

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolutions to be voted on at the General Meeting of the Company to be held at 9.00 a.m. on 4 October 2013. If you are in any doubt about the contents of this document and/or the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Huntsworth Shares you should send this document and the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, the distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into any Restricted Jurisdiction.

A copy of this document, which comprises (i) a prospectus relating to the New Huntsworth Shares prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the “FCA”) made under section 84 of FSMA and (ii) a circular relating to the Subscription prepared in accordance with the Listing Rules of the FCA, has been approved by the FCA and has been made available to the public as required by section 3.2 of the Prospectus Rules.

You should read the whole of this document and any documents incorporated herein by reference. In particular, your attention is drawn to the letter from the Chairman on pages 19 to 24 which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting to be held at 9.00 a.m. on 4 October 2013. Shareholders should also review the factors described in the “Risk Factors” section of this document.

HUNTSWORTH PLC

*(Incorporated under the Companies Act and registered in England and Wales
with Registered No. 1729478)*

Strategic alliance with BlueFocus Communication Group Co. Ltd., proposed issue of 63,000,000 new ordinary shares in the Company to BlueFocus International Limited, and application for admission of 63,000,000 new ordinary shares in the Company to the Official List and to trading on the London Stock Exchange’s main market for listed securities

and

Notice of General Meeting

Application will be made to the UKLA for the New Huntsworth Shares to be admitted to the Official List, and will be made to the London Stock Exchange for the New Huntsworth Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission to the Official List and to trading on the London Stock Exchange will become effective, and that dealings in the New Huntsworth Shares will commence at 8.00 a.m. on the Business Day immediately following the General Meeting.

Investors should only rely on the information contained in this document and any documents incorporated herein by reference. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. The Company will comply with its obligation, if any, to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

The Notice of General Meeting of the Company to be held at 29 Cloth Fair, London EC1A 7NN on 4 October 2013 at 9.00 a.m. is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed and, to be valid, should be completed and returned as soon as possible, but in any event so as to be received at the offices of the Company’s registrar, Computershare

Investor Services PLC, by no later than 9.00 a.m. on 2 October 2013. Return of a Form of Proxy will not prevent Huntsworth Shareholders from attending the General Meeting. Voting directions and proxy appointments may also be completed electronically and details are given in the Notice of General Meeting set out at the end of this document.

THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OF, OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY, ANY HUNTSWORTH SHARES TO ANY PERSON IN ANY JURISDICTION AND IS NOT FOR DISTRIBUTION IN OR INTO ANY RESTRICTED JURISDICTION, EXCEPT AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION AND PURSUANT TO APPLICABLE LAWS.

Any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document or any accompanying documents to any Restricted Jurisdiction should seek appropriate advice before taking any action.

This document is not an offer of securities for sale in the United States. The New Huntsworth Shares have not and will not be, registered under the US Securities Act or under the securities law of any state, district or other jurisdiction of the United States. The New Huntsworth Shares may not be offered, sold or delivered directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

Numis Securities Limited is acting for Huntsworth and no-one else in connection with the Subscription and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Subscription and will not be responsible for providing the protections afforded to its clients nor for giving advice in relation to the Subscription or any transaction or arrangement referred to, or information contained in, this document.

Quayle Munro Limited is acting for Huntsworth and no-one else in connection with the Subscription and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Subscription and will not be responsible for providing the protections afforded to its clients nor for giving advice in relation to the Subscription or any transaction or arrangement referred to, or information contained in, this document.

Dated: 18 September 2013.

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SUMMARY

Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are numbered in Sections A-E (A.1—E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element might be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of words “not applicable”.

Section A—Introduction and warnings		
<u>Element</u>		
A.1	Introduction	<p>The following should be read as an introduction to the more detailed information appearing elsewhere in this document.</p> <p>Any decision by a prospective investor to invest in the securities should be based on a consideration of the document as a whole. Investors should therefore read this entire document and not rely solely on this summary.</p> <p>Where a claim relating to the information contained in this document is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this document before the legal proceedings are initiated.</p> <p>Civil liability attaches to the Directors and the Company, who are responsible for this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the document or it does not provide, when read together with the other parts of the document, key information in order to aid investors when considering whether to invest in the securities.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable: the Company is not engaging any financial intermediaries for any resale of securities or final placement of securities after publication of this document.

Section B—Issuer		
<u>Element</u>		
B.1	Legal and commercial name	Huntsworth PLC
B.2	Domicile/legal form/legislation/country of incorporation	The Company is a public limited company, incorporated in England and Wales with its registered office situated in England and Wales. The principal legislation under which the Company operates is the Companies Act and regulations made thereunder.
B.3	Current operations/principal activities and markets	Huntsworth is an international public relations and healthcare communications business with 73 principal offices in 28 countries worldwide. It owns a portfolio of companies comprising expertise in consumer, corporate and financial public relations, public affairs, and healthcare communications. The Huntsworth Group is aligned under four principal consultancy brands: Citigate, Grayling, Huntsworth Health and Red.

<p>Element</p>		<p>Citigate offers a range of communications services including financial communications, investor relations, merger and acquisition advice, share offer communications, digital communications and crisis communications to companies, both domestically and internationally, from offices in the UK, Europe, Asia and the Middle East.</p> <p>Grayling is a public relations network with offices in Western, Central and Eastern Europe, the USA and the Asia-Pacific region. It offers services in public relations, public affairs, investor relations, events and digital communications.</p> <p>Grayling serves industry sectors including energy, environment and industry, healthcare and pharmaceutical, financial and professional services, technology, media and telecoms, consumer brands and government and public sector.</p> <p>Huntsworth Health comprises agencies that deliver healthcare communications programs to healthcare professionals, patients, consumers and payers in four key areas: brand experience, consulting and analytics, medical communications and public relations. Services provided to clients include brand development, marketing and communication planning, interactive marketing, medical writing and publications planning.</p> <p>The Red Consultancy is a UK public relations agency with six practice areas: consumer, corporate, design, ethical healthcare, social and technology.</p>
<p>B.4</p>	<p>Recent trends</p>	<p>On 8 August 2013, Huntsworth published its interim results for the six months to 30 June 2013, noting that Huntsworth is on track to meet full year management expectations.</p>
<p>B.5</p>	<p>Description of Issuer's group</p>	<p>The Company is an international public relations and healthcare communications business with 73 principal offices in 28 countries worldwide. It owns a portfolio of companies comprising expertise in consumer, corporate and financial public relations, public affairs, and healthcare communications.</p>
<p>B.6</p>	<p>Shareholders</p>	<p>At the date of this document, insofar as is known to the Company, the following will be interested in 3% or more of the Company's capital:</p> <ul style="list-style-type: none"> • Aberforth Partners (15.07%); • Fidelity International (8.7%); • Terence M. Graunke, Paul G. Yovovitch and Lake Capital Partners (9.38%); • Baillie Gifford (4.41%); and • Wellcome Trust (3.95%). <p>The Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p> <p>All Huntsworth Shares have the same voting rights.</p>

Element	Selected historical key financial information	For the six months ended 30 June						
		2013	2012	2012	2011	2010		
		£'000	£'000	£'000	£'000	£'000		
B.7	Selected historical key financial information	Revenue	88,890	88,205	173,030	176,257	173,599	
		Operating profit before highlighted items	12,448	13,683	26,547	23,502	29,649	
		Highlighted items—operating expenses	(2,329)	(2,021)	(3,613)	(8,551)	(4,879)	
		Net finance costs	(1,807)	(2,110)	(4,089)	(4,376)	(2,937)	
		Share of profit of associates	—	—	—	—	10	
		Profit/(loss) before tax	8,312	9,552	18,845	10,575	21,843	
		Non-current assets	308,546	304,074	299,429	307,771	298,201	
		Net current (liabilities)/assets	(5,168)	(7,706)	(10,549)	(7,795)	(21,241)	
		Net assets	225,321	210,300	214,157	210,095	206,426	
		Equity shareholders' funds	225,321	210,300	214,157	210,095	206,426	
		Net debt	(69,033)	(69,595)	(66,863)	(71,099)	(52,883)	
		Basic earnings per share	2.6p	3.2p	6.3p	4.1p	7.4p	
		Diluted earnings per share	2.5p	3.1p	6.1p	3.9p	7.1p	
		Adjusted basic earnings per share	3.3p	3.7p	7.1p	6.5p	8.7p	
		Adjusted diluted earnings per share	3.1p	3.5p	6.9p	6.2p	8.4p	
		Interim dividend	1.0p	1.0p	1.0p	1.0p	0.9p	
		Final dividend	n/a	n/a	2.5p	2.5p	2.6p	
		Share price—high	62.25p	51.25p	53.0p	85.0p	87.5p	
		Share price—low	39.25p	32.25p	32.25p	35.5p	60.75p	
		Adjusted basic and diluted earnings per share are calculated based on profit for the year adjusted for highlighted items and the related tax effects.						
		<i>Cash flow</i>						
				Year to 31 December	2012	2011	2010	
					£'000	£'000	£'000	
				Net cash inflow from operating activities	17,047	17,960	20,073	
				Net cash outflow from investing activities	(4,586)	(27,450)	(16,771)	
				Net cash inflow/(outflow) from financing activities	(12,994)	5,960	(3,598)	
				Increase/(decrease) in cash and cash equivalents	(533)	(3,530)	(296)	
		There has been no significant change in the financial or trading position of the Huntsworth Group since 30 June 2013, the date to which the last audited consolidated financial information of the Huntsworth Group in Part VI: "Historical Financial Information on Huntsworth" was published, up until the date of this document.						
		B.8	Selected historical pro forma financial information	<p>The unaudited pro forma statement of net assets set out below (the "pro forma financial information") has been prepared to illustrate the effect on the consolidated net assets of the Huntsworth Group as if the proposed offer of New Huntsworth Shares to BlueFocus International and Admission had taken place on 31 December 2012.</p> <p>The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Huntsworth Group's actual financial position or results.</p> <p>The pro forma financial information is based on the consolidated net assets of the Huntsworth Group as at 31 December 2012, set out in the audited consolidated financial statements of the Huntsworth Group for the year ended 31 December 2012, and has been prepared in a manner consistent with the accounting policies</p>				

Element			The Group as at 31 December 2012 (note 1)	Net placing proceeds (note 3)	Pro forma net assets of the Group
			£'000	£'000	£'000
		adopted by the Company in preparing such information and on the basis set out in the notes set out below.			
		Assets			
		Non-current assets	299,429	—	299,429
		Current assets	52,029	—	52,029
		Total assets	351,458	—	351,458
		Liabilities			
		Current liabilities	(62,578)	—	(62,578)
		Non-current liabilities			
		Bank loans and overdrafts	(65,156)	34,500	(30,656)
		Other non-current liabilities	(9,567)	—	(9,567)
		Non-current liabilities	(74,723)	34,500	(40,223)
		Total liabilities	(137,301)	34,500	(102,801)
		Net assets	214,157	34,500	248,657
		Notes:			
		1. The net assets of the Huntsworth Group at 31 December 2012 have been extracted without material adjustment from the audited consolidated financial statements of the Group for the year ended 31 December 2012 which are incorporated by reference in this document.			
		2. Had the proposed offer of New Huntsworth Shares to BlueFocus International taken place on 1 January 2012, the earnings of the Huntsworth Group would have been enhanced on an after-tax basis by the reduction in interest payable as a result of the debt repaid (net of any costs incurred in relation to the debt repayment). However, this does not mean that the future earnings of the Huntsworth Group will necessarily match, exceed or fall short of its historical published earnings.			
		Adjustments:			
		3. The placing is estimated to raise net proceeds of £34.5 million (£36.5 million gross proceeds less estimated expenses of £2.0 million).			
		4. No account has been taken of the financial performance of the Huntsworth Group since 31 December 2012, nor of any other event save as disclosed above.			
B.9	Profit forecast/ estimate	Not applicable: no profit forecasts or estimates have been made.			
B.10	Audit report— qualifications	Not applicable: there are no qualifications in the accountant's report on the historical financial information.			
B.11	Insufficient working capital	Not applicable: the Huntsworth Group has sufficient working capital.			

Section C—Securities		
Element		
C.1	Description of the type and class of the securities being offered	<p>The New Huntsworth Shares are ordinary shares in Huntsworth PLC.</p> <p>The nominal value of the total issued ordinary share capital of the Company immediately following Admission will be £3,214,540.17 divided into 321,454,017 ordinary shares of £0.01 each, which are issued fully paid.</p> <p>The ISIN of the Existing Huntsworth Shares and the New Huntsworth Shares is GB00B0CRWK29.</p>
C.2	Currency of issue	The New Huntsworth Shares are denominated in British pounds sterling.
C.3	Issued share capital	<p>There are at the date of this document 258,454,017 Huntsworth Shares (all of which are fully paid).</p> <p>The Huntsworth Shares have a par value of £0.01.</p>
C.4	Rights attaching to the Ordinary Shares	<p>The Huntsworth Shares rank equally for voting purposes. On a show of hands each Huntsworth Shareholder has one vote, and on a poll each Huntsworth Shareholder has one vote per Huntsworth Share held.</p> <p>Each Huntsworth Share ranks equally for any dividend declared.</p> <p>Each Huntsworth Share ranks equally for any distributions made on a winding up of the Company.</p>
C.5	Restrictions on transfer	<p>The Huntsworth Shares are freely transferable, save that the Huntsworth Board may decline to register a transfer of:</p> <ul style="list-style-type: none"> • a share which is not a fully paid share; • a certificated share unless the instrument of transfer: (i) is duly stamped or certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty and is accompanied by the relevant share certificate and such other evidence of the right to transfer as the board may reasonably require; (ii) is in respect of only one class of share; and (iii) if to joint transferees, is in favour of not more than four such transferees; • an uncertificated share: (i) in the circumstances set out in the Uncertificated Securities Regulations 2001; and (ii) where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four; and • certificated shares by a person holding a 0.25 per cent. interest if such a person has been served with a section 793 Companies Act notice after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act.

Element C.6	Admission to trading	Application will be made to the UKLA and London Stock Exchange for the New Huntsworth Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.
C.7	Dividend policy	<p>The Huntsworth Board's existing policy on dividends is to align returns to Huntsworth Shareholders with the underlying business performance of the Huntsworth Group and to balance investor expectations with the capital demands required to promote the Huntsworth Group's growth strategy.</p> <p>On 8 August 2013, the Board announced that it would maintain the interim dividend at 1 pence per share in the current financial year. The Board will review the final dividend, in accordance with dividend policy, in the second half of the financial year.</p>

Section D—Risks		
Element		
D.1	Key information on key risks that are specific to the Issuer or its industry	<ul style="list-style-type: none"> • PR service industries are highly dependent on key personnel and relationships with clients. The Huntsworth Group's future success is therefore substantially dependent on: (i) the continued services and continuing contributions of the Huntsworth Directors, senior management and other key personnel; and (ii) those key personnel maintaining relationships with existing clients and continuing to attract new clients. • Clients of companies in the PR and communications industry are able to switch agencies upon short notice. The loss of key clients or the failure to attract new clients through the breakdown of relationships or the departure of key personnel could have a material adverse effect on the Huntsworth Group's businesses. • The Huntsworth Group's largest client represents four per cent. of revenue, and the Huntsworth Group's top ten clients account for 20% of revenue. Any loss of a key client would result in reduced revenues and profits and potentially an inability to recover amounts due under the contract with that particular key client. Loss of, or a reduction in spending by, a key client which the Company is not able to replace from other sources would adversely affect the Huntsworth Group's financial condition and results of operations. • Huntsworth's industry is highly competitive and the Huntsworth Group may face significant competition, both actual and potential. By comparison with many of its industry competitors, the Huntsworth Group has substantially smaller capital resources at its disposal. There is no assurance that the Huntsworth Group will be able to compete successfully in a highly competitive market place and, if it cannot, market share and profits may decrease. Aggressive price competition can also lead to reduced revenues and margins.

