30 July, 2004

HUVEAUX PLC

Interim Results for the six months ended 30 June 2004

Highlights

- Turnover of £4,638,000 (up 440 per cent) in the seasonally quiet first half. This figure includes £1,446,000 from our two acquisitions this year and also reflects a full six months' contribution from the businesses we acquired in 2003.
- Pretax profits of £367,000 before exceptional costs of restructuring our new acquisition; £66,000 after exceptional costs (£13,000 in first half 2003).
- Earnings per share of 0.35 pence before exceptional costs; 0.06 pence after exceptional costs (0.02 pence in first half 2003).
- Two acquisitions completed in first half year
- The outlook for the year is for substantial growth in sales and profits.

John van Kuffeler, Chairman of Huveaux PLC, commented:

"The first half of 2004 was one of major achievement for Huveaux. We completed two acquisitions which almost doubled our size and, in addition, we substantially increased our sales, profits and earnings per share. Our businesses have high profit margins and excellent growth prospects and the outlook is for substantial growth in profits."

For further information, please contact:

John van Kuffeler, Huveaux PLC	020 7245 0270
Charlotte Lambkin, Bell Pottinger Financial	020 7861 3876

CHAIRMAN'S STATEMENT

The first half of 2004 was one of major achievement for Huveaux. We completed two acquisitions which almost doubled our size and in addition we substantially increased our sales, profits and earnings per share.

Nevertheless, the first half of the year is our seasonally quiet period. Accordingly, Huveaux achieved a pre-tax profit of £66,000 as compared to £13,000 in the first half of 2003. Earnings per share were 0.06 pence, treble the figure for the first half of last year. These results were achieved after taking account of the £301,000 of restructuring costs incurred, as planned, from merging our latest acquisition, Parliamentary Communications Limited ("PCL") into our existing operations. The two new acquisitions completed during the period are performing well and together with the organic growth from our other operations has resulted in a good overall result for the first half of 2004.

The results of Huveaux continue to be weighted heavily toward the second half of the year with a substantial proportion of sales occurring in September and October with the start of the parliamentary and academic years.

Sales for the first half were £4,638,000 as compared to £859,000 in the first half of 2003, which reflects a combination of organic growth and acquisitions. This very substantial increase in turnover illustrates the huge strides Huveaux has made in its development over the last year.

The results break down as follows:

	Sales £000	Pre-tax Profits/ (Loss) £000
Political	1,933	(50)
Education & Training	2,705	813
	4,638	763
Head Office	-	(396)
	4,638	367
Restructuring	-	(301)
	4,638	66

These results are analysed below:

Political Division

Following the last two acquisitions, Huveaux is now in a pre-eminent position in the UK and EU political publishing and information markets. Our operations now comprise:

- 7 political magazines and newsletters
- 6 political websites
- the leading political and biographical databases in the UK, France and the EU
- a political monitoring business
- a public affairs recruitment business
- the leading UK political conference and training business
- offices in London, Paris and Brussels

This market is showing significant growth. Huveaux's turnover in this sector was £1.9 million in the first six months, but the annualised turnover of all our political businesses is now in the region of £10 million. Key drivers of growth are:

- the greater volume of proposed legislation affecting both companies and consumers
- the exponential growth of regulation in all aspects of our lives
- the multiplicity of sources of legislation and regulation e.g. Westminster, Brussels, Scottish Parliament, Greater London Assembly etc.
- the need for companies, consumers, charities trade and other organisations to voice their opinion and influence legislation

In order to take full advantage of these market opportunities following the acquisition of PCL, we immediately merged the management of the UK political operations of Dod's, PCL and the Public Affairs Newsletter under the collective name of **Dod's Parliamentary Communications**. Internationally, we merged the management of Le Trombinoscope with the EU operation of PCL. The benefits of these mergers are an integrated sales approach across all our publications and websites and, in addition, a saving of costs. In this context, we made 18 PCL staff redundant (an 18% headcount reduction) on the day we completed the acquisition. The total cost (treated as an exceptional item) of this restructuring was £301,000 and resulted in an annualised saving on staff of £620,000.

Even though the management of the businesses has been merged it is possible to provide a commentary on each of the underlying businesses for the seasonally quiet first half of 2004.

The business of Dod's is heavily weighted toward the start of the Parliamentary year in October and consequently some 75 per cent of sales fall in the second half. Sales in the first half were 4 per cent ahead of last year. Forward sales indicate that we should see a further year of increased sales and profit for Dod's in 2004.

