Huveaux

Huveaux PLC Interim Report 2008

Our purpose is to drive personal and professional improvement through all media which enables our customers to know more and perform better. We provide essential and intelligent information, learning and training to both the public and private sectors.

Huveaux now operates through two market-facing divisions, Political and Education, and in the seven years since our formation we have established ourselves as the leading provider of political information, public affairs and policy communications in the UK and EU; and study aids and revision guides in the UK.

The Group currently employs 260 people and operates at the forefront of its selected growth markets in the UK, Belgium and France.

Contents

Interim Financial and Operating Highlights 2008

- Revenue at **£21.7 million** (2007: £21.7 million)
- Revenue from retained business **up 7%** to £13.3 million*
- EBITDA **up 87%** at £1.8 million (2007: £1.0 million)**
- EBITDA from retained business of **£1.1 million** (2007: £0.5 million)
- Normalised Profit before tax of **£0.9 million** (2007: £0.1 million)***
- Loss before tax of **£0.9 million** (2007: £1.5 million)
- Normalised Earnings per share of **0.39 pence** (2007: 0.02 pence)***
- Net debt reduced to **£8.5 million**
- **Strong organic growth** in revenue in Political Division
- **Successful launch** of *Civil Service Live*
- **Investment in Education Division** in anticipation of curriculum change
- **Successful disposals** of non-core operations in line with strategic goals
- **Strong balance sheet** with gearing now appropriate for the ongoing business
- Recovery underway with **strong cost control**

Summary of Results

	Six months to 30 June 2008 Unaudited £'000	Six months to 30 June 2007 Unaudited £'000
Total revenue	**21,675**	21,663
Revenue from retained business	**13,294**	12,453
EBITDA**	**1,799**	963
EBITDA from retained business	**1,148**	483
Normalised profit before tax***	**865**	58
Loss before tax	**(907)**	(1,547)
Normalised earnings per share (basic)***	**0.39p**	0.02p
Loss per share (basic)	**(3.01p)**	(0.75p)

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

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

*** Normalised profit is stated before amortisation of intangible assets acquired through business combinations, and non trading items and related tax. 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.

Operating and Financial Review

Summary

Our first half performance has demonstrated our ability to deliver against a number of key strategic objectives. The results show that the Group is well on the way to its predicted recovery in 2008.

While the first half result is structurally smaller than the second, the operating results show significant organic growth within the Political Division. Having completed the disposals, the Group is less dependent on traditional advertising as a source of revenue and has seen good growth in areas such as online information provision, face-to-face events and exhibitions.

We have divested two businesses to best realise shareholder value. The French Healthcare business significantly affected the results in 2007, and its sale reduces the trading risks of the Group. This sale, together with the disposal of *Epic,* has led to the repayment of a significant part of the Group's debt and leaves the Group with a strong balance sheet and a debt level that is appropriate for the ongoing business.

Group Performance

The first half of 2008 saw revenue of £21.7 million (2007: £21.7 million). This reflects organic growth of 7% from within the retained businesses offset by the effect of the disposal of two businesses in early June 2008. 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.

EBITDA increased from £1.0 million to £1.8 million in aggregate, and from £0.5 million to £1.1 million on the retained businesses. Basic loss per share was 3.01 pence (2007: 0.75 pence). Normalised earnings per share increased from 0.02 pence to 0.39 pence.

Operating Review

Political Division

Revenue in the Political Division grew by 13% to £7.8 million (2007: £6.9 million) and EBITDA more than doubled to £0.9 million (2007: £0.4 million). The Political Division now includes the French political business, the *Political Knowledge* business and *Fenman* as well as *Dods* (and the comparative results have been restated accordingly).

The highlight of the first half of the year was the launch of *Civil Service Live* at the Queen Elizabeth II Conference Centre in April. More than 6,000 senior civil servants attended over the 3 days and speakers included the Prime Minister and the Cabinet Secretary. This new exhibition which showcased best practice and innovation in public sector delivery received positive reaction from the Cabinet Office, the sponsors, the exhibitors and the attendees, and plans are in hand both for regional events in early 2009, and a second edition of the main exhibition in July 2009 at Olympia. This change of venue and timing gives the opportunity for significant expansion, and lowers the risk that the event might clash with a General Election in the future.