Element		<ul style="list-style-type: none"> • The Huntsworth Group is affected by economic downturn and downturn in the PR industry which may result in fewer new client mandates for the Huntsworth Group, longer procurement processes and a squeeze on pricing, or an outright reduction in business. In addition, weak economic conditions can put pressure on the Huntsworth Group's working capital as a result of longer payment periods and due to an increased risk of bad debts. Economic uncertainty in Europe, where Huntsworth has significant operations, exacerbates this risk.
D.3	Key information on key risks relating to the Ordinary Shares	<ul style="list-style-type: none"> • The market price of the Huntsworth Shares could be subject to significant fluctuations due to a change in sentiment in the stock market regarding the Huntsworth Shares or securities similar to them. • The dividend policy of the Huntsworth Group is dependent upon its financial condition and on the continued health of the markets in which it operates. There can be no guarantee that the Huntsworth Group will be able to sustain its dividend policy in the future. • Following Admission, BlueFocus International will be interested in approximately 19.6% of the Company's issued share capital. The interests of BlueFocus International and the Existing Huntsworth Shareholders may not be aligned. • There can be no assurance that BlueFocus International will not elect to sell its New Huntsworth Shares. Such sales, or the perception that such sales could occur, may materially adversely affect the market price of the Huntsworth Shares.

Section E—Offer		
Element		
E.1	Net proceeds/ expenses	The Company will receive approximately £34.5 million net proceeds from the Subscription (after deducting expenses of approximately £2 million).
E.2	Reasons for the offer/use of proceeds	The Board proposes to use the proceeds of the Subscription to reduce bank borrowing, which will give the Company additional flexibility in the execution of its three-part revenue growth strategy. This strategy involves building digital and social media expertise; broadening Huntsworth's geographic base to better serve multi-office contracts and to better cover faster growing regions, and investing further in the skills and expertise of its people.
E.3	Terms and conditions of the offer	<p>The Subscription Agreement provides for the issue of the New Huntsworth Shares to BlueFocus International. BlueFocus, the parent company, has entered into the Subscription Agreement in order to guarantee the obligations of BlueFocus International (subject to certain conditions).</p> <p>The Subscription is conditional, amongst other things, upon:</p> <p>(A) the passing of:</p> <p>(i) a special resolution authorising the Directors to allot and issue the New Huntsworth Shares and disapplying the pre-emption rights of the Huntsworth Shareholders in relation to the issue of the New Huntsworth Shares;</p>

Element		
		<p>(ii) a special resolution authorising the Directors to allot and issue additional new Huntsworth Shares which might fall to be issued pursuant to the Additional Subscription Right; and</p> <p>(iii) an ordinary resolution authorising the appointment of Oscar Zhao to the Board of Directors (effective on Admission) (resolutions (i), (ii) and (iii) together, the “Resolutions”);</p> <p>(B) the granting of approval for the Subscription by the National Development and Reform Commission of the People’s Republic of China (the “BlueFocus International Regulatory Condition”); and</p> <p>(C) Admission of the New Huntsworth Shares occurring not later than 8.00 a.m. on 31 October 2013 (or such other date as the parties may agree in writing).</p> <p>The Company has undertaken to use its best endeavours to procure that the Resolutions are passed by 14 October 2013.</p> <p>The BlueFocus International Regulatory Condition was satisfied on 29 July 2013. This condition was the main substantive approval required by BlueFocus and BlueFocus International in order to effect the Subscription.</p> <p>BlueFocus had agreed to provide a guarantee of BlueFocus International’s obligations under the Subscription Agreement. To provide this guarantee, BlueFocus undertook to procure that the following conditions were satisfied by 31 July 2013:</p> <p>(A) the granting of approval for the guarantee by the State Administration of Foreign Exchange of the People’s Republic of China; and</p> <p>(B) shareholder approval being obtained from BlueFocus’ shareholders in respect of the guarantee (conditions (i) and (ii) the “Subscriber Guarantee Approvals”).</p> <p>The Subscriber Guarantee Approvals were not obtained by 31 July 2013 and the guarantee of BlueFocus International’s obligations has not been put in place. To address the lack of certainty that the absence of a guarantee gave rise to, alternative escrow arrangements have been put in place. Under these arrangements, BlueFocus International transferred £36,540,000 to Huntsworth. Such funds are being held in escrow by Huntsworth as agent for BlueFocus International until Admission, at which point the funds become legally and beneficially Huntsworth’s, or until the long stop date of 31 October 2013, at which point, if Admission has not occurred, the funds will be transferred back to BlueFocus International.</p>

Element		<p>Should the conditions to completion not be satisfied, or certain other events not take place in accordance with a timetable set out in the Subscription Agreement, BlueFocus and Huntsworth each have the right in specified situations to terminate the Subscription Agreement and upon termination a break fee will be payable.</p> <p>The Subscription Agreement also provides for BlueFocus International to have a right to appoint a non-executive Director to the Board of Huntsworth. Pursuant to this right Mr Oscar Zhao, founder and CEO of BlueFocus, will join the Huntsworth Board on Admission.</p> <p>Additionally, the Subscription Agreement provides BlueFocus International two rights to protect its interest in the Company from being diluted, both subject to conditions:</p> <p>(A) a right for BlueFocus International to participate in any issue of Huntsworth Shares for cash consideration such that BlueFocus International will not be diluted by the proposed issue; and</p> <p>(B) a right to subscribe for additional Shares representing up to 5 per cent. of Huntsworth's fully diluted share capital where the Company decides to issue Shares for non-cash consideration. This right is to last for three years from the date of Admission and is limited to the number of shares such that BlueFocus' interest is not diluted. The price is based on the prevailing market price at the time the right is exercised. The right will lapse upon any offer to purchase the entire issued and to be issued share capital of the Company becoming unconditional in all respects.</p>
E.4	Material interests	<p>Immediately following Admission, the following will be interested in 3% or more of the Company's capital:</p> <ul style="list-style-type: none"> • BlueFocus International (19.6%); • Aberforth Partners (12.12%); • Terence M. Graunke, Paul G. Yovovitch and Lake Capital Partners (7.54%); • Fidelity International (7.0%); • Baillie Gifford (3.55%); and • Wellcome Trust (3.18%). <p>There are no conflicting interests that are material to the Subscription.</p>
E.5	Selling shareholders'/ lock-up arrangements	Not applicable: there are no selling shareholders.
E.6	Dilution	63,000,000 New Huntsworth Shares will be issued pursuant to the Subscription. The Existing Huntsworth Shares will represent 80.4% of the total issued ordinary shares following Admission.
E.7	Estimated expenses charged to investor	Not applicable: there are no commissions, fees or expenses to be charged to investors by the Company.

RISK FACTORS

A number of factors affect the operating results, financial condition and prospects of the Huntsworth Group. Prospective investors should note that the risks relating to the Huntsworth Group, its industry and the New Huntsworth Shares summarised in the section of this document headed “Summary” are the risks that the Huntsworth Directors believe to be the most essential to the assessment by a prospective investor of whether to consider an investment in the New Huntsworth Shares. However, as the risks which the Huntsworth Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed “Summary” but also, among other things, the risks and uncertainties described below.

This section describes the risk factors which are considered by the Huntsworth Directors to be material in relation to the Huntsworth Group. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties and should be used as guidance only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or the scope of any potential harm to the Huntsworth Group’s business, prospects, results of operation and financial position. Additional risks and uncertainties that are not presently known to the Huntsworth Directors, or which they currently deem immaterial, may also have an adverse effect on the Huntsworth Group’s operating results, financial condition and prospects. The information given is as of the date of this document and is not updated. Any forward-looking statements are made subject to the reservations specified under “Forward-Looking Statements” in the section of this document headed “Presentation of Information”.

You should consider carefully the risks and uncertainties described below, together with all other information contained in this document and the information incorporated by reference herein, before making any investment decision.

1. Risks Relating to the Huntsworth Group

The Huntsworth Group is subject to a variety of possible risks that could adversely impact the financial performance of the Huntsworth Group which could in turn have a material adverse effect on the revenues, results of operations, financial condition, share price performance and dividend policy of the Huntsworth Group. Some of these risks relate to the industries in which the Huntsworth Group operates while others are more specific to the Huntsworth Group. The following factors set out potential risks the Huntsworth Directors have identified that could adversely affect the Huntsworth Group.

1.1 Loss of key clients

For the year ended 31 December 2012, the Huntsworth Group’s largest client represented approximately four per cent. of revenue, and the Huntsworth Group’s top ten clients accounted for approximately 20% of revenue. Revenues from these clients can be earned from several different brands or divisions within any individual client, and can be across different Huntsworth divisions. Any loss of a key client would result in reduced revenues and profits and potentially an inability to recover amounts due under the contract with that particular key client.

Subject to any contractual obligations, there can be no assurance that any of the Huntsworth Group’s clients will continue to use the Huntsworth Group’s services to the same extent, or at all, in the future. A significant reduction in spending by, or the loss of key clients, if not replaced by new client accounts or an increase in business from existing clients, would adversely affect the Huntsworth Group’s prospects, financial condition and results of operations.

1.2 Dependence on key personnel and relationships with clients

PR service industries are highly dependent on the talent, creative abilities and technical skills of the personnel of the service providers and the relationships their personnel have with clients. The Huntsworth Group’s future success is therefore substantially dependent on the continued services and continuing contributions of the Huntsworth Directors, senior management and other key personnel. The loss of the services of any of the Huntsworth Group’s executive officers or other key employees due to competition among providers of PR services for talented personnel or otherwise could have a material adverse effect on the Huntsworth Group’s businesses. The Huntsworth Group has long term and strong relationships with many of its clients, built by key personnel. The reputations of key personnel attract

new clients. The future success of the Huntsworth Group is also dependent on key personnel maintaining relationships with existing clients and continuing to attract new clients. In PR and the communications services industry, clients may terminate service agreements and move their accounts to another agency upon short notice. The loss of key clients or the failure to attract new clients through the breakdown of relationships or the departure of key personnel could have a material adverse effect on the Huntsworth Group's businesses.

1.3 Growth by acquisition

The Huntsworth Group's strategy includes, where suitable opportunities arise, the acquisition and integration of new businesses which will broaden and enhance existing business operations. If Huntsworth is unable to successfully manage this process of integration, this could have a material adverse effect on the businesses of the Huntsworth Group. Integration difficulties could include the diversion of management's attention from other business concerns and the potential loss of key employees of the acquired operations. Acquisitions also may involve significant costs related to integrating information technology, accounting and management services, rationalising personnel levels and implementing internal controls. If the Huntsworth Group experiences difficulties in integrating one or more acquisitions, the Huntsworth Group's business, results of operations and financial condition could be adversely affected.

In addition, the Huntsworth Group may be unsuccessful in evaluating material risks involved in completed and future acquisitions. The Huntsworth Group regularly reviews potential acquisitions of businesses that are complementary to its businesses. As part of the review, the Huntsworth Group conducts business, legal and financial due diligence with the goal of identifying and evaluating material risks involved in any particular transaction. Despite the Huntsworth Group's efforts, it may be unsuccessful in ascertaining or evaluating all such risks. As a result, it might not realise the intended advantages of any given acquisition. If the Huntsworth Group fails to realise the expected benefits from one or more acquisitions, the Huntsworth Group's business, results of operations and financial condition could be adversely affected.

1.4 Failure of information systems

The Huntsworth Group's ability to maintain financial controls and provide a high-quality service to its clients depends, in part, on the efficient and uninterrupted operation of its management information systems, including its computer systems. The Huntsworth Group's computer systems are vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct. Any damage to, or failure of, the systems could result in interruptions to the Huntsworth Group's financial controls and customer service. Such interruption could have a material adverse effect on the Huntsworth Group's businesses, results of operations and/or financial condition.

Unauthorised access to confidential information held by the Huntsworth Group could compromise the Huntsworth Group's client relationships and have a detrimental effect on its reputation.

1.5 Huntsworth's industry is highly competitive

The Huntsworth Group may face significant competition, both actual and potential, including competition from global competitors which have large capital resources in the provision of similar services to those provided by the Huntsworth Group as well as competition from in-house, local, regional and national PR and communications services firms. By comparison with many of its industry competitors, the Huntsworth Group has substantially smaller capital resources at its disposal. Competition in the industry is based upon: cost; range and quality of services offered; geographical reach; reputation; and client relationships. The Huntsworth Directors believe that, in view of their range of services, geographical spread, strategic focus and reputation, the Huntsworth Group can compete effectively with other large competitors, but there is no assurance that it will be able to compete successfully in such a market place and, if it cannot, market share and profits may decrease.

In addition, due to the highly competitive environment in which the Huntsworth Group operates, obtaining new client work can involve lengthy competitive tendering processes. There is aggressive price competition in the market which can impact on revenue and margins.

1.6 The Huntsworth Group is affected by economic downturn and downturn in the PR industry

Any economic downturn may result in fewer new client mandates for the Huntsworth Group, longer procurement processes and a squeeze on pricing, or an outright reduction in business.

Weak economic conditions can increase the length of time that clients take to pay for services which can put pressure on the Huntsworth Group's working capital. In addition, weak economic conditions can put the Huntsworth Group at an increased risk of bad debts occurring as a result of clients' financial problems.

Current economic uncertainty within Europe heightens the above risks for the Huntsworth Group's operations in Europe. For the year ended 31 December 2012, 37% of the Huntsworth Group's revenues were in the UK, with a further 20% in Europe.

The Huntsworth Group is heavily reliant on the continued health of the PR industry in order to generate returns for shareholders. Any downturn in the PR industry could adversely affect the financial performance of the Huntsworth Group.

1.7 The Huntsworth Group is exposed to the risks of doing business internationally

A substantial proportion of the Huntsworth Group operates outside the UK with significant operations in the USA and Europe. The Huntsworth Group operates in 28 countries throughout the world. The Huntsworth Group's international operations are subject to a number of risks inherent in operating in different countries. These include, but are not limited to, risks regarding:

- (i) currency exchange rate fluctuations;
- (ii) restrictions on repatriation of earnings;
- (iii) conflicts between the intent of various terms of the Huntsworth Group's client service contracts with global clients and possible interpretations of those terms based on local laws and business practices or changes therein; and
- (iv) changes in a specific country's or region's political or economic conditions, particularly in emerging markets.

The occurrence of any of these events or conditions could adversely affect the Huntsworth Group's ability to increase or maintain its operations in various countries.

1.8 Currency rate risk

Fluctuations in exchange rates between currencies in which members of the Huntsworth Group operate relative to pounds sterling may cause fluctuations in its reported financial results. The Huntsworth Group cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on its businesses, operating results or financial condition.

Specifically, reported group earnings are negatively impacted by any appreciation of pounds sterling relative to the US dollar and euro which, other than sterling, are the two largest billing currencies of the Huntsworth Group.

1.9 Loan facility and covenant headroom risk

The operations of the Huntsworth Group require external funding to satisfy investment and general working capital needs. The Huntsworth Group currently has £107 million of multi-currency loan facilities, reducing to £95 million, with a syndicate of banks maturing in 2015.

There can be no assurance that the Huntsworth Group will be able to refinance, or the Huntsworth Group's assets or cash flow would be sufficient to fully repay, the facilities on maturity date.

