

# Huveaux

**Interim Results 2008**

## Gerry Murray

### CEO

# Highlights

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- Predicted recovery well underway
- Strong H1 results
- Strategic focus on:
  - organic growth; and
  - margin increase

## Highlights – H1

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- Retained revenue up 7% to £13.3m
- Retained EBITDA doubled to £1.1m
- Healthcare & Epic - sold for £11m
- Net debt reduced to £8.5m
- 13% revenue growth in Political
- 19% reduction in HQ Overheads

## Strategic Progress in 2008

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- Disposal of low margin, non-core operations
- Enhanced portfolio in Political Division
- Launch of Civil Service Live
- Increased event portfolio
- Education Division prepared for curriculum change and Digital future

The background of the slide is a dark blue image showing a desk with several papers and a pen. The papers have some text and diagrams on them, but they are out of focus and the text is illegible. The overall scene suggests a professional or financial setting.

## Rupert Levy

### Finance Director

## Results

6 Months to 30 June 2008

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£'000	<u>2008</u>	<u>2007</u>
Turnover	21,675	21,663
Retained Turnover	13,294	12,453
EBITDA	1,799	963
Retained EBITDA	1,148	483
Pre-tax profit*	865	58
Adjusted EPS* (pence)	0.39	0.02

\* Before intangibles amortisation of £1.6 million in 2008 (2007: £1.6 million)



# Results

6 Months to 30 June 2008

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<b>EBITDA (£'m)</b>	<b>2008 Retained</b>	2008 Disc'd	<b>2008 TOTAL</b>	<b>2007 Retained</b>	2007 Disc'd	<b>2007 TOTAL</b>
Political	<b>0.9</b>		<b>0.9</b>	<b>0.4</b>		<b>0.4</b>
Education	<b>0.9</b>		<b>0.9</b>	<b>0.9</b>		<b>0.9</b>
Learning		0.3	<b>0.3</b>		0.0	<b>0.0</b>
Healthcare		0.4	<b>0.4</b>		0.5	<b>0.5</b>
HQ	<b>-0.7</b>		<b>-0.7</b>	<b>-0.8</b>		<b>-0.8</b>
Total	<b>1.1</b>	0.7	<b>1.8</b>	<b>0.5</b>	0.5	<b>1.0</b>

