15 February 2006

Huntsworth PLC (“Huntsworth” or the “Company”)

Disposal of Citigate Sard Verbinnen LLC (“CSV”)

INTRODUCTION

Huntsworth announces that it has reached agreement with two of the executives of its US subsidiary Citigate Sard Verbinnen (the “CSV Executives”) regarding a new management participation scheme for the CSV Executives which will result in the disposal of 100 per cent. of CSV by 31 December 2009 (the “Transaction”).

Under the Listing Rules, the Transaction is both a Class 1 and related party transaction and therefore requires, and is conditional upon, the approval of Shareholders. Accordingly, a circular (the “Circular”) containing a notice of an Extraordinary General Meeting will be dispatched to Shareholders shortly.

KEY POINTS

- Huntsworth has entered into agreements with the CSV Executives, conditional upon the approval of Shareholders, which will result in the disposal of 100 per cent. of CSV by 31 December 2009.

- Under these agreements the CSV Executives will purchase 51 per cent. of CSV on 1 January 2007 and acquire the balance no later than 31 December 2009.

- Total disposal proceeds of $20 million (£11.5 million)(present value) being paid as capital proceeds and through earnings of CSV.

- The divestment marks the end of the integration of Huntsworth and Incepta. There will be no further divestments other than small non-core, non-PR businesses where discussions are already in hand.

BACKGROUND TO AND REASONS FOR THE TRANSACTION

Huntsworth has a clear and focussed strategy: to build, on an international scale, a public relations business in the consumer, financial, public affairs and technology sectors alongside a more broadly based communications service to the healthcare industry.

As part of its stated strategy, Huntsworth aims to achieve strong visibility of sustainable annual revenues. In order to achieve this goal, the Group minimises dependence on either any one sector or any PR business with a high percentage of project income even if, in certain exceptional market conditions, excellent margins can be achieved. Huntsworth’s public relations companies are expected to start each financial year with around 70 per cent. of projected fees from annual contracts and long term client commitments.

Financial PR and investor relations are particularly challenging sectors in which to achieve these strategic goals. Such businesses have a strong dependence on project work, which by its nature is more difficult to forecast. Several of Huntsworth's financial PR companies have already aggressively built their retainer base – Citgate Dewe Rogerson, Hudson Sandler and Global Consulting Group have in aggregate over 65 per cent. of their business for 2006 identified. Whilst CSV is an excellent business in a clear niche in the US market, only 35 per cent. of its annual fees are contracted and these are usually on 30 days notice. Some 95 per cent. of all its business is US based with limited intra group referrals since acquisition.

CSV joined the Huntsworth Group in March 2005 as part of the merger with Incepta Group plc. CSV operates in the financial PR and investor relations sectors. Following Huntsworth's strategic review, it became clear that there were differences between Huntsworth and the CSV Executives as to the future of the business within an enlarged Huntsworth Group. These differences were both strategic and cultural and were not capable of resolution during the negotiations that occurred with the CSV Executives on the expiry of their employment contracts.

In the absence of the current transaction, we believe the senior executive team of CSV would leave the Huntsworth Group. In these circumstances, the only remedy available to Huntsworth would be to seek damages through the US Courts – a costly and lengthy process, with no assurance of success. Any such litigation would inevitably involve considerable distraction for senior management. Furthermore, a defection of these senior executives would result in the loss of a very substantial amount of business of CSV, whilst Huntsworth would continue to have significant financial obligations in the US relating to property lease commitments of $17 million (£9.8 million) and staff costs.

Against this background, the Board has decided to sell CSV back to the CSV Executives on the basis set out in this announcement and in the Circular. The Huntsworth Group already owns existing financial, corporate and public affairs businesses in New York and Los Angeles, which have been operating successfully for over three years. The Transaction has been structured on a basis which gives Huntsworth up to four years to invest in and develop its other significant brands in the US. It is the Board's intention to continue to develop a US franchise which shares the Huntsworth strategic goal of strong visibility of revenues and which will be able to enhance the level of cross-referral business with our other consultancies worldwide.

In this transaction the Board of Huntsworth has been advised by Bridgewell.

This summary should be read in conjunction with the full text of the following announcement.