The seasonal trend is even more marked at Le Trombinoscope where more than 90 per cent of sales occur in the second half. Encouragingly, forward book, newsletter and website sales are 16 per cent ahead of last year, with advertising sales at the same level as last year.

These two heavily seasonal businesses made a combined loss of £304,000 in the first half which was slightly better than budget, and are each on track to make a significant profit in the year as a whole.

The Public Affairs Newsletter which was acquired in March, 2004 achieved a profit of £35,000 which was in line with expectations. Furthermore, we are seeing indications of an increase in its advertising revenue in the second half.

In PCL's short period under our ownership sales were £1,376,000 and pre-tax profits were £219,000. The outlook for the remainder of the year is encouraging. The magazines and websites are benefiting from Government proposals such as those on healthy diets and fast foods; on the proposed banning of smoking in public places and the debate over renewable energy sources and the development of wind farms. Our databases and reference books are currently in demand due to the enlargement of the EU and the recent EU Parliament elections as well as the prospect of UK elections in 2005. We are holding over 100 political conferences this year as compared to 67 in PCL's last financial year. This augurs well for the results of the year as a whole.

Education and Training Division

The education and training markets are influenced by some of the factors affecting our Political Division. Government action has brought about many changes in education. Our Lonsdale Revision Guides provide a quick and inexpensive solution to assist in the improvement of standards in schools. We continue to expand the number of titles and Lonsdale looks set for another record year. The training market comprises both the private and public sector where the need for good management, professional standards and efficiency increase year by year. Fenman's position in this market is considerably assisted by our ownership of The Training Journal which has some 5000 subscribers and is the leading professional magazine in this field. Sales for the Education and Training Division totalled £2,705,000 with pre-tax profits of £813,000 in the six months to 30th June, 2004. Meaningful comparisons for the first half of 2003 cannot be made as the two businesses comprising this division, Lonsdale and Fenman, were acquired in April and October 2003 respectively. Both businesses have made a good start to the year and we look forward to them making a significant contribution to the year as a whole.

Head Office Costs

Head office costs remained under tight control, despite the high level of activity on acquisitions, and totalled £396,000.

Outlook

We now have a strong position in political databases and publishing in both the UK and the EU which are benefiting from increased demand. We are also seeing the benefits of merging our four political businesses with both revenue and cost benefits flowing through to the bottom line. The Education and Training division is on track to make a significant contribution to the results of the full year. The overall outlook for Huveaux for the second half is therefore for substantial growth in sales and profits.

We have a strong balance sheet with £2.7 million in cash and no borrowings. We continue with our objective of building a substantial publishing and media group over the next 10 years. Consequently, we continue to examine a range of further possible acquisitions as well as achieving significant organic growth.

John van Kuffeler
Chairman
30 July, 2004

HUVEAUX PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Notes	**For the six months ended 30 June 2004 Unaudited £000s**	For the six months ended 30 June 2003 Unaudited £000s	For the year ended 31 December 2003 Audited £000s
Turnover				
Continuing operations	3	**3,192**	382	1,474
Acquisitions	3	**1,446**	477	3,101
		4,638	859	4,575
Cost of sales		**(2,006)**	(344)	(1,497)
Gross profit		**2,632**	515	3,078
Administrative expenses		**(2,308)**	(543)	(1,969)
Exceptional expenses	4	**(301)**	-	-
Operating profit/(loss)				
Continuing operations	3	**61**	(96)	167
Acquisitions	3, 4	**(38)**	68	942
		23	(28)	1,109
Other interest receivable		**52**	41	99
Other interest payable		**(9)**	-	(3)
Profit on ordinary activities before taxation		**66**	13	1,205
Taxation	5	**(20)**	(4)	(250)
Profit after taxation		**46**	9	955
Dividends		**-**	-	(629)
Retained profit for the period		**46**	9	326
Earnings per share – basic and diluted	6	**0.06 p**	0.02 p	2.01 p
Adjusted earnings per share before exceptional items	6	**0.35 p**	0.02 p	2.01 p