Elsewhere within the UK political division, growth was driven through an increase in the number of sponsored face-to-face events.

The first half has seen us re-launch *The Monitor* to ensure that it maintains its place as the leading provider of information on policy change. In addition, an independently operated readership survey reported that 68% of MP's regularly read *The House Magazine,* showing that it remains by far the most widely read weekly political magazine within its core audience.

Our European business showed revenue growth of 15% in the first half. The main drivers of this growth were the online *EU Monitoring* business which more than doubled over 2007 and regional projects advertising. Our portfolio in Brussels continues to expand its awards and events offerings, as well as showing good growth in advertising revenue.

Our French political business, *Le Trombinoscope,* saw the first half ahead of 2007. This is unlikely to be repeated in the second half as the presidential and parliamentary elections in the second half of 2007 provided a cyclical boost to revenue which will not be repeated in 2008.

Our *Political Knowledge* business, incorporating *Westminster Explained* and *Westminster Briefing,* continues to grow well. We are providing an increasing number of bespoke courses which strengthen our relationships with our customers and provide a higher level of visibility of earnings for the second half of 2008. In addition, we continue to see a healthy increase in the number of Conferences that we are running.

The rise of the Conservative Party in the polls and the more competitive political landscape has helped to strengthen forward sales into the busy party conference season. The second half of 2008 will also see an increasing number of awards and events. We are therefore confident that 2008 will show good revenue, profit and margin growth.

Education Division

The Education Division had first half revenues of £5.5 million (2007: £5.5 million) and EBITDA of £0.9 million (2007: £0.9 million).

In the UK (excluding Scotland), 2008 is seeing large scale changes to the secondary curriculum. In the first half of 2008, this market was down by 5% as schools delayed ordering whilst evaluating new KS3 and A-level materials, with a knock-on effect on GCSE materials as the overall departmental budget requirements were evaluated.

This shortfall in the schools sales was offset by growth in sales to trade outlets. This growth reflects our good relations and increased business with WH Smith and Borders. We also had increased business with the non-traditional accounts such as the major supermarket chains, and by adding Argos to our customer list for the first time.

In Scotland, school sales were also down, reflecting Scottish local authorities' budget shortfalls, and the absence of the one-off extra funding for schools which was given ahead of the elections in the same period in 2007. As in the remainder of the UK, this schools shortfall was more than made up by an increase in trade sales.

While the trade sales are at a lower margin than school sales, the overall margin has been maintained due to the effects of the cost reduction programme put in place in 2007. In addition, a large amount of work has been undertaken to ensure that production costs are kept in check.

The impending curriculum changes have resulted in the need for significant investment in publications. This has led to 68 new titles released in the first half of the year (of which 8 were purely digital products) and a further 131 new titles scheduled to be published in the second half (11 purely digital).

Our digital development programme continued to gather pace, and included the launch of product specifically for iPods in early 2008. Online sales of books (both through our own and third party websites) have increased significantly and plans are well advanced to launch additional digital products with third party partners.

These investments reinforce Huveaux's position as the leading publisher in the UK revision market. The second half of 2008, with the new curriculum and a new academic year, remains core to delivering a good result for the full year.

Operating and Financial Review
continued

Financial Review
Net debt at 30 June 2008 amounted to £8.5 million. This represents a significant reduction from £18.7 million at 31 December 2007. The major movements are due to the full repayment of the Group's euro loan (€12.75 million at 31 December 2007) together with £1.1 million paid against the residual sterling loans.

During the first half we generated £2.4 million of operating cash flows. The level of gearing for the Group, with net debt at approximately twice run-rate EBITDA, provides a robust financial position going forward.

The two businesses disposed of during the period gave rise to a net loss after tax of £4.0 million. The French Healthcare business was sold to local management, backed by a French Private Equity house, for a consideration of €8.25 million and *Epic* was sold to a private investor for £4.75 million. In both cases all of the consideration was received in cash on completion and was set off against the Group's debt.

The cost improvement plans were established and implemented during 2007. Within the head office, significant costs have been removed, resulting in a 19% reduction in such costs over the corresponding period in 2007.

Outlook
In 2008 the second half of the financial year will again be more important for Huveaux, as it coincides with the start of both the academic and parliamentary years in September and October respectively.

