

Huveaux PLC

2009 PRELIMINARY RESULTS

Financial Highlights

- Revenue at £25.3 million (2008: £36.3 million)
- Revenue from retained business at £17.3 million (2008: £17.2 million)*
- EBITDA at £3.8 million (2008: £4.8 million) **
- Statutory operating profit at £0.6 million (2008: £0.2 million)
- EBITDA from retained business at £2.5 million (2008: £2.2 million)
- Normalised profit for the year of £1.4 million (2008: £1.9 million) ***
- Dividend of 1.00p per Ordinary Share intended to be declared following a Capital Reduction (2008: no dividend)

Operating Highlights

- Continued strong organic growth in the Political Division
- Growth in Online and Events portfolio in Political Division
- Civil Service Live portfolio of events grown to three per annum

Recent Events

- Education Division sold on 19th March 2010 for £10 million
- Following sale of Education Division all debt repaid, leaving a strong balance sheet

Summary of Results	2009	2008
	£'000	£'000
Revenue	25,286	36,323
Revenue from retained business *	17,335	17,229
EBITDA**	3,768	4,845
EBITDA from retained business	2,545	2,219
(Loss) / Profit for the year	(7,785)	(3,984)
Normalised profit ***	1,418	1,895
EPS on continuing activities (basic)	0.93p	1.25p

* Retained business is excluding the sold Education, French Healthcare and Epic businesses. The results of Epic are included in continuing business in 2008 for statutory purposes.

** EBITDA is calculated as earnings before interest, tax, depreciation, amortisation of intangible assets acquired through business combinations, share based payment charges and non-trading items.

*** Normalised profit is stated before amortisation of intangible assets acquired through business combinations, share based payment charges and non-trading items and related tax and discontinued operations.

The Group believes that these measures provide additional guidance to the statutory measures of performance of the

business. These measures are not defined under adopted IFRS and therefore may not be directly comparable with other companies' adjusted profit measures.

Non-trading items are items which, in management's judgement, need to be disclosed by virtue of size, incidence or nature. Such items are included within the income statement caption to which they relate and are separately disclosed either in the notes to the consolidated financial statements or on the face of the consolidated income statement.

An analyst presentation will be held at 9.30am today at the offices of Brewin Dolphin, 12 Smithfield Street, London EC1A 9BD, with coffee available from 9.00am.

Kevin Hand, Non-Executive Chairman of Huveaux, commented:

“The recent disposal of the Education Division completes the strategic transformation of the Group from a disparate media portfolio, to a highly focused political media business. The retained political business has already been developed from a print publishing business to a modern media company with the great majority of its revenue being derived from digital products and events.

In 2009 there was significant growth in a number of key areas, especially the political training business, and this led to a record profit level within the Political Division. Within DODS, the UK and EU Monitoring products continued to grow, winning significant business from their competitors. The 12% growth achieved in the Political Division should be seen in the light of the difficult trading conditions across the whole of the media space, which was exacerbated by the fall out from the “Expenses Scandal” that hit the Westminster community in the summer.

Following the sale of the Education Division for £10 million, the Group has been able to clear down all of its debt, giving Huveaux a very strong balance sheet, and a cash generative business. We are delighted to be able to recommend that the Group returns to its policy of paying a dividend to its shareholders.

Huveaux is now ideally positioned for the Election in 2010, and we believe that 2010 will again show strong growth across activities of the Political Division.”

For further information, please contact:

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Note to editors:

Huveaux PLC is a public limited company listed on the Alternative Investment Market (ticker HVX.L)

CHAIRMAN'S STATEMENT

2009 Overview

In my first Chairman's statement last year, I reported that Huveaux had set itself on the course to better align itself with the changing economic conditions. The deep recession in 2009 was exacerbated in our Political Division by the furor surrounding MPs' Expenses in the summer, and the increased vulnerability of the Labour Government.

Despite the obstacles in its way, the Political Division showed strong growth at the EBITDA line, and is now primed for further growth.

At the same time, the Education Division was suffering from the loss of SATs at Key Stage 3 and the general weakness in the Retail Market. This is reflected in the Education Division's results for the year.

Therefore, in the last quarter of 2009, your Board undertook a strategic review, designed to identify how best to maximise shareholder returns from the two Divisions. As announced on 19 March 2010, we sold the Education Division for a total consideration of £10 million, which has allowed the Group to remove all of its debt.

For the whole Group, revenue declined from £36.3m to £25.3m, but this includes both the divested companies in 2008 and Education in 2009. On a retained basis, the Political Division delivered revenues that grew from £17.2m to £17.3m. For the whole Group, earnings before interest, tax, amortisation and non-trading items (EBITDA) was £3.8 million (2008: £4.8 million) which was broadly in line with expectations. The retained Political Division performed strongly, with EBITDA of £3.4m being 12% ahead of 2008.