HUVEAUX PLC
CONSOLIDATED BALANCE SHEET

	Notes	**As at 30 June 2004 Unaudited £000s**	As at 30 June 2003 Unaudited £000s	As at 31 December 2003 Audited £000s
Fixed assets				
Intangible assets	8	**37,967**	11,430	19,451
Tangible assets		**687**	329	515
		38,654	11,759	19,966
Current assets				
Stocks		**1,022**	526	841
Debtors		**3,522**	523	1,153
Cash at bank and in hand		**2,653**	3,106	3,710
		7,197	4,155	5,704
Creditors: amounts falling due within one year		**(7,390)**	(849)	(2,901)
Net current (liabilities)/assets		**(193)**	3,306	2,803
Total assets less current liabilities		**38,461**	15,065	22,769
Creditors: amounts falling due after more than one year		**-**	(1,800)	(1,162)
Provision for liabilities and charges		**(38)**	-	(22)
Net assets		**38,423**	13,265	21,585
Capital and reserves				
Called-up equity share capital issued		**10,646**	5,095	7,146
Called-up equity share capital not issued		**400**	-	400
Share premium account		**26,450**	8,015	13,157
Merger reserve		**409**	-	409
Profit and loss account		**518**	155	473
Equity shareholders' funds	9	**38,423**	13,265	21,585

HUVEAUX PLC
CONSOLIDATED CASH FLOW STATEMENT

	Notes	**As at 30 June 2004 Unaudited £000s**	As at 30 June 2003 Unaudited £000s	As at 31 December 2003 Audited £000s
Cash inflow/(outflow) from operating activities	10	**96**	(112)	159
Returns on investment and servicing of finance				
Interest received		**52**	41	99
Interest paid		**(9)**	-	(3)
Net cash inflow from returns on investment and servicing of finance		**43**	41	96
Taxation		**(7)**	-	-
Capital expenditure and financial investment				
Purchase of tangible fixed assets		**(29)**	(58)	(231)
Purchase of intangible fixed assets		**-**	-	(9)
Net cash outflow from capital expenditure		**(29)**	(58)	(240)
Acquisitions				
Purchase of subsidiary undertakings and assets		**(17,084)**	(5,116)	(12,866)
Cash acquired on acquisition of subsidiaries		-	-	352
Net cash outflow from acquisitions		**(17,084)**	(5,116)	(12,514)
Equity dividends paid		**(629)**	(155)	(155)
Cash outflow before financing		**(17,610)**	(5,400)	(12,654)
Financing				
Short-term bank funding received		**-**	-	1,380
Short-term bank funding paid		**-**	-	(1,380)
Issue of ordinary share capital		**17,500**	7,573	15,573
Expenses paid in connection with share issue		**(707)**	(428)	(810)
Cash inflow from financing		**16,793**	7,145	14,763
(Decrease)/increase in cash for the period	11	**(817)**	1,745	2,109

HUVEAUX PLC
Notes to the Accounts
30 June 2004

1. These accounts comply with relevant accounting standards and have been prepared using the accounting policies set out in the Annual Report 2003.

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 2003, 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 2004 is unaudited.

3. **Segmental information**

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

	Period ended 30 June 2004 Unaudited £000s	Period ended 30 June 2003 Unaudited £000s	Year ended 31 December 2003 Audited £000s
Group turnover by geographical area			
United Kingdom			
Continuing operations	3,101	382	1,474
Acquisitions	1,214	477	2,586
	4,315	859	4,060
Continental Europe			
Continuing operations	91	-	-
Acquisitions	232	-	515
	323	-	515
Total turnover	4,638	859	4,575
Operating profit by geographical area			
United Kingdom			
Continuing operations	239	(96)	167
Acquisitions	261	68	722
	500	(28)	889
Continental Europe			
Continuing operations	(178)	-	-
Acquisitions	(299)	-	220
	(477)	-	220
Total operating profit/(loss)	23	(28)	1,109

Net assets by geographical area
United Kingdom

Continuing operations	38,526	13,197	20,706
Acquisitions	106	68	753
	38,632	13,265	21,459
Continental Europe			
Continuing operations	1	-	-
Acquisitions	(210)	-	126
	(209)	-	126
Total net assets	38,423	13,265	21,585

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

4. Exceptional expenses

	Period ended 30 June 2004 Unaudited £000s	Period ended 30 June 2003 Unaudited £000s	Year ended 31 December 2003 Audited £000s
Redundancy and related people costs	285	-	-
Provisions for vacant property	16	-	-
Total exceptional items	301	-	-

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. The exceptional charge for the property represents the costs incurred in vacating it and provisions for future rental cost net of expected rental income.

5. Taxation

The taxation charge for the six months ended 30 June 2004 is based on the expected annual tax rate.