The outlook for Huveaux in the second half of 2008 is encouraging across much of the Group. The political market remains solid, and the new products, especially in our expanding events businesses, continue to perform well and the Division is expected to produce good growth in the full year. The Education Division is performing strongly; however the full effect of curriculum change and the changed mix between trade sales and school sales will only fully emerge in the second half of the year.

Following the disposal of the French Healthcare business and *Epic* during the first half of the year, the Board remains focussed on delivering shareholder value through organically generated growth in revenues together with an emphasis on increasing margins across the business. Our retained businesses enjoy established leading positions in their respective niche markets; we have preserved a coherent spread of business activities following completion of the disposals; and there are encouraging signs of recovery across the portfolio.

While the Board is mindful of the difficult economic climate, we remain cautiously optimistic as regards to the full year outcome.

Gerry Murray
Group Chief Executive

23 July 2008

Consolidated Income Statement

	Note	For the six months ended 30 June 2008 Unaudited £'000	For the six months ended 30 June 2007 Unaudited and Restated* £'000	For the year ended 31 December 2007 Audited and Restated* £'000
Revenue	3	**16,111**	15,542	34,197
Cost of sales		**(9,615)**	(9,741)	(19,512)
Gross profit		**6,496**	5,801	14,685
Administrative expenses:				
Non-trading items		**–**	–	(1,032)
Loss on disposal of investments		**(170)**	–	–
Amortisation of intangible assets acquired through business combinations		**(1,465)**	(1,416)	(2,969)
Other administrative expenses		**(5,405)**	(5,525)	(10,659)
		(7,040)	(6,941)	(14,660)
Operating (loss)/profit		**(544)**	(1,140)	25
Financing income		**62**	106	148
Financing costs		**(425)**	(513)	(1,231)
Loss before tax		**(907)**	(1,547)	(1,058)
Income tax credit	4	**656**	391	1,145
(Loss)/profit after tax from continuing operations		**(251)**	(1,156)	87
Results from discontinued operations (net of tax)	8	**(4,330)**	9	275
(Loss)/profit for the period		**(4,581)**	(1,147)	362
Earnings per share				
Basic	5	**(3.01p)**	(0.75 p)	0.24 p
Diluted	5	**(3.00p)**	(0.75 p)	0.24 p

*restated to exclude discontinued operations (see note 8).

Consolidated Balance Sheet

	Note	As at 30 June 2008 Unaudited £'000	As at 30 June 2007 Unaudited and Restated* £'000	As at 31 December 2007 Audited £'000
Goodwill	6	**23,324**	28,046	28,651
Intangible assets	7	**31,892**	43,083	42,325
Property, plant and equipment		**420**	1,125	887
Non-current assets		**55,636**	72,254	71,863
Inventories		**2,448**	3,657	3,181
Trade and other receivables		**4,776**	10,571	12,175
Derivative financial instruments		**50**	140	117
Cash and cash equivalents		**1,678**	2,925	1,994
Income tax receivable		**–**	–	163
Current assets		**8,952**	17,293	17,630
Interest bearing loans and borrowings		**(2,130)**	(3,391)	(3,788)
Income tax payable		**(15)**	(163)	–
Provisions		**(50)**	(86)	(709)
Trade and other payables		**(7,670)**	(14,835)	(14,703)
Current liabilities		**(9,865)**	(18,475)	(19,200)
Net current liabilities		**(913)**	(1,182)	(1,570)
Total assets less current liabilities		**54,723**	71,072	70,293
Interest bearing loans and borrowings		**(8,075)**	(18,022)	(16,877)
Employee benefits		**–**	(156)	(141)
Deferred tax liability		**(5,326)**	(7,768)	(7,390)
Non-current liabilities		**(13,401)**	(25,946)	(24,408)
Net assets		**41,322**	45,126	45,885
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)/earnings		**(5,100)**	(1,301)	25
Translation reserve		**(3)**	2	(565)
Equity shareholders' funds	9	**41,322**	45,126	45,885

*restated to exclude discontinued operations (see note 8).

