20 September 2007

HUNTSWORTH

Huntsworth PLC

Interim results for the six months to 30 June 2007

On track for the full year – strong start to the second half

Huntsworth PLC, the international public relations group, today announces its interim results for the six months to 30 June 2007.

SUMMARY[1]

Like-for-like revenues[2]
- Up 5.7% in PR
- Up 6.0% in Huntsworth Health
- Down 9.4% in Events
- Up 5.1% overall

Key growth drivers
- Net new business wins of £27.5 million in line with H1 2006 on a like-for-like basis
- Average revenue per client up 19% to £60,000
- Network business up from 11% to 23% of revenues

Operating margin[3]
- Pre central costs at 20.4% (H1 2006: 18.8%)
- Post central costs at 16.1% (H1 2006: 14.3%)

Profit before tax
- Up 16.4% to £10.0 million (H1 2006: £8.6 million)
- After highlighted items up 16.9% to £5.9 million (H1 2006: £5.0 million)

Earnings per share
- Up 15.6% to 3.7p (H1 2006: 3.2p)
- After highlighted items up 29.4% to 2.2p (H1 2006: 1.7p)

Interim dividend
- Increased by 8.3% to 0.65p (H1 2006: 0.6p)

Notes:

1. All results are stated before taking account of highlighted items unless otherwise stated. These comprise amortisation and impairment of goodwill and intangible assets, acquisition payments deemed as remuneration, and merger, re-structuring and other non-recurring costs.
2. Like-for-like revenues include pre-acquisition revenues for all current businesses and are stated at constant currencies.
3. 2006 comparatives have been restated to allocate share-based payment charges to reporting segments in line with best practice. Previously these charges were reported as unallocated expenses.

Peter Chadlington, Chief Executive of Huntsworth, said:

"Huntsworth has made a good start to the year with continued growth in demand for the range of our public relations services, a marked increase in clients using more than one of our offices for co-ordinated international communication programmes and significantly rising recognition of our strengths in digital communications. This has driven strong growth in margin, profit and earnings per share.

"Looking ahead, we view the Group's prospects with considerable confidence. We will benefit from our recent acquisitions and, as multi-office accounts come on stream, we expect the pace of organic growth to increase both in the second half and in 2008. Indeed, this is already reflected in strong trading results in the seasonally quiet July and August months. In light of the Group's prospects and financial strength, the Board is proposing an interim dividend of 0.65p, an increase of 8.3%."

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A presentation to analysts will take place at 9.00am on 20 September 2007 at the offices of Numis Securities Limited, 5th Floor, 10 Paternoster Square, London, EC4M 7LT.

CHIEF EXECUTIVE'S STATEMENT

Group Performance

Huntsworth has produced a strong first half performance.

Growth in demand for our services continues, based on clients' increasing recognition of cost-effectiveness and the importance of reputation to all aspects of their businesses. In the first half we won £27.5 million of net new business, which on a like-for-like basis equals the record level achieved last year. We are particularly pleased that 50% of this came from our existing clients – an endorsement of the quality of our service. Our largest client now represents less than 3% of total revenues, the top ten under 13% and the top 25 clients just over 22%.

Our confidence in the future is underpinned by our achievement in the first half of double digit revenue growth in some of our offices in Eastern Europe, Western Europe and the Far East.

Two trends are becoming increasingly noticeable – the growth in co-ordinated, cross-border public relations programmes and the rapid rise in digital communications.

Network Business

Our established network in the UK, Continental Europe, North America and Asia Pacific is increasingly enabling us to meet the growing client interest in developing co-ordinated international programmes. In the first half 23% of our revenues came from clients undertaking co-ordinated multi-office programmes using the Huntsworth network. Additionally a further 25% of our revenues came from clients who independently use more than one Huntsworth office. This gives us considerable scope to develop these relationships over the next few years.

Digital Communications

Our market is experiencing rapid and profound change as digital communications in all its forms drive forward corporate public relations strategies and programmes. The majority of all our new business pitches now include a significant digital element and we estimate that more than half of our clients turn to us for help with their digital and on-line communications. As digital increasingly becomes the standard communications practice, so we expect it to continue to become a larger and growing part of the overall spend by clients in all our business areas.

Examples of leading edge digital communication programmes include Apple where we launched their first podcasting seminar in the Czech Republic; Orizonia, the Spanish travel company, where we created a virtual tourism agency in secondlife.com; and we also developed a programme in the UK for NeuStar to encourage mass adoption of instant messaging.

Huntsworth Health

Our healthcare business is well-established in Europe and North America. The recent acquisitions of Axis and Dorland have integrated well into the Group. We have relationships with 34 of the world's top 40 pharmaceutical companies – largely in relation to a single product – but we now have the opportunity to drive growth geographically, extending our work to existing clients' additional brands and by introducing our other specialist healthcare services.

Outlook

We believe we will build on the strong growth in margin, profit and earnings per share achieved in the first half with continued organic growth in the second half and in 2008, as multi-office accounts come on stream. Since the period end, we have achieved strong trading results in the seasonally quiet July and August months, which we believe confirm this underlying trend.