Non-trading items amounted to a total of £0.2m (2008: £0.2m) which reflects the impact of the Group's continued cost-cutting initiatives.

Following the disposal of the Education Division, and in anticipation of a profitable year in 2010, your Board is recommending a return to its previous policy of paying an annual dividend. Due to the balance sheet position, it is not possible to declare a dividend at this time. The Board is therefore proposing a resolution at the forthcoming AGM to permit a Capital Reduction to be actioned in order to create distributable reserves. Following this Capital Reduction, the Board intends to declare an interim dividend of 1.00 pence per share (2008: no dividend) which would be paid on the 1st December 2010.

Strategy

The Political Division has continued to drive its strategy forward with success. Over the last few years the DODS businesses have developed into a modern media group with increasingly significant digital and events revenue. This has continued well in 2009.

The rapid decline in the display advertising market has been more than offset by revenue growth elsewhere – with our Political Knowledge area showing 24% revenue growth and delivering this growth at a high margin, with EBITDA doubling.

Overall, the proportion of the overall revenue in this Division that is attributable to Digital and Events has increased from 32% in 2004 to 61% in 2009 (2008: 52%).

The Division is now a highly focused and efficient operation, which allows significant campaigns to be run on behalf of its clients, across the complete range of modern media products and is well positioned to benefit from the increased activity generated by the imminent UK General Election.

The Board, Management and People

Following a year of change in 2008, 2009 has seen a settled year at Board level within the Group.

Within the remainder of the Group, Huveaux, like many other UK media companies, has had to restructure businesses so as to align them better with the new realities in their markets. This has been the case across the Education Division and in Fenman within the Political Division. These restructurings are not easy, and they have been completed successfully thanks to the hard work of the people involved.

I would like to thank all of our management and staff for their continued efforts during another challenging year. This effort has been rewarded in a strong set of results and has been vital in ensuring that Huveaux remains in a strong position to compete well in the year ahead.

Outlook

The UK General Election will provide the Group with significant opportunities in the next few months, and will drive an increased need for our data and other products. Huveaux does not expect there to be any change to the downward trend in display advertising sales, however the business is now set up to be significantly less dependent on this revenue stream. The digital information and events businesses continue to flourish and 2010 will see an increase in the amount of traditional printed products moving to the online subscription model.

As a result, the Board is confident that the smaller, focused Huveaux will deliver a strong performance in what is sure to be a most interesting year in UK Politics.

CHIEF EXECUTIVES' BUSINESS AND FINANCIAL REVIEW

Introduction

Following on from a year of change in 2008, 2009 saw the Group focus on the two Divisions with a view to maximising the shareholder value from each. Our Education Division traded in a very tough market for all education publishers, reflecting the abolition of the Key Stage 3 SATs in October 2008, the general decline in Primary and the effect of the recession in the trade market. The strategic review of the business towards the end of 2009 led to the sale of the Education Division in March 2010 and has led to the Group being focused entirely on Political media.

In 2009 the Political Division again showed growth in revenue and, most encouragingly, showed even stronger growth at the EBITDA level. Despite the tough economic and market-specific conditions that it faced across its markets, the portfolio produced significant areas of growth that more than compensated for the areas of weakness. Increasingly the Division provides a portfolio of products to its clients, giving it significant advantage over smaller competitors in its markets.

Business Overview

Although we retained the Education Division for the whole of 2009, the Division is shown as an "asset held for sale" in the balance sheet of the Group as at the 31st December 2009. In the same way, the future business of the Group is only concerned with the Political Division.

The Political Division is in a strong position, showing continued revenue and EBITDA growth and has established a number of newer products across both events and digital which are market-leading in their own right. Our product portfolio is unique and has allowed us to solidify our relationships with our customers and to increase greatly our average transaction value.

The cost-reduction exercise that was actioned over 2007 and 2008 continued into 2009, albeit in the year more focused on a rationalisation of the Fenman operation. The cost base in Head Office continued to fall and is now of a level that cannot be further reduced while remaining an AIM listed company.

The MPs Expenses Scandal and the hiatus before the 2010 General Election in the UK were the major factors within our markets – and the worldwide recession was the major macroeconomic factor. These factors did affect our business – with the Party Conference season being particularly affected by the Expenses Scandal, but even here we showed good growth in terms of the number of events run – making us the biggest supplier of fringe events to the Party Conferences. At the same time, our Civil Service businesses grew well, with the second edition of *Civil Service Live* building on the success of the first edition and leading to the profitable launch of two smaller regional events, in Gateshead and Manchester.

Overall, the star performer was the Political Knowledge area, which won a number of longer term contracts with Government departments and achieved a doubling of EBITDA.

2010 Priorities

Following the disposal of the Education Division, the focus of the Group is in maximising the potential of the Political Division. 2010 will see a General Election in the UK and the short-term focus of the Division is on maximising the return from this event. The degree of change within the UK Parliament will drive the need for our data and an increase in the amount of lobbying activity around the Westminster village.