PRESS ENQUIRIES

Huntsworth 020 7408 2232

Lord Chadlington

Roger Selman

Bridgewell 020 7003 3000

Andrew Tuckey

Fred Ward

15 February 2006

Disposal of Citigate Sard Verbinnen

1. Introduction

Huntsworth has reached agreement with two of the executives of one of its US subsidiaries Citigate Sard Verbinnen LLC ("CSV") (the "CSV Executives") regarding a new management participation scheme for the CSV Executives which will result in the disposal of 100 per cent. of CSV by 31 December 2009 (the "Transaction"). As part of the Transaction, Huntsworth and the CSV Executives will enter into the Units Purchase Agreement and the Operating Agreement which are more fully described below.

Under the Listing Rules, the Transaction is both a Class 1 and related party transaction and therefore requires, and is conditional upon, the approval of Shareholders. The Transaction is regarded as a related party transaction as the CSV Executives, George Sard and Paul Verbinnen, are directors of CSV, which is a subsidiary of Huntsworth. A notice convening an Extraordinary General Meeting to seek Shareholders' approval for the Transaction will be included in the Circular.

2. Background to and reasons for the transaction

Huntsworth has a clear and focussed strategy: to build, on an international scale, a public relations business in the consumer, financial, public affairs and technology sectors alongside a more broadly based communications service to the healthcare industry.

As part of its stated strategy, Huntsworth aims to achieve strong visibility of sustainable annual revenues. In order to achieve this goal, the Group minimises dependence on either any one sector or any PR business with a high percentage of project income even if, in certain exceptional market conditions, excellent margins can be achieved. Huntsworth's public relations companies are expected to start each financial year with around 70 per cent. of projected fees from annual contracts and long term client commitments.

Financial PR and investor relations are particularly challenging sectors in which to achieve these strategic goals. Such businesses have a strong dependence on project work, which by its nature is more difficult to forecast. Several of Huntsworth's financial PR companies have already aggressively built their retainer base – Citigate Dewe Rogerson, Hudson Sandler and Global Consulting Group have in aggregate over 65 per cent. of their business for 2006 identified. Whilst CSV is an excellent business in a clear niche in the US market, only 35 per cent. of its annual fees are contracted and these are usually on 30 days notice. Some 95 per cent. of all its business is US based with limited intra group referrals since acquisition.

CSV joined the Huntsworth Group in March 2005 as part of the merger with Incepta Group plc. CSV operates in the financial PR and investor relations sector. Following Huntsworth's strategic review, it became clear that there were differences between Huntsworth and the CSV Executives as to the future of the business within an enlarged Huntsworth Group. These differences were both strategic and cultural and were not capable of resolution during the negotiations that occurred with the CSV Executives on the expiry of their employment contracts.

In the absence of the current transaction, we believe the senior executive team of CSV would leave the Huntsworth Group. In these circumstances, the only remedy available to Huntsworth would be to seek damages through the US Courts – a costly and lengthy process, with no assurance of success. Any such litigation would inevitably involve considerable distraction for senior management. Furthermore, a defection of these senior executives would result in the loss of a very substantial amount of business of CSV, whilst Huntsworth would continue to have significant financial obligations in the US relating to property lease commitments of $17 million (£9.8 million) and staff costs.

Against this background, the Board has decided to sell CSV back to the CSV Executives on the basis set out in this announcement and in the Circular. The Huntsworth Group already owns existing financial, corporate and public affairs businesses in New York and Los Angeles, which have been operating successfully for over three years. The Transaction has been structured on a basis which gives Huntsworth up to four years to invest in and develop its other significant brands in the US. It is the Board's intention to continue to develop a US franchise which shares the Huntsworth strategic goal of strong visibility of revenues and which will be able to enhance the level of cross-referral business with our other consultancies worldwide.

This divestment marks the end of the integration of Huntsworth with Incepta. There will be no further divestments other than small non-core, non-PR businesses where discussions are already in hand.

3. Information on CSV

CSV was founded in 1992 by George Sard and Paul Verbinnen and provides strategic corporate, financial and crisis communications advice and services to clients including Fortune 500 companies, smaller public companies, financial and professional services firms, privately held firms and high-profile individuals. The company is headquartered in New York with offices in Chicago and San Francisco and currently employs 65 staff members.

George Sard is Chairman and Chief Executive Officer of CSV. Before co-founding Sard Verbinnen in 1992, George was Chairman of the flagship New York office of Ogilvy Adams & Rinehart, a corporate and financial public relations firm.