Peter Chadlington
Chief Executive
20 September 2007

SUMMARY OF FINANCIAL RESULTS

	Six months ended 30 June 2007 £000	Six months ended 30 June 2006 £000	Growth
Reported revenue	**70,594**	70,075	0.7%
Operating profit before central costs	**14,378**	13,187	9.0%
Central costs	**(3,001)**	(3,168)	
Operating profit	**11,377**	10,019	13.6%
Operating margin (%)	**16.1%**	14.3%	
Profit before tax (before highlighted items)	**10,009**	8,597	16.4%
Profit before tax as reported	**5,875**	5,024	
Basic EPS before highlighted items (pence)	**3.7**	3.2	15.6%
Basic EPS as reported (pence)	**2.2**	1.7	

Reported revenue was up 0.7% to £70.6 million (H1 2006: £70.1 million). This reflects the impact of the January 2007 disposal of a 51% interest in Sard Verbinnen which is now shown as an associate, offset by growth in continuing businesses and acquisitions.

On a like-for-like basis, revenue from the Group's Public Relations businesses was up 5.7%, Huntsworth Health up 6.0% and Events down 9.4% (principally due to Broadstreet in the US), giving an overall like-for-like revenue growth of 5.1%. Excluding Broadstreet, which is under strategic review, overall growth was 5.8%.

Group operating profits before central costs were up 9.0% to £14.4 million (H1 2006: £13.2 million) – up 18.0% on a constant currency basis.

Group operating margin before central costs was 20.4% (H1 2006: 18.8%) reflecting a 20.7% margin for Public Relations businesses, 19.5% for Huntsworth Health and 16.4% for Events.

Operating margin after central costs was 16.1% (H1 2006: 14.3%). Operating profit after central costs for the period was up 13.6% to £11.4 million (H1 2006: £10.0 million) – up 18.0% at constant currency. Like-for-like operating profit growth after central costs was 8.9%.

Profit before tax was £10.0 million (H1 2006: £8.6 million).

Highlighted items of £3.1 million comprise amortisation of intangible assets and non-cash share-based acquisition payments deemed as remuneration. After these highlighted items, statutory reported operating profit was up 28% to £8.2 million (H1 2006: £6.4 million).

Profits attributable to ordinary shareholders rose 21% to £7.4 million (H1 2006: £6.1 million). Profits after highlighted items attributable to ordinary shareholders amounted to £4.4 million (H1 2006: £3.2 million).

Basic earnings per share were up 15.6% to 3.7p (H1 2006: 3.2p). Diluted earnings per share were 3.6p (H1 2006: 3.1p). Basic earnings per share after highlighted items were 2.2p (H1 2006: 1.7p).

The interim dividend is increased by 8.3% to 0.65p per share (H1 2006: 0.6p).

DIVISIONAL REVIEW

Following the acquisition of two healthcare companies in March and July of this year, Huntsworth has reviewed its segmental split and will be reporting on Public Relations, Huntsworth Health and Events.

Public Relations

	Six months ended 30 June 2007 £000	Six months ended 30 June 2006 £000	Like-for-like growth %
Revenue	**58,424**	61,426*	5.7%
Operating profit	**12,089**	12,259	
Operating margin	**20.7%**	20.0%	

*2006 includes Sard Verbinnen, which is shown as an associate in 2007 following the disposal of a 51% interest in January.

In the half year, Public Relations business accounted for 83% of total revenues and achieved 5.7% organic revenue growth and operating margins of 20.7%. 2,432 clients generated half year revenues of £58.4 million. On a full year pro forma basis, Public Relations business now accounts for 71% of total Group revenue.

Average annualised revenue per client was £48,000. The top client provided 1.5% of total half year Public Relations revenue and the top 10 clients represented 9.1%.

Since the Group's trading update in July, Public Relations has continued to win or extend important contracts around the world including: Nissan, Filofax, Europay, GE Plastics, Bruce Oldfield, Jeff & Maggie Cosmetics, 3M, British Gas Business, World Vision, Panasonic, Mitsubishi, Lloyds Pharmacy, Abbey, AOL, Quorn, PIK Group, LaSalle Investment Management, Freight Transport Association, Scottish NHS and Experian.

Huntsworth Health

	Six months ended 30 June 2007 £000	Six months ended 30 June 2006 £000	Like-for-like growth %
Revenue	**9,528**	4,957	6.0%
Operating profit	**1,854**	533	
Operating margin	**19.5%**	10.8%	

Huntsworth further extended its reach into the USA with the acquisition of Axis in July 2007, following on from the acquisition of Dorland in March this year. The Group is now well positioned as a major player in the fast growing global healthcare communications market.

Huntsworth Health generated half year revenues of £9.5 million through 117 clients and achieved 6.0% organic revenue growth with operating margins at 19.5%. Huntsworth Health now accounts for 26% of full year pro forma total Group revenue.

Average annualised revenue per client, excluding Axis which was purchased in July, was £198,000. The top client provided 18.4% of total half year Huntsworth Health revenue and the top 10 clients 71.2%.

New Huntsworth Health wins in the first half include Baxter, GSK, Pharmion, Pfizer, Eisai, Sankyo-Daiichi, Wyeth and Novartis.

Events

The Group's events companies – RS Live in the UK and Broadstreet in the US – represent 3% of full year pro forma Group revenues.

The UK business saw an improvement in results during the first six months of 2007, showing both revenue growth and margin improvement. This momentum has carried on into the second half. The US business suffered a significant drop in revenues and profits and is under strategic review.

