Huveaux

Interim Report
2009

Quality Information | Intelligent Solutions

Huveaux operates in two markets, Political Intelligence and Schools Education. We provide quality information and intelligent solutions to both the public and private sectors. Our purpose is to drive personal and professional improvement through all media, enabling our customers to know more and perform better.

In the eight years since our formation we have established ourselves as the leading provider of:

> Political information, and public affairs communications in the UK and European Union
> Learning and training to the UK public sector
> Study aids and revision guides for schools in the UK;

The Group currently employs 250 people and operates at the forefront of its selected markets in the UK, France and Belgium.

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Interim Results for the six months ended 30 June 2009

Financial Highlights

> Revenue at **£11.3m** (2008: £21.7m)
> Revenue from retained business at **£11.3m** (2008: £13.3m) *
> EBITDA at **£0.4m** (2008: £1.8m)**
> EBITDA from retained business of **£0.4m** (2008: £1.1m)
> Normalised Loss before tax of **£0.1m** (2008: Profit of £0.8m)***
> Loss before tax of **£1.8m** (2008: loss of £0.9m)
> Operating cash inflow **£1.6m** (2008: £1.6m)

Operational Highlights

> **Strong performance** given difficult trading conditions
> Education affected by SATs abolition and recession in High Street
> Continued **organic growth** in revenue in Political Division
> **Pick up in Education sales** from GCSE curriculum change subjects
> **Strong balance sheet** with gearing and banking arrangements appropriate for the ongoing business
> Continued **strong cost control**
> *Civil Service Live,* held in July and to be reported in second half of the year, showed **significant growth** over 2008

Summary of Results

	Six months to 30 June 2009 Unaudited £'000	Six months to 30 June 2008 Unaudited £'000
Total Revenue	**11,281**	21,675
Revenue from Retained Business*	**11,281**	13,294
EBITDA**	**360**	1,799
EBITDA from Retained Business*	**360**	1,148
Normalised (loss)/profit before tax***	**(139)**	803
Loss before tax	**(1,777)**	(907)
Loss per share (basic)	**(0.98p)**	(3.01p)

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

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

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

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

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

Operating and Financial Review

Summary

We are now a more focussed and resilient business than at any time in our history. We have disposed of underperforming businesses, enabling us to concentrate on Politics and Education. This has allowed us to deal more effectively with the challenging trading conditions faced by all Media companies in 2009.

Huveaux has traded in line with expectations in the first half of the year. The underlying growth within the Politics Division is clouded by timing differences – after adjusting for these, the Division continues to show strong organic growth. Within Education we have been able to mitigate significantly the effect of the lost sales at KS3.

Within Politics, *Civil Service Live* moved from April in 2008 to July in 2009. This has moved a significant amount of revenue (and profit) out of these Interim results. Nevertheless, the year on year comparison of the event shows a 30% growth in net revenue and this will be reflected in the full year numbers.

We have continued to show strong growth in the digital monitoring and face-to-face businesses within the Division – further reducing the importance of display advertising to the Group.

Our Education division has responded well following the abolition of KS3 SATs in 2008 and both the significant cost savings achieved and the highly variable cost base, mean that the impact of the reduced revenue has been limited.

While the first half of the year is materially smaller than the second, the visibility of the trading for the second half, especially in Politics, is good and we remain confident of the full year results. In addition, we believe that the market leading positions of our brands and the impending General Election in the UK, result in significant potential for growth in 2010 and beyond. This further enhances the underlying value of the Group.

Group Performance

The first half of 2009 saw revenue of £11.3m (2008: £21.7m). The 2008 numbers include 5 months' revenue from the businesses sold in June 2008. Excluding these businesses, retained revenue moved from £13.3m in 2008 to £11.3m in 2009. For statutory purposes only the French Healthcare business is included in "discontinued operations", while the results of Epic are included in continuing businesses within the Learning Division for 2008.

Within revenue from retained businesses, Education shows a £1.4m reduction, reflecting the loss of KS3 SATs revenues and the effect of the recession on the High Street. Politics, on the other hand, after adjusting for *Civil Service Live* (which moved from H1 to H2 in 2009) and the closed *Monitor* shows a 4% growth on ongoing business. In addition, *Civil Service Live* will show a more than 30% growth over 2008.

EBITDA decreased from £1.8m to £0.4m in aggregate, and from £1.1m to £0.4m on the retained businesses. This reflects a significant movement of profit into H2 within Politics, and the reduced revenues within Education.

