

HUNTSWORTH

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Huntsworth plc acquires Atomic PR

Strengthens Grayling's digital capabilities and significantly expands operations in North America

Huntsworth PLC ("Huntsworth" or "the Group"), the global public relations and healthcare communications group, today announces the acquisition of Atomic PR ("Atomic") for a cash consideration of \$13.3 million with further performance related consideration. The acquisition consists of the entire issued share capital of the US entity Atomic Communications, LLC ("Atomic US"), 50% of Atomic Communications Holdings Limited in the UK and the bespoke web based data analytics application, ComContext.

Atomic has offices in San Francisco, Los Angeles, New York and London and provides Grayling with an enhanced US presence from which to secure global business.

Atomic uses ComContext, a proprietary communications analytics application, to support and manage client programs. ComContext will be rolled out and integrated into Grayling's global network.

In 2010 Atomic was named The Holmes Report U.S. Tech Agency of the Year, and grew more than 60% last year, making it one of the strongest growth stories in the industry.

Grayling has been working with Atomic since 2009 through a joint venture relationship. The two companies share an understanding of Atomic's proprietary software and have developed a strong cultural fit.

Financial Terms

Atomic has been acquired from co-founders Andy Getsey and James Hannon, and a number of minority shareholders. The initial consideration of \$13.3 million (£8.3 million) is payable in cash. Further performance based consideration may be payable based on profits for each of the years to 31 December 2015. Deferred consideration payments will be satisfied by a mixture of cash and Huntsworth shares (at Huntsworth's option) and are conditional, inter alia, upon future profit growth. The maximum total consideration payable is \$50 million (£31.3 million).

For the year ended 31 December 2010 Atomic's profit before tax was \$1.9 million and its gross assets were \$2.5 million.

About Atomic

Atomic mixes traditional PR with digital, social media, video and search engine optimisation, enhanced by the use of communications analytics, to achieve significant improvements in the effectiveness of client PR programs.

Atomic has implemented numerous breakthrough campaigns for progressive technology, consumer and entertainment brands. These include start-ups such as Bebo, Mint.com and Smule, mid-stage companies such as LinkedIn, Ingres and LivingSocial, as well as leading publicly traded companies and global brands including Verizon, Intuit, NETGEAR, Pioneer Electronics and Polaroid.

Atomic's growth has been managed by co-founders Andy Getsey and James Hannon, who will both continue to lead the business within Grayling on completion.

Michael Murphy, Chief Executive of Grayling, welcomes today's announcement:

"Grayling has successfully built a global platform during 2010 and we have begun to win sizeable global and multi country clients. As we increase in scale, we need to enhance our presence in the North American market. Atomic not only adds to our scale but also brings a unique competitive advantage through their ComContext technology. This will help accelerate our growth and add unique analytics and additional social media capabilities for the benefit of all our clients."

Andy Getsey, Chief Executive Officer of Atomic, said today:

"Over the past few years, Atomic has been working with larger brands and competing against larger agencies. Joining forces with Huntsworth and Grayling will help Atomic attain the scale and geographic reach needed to provide the best service to our entire client base."

Sally Withey, Group Chief Operating Officer, commented:

"Due to the rapid changes in the public relations industry and the growing importance of digital communications and analytics, this acquisition will allow Huntsworth to build on our existing digital capabilities. We have worked closely with Atomic since 2009 and are delighted that the agency will now be part of the Huntsworth family."

For further information, please contact:

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