6. Earnings per share

	Period ended 30 June 2004 Unaudited £000s	Period ended 30 June 2003 Unaudited £000s	Year ended 31 December 2003 Audited £000s
Profit attributable to shareholders	46	9	955
Adjusted profit attributable to shareholders before exceptional items (net of 30% taxation)	257	9	955

Weighted average number of shares in issue during the year - basic and diluted	74,142,326	35,890,583	47,473,307
Earnings per share – basic and diluted	0.06 p	0.02 p	2.01 p
Adjusted earnings per share before exceptional items	0.35 p	0.02 p	2.01 p

7. Acquisitions

Each of the following acquisitions has been accounted for by the acquisition method. An analysis of the provisional book value and 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) *Public Affairs Newsletter*

On 5 March 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 provisional book values of the identifiable assets and liabilities acquired and their provisional fair value to the group:

	Book value £000s	Fair value adjustments £000s	Fair value £000s
Publishing rights	-	819	819
Debtors	85	-	85
Creditors	(85)	-	(85)
Net assets acquired	-	819	819
Goodwill			-
Total consideration			819
Satisfied by:			
Cash paid			750
Acquisition costs			69
			819

The summarised profit and loss account for the Public Affairs Newsletter for the year ended 31 January 2004 is given below. No taxation information is given, nor are the results for the period from 1 February to 5 March, as the Public Affairs Newsletter was a sole proprietorship and therefore under no obligation to disclose the taxation or results publicly. The results for the year ended 31 January 2004 are publicly available as they were disclosed in the 2003 Annual Report.

	Year ended 31 January 2004 Unaudited £000s
Turnover	199
Pretax profit	119

b) *Parliamentary Communications Limited*

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

As part of the acquisition, a number of loss-making activities were hived out of Parliamentary Communications Limited prior to completion. The following table sets out the provisional book values of the identifiable assets and liabilities acquired and their provisional fair value to the group:

	Book value £000s	Fair value adjustments £000s	Fair value £000s
Publishing rights	1	17,696	17,697
Tangible fixed assets	607	(439)	168
Stock	25	(10)	15
Debtors	2,407	(44)	2,363
Deferred taxation	285	429	714
Creditors	(3,401)	(937)	(4,338)
Net assets acquired	(76)	16,695	16,619
Goodwill			-
Total consideration			16,619
Satisfied by:			
Cash paid			15,679
Deferred consideration			471
Acquisition costs			469
			16,619

The summarised consolidated profit and loss account for Parliamentary Communications Limited for the year ended 30 June 2003 (before hive-out of the loss-making operations) and the period from 1 July 2003 to 30 April 2004 is given below:

	Period ended 30 April 2004 Unaudited £000s	Year ended 30 June 2003 Audited £000s
Turnover	7,367	7,980
Operating profit/(loss)	228	(437)
Profit/(loss) before taxation	279	(417)
Taxation	(204)	(271)
Profit/(loss) after tax	75	(688)

8. Intangible assets

	Period ended 30 June 2004 Unaudited £000s	Period ended 30 June 2003 Unaudited £000s	Year ended 31 December 2003 Audited £000s
Opening balance	19,451	4,950	4,950
Additions	-	-	9
Additions through acquisition	18,516	6,480	14,492
Closing balance	37,967	11,430	19,451

9. Reconciliation of movements in equity shareholders' funds

	Total equity shareholders' funds Unaudited £000s
Profit for the period	46
Currency translation differences on foreign currency net investments	(1)
New shares issued	16,793
Net increase in shareholders' funds	16,838
Shareholders' funds at 31 December 2003	21,585
Shareholders' funds at 30 June 2004	38,423

10. Reconciliation of operating profit/(loss) to cash inflow/(outflow) from operating activities

	Period ended 30 June 2004	Period ended 30 June 2003	Year ended 31 December 2003

	Unaudited £000s	Unaudited £000s	Audited £000s
Operating profit/(loss)	23	(28)	1,109
Depreciation and amortisation	25	5	45
Increase in stocks	(166)	(144)	(106)
Decrease/(increase) in debtors	794	(84)	(258)
(Decrease)/increase in creditors	(580)	139	(631)
Net cash inflow/(outflow) from operating activities	96	(112)	159

11. Analysis and reconciliation of net funds

	Period ended 30 June 2004 Unaudited £000s	Period ended 30 June 2003 Unaudited £000s	Year ended 31 December 2003 Audited £000s
Opening balance	3,470	1,361	1,361
Cash flow during the period	(817)	1,745	2,109
Closing balance	2,653	3,106	3,470
Represented by:			
Cash at bank and in hand	2,653	3,106	3,710
Short-term loan	-	-	(240)
Total net funds	2,653	3,106	3,470