1.10 Legal and regulatory compliance

While the Huntsworth Group seeks to conduct its business in compliance with all applicable laws and regulations, there remains a risk that regulators will find that the Huntsworth Group has not complied fully with such regulations. Any failure to adhere to legislative requirements could lead to reputational as well as financial damage to the Huntsworth Group.

The introduction of new statutes, regulations and rulings by governments, government agencies and industry self-regulatory bodies in the countries in which the Huntsworth Group operates could directly or indirectly affect the activities of the Huntsworth Group and its clients. Although the Huntsworth Group does not expect any existing or proposed regulations to materially adversely impact the Huntsworth Group's business, Huntsworth is unable to estimate the effect on its future operations of the application of existing statutes or regulations or the extent or nature of further regulatory action.

1.11 Unethical business practices

Both reputational and operational damage may arise if the Huntsworth Group engaged in actual or perceived unethical client work. Ethical matters that are not identified or managed appropriately could cause reputational damage to the Huntsworth Group, which could in turn lead to fewer client mandates.

In addition, it is intended that there will be an increase in Huntsworth's business in Asia, including China. China is ranked 80th (out of 176) on Transparency International's Corruption Perceptions Index 2012. Doing business in a number of Asian countries including China brings with it inherent risks associated with fraud, bribery and corruption. Huntsworth has discussed the issue of bribery and corruption with BlueFocus to address these concerns. Nonetheless, it may not be possible for Huntsworth to detect or prevent every instance of fraud, bribery or corruption in every jurisdiction in which its employees, agents or sub-contractors are located. The increase in operations in Asia and China in particular may therefore lead to Huntsworth being subject to an increased risk of civil and criminal penalties and reputational damage. Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions with which the Huntsworth Group operates and will in the future operate, could have a material adverse effect on its results of operations and financial conditions.

1.12 Goodwill and other acquired intangible assets recorded on Huntsworth's balance sheet with respect to acquired companies may become impaired

The Huntsworth Group has a significant amount of goodwill and other acquired intangible assets recorded on its balance sheet with respect to acquired companies. Huntsworth tests annually whether goodwill and other intangible assets have suffered any impairment. The estimates and assumptions about results of operations and cash flows made in connection with impairment testing could differ from actual future results of operations and cash flows. Future events could cause the Huntsworth Group to conclude that the asset values associated with a given operation have become impaired. Such charges, whilst not directly affecting Huntsworth's cash flows, could have a material adverse effect on the Huntsworth Group's financial condition and results of operations.

Huntsworth may use ordinary shares, incur indebtedness, expend cash or use any combination of ordinary shares, indebtedness and cash for all or part of the consideration to be paid in future acquisitions that would result in additional goodwill being recorded on Huntsworth's balance sheet.

2. Risks Relating to the Subscription and the strategic alliance with BlueFocus

2.1 The Subscription is subject to a number of conditions which may not be satisfied

The Subscription is subject to the satisfaction of a number of conditions, including approval of the Resolutions required to be passed to effect the Subscription by Huntsworth Shareholders and the granting of approval for the Subscription by the National Development and Reform Commission, a regulatory body of the People's Republic of China. Although the National Development and Reform Commission gave its approval for the Subscription on 29 July 2013, there is no guarantee that the remaining conditions will be satisfied, in which case the Subscription will not be capable of becoming unconditional and will not complete in accordance with the Subscription Agreement.

2.2 BlueFocus will obtain a significant interest in the Company following Admission and its interests may differ from those of the other Huntsworth Shareholders

Following Admission, BlueFocus International will be interested in approximately 19.6% of the Company's issued share capital. The interests of BlueFocus International and the Existing Huntsworth Shareholders may not be aligned. Due to this interest in the Company, BlueFocus International will be in a position to exert a significant degree of influence on the Company through the exercise of significant voting power at general meetings of Huntsworth Shareholders, including the power with the support of a relatively small proportion of other Huntsworth Shareholders, to block a special resolution which could

delay, postpone or prevent certain major corporate actions. BlueFocus International is entitled to exercise its voting power in its own interests.

In addition, BlueFocus and/or BlueFocus International may make acquisitions of, or investments in, other businesses in the same sectors as the Huntsworth Group. These businesses may be, or may become, competitors of the Huntsworth Group. Furthermore, subject to giving one month's notice to the Company, BlueFocus International could sell a substantial number of Huntsworth Shares in the public market following the Subscription. Such sales, or the perception that such sales could occur, may materially adversely affect the market price of the Huntsworth Shares. This may make it more difficult for Huntsworth Shareholders to sell the Huntsworth Shares at a time and price that they deem appropriate, and could also impede the Company's ability to issue equity securities in the future.

2.3 The anticipated benefits of the strategic alliance with BlueFocus may not materialise or may take longer than expected to do so

The Subscription underpins a strategic alliance between BlueFocus and the Company which aims to accelerate Huntsworth's build up of its digital and social media capabilities, broaden its geographic base and expand Huntsworth's PR businesses in Asia, including Huntsworth's financial PR business. If Huntsworth is unable to successfully manage the operational aspects of this strategic alliance, the anticipated benefits may not materialise, or if they do, may take longer than expected to do so. Many of the operational aspects of the strategic alliance are the subject of ongoing work and are therefore not finalised and subject to change or cancellation.

In particular, if not properly managed and integrated, BlueFocus staff with digital and social media skills seconded to Huntsworth may not provide the Company with the expected learning and development in that space. The operation of a planned cross-border referral programme may not lead to the anticipated broadening of the Company's client and geographic base and could divert management's attention from other business concerns. It may not be possible to leverage BlueFocus' presence in the financial centres of Shanghai, Hong Kong and Singapore in order to expand Huntsworth's PR businesses, including Huntsworth's financial PR business, in the region.

2.4 Ownership Reduction

The Subscription is such that, when it completes, Existing Huntsworth Shareholders will suffer a reduction in their proportionate ownership and voting interest in the ordinary share capital of Huntsworth.

3. Risks Relating to investment in Huntsworth Shares

3.1 Possible volatility of share price

The market price of the Huntsworth Shares could be subject to significant fluctuations due to a change in sentiment in the stock market regarding the Huntsworth Shares or securities similar to them or in response to various facts and events, including any regulatory changes affecting Huntsworth's operations, variations in Huntsworth's half yearly or yearly operating results and business developments of Huntsworth or its competitors. Further, the trading price of the Huntsworth Shares may be subject to wide fluctuations in response to many factors, including those referred to in this section as well as variations in the operating results of Huntsworth, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, stock market fluctuations and general economic conditions or changes in political sentiment, each of which may adversely affect the market price of the Huntsworth Shares, regardless of Huntsworth's actual performance or conditions in its key markets.

3.2 Dividends

The dividend policy of the Huntsworth Group is dependent upon its financial condition and on the continued health of the markets in which it operates. There can be no guarantee that the Huntsworth Group will be able to sustain its dividend policy in the future. The dividend policy is described at paragraph 10 of Part I of this document and should not be construed as a dividend forecast. Any change in the tax treatment of dividends or interest received by the Company may reduce the level of yield received by Huntsworth Shareholders. Under English law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. In addition, the Company may not pay dividends if the Directors conclude it would not be in the best interests of the Company. Any of the foregoing could limit the payment of dividends to its Huntsworth Shareholders or, if the Company does pay dividends, the amount of such dividends.

PRESENTATION OF INFORMATION

1. Introduction

The contents of this document should not be construed as legal, financial or tax advice. Each Huntsworth Shareholder should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice.

Certain information in relation to the Huntsworth Group is incorporated by reference into this document. You should refer to Part XI of this document for further details. Where the documents incorporated by reference themselves make reference to other documents, such other documents are not incorporated and do not form part of this document.

2. Financial Information

Unless otherwise indicated, the selected historical financial information and other financial information in relation to Huntsworth has been extracted without material adjustment from the audited historical financial information of Huntsworth for the financial years ended 31 December 2010, 31 December 2011, and 31 December 2012, and the unaudited interim results for the six months to 30 June 2013, which have been incorporated by reference into this document. You should refer to Part XI of this document for further details.

3. Information on risks

Certain risk factors set out in this document are based on public documents filed or published by the Company and are otherwise the risks that the Huntsworth Directors believe apply to the Company's business.

4. No profit forecast

No statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Company.

5. Forward-looking statements

Some of the statements in this document include forward-looking statements which reflect the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Huntsworth Group's services). These statements include forward-looking statements both with respect to the Huntsworth Group and the sectors and industries in which the Huntsworth Group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Huntsworth Group's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of this document entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Huntsworth Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Huntsworth Group's operations, results of operations and growth strategy.

These forward-looking statements speak only as of the date of this document. Subject to any obligations under the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules, the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Huntsworth Group or individuals acting on behalf of the Huntsworth Group are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

Nothing in the preceding paragraphs should be taken as limiting the working capital statement in paragraph 12 of Part IX of this Prospectus.

6. Rounding

Certain figures included in this document and in the information incorporated by reference into this document have been subject to rounding adjustments. Accordingly, discrepancies in tables between the totals and the sums of the relevant amounts is due to rounding.

7. Currencies

Unless otherwise indicated in this document, all references to:

- “pounds sterling” or “£” are to the lawful currency of the United Kingdom;
- “US dollars” or “US\$” are to the lawful currency of the United States of America; and
- “euro” is to the lawful currency of the European Union (as adopted by certain member states).

Unless otherwise indicated, the financial information contained in this document has been expressed in pounds sterling. For all members of the Huntsworth Group in the UK, the functional currency is pounds sterling and the Huntsworth Group presents its financial statements in pounds sterling.

8. Websites

Neither the content of the Company’s website (or any other website) nor the content of any website accessible from hyperlinks on the Company’s website (or any website) is incorporated into, or forms part of, this document save as expressly set out herein.

9. Time

All references in this document to time are to London time unless stated otherwise.

10. Definitions

Capitalised terms used in this document have the meanings ascribed to them in Part X of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND SUBSCRIPTION STATISTICS

Huntsworth

Latest time for lodging a Form of Proxy for the Huntsworth General Meeting	9.00 a.m. on 2 October 2013
Huntsworth General Meeting	9.00 a.m. on 4 October 2013
Admission	8.00 a.m. on 7 October 2013

BlueFocus

Approval for the Subscription given by the NDRC	29 July 2013
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SUBSCRIPTION STATISTICS

Subscription Price	58 pence
Number of Existing Huntsworth Shares	258,454,017
Number of New Huntsworth Shares to be issued pursuant to the Subscription	63,000,000 ⁽¹⁾
New Huntsworth Shares as a percentage of the enlarged issued ordinary share capital of Huntsworth	19.6 per cent. ⁽¹⁾

(1) These figures are calculated on the assumption that no further issue of Huntsworth Shares takes place between 16 September 2013 and the date on which Admission of the New Huntsworth Shares occurs.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

DIRECTORS

Richard Sharp
(Non-Executive Chairman)
Lord Chadlington
(Chief Executive)
Sally Withey
*(Group Chief Operating Officer and Group
Finance Director)*

Terence M. Graunke
(Independent Non-Executive Director)
Joe MacHale
(Independent Non-Executive Director)
John Farrell
(Independent Non-Executive Director)

COMPANY SECRETARY

Martin Morrow

REGISTERED OFFICE

15-17 Huntsworth Mews
London
NW1 6DD

SPONSOR AND BROKER

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

FINANCIAL ADVISER

Quayle Munro Limited
22 Berners Street
London
W1T 3LP

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

LEGAL ADVISER TO THE COMPANY

Slaughter and May
One Bunhill Row
London
EC1Y 8YY

REPORTING ACCOUNTANTS

BDO LLP
55 Baker Street
London
W1U 7EU

LEGAL ADVISER TO THE SPONSOR

Travers Smith
10 Snow Hill
London
EC1A 2AL

REGISTRARS

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol
BS99 6ZY

PART I
LETTER FROM THE CHAIRMAN

18 September 2013

To Huntsworth Shareholders and, for information purposes only, to participants in the Huntsworth Share Schemes

Dear Shareholder,

Strategic alliance with BlueFocus Communication Group Co. Ltd., proposed issue of 63,000,000 new ordinary shares in the Company to Blue Focus International Limited and application for admission of 63,000,000 new ordinary shares to the Official List and to trading on the London Stock Exchange's main market for listed securities

and

Notice of General Meeting

1. Introduction

Your Board announced on 25 April 2013 a strategic alliance with BlueFocus which will be underpinned by an investment of approximately £36.5 million (approximately £34.5 million, net of expenses), to be effected by way of a placing of 63,000,000 New Huntsworth Shares at 58 pence per share with BlueFocus International (a subsidiary of BlueFocus). The subscription price represents a 10.5% premium over the price of a Huntsworth Share on the day of announcement. The placing is conditional upon, amongst other things, the passing by Huntsworth Shareholders of the relevant Resolutions at a General Meeting convened at 9.00 a.m. on 4 October 2013. Following Admission of the New Huntsworth Shares, and subject to certain conditions, BlueFocus International will have the right to appoint a non-executive Director to the Huntsworth Board. Initially, pursuant to this right, Mr Oscar Zhao, the founder and CEO of BlueFocus, will join the Huntsworth Board. Additionally, BlueFocus International will have certain limited rights to protect its post-Subscription interest in the Company from dilution.

The purpose of this document is, amongst other things, to provide you with information about the Subscription, to explain why the Board considers the Resolutions to be in the best interests of the Company and Huntsworth Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they have undertaken to do in respect of their own holdings of Huntsworth Shares. In the event that the Resolutions are not passed, the Subscription will not proceed.

2. Information on Huntsworth

Huntsworth is an international public relations and healthcare communications business with 73 principal offices in 28 countries worldwide. It owns a portfolio of companies with expertise in consumer, corporate and financial public relations, public affairs, and healthcare communications.

The Huntsworth Group is structured under four principal consultancy brands: Citigate, Grayling, Huntsworth Health and Red. During the year ended 31 December 2012, the Huntsworth Group provided services to 44 companies in the FTSE 100, 83 in the Fortune 500, and 94 in the Eurotop 300. The Huntsworth Group has approximately 1,700 employees worldwide. For more information on Huntsworth and the Huntsworth Group, please see Part III of this Document.

3. Information on BlueFocus Communication Group

Founded in 1996 and headquartered in Beijing, BlueFocus started with PR and now is the biggest PR agency in Asia ranked by Holmes Report. After the IPO in 2010, BlueFocus is transforming itself to a leading communication group with digital marketing as its core. It has a market capitalisation of approximately £2.01bn as of 30 August 2013 and employs over 2,500 staff. Its member companies provide a range of communication services including digital marketing, public relations, sales promotion, events management, investor relations, advertising and media platform to over 850 brands. BlueFocus has subsidiaries across China, one of which is the Hong Kong based BlueFocus International.

4. Background to and reasons for the Issue

Huntsworth is an integrated public relations and healthcare communications group, structured under four key brands. Through targeted investment and a series of selective acquisitions over the past few years, the Company has widened its range of offered PR solutions and broadened its scope. This has been achieved during a period of both global economic turbulence but also of market opportunity as the digital revolution fundamentally changes every aspect of modern communications.

The Huntsworth Group has a revenue growth strategy based on three key priorities: building digital and social media expertise; broadening its geographic base to better serve multi-office contracts and to cover faster growing regions; and investing further in the skills and expertise of its people.

Digital and social media is an area of significant growth in the markets in which Huntsworth operates. One of the three key priorities of the Huntsworth Group is to ensure that it benefits from that growth. Some parts of the Huntsworth Group—particularly healthcare where brands were rationalised six years ago—have seen significant growth in digital revenues. Other parts, particularly Grayling, have been slower in reacting to the digital challenge. The pace of change, however, has substantially accelerated recently and will continue to do so.

