; or

(ii) admission of the New Huveaux Shares to be issued pursuant to the Offer to trading on AIM does not become effective.

(l) Deed of Undertaking

On 27 July 2005, the Company entered into a Deed of Undertaking with Epic, under which Epic undertook to place £8,500,000 ("the Funds") in a separate bank account and not to withdraw the Funds until such time as the Offer lapses, is withdrawn or becomes or is declared unconditional in all respects, unless in the opinion of the Epic Directors (supported by leading Counsel's opinion) it is necessary to do so to comply with their fiduciary duties and such decision is formally approved at a meeting of the Epic Directors at which at least three directors (two of whom must be John Gordon and Stephen Oliver) must be present and vote in favour.

10 Taxation

The following paragraphs, which are intended as a general guide only, are based on current UK legislation and HM Revenue & Customs practice. They summarise certain limited aspects of the UK taxation consequences of the acquisition by Epic Shareholders of New Huveaux Shares pursuant to the Offer. They relate only to the position of Epic Shareholders who hold their New Huveaux Shares beneficially as an investment and who are resident and, in the case of individuals, ordinarily resident in the UK for taxation purposes at all relevant times.

If you are in any doubt as to your taxation position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser without delay.

10.1 Taxation of chargeable gains

Liability to UK taxation of chargeable gains will depend on the individual circumstances of Epic Shareholders.

Any future disposal of New Huveaux Shares may, depending on personal circumstances (including the availability of exemptions, relief and/or allowable losses), give rise to a liability to UK taxation on chargeable gains.

In computing any such chargeable gain, the cost of acquiring the New Huveaux Shares is likely to reflect the consideration paid by Epic Shareholders for the Epic Shares in exchange for which the New Huveaux Shares are issued pursuant to the Offer.

For individual shareholders, indexation allowance should be available in respect of the period during which the Epic Shares were held up to 5 April 1998, and taper relief thereafter (including the period of ownership of the New Huveaux Shares), to reduce any gain arising. Taper relief reduces the proportion of the gain brought into charge to Capital Gains Tax depending on the period of ownership of the shares. The capital gains annual exemption (which is £8,500 for 2005/06) will also be available to offset any chargeable gain (to the extent it is not otherwise utilised).

For Epic Shareholders within the charge to UK corporation tax but which do not qualify for substantial shareholdings exemption in respect of their New Huveaux Shares, indexation allowance should be available in respect of the full period of ownership of the Epic Shares and the replacement New Huveaux Shares to reduce any chargeable gain arising.

10.2 Taxation of dividends

Huveaux is not required to withhold tax at source from dividends paid in respect of the New Huveaux Shares.

Individuals resident in the UK for taxation purposes are generally liable to income tax on the aggregate amount of any dividend received and a tax credit equal to 10 per cent of the dividend together with the credit (or one-ninth of the dividend received). For example, on a dividend received of £90 the tax credit would be £10, and an individual would be liable to income tax in respect of the "gross dividend" of £100. UK resident individuals who are liable to income tax at a rate less than the higher rate (currently 40 per cent) will be charged to tax on the gross dividend at the rate of 10 per cent. Accordingly, the tax credit is treated as satisfying the shareholder's income tax liability in respect of the dividend and no further income tax should be payable in respect of the dividend. UK resident individuals who are liable to income tax at the higher rate will be charged to tax on the gross dividend at the rate applicable to dividends (currently 32.5 per cent) but are entitled to offset the 10 per cent tax credit against such liability. After taking into account the 10 per cent tax credit such an individual will be liable to pay additional income tax at the rate of 22.5 per cent of the gross dividend (which is equivalent to 25 per cent of the dividend received). For example, on a dividend received of £90 such a taxpayer would have to pay additional tax of £22.50 (representing 32.5 per cent of the gross dividend less the 10 per cent tax credit). For this purpose, dividends are treated as the top slice of an individual's income such that they are liable to tax at the individual's highest marginal tax rate.

Corporate New Huveaux Shareholders who are resident in the UK for taxation purposes are not normally liable to corporation tax or income tax in respect of dividends paid by Huveaux.