The basic loss per share was 0.98 pence (2008: loss of 3.01 pence).

Operating Review

Political Division

Revenue in the Political Division fell from £7.8m to £7.2m and EBITDA was at £0.6m (2008: £0.9m).

When analysing the results, it is important to allow for the significant timing differences which understate the growth in the 2009 results. *Civil Service Live* was held in April 2008 and contributed £0.7m net revenue. In 2009 this major exhibition was held in the first week of July and will contribute £0.9m of net revenue with a significant increase in EBITDA. *The Monitor* magazine was closed in December 2008 – this magazine contributed £237k of revenue in the first half of 2008, but a very small profit.

After adjusting for these material items, the underlying business showed organic growth of 4% in terms of revenue and a flat performance in terms of EBITDA. The reduction in the overall margin reflects the loss of the marginal display advertising pages (with a very high margin) which were replaced with events revenue.

The most dramatic performance in the first half of the year was in our Political Knowledge business, incorporating *Westminster Explained* and *Westminster Briefing,* which had a record half year. Growth has come across this portfolio, where we continue to be successful in competitive pitches – securing long-term relationships with Government departments. This portfolio delivered a 40% growth in revenue and a tripling of EBITDA. The second half of the year contains some of the larger events, and is on track to deliver a profit approximately twice the size of that in 2008.

Within the core UK Politics division, we have been hit by the recessionary effect on display advertising and the recent uncertainty in Parliament concerning MPs' expenses, the future of the Prime Minister and the likely date of the General Election. Despite these factors, and following the return to some certainty regarding the timing of the General Election, the division is on track to deliver significant organic growth in line with expectations for the full year.

Display advertising has been hit – on average being 30% below prior years – but our strategy of reducing its importance to the Group has resulted in this being of less impact than in previous years. Offsetting this decline has been the strong performance of Events and Data products.

The *UK Monitoring* business continues to grow well – with both new business and renewal rates ahead of forecast, reflecting an increase in our market share. The second half of the year will see an upgrade to *Dodonline* which will provide increased functionality to the user and drive further revenue growth.

As well as the main *Civil Service Live,* we ran our first *Regional Civil Service Live* event in Gateshead in March. This event, though smaller than the main event, provided an additional communications forum for the Cabinet Office and further cemented our relationship with them. There will be an additional similar event held later in the year, in Manchester.

While *The House* magazine suffered from the reduced demand for display advertising, the related Events business continues to grow. The *Fringe Events* at the autumn party conferences are already ahead of prior years – and we are now the leading provider of fringe events across the three major conferences. In addition, 2009 has seen a steady increase in smaller events and we are planning at least two larger *Prospective Parliamentary Candidates* events in the latter part of the year.

Our European business was, as expected, affected by the hiatus in the run-up to the European Elections in June. This, together with a market decline in advertising spend, resulted in a reduced performance against 2008. At the same time, the *EU Monitoring* business continued to grow rapidly – with revenue 60% ahead of 2008.

Our French political business, *Le Trombinoscope,* is in a cyclical "down year" due to the lack of any elections in France. This is reflected in the forecast for the year which is approximately 10% lower than 2008.

Fenman has rationalised the DVD/Manual part of the business – resulting in a more focussed business with lower overheads. *Training Journal* has suffered from the effects of the recession, which are particularly severe in the training sector.

The move towards greater transparency and the significant changes likely to follow the next General Election will provide significant opportunities for this Division in 2010 and beyond. The second half of 2009 will also see an increasing number of events within the portfolio. Forward orders for these are good and so we are confident that 2009 will show good revenue, profit and margin growth.

Since the end of the first half of the year, the second *Civil Service Live* was held at Olympia in London. More than 8,000 senior civil servants attended over the 3 days and speakers included HRH The Prince of Wales, Alistair Campbell, Baron Sugar and the Cabinet Secretary. Despite the economic conditions, the second edition showed 30% top line growth and will again make a significant contribution to the full year results. This exhibition is now established as a key part of the internal communication plans of the Civil Service and will be repeated in July 2010. Re-bookings for this event have started very strongly.

Operating and Financial Review
continued

Education Division

The Education Division had first half revenues of £4.1m (2008: £5.5m) and EBITDA of £0.2m (2008: £0.9m).