The portfolio will continue to focus on the growth areas of events and digital products where

opportunities are greater and there is scope for further improvements in margin. This will continue to require further investments in technology in 2010 and beyond. The UK recession will continue to impact on the business and the threat of departmental cost cuttings following the election of a new government will dampen the growth within the businesses aimed at the Civil Service. Nevertheless, 2010 is expected to show good growth and further consolidation of our unique position in the political market.

Political Division

£'000	2009	2008
Revenue	17,335	17,229
EBITDA*	3,445	3,063

*A reconciliation between EBITDA and operating profit is provided in Schedule A.

The 2009 political landscape in the UK was transformed by the MPs' Expenses revelations which started in the early summer. This had a material affect on the advertising market around the Party Conferences and reduced the desire to lobby current Members of Parliament. In addition, the continued weakness of the Labour Government resulted in the focus of the political markets switching early to 2010 and the General Election.

For Huveaux, this was the challenging background to a very strong year – showing significant EBITDA growth on a slight increase in revenues. The events businesses, especially Political Knowledge, and the digital information businesses continued to grow strongly, offsetting the dramatic fall in display advertising.

Highlights:

- Division grew revenue by 1% and EBITDA by 12%.
- DODS businesses grew revenue by 3% and EBITDA by 28%.
- The Political Knowledge training and events products grew revenue by 24% and EBITDA doubled.
- The UK and EU political monitoring products grew revenue by 24% and captured additional market share.
- We remain the clear leader in EU political monitoring and this business has tripled in size since 2007.
- DODS ran 44 fringe events at Party Conferences (2008: 29) making DODS the largest organiser of fringe events.
- DODS ran the second Civil Service Live, showcasing best practice and innovation in public sector delivery by the Civil Service. Visitors to the exhibition included HRH The Prince of Wales. In addition, DODS ran two Regional Civil Service Live events – in Gateshead and Manchester.

The Parliament unit was the most affected by the MPs' Expenses issues and the run up to the UK Election. Display advertising continued to fall – *The House Magazine* was 18% below 2008, while *Public Affairs News* was further weakened by the quiet market. While the traditional revenue streams fell away, the Division worked hard to develop cross-media campaigns for its clients, which resulted in larger contracts being won. An integral part of these campaigns was the fringe events at the Party Conferences which again grew numerically from 29 to 44 (14 in 2007). 2010 has already seen a further pick up in these campaigns and prospects across this Division remain good around the Election. *Electus*, our recruitment brand, suffered from the reduced activity in the public affairs market, but is well placed to exploit the return of activity in 2010.

Our Government unit grew revenue by 18% on 2008 despite the weakness of the core *Civil*

Service World newspaper. Display advertising on this product fell 18% in the year. This reduction in revenue was more than offset by the growth in the exhibition portfolio under the brand *Civil Service Live*. Following the success of the launch event in April 2008, the exhibition ran in July 2009 at Olympia. The combination of conferences, seminars and workshops with exhibition stands provided the 8,000 visitors with a must-attend event. Speakers included HRH The Prince of Wales, Baron Sugar, Alastair Campbell, Sir Gus O'Donnell and Peter Jones. On the back of this success, we ran two Regional events (in Gateshead and Manchester) also in conjunction with the Cabinet Office. These events were an integral part of the Cabinet Office's aim of spreading best practice and innovation to the regional centres of the Civil Service. 2010 will see further development of the online product which acts as a social and business networking site for the UK civil service.

The Information area showed overall growth, with revenues from the traditional book products falling and being more than offset by the continued development of digital products. UK Monitoring showed a 14% growth in revenue and continues to take market share from its main competitors. The recent launch of the updated directory product (DODS People) has further enhanced the offering in this area. With the UK Election now expected to show a record turnover of MPs, the demand for our information will increase and we are well positioned to leverage this market-leading position.

With regard to the European portfolio of the business, while *Parliament Magazine* showed a 28% reduction in advertising in the year – partly due to the hiatus in the run up to the June Elections – this fall was offset by strong performances of the *Regional Review* and the *Research Review*. The main driver of the overall revenue increase in Europe was the EU Monitoring service which grew by 52% and has created a unique product in the market.

The Political Knowledge events had an outstanding year. Following revenue growth of 23% in 2008, the portfolio grew by a further 24% in 2009 and did so at a very high margin which doubled EBITDA.

Growth in this portfolio was across all products, with the *Westminster Explained* open courses growing by 73% and the *Westminster Briefing* conferences increasing by 39%. We continue to win long-term contracts as part of the new OGC framework and in 2009 won training contracts with The Home Office, The Department of Children, Schools & Families, The Health & Safety Executive, the Government Office Network and the Cabinet Office. The deepening position of the products in the operations of the government departments will place the products well in the light of the inevitable reduction in departmental budgets following the General Election.