Consolidated Statement of Cash Flows

	Note	For the six months ended 30 June 2008 Unaudited £'000	For the six months ended 30 June 2007 Unaudited and Restated* £'000	For the year ended 31 December 2007 Audited and Restated* £'000
Cash flows from operating activities				
(Loss)/profit for the period		**(4,581)**	(1,147)	362
Depreciation of property, plant and equipment		**161**	140	300
Amortisation of intangible assets acquired through business combinations		**1,465**	1,416	2,969
Amortisation of other intangible assets		**586**	267	828
Discontinued operations		**4,330**	(9)	(275)
Loss on sale of subsidiary		**170**	–	–
Profit on disposal of assets held for sale		**–**	(67)	(64)
Movements on defined benefit scheme		**–**	–	18
Share based payments charges		**75**	114	105
Net finance costs		**363**	407	1,083
Income tax expense		**(701)**	(391)	(1,146)
Cash flow relating to restructuring provisions		**(660)**	39	(434)
Operating cash flows before movements in working capital		**1,208**	769	3,746
Change in inventories		**(422)**	(573)	(76)
Change in receivables		**616**	3,229	1,363
Change in payables		**240**	(578)	1,516
Cash generated by operations		**1,642**	2,847	6,549
Income tax paid		**(26)**	(280)	(417)
Net cash from operating activities		**1,616**	2,567	6,132
Cash flows from investing activities				
Interest and similar income received		**61**	106	129
Proceeds from sale of property, plant and equipment		**–**	23	19
Proceeds from sale of assets held for sale		**–**	252	252
Net deferred consideration paid		**–**	(100)	(140)
Proceeds from sale of subsidiary		**4,750**	–	–
Cash divested with sale of subsidiary		**(68)**	–	–
Acquisition of property, plant and equipment		**(120)**	(292)	(256)
Acquisition of publishing rights		**–**	(164)	(183)
Acquisition of other intangible assets		**(586)**	(232)	(1,697)
Net cash used in investing activities		**4,037**	(407)	(1,876)
Cash flows from financing activities				
Interest and similar expenses paid		**(764)**	(294)	(1,460)
Repayment of borrowings		**(10,460)**	(1,569)	(3,186)
Dividends paid		**–**	(1,839)	(1,839)
Net cash used in financing activities		**(11,224)**	(3,702)	(6,485)
Net decrease in cash and cash equivalents in continuing operations		**(5,571)**	(1,542)	(2,229)
Opening cash and cash equivalents		**1,477**	3,685	3,685
Effect of exchange rate fluctuations on cash held		**(629)**	11	21
Closing cash and cash equivalents in continuing operations		**(4,723)**	2,154	1,477
Cash flows from discontinued operations				
Net cash increase/(decrease) from operating activities		**573**	(140)	(559)
Net cash used in investing activities		**5,303**	298	417
Net cash used in financing activities		**(1)**	(2)	(18)
Net increase/(decrease) in cash and cash equivalents		**5,875**	156	(160)
Opening cash and cash equivalents		**517**	622	622
Effect of exchange rate fluctuations on cash held		**9**	(7)	55
Closing cash and cash equivalents in discontinued operations		**6,401**	771	517
Total cash and cash equivalents in the Group	10	**1,678**	2,925	1,994

*restated to exclude discontinued operations (see note 8). The restatement of the cash flow statement for the year ended 31 December for discontinued cash flows has not been audited.

Notes to the Accounts

1 Statement of Accounting Policies
These accounts comply with relevant accounting standards and have been prepared on a consistent basis using the accounting policies set out in the Annual Report & Accounts 2007.

Discontinued operations
A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or that meets the criteria to be classified as held for sale. Discontinued operations are presented in the income statement (including the comparative period) analysing the post-tax profit or loss of the discontinued operation.

2 Nature of information
The interim accounts for the six months ended 30 June 2008 and the comparative figures for the six months ended 30 June 2007 are not audited by the Company's auditors. The financial statements for the twelve months ended 31 December 2007 have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors on such accounts was unqualified and did not contain any statement under Sections 237(2) or 237(3) of the Companies Act 1985.

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

The Learning Division was previously reported as one business segment. This has been restated to show the retained Learning businesses within the Political Division to best reflect the internal reporting structure. The Learning Division as restated comprises only the results from the *Epic* business, which was sold in June 2008.