Epic Shareholders who are resident for tax purposes in countries other than the UK are not generally entitled to claim any part of the tax credit, subject to certain exemptions which may be provided in any double taxation convention which exists between the UK and such countries, and may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such shareholders should consult their own tax advisers concerning their tax liabilities.

10.3 Stamp duty and stamp duty reserve tax ("SDRT")

The transfer on sale of New Huveaux Shares will generally give rise to a stamp duty liability on the purchaser at the rate of 0.5 per cent. (rounded up to the nearest £5.00) of the consideration paid. If an unconditional agreement to transfer such shares is not completed by a duly stamped transfer, a liability to SDRT will generally arise at the rate of 0.5 per cent. of the consideration paid.

11 Investments

There are no investments being made by the Company or to be made in the future in respect of which firm commitments have been made.

12 Property, plant and equipment

Property, plant and equipment

The Company's principal establishments are as follows, all of which are offices supporting a financial and professional function:

Property	*Tenure*	*Lease Expiry Date*	*Annual Rent*	*Approximate Area*
3rd Floor, Westminster Tower, Albert Embankment, London SE1	Leasehold	27/09/2010 (Break option 17/11/2007 on 3 months' notice)	£97,525 (from 17/09/2005) to be reviewed upwards on 02/09/2007 to a maximum of £118,275	4,500 square feet
4th Floor, Westminster Tower, Albert Embankment, London SE1	Leasehold	27/09/2010 (Break option 17/11/2007 on 3 months' notice)	£92,825 (from 17/09/2005). No rent review	3,950 square feet
Land at Eastlakes Business Park, Gilwilly Industrial Estate, Penrith	Freehold	—	—	—
Suite A, 2nd Floor, 4 & 5 Grosvenor Place, London, SW1	Leasehold	31/09/2006	£37,000	Unknown
8 place de l'Hotel de Ville, Neuilly sur Seine 92200, France	Leasehold	15/01/2014	€135,947.75	353 square metres (plus five parking spaces)
Clive House, Bartholomews Walk, Ely Cambridgeshire	Leasehold	24/03/2018 (Break option 31/12/05 on 6 months noice, such notice having been given)	£60,000 (from 29/09/2003)	
Offices 6,7, 8, 8A, 8B at Elmsfield Park, Holme, Carnforth, Lancashire	Leasehold	1 September 2009	£14,499.96	1,075 square feet
Top floor, 289-291 Huddersfield Road, Thongsbridge, Holmfirth Yorkshire	Leasehold	Not formalised	£15,000	Unknown
International Press Center, 1 boulevard Charlemagne, 1041 Bruxelles, Belgium	Leasehold	14 January 2012	€18,801.72	Unknown

13 Working capital

Working capital statement

The Company is of the opinion that, taking into account the bank facilities available to the Group, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this document.

14 Capitalisation and indebtedness

Capitalisation and indebtedness statement

The capitalisation and indebtedness position of the Group as at 30 June 2005 is set out below. There has been no material change in the capitalisation of the Group between 30 June 2005, the date of the Group's last published financial information and 28 July 2005, the date of this document.

	30 June 2005 £000
Total current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Shareholders equity	—
Share capital	10,761
Legal reserve	—
Other reserves	27,135
Total	37,896

	Net Indebtedness	*30 June 2005 £000*
A.	Cash	625
B.	Cash equivalents	—
C.	Trading securities	—
D.	Liquidity	625
E.	Current financial receivables	—
F.	Current bank debt	—
G.	Current portion of non-current debt	—
H.	Other current financial debt	—
I.	Current financial debt (F+G+H)	—
J.	Net current financial indebtedness (I-E-N)	(625)
K.	Non-current bank loans	—
L.	Bonds issued	—
M.	Other non-current loans	—
N.	Non-current financial indebtedness (K+L+M)	—
O.	Net financial indebtedness (J+N)	(625)

15 Litigation

Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against the Group which may have or have had during the 12 months preceding the date of this document a significant effect on the financial position or profitability of the Group.