In recent years, the Huntsworth Group's significant exposure to the difficult European and UK markets has restricted its overall top line growth. In response to the protracted recession in certain of these markets, and in line with the revenue growth strategy outlined above, Huntsworth has invested resources in new geographies with better growth prospects.

The last of the Huntsworth Group's key priorities is to invest more in its people at all levels of the business, improving the training and quality of all its employees around the world.

Huntsworth's commercial relationship with BlueFocus, which has developed since early 2012, has led to co-operation on a number of projects including: Chinese inward investment programmes, a major healthcare conference in Beijing and a campaign for the promotion of a major healthcare brand in the Chinese market. In view of Huntsworth's growth strategy, the Directors believe that now is the natural time to formalise the relationship with BlueFocus in the form of a strategic alliance. On an operational level, it is intended that the alliance with BlueFocus will provide opportunities for co-operation in four key areas: exchange of clients, exchange of skills, exchange of people and joint expansion into new markets. The Directors expect that the benefits of these opportunities will accrue over the medium term.

The Directors expect that co-operation with BlueFocus will enable Huntsworth to build up its digital and social media capabilities. BlueFocus has strong digital expertise, which Huntsworth aims to use to improve its own offering further. Huntsworth intends to use the secondment of BlueFocus personnel with digital and social media skills to Huntsworth to draw upon BlueFocus' capabilities in this area.

In conjunction with BlueFocus, the Company intends to identify appropriate markets in Asia into which both companies can expand. In this way, Huntsworth aims to broaden its geographic base in Asia. In this mutually beneficial strategic alliance, Huntsworth expects to be in a position to offer global support to Chinese companies through its international network and also to be able to provide its clients with in-depth service in China using the largest available Chinese-owned PR and communications network. To underpin this initiative in Asia-Pacific, Huntsworth and BlueFocus intend to devise plans for a broad cross-border referral programme.

Huntsworth expects to expand its PR businesses in the region. In particular, Huntsworth expects that its financial PR and investor relations business will be able to supplement BlueFocus' financial PR capabilities in Asia. Huntsworth's intention is to use BlueFocus' presence in the financial centres of Shanghai, Hong Kong and Singapore to generate financial business around the region.

Investment from BlueFocus will allow Huntsworth to promote its strategy of investing in its people. Retaining skilled individuals and attracting new talent with an understanding of local cultures and global business will allow the Company to acquire more international clients and accelerate organic revenue growth.

5. Use of Proceeds

The proceeds of the Subscription will allow Huntsworth to repay an additional £12 million of its term loan facility in March 2014, with the balance of the proceeds initially reducing the drawdown under its revolving credit facility. Both facilities mature in 2015 and are between Huntsworth as borrower and

certain of its subsidiaries as guarantors, Lloyds TSB Bank plc as agent and Clydesdale Bank plc, Lloyds TSB Bank plc and The Royal Bank of Scotland plc as mandated lead arranger and original lenders. This stronger balance sheet will allow Huntsworth to make investments in accordance with its revenue growth strategy. At this time, Huntsworth has not identified or committed to any particular investments.

6. Summary Terms of Subscription

The Company is proposing to raise approximately £36.5 million (approximately £34.5 million net of expenses) through a placing of 63,000,000 New Huntsworth Shares with BlueFocus International.

The Subscription Agreement provides for the issue of the New Huntsworth Shares to BlueFocus International. BlueFocus, the parent company, has entered into the Subscription Agreement in order to guarantee the obligations of BlueFocus International (subject to certain conditions).

The Subscription is conditional, amongst other things, upon certain conditions that each of BlueFocus International or BlueFocus and the Company must satisfy.

The main conditions that Huntsworth must satisfy are:

(A) the passing of:

- (i) a special resolution authorising the Directors to allot and issue the New Huntsworth Shares and disapplying the pre-emption rights of the Huntsworth Shareholders in relation to the issue of the New Huntsworth Shares;
- (ii) a special resolution authorising the Directors to allot and issue additional new Huntsworth Shares which might fall to be issued pursuant to the Additional Subscription Right; and
- (iii) an ordinary resolution appointing of Oscar Zhao to the Board of Directors (effective on Admission) (resolutions (i), (ii) and (iii) together, the “**Resolutions**”); and

(B) Admission of the New Huntsworth Shares occurring not later than 8.00 a.m. on 31 October 2013 (or such other date as the parties may agree in writing).

The Company has undertaken to use its best endeavours to procure that the Resolutions are passed by 14 October 2013.

The conditions that BlueFocus or BlueFocus International must satisfy are:

(A) in order to effect the Subscription, the granting of approval for the Subscription by the National Development and Reform Commission of the People’s Republic of China (the “**BlueFocus International Regulatory Condition**”);

(B) in order for BlueFocus to provide the guarantee of BlueFocus International’s obligations under the Subscription Agreement:

- (i) the granting of approval for the guarantee by the State Administration of Foreign Exchange of the People’s Republic of China (“**SAFE**”); and
- (ii) shareholder approval being obtained from BlueFocus’ shareholders in respect of the guarantee (conditions (B)(i) and (ii) the “**Subscriber Guarantee Approvals**”).

The BlueFocus International Regulatory Condition was satisfied on 29 July 2013. This condition was the main substantive approval required by BlueFocus for the Subscription.

Although BlueFocus undertook to use its best endeavours to procure that the Subscriber Guarantee Approvals were satisfied by 31 July 2013, such approvals were not obtained and the guarantee of BlueFocus International’s obligations under the Subscription Agreement has not been put in place. To address the lack of certainty the absence of a guarantee of BlueFocus International’s obligations gave rise to, alternative escrow arrangements have been put in place. Under these arrangements BlueFocus International transferred £36,540,000 to Huntsworth. Such funds are being held in escrow by Huntsworth as agent for BlueFocus International. Any interest accruing on the amount deposited in the escrow account shall be for the account of BlueFocus International. Huntsworth has undertaken not to release any sums from the escrow account until the occurrence of Admission, at which point the monies shall be free of any restrictions and be legally and beneficially owned by the Company. Should Admission not occur by 31 October 2013, Huntsworth is obliged to pay the monies (and any interest which has accrued thereon) to an account specified by BlueFocus International.

Should the conditions to completion not be satisfied, or certain other events not take place in accordance with a timetable set out in the Subscription Agreement, BlueFocus and Huntsworth each have the right in specified situations to terminate the Subscription Agreement and upon termination a break fee will be payable (see section 1.4 of Part II for further details on the situations where a break fee will be payable). The Subscription Agreement also provides for BlueFocus International to have a right to appoint a non-executive Director to the Board of Huntsworth and to be protected from having its interest in the Company from being diluted, both subject to conditions.

These rights can be summarised as follows:

- (A) a right for BlueFocus International to participate in any issue of Huntsworth Shares for cash consideration such that BlueFocus International will not be diluted by the proposed issue.
- (B) a right to subscribe for additional Shares representing up to 5 per cent. of Huntsworth's fully diluted share capital where the Company decides to issue Shares for non-cash consideration. This right is to last for three years from the date of Admission and is limited to the number of shares such that BlueFocus' interest is not diluted. The price is based on the prevailing market price at the time the right is exercised. The right will lapse upon any offer to purchase the entire issued and to be issued share capital of the Company becoming unconditional in all respects.

Further details of the terms and conditions of the Subscription are set out in Part II of this document.

7. Appointment of Mr Oscar Zhao to the Huntsworth Board

The Company has granted BlueFocus International the right to nominate one non-executive Director (the "**BlueFocus International Director**") to be appointed or re-appointed to the Huntsworth Board (subject to certain minimum shareholding requirements). Pursuant to this right, the CEO of BlueFocus, Mr Oscar Zhao, will join the Huntsworth Board as a non-executive Director with effect from, and conditional upon, Admission (the "**Proposed Director**").

Mr Zhao is founder and CEO of BlueFocus which will, through its subsidiary BlueFocus International, following the Subscription and on his appointment to the Huntsworth Board, hold 19.6% of Huntsworth's issued share capital. As a result of BlueFocus International's significant shareholding in the Company, Mr Zhao and any other BlueFocus International Director appointed to replace him, has an interest that may conflict with the interests of the Company.

The independent Huntsworth Board will authorise Mr Zhao's conflict of interest in accordance with the Company's articles of association and the Companies Act. Certain conditions will be imposed on Mr Zhao's participation in Huntsworth Board meetings. For example, Mr Zhao shall not vote on, be present at any discussion of, or receive any information relating to any matter in respect of which he or BlueFocus International has a direct or indirect conflict of interest (as to be determined by the independent Huntsworth Board). Such arrangements will apply equally to any BlueFocus International Director appointed to replace Mr Zhao.

As a result of the potential conflict described above, the Huntsworth Directors have determined that, for the purposes of the UK Corporate Governance Code 2012, Mr Zhao (or any other BlueFocus International Director appointed to replace him) will not be independent in character and judgement. Following the BlueFocus International Director's appointment, the Company will continue to exceed the recommended number of independent non-executive Directors a company outside of the FTSE 350 is required to have under the UK Corporate Governance Code 2012.

8. Listing and Admission

Applications will be made to the FCA and to the London Stock Exchange for the New Huntsworth Shares to be admitted to the Official List of the UKLA and to trading on the main market for listed securities of the London Stock Exchange. Admission is expected to occur and dealings to commence in the New Ordinary Shares at 8.00 a.m. on 7 October 2013.

9. Current Trading and Prospects

On 8 August 2013, Huntsworth announced its interim results for the six months to 30 June 2013, noting that Huntsworth is on track to meet full year management expectations. The Directors noted that Huntsworth Health, Citigate and Red to continue to perform well and Grayling, which has been

hampered by difficult economic conditions in many of the regions where it operates, has a significant investment plan underway to stimulate revenue growth and improve substantially its digital capabilities.

With the Subscription expected to be completed in October 2013 and just £9.6m of deferred contingent consideration payments remaining, the Huntsworth Group is expected to deleverage significantly in the coming months.

10. Dividends and dividend policy

The Huntsworth Board's existing policy on dividends is to increase returns to Huntsworth Shareholders progressively, reflecting the underlying business performance of the Huntsworth Group and balancing investor expectations with the capital demands required to promote its growth strategy.

On 8 August 2013, the board announced that it would maintain the interim dividend at 1 pence per share in the current financial year. The board will review the final dividend, in accordance with dividend policy, in the second half of the financial year.

11. General Meeting

As referred to in paragraph 6 above, in order to effect the Subscription, Huntsworth Shareholders are required to pass the Resolutions.

In Part XII of this document, you will find a Notice convening a General Meeting to be held at 9.00 a.m. at 29 Cloth Fair, London EC1A 7NN on 4 October 2013. Please refer to the Notice for the full list of Resolutions but set out below is a summary of the Resolutions which will be proposed at the General Meeting.

Resolutions 1 and 2 will be proposed as special resolutions which require a 75% majority of the votes to be cast in favour.

Resolution 1 will be proposed at the General Meeting (conditional upon Resolutions 2 and 3 being validly passed) and is required in order to grant the Directors authority to allot the New Huntsworth Shares and to disapply the pre-emption rights of the Existing Huntsworth Shareholders in relation to the New Huntsworth Shares. Part A of this resolution would give the Directors the authority to allot the New Huntsworth Shares which have an aggregate nominal amount equal to £630,000 (representing 63,000,000 ordinary shares of £0.01 each). Part B of this resolution would give the Directors the power to allot the New Huntsworth Shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. This power would be limited to the allotment of the New Huntsworth Shares. The authority and power sought under this resolution will expire at the conclusion of the next annual general meeting of the Company. The amount to be paid to the Company in respect of the New Huntsworth Shares is approximately £36.5 million which, on the day the Subscription was announced, represented a 10.5% premium over the price of a Huntsworth Share.

Resolution 2 will be proposed at the General Meeting (conditional upon Resolutions 1 and 3 being validly passed) and is required in order to grant the Directors authority to allot any Huntsworth Shares which might fall to be issued pursuant to the Additional Subscription Right and to disapply the pre-emption rights of Huntsworth Shareholders in relation to the issue of such shares. Part A of this resolution would give the Directors the authority to allot new Huntsworth Shares up to an aggregate nominal amount equal to £169,307.20 (representing 16,930,720 ordinary shares of £0.01 each). Part B of this resolution would give the Directors the power to allot any such new Huntsworth Shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. This power would be limited to the allotment of new Huntsworth Shares with an aggregate nominal value of £169,307.20 (representing 16,930,720 ordinary shares of £0.01 each). The authority and power sought under this resolution will expire 5 years after the date on which it is passed.

The amount to be paid to the Company in respect of any Huntsworth Shares to be issued pursuant to the Additional Subscription Right shall be the prevailing market price at the time the right is exercised. The Directors believe that using prevailing market price is a fair and reasonable method to determine the price at which any Huntsworth Shares to be issued pursuant to the Additional Subscription Right should be issued. The Directors believe that the anti-dilution provision contained in the Additional Subscription Right is in the best interests of the Company as it was necessary to enable BlueFocus International to make the Subscription and the Directors believe the Subscription is in the best interests of the Company.

Resolution 3, an ordinary resolution, will be proposed at the General Meeting (conditional upon Resolutions 2 and 3 being validly passed) in order to appoint Mr Oscar Zhao, CEO and founder of BlueFocus to the Huntsworth Board, conditional upon Admission.

12. Action to be taken

A Form of Proxy is enclosed for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy to the Company's Registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible but in any event so as not to arrive no later than 9.00 a.m. on 2 October 2013. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you subsequently wish to do so.

13. Recommendation

The Board believes that the Subscription and the Resolutions are in the best interests of Huntsworth and the Huntsworth Shareholders as a whole. The Directors have received financial advice from Quayle Munro and, in giving that advice, Quayle Munro has taken account of the Directors' commercial assessments.

Accordingly, the Board unanimously recommends Huntsworth Shareholders to vote in favour of all of the Resolutions to be proposed at the General Meeting, as those Directors, who are also Huntsworth Shareholders have irrevocably undertaken to do in respect of their own beneficial holdings of Huntsworth Shares which amount, in aggregate, to 32,090,438 Existing Huntsworth Shares, representing approximately 12.42 per cent. of the Existing Issued Share Capital.

Yours faithfully,

R Sharp
Chairman

PART II
INFORMATION ON THE SUBSCRIPTION

1. Summary of the terms of the Subscription

BlueFocus, BlueFocus International and Huntsworth entered into the Subscription Agreement on 25 April 2013. Pursuant to the Subscription Agreement BlueFocus International has agreed to subscribe for 63,000,000 New Huntsworth Shares at a price of 58 pence per share subject to the terms and conditions set out in that agreement and summarised below. BlueFocus has entered into the Subscription Agreement for the purpose of guaranteeing the obligations of BlueFocus International under the Subscription Agreement subject to the terms and conditions set out below.

Following the completion of the Subscription and Admission, the Existing Huntsworth Shares will represent 80.4% of the Company's issued ordinary share capital.