The French Political business, which was previously reported within the Healthcare Division, is now included within the Political Division.

	Six months ended 30 June 2008 Unaudited £'000	Six months ended 30 June 2007 Unaudited £'000	Year ended 31 December 2007 Unaudited £'000
Revenue (primary segment)			
Political			
Political	**5,530**	4,782	11,753
Learning	**2,268**	2,143	4,256
	7,798	6,925	16,009
Learning	**2,817**	3,089	6,288
Education	**5,496**	5,528	12,060
Eliminations	**–**	–	(160)
Revenue from continuing operations	**16,111**	15,542	34,197
Healthcare (discontinued)	**5,564**	6,121	11,872
Total revenue	**21,675**	21,663	46,069
Revenue (secondary segment)			
United Kingdom	**14,711**	14,243	30,164
Continental Europe and rest of the world	**6,964**	7,420	15,905
	21,675	21,663	46,069

3 Segmental information (continued)

	Six months ended 30 June 2008 Unaudited £'000	Six months ended 30 June 2007 Unaudited £'000	Year ended 31 December 2007 Unaudited £'000
EBITDA from operations (primary segment)*			
Political			
Political	**550**	171	2,244
Learning	**353**	201	580
	903	372	2,824
Learning	**249**	8	218
Education	**887**	904	2,933
Head Office	**(642)**	(793)	(1,473)
EBITDA from continuing operations	**1,397**	491	4,502
Healthcare (discontinued)	**402**	472	1,299
Total EBITDA	**1,799**	963	5,801

*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 Taxation

The taxation charge for the six months ended 30 June 2008 is based on the expected annual tax rate. It includes a tax credit of £587,000 relating to the sale of intangible assets acquired with the *Epic* business in 2005.

Notes to the Accounts
continued

5 Earnings per Share

	Six months ended 30 June 2008 Unaudited £'000	Six months ended 30 June 2007 Unaudited £'000	Year ended 31 December 2007 Audited £'000
(Loss)/profit attributable to shareholders	**(4,581)**	(1,147)	362
Add: loss on sale of operations	**6,582**	–	–
Add: non-trading items	**–**	–	931
Add: amortisation of intangible assets acquired through business combinations	**1,603**	1,583	3,304
Less: tax thereon	**(3,005)**	(403)	(1,838)
Adjusted profit attributable to shareholders	**599**	33	2,759

	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**	950,981	634,341
Diluted	**152,585,273**	152,949,434	152,632,794

Earnings per share – basic (pence)	**(3.01)**	(0.75)	0.24
Earnings per share – diluted (pence)	**(3.00)**	(0.75)	0.24
Normalised earnings per share before non-trading items and amortisation of intangible assets acquired through business combinations (pence)	**0.39**	0.02	1.82

6 Goodwill

	Six months ended 30 June 2008 Unaudited £'000	Six months ended 30 June 2007 Unaudited £'000	Year ended 31 December 2007 Audited £'000
Cost & Net book value			
Opening balance	**28,651**	28,165	28,165
Revisions to fair values of assets and liabilities on acquisitions made in the prior year	**7**	98	584
Disposals	**(5,334)**	(217)	(98)
Closing balance	**23,324**	28,046	28,651

7 Intangible fixed assets

	Six months ended 30 June 2008 Unaudited £'000	Six months ended 30 June 2007 Unaudited £'000	Year ended 31 December 2007 Audited £'000
Assets acquired through business combinations			
Cost			
Opening balance	**47,633**	47,927	47,927
Acquisitions through business combinations	**–**	164	183
Disposals	**(10,504)**	(477)	(477)
Closing balance	**37,129**	47,614	47,633
Amortisation			
Opening balance	**7,378**	4,097	4,097
Charge for the period	**1,603**	1,583	3,304
Disposals	**(1,980)**	(23)	(23)
Closing balance	**7,001**	5,657	7,378
Net book value			
Opening balance	**40,255**	43,830	43,830
Closing balance	**30,128**	41,957	40,255
Other intangible assets			
Net book value			
Opening balance	**2,070**	1,058	1,058
Closing balance	**1,764**	1,126	2,070
Net intangible assets			
Opening balance	**42,325**	44,888	44,888
Closing balance	**31,892**	43,083	42,325

During the period the Group disposed of its French Healthcare business and its investment in Epic Group PLC (see note 8).