16 General

Significant change in financial position

(a) Save as disclosed in Huveaux's announcement of its proposed acquisition of JBB Santé on 21 July 2005, as set out in Part 7B of this document, there has been no significant change in the financial or trading position of the Group since 30 June 2005, the date to which the Group's most recent unaudited interim results have been drawn up.

Experts' consents

(b) KPMG Audit Plc of 1 Puddle Dock, London EC4V 3PD has given and has not withdrawn its written consent to the inclusion in this document of its reports and references thereto and to its name in the form and context in which they appear.

(c) Dresdner Kleinwort Wasserstein Limited of 20 Fenchurch Street, London EC3P 3DB, which is regulated by the Financial Securities Authority, has given and has not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.

Expenses

(d) The expenses of and incidental to the Offer, are estimated to amount to approximately £1,100,000 (excluding VAT), which includes approximately £375,000 payable to financial intermediaries, and will be payable by the Company.

Advisers' capacity

(e) Dresdner Kleinwort Wasserstein Limited is acting as sponsor, financial adviser and joint stockbroker to the Company.

(f) There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business, except as described in paragraph 9(e) above.

(g) There are no arrangements under which future dividends are waived or agreed to be waived.

(h) The annual accounts of the Company have been audited in accordance with national law for the three years ended 31 December 2002, 31 December 2003 and 31 December 2004, by KPMG Audit Plc, Chartered Accountants, of 8 Salisbury Square, London EC4Y 8BB

(i) The financial information set out in this document does not constitute statutory accounts within the meaning of section 240 of the Companies Act. Statutory accounts have been delivered to the registrar of companies for the periods ended 31 December 2002, 31 December 2003 and 31 December 2004 for Huveaux and 31 May 2003 and 31 May 2004 for Epic. Auditors' reports in respect of each set of statutory accounts have been made under section 235 of the Companies Act and each such report was an unqualified report and did not contain any statement under section 237(2) or (3) of the Companies Act.

(j) The Ordinary Shares are only admitted to trading on AIM.

(k) The Company's registrar and paying agent for the payment of dividends is Lloyds TSB Registrars, The Causeway, Worthing, Sussex, BN99 6DA.

17 Documents available for inspection

Documents on display

Copies of the following documents may be inspected at the offices of Eversheds LLP, Senator House, 85 Queen Victoria Street, London EC4V 4JL during usual business hours on any weekday (excluding Saturdays and public holidays) up to and including the date upon which the Offer closes:

(a) the Memorandum and Articles of Association of the Company;

(b) the audited consolidated accounts of the Company and its subsidiaries for the periods ended 31 December 2003 and 31 December 2004;

(c) the share option scheme rules referred to in paragraph 4 above;

(d) the Directors' service appointment letters and letters of appointment with non-executive Directors as referred to in paragraph 6 above;

(e) the material contracts referred to in paragraph 9 above;

(f) the written consents referred to in paragraph 16 above; and

(g) copy of all other reports, letters, valuations, other documents, expert statements included or referred to in the document.