BALANCE SHEET AND CASHFLOW

Operating cash flow of £5.4 million and cash conversion of 48% reflected the payment of over £6.0 million of bonuses in the first half relating to 2006, as well the impact of cyclical flows from acquisitions. This is before a £2.7 million cash impact relating to highlighted items, provided for in prior years. This figure has fallen significantly from last year (H1 2006: £5.5 million) and is expected to continue to reduce.

For the full year, Huntsworth expects cash conversion to achieve the Group's target of 100%.

Other principal movements in net debt during the year were net payments for interest, tax and tangible fixed assets of £4.8 million; acquisitions and disposals of £12.4 million; and purchase of shares for share incentive schemes of £0.5 million, resulting in an overall increase in net debt of £13.8 million to £52.7 million.

The Group has refinanced its bank facilities ahead of expiry and secured a revolving credit facility and committed overdraft totalling £90 million in place until July 2012. EBITDA interest cover (excluding highlighted items) was 5.3 times (H1 2006: 7.6 times).

Hedging has been used to limit upward movements on the interest rate on £40 million of debt through a mixture of swaps and caps.

Tax

The tax charge of £1.2 million comprises an underlying tax charge of £2.4 million less £1.2 million for tax credits on highlighted items. This is based on the expected full year underlying tax rate of 24.3%.

Dividend

The interim dividend of 0.65p per share is up 8.3% (H1 2006: 0.6p). The dividend will be paid on 9 November 2007 to those shareholders on the register at 5 October 2007.

Earn-out Payments

Future earn-out payments as at 30 June 2007 are estimated at £22.8 million, comprising £9.3 million payable in cash, £9.2 million in cash/shares at Huntsworth's option and £4.3 million in shares. The timing of the aggregate of these payments is £10.7 million in 2007, £5.4 million in 2008, £4.3 million in 2009, £1.6 million in 2010 and £0.8 million in 2011. Following the acquisition of Axis in July 2007 total future earn-outs are estimated at £31.5 million.

Notes to Editors:

1. Huntsworth PLC is an international public relations group with 70 principal offices in 32 countries, and over 2,750 clients. The Group provides services to 42 companies in the FTSE 100, 107 in the Fortune 500, 101 in the Eurotop 300 and 51 of the top 100 global brands (Interbrand Best Global Brands 2007).

2. The Group comprises some of the world's leading public relations agencies including Citigate Dewe Rogerson, Grayling, Hudson Sandler, Red, Trimedia and Mmd. At June 30 the group employed over 1,700 staff with an average fee income per head of £84,000.

3. Group revenue comprises the following key areas of activity: Corporate Communications and Public Affairs accounts for 30% of Group revenue; Consumer and B2B work accounts for 26%; Financial non-deal led Public Relations work is 17%; Financial deal led Public Relations is 6%; Huntsworth Health is 16%; Events is 3% and other activities are 2%.

4. By industry sector the revenue profile is broadly 16% Pharmaceuticals; 12% Financial Services; 12% Technology; 7% Retail and Leisure and 7% Food and Drink.

5. Geographically, 50% of Group revenue in the first half of 2007 was from the UK; 27% from other European countries; 20% from the US; and 3% from the Rest of the World. Operating margins for the six months to 30 June 2007 were 21.3% in the UK; 21.1% in Europe; 17.0% in the US and 20.9% in the Rest of the World.

6. The Group now represents 248 clients in more than one country and 379 by more than one company. The largest client represents 2.9% of continuing revenue with the top 10 clients accounting for 12.9% and the top 25 clients 22.4%. Average fee income per client is £60,000. 23.5% of revenues were earned through companies working together with other group companies.

7. As at August 2007 shareholdings of Directors, employees and employee trusts represent approximately 14% of the Group's issued share capital. Institutional shareholdings hold 75% with the top 10 holding some 59% as of August 2007.

Unaudited consolidated income statement
for the six months ended 30 June 2007

	Notes	**Six months ended 30 June 2007 £000**	Six months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Turnover		**94,995**	96,022	192,323
Revenue	4	**70,594**	70,075	139,747
Operating expenses – excluding highlighted items		**(59,217)**	(60,056)	(119,526)
Operating expenses – highlighted items		**(3,135)**	(3,573)	(13,722)
Operating expenses – total		**(62,352)**	(63,629)	(133,248)
Operating profit before highlighted items	4	**11,377**	10,019	20,221
Highlighted items – operating expenses	5	**(3,135)**	(3,573)	(13,722)
Operating profit		**8,242**	6,446	6,499
Share of profit from associates		**1,005**	51	131
Highlighted item – impairment of associates	5	**(999)**	—	—
Finance income	6	**108**	86	298
Finance costs	6	**(2,481)**	(1,559)	(2,939)
Profit before tax and highlighted items		**10,009**	8,597	17,711
Highlighted items	5	**(4,134)**	(3,573)	(13,722)
Profit before tax		**5,875**	5,024	3,989
Taxation	7	**(1,239)**	(1,536)	(986)
Profit for the period		**4,636**	3,488	3,003
Attributable to:				
Parent company's equity shareholders		**4,437**	3,239	2,794
Minority interests		**199**	249	209
		4,636	3,488	3,003
Earnings per share:				
Basic – pence	9	**2.2**	1.7	1.5
Diluted – pence	9	**2.1**	1.6	1.4
Adjusted basic – pence*	9	**3.7**	3.2	7.3
Adjusted diluted – pence*	9	**3.6**	3.1	7.1
Dividends:				
Final dividend of 1.3p (2006: 1.2p)	8	**2,628**	—	2,328
Interim dividend of 0.6p	8	**—**	—	1,160
Proposed final dividend of 1.3p		**—**	—	2,628
Proposed interim dividend of 0.65p (2006: 0.6p)		**1,364**	1,160	—

* Adjusted basic and diluted earnings per share is calculated based on the profit for the period adjusted for highlighted items and the related tax effects (Note 9).