As reported in our Annual Report, 2008 saw significant changes in the market. The most dramatic change resulted from the sudden abolition of KS3 SATs in October 2008. This had a material effect on 2008 results and this has continued into 2009. This change has the effect of removing £600k of revenue from the first half of 2009.

A lesser change was that in the schools' financial year (April 2008 – March 2009) there was a move from GCSE spending to A-Levels. This resulted in a reduction in spend of approximately £300k in the first half of 2009. This shift is beginning to reverse as the spend moves towards the changed curriculum subjects within GCSEs – where we are stronger.

In addition, the Education market has, in line with all retail industries, suffered from reduced demand on the High Street. This has affected the Division across the various retail outlets, albeit that we have worked with the larger retailers to ensure that the reduction suffered is smaller than our competitors.

In Scotland, sales were also down from £0.9m to £0.8m, reflecting the recession in the same way as in the remainder of the UK. In addition, *Leckie & Leckie* have now moved from producing the "official SQA" past papers to producing its "own brand" practice papers. The switch from the former to the latter resulted in a £100k shortfall in revenue in the first half of the year. The new publications will start to sell in the 3rd quarter of 2009 and early indications are that the lower price point combined with additional functionality will result in a significant market share. It should be noted that these publications will be at a significantly higher margin than the previous products.

As a result of the changes in the market, especially regarding KS3 SATs, a cost reduction exercise was implemented at the start of 2009. This exercise successfully reduced the costs of the Division by £600k in 2009. This, together with the variable cost base, has meant that the EBITDA reduction has been limited to £0.6m in the half year and will help to minimise the margin fall in the full year.

Financial Review

Gross debt has fallen from £9.1m to £8.6m in the 6 months to 30th June 2009. Net debt at 30 June 2009 of £8.6m is £0.5m improved from the year end.

During the first half we generated £1.6m of operating cash flows (2008: £1.6m). The level of gearing for the Group, with net debt at approximately twice run-rate EBITDA, provides a robust financial position going forward.

Outlook

The second half of 2009 will again be more important than the first half for Huveaux, as it coincides with the start of the academic year in September, the autumn Party Conferences and *Civil Service Live* which was held in early July.

The outlook for Huveaux in the second half of 2009 is encouraging across the Group. The political market has got over the turmoil in early June, and the visibility into the third quarter is very good. The Education Division is performing more predictably, and the new GCSE publishing has been well received.

The economic climate continues to be hard for all Media companies, however the Board remains confident regarding the full year outcome – and believes that the true value of the Group is evidenced by the strong market positions of both of the Divisions and the potential growth in 2010 and beyond.

Gerry Murray
Group Chief Executive

29 July 2009

Consolidated Income Statement

	Note	**For the six months ended 30 June 2009 Unaudited £'000**	For the six months ended 30 June 2008 Unaudited £'000	For the year ended 31 December 2008 Audited £'000
Revenue	3	**11,281**	16,111	30,759
Cost of sales		**(7,367)**	(9,615)	(17,866)
Gross profit		**3,914**	6,496	12,893
Administrative expenses:				
Non-trading items	4	**(358)**	–	(190)
(Loss)/profit on disposal of subsidiary undertaking		**–**	(170)	300
Amortisation of intangible assets acquired through business combinations		**(1,281)**	(1,465)	(2,757)
Net administrative expenses		**(3,830)**	(5,405)	(8,959)
Total administrative expenses		**(5,469)**	(7,040)	(11,606)
Operating (loss)/profit		**(1,555)**	(544)	1,287
Finance income		**113**	62	276
Financing costs		**(335)**	(425)	(1,058)
(Loss)/profit before tax		**(1,777)**	(907)	505
Income tax credit	5	**284**	656	891
(Loss)/profit after tax from continuing operations		**(1,493)**	(251)	1,396
Results from discontinued operations (net of tax)	9	**–**	(4,330)	(5,380)
Loss for the period		**(1,493)**	(4,581)	(3,984)
Earnings per share				
Basic	6	**(0.98 p)**	(3.01 p)	(2.62 p)
Diluted	6	**(0.98 p)**	(3.01 p)	(2.62 p)

Consolidated Statement of Recognised Income and Expense

	For the six months ended 30 June 2009 Unaudited £'000	For the six months ended 30 June 2008 Unaudited £'000	For the year ended 31 December 2008 Audited £'000
Exchange differences recognised on disposal of discontinued operations	**–**	565	565
Exchange differences on translation of foreign operations	**12**	3	21
Net income recognised directly in equity	**12**	568	586
Loss for the period	**(1,493)**	(4,581)	(3.984)
Total recognised income and expense for the period attributable to equity holders of parent company	**(1,481)**	(4,013)	(3.398)