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

Notes to the Accounts
continued

8 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 2008 Unaudited £'000	Six months ended 30 June 2007 Unaudited £'000	Year ended 31 December 2007 Unaudited £'000
Revenue	**5,564**	6,121	11,872
Cost of sales	**(4,077)**	(4,490)	(8,406)
Gross profit	**1,487**	1,631	3,466
Non-trading items	**–**	–	101
Amortisation of intangible assets acquired through business combinations	**(138)**	(167)	(335)
Other administrative expenses	**(1,147)**	(1,209)	(2,286)
Operating profit	**202**	255	946
Net finance costs	**(202)**	(233)	(457)
Profit before tax	**–**	22	489
Related income tax	**5**	(13)	(214)
Loss on sale of discontinued operations (net of tax)	**(4,335)**	–	–
(Loss)/profit for the period	**(4,330)**	9	275

The segment was not classified as held for sale at 31 December 2007 and the comparative income statement has been re-analysed to show the discontinued operations separately from the continuing operations. The cash inflow on the disposal after deducting expenses and costs relating to the sale was £6.1 million.

During the period 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.

9 Reconciliation of movements in equity shareholders' funds

	Total equity shareholders' funds Unaudited £'000
Loss for the period	(4,581)
Share based payments charges	21
Currency translation differences	(3)
Net decrease in equity shareholders' funds	(4,563)
Equity shareholders' funds at 31 December 2007	45,885
Equity shareholders' funds at 30 June 2008	**41,322**

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	1,994	304	–	(620)	**1,678**
Debt due within one year	(3,788)	2,832	(1,065)	(109)	**(2,130)**
Debt due after one year	(16,877)	7,628	1,065	109	**(8,075)**
	(18,671)	**10,764**	**–**	**(620)**	**(8,527)**

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 2008

	Operating 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**

Year ended 31 December 2007

	Operating profit £'000	Depreciation* £'000	Amortisation of intangible assets £'000	Non-trading items** £'000	**EBITDA £'000**
Political					
Political	672	235	1,258	79	**2,244**
Learning	249	23	308	–	**580**
	921	258	1,566	79	**2,824**
Learning	(500)	114	400	204	**218**
Education	1,910	84	1,003	(64)	**2,933**
Head Office	(2,306)	20	–	813	**(1,473)**
Result from continuing operations	25	476	2,969	1,032	**4,502**
Healthcare (discontinued)	946	119	335	(101)	**1,299**
Group total	971	595	3,304	931	**5,801**

Schedule A
continued

Six months ended 30 June 2007

	Operating profit £'000	Depreciation* £'000	Amortisation of intangible assets £'000	Non-trading items** £'000	**EBITDA £'000**
Political					
Political	(542)	106	607	–	**171**
Learning	83	11	107	–	**201**
	(459)	117	714	–	**372**
Learning	(246)	54	200	–	**8**
Education	367	35	502	–	**904**
Head Office	(802)	9	–	–	**(793)**
Result from continuing operations	(1,140)	215	1,416	–	**491**
Healthcare (discontinued)	255	50	167	–	**472**
Group total	(885)	265	1,583	–	**963**

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

Shareholder Information

Company Registrar

Equiniti (previously named Lloyds TSB Registrars) 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.shareview.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.shareview.co.uk or telephone +44 (0) 870 850 0852.

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.

You can arrange this facility by visiting www.shareview.co.uk, or by using the form that will be sent to you with your dividend cheque on 29 August 2008. Alternatively, you can contact the Company's registrar, Equiniti by telephone on + 44 (0) 870 600 3970, or by writing to them at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Please quote your Shareholder Reference Number as detailed on your dividend tax voucher or share certificate.

Directors, Secretary and Advisors

Directors
John P de Blocq van Kuffeler (Non-Executive Chairman)
Kevin L Hand (Non-Executive Deputy Chairman)
Gerry Murray (Chief Executive Officer)
Rupert Levy (Group Finance Director)
John L Clarke (Non-Executive Director)
Richard Flaye (Non-Executive Director)

Secretary
Sue De Cesare

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(Calls to this number are charged at
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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 Interim 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 months ended 30 June 2008 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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