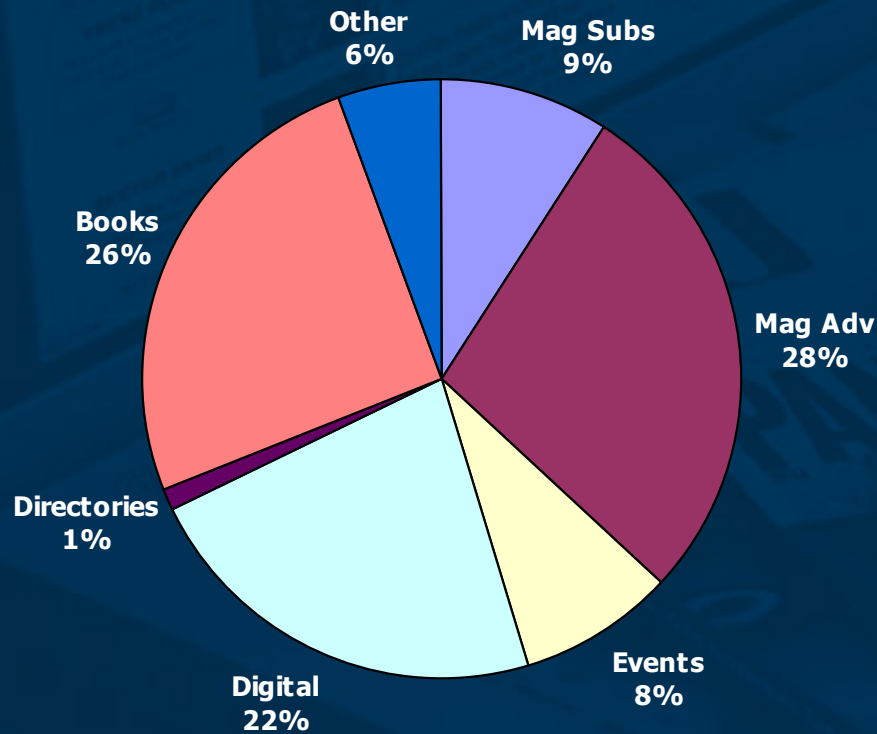


# Revenue by Product (H1)

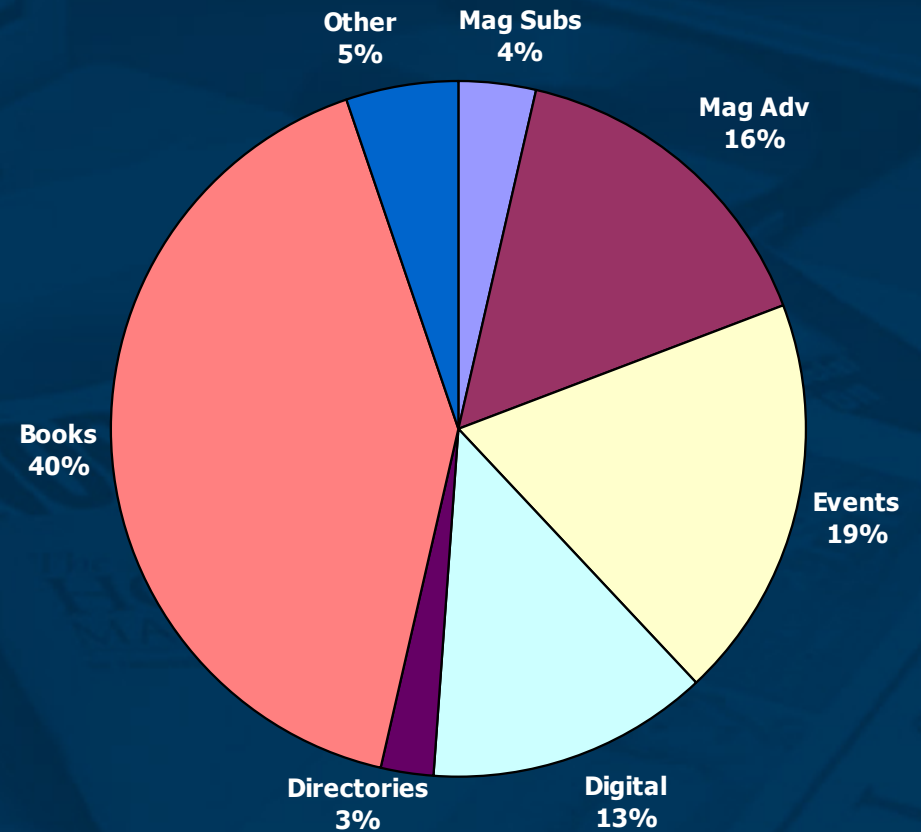
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## 2007



## 2008 - Retained



- €12.75m repaid from sale proceeds
- £1.1m of £ loans repaid
- Operating cash inflow of £2.4m
- £1.1m dividend payable in August
- Net debt of £8.5m (Dec 07: £18.7m)
- Gearing 23% (07: 29%)
- Net debt : EBITDA at ~ 2 times

## Gerry Murray

### CEO

## Political Division

# Political Division

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£'000

2008

2007

Turnover

7,798

6,925

EBITDA

903

372

# New Political Division

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H1 £'000	2008 Revenue	2008 EBITDA	2007 Revenue	2007 EBITDA
<b>DODS</b>	5,286	521	4,623	195
<b>Political Knowledge</b>	1,500	138	1,338	47
<b>Fenman</b>	769	215	805	153
<b>Huveaux Politique</b>	243	29	159	-24
<b>TOTAL</b>	<b>7,798</b>	<b>903</b>	<b>6,925</b>	<b>372</b>



- Stronger performance
- Increased events activity
  - Civil Service Live
  - Your Parliament
  - 10 Awards events, ~ 100 Events in 2008
- Reduced cost base
- Party conference season key to 2008





# Political Division – DODS Europe Huveaux

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- Continued growth
- Strong growth in monitoring products
- New events launched
- Diversifying product range



# Political Knowledge

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- Increased revenue at higher margin
- Strong recovery
- Changed business model
  - L-T contracts with clients
- Growing conference business



## Education Division

# Education Division

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£'000

2008

2007

Turnover

5,496

5,528

EBITDA

887

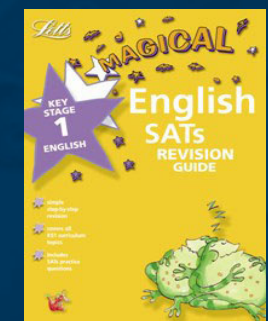
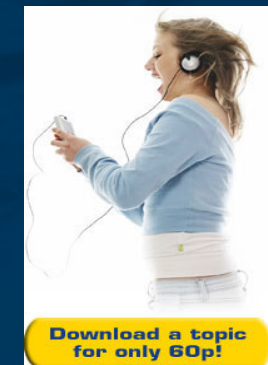
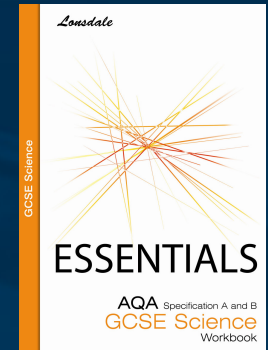
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# Education Division

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- Hiatus in school spending ahead of curriculum change
- Offset by increased trade sales
  - Non-traditional retail outlets
  - Online sales
- Leckie –
  - Reduced school budgets
  - Increased trade sales
- Digital development programme



## Going Forward



# Strategy Going Forward

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Organic growth driven by:

- Expansion in face-to-face and digital

Focus on:

- Government
- Brussels
- “Classroom of the future”



## Market

- Growing markets
- Brussels Political market underexploited
- Government's need to communicate

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- Leading brands
- Dominant in UK Politics
- Growing in Brussels
- Cabinet Office relationship

## Political Division continues to show organic growth

- Continued growth in UK and EU monitoring
- Continued growth in UK data sales
- Enhanced events portfolio
- Civil Service Live exhibition
  - Regional roll-out
  - 2<sup>nd</sup> edition in July 2009
- Strong relationships in Gov and Civil Service
- Strong growth in I/t contracted courses

## Enhance leadership position

- Investment in publishing ahead of curriculum change
- Grow market share in key areas - maths
- Digital range expansion (ipods, whiteboards)
- Digital partnerships re schools
  - RM
  - i-revise

# Investment in Education

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## Curriculum Change

- ~£1m investment in 2008/9
- ~£250k above 2007

## Digital Expansion

- ~£500k capital investment in 2008/9

# Outlook

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- Second half weighted
- Group well positioned for strong progress
  - Strong balance sheet post disposals
  - Developments funded from existing cash-flow
  - Improved product mix
  - Costs controlled across the Group
  - Excellent progress in Political Division
  - Investment being made within Education

Confident outlook but conscious of economic climate



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