Paul Verbinnen is President of CSV. Before co-founding Sard Verbinnen in 1992, Paul was Executive Vice President, International for The Ogilvy Public Relations Group, and a Managing Director of Ogilvy Adams & Rinehart.

The following financial information has been extracted without material adjustment from the consolidation schedules which support the audited financial statements for Incepta, acquired by Huntsworth pursuant to the Merger, for the years ended 28 February 2003, 29 February 2004 and 28 February 2005. Investors should read the financial information contained in the Circular and not rely solely on the summarised financial information contained in this announcement.

	Year ended 28 February 2005 £ 000	Year ended 29 February 2004 £ 000	Year ended 28 February 2003 £ 000
Gross profit	**9,713**	**10,870**	**11,590**
Administrative expenses	(6,710)	(6,875)	(6,140)
Operating profit	**3,003**	**3,995**	**5,450**
Net interest payable	-	-	(440)
Profit on ordinary activities before taxation	**3,003**	**3,995**	**5,010**
Tax on profit on ordinary activities	-	-	-
Profit for the financial period	**3,003**	**3,995**	**5,010**
Foreign currency exchange rate used for consolidation purposes £:$	**1.841**	**1.661**	**1.527**

4. Principal terms and conditions of the Transaction

As part of the Transaction, Huntsworth and the CSV Executives will enter into the Units Purchase Agreement and the Operating Agreement. Under these agreements, the CSV Executives will purchase from Huntsworth 51 per cent. of the Units of CSV on 1 January 2007 for an aggregate cash consideration of \$2.5 million (£1.4 million). Subject to the conditions set out in the Circular, they will have an obligation to purchase the balance (49 per cent.) no later than 31 December 2009 (the “Final Purchase”) for a total cash consideration of up to \$20 million (£11.5 million) including the \$2.5 million (£1.4 million) payment above and cash distributions from CSV.

Immediately prior to the purchase by the CSV Executives of 51 per cent. of the Units, CSV will distribute to Huntsworth undistributed earnings from 2006 up to a 21 per cent. operating margin. In addition, in the six months to 30 June 2007, CSV will distribute to Huntsworth up to \$2.7 million (£1.6 million) for the excess of net tangible assets at 31 December 2005 over an agreed working capital amount.

In consideration for the CSV Executives entering into a legally binding purchase commitment for the Units, and subject to approval of the Transaction by Shareholders, Huntsworth will pay the CSV Executives and other CSV senior management a transaction payment (the "Conditional Transaction Payment") amounting to, in aggregate, $1 million (£0.6 million).

Further details of the Units Purchase Agreement and Operating Agreement are provided in the Circular.

5. Financial effects of the Transaction

(i) CSV

In the year to 28 February 2005, CSV generated revenues and profit before tax of £9.7 million and £3.0 million respectively. As at 28 February 2005 the gross assets of CSV were £52.6 million and the net assets were £51.7 million including intangible assets and intercompany balances.

(ii) Effects on the balance sheet and profits of Huntsworth

In consideration for the sale of CSV to the CSV Executives, Huntsworth will receive the following:

- On 1 January 2007, the CSV Executives will pay Huntsworth $2.5 million (£1.4 million) in return for 51 per cent. of CSV.
- As of 31 December 2009, or at any prior time that Lord Chadlington shall cease to serve as Chief Executive Officer of Huntsworth or in the event that Huntsworth is in default under any material financial obligation, the CSV Executives may acquire Huntsworth's 49 per cent. share of CSV for an amount (present value as at 1 January 2006, calculated at an annual discount rate of 6 per cent.) equal to $20 million (£11.5 million) less the present value as at 1 January 2006 (calculated at an annual discount rate of 6 per cent.) of:
    - o the $2.5 million (£1.4 million) payment received from the CSV Executives for the initial purchase of 51 per cent. of the business; and
    - o the cash distributions from CSV from and after 1 January 2006 received by Huntsworth described below.

- If they have not already done so by 31 December 2009, the CSV Executives must complete the purchase of CSV on that date with the price to be determined as the outstanding balance of $20 million (£11.5 million)(present value as at 1 January 2006, calculated at an annual discount rate of 6 per cent.), according to the formula above.
- In the period to 31 December 2006 Huntsworth will be entitled to receive the lower of:
    - o CSV's cash EBIT, and
    - o 21 per cent. of CSV's gross revenues.

- Following the disposal of 51 per cent. of CSV and until the date of the Final Purchase, Huntsworth will be entitled to receive the lower of:
    - o 49 per cent. of CSV's cash EBIT, and
    - o 10.29 per cent. of CSV's gross revenues.

Under certain circumstances Huntsworth may receive additional distributions from CSV. The balance, if any, of the initial consideration received from the CSV Executives, net of transaction costs and the Conditional Transaction Payment, will be used for general corporate purposes and to pay down debt. The net proceeds receivable from the Final Purchase will provide further financial flexibility for the Huntsworth group to develop and grow other subsidiaries and the Huntsworth group as a whole.

From and after 1 January 2007, CSV's contribution to the Company's earnings is expected to be lower than it would have been had CSV continued to remain wholly owned by the Company, and had the CSV executives continued to work for CSV. However during the period prior to Final Purchase, the Company plans to replace these earnings by investing and developing its other significant brands in the US.

Completion of the Transaction will have the following impact on the Continuing Group's balance sheet. There will be a reduction of tangible fixed assets of approximately £220,000. Intangible fixed assets on CSV's balance sheet at 28 February 2005 of £37.0 million represent historical goodwill recorded when Incepta acquired CSV. Following Huntsworth's merger with Incepta in April 2005, the value of these intangible assets was adjusted to a value of £23.0 million in Huntsworth's consolidated balance sheet. As a result of the Transaction, that figure will be reduced further by approximately £12.0 million. The residual balance represents the implied goodwill value which will remain in the accounts as a result of the Transaction. The overall effect will therefore be to reduce the Continuing Group's fixed assets by approximately £12.2 million.

As CSV has minimal work in progress and cash on its balance sheet, debtors make up the vast majority of its £15.4 million of current assets. Approximately £12.7 million of these debtors relate to inter-company balances which do not form part of the disposal assets as they will be cleared through distributions to Huntsworth immediately prior to the completion of the Transaction. The reduction to the Continuing Group's debtors will therefore be approximately £2.7 million. Huntsworth will also receive $2.5 million (£1.4 million) in consideration for the disposal of 51 per cent. of CSV. After the deduction of advisory fees and other costs of approximately $2 million (£1.2 million), the resulting increase in cash at 1 January 2007 will be of the order of £300,000 (assuming an exchange rate of £0.60 to $1.00). In addition, Huntsworth will receive over the six month period to 30 June 2007 a distribution of approximately $2.7 million (£1.6 million) representing the excess of net tangible assets at 31 December 2005 over an agreed working capital amount resulting in a further increase in cash of approximately £1.8 million over this period.

CSV has minimal short term creditors and no long term creditors, so the only effect on the Continuing Group's liabilities will be to reduce short term liabilities by approximately £0.9 million.

The information on CSV in this section has been extracted without material adjustment from the financial information set out in the Circular. Investors should read the whole of the Circular and not rely solely on the summary financial information contained in this announcement.

DEFINITIONS

"Board"	the current board of directors of Huntsworth, whose names are set out in the Circular
"Bridgewell"	Bridgewell Securities Limited
"Circular"	the circular to be posted to shareholders shortly
"CSV"	Citigate Sard Verbinnen LLC
"CSV Executives"	George Sard and Paul Verbinnen
"Continuing Group"	Huntsworth PLC and/or its subsidiary undertakings as the context may require, excluding the business interests of CSV
"EBIT"	earnings before interest and tax
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of Huntsworth, notice of which is set out at the end of the Circular, or any adjournment thereof
"Final Purchase"	the purchase by the CSV Executives of the balance (49 per cent.) of the Units on or before 31 December 2009
"Huntsworth" or the "Company"	Huntsworth PLC and/or its subsidiary undertakings as the context may require
"Incepta"	Incepta Group PLC
"Listing Rules"	the listing rules prepared by the Financial Services Authority in its capacity as the competent authority under Part VI of the Financial Services and Markets Act 2000
"Operating Agreement"	the operating agreement between Huntsworth and the CSV Executives which is described in the Circular
"Shareholder" or "Shareholders"	a holder of Shares

“Shares” or “Ordinary Shares”	ordinary shares of 50 pence each in the share capital of Huntsworth
“Transaction”	the transaction described in the Circular
“Units”	membership interests of CSV
“Units Purchase Agreement”	the agreement between Huntsworth and the CSV Executives which is described in the Circular
“US”	the United States of America

Unless otherwise stated, the exchange rate used in this document is £1:$1.735