1.1 Conditions of the Subscription

Completion of the Subscription Agreement is conditional, amongst other things, upon:

- (A) the passing of:
- (i) a special resolution authorising the Directors to allot and issue the New Huntsworth Shares and disapplying the pre-emption rights of the Huntsworth Shareholders in relation to the issue of the New Huntsworth Shares;
 - (ii) a special resolution authorising the Directors to allot and issue additional new Huntsworth Shares which might fall to be issued pursuant to the Additional Subscription Right; and
 - (iii) an ordinary resolution appointing Oscar Zhao to the Company's Board (effective on Admission) (resolutions (i), (ii) and (iii) together, the "**Resolutions**");
- (B) the granting of approval for the Subscription by the National Development and Reform Commission of the People's Republic of China (the "**BlueFocus International Regulatory Condition**");
- (C) Admission of the New Huntsworth Shares occurring not later than 8.00 am on 31 October 2013 (or such other date as the parties may agree in writing).

The Company has undertaken to use its best endeavours to procure that the Resolutions are passed by 14 October 2013.

The BlueFocus International Regulatory Condition was satisfied on 29 July 2013. This condition was the main substantive approval required by BlueFocus and BlueFocus International in order to effect the Subscription.

BlueFocus also has the right to terminate the Subscription Agreement in the event that a material adverse change occurs in relation to the Huntsworth Group prior to the Resolutions being passed.

1.2 Obligations of BlueFocus International

BlueFocus International is a Hong Kong registered subsidiary of BlueFocus. BlueFocus International is not able to fund the Subscription out of its own resources therefore BlueFocus International obtained loan financing in order to fund the Subscription.

BlueFocus had agreed to guarantee the obligations of BlueFocus International under the Subscription Agreement (the "**Guarantee**"). The Guarantee was conditional upon:

- (A) the granting of approval for the entry into and performance by BlueFocus of the Guarantee by SAFE; and
- (B) shareholder approval being obtained from BlueFocus International's shareholders in respect of the entering into and performance by BlueFocus of its obligations under the Guarantee ((A) and (B) together, the "**Guarantee Conditions**").

Although BlueFocus undertook to use its best endeavours to procure that the Subscriber Guarantee Approvals were satisfied by 31 July 2013, such approvals were not obtained and the guarantee of BlueFocus International's obligations under the Subscription Agreement has not been put in place. To address the lack of certainty the absence of a guarantee of BlueFocus International's obligations gave

rise to, alternative escrow arrangements have been put in place. Under these arrangements BlueFocus International transferred £36,540,000 to Huntsworth. Such funds are being held in escrow by Huntsworth as agent for BlueFocus International. Any interest accruing on the amount deposited in the escrow account shall be for the account of BlueFocus International. Huntsworth has undertaken not to release any sums from the escrow account until the occurrence of Admission, at which point the monies shall be free of any restrictions and be legally and beneficially owned by the Company. Should Admission not occur by 31 October 2013, Huntsworth is obliged to pay the monies (and any interest which has accrued thereon) to an account specified by BlueFocus International.

1.3 Board Right

As a term of the Subscription Agreement, the Company has granted BlueFocus International the right to nominate one non-executive Director (the “**BlueFocus International Director**”) to be appointed or re-appointed to the Huntsworth Board for so long as BlueFocus International does not sell down its interest to fewer than 47,250,000 Huntsworth Shares (or such other relevant corresponding amount following an event which alters the total number of shares in the Company but does not alter the percentage holding of BlueFocus International).

Pursuant to this right, the CEO of BlueFocus, Mr Oscar Zhao, will join the Huntsworth Board as a non-executive Director with effect from, and conditional upon, Admission.

1.4 Break Fee

Under the terms of the Subscription Agreement, a break fee of £500,000 is payable by BlueFocus International to the Company where following any of events set out below, the Company gives notice to BlueFocus International to terminate the Subscription Agreement:

- (A) the BlueFocus International Regulatory Condition has not been satisfied by 30 September 2013 or if BlueFocus International has informed the Company in writing prior to such date that it will not be possible to fulfil the BlueFocus International Regulatory Condition by such date; or
- (B) any of the warranties given by BlueFocus International in the Subscription Agreement is not true and accurate in any material respect.

As the BlueFocus International Regulatory Condition has been satisfied, the only scenario in which BlueFocus International could be obliged to pay a break fee would be if any warranty given by BlueFocus International is not true and accurate in any material respect and the Company gives notice to terminate the Subscription Agreement.

Under the terms of the Subscription Agreement, a break fee of £500,000 is payable by the Company to BlueFocus International where following any of the events set out below, BlueFocus International gives notice to the Company to terminate the Subscription Agreement:

- (C) the circular does not incorporate a unanimous recommendation to vote in favour of the Resolutions or such recommendation is withdrawn, modified, qualified or amended;
- (D) the circular has not been posted or the prospectus has not been published by 30 September 2013;
- (E) the Resolutions have not been passed by 14 October 2013;
- (F) any of the warranties given by the Company contained in the Subscription Agreement is not true and accurate in any material respect;
- (G) at any time after the date of the Subscription Agreement but prior to the Resolutions being passed any material adverse change occurs in relation to the Huntsworth Group; or
- (H) the Subscription Agreement has become unconditional but Admission has not occurred by 8.00 a.m. on 31 October 2013.

References to the “circular” in paragraphs (C) and (D) above are references to this document which comprises a prospectus in relation to the New Huntsworth Shares and a circular relating to the Subscription.

1.5 Further Issues of Shares

The Subscription Agreement gives BlueFocus International two additional rights in order to protect BlueFocus International's interest in the Company from dilution. The first is a right for BlueFocus International to give notice of its intention to participate in an issue of new Huntsworth Shares by the Company for cash consideration. Where the Company decides to make such an issue, it must give BlueFocus International notice of the proposed terms of the issue. If BlueFocus International elects to participate, the issue of new Huntsworth Shares can only take place on the basis that BlueFocus International is offered the required subscription such that BlueFocus International will not be diluted by the proposed issue, or such other lower amount as BlueFocus International may elect.

The second is a right to subscribe for additional Huntsworth Shares representing up to five per cent. of Huntsworth's fully diluted share capital where the Company decides to issue Huntsworth Shares for non-cash consideration (other than in relation to any employee share scheme) (the "**Additional Subscription Right**"). The Additional Subscription Right is limited to the number of Huntsworth Shares such that BlueFocus International's interest is not diluted (but BlueFocus International is not prevented from subscribing for such lower amount as BlueFocus International may elect). This Additional Subscription Right is to last for three years from the date of Admission. The price to be paid by BlueFocus International for new Huntsworth Shares acquired pursuant to the Additional Subscription Right shall be based on the prevailing market price at the time the right is exercised.

The Additional Subscription Right will lapse upon any offer to purchase the entire issued and to be issued share capital of the Company becoming unconditional in all respects.

2. The New Huntsworth Shares

The New Huntsworth Shares to be issued in the Subscription will, when issued, be credited as fully paid and will rank pari passu in all respects with the Existing Huntsworth Shares, and in particular will rank in full for all dividends and other distributions declared, made or paid at any time after the date the New Huntsworth Shares are admitted to listing on the Official List (the "**Admission Date**").

3. Taxation of Dividends

Huntsworth will not be required to withhold at source any amount in respect of UK tax from any dividend paid by Huntsworth.

PART III

INFORMATION ON HUNTSWORTH

The selected historical financial information and other financial information in relation to Huntsworth in this Part III has, unless otherwise stated, been extracted without material adjustment from the audited historical financial information of Huntsworth for the financial years ended 31 December 2010, 31 December 2011, and 31 December 2012, which have been incorporated by reference into this document.

Investors should read the whole of this document and the documents incorporated herein by reference and should not just rely on the financial information set out in this Part III.

1. Introduction

Huntsworth is an international public relations and healthcare communications business with 73 principal offices in 28 countries worldwide. It owns a portfolio of companies comprising expertise in consumer, corporate and financial public relations, public affairs, and healthcare communications. The Huntsworth Group has approximately 1,700 employees worldwide.

2. Business Overview

The Huntsworth Group is aligned under four principal consultancy brands: Citigate, Grayling, Huntsworth Health and Red and in the year ended 31 December 2012 provided services to 44 companies in the FTSE 100, 83 in the Fortune 500, and 94 in the Eurotop 300.

2.1 Citigate

Citigate offers a range of communications services including financial communications, investor relations, merger and acquisition advice, share offer communications, digital communications and crisis communications to companies, both domestically and internationally, from offices in the UK, Europe, Asia and the Middle East. The business structures itself across sector lines with specialists dedicated to the industries they cover.

By volume of deals, Citigate was ranked third in the Mergermarket league table of PR advisors to merger and acquisition transactions in the Asia-Pacific region, fourth in the European region and seventh globally for 2012.

2.2 Grayling

Grayling is a public relations network with offices in Western, Central and Eastern Europe, the USA and the Asia-Pacific region. It offers services in public relations, public affairs, investor relations, events and digital communications.

Grayling serves industry sectors including energy, environment and industry, healthcare and pharmaceutical, financial and professional services, technology, media and telecoms, consumer brands and government and public sector.

Grayling was awarded 'Agency of the Year' at the 2011 European Excellence Awards.

2.3 Huntsworth Health

Huntsworth Health comprises agencies that deliver healthcare communications programs to healthcare professionals, patients, consumers and payers in four key areas: brand experience, consulting and analytics, medical communications and public relations. Services provided to clients include brand development, marketing and communication planning, interactive marketing, medical writing and publications planning.

In addition to working with 33 of the top 50 pharmaceutical companies, Huntsworth Health works with medical device companies, biotechnology companies, diagnostics companies, government and private healthcare systems, patient and consumer advocacy groups, associations and societies.

2.4 Red

The Red Consultancy is a UK public relations agency with six practice areas: consumer, corporate, design, ethical healthcare, social and technology.

Red has won over 60 campaign and agency awards since it was founded 19 years ago. In 2012 it was named UK Consultancy of the Year 2012 by The Holmes Report and was included for the fifth year running in the Sunday Times Top 100 Best Small Companies to Work For.

3. Principal Markets

Huntsworth is headquartered in the UK with principal offices in 28 countries around the world.

Revenue by area of activity

	Year ended 31 December 2012		Year ended 31 December 2011		Year ended 31 December 2010	
	£000	%	£000	%	£000	%
Citigate	22,764	13.1	26,687	15.1	26,186	15.1
Grayling	83,436	48.2	87,396	49.6	83,086	47.9
Red	13,878	8.0	12,619	7.2	12,932	7.5
Huntsworth Health	52,952	30.6	49,555	28.1	51,395	29.6
Total	<u>173,030</u>	<u>100</u>	<u>176,257</u>	<u>100</u>	<u>173,599</u>	<u>100</u>

Revenue by geography

	Year ended 31 December 2012		Year ended 31 December 2011		Year ended 31 December 2010	
	£000	%	£000	%	£000	%
United Kingdom	64,318	37.2	71,741	40.7	69,692	40.1
Other European	35,356	20.4	36,464	20.7	35,907	20.7
USA	64,419	37.2	60,522	34.3	60,718	35.0
Rest of the World	9,051	5.2	7,637	4.3	7,449	4.3
Eliminations	(114)	0.0	(107)	0.0	(167)	0.0
Total	<u>173,030</u>	<u>100</u>	<u>176,257</u>	<u>100</u>	<u>173,599</u>	<u>100</u>

Revenue by industry sector

	Year ended 31 December 2012		Year ended 31 December 2011		Year ended 31 December 2010	
	£000	%	£000	%	£000	%
Pharmaceuticals	37,203	21.5	45,038	25.6	51,907	29.9
Healthcare	20,733	12.0	12,387	7.0	9,051	5.2
Technology	20,255	11.7	17,758	10.1	12,939	7.5
Financial services	17,804	10.3	20,672	11.7	19,742	11.4
Retail & leisure	13,739	7.9	11,766	6.7	11,039	6.4
Government & public sector	10,600	6.1	10,029	5.7	11,431	6.6
Food & drink	9,740	5.6	9,771	5.5	11,097	6.4
Professional & support services	8,228	4.8	10,962	6.2	8,806	5.1
Industrial	6,695	3.9	9,239	5.2	10,481	6.0
Transport	4,964	2.9	6,260	3.6	5,066	2.9
Utilities	4,796	2.8	5,287	3.0	4,809	2.8
Telecommunications	4,163	2.4	4,463	2.5	5,043	2.9
Personal care, beauty and home	2,528	1.5	2,378	1.3	2,923	1.7
Property & real estate	2,449	1.4	2,664	1.5	2,111	1.2
Media & entertainment	1,685	1.0	2,378	1.3	2,598	1.5
Charities & NGOs	1,176	0.7	11	0.0	0	0.0
Other	6,278	3.6	5,202	3.0	4,554	2.6
Total	173,030	100	176,257	100	173,599	100

4. History

In June 2001 Huntsworth successfully completed a £13.9 million fundraising via a placing and open offer. The net proceeds of £13.5 million were used to make several simultaneous acquisitions (PBC Marketing, Woodside Communications and Stephanie Churchill PR) and also to reduce group indebtedness. Harrison Cowley was acquired in August 2001 to complement Huntsworth's PR offering.

In 2002 the Company continued its growth strategy, acquiring in conjunction with a £5.4 million fundraising (£4.9 million net of expenses), Global Consulting Group and Elizabeth Hindmarch Public Relations in November. Further acquisitions followed in 2003, including Adamson Usher, Hatch Group and Haslimann Taylor.

In April 2004 Huntsworth completed a third placing and open offer to raise £21.9 million (£20.4 million net of expenses), in order to finance the substantial acquisitions of Trimedia Group, a multi-disciplinary PR and communications group, and Grayling Group, an international group of PR, public affairs and events management companies. Also in 2004, the Company acquired a 60 per cent. stake in Hudson Sandler, a UK-based financial PR company, as well as making a number of further acquisitions, including Summit Holdings, Strategy Communications, VB Communications, Avenue Healthcare Knowledge Management, Ergo Communications and Rose & Kindel.

In 2005 Huntsworth merged with Incepta Group plc before disposing of its marketing services division to Media Square plc. Huntsworth also made a number of bolt-on acquisitions including Context, Brand Health International, Sinclair Mason, Anne McBride, Zahner and Neisser.

In 2006 Huntsworth acquired MMD, a group of PR businesses operating in 18 countries in Central and Eastern Europe; Quiller, a UK company offering strategic corporation communications, reputation management, litigation support and public affairs consultancy; the remaining 40 per cent. stake in Hudson Sandler and Eurotandem, a leading independent PR consultancy based in Paris. The Company also disposed of Citigate Sard Verbinnen, its New York based financial PR and investor relations business, to management.

In 2007 Huntsworth acquired Dorland Global and Axis Healthcare, two leading healthcare communications companies operating in the USA. These acquisitions extended the reach of Huntsworth Health into the USA, the largest healthcare market in the world, where many of the world's major pharmaceuticals companies are headquartered. In February 2008 Huntsworth disposed of Capital Bridge, its shareholder analytics and investor relations technology business, to Ipreo. The disposal

completed the process of divesting Huntsworth's non-core subsidiaries in order to focus on the Company's international PR and healthcare businesses.

In February 2009 the Company acquired Momentum International Limited, a company that had been a Huntsworth affiliate for three years. The acquisition strengthened Huntsworth's network in the Gulf Cooperation Council. Also in 2009, Huntsworth acquired Connecting Point Communications LLC, Tonic Life Communications, Ballard Associates and Sund Kommunikation iMalmo AB.

In August 2009, the Huntsworth Group was restructured into four key brands. These comprise three public relations brands—Grayling, Citigate and Red—and one healthcare brand—Huntsworth Health.

In December 2009, the Company acquired Dutko Worldwide Holdings Inc, a Washington-based public affairs and consulting agency. The acquisition provided the Huntsworth Group access to specialist government relations and communications expertise.