Dated: 28 July 2005

PART 9

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"Acquisition"	the proposed acquisition of the entire issued and to be issued share capital of Epic further details of which are set out in this document and the Offer Document
"Act" or "Companies Act"	the Companies Act 1985, as amended
"admission to trading"	the admission of all the New Huveaux Shares (issued and to be issued) to trading on AIM becoming effective in accordance with the Admission Standards
"AGM"	the annual general meeting of the Company
"AIM"	a market operated by the London Stock Exchange
"Announcement"	the announcement of the Offer, published on 28 July 2005
"Articles of Association" or "Articles"	the articles of association of the Company
"Audit Committee"	the audit committee of the Company as appointed by the Board
"B2B"	business to business
"Board" or "Directors" or "Huveaux Directors"	the board of directors of the Company, the members of which are set out in Part 3 of this document
"business day"	any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business
"certificated" or "in certificated form"	not in uncertificated form (that is, not in CREST)
"Circular"	the circular of even date with this document addressed to Huveaux Shareholders and, for information only, to Epic Optionholders, which contains a notice convening the Extraordinary General Meeting
"Closing Price"	the closing middle market quotation of a Huveaux Share or Epic Share as the case may be as derived from the Daily Official List
"CREST"	the computerised settlement system operated by CRESTCo Limited which facilitates the transfer of shares in uncertificated form
"CREST regulations"	the Uncertificated Securities Regulations 2001 (SI2001/3755)
"Closing Price"	the closing middle market quotation of a Epic Share or Huveaux Share as the case may be
"Division"	a division of the business of Huveaux
"Dresdner Kleinwort Wasserstein"	Dresdner Kleinwort Wasserstein Limited, a member of the London Stock Exchange and regulated by the Financial Services Authority
"Epic"	Epic Group plc
"Epic Board"	the board of directors of Epic
"Epic Directors"	John Gordon, Donald Clark, Stephen Oliver, Ian Ritchie and Brian Stevens
"Epic Optionholders"	the holder of an option under the Epic Share Option Schemes
"Epic Share Option Schemes"	the employee share scheme adopted by Epic being the Epic Approved Share Option Scheme and Epic Unapproved Share Option Scheme
"Epic Shareholders"	the holders of Epic Shares

"Epic Shares"	the existing unconditionally allotted or issued and fully paid ordinary shares of 1 pence each of Epic and any further such shares which are unconditionally allotted or issued fully paid, or credited as fully paid, before the date on which the Offer closes
"Enlarged Group"	the Group as enlarged by the Acquisition
"Enlarged Share Capital"	the share capital of the Group as enlarged following the Acquisition
"EU"	the European Union created by the Treaty for European Union
"Executive Scheme"	the Huveaux Executive Share Option Scheme
"Existing Huveaux Shares"	the issued Ordinary Shares as at the Record Date
"Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held at Senator House, 85 Queen Victoria Street, London EC4V 4JL
"Fenman"	Fenman Limited
"Form of Acceptance"	the form of acceptance, election and authority relating to the Offer and accompanying the Offer Document
"FRS"	Financial Reporting Standard
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000
"Huveaux" or "Company"	Huveaux PLC
"Huveaux Group"	the Company and its subsidiary undertakings
"Huveaux Shareholders" or "Shareholders"	holders of Huveaux Shares or Ordinary Shares
"ICTA"	the Income and Corporation Taxes Act 1988
"JBB Santé"	J. B. Ballière Santé Group
"Lloyds Registrars"	Lloyds TSB Registrars
"London Stock Exchange"	London Stock Exchange plc
"Lonsdale"	the business unit of Huveaux that operates the business formerly carried on by Lonsdale SRG
"Memorandum of Association"	the Company's memorandum of association
"New Ordinary Shares" or "New Huveaux Shares"	the new Huveaux Shares proposed to be issued pursuant to the Offer
"NOMAD"	Nominated Adviser, as defined by the AIM Rules
"Nomination Committee"	the nomination committee of the Company as appointed by the Board
"Offer"	the recommended offer, made by Dresdner Kleinwort Wasserstein on behalf of Huveaux to acquire all of the issued and to be issued share capital of Epic on the terms and subject to the conditions set out in the Offer Document and, where the context so requires, any subsequent revision, variation, extension or renewal thereof
"Offer Document"	the document containing, or containing details of, the Offer
"Ordinary Shares" or "Huveaux Shares"	ordinary shares of 10 pence each in the capital of the Company, ISIN no. GB0031129579
"Prospectus Rules"	the prospectus rules issued by the FSA
"Remuneration Committee"	the remuneration committee of the Company as appointed by the Board
"SAYE Scheme"	the Huveaux 2004 SAYE Scheme
"Share Option Schemes"	the employee shares schemes adopted by the Company on 6 April 2004, further information in respect of which is set out in paragraph 4 of Part VII of this document being the Executive Scheme and SAYE Scheme.

"uncertificated" or "in uncertificated form"	recorded on the relevant register of Ordinary Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"UK Listing Authority"	the Financial Services Authority, in its capacity as the competent authority for the purposes of Part VII of the FSMA
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland

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