Consolidated Statement of Financial Position

	Note	**As at 30 June 2009 Unaudited £'000**	As at 30 June 2008 Unaudited £'000	As at 31 December 2008 Unaudited £'000
Goodwill	7	**22,847**	23,324	22,847
Intangible assets	8	**29,704**	31,892	31,024
Property, plant and equipment		**307**	420	378
Non-current assets		**52,858**	55,636	54,249
Inventories		**2,422**	2,448	2,496
Trade and other receivables		**4,553**	4,776	4,967
Derivative financial instruments		**–**	50	45
Cash		**54**	1,678	96
Current assets		**7,029**	8,952	7,604
Interest bearing loans and borrowings		**(2,130)**	(2,130)	(2,130)
Income tax payable		**(81)**	(15)	(240)
Provisions		**–**	(50)	–
Trade and other payables		**(6,721)**	(7,670)	(6,207)
Current liabilities		**(8,932)**	(9,865)	(8,577)
Net current liabilities		**(1,903)**	(913)	(973)
Total assets less current liabilities		**50,955**	54,723	53,276
Interest bearing loans and borrowings		**(6,477)**	(8,075)	(7,010)
Deferred tax liability		**(4,654)**	(5,326)	(4,937)
Non current liabilities		**(11,131)**	(13,401)	(11,947)
Net assets		**39,824**	41,322	41,329
Capital and reserves				
Issued capital		**15,200**	15,200	15,200
Share premium		**30,816**	30,816	30,816
Other reserves		**409**	409	409
Retained loss		**(6,589)**	(5,100)	(5,117)
Translation reserve		**(12)**	(3)	21
Equity shareholders' funds		**39,824**	41,322	41,329

Consolidated Statement of Cash Flows

	Note	For the six months ended 30 June 2009 Unaudited £'000	For the six months ended 30 June 2008 Unaudited £'000	For the year ended 31 December 2008 Audited £'000
Cash flows from operating activities				
Loss for the period		**(1,493)**	(4,581)	(3,984)
Depreciation of property, plant and equipment		**90**	161	153
Amortisation of intangible assets acquired through business combinations		**1,281**	1,465	2,757
Amortisation of other intangible assets		**660**	586	1,069
Results from discontinued operations		**–**	4,330	5,380
Loss/(profit) on sale of subsidiary undertaking		**–**	170	(300)
Share based payments charges		**–**	75	(18)
Net finance costs		**222**	363	782
Income tax credit		**(284)**	(701)	(891)
Cash flow relating to restructuring provisions		**–**	(660)	(899)
Operating cash flows before movements in working capital		**476**	1,208	4,049
Change in inventories		**73**	(422)	714
Change in receivables		**487**	616	6,612
Change in payables		**716**	240	(8,059)
Cash generated by operations		**1,752**	1,642	3,316
Income tax paid		**(159)**	(26)	(22)
Net cash from operating activities		**1,593**	1,616	3,294
Cash flows from investing activities				
Interest and similar income received		**113**	61	276
Proceeds from sale of property, plant and equipment		**–**	–	439
Proceeds from sale of subsidiary undertaking		**–**	4,750	4,600
Cash divested with sale of subsidiary undertaking		**–**	(69)	(69)
Acquisition of property, plant and equipment		**(14)**	(120)	(124)
Acquisition of other intangible assets		**(624)**	(586)	(1,468)
Net cash used in investing activities		**(525)**	4,037	3,654
Cash flows from financing activities				
Interest and similar expenses paid		**(663)**	(764)	(958)
Repayment of borrowings		**(533)**	(10,460)	(11,525)
Dividends paid		**–**	–	(1,140)
Net cash used in financing activities		**(1,196)**	(11,224)	(13,623)
Net decrease in cash and cash equivalents in continuing operations		**(128)**	(5,571)	(6,675)
Opening cash and cash equivalents		**96**	1,477	1,477
Effect of exchange rate fluctuations on cash held		**86**	(629)	(913)
Closing cash and cash equivalents in continuing operations		**54**	(4,723)	(6,111)
Cash flows from discontinued operations				
Net cash increase from operating activities		**–**	573	679
Net cash used in investing activities		**–**	5,303	5,149
Net cash used in financing activities		**–**	(1)	(210)
Net increase in cash and cash equivalents		**–**	5,875	5,618
Opening cash and cash equivalents		**–**	517	517
Effect of exchange rate fluctuations on cash held		**–**	9	72
Closing cash and cash equivalents in discontinued operations		**–**	6,401	6,207
Total cash and cash equivalents in the Group	11	**54**	1,678	96

Consolidated Statement of Changes In Equity

	Unaudited Share capital £'000	Unaudited Share premium £'000	Unaudited Merger reserve £'000	Unaudited Retained earnings £'000	Unaudited Translation reserve £'000	**Unaudited Total £'000**
At 31 December 2008	15,200	30,816	409	(5,117)	21	**41,329**
Loss for the period	–	–	–	(1,493)	–	**(1,493)**
Currency translation differences	–	–	–	21	(33)	**(12)**
At 30 June 2009	**15,200**	**30,816**	**409**	**(6,589)**	**(12)**	**39,824**

Notes to the Accounts
30 June 2009

1 Statement of Accounting Policies
The interim financial statements have been prepared in accordance with the recognition and measurement principles of IFRSs as adopted by the EU, applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2008, except for the following change:

The Group has applied IFRS 8 "Operating Segments" as of 1 January 2009. IFRS 8 states that segment information should be based on management's internal reporting structure and accounting principles. As disclosed in the financial statements for the year ended 31 December 2008, Huveaux PLC's segment information has already been based on the management reporting structure and therefore the operating segments are the same as previously reported – Political, Education and Learning. Although full disclosure has not been made in accordance with IFRS 8 in these Interim Financial Statements, the Group will fully comply with this standard in the 31 December 2009 financial statements.

2 Nature of information
The interim accounts for the six months ended 30 June 2009 and the comparative figures for the six months ended 30 June 2008 are not audited by the Company's auditors. The financial statements for the twelve months ended 31 December 2008 have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors on these accounts was unqualified and did not contain any statement under Sections 237(2) or 237(3) of the Companies Act 1985.

3 Segment information
Segment information is presented in respect of the Group's operating segments. The operating segments have been identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance.

	Six months ended 30 June 2009 Unaudited £'000	Six months ended 30 June 2008 Unaudited £'000	Year ended 31 December 2008 Unaudited £'000
Revenue			
Political			
Political	**4,465**	5,530	15,960
Learning	**2,754**	2,268	1,269
	7,219	7,798	17,229
Learning	**–**	2,817	2,817
Education	**4,062**	5,496	10,713
Revenue from continuing operations	**11,281**	16,111	30,759
Healthcare (discontinued)	**–**	5,564	5,564
Total revenue	**11,281**	21,675	36,323
Revenue			
United Kingdom	**9,958**	14,711	26,545
Continental Europe and rest of the world	**1,323**	6,964	9,778
	11,281	21,675	36,323

3 Segment information (continued)

	Six months ended 30 June 2009 Unaudited £'000	Six months ended 30 June 2008 Unaudited £'000	Year ended 31 December 2008 Unaudited £'000
EBITDA from operations*			
Political			
Political	**61**	550	2,824
Learning	**547**	353	239
	608	903	3,063
Learning	**–**	249	194
Education	**241**	887	2,262
Head Office	**(489)**	(642)	(1,038)
EBITDA from continuing operations	**360**	1,397	4,481
Healthcare (discontinued)	**–**	402	364
Total EBITDA	**360**	1,799	4,845

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

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

4 Non-trading items

	Six months ended 30 June 2009 Unaudited £'000	Six months ended 30 June 2008 Unaudited £'000	Year ended 31 December 2008 Audited £'000
Redundancy and people related costs	**358**	–	151
Abortive deal costs	**–**	–	39
	358	–	190

5 Taxation
The taxation charge for the six months ended 30 June 2009 is based on the expected annual tax rate.

Notes to the Accounts
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6 Earnings per Share

	Six months ended 30 June 2009 Unaudited £'000	Six months ended 30 June 2008 Unaudited £'000	Year ended 31 December 2008 Audited £'000
Loss attributable to shareholders	**(1,493)**	(4,581)	(3,984)
Add: loss/(profit) on sale of subsidiary undertaking	**–**	170	(300)
Add: results of discontinued operations	**–**	4,330	5,380
Add: non-trading items	**358**	–	190
Add: amortisation of intangible assets acquired through business combinations	**1,281**	1,465	2,757
Less: share based payment charge/(credit)	**–**	75	(18)
Adjusted profit attributable to shareholders	**146**	1,459	4,025

	Shares	Shares	Shares
Weighted average number of shares			
In issue during the year – basic	**151,998,453**	151,998,453	151,998,453
Dilutive potential ordinary shares	**–**	586,820	238,888
Diluted	**151,998,453**	152,585,273	152,237,341
Loss per share – basic (pence)	**(0.98)**	(3.01)	(2.62)
Loss per share – diluted (pence)	**(0.98)**	(3.01)	(2.62)
Normalised earnings per share before non-trading items and amortisation of intangible assets acquired through business combinations (pence)	**0.10**	0.96	2.65

7 Goodwill

	Six months ended 30 June 2009 Unaudited £'000	Six months ended 30 June 2008 Unaudited £'000	Year ended 31 December 2008 Audited £'000
Cost & Net book value			
Opening balance	**22,847**	28,651	28,651
Revisions to fair values of assets and liabilities on acquisitions made in the prior year	**–**	7	7
Effect of change in tax rate	**–**	–	(707)
Disposals	**–**	(5,334)	(5,104)
Closing balance	**22,847**	23,324	22,847

8 Intangible fixed assets

	Six months ended 30 June 2009 Unaudited £'000	Six months ended 30 June 2008 Unaudited £'000	Year ended 31 December 2008 Audited £'000
Assets acquired through business combinations			
Cost			
Opening balance	**37,129**	47,633	47,633
Disposals	**–**	(10,504)	(10,504)
Closing balance	**37,129**	37,129	37,129
Amortisation			
Opening balance	**8,293**	7,378	7,378
Charge for the period	**1,281**	1,603	2,895
Disposals	**–**	(1,980)	(1,980)
Closing balance	**9,574**	7,001	8,293
Net book value			
Opening balance	**28,836**	40,255	40,255
Closing balance	**27,555**	30,128	28,836
Other intangible assets			
Net book value			
Opening balance	**2,188**	2,070	2,070
Closing balance	**2,147**	1,764	2,188
Net intangible assets			
Opening balance	**31,024**	42,325	42,325
Closing balance	**29,702**	31,892	31,024

Other intangible assets comprise IT software and plate costs for revision guide materials.

Notes to the Accounts
continued

9 Discontinued operations

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

	Six months ended 30 June 2009 Unaudited £'000	Six months ended 30 June 2008 Unaudited £'000	Year ended 31 December 2008 Unaudited £'000
Revenue	–	5,564	5,564
Cost of sales	–	(4,077)	(4,077)
Gross profit	–	1,487	1,487
Non-trading items	–	–	–
Amortisation of intangible assets acquired through business combinations	–	(138)	(138)
Other administrative expenses	–	(1,147)	(1,123)
Operating profit	–	202	226
Net finance costs	–	(202)	(202)
Profit before tax	–	–	24
Related income tax	–	5	–
Deferred tax credit arising from intangible assets disposed	–	2,077	2,077
Loss on sale of discontinued operations	–	(6,412)	(7,481)
Loss for the period	–	(4,330)	(5,380)

During June 2008 the Group also sold its investment in Epic Group PLC. This is included within continuing operations as it did not constitute a material business segment.

10 Analysis of net debt

	At beginning of year £'000	Cash flow £'000	Non-cash movements £'000	Exchange movement £'000	At end of period £'000
Cash at bank and in hand	96	(128)	–	86	**54**
Debt due within one year	(2,130)	533	(533)	–	**(2,130)**
Debt due after one year	(7,010)	–	533	–	**(6,477)**
	(9,044)	**405**	**–**	**86**	**(8,553)**

Schedule A

Reconciliation between operating profit and non-statutory measure

The following tables reconcile operating profit as stated above to EBITDA, a non-statutory measure which the Directors believe is the most appropriate measure in assessing the performance of the Group. EBITDA is defined by the Directors as being earnings before interest, tax, depreciation, amortisation of assets acquired through business combinations, and non-trading items.

Six months ended 30 June 2009	Operating (loss)/profit £'000	Depreciation* £'000	Amortisation of intangible assets £'000	Non-trading items** £'000	**EBITDA £'000**
Political					
Political	(804)	210	627	28	**61**
Learning	330	10	154	53	**547**
	(474)	220	781	81	**608**
Learning	–	–	–	–	**–**
Education	(533)	48	500	226	**241**
Head Office	(548)	8	–	51	**(489)**
Result from continuing operations	(1,555)	276	1,281	358	**360**
Healthcare (discontinued)	–	–	–	–	**–**
Group total	(1,555)	276	1,281	358	**360**

Year ended 31 December 2008	Operating (loss)/profit £'000	Depreciation* £'000	Amortisation of intangible assets £'000	Non-trading items** £'000	**EBITDA £'000**
Political					
Political	1,155	354	1,262	53	**2,824**
Learning	(103)	24	308	10	**239**
	1,052	378	1,570	63	**3,063**
Learning	(42)	52	184	–	**194**
Education	1,137	113	1,003	9	**2,262**
Head Office	(860)	22	–	(200)	**(1,038)**
Result from continuing operations	1,287	565	2,757	(128)	**4,481**
Healthcare (discontinued)	226	–	138	–	**364**
Group total	1,513	565	2,895	(128)	**4,845**

Six months ended 30 June 2008	Operating (loss)/profit £'000	Depreciation* £'000	Amortisation of intangible assets £'000	Non-trading items** £'000	**EBITDA £'000**
Political					
Political	(245)	168	627	–	**550**
Learning	187	12	154	–	**353**
	(58)	180	781	–	**903**
Learning	(162)	57	184	170	**249**
Education	330	57	500	–	**887**
Head Office	(654)	12	–	–	**(642)**
Result from continuing operations	(544)	306	1,465	170	**1,397**
Healthcare (discontinued)	202	62	138	–	**402**
Group total	(342)	368	1,603	170	**1,799**

*including amortisation of software shown within intangibles.
**including losses on disposal of operations.

Shareholder Information

Company Registrar
Equiniti provide a range of shareholder information on-line. You can check your holding and find practical help on transferring shares and updating your personal details at www.sharereview.co.uk. Equiniti may also be contacted on 0871 384 2639 (calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary), or by writing to Equiniti, Aspect House, Spencer Road, Lancing ,West Sussex, BN99 6DA.

Share Dealing Service
An internet and telephone share dealing service is operated by the Company's registrar, Equiniti, enabling shareholders to buy and sell Huveaux PLC Ordinary shares on the London Stock Exchange. Shareholders who are interested in using these services should visit www.sharereview.co.uk or telephone +44 (0) 845 603 737.

Unsolicited Mail
The Company is required by law to make its share register available upon request to the public and organisations which may use it as a mailing list resulting in shareholders receiving unsolicited mail. Shareholders wishing to limit the receipt of such mail should write to the Mailing Preference Service, DMA House, 70 Margaret Street, London W1W 8SS.

ShareGift
Shareholders, who hold only a small number of shares, where dealing costs make it uneconomic to sell them, may wish to consider donating them to charity though ShareGift, a registered charity administered by The Orr Mackintosh Foundation. The relevant share transfer form can be obtained from their website www.sharegift.org or by writing to ShareGift, 5 Lower Grosvenor Place, London SW1W 0EJ, or by telephoning +44 (0)20 7828 1151.

Dividend Payments to Mandated Accounts
Where shareholders have given instruction for future dividends to be paid directly to a bank or building society account, this is done via the Bankers Automated Clearing System (BACS). This facility provides an immediate access to funds, without the inconvenience of waiting for postal delivery or having personally to visit a bank.

Directors, Secretary and Advisors

Directors
Gerry Murray (Chief Executive Officer)
Rupert Levy (Group Finance Director)
Kevin L Hand (Non-Executive Chairman)
Richard Flaye (Non-Executive Director)

Secretary
Rupert Levy

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Huveaux is a public limited company registered in England No. 04267888. Its Ordinary shares are listed on the Alternative Investment Market (AIM) (ticker HVX.L).

Huveaux PLC is the parent company of the Huveaux Group of companies. Unless otherwise stated, the text in this Annual Report does not distinguish between the activities and operations of the parent company and those of its subsidiary undertakings.

This is the Interim Report of Huveaux PLC for the six month period ended 30 June 2009 and complies with UK legislation and regulations. It is also available on the Company's website: www.huveauxplc.com

Cautionary Statement
The purpose of this Interim Report is to provide information to the members of the Company. The Interim Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve risk and uncertainty, since future events and circumstances can cause results and developments to differ from those anticipated. Nothing in this Interim Report should be construed as a profit forecast.

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