In July 2010, Huntsworth acquired ScopeMedical Limited a medical communications company with an international client base. The acquisition expanded Huntsworth Health's international client list and its reach within the global market.

In March 2011 Huntsworth acquired Atomic PR, a company with whom Huntsworth had had a joint venture since 2009. The acquisition provided Grayling with an enhanced US presence from which to secure global business and gave the Huntsworth Group additional digital capabilities.

Key financial information relating to Huntsworth is set out in Part V of this document.

5. Principal investments

5.1 Past principal investments

(A) Investments in 2010

In July 2010, Huntsworth completed the acquisition of ScopeMedical Limited, an international medical communications company incorporated in the UK. The initial consideration was £4.6 million paid in cash. Additional consideration is payable dependent on future performance during the period to 31 December 2013. The maximum total consideration payable is £11 million.

(B) Investments in 2011

In March 2011, Huntsworth completed the acquisition of Atomic Communications LLC. The initial cash consideration was US\$10,155,000. Additional consideration will be paid in cash or a combination of cash and shares at Huntsworth's discretion and is payable dependent on future revenue and/or profit growth during the period to December 2015. The maximum total consideration payable is US\$50 million.

(C) Investments in 2012

There were no material individual investments in 2012.

5.2 Current investments

Other than investments in subsidiaries as detailed above and as set out in paragraph 10 of Part IX, as at 16 September 2013 (being the last practicable date prior to the publication of this document), Huntsworth currently has no other significant investments.

5.3 Future investments

The Company has not committed to any other material future investments at this time.

PART IV
OPERATING AND FINANCIAL REVIEW RELATING TO HUNTSWORTH

1. Documents incorporated by reference

The operating and financial reviews included in the following documents are incorporated by reference into this document:

- (A) the Company's Annual Report and Accounts for the year ended 31 December 2010;
- (B) the Company's Annual Report and Accounts for the year ended 31 December 2011;
- (C) the Company's Annual Report and Accounts for the year ended 31 December 2012; and
- (D) the Company's unaudited interim results for the six months to 30 June 2013.

2. Cross reference list

The following list is intended to enable investors and Huntsworth Shareholders to identify easily specific items of financial information which have been incorporated by reference into this document.

2.1 Operating and Financial Review for the year ended 31 December 2010

The page numbers below refer to the relevant pages of the Company's Annual Report and Accounts for the year ended 31 December 2010:

- Financial Highlights—page 3
- Operating Review—pages 8 – 11
- Financial Review—pages 12 – 15

2.2 Operating and Financial Review for the year ended 31 December 2011

The page numbers below refer to the relevant pages of the Company's Annual Report and Accounts for the year ended 31 December 2011:

- Financial Highlights—page 3
- Business Review—pages 8 – 13
- Key risks and uncertainties—pages 14 – 15

2.3 Operating and Financial Review for the year ended 31 December 2012

The page numbers below refer to the relevant pages of the Company's Annual Report and Accounts for the year ended 31 December 2012:

- Financial Highlights—page 3
- Business Review—pages 8 – 15
- Key risks and uncertainties—pages 16 – 17

2.4 Operating and Financial Review for the six months ended 30 June 2013

The page numbers below refer to the relevant pages of the Company's unaudited interim results for the six months to 30 June 2013:

- Financial Highlights—page 1
- Chief Executive's Statement—pages 3 – 6
- Review of Financial Results—pages 7 – 10

PART V

KEY FINANCIAL INFORMATION AND CAPITAL RESOURCES OF HUNTSWORTH

The selected historical financial information and other financial information in relation to Huntsworth in this Part V has, unless otherwise stated, been extracted without material adjustment from the audited historical financial information of Huntsworth for the financial years ended 31 December 2010, 31 December 2011, and 31 December 2012 and the unaudited interim results for the six months to 30 June 2013, which have been incorporated by reference into this document.

Investors should read the whole of this document and the documents incorporated herein by reference and should not just rely on the financial information set out in this Part V.

1. Selected Financial Information

	For the six months ended 30 June				
	2013	2012	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Revenue	88,890	88,205	173,030	176,257	173,599
Operating profit before highlighted items	12,448	13,683	26,547	23,502	29,649
Highlighted items—operating expenses	(2,329)	(2,021)	(3,613)	(8,551)	(4,879)
Net finance costs	(1,807)	(2,110)	(4,089)	(4,376)	(2,937)
Share of profit of associates	—	—	—	—	10
Profit/(loss) before tax	8,312	9,552	18,845	10,575	21,843
Non-current assets	308,546	304,074	299,429	307,771	298,201
Net current (liabilities)/assets	(5,168)	(7,706)	(10,549)	(7,795)	(21,241)
Net assets	225,321	210,300	214,157	210,095	206,426
Equity shareholders' funds	225,321	210,300	214,157	210,095	206,426
Net debt	(69,033)	(69,595)	(66,863)	(71,099)	(52,883)
Basic earnings per share	2.6p	3.2p	6.3p	4.1p	7.4p
Diluted earnings per share	2.5p	3.1p	6.1p	3.9p	7.1p
Adjusted basic earnings per share	3.3p	3.7p	7.1p	6.5p	8.7p
Adjusted diluted earnings per share	3.1p	3.5p	6.9p	6.2p	8.4p
Interim dividend	1.0p	1.0p	1.0p	1.0p	0.9p
Final dividend	n/a	n/a	2.5p	2.5p	2.6p
Share price—high	62.25p	51.25p	53.0p	85.0p	87.5p
Share price—low	39.25p	32.25p	32.25p	35.5p	60.75p

Adjusted basic and diluted earnings per share are calculated based on profit for the period adjusted for highlighted items and the related tax effects.

2. Liquidity and capital resources

Huntsworth is a holding company whose principal assets are its investments in the shares of its subsidiaries and loans to those subsidiaries. The liquidity and capital resource requirements of each subsidiary vary in the light of its own financial position and activity. As well as holding these investments, Huntsworth also raises external financing for the Huntsworth Group and incurs head office overheads.

As a holding company, Huntsworth's principal sources of funds are: (i) cash dividends received, and money borrowed, from its subsidiaries; (ii) bank and other borrowings; and (iii) funds which may be raised from time to time from the issue of equity securities. The ability of Huntsworth to pay interest on external financing and overheads is dependent on its subsidiaries generating a positive cash flow from operations. The ability of Huntsworth and its subsidiaries to pay dividends is dependent on the availability of the distributable reserves in each relevant company.

The following sections provide information on the Huntsworth Group's capital resources.

Cash flow

<u>Year to 31 December</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Net cash inflow from operating activities	17,047	17,960	20,073
Net cash outflow from investing activities	(4,586)	(27,450)	(16,771)
Net cash inflow/(outflow) from financing activities	(12,994)	5,960	(3,598)
Increase/(decrease) in cash and cash equivalents	(533)	(3,530)	(296)

Operating cash flows decreased from 2010 to 2011 in line with the Huntsworth Group's fall in operating profit over the same period. Operating cash flows in 2012 decreased from 2011 despite an increase in operating profits largely due to an increase in debtors and decrease in provisions over this period.

The Huntsworth Group generates cash from operating activities consistently across the year, although monthly variations as to the level of cash generated can arise due to trading seasonality factors and the billing cycle under customer contracts.

The Huntsworth Group's main requirement for investment expenditure relates to the acquisition of subsidiaries in order to expand the Huntsworth Group's geographic reach and breadth of services. Apart from this the Huntsworth Group has had no significant investment expenditure in the period under review.

The Huntsworth Group's peak borrowing requirements have coincided with financing the cash elements of the consideration paid for acquisitions made.

The cash outflow from investing activities in 2010 principally included deferred consideration payable on the acquisitions of The Quiller Consultancy Limited and Sund Kommunikation i Malmo AB, and the initial cash consideration for the acquisition of ScopeMedical Limited.

The cash outflow from investing activities in 2011 principally included deferred consideration payable on the acquisitions of Axis Healthcare Communications LLC and Tonic Life Communications Limited, and the initial cash consideration for the acquisition of Atomic Communications, LLC.

The cash outflow from investing activities in 2012 principally included deferred consideration payable on the acquisitions of Momentum International Limited and Connecting Point Communications, LLC.

The net cash inflow/(outflow) from financing activities in each of 2010, 2011 and 2012 primarily consists of dividends paid to equity holders of Huntsworth, and the net repayment/drawdown of borrowings. 2011 financing activities included a net drawdown of borrowings (i.e. cash inflow) of £14 million that was used to partially fund the initial cash consideration for Atomic Communications LLC and deferred consideration of both Axis Healthcare Communications LLC and Tonic Life Communications Limited, as noted above.

Contractual commitments and contingencies

Huntsworth has land and buildings, fixtures and fittings and equipment under operating leases. Future minimum rentals payable under non-cancellable operating leases are as follows:

<u>Year to 31 December</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Within one year	6,939	7,206	8,107
Within two to five years	8,614	9,119	13,386
Over five years	206	2	607

Acquisitions made by the Group typically involve an earn-out arrangement whereby the consideration payable includes a deferred element that is contingent on the future financial performance of the acquired entity. No material contingent consideration will become payable unless the acquired entity delivers revenues or profits during the earn-out period that are greater than those used for calculating the initial consideration. The provision for deferred contingent consideration is recorded at fair value

which is the present value of the amount expected to be paid in cash or shares. The provision represents the Directors' best estimate of future business performance based on internal business plans.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Deferred contingent consideration payable	10,110	15,772	28,243

The Huntsworth Group has no other material commitments in relation to capital assets.

Bank and loan facilities

The Huntsworth Group has used debt facilities primarily to finance the acquisitions noted in section 4 of Part III and to fund working capital. The Huntsworth Group currently has £107 million of multi-currency loan facilities, reducing to £95 million, with a syndicate of banks maturing in 2015. As at 16 September 2013, being the latest practicable date prior to the publication of this Prospectus, the Huntsworth Group's net borrowings were £75.7 million. Net borrowings as at 31 July 2013 have been calculated as total borrowings of £81.6 million minus cash and cash equivalents of £5.9 million. As at the date of this Prospectus, £25.4 million of the Company's debt facilities remains undrawn. Further information on existing facilities available to the Huntsworth Group are summarised in paragraph 9 of Part IX of this document.

Covenants and borrowing limits

There are a number of covenants and borrowing limits which need to be satisfied by Huntsworth to ensure its borrowings continue to be within its borrowing powers and comply with the terms of the lenders. The financial covenants contained within the Huntsworth Group's debt facilities summarised below are:

- Consolidated EBITDA to Net Interest Payable
- Consolidated net debt (adjusted for any contractual cash obligations on deferred consideration) ("**Consolidated Net Debt**") to Continuing EBITDA
- Net worth

Each covenant is tested on a quarterly basis.

Consolidated EBITDA to Net Interest Payable

The covenant requires the Huntsworth Group to have EBITDA of at least 4.25 times net interest payable and is measurable on a rolling twelve month basis at each quarter end.

Consolidated Net Debt to Continuing EBITDA

The covenant requires the Huntsworth Group to have a ratio of Consolidated Net Debt and Continuing EBITDA of not more than:

In respect of any Relevant Period in which no Capital Raise has occurred	2.75:1
In respect of any Relevant Period ending after a Capital Raise has occurred	2.25:1

subject to:

In respect of the Relevant Period ending 30 September 2013	3.00:1
------------------------------------------------------------	--------

where "Capital Raise" means the Company completes a successful capital raising and receives gross funds from such raising of not less than £36,000,000 (or its equivalent in another currency or currencies), provided that:

- (a) no more than a further 20% of the Company's issued ordinary share capital is issued;
- (b) funds are received on or before 31 March 2014; and
- (c) all funds are placed in an account of the Company with a lender for application in repayment of outstanding Revolving Credit Facility Loans at the end of the next Interest Period.

Net worth

The covenant requires the Huntsworth Group's net worth to be not less than:

Each quarterly period ending before 31 December 2013 £200 million

Each quarterly period ending before 31 December 2014 £205 million

Each quarterly period ending after 31 December 2014 £210 million

Net worth represents the aggregate of the Company's share capital, share premium account, merger reserve and retained earnings (adjusted for any profits/losses on disposal of subsidiaries and amortisation or impairment of goodwill and intangible assets after 31 December 2009).

Capitalisation and Indebtedness

The following table shows the consolidated gross indebtedness of the Huntsworth Group as at 31 July 2013 and the consolidated Huntsworth Group capitalisation as at 30 June 2013. The figures for capitalisation have been extracted without material adjustment from the unaudited interim results of Huntsworth for the six months to 30 June 2013, incorporated by reference into this document. The indebtedness figures have been extracted from the underlying accounting records of the Huntsworth Group as at 31 July 2013.

	<u>As at 31 July 2013</u> £'000 unaudited
Total current debt:	
—Guaranteed ⁽¹⁾	6,000
—Secured ⁽²⁾	6
—Unguaranteed/unsecured	16
Total non-current debt (excluding current portion of long-term debt):	
—Guaranteed ⁽¹⁾	75,586
—Secured ⁽²⁾	1
Total indebtedness	81,609
	<u>As at 30 June 2013</u> £'000 unaudited
Capitalisation:	
—Share capital	106,465
—Share premium	26,936
—Merger reserve	63,136
—Treasury shares	(1,577)
—Investment in own shares	(4,775)
Total capitalisation	190,185

(1) The bank loan is guaranteed by a number of Huntsworth subsidiaries.

(2) Assets secured comprise motor vehicles under finance lease.

Capitalisation does not include retained earnings, the foreign exchange translation reserve or the hedging reserve.

There has been no material change in the Company's capitalisation since 30 June 2013 to the date of this document, other than an increase in share capital of £4,814 and increase in share premium of £284,496 on 5 July 2013 following the issue of shares in relation to the scrip alternative on the final 2012 dividend.

The following table shows the consolidated Huntsworth Group net financial indebtedness as at 31 July 2013.

	As at 31 July 2013
	<u>£'000 unaudited</u>
Cash	5,929
Liquidity	<u>5,929</u>
Current obligations under finance leases	(6)
Current bank overdrafts	(16)
Current variable rate bank loan	<u>(6,000)</u>
Current financial debt	<u>(6,022)</u>
Net current financial indebtedness	<u>(93)</u>
Non-current obligations under finance leases	(1)
Non-current bank loan under fixed rate swap	(10,000)
Non-current variable rate bank loan	<u>(65,586)</u>
Non-current financial indebtedness	<u>(75,587)</u>
Net financial indebtedness	<u>(75,680)</u>

As at 31 July 2013 the Huntsworth Group had no material indirect or contingent indebtedness.

The Huntsworth Group also has derivatives not reflected in the analysis above with the following fair values as at 31 July 2013:

	As at 31 July 2013
	<u>£'000 unaudited</u>
Interest rate swap liability	(275)
Foreign currency contracts liability	<u>(51)</u>
	<u>(326)</u>

PART VI
HISTORICAL FINANCIAL INFORMATION OF HUNTSWORTH

Investors should read the whole of this document and the documents incorporated herein by reference and should not just rely on the financial information set out in this Part VI.

1. Basis of financial information

The consolidated financial statements of the Huntsworth Group included in the Company's Annual Report and Accounts for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012, together with the audit reports thereon are incorporated by reference into this document. In addition, the unaudited consolidated financial statements of the Huntsworth Group contained in the Company's interim results for the six months to 30 June 2013 are incorporated by reference into this document.

2. Cross reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

2.1 the Company's Annual Report and Accounts for the year ended 31 December 2010

The page numbers below refer to the relevant pages of the Company's Annual Report and Accounts for the year ended 31 December 2010:

- (i) independent auditor's report—page 35;
- (ii) income statement—page 36;
- (iii) balance sheet—page 38;
- (iv) cash flow statement—page 39;
- (v) statement of changes in equity—page 40;
- (vi) notes to the accounts—page 41; and
- (vii) Company balance sheet—page 73.