Unaudited consolidated balance sheet
as at 30 June 2007

	Notes	**30 June 2007 £000**	30 June 2006 £000	31 December 2006 £000
Non-current assets				
Intangible assets	10	**223,202**	192,453	212,796
Property, plant and equipment		**5,603**	5,885	5,403
Deferred tax		**2,816**	3,316	2,654
Derivative financial assets	11(c)	**180**	—	—
Other investments		**5,248**	166	224
		237,049	201,820	221,077
Current assets				
Work in progress		**1,687**	1,890	1,381
Trade and other receivables		**51,170**	43,318	43,728
Derivative financial assets	11(c)	**4**	—	—
Cash and short-term deposits	11(d)	**8,946**	11,062	10,439
		61,807	56,270	55,548
Assets held for sale		—	12,807	9,598
Current liabilities				
Bank overdrafts	11(d)	**(154)**	(100)	(101)
Loan notes payable		—	(1,534)	—
Derivative financial liabilities	11(c)	**(4)**	—	—
Obligations under finance leases	11(c)	**(38)**	(90)	(30)
Trade and other payables		**(45,699)**	(43,891)	(48,502)
Corporation tax payable		**(8,409)**	(8,444)	(7,632)
Provisions		**(21,119)**	(13,857)	(17,148)
		(75,423)	(67,916)	(73,413)
Non-current liabilities				
Bank loans and overdrafts	11(c)	**(61,533)**	(40,872)	(49,070)
Obligations under finance leases	11(c)	**(64)**	(210)	(116)
Provisions		**(11,391)**	(11,577)	(12,700)
Other creditors		**(634)**	(778)	(429)
Deferred tax liabilities		**(6,610)**	(5,951)	(6,806)
		(80,232)	(59,388)	(69,121)
Liabilities held for sale		**—**	(2,392)	(1,688)
Net assets		**143,201**	141,201	142,001
Equity				
Called up share capital		**101,876**	97,052	101,775
Share premium account		**23,237**	22,960	23,162
Merger reserve		**48,088**	74,464	48,088
Foreign exchange translation reserve		**(5,627)**	(42)	(3,670)
Hedging reserve		**200**	—	—
Investment in own shares		**(4,195)**	(3,133)	(4,000)
Retained earnings		**(21,751)**	(51,256)	(24,511)
Equity attributable to equity holders of the parent		**141,828**	140,045	140,844
Minority interests		**1,373**	1,156	1,157
Total equity		**143,201**	141,201	142,001

Unaudited consolidated cash flow statement
for the six months ended 30 June 2007

	Notes	**Six months ended 30 June 2007 £000**	Six months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Cash (outflow)/inflow from operating activities				
Cash inflow from operations	11(a)	**2,729**	5,316	18,167
Interest paid		**(2,181)**	(1,060)	(2,437)
Interest received		**108**	43	298
Corporation tax paid		**(1,806)**	(800)	(2,281)
Net cash (outflow)/inflow from operating activities		**(1,150)**	3,499	13,747
Cash outflow from investing activities				
Acquisitions of subsidiaries		**(12,334)**	(3,978)	(18,197)
Disposal of subsidiaries		**1,603**	(1,084)	(1,271)
Acquisition of minority interest		**(2)**	(3,711)	(3,711)
Disposal of minority interest		**—**	78	78
Purchases of property, plant and equipment		**(1,005)**	(1,477)	(2,713)
Proceeds from sale of property, plant and equipment		**53**	155	694
Proceeds from sale of associates		**3**	—	—
Loans to associates		**(1,683)**	—	—
Dividends received from associates		**872**	144	146
Net cash acquired with subsidiaries		**610**	810	2,516
Net cash disposed of with subsidiaries		**(558)**	(83)	(83)
Net cash outflow from investing activities		**(12,441)**	(9,146)	(22,541)
Cash inflow from financing activities				
Proceeds from issue of ordinary shares		**180**	232	361
Purchase of own shares		**(466)**	(2,418)	(3,626)
Proceeds from sale of own shares to employees		**38**	—	317
Repayment of finance lease liabilities		**(44)**	(85)	(218)
Repayment of loan notes		**—**	(1,266)	(2,760)
Net movement in borrowings		**12,463**	11,591	19,774
Dividends paid to minority interests		**—**	(326)	(326)
Dividends paid to equity holders of the parent		**—**	—	(3,058)
Net cash inflow from financing activities		**12,171**	7,728	10,464
(Decrease)/increase in cash and cash equivalents		**(1,420)**	2,081	1,670
Movements in cash and cash equivalents				
Net (decrease)/increase in cash and cash equivalents		**(1,420)**	2,081	1,670
Effects of exchange rate fluctuations on cash held		**(113)**	170	(496)
Cash and cash equivalents at 1 January		**10,325**	9,151	9,151
Cash and cash equivalents at end of period	11(c),(d)	**8,792**	11,402	10,325

Unaudited consolidated statement of changes in equity
for the six months ended 30 June 2007

	Called up share capital £000	Share premium account £000	Merger reserve £000	Foreign currency translation reserve £000	Hedging reserve £000	Investment in own shares £000	Potential acquisition of minority interest £000	Retained earnings £000	Total £000	Minority interests £000	Total equity £000
At 1 January 2006	96,070	22,921	73,729	2,710	—	(691)	(4,168)	(54,545)	136,026	1,188	137,214
Currency translation	—	—	—	(2,752)	—	—	—	—	(2,752)	—	(2,752)
Total income and expense recognised in equity	—	—	—	(2,752)	—	—	—	—	(2,752)	—	(2,752)
Profit for the period	—	—	—	—	—	—	—	3,239	3,239	249	3,488
Total recognised income and expense for the period	—	—	—	(2,752)	—	—	—	3,239	487	249	736
Shares issued for cash	185	47	—	—	—	—	—	—	232	—	232
Acquisition of subsidiaries	797	—	735	—	—	—	—	—	1,532	—	1,532
Movement in minority interests	—	—	—	—	—	—	4,168	(450)	3,718	45	3,763
Purchase of own shares	—	—	—	—	—	(2,442)	—	—	(2,442)	—	(2,442)
Share issue costs	—	(8)	—	—	—	—	—	—	(8)	—	(8)
Credit for share-based payments	—	—	—	—	—	—	—	500	500	—	500
Dividends to minority interests	—	—	—	—	—	—	—	—	—	(326)	(326)
Balance at 30 June 2006	97,052	22,960	74,464	(42)	—	(3,133)	—	(51,256)	140,045	1,156	141,201
Currency translation	—	—	—	(3,628)	—	—	—	—	(3,628)	—	(3,628)
Total income and expense recognised in equity	—	—	—	(3,628)	—	—	—	—	(3,628)	—	(3,628)
(Loss)/profit for the period	—	—	—	—	—	—	—	(445)	(445)	(40)	(485)
Total recognised income and expense for the period	—	—	—	(3,628)	—	—	—	(445)	(4,073)	(40)	(4,113)
Transfer from merger reserve	—	—	(29,901)	—	—	—	—	29,901	—	—	—
Shares issued for cash	114	15	—	—	—	—	—	—	129	—	129
Acquisition of subsidiaries	4,370	—	3,525	—	—	—	—	—	7,895	—	7,895
Movement in minority interests	—	—	—	—	—	—	—	—	—	(1)	(1)
Purchase of own shares	—	—	—	—	—	(1,235)	—	—	(1,235)	—	(1,235)
Disposal of purchased own shares	—	—	—	—	—	368	—	—	368	—	368
Share issue costs	—	(8)	—	—	—	—	—	—	(8)	—	(8)
Credit for share-based payments	—	—	—	—	—	—	—	777	777	42	819
Scrip dividend	239	195	—	—	—	—	—	—	434	—	434
Equity dividends	—	—	—	—	—	—	—	(3,488)	(3,488)	—	(3,488)
Balance at 31 December 2006	101,775	23,162	48,088	(3,670)	—	(4,000)	—	(24,511)	140,844	1,157	142,001
Currency translation	—	—	—	(1,926)	—	—	—	—	(1,926)	—	(1,926)
Disposal of subsidiaries	—	—	—	(31)	—	—	—	—	(31)	—	(31)
Gains on cash flow hedges taken to equity	—	—	—	—	200	—	—	—	200	—	200
Total income and expense recognised in equity	—	—	—	(1,957)	200	—	—	—	(1,757)	—	(1,757)
Profit for the period	—	—	—	—	—	—	—	4,437	4,437	199	4,636
Total recognised income and expense for the period	—	—	—	(1,957)	200	—	—	4,437	2,680	199	2,879
Shares issued for cash	101	83	—	—	—	—	—	—	184	—	184
Movement in minority interests	—	—	—	—	—	—	—	—	—	(2)	(2)
Purchase of own shares	—	—	—	—	—	(466)	—	—	(466)	—	(466)
Disposal of own shares	—	—	—	—	—	271	—	(52)	219	—	219
Share issue costs	—	(8)	—	—	—	—	—	—	(8)	—	(8)
Credit for share-based payments	—	—	—	—	—	—	—	1,003	1,003	19	1,022
Equity dividends	—	—	—	—	—	—	—	(2,628)	(2,628)	—	(2,628)
Balance at 30 June 2007	**101,876**	**23,237**	**48,088**	**(5,627)**	**200**	**(4,195)**	**—**	**(21,751)**	**141,828**	**1,373**	**143,201**

1. Basis of preparation
These interim financial statements have been prepared in accordance with the Group's IFRS accounting policies set out in the Group's 2006 Annual Report and Accounts for the year ended 31 December 2006. The Group has not adopted the reporting requirements of IAS 34 'Interim Financial Reporting'.

The information relating to the six months ended 30 June 2007 and 30 June 2006 is unaudited and does not constitute statutory accounts. The comparative figures for the year ended 31 December 2006 are not the Company's statutory accounts for that financial year as defined in section 240 of the Companies Act 1985. The statutory accounts for the year ended 31 December 2006 have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors on those accounts in accordance with section 235 of the Companies Act 1985 was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The interim financial statements are unaudited but have been reviewed by the auditors and their report to the Board of Huntsworth PLC is set out at the end of this document.

2. Accounting policies
The interim financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006, and are consistent with those that the directors anticipate will be complied with in the annual financial statements for the year ending 31 December 2007. However, the interim financial statements have been prepared with the following changes in presentation.

Changes in presentation

Following the acquisition of Dorland in March 2007 and Axis in July 2007, the Group now has a more significant presence in the healthcare sector, where integrated communications incorporating both Public Relations and Non-Public Relations activities (e.g. advertising and medical education) are provided to our clients. Therefore, the directors have decided to expand the Group's segmental disclosures from Public Relations and Non-Public Relations to Public Relations, Huntsworth Health, and Events.

The comparative figures for 30 June 2006 and 31 December 2006 have been restated accordingly. For the period ended 30 June 2006, revenue of £2,117,000 and operating profit of £337,000 has been transferred from Public Relations to Huntsworth Health, and revenue of £2,840,000 and operating profit of £233,000 has been transferred from Non-Public Relations to Huntsworth Health. The balance remaining in Non-Public Relations (revenue of £3,706,000 and operating profit of £395,000) relates to Events and has been renamed accordingly. For the year ended 31 December 2006, revenue of £4,093,000 and operating profit of £452,000 has been transferred from Public Relations to Huntsworth Health, and revenue of £5,609,000 and operating profit of £776,000 has been transferred from Non-Public Relations to Huntsworth Health. The balance remaining in Non-Public Relations (revenue of £6,206,000 and operating profit of £357,000) relates to Events and has been renamed accordingly.

In line with best practice following the transition to IFRS, the directors have also decided to allocate share-based payment charges to the new reporting segments. Previously, these charges were reported as unallocated expenses. The comparative figures for 30 June 2006 and 31 December 2006 have been restated accordingly. For the period ended 30 June 2006, share-based payment charges of £345,000 and £37,000 have been transferred from unallocated expenses to Public Relations and Huntsworth Health respectively. For the year ended 31 December 2006, share-based payment charges of £1,047,000 and £217,000 have been transferred from unallocated expenses to Public Relations and Huntsworth Health respectively.

2. Accounting policies (continued)

For the geographical segments for the period ended 30 June 2006, share-based payment charges of £332,000, £17,000, £31,000, and £2,000 have been transferred from unallocated expenses to the United Kingdom, Other European, USA, and Rest of World segments respectively. For the year ended 31 December 2006, share-based payment charges of £1,128,000, £49,000, £85,000, and £2,000 have been transferred from unallocated expenses to the United Kingdom, Other European, USA, and Rest of World segments respectively.

3. Acquisitions and disposals

The following acquisition was made during the period:

(i) Dorland Global Corporation

On 9 March 2007 the Group acquired the entire share capital of Dorland Global Corporation ("Dorland") for initial cash consideration of US$20.7 million (£10.6 million). Additional deferred consideration may be payable dependent on the future financial performance of Dorland and will be payable in cash. The maximum total consideration payable is US$50.0 million (£25.5 million).

The following disposals were made during the period:

(i) Citigate Sard Verbinnen

On 15 February 2006 the Company announced that it had reached an agreement to sell Citigate Sard Verbinnen ('CSV') by the end of 31 December 2009. Shareholders approved the sale on 6 March 2006. Under the sale agreements, 51% was acquired by certain executives of CSV on 5 January 2007 for US$2.5 million (£1.4 million) and a fixed net asset payment of US$2.7 million (£1.5 million) is to be made by 30 September 2007. The remaining 49% will be acquired no later than 31 December 2009 for a total cash consideration of not less than US$17.5 million (£10.2 million) (such amounts to have an aggregate present value of US$20.0 million (£11.6 million) as at 1 January 2006). This will be reduced by the amount of cash distributions from CSV from 1 January 2006.

The assets and liabilities of Citigate Sard Verbinnen were classified as held for sale as at 30 June 2006 and 31 December 2006.

(ii) Citigate Demuth

On 16 March 2007, Citigate Demuth GmbH was sold to Media Square plc for cash consideration of €670,000 (£456,000), of which €86,000 (£59,000) was received after the half year end.

4. Segmental analysis

The Group's primary reporting segment is business divisions which correspond with the way the operating businesses are organised and managed within the Group and its secondary segment is geographical origin. The following table analyses the revenue and operating profit before highlighted items from continuing operations accordingly:

	Six months ended 30 June 2007 £000	As restated[1] Six months ended 30 June 2006 £000	As restated[1] Year ended 31 December 2006 £000
Revenue			
Business segment			
Public Relations	**58,424**	61,426	123,977
Huntsworth Health	**9,528**	4,957	9,702
Events	**2,651**	3,706	6,206
Eliminations	**(9)**	(14)	(138)
Total	**70,594**	70,075	139,747
Geographical origin			
United Kingdom	**35,222**	33,371	66,952
Other European	**19,109**	15,419	31,610
USA	**14,177**	19,115	37,030
Rest of World	**2,095**	2,184	4,293
Eliminations	**(9)**	(14)	(138)
Total	**70,594**	70,075	139,747
Operating profit before highlighted items			
Business segment			
Public Relations	**12,089**	12,259	25,337
Huntsworth Health	**1,854**	533	1,011
Events	**435**	395	357
Unallocated expenses	**(3,001)**	(3,168)	(6,484)
Total	**11,377**	10,019	20,221
Geographical origin			
United Kingdom	**7,499**	6,799	13,115
Other European	**4,027**	2,810	5,899
USA	**2,415**	3,162	6,776
Rest of World	**437**	416	915
Unallocated expenses	**(3,001)**	(3,168)	(6,484)
Total	**11,377**	10,019	20,221

Unallocated expenses comprise central head office costs.

[1] See note 2.

5. Highlighted items

	Six months ended 30 June 2007 £000	Six months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Charged to operating profit			
Amortisation of intangible assets	**2,764**	1,908	4,051
Impairment of goodwill and intangible assets	—	1,665	7,926
Acquisition payments to employees deemed as remuneration	**371**	—	—
Merger, restructuring and other non-recurring costs	**—**	—	1,745
	3,135	3,573	13,722
Charged to profit before tax			
Impairment of investment in associates	**999**	—	—
	4,134	3,573	13,722

The impairment of investment in associates of £1.0 million for the six months ended 30 June 2007 relates to the write down of the investment in Citigate Sard Verbinnen, and this amount is equivalent to the profits from this business recognised in the period.

6. Finance costs and income

	Six months ended 30 June 2007 £000	Six months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Bank interest payable	**2,135**	1,265	2,414
Loan note interest	**—**	22	1
Finance lease interest	**4**	7	12
Other interest payable	**42**	20	23
Discounting of provisions	**109**	150	283
Imputed interest on deferred consideration	**191**	95	206
Finance costs	**2,481**	1,559	2,939
Finance income - bank interest receivable	**(108)**	(86)	(298)
	2,373	1,473	2,641

7. Taxation

The tax charge for the six months ended 30 June 2007 has been based on an estimated effective tax rate on profit before highlighted items for the full year of 24.3% (the effective tax rate of the year ended 31 December 2006 was 20.2%, which included the benefit of a £1.0 million credit for non-recurring items and prior year adjustments, without which the underlying rate would have been 25.8%).

	Six months ended 30 June 2007 £000	Six months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Current tax	**2,651**	2,108	1,761
Deferred tax	**(1,412)**	(572)	(775)
	1,239	1,536	986

The tax charge/(credit) is further analysed below:

UK tax	**219**	628	292
Overseas tax	**1,020**	908	694
	1,239	1,536	986

Tax charge on profit before highlighted items and share of profits from associates	**2,435**	2,246	3,571
Tax credit on highlighted items	**(1,196)**	(710)	(2,585)
	1,239	1,536	986

8. Dividends

	Six months ended 30 June 2007 £000	Six months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Equity dividends on ordinary shares:			
Final dividend for year ended 2005 – 1.2p	—	—	2,328
Interim dividend for year ended 2006 – 0.6p	—	—	1,160
Final dividend for year ended 2006 – 1.3p	**2,628**	—	—
	2,628	—	3,488

The final dividend for the year ended 31 December 2006 was approved by shareholders at the Annual General Meeting on 12 June 2007 and was paid in July 2007. The dividend is included in accruals as at 30 June 2007.

The proposed 2007 interim dividend of 0.65 pence per share was approved by the Board on 19 September 2007 and in accordance with IFRS has not been included as a deduction from equity at 30 June 2007. The dividend will be paid on 9 November 2007 to those shareholders on the register at 5 October 2007.

9. Earnings per share

The data used in the calculations of the earnings per share numbers is summarised in the table below:

	Six months ended 30 June 2007		Six months ended 30 June 2006		Year ended 31 December 2006	
	Earnings £000	**Weighted average number of shares 000's**	Earnings £000	Weighted average number of shares 000's	Earnings £000	Weighted average number of shares 000's
Basic	**4,437**	**199,411**	3,239	190,156	2,794	191,458
Diluted	**4,437**	**207,499**	3,239	197,531	2,794	195,413
Adjusted basic	**7,375**	**199,411**	6,102	190,156	13,931	191,458
Adjusted diluted	**7,375**	**207,499**	6,102	197,531	13,931	195,413

The basic earnings per share calculation is based on the profit for the period attributable to parent company shareholders divided by the weighted average number of ordinary shares outstanding during the period.

9. Earnings per share (continued)
Diluted earnings per share is calculated based on the profit for the period attributable to parent company shareholders divided by the weighted average number of ordinary shares outstanding during the period adjusted for the potentially dilutive impact of employee share option schemes and shares to be issued as part of deferred consideration on acquisitions of subsidiaries.

Adjusted earnings per share is calculated in order to provide information to shareholders about continuing trading performance and is based on the profit attributable to parent company shareholders excluding discontinued operations and highlighted items together with related tax effects as set out below:

	Six months ended 30 June 2007 £000	Six months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Earnings:			
Profit for the period attributable to parent company's shareholders	**4,437**	3,239	2,794
Highlighted items	**4,134**	3,573	13,722
Tax on highlighted items	**(1,196)**	(710)	(2,585)
Adjusted earnings from continuing operations	**7,375**	6,102	13,931

10. Intangible fixed assets

	Brands £000	Customer relationships £000	Goodwill £000	Total £000
Cost				
At 1 January 2007	18,333	12,963	208,780	240,076
Arising on acquisitions in the period	1,420	2,565	10,006	13,991
Adjustments to prior year acquisitions	—	—	609	609
Arising on disposal of subsidiaries in the period	—	—	(3,659)	(3,659)
Exchange differences	(214)	(166)	(1,361)	(1,741)
At 30 June 2007	**19,539**	**15,362**	**214,375**	**249,276**
Amortisation				
At 1 January 2007	4,423	5,754	17,103	27,280
Charge for the period	439	2,325	—	2,764
Arising on disposal of subsidiaries in the period	—	—	(3,659)	(3,659)
Exchange differences	(92)	(94)	(125)	(311)
At 30 June 2007	**4,770**	**7,985**	**13,319**	**26,074**
Net book value at 30 June 2007	**14,769**	**7,377**	**201,056**	**223,202**
Net book value at 31 December 2006	13,910	7,209	191,677	212,796

Brands and customer relationships are being amortised over their useful economic lives of between 3 and 20 years. The amounts recognised above for intangible assets arising on acquisitions in the period are provisional awaiting final determination in accordance with the time limit allowed in IFRS 3. Details of acquisitions made during the period are set out in note 3.

Adjustments to prior year acquisitions comprise changes to estimated contingent deferred consideration and costs of acquisition.

11. Cash flow analysis

(a) Reconciliation of operating profit to net cash inflow from operations

	Six months to 30 June 2007 £000	Six months to 30 June 2006 £000	Year ended 31 December 2006 £000
Operating profit	**8,242**	6,446	6,499
Depreciation	**1,102**	1,134	2,381
Share-based payment charge	**1,376**	602	1,839
Loss/(profit) on disposal of property, plant and equipment	**38**	3	(25)
Amortisation of intangible assets	**2,764**	1,908	4,051
Impairment of goodwill and intangibles	**—**	1,665	7,926
Other non-cash highlighted items	**371**	—	—
Increase in work in progress	**(242)**	(646)	(186)
(Increase)/decrease in debtors	**(4,176)**	(1,574)	1,722
Decrease in creditors	**(5,207)**	(1,512)	(1,300)
Decrease in provisions	**(1,539)**	(2,710)	(4,740)
Net cash inflow from operations	**2,729**	5,316	18,167

Net cash inflow from operations is analysed as follows:

	Six months to 30 June 2007 £000	Six months to 30 June 2006 £000	Year ended 31 December 2006 £000
Before highlighted items and discontinued operations	**5,421**	10,849	26,371
Highlighted items	**(2,692)**	(5,533)	(8,204)
	2,729	5,316	18,167

11. Cash flow analysis (continued)

(b) Reconciliation of net cash flow to movement in net debt

	Six months to 30 June 2007 £000	Six months to 30 June 2006 £000	Year ended 31 December 2006 £000
(Decrease)/increase in cash and cash equivalents in the period	**(1,420)**	2,081	1,670
Cash inflow from increase in debt	**(12,463)**	(11,591)	(19,774)
Loan notes repaid	**—**	1,266	2,760
Repayment of capital element of finance leases	**44**	85	218
Change in net debt resulting from cash flows	**(13,839)**	(8,159)	(15,126)
Finance leases acquired with subsidiaries	**—**	(29)	—
New finance leases	**—**	(1)	—
Disposal/cancellation of finance leases	**—**	8	—
Non-cash movements	**180**	—	—
Translation differences	**(113)**	255	(387)
Increase in net debt	**(13,772)**	(7,926)	(15,513)
Net debt at beginning of period	**(38,891)**	(23,378)	(23,378)
Net debt at end of period	**(52,663)**	(31,304)	(38,891)

(c) Analysis of net debt

	1 January 2007 £000	Cash flow £000	Other £000	**30 June 2007 £000**
Cash and short-term deposits	10,426	(1,366)	(114)	**8,946**
Bank loans and overdraft (current)	(101)	(54)	1	**(154)**
Net cash and cash equivalents	10,325	(1,420)	(113)	**8,792**
Derivative financial assets (non current)	—	—	180	**180**
Derivative financial assets (current)	—	—	4	**4**
Derivative financial liabilities	—	—	(4)	**(4)**
Bank loans and overdrafts (non-current)	(49,070)	(12,463)	—	**(61,533)**
Obligations under finance leases	(146)	44	—	**(102)**
Net debt	(38,891)	(13,839)	67	**(52,663)**

11. Cash flow analysis (continued)

(d) Cash and cash equivalents

	Six months to 30 June 2007 £000	Six months to 30 June 2006 £000	Year ended 31 December 2006 £000
Cash and short-term deposits	**8,946**	11,062	10,439
Bank loans and overdrafts (current)	**(154)**	(100)	(101)
Cash and short-term deposits included in assets held for sale	—	440	—
Bank overdraft included in liabilities held for sale	—	—	(13)
Cash and cash equivalents	**8,792**	11,402	10,325

12. Post balance sheet events

On 13 July 2007 the Group acquired the entire share capital of Axis Healthcare Communications LLC, a company incorporated in the USA, and its subsidiaries (together "AXIS") for initial cash consideration of US$18.4 million (£9.1 million). Additional consideration is payable dependent on the future performance of AXIS for the four years to 31 December 2010 and will be paid in cash. The maximum total consideration payable is US$55.0 million (£27.1 million).

On 27 July 2007, the Group completed the refinancing of its bank facilities. The new facilities comprise an £85.0 million revolving multi-currency facility with Lloyds TSB Bank plc and The Royal Bank of Scotland plc, and a £5.0 million committed overdraft facility with Lloyds TSB Bank plc. Both facilities are due to expire in July 2012.

Independent review report to Huntsworth PLC
for the six months ended 30 June 2007

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2007 which comprises the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, and the related notes 1 to 12. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

Ernst & Young LLP
London
19 September 2007