

# Pre close season Update

**1 August 2005**

## **HUNTSWORTH PLC**

The merger of Huntsworth and Incepta was completed on 29 April 2005. Huntsworth will announce interim results before mid October which will include six months of Huntsworth trading and two months of Incepta.

This announcement is a pre-close update for the interim period and the Board intends to make similar announcements every six months. The main points are:

- Interim results to exceed market expectations
- New banking arrangements confirmed
- Strategic Review near completion
- Cost saving estimate conservative

Profits (continuing operations before exceptional items, goodwill and tax) for the six months to June 30 2005 are expected to be comfortably ahead of market forecasts.

"The strength of these results comes from good trading right across the Group", said Lord Chadlington, Chairman, "but there have been outstanding performances by the UK consumer PR businesses - particularly Grayling and Red - and in the US an excellent contribution from Citigate Sard Verbinnen. Citigate Dewe Rogerson has made an excellent start.

"The Marketing Services companies have also made a strong contribution to the profits of the Group."

The Group's new clients include Chevron, European Diagnostics, Polaroid, UK Atomic Energy Authority and Whirlpool.

The Group now has two bankers - Lloyds TSB Bank plc and The Royal Bank of Scotland - and facilities of £95 million are in place until April 2008.

The Strategic Review, which will be presented as part of the announcement of the interims, is largely completed. It will include proposals to reorganise executive management, simplify central and regional structures, and provide shorter reporting lines, which will devolve responsibility to operating companies from a significantly smaller Head Office.

The Board is confident that when these changes are implemented, the original estimate of cost savings of

not less than £2.5m per annum - forecast at the time of the merger - will prove to be conservative.

"We look to continued progress in integrating these two businesses in the second half" concluded Lord Chadlington.

1st August 2005

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