2.2 the Company's Annual Report and Accounts for the year ended 31 December 2011

The page numbers below refer to the relevant pages of the Company's Annual Report and Accounts for the year ended 31 December 2011:

- (i) independent auditor's report—page 40;
- (ii) income statement—page 41;
- (iii) balance sheet—page 43;
- (iv) cash flow statement—page 44;
- (v) statement of changes in equity—page 45;
- (vi) notes to the accounts—page 46; and
- (vii) Company balance sheet—page 73.

2.3 the Company's Annual Report and Accounts for the year ended 31 December 2012

The page numbers below refer to the relevant pages of the Company's Annual Report and Accounts for the year ended 31 December 2012:

- (i) independent auditor's report—page 46;
- (ii) income statement—page 47;
- (iii) balance sheet—page 49;
- (iv) cash flow statement—page 50;

- (v) statement of changes in equity—page 51;
- (vi) notes to the accounts—page 52; and
- (vii) Company balance sheet—page 81.

2.4 the Company's interim results for the six months to 30 June 2013

The page numbers below refer to the relevant pages of the Company's interim results for the six months to 30 June 2013:

- (i) condensed consolidated income statement—page 11;
- (ii) condensed consolidated statement of comprehensive income—page 12;
- (iii) condensed consolidated balance sheet—page 13;
- (iv) condensed consolidated cash flow statement—page 14;
- (v) statement of changes in equity—page 15;
- (vi) notes to the accounts—page 16; and
- (vii) independent review report—page 28.

PART VII

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE HUNTSWORTH GROUP

The following unaudited pro forma statement of net assets of the Huntsworth Group (the “**pro forma financial information**”) has been prepared to illustrate the effect on the consolidated net assets of the Huntsworth Group as if the proposed offer of New Huntsworth Shares to BlueFocus International and Admission had taken place on 31 December 2012.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Huntsworth Group’s actual financial position or results.

The pro forma financial information is based on the consolidated net assets of the Huntsworth Group as at 31 December 2012, set out in the audited consolidated financial statements of the Huntsworth Group for the year ended 31 December 2012, and has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information and on the basis set out in the notes set out below.

	The Group as at 31 December 2012 (note 1)	Net placing proceeds (note 3)	Pro forma net assets of the Group
	£'000	£'000	£'000
Assets			
Non-current assets			
Intangible assets	293,628	—	293,628
Property, plant and equipment	5,430	—	5,430
Other receivables	279	—	279
Deferred tax assets	92	—	92
	<u>299,429</u>	<u>—</u>	<u>299,429</u>
Current assets			
Work in progress	4,041	—	4,041
Trade and other receivables	43,049	—	43,049
Current tax receivable	190	—	190
Derivative financial assets	72	—	72
Cash and short term deposits	4,677	—	4,677
	<u>52,029</u>	<u>—</u>	<u>52,029</u>
Total assets	<u>351,458</u>	<u>—</u>	<u>351,458</u>
Liabilities			
Current liabilities			
Bank loans and overdrafts	(6,010)	—	(6,010)
Obligations under finance leases	(10)	—	(10)
Trade and other payables	(48,089)	—	(48,089)
Derivative financial liabilities	—	—	—
Current tax payable	(1,967)	—	(1,967)
Provisions	(6,502)	—	(6,502)
	<u>(62,578)</u>	<u>—</u>	<u>(62,578)</u>
Non-current liabilities			
Bank loans and overdrafts	(65,156)	34,500	(30,656)
Obligations under finance leases	(3)	—	(3)
Trade and other payables	(1,014)	—	(1,014)
Derivative financial liabilities	(433)	—	(433)
Deferred tax liabilities	(2,515)	—	(2,515)
Provisions	(5,602)	—	(5,602)
	<u>(74,723)</u>	<u>34,500</u>	<u>(40,223)</u>
Total liabilities	<u>(137,301)</u>	<u>34,500</u>	<u>(102,801)</u>
Net assets	<u>214,157</u>	<u>34,500</u>	<u>248,657</u>

Notes:

- The net assets of the Group at 31 December 2012 have been extracted without material adjustment from the audited consolidated financial statements of the Group for the year ended 31 December 2012 which are incorporated by reference in this document.
- Had the proposed offer of New Huntsworth Shares to BlueFocus International taken place on 1 January 2012, the earnings of the Huntsworth Group would have been enhanced on an after-tax basis by the reduction in interest payable as a result of the debt repaid (net of any costs incurred in relation to the debt repayment). However, this does not mean that the future earnings of the Huntsworth Group will necessarily match, exceed or fall short of its historical published earnings.

Adjustments:

- The placing is estimated to raise net proceeds of £34.5 million (£36.5 million gross proceeds less estimated expenses of £2.0 million).
- No account has been taken of the financial performance of the Group since 31 December 2012, nor of any other event save as disclosed above.



The Directors
Huntsworth plc
15-17 Huntsworth Mews
London
NW1 6DD

BDO LLP
55 Baker Street
London
W1U 7EU

18 September 2013

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

Dear Sirs and Madam

Huntsworth plc (the “Company”)

Pro forma financial information

We report on the unaudited pro forma net assets statement (the “**Pro Forma Financial Information**”) set out in Part VII of the prospectus dated 18 September 2013 (the “**Prospectus**”) which has been prepared on the basis described, for illustrative purposes only, to provide information about how the proposed offer of New Huntsworth Shares to BlueFocus International and Admission might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 December 2012.

This report is required by item 20.2 of Annex I of the Commission Regulation (EC) No. 809/2004 (the “**PD Regulation**”) and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “**Directors**”) to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I of the PD Regulation consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents,

considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

PART VIII
DIRECTORS, RESPONSIBLE PERSONS, SENIOR MANAGEMENT,
CORPORATE GOVERNANCE AND EMPLOYEES

1. Persons Responsible

The Huntsworth Directors and the Proposed Director, whose names appear at paragraph 2 below, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge of the Huntsworth Directors, the Proposed Director and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Huntsworth Directors and the Proposed Director

The Huntsworth Board currently consists of the following directors:

<u>Name</u>	<u>Age</u>	<u>Current position in respect of Huntsworth</u>
Executive Directors:		
Lord Chadlington	71	Chief Executive
Sally Withey	50	Group Chief Operating Officer and Group Finance Director
Non-Executive Directors:		
Richard Sharp	57	Non-Executive Chairman
John Farrell	56	Non-Executive Director
Terence M. Graunke	54	Non-Executive Director
Joe MacHale	62	Non-Executive Director

The business address of the Huntsworth Directors is 15-17 Huntsworth Mews, London NW1 6DD.

The full name and function of the Proposed Director is as follows:

<u>Name</u>	<u>Age</u>	<u>Proposed position in respect of Huntsworth</u>
Oscar Zhao	42	Non-Executive Director

The business address of the Proposed Director is Universal Creative Park Tower C9, 9 Jiu Xian Qiao North Road, Chao Yang District, Beijing, 100015 Beijing, PRC.

3. Directors' Profiles

The names, business experience and principal business activities outside the Huntsworth Group of the current Huntsworth Directors, as well as the dates of their initial appointment as Huntsworth Directors are set out below.

Richard Sharp (Non-Executive Chairman) joined the Huntsworth Board as Non-Executive Chairman in May 2008. He joined Goldman Sachs in 1984, became a partner in 1994, and worked across the Goldman Sachs business, heading the capital markets, investment banking and private equity divisions. He was a member of the European Management Committee and a director of Goldman Sachs International. He retired as Chairman of Goldman Sachs' European Principal Investment Area at the end of 2006. He is a former director of Cognis AG, the German chemical company, and ISS, the Danish-based global outsourcing company. He is an Emeritus Trustee and former Chairman of the Royal Academy Trust (2007-2012) and a Director of International Rescue Committee UK. He is also a Non-Executive Director for Oncimmune and an external member of the Financial Policy Committee at the Bank of England from April 2013.

Lord Chadlington (Chief Executive) was appointed to the Huntsworth Board in August 2000. He has spent his entire working life in communications, as a journalist after graduating from Cambridge University and later in PR both in-house and consultancy. He founded Shandwick in 1974 and the company was publicly listed in 1984. He established Shandwick as the largest PR consultancy in the UK, holding that position for the next 17 years. He built the firm overseas and it was sold to The Interpublic Group of Companies in 1998, forming the group that became the largest PR consultancy in the world. Lord Chadlington is a former director of Halifax PLC and has written and lectured extensively on communications, politics and PR. He was created a life peer in 1996.

Sally Withey (Group Chief Operating Officer and Group Finance Director) is an associate of the Chartered Institute of Management Accountants and was appointed Finance Director in 2006 after two years with the Group in an operational role. In March 2008 she became Group Chief Operating Officer. In accordance with the announcement to shareholders on 31 January 2012, Sally Withey was appointed to the joint role of Group Chief Operating Officer and Group Finance Director from that date. She is responsible for the Group's worldwide financial functions and day to day operations. Previously, she was Chief Financial Officer, Europe, of the Nasdaq-listed technology company Predictive Inc.

John Farrell (Independent Non-Executive Director) was appointed to the Huntsworth Board as Independent Non-Executive Director on 1 August 2009, and is Chairman of the Remuneration Committee and a member of the Audit Committee. He was most recently responsible for all of Publicis Groupe Worldwide Specialised Agencies and Marketing Services (SAMS). Previously, he was President and CEO of D'Arcy Worldwide, one of the top global advertising and communication networks; President of the IMP (now 'Arc') European Network of Direct and Promotional Marketing Businesses; and he also has client-side experience with Atlas Copco, Butlins UK and LRC International. He is also currently serving as a Non-Executive Director/Consultant for several advertising, media, marketing services and consumer businesses, including Albion, D.W.A, Albemarle and Bond, LBi, E-Z Corps, Acceleration, Exponential, John Brown Media, DNX and The European Golf Tour. John is Honorary President of the Institute of Sales Promotion, Founder Member of the Direct Marketing Association of Great Britain, and a member of the American Advertising Association Hall of Achievement.

Terence M. Graunke (Independent Non-Executive Director) was appointed to the Huntsworth Board as Independent Non-Executive Director on 21 May 2012. He has more than 25 years of experience in marketing services including starting, building, operating, and investing in companies and has been the founder and chief executive of both publicly-traded and private companies. He is the co-founder of Lake Capital Management LLC ("Lake Capital"), a private investment management firm. Through its private investment funds, Lake Capital has invested in a variety of service enterprises. Prior to co-founding Lake Capital, he raised institutional capital, built and realised investments in information technology training, interactive development and marketing services. Prior to this he was a partner in the Hawthorne Group where he focused on both investments in, and exits from, a portfolio consisting primarily of media companies, both traditional and new media. Before his involvement with Hawthorne, he spent more than ten years as an operating executive in leading companies within the marketing communications industry. He is currently a board member of the quoted company, The Hackett Group, Inc.

Joe MacHale (Independent Non-Executive Director) was appointed to the Huntsworth Board on 5 July 2012. Joe is Senior Independent Director, Chairman of the Audit Committee and is a member of the Remuneration Committee and Nominations Committee. He held a number of senior executive positions with J.P. Morgan between 1979 and 2001 and was latterly chief executive of J.P. Morgan Europe, Middle East and Africa Region. He previously held Non-Executive roles at The Morgan Crucible Company plc, Brit Insurance Holdings plc and the Royal Bank of Scotland Group plc. He is currently Chairman of Prytania Holdings LLP. Joe was a Trustee and the Treasurer of Macmillan Cancer Support from 2002-2012 and is currently Chairman of The Brendoncare Foundation. He is also an adviser to the Abbot of Ampleforth. He is a fellow of the Institute of Chartered Accountants.

4. Proposed Director's Profile

The name, business experience and principal activities of the Proposed Director are set out below.

Oscar Zhao (the Proposed Director) has 20 years' experience in public relations and management. He founded BlueFocus in 1996, which is the largest local professional public relations firm in mainland China. He is currently Chairman and Chief Executive Officer of BlueFocus Communication Group, having previously acted as Chief Executive Officer of BlueFocus Public Relations Consulting from 1996 to 1999 and from 2002 to 2007. Prior to founding BlueFocus, he served as senior manager at Sida Advertising, general manager at Lucun (a local Chinese PR consulting firm) and as Chief Operating Officer at Yabao (an on-line auction company). He is currently an executive member of the China International Public Relations Association ("CIPRA") and serves as a trustee of the Communication University of China ("CUC").

5. Interests of the Huntsworth Directors

As at 16 September 2013 (being the latest practicable date prior to the publication of this document), the interests of the Huntsworth Directors and their connected persons (all of which are beneficial), (within the meaning of section 252 of the Companies Act) are set out in the following table:

	As at 16 September 2013		Interests immediately following Admission	
	Number of Huntsworth Shares	Percentage of issued share capital of Huntsworth	Number of Huntsworth Shares	Percentage of enlarged issued share capital of Huntsworth
Richard Sharp	4,000,259	1.55	4,000,259	1.24%
Lord Chadlington	3,614,438	1.40	3,614,438	1.12%
Sally Withey	23,778	0.009	23,778	0.007%
John Farrell	217,000	0.084	217,000	0.068%
Terence M. Graunke	24,234,963	9.38	24,234,963	7.54%
Joe MacHale	0	0	0	0%

The holding disclosed in respect of Terence M. Graunke consists of the ordinary shares that he manages and controls on behalf of Lake Capital Partners LP.

Taken together, the combined percentage interest of the Huntsworth Directors and their respective connected persons in the issued ordinary share capital of Huntsworth as at 16 September 2013 was approximately 12.42 per cent.

Details of options over the Huntsworth Shares held by the Huntsworth Directors are set out below. They are not included in the interests of the Huntsworth Directors shown in the table above.

The Huntsworth Directors had interests in the following options and awards relating to Huntsworth Shares under the Huntsworth Share Schemes as at 16 September 2013 (being the latest practicable date prior to publication of this document):

Scheme	At 16 September 2013	Exercise price (pence)	Option Period
Lord Chadlington			
Performance Share Plan	570,000	nil	Jan 2010–Jan 2017
Performance Share Plan	798,667	nil	Dec 2013–Dec 2020
Performance Share Plan	897,000	nil	Apr 2015–Apr 2022
Performance Share Plan	1,650,000	nil	Apr 2016–Apr 2023
2006 Executive Share Option Scheme	1,016,166	108.25	Jan 2010–Jan 2017
2006 Executive Share Option Scheme	1,250,000	32.50	Jan 2012–Jan 2019
Deferred Share Bonus Plan	936,564	nil	Mar 2011–Mar 2019
Deferred Share Bonus Plan	1,022,402	nil	Mar 2012–Mar 2019
Total Lord Chadlington	8,140,799		
Sally Withey			
Enterprise Management Incentive Scheme	92,930	107.50	Oct 2007–Oct 2014
Unapproved Executive Scheme	7,069	107.50	Oct 2007–Oct 2014
Performance Share Plan	135,707	nil	Dec 2009–Dec 2016
Performance Share Plan	67,850	nil	Mar 2011–Mar 2018
Performance Share Plan	160,000	nil	Dec 2013–Dec 2020
Performance Share Plan	600,000	nil	Apr 2015–Apr 2022
Performance Share Plan	1,100,000	nil	Apr 2016–Apr 2023
2006 Executive Share Option Scheme	415,692	98.25	Dec 2009–Dec 2016
2006 Executive Share Option Scheme	700,000	32.50	Jan 2012–Jan 2019
Deferred Share Bonus Plan	469,064	nil	Mar 2011–Mar 2019
Deferred Share Bonus Plan	512,054	nil	Mar 2012–Mar 2019
Total Sally Withey	4,260,366		

Non-Executive Director options

No current Non-Executive Director holds an interest in options of the Company.