In addition, we ran further Partnership Conferences with *Civil Service World* and *House Magazine* – increasing revenue by 75%. As well as our annual events such as *The Coming Year in Parliament*, and *Annual Regulators Conference*, we have held a number of very successful events in 2009, including *Unlocking the Civil Service*, *Diversity & Equality in Government*, and *PSI in Action*. Speakers at these events included Rt Hon Harriet Harman QC MP, Rt Hon Michael Howard, QC MP and Simon Hughes MP. In all cases, the close relationship of DODS to both parliament and the civil service ensures that the speakers are of the highest quality.

In France, *Le Trombinoscope* had a quiet year as there were no new elections. This resulted in a fall in revenue from 2008, in part due to the weakness of the display advertising market. In addition, the delay in naming the new European Commission resulted in a fall in revenue from the European edition.

In 2009 we restructured the UK Training unit, *Fenman*. The market for training manuals and products had slowed in 2008 and 2009 continued this trend. The products business was therefore down-sized and now concentrates on the DVD business which is higher margin and

requires less warehouse space. *Training Journal* was also hit by the UK economic conditions, but is now the only player in the market and, as such, is well placed to exploit any increased activity from a profitable position.

Education Division

£'000	2009	2008
Revenue	7,951	10,713
EBITDA*	1,223	2,262

A reconciliation between EBITDA and operating profit is provided in Schedule A.

Following the disposal of the Division in March 2010, the Education Division is shown in discontinued operations in these accounts. Nevertheless, the Division was owned by Huveaux for the whole of the year and, as such, was managed as an ongoing Division of the business.

The results of the Division reflect the very difficult market in which the Division operated, nearly all of which was caused by external factors. Indeed good market share increases have been achieved within the key GCSE market.

The abolition of Key Stage 3 SATs in October 2008 had a material effect on the trading of the Education Division from the fourth quarter of 2008. The full year effect of this abolition was seen in 2009, with the market for Key Stage 3 books within the revision market having fallen by 60% from its 2007 levels.

At the same time, within Primary the move away from SATs continued with the ending of the Science SAT from May 2009 and significant comment from Teachers' Unions recommending the removal of all testing at Primary level. While the trade market for Primary level product was steady, the schools market fell with sales down 37%.

The above market-specific factors were exacerbated by the effect of the retail recession on the High Street. Footfall in bookshops fell, especially in the first half of the year, resulting in lower sales across all of the portfolio. The effect of the recession on bookshops was highlighted in November 2009 with Borders going into administration and then closing all shops immediately prior to Christmas. The latter closure resulted in a £63k cost to Huveaux due to the writing off of its debtor balance.

Overall, revenue was 23% below 2008 and EBITDA fell by 46%. The reduction in revenue was mitigated to some extent by the cost reduction exercise performed in the first half of the year, which saw over 20% of the employees in the Division leave the company. This reflected that while the effect of the recession is expected to be temporary, the move away from SATs is likely to continue into the medium term.

Letts and Lonsdale finished the year with sales of £6.6 million (2008: £8.2 million). Both school sales and trade sales were similarly lower than 2008. As in 2008, the reduced sales levels at some of the traditional retailers was offset by a continued focus on non-traditional outlets. As an example of this, sales to ASDA increased by 123% over 2008, while sales to Costco increased by nearly 90%. Of the traditional sellers, sales to Amazon showed an increase of 20%.

School sales were depressed throughout the year, however the back to school period was the first to involve the sales of the new curriculum GCSE subjects. In the period from September to December 2009, we sold 70% more units relating to these subjects than in the equivalent period in 2008, increasing revenue by 22%. In addition, there was an increase in the number of establishments that bought these books.

Within Leckie & Leckie, trade sales of own-brand books were 1% higher despite the recession in the High Street. This reflects the very strong relationships which Leckie & Leckie enjoys with the key retailers and its established position as the market leader. School sales fell by 19% compared with 2008 due to the reduction in schools budgets across the market for the second consecutive years. There was no fall in the market share of the books.

With regard to the Practice Papers, our agreement with the SQA ceased in the second quarter of the year and, in response to clear demand from both trade and schools, Leckie & Leckie launched its own range of Practice Papers. These papers contained enhanced functionality to those produced for the SQA and were priced lower than the previous papers. The initial take up of these papers was encouraging across both schools and the trade outlets. In 2010 Leckie & Leckie will produce a wider range of these papers.

Financial Review

Revenue and Operating Results

Operating performance was mixed across the portfolio. Overall revenue fell from £36.3 million to £25.3 million and EBITDA fell from £4.8 million to £3.8 million. This decline includes the disposed businesses – the Education Division and the French Healthcare business within “discontinued items” and, in 2008, Epic within “continuing business” for statutory purposes.

On a retained basis, revenue was slightly higher at £17.3 million, while EBITDA of £2.55 million was 15% ahead of 2008 (2008: £2.22 million). The loss for the year was £7.8 million (2008: £4.0 million). This includes the effect of the disposals in 2008 and the effect of the write down in the carrying value of the Education Division to the disposal value in 2009.

Non-trading items

Non-trading items for the year totalled £0.2 million, relating to redundancy and related staff costs within a number of reorganizations and restructurings within the Group.

Taxation

The utilisation of tax losses in the year has led to a low tax payment in the year and a net tax charge of £0.1 million (2008: credit of £1.0 million) in the year. Whilst the Group continues to seek to optimise its tax position going forward, it is expected that the effective tax rate will increase.

Earnings per Share (EPS)

Basic EPS (before non-trading items, discontinued operations, share based payments credits and amortisation of intangible assets acquired through business combinations) was a loss per share of 5.12 pence (2008: loss per share of 2.62 pence). Normalised EPS on continuing operations was 0.93 pence (2008: 1.25 pence).

Dividends

The Board is proposing a Capital Reduction to be actioned so that a dividend will be able to be declared of 1.00 pence per share (2008: no dividend). Subject to the approval of shareholders at the forthcoming Annual General Meeting, this Capital Reduction will be actioned such that the dividend is intended to be paid on 1st December 2010 to shareholders.

Liquidity and Capital Resources

Interest payable during the year amounted to £0.6 million (2008: £1.1 million). This decrease reflects both the reduction of the gross debt and the reduction in interest rates in the latter half of 2008. Interest receivable was £0.0 million (2008: £0.3 million).

During the year, underlying cash conversion was in line with expectations. The Group generated £2.4 million (2008: £0.3 million) of cash from its operating activities. At the year-end, the Group had cash balances of £0.4 million (2008: £0.1 million) resulting in net debt of £6.6 million (2008: £9.0 million).

During the year, Huveaux repaid £2.1 million of its debt and ended the year with gross bank debt of £7.0 million (2008: £9.1 million). Following the disposal of the Education Division in March 2010, the Group has repaid all of its outstanding debt.

Derivatives and Other Instruments

In 2009, Huveaux's financial instruments comprised bank loans, cash deposits and other items such as normal receivables and payables. The main purpose of these financial instruments is to finance the Group's day-to-day operations.

During 2009, the Company entered into certain derivative transactions in order to manage the financial risk exposures arising from the Group's activities such as interest rate, liquidity and foreign currency risks. The Group's policy is that no speculative trading in derivatives is permitted.

Huveaux PLC
2009 PRELIMINARY RESULTS

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2009

	Note	Audited 2009 £'000	Audited 2008 £'000
Revenue		17,335	20,046
Cost of sales		<u>(11,028)</u>	<u>(12,389)</u>
Gross profit		6,307	7,657
Administrative expenses:			
Non-trading items	2	(178)	(190)
Profit on disposal of subsidiary undertaking	4	-	300
Amortisation of intangible assets acquired through business combinations		(1,349)	(1,754)
Net administrative expenses		<u>(4,213)</u>	<u>(5,863)</u>
Total administrative expenses		(5,740)	(7,507)
Operating profit		567	150
Finance income		14	262
Financing costs		<u>(569)</u>	<u>(1,058)</u>
Profit / (loss) before tax		12	(646)
Income tax (charge) / credit	3	<u>(59)</u>	<u>975</u>
(Loss) / Profit after tax from continuing operations		(47)	329
Results from discontinued operations	4	<u>(7,738)</u>	<u>(4,313)</u>
Loss for the year attributable to equity holders of parent company		<u>(7,785)</u>	<u>(3,984)</u>
Loss per share			
Basic	6	(5.12)p	(2.62)p
Diluted	6	(5.12)p	(2.62)p
Loss per share on continuing operations			
Basic	6	(0.03)p	0.22 p
Diluted	6	(0.03)p	0.22 p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

	Audited 2009 £'000	Audited 2008 £'000
Loss for the year	(7,785)	(3,984)
Exchange differences recognised on disposal of discontinued operations	-	565
Exchange differences on translation of foreign operations	<u>(3)</u>	<u>21</u>
Other comprehensive (loss) / income for the year	(3)	586
Total comprehensive loss for the year attributable to equity holders of parent company	<u>(7,788)</u>	<u>(3,398)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2009

	Note	Audited 2009 £'000	Audited 2008 £'000
Goodwill		18,906	22,847
Intangible assets		15,720	31,024
Property, plant and equipment		132	378
Non-current assets		34,758	54,249
Inventories		123	2,496
Trade and other receivables		2,797	4,967
Derivative financial instruments		35	45
Cash		428	96
Assets classified as held for sale		10,733	-
Current assets		14,116	7,604
Interest bearing loans and borrowings	7	(2,130)	(2,130)
Income tax payable		(311)	(240)
Trade and other payables		(4,077)	(6,207)
Liabilities classified as held for sale		(1,359)	-
Current liabilities		(7,877)	(8,577)
Net current assets / (liabilities)		6,239	(973)
Total assets less current liabilities		40,997	53,276
Interest bearing loans and borrowings	7	(4,880)	(7,010)
Deferred tax liability		(2,601)	(4,937)
Non-current liabilities		(7,481)	(11,947)
Net assets		33,516	41,329
Equity attributable to equity holders of parent company			
Issued capital		15,200	15,200
Share premium		30,816	30,816
Other reserves		409	409
Retained deficit		(12,927)	(5,117)
Translation reserve		18	21
Total equity		33,516	41,329

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2009

	Audited Share Capital	Audited Share Premium	Audited Merger Reserve	Audited Retained Earnings	Audited Translation Reserve	Audited Total Shareholders' Funds
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2008	15,200	30,816	409	25	(565)	45,885
Total comprehensive income						
Loss for the year	-	-	-	(3,984)	-	(3,984)
Transactions with shareholders recorded directly in equity						
Distributions to owners	-	-	-	(1,140)	-	(1,140)
Other comprehensive income						
Exchange differences recognised on disposal	-	-	-	-	565	565
Currency translation differences	-	-	-	-	21	21
Share based payment charge	-	-	-	(18)	-	(18)
At 1 January 2009	15,200	30,816	409	(5,117)	21	41,329
Total comprehensive income						
Loss for the year	-	-	-	(7,785)	-	(7,785)
Other comprehensive income						
Currency translation differences	-	-	-	-	(3)	(3)
Share based payment charge	-	-	-	(25)	-	(25)
	15,200	30,816	409	(12,927)	18	33,516

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2009

	Note	Audited 2009 £'000	Audited 2008 £'000
Loss for the year		(7,785)	(3,984)
Depreciation of property, plant and equipment		109	79
Amortisation of intangible assets acquired through business combinations		1,349	1,754
Amortisation of other intangible assets		355	281
Results from discontinued operations		7,738	4,313
Profit on sale of subsidiary undertaking		-	(300)
Share based payments charges		(12)	(24)
Net finance costs		555	796
Income tax charge / (credit)		59	(975)
Cash flow relating to restructuring provisions		(178)	(899)
Operating cash flows before movements in working capital		2,190	1,041
Change in inventories		100	714
Change in receivables		730	6,612
Change in payables		(222)	(8,059)
Cash generated by operations		2,798	308
Income tax paid		(408)	(22)
Net cash from operating activities		2,390	286
Cash flows from investing activities			
Interest and similar income received		14	262
Proceeds from sale of property, plant and equipment		5	439
Proceeds from sale of subsidiary undertaking		-	4,600
Cash divested with sale of subsidiary undertaking		-	(69)
Acquisition of property, plant and equipment		(70)	(113)
Acquisition of other intangible assets		(262)	(269)
Net cash (used in) / provided by investing activities		(313)	4,850
Cash flows from financing activities			
Interest and similar expenses paid		(684)	(958)
Repayment of borrowings		(2,130)	(11,525)
Dividends paid		-	(1,140)
Net cash used in financing activities		(2,814)	(13,623)
Cash flows from discontinued operations			
Net cash increase from operating activities		2,068	3,687
Net cash from investing activities		(1,006)	3,939
Net cash used in financing activities		-	(196)
Net increase in cash		1,062	7,430
Net increase / (decrease) in cash		325	(1,057)
Opening cash		96	1,994
Effect of exchange rate fluctuations on cash held		7	(841)
Closing cash	8	428	96

Notes to the preliminary announcement
31 December 2009

1 Basis of Preparation

The Group financial statements consolidate those of Huveaux PLC and its subsidiaries (together referred to as the "Group"). The financial statements have been prepared on the basis of the accounting policies set out on pages 10 to 15 of the Huveaux PLC Interim Report for 2009 which have been consistently applied.

The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2009 or 2008. Statutory accounts for 2008 which were prepared under IFRS, have been delivered to the registrar of companies. The auditors have reported on the 2008 accounts; their report was (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under section 237(2) or (3) of the Companies Act 1985. The statutory accounts for 2009 prepared under accounting standards adopted by the EU, will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies in due course.

As required by EU law (IAS regulation EC 1606/2002) the Group's accounts have been prepared in accordance with International Financial Reporting Standards endorsed by the International Accounting Standards Board (IASB) as adopted by the EU ("Adopted IFRS").

2 Non-trading items

	2009	2008
	£'000	£'000
Redundancy and people related costs	178	151
Abortive deal costs	-	39
	178	190

Non-trading items are items which in management's judgement need to be disclosed by virtue of their size, incidence or nature. Such items are included within the income statement caption to which they relate and are separately disclosed either in the notes to the consolidated financial statements or of the face of the consolidated income statement.

Non-trading redundancy and people related costs represent the effect of a Group initiative to reduce costs. Abortive deal costs represent advisory fees relating to the aborted transaction with a private equity firm.

3 Taxation

	2009	2008
	£'000	£'000
Current tax		
Current tax on income for the year at 28% (2008: 28.5%)	573	363
Adjustments in respect of prior periods	(11)	(22)
	562	341
Double taxation relief	(1)	(2)
Overseas tax		
Current tax expense on income for the year at 28% (2008: 28.5%)	1	2
Total current tax expense	562	341
Deferred tax		
Origination and reversal of temporary differences	(500)	(1,126)
Benefit from previously unrecognised tax losses	(3)	(190)
Total deferred tax income	(503)	(1,316)
Total income tax charge / (credit)	59	(975)

The effect of non-trading items charged during the year is to increase the tax charge by £50,000 (2008: £53,000).

The credit to the income statement in respect of deferred tax of £503,000 (2008: £1,316,000) is stated after recording a deferred tax asset of £3,000 (2008: £190,000) in respect of tax losses.

Included within the tax credit to the income statement is £nil of tax-related goodwill written off on the disposal of businesses (2008: £548,000). Included within the tax credit to the income statement is £1,613,000 of tax-related goodwill written off on the impairment of the education division (2008: £nil), which is included in the results of discontinued operations.

The tax charge for the period differs from the standard rate of corporation tax in the UK of 28% (2008: 28.5%). The differences are explained below:

Income tax reconciliation	2009	2008
	£'000	£'000
Profit / (loss) before tax	12	(646)
Notional tax charge at standard rate of 28% (2008: 28.5%)	3	(184)
Effects of:		
Expenses not deductible for tax purposes	607	402
Accelerated capital allowances and temporary differences	(527)	(1,229)
Continued operations sold in the year	-	250
Adjustments to tax charge in respect of prior periods	(11)	(22)
Difference between UK and French tax rates	(10)	-
Recognition of previously unrecognised tax losses	(3)	(190)
Other	-	(2)
Total income tax expense/(credit)	59	(975)

4 Discontinued operations

Discontinued operations for the year ended 31 December 2009 includes the Education Division only. Discontinued operations for the year ended 31 December 2008 includes both the French Healthcare business, which was sold on the 3 June 2008 and the Education Division which has been classified as held for sale as at 31 December 2009. Results attributable to this business were as follows:

	2009	2008
	£'000	£'000
Revenue	7,951	16,277
Cost of sales	(4,452)	(9,554)
Gross profit	3,499	6,723
Non-trading items	(398)	-
Amortisation of intangible assets acquired through business combinations	(1,003)	(1,141)
Impairment of goodwill and intangible assets	(9,171)	-
Other administrative expenses	(2,382)	(4,219)
Operating (loss) / profit	(9,455)	1,363
Net finance costs	2	(188)
(Loss) / profit before tax	(9,453)	1,175
Related income tax	84	(84)
Deferred tax credit arising from intangible assets impaired	1,631	-
Loss on sale of discontinued operations (net of tax)	-	(5,404)
Loss for the period	(7,738)	(4,313)

The comparative income statement has been re-analysed to show the discontinued operations for the Education Division separately from the continuing operations. The cash inflow on the disposal of the French Healthcare business in 2008 after deducting expenses and costs relating to the sale was £6.2 million.

5 Dividends

	2009	2008
	£'000	£'000
The aggregate amount of dividends comprises:		
Final dividends paid in respect of the previous year but not recognised as liabilities in that year	-	1,140

6 (Loss) / Earnings per share

	2009	2008
	£'000	£'000
Loss attributable to shareholders	(7,785)	(3,984)
Add: non-trading items, net of tax	128	137
Add: amortisation of intangible assets acquired through business combinations	1,349	1,754
Add: results from discontinued operations	7,738	4,313
Less: share based payments credit	(12)	(25)
Less: profit on sale of subsidiary undertaking	-	(300)
Normalised profit attributable to shareholders	1,418	1,895

Weighted average number of shares

	2009	2008
	Ordinary Shares	Ordinary Shares
In issue during the year – basic	151,998,453	151,998,453
Dilutive potential ordinary shares	-	238,888
In issue during the year – diluted	151,998,453	152,237,341
Loss per share – basic	(5.12) p	(2.62) p
Loss per share – diluted	(5.12) p	(2.62) p
Normalised earnings per share (as above) - basic	0.93 p	1.25 p
Normalised earnings per share (as above) - diluted	0.93 p	1.24 p
Earnings per share on continuing operations		
(Loss) / earnings per share – basic	(0.03) p	0.22 p
(Loss) / earnings per share – diluted	(0.03) p	0.22 p

7 Interest bearing loans and borrowings

	2009	2008
	£'000	£'000
Borrowings are repayable as follows:		
On demand or within one year	2,130	2,130
Between one and two years	2,130	2,130
Between two and five years	2,750	4,880
	7,010	9,140
Less: Amounts due for settlement within 12 months	(2,130)	(2,130)
Amount due for settlement after 12 months	4,880	7,010

	Audited	Audited
	2009	2008
	£'000	£'000
Borrowings are taken out in the following currencies:		
	Interest	Principal
Sterling	Floating linked to LIBOR	£13,400
Total	7,010	9,140
	7,010	9,140

The weighted average interest rate paid on the bank loans was 5.8% (2008: 6.25%). The floating rates of interest expose the Group to cash flow interest rate risk, which is mitigated by the interest rate caps into which the Group has entered.

The sterling loans represent a £5,400,000 loan taken out in 2006 to finance the acquisition of Parliamentary Monitoring Services Limited and Political Wizard Limited, on which the last repayment is due in December 2012; and an £8,000,000 loan taken out in 2006 to finance the acquisition of Letts Educational Limited and

Leckie & Leckie Limited, on which the last repayment is due in June 2013. All loans are taken out with Bank of Scotland.

In connection with the Group's banking and borrowing facilities with the Bank of Scotland, the Company and its UK subsidiary undertakings have entered into a cross guarantee, which gives a fixed and floating charge over the assets of the UK trading companies of the Group.

The Group estimates the fair value of its loans to be the same as their carrying amount.

At 31 December 2009, the Group had available £2,000,000 (2008: £1,840,000) of undrawn facilities under its working capital facility. Interest on amounts drawn down under this facility is paid at 2% over base rate. The facility expired in March 2010 and was not renegotiated.

On 19 March 2010, subsequent to the sale of the Education Division, the bank loan of £7.01 million was repaid in full.

8 Analysis of net debt

	At 1 January 2009	Cash flow	Reclassification	Exchange movement	At 31 December 2009
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	96	325	-	7	428
Debt due within one year	(2,130)	2,130	(2,130)	-	(2,130)
Debt due after one year	(7,010)	-	2,130	-	(4,880)
	(9,044)	2,455	-	7	(6,582)

Cautionary statement

This press release may contain forward-looking statements based on current expectations or beliefs, as well as assumptions about future events. In that regard, such statements are:

- inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future; and
- not a guarantee of future performance and are subject to factors that could cause the actual results to differ materially from those expressed or implied.

The name Huveaux is a trademark of Huveaux PLC. All other trademarks mentioned herein are the property of Huveaux's respective subsidiary companies. All rights reserved.

The Huveaux PLC 2009 Annual Report and Financial Statements are being posted to shareholders in May 2010 and will be available to the public upon request at the Company's registered office: 4 Grosvenor Place, London, SW1X 7DL.

Copies of recent announcements, including this Preliminary Results announcement, and additional information on Huveaux, can be found at www.huveauxplc.com.

Schedule A (Unaudited)

Reconciliation between operating profit and non-statutory performance measure

The following tables reconcile operating profit as stated in the income statement to EBITDA, a non-statutory measure which the Directors believe is the most appropriate measure in assessing the performance of the Group.

EBITDA is defined by the Directors as being earnings before interest, tax, depreciation, amortisation of assets acquired through business combinations, and non-trading items. Plate cost amortisation is included within cost of sales of the Education Division as management believe this is an appropriate classification.

Year ended 31 December 2009	Operating Profit	Depreciation*	Amortisation and impairment of intangible assets	Non-trading Items**	EBITDA
	£'000	£'000	£'000	£'000	£'000
Political					
Political	1,663	430	1,219	17	3,329
Learning	(107)	17	130	76	116
	1,556	447	1,349	93	3,445
Head Office	(989)	16	-	73	(900)
Results from continuing operations	567	463	1,349	166	2,545
Education (discontinued)	(9,455)	119	10,174	385	1,223
	(8,888)	582	11,523	551	3,768
Year ended 31 December 2008	Operating Profit	Depreciation*	Amortisation and impairment of intangible assets	Non-trading Items**	EBITDA
	£'000	£'000	£'000	£'000	£'000
Political					
Political	1,155	354	1,262	53	2,824
Learning	(103)	24	308	10	239
	1,052	378	1,570	63	3,063
Learning	(42)	52	184	-	194
Head Office	(860)	22	-	(200)	(1,038)
	150	452	1,754	(137)	2,219
Healthcare (discontinued)	226	-	138	-	364
Education (discontinued)	1,137	113	1,003	9	2,262
	1,513	565	2,895	(128)	4,845

* including amortisation of software shown within intangibles.

** including share based payments charges/(credits) and profit on disposal of subsidiary undertaking.