Huntsworth's register of directors' interests, which is open to inspection, contains full details of the Huntsworth Directors' shareholdings and options to subscribe for Huntsworth Shares.

Save for as disclosed in this document no Huntsworth Director nor their immediate families, nor any person connected with any Huntsworth Director within the meaning of section 346 of the Companies Act, has any interests (beneficial or non-beneficial) in the share capital of Huntsworth or any of its subsidiaries.

Save for as disclosed in this document, no Huntsworth Director has, or has had, any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of Huntsworth and which was effected by Huntsworth during the current or immediately preceding financial year and which remains in any respect outstanding or unperformed.

There are no outstanding loans granted by Huntsworth or any member of the Huntsworth Group to any of the Huntsworth Directors nor has any guarantee been provided by Huntsworth or any of its subsidiaries for their benefit.

Minimum Shareholding policy

To ensure that their interests are aligned with those of shareholders, the Huntsworth Board introduced shareholding guidelines during 2012 under which all Huntsworth Directors are expected to build and maintain a personal shareholding in the Company.

Under the guidelines, all Huntsworth Directors are expected to hold shares equivalent in value to a minimum of one times their salary/fees within a maximum five year period from the adoption of the policy or the date of their appointment (three years for non-executive Directors).

For executive Directors, vested share awards will also be taken into account for the purposes of assessing whether the guideline shareholding has been achieved.

6. Remuneration of the Huntsworth Directors

This section provides information on the remuneration arrangements for the Directors.

6.1 The Executive Directors of Huntsworth

Huntsworth has entered into service contracts with each of the executive Directors, the particulars of which are set out below:

<u>Name</u>	<u>Date of agreement</u>	<u>Notice period</u>	<u>Provisions for Early Termination (termination other than by notice or misconduct)</u>
Lord Chadlington . . .	21 December 2009	1 year	Contractual entitlement to the value for any unexpired period of notice of salary, certain benefits and target bonus. Entitlement, to be treated as a "good leaver", subject to achievement of performance targets, in respect of outstanding share awards.
Sally Withey	23 March 2009	1 year	Contractual entitlement to the value for any unexpired period of notice of salary, benefits, pension contributions and target bonus.

All service contracts provide that, in addition to their basic salary, each of the executive Directors is entitled to an annual bonus. Awards under this bonus scheme are made at the discretion of the Remuneration Committee and are based on the achievement of specific performance targets for each Huntsworth Director. For 2012, these targets included achievement of levels of profit before tax and highlighted items; and cash conversion.

Other than as set out in this document all executive Directors are eligible to participate in the share based payment schemes detailed in paragraph 5 of Part IX of this document.

6.2 Executive Huntsworth Directors' Pensions

Sally Withey is entitled to an annual pension allowance of 12 per cent. of her basic salary.

6.3 Non-Executive Directors of Huntsworth

Non-Executive Directors have letters of appointment which provide for an initial period of three years following their first re-appointment at the Company annual general meeting.

<u>Name</u>	<u>Date of original letter</u>	<u>Unexpired term</u>	<u>Notice period</u>
Richard Sharp	10 March 2008	N/A	3 months
John Farrell	29 June 2009	N/A	3 months
Terence M. Graunke	9 May 2012	AGM 2015	3 months
Joe MacHale	26 June 2012	AGM 2016	3 months

6.4 Analysis of Huntsworth Directors' Emoluments

An analysis of emoluments of the Huntsworth Directors relating to their salary and fees, bonus, pension and other benefits (other than share options) for the year to 31 December 2012 is shown below:

<u>Huntsworth Directors</u>	<u>Salary and fees</u>	<u>Bonus</u>	<u>Benefits</u>	<u>Total</u>	<u>Pension</u>
	£'000	£'000	£'000	£'000	£'000
Richard Sharp	124	—	—	124	—
Lord Chadlington	628	313	80	1,021	—
Sally Withey	420	209	22	651	51
John Farrell	37	—	—	37	—
Terence M. Graunke	22	—	—	22	—
Joe MacHale	15	—	—	15	—

The following changes to the information provided in the table above will apply with effect from 1 January 2013: Lord Chadlington receives a base salary of £648,159 and Sally Withey receives a base salary of £433,482.

Terence M. Graunke was appointed as a Director on 21 May 2012 and Joe MacHale was appointed as a Director on 5 July 2012.

7. Corporate Governance

The Huntsworth Board is firmly committed to high standards of corporate governance. Throughout the financial year ended 31 December 2012 and as at the date of this document, the Company was in compliance with the provisions of the UK Corporate Governance Code 2010 and 2012 respectively relevant to a company outside of the FTSE 350, with the following exceptions: (i) in the period between 18 May 2012 and 14 December 2012, the Company did not have an appointed Senior Independent Director; and (ii) Mr. Terence M. Graunke, a non-executive Director, was not able to attend the Company's 2013 AGM.

7.1 The Board

Details of: (i) the composition of the Huntsworth Board; (ii) the roles of Huntsworth Board members; (iii) the Huntsworth Group's corporate governance framework; (iv) the Huntsworth Group's sustainability policies and practices; and (v) the independence and appointment of non-executive Directors are set out in the Company's Directors' Report on pages 31 to 35 of the Company's Annual Report and Accounts for the year ended 31 December 2012, which is incorporated by reference into this document.

7.2 Huntsworth Audit Committee

The Audit Committee is chaired by the Company's Senior Independent Director, Joe MacHale, and its other member is John Farrell. Members of the Audit Committee have broad financial experience which has been gained in a variety of disciplines and which the Huntsworth Board considers appropriate to

enable the Audit Committee to carry out its responsibilities. The Audit Committee provides a forum for reporting by the Huntsworth Group's external auditors. Meetings are also attended, by invitation, by the Group Chief Operating Officer and Group Finance Director. Provision is made for the external auditors to discuss any concerns they may have with the Audit Committee in the absence of management if necessary.

Amongst other things, the Audit Committee is responsible for reviewing a wide range of matters including the interim and annual financial statements, monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders and reviewing the Huntsworth Group's whistleblowing policy. The Audit Committee advises the Huntsworth Board on the appointment of external auditors and on their remuneration both for audit and non-audit work, and discusses the nature, scope and results of the audit with external auditors. The Audit Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors. In particular the Audit Committee oversees the nature and amount of non-audit work undertaken by the auditors each year to ensure that external auditor independence is safeguarded.

7.3 Huntsworth Remuneration Committee

The Remuneration Committee is chaired by John Farrell and its other member is Joe MacHale. Meetings are also attended, by invitation, by the executive Directors and external advisors.

The Remuneration Committee is responsible for making recommendations to the Huntsworth Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The Remuneration Committee recommends to the Huntsworth Board the contract terms, remuneration and other benefits for each of the Huntsworth Directors and other senior executives of the Huntsworth Group, including performance-related bonus schemes, share-based incentive plans and pension rights. Such recommendations are determined after a review of the performance of the individual and by reference to the Company's financial results. The Remuneration Committee seeks the advice of the Chief Executive in any review of the Group Chief Operating Officer and Group Finance Director. The Huntsworth Board itself determines the remuneration of the Independent Non-Executive Directors. External advice from a leading firm of remuneration consultants is sought when necessary.

7.4 Huntsworth Nominations Committee

The Nominations Committee comprises Richard Sharp (Chairman), Lord Chadlington and Joe MacHale.

The Nominations Committee meets as necessary and ensures that for all senior and Huntsworth Board appointments, including the composition of the Huntsworth Board committees, due consideration of external and internal candidates is given prior to making recommendations to the Huntsworth Board. Where appropriate external search consultants are used.

8. Huntsworth Group Employees

The average number of staff employed by the Huntsworth Group for the three years ended 31 December 2010, 31 December 2011 and 31 December 2012 is set out below:

<u>Year</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Number of employees	<u>1,690</u>	<u>1,671</u>	<u>1,648</u>

As at 30 June 2013, the Huntsworth Group employed approximately 1700 staff.

9. Directors' Confirmations

Neither the Huntsworth Directors nor the Proposed Director have, during the last five years:

- (a) been convicted in relation to a fraudulent offence;
- (b) been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company;
- (c) been subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or

(d) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

10. Conflicts of interest

Save as disclosed in this paragraph 10, neither the Huntsworth Directors nor the Proposed Director have any actual or potential conflicts of interest between any duty he or she has to the Company, either in respect of the Subscription or otherwise, and the private interests and/or other duties they may also have.

Terence M. Graunke is co-founder, Principal and Chairman of Lake Capital Partners LP which held approximately 9.7 per cent. of Huntsworth's issued share capital on the date of his appointment to the Huntsworth Board and 9.38 per cent. as at 16 September 2013 (being the latest practicable date prior to the publication of this document).

The Proposed Director is founder and CEO of BlueFocus which will, through its subsidiary BlueFocus International, following the Subscription and on his appointment to the Huntsworth Board, hold 19.6% of Huntsworth's issued share capital. A description of the measures the Huntsworth Board will take to address this potential conflict of interest is set out in paragraph 7 of Part I of this document.

Save as disclosed in paragraph 5 of this Part VIII and the Remuneration Report set out on pages 37 to 45 of the Annual Report and Accounts of Huntsworth for the year ended 31 December 2012, which is incorporated into this document by reference, there are no interests, including conflicting ones, that are material to the Subscription.

No Huntsworth Director has or had during the year ended 31 December 2012 a material interest in any significant contract with Huntsworth or any of its subsidiaries.

None of the Huntsworth Directors was selected to be a director of Huntsworth pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with the Huntsworth Group.

Subject to the Huntsworth Board's minimum shareholding policy (described in paragraph 5 of this Part) and approval of the Chairman, no restrictions have been agreed by any Huntsworth Director on the disposal within a certain period of time of his holding in Huntsworth securities.

There are no family relationships between any of the Huntsworth Directors.

11. Directorships and Partnerships

Save as set out below, neither the Huntsworth Directors nor the Proposed Director have either held any directorships of any company, other than of those companies in the Huntsworth Group which are subsidiaries, or been a partner in a partnership at any time in the five years prior to the date of this document:

<u>Huntsworth Director</u>	<u>Current directorships/partnerships</u>	<u>Former directorships/partnerships</u>
Richard Sharp	DII Capital UK Adviser LLP DII Capital Holdings Limited DII Capital 2 Limited Centre for Policy Studies Limited International Rescue Committee, UK Financial Policy Committee, Bank of England	Universal Specialists Limited Heaven Bidco Limited Heaven EquityCo Limited Vendere 1 Limited Vendere 2 Limited Vendere 3 Limited
Lord Chadlington	Ten Digital Limited Lapada Limited Chadlington Village Green Ten Public Relations Limited Sponsored Therapy For Addiction Related Rehabilitation The Ditchley Foundation Dean Chadlington Summer Music Festival Limited Hill Hay Saddle Limited The Chadlington Consultancy Limited	Action on Addiction Trading AONA Black Box Music Limited Britax Childcare Holdings Limited CLC Properties (Cheltenham) Limited CLC Services Limited CLC Sports Services Limited Guideforlife.com Limited Halifax Group Limited Hotcourses LTD The Oxford Philomusica Trust Oxford Resources Limited Royal Ballet School The Walbrook Club Limited

<u>Huntsworth Director</u>	<u>Current directorships/partnerships</u>	<u>Former directorships/partnerships</u>
Sally Withey	—	—
John Farrell	Albion John Farrell & Associates Limited D.W.A Albermarle and Bond Holdings plc E-Z Corps Exponential John Brown Media Group Limited	D'arcy Worldwide IMP (now 'Arc') European Network of Direct and Promotional Marketing Businesses LBI Accerlation
Terence M. Graunke	Lake Capital Management LLC Lake Partners LLC Lake Capital LLC Lake Capital Investment Partners LP Lake Capital Investment Partners II LP The Hackett Group, Inc. DVC Worldwide, LLC (also a Member) Lake Trailer Park Investment Holdings LLC Trailer Park Holdings LLC Trailer Park Holdings Inc. Trailer Park Inc. Creative Domain Inc. Art Machine Inc. OMN Conduit LLC OMN Conduit II LLC OMN Holdings LLC Office Media Network Inc. Driveline Holdings, LLC Interactive Marketing Investment, LLC Interactive Marketing Holdings, LLC Media Purchasing Holdings LLC Logistics Investment LLC Apothecare Conduit LLC Lake/APFS Corp. APFS LLC VFM Leonardo Inc. Tolt Conduit LLC Tolt Holdings LLC Tolt Acquisition Corp. Tolt LLC Intrafusion Conduit LLC Intrafusion Holdings LLC Intrafusion Holding Corp. Intrafusion GP LLC Viamedia Conduit LLC Viamedia Holding Corp. Viamedia Services Corp. Viamedia National Sales, LLC Viamedia, Inc. Viamedia, LLC Target Select Cable, LLC Empower Conduit, LLC Empower Software Holdings, LLC Empower Software Intermediate Holdings, LLC Empower Software Solutions, Inc. ORC Conduit, LLC ORC Holding, LLC ORC Intermediate Holding Corp. ORC International, Inc. Marketing Research Services, Inc. Soil Safe Conduit II LLC HMI Conduit, LLC HMI Holdings, LLC RetroFitness Conduit LLC FishNet Conduit LLC	MW Intermediate Holding Corp. ScribeFire, Inc MediaWhiz Holdings, Inc. MediaWhiz Holdings, LLC Intermac Direct, LLC Filinet, LLC Monetizeit, LLC Text Link Ads, LLC WhiteDelivery, LLC AuctionAds, LLC Global Resource Systems, LLC Hudson Energy Corp. Hudson Parent Holdings, LLC Hudson Energy Services, LLC HCG Holdings LLC (also a Member) NetStar-1 Conduit LLC NetStar-1 Holdings LLC NetStar-1 Holding Corp. NetStar-1, Inc. NetStar-1 Government Consulting Holding Corp. NetStar-1 Government Consulting Inc. Whitney, Bradley and Brown, Inc. HMI Holding Corp. SolutionSet, Inc. Haggin Marketing, Inc. Coupons, LLC I-Centrix Services, LLC SolutionSet Holding Corp. SolutionSet, LLC D.L. Ryan Companies LLC Ryan Partnership, LLC Catapult Integrated Services, LLC Ryan Next, LLC The Retail Zone, LLC Panavista, LLC RPM Connect, LLC 4Cite Marketing, LLC RetroFitness Holdings LLC RetroFitness Holding Corp. RetroFitness, LLC RetroFitness IP LLC RetroFitness Clubs, LLC MedErgy HealthGroup, Inc. MedErgy Marketing, Inc. SciFluent Communications, Inc. MedErgy Communications, Inc.

<u>Huntsworth Director</u>	<u>Current directorships/partnerships</u>	<u>Former directorships/partnerships</u>
Joe MacHale	Prytania Services LLP Prytania Group Limited St. Laurence Education Trust The Brendoncare Foundation	The Royal Bank of Scotland Group plc National Westminster Bank plc Brit Insurance Holdings Limited (formerly Brit Insurance Holdings plc) Macmillan Cancer Support Prytania Holdings LLP The Morgan Crucible Company plc (now Morgan Advanced Materials plc)
Oscar Zhao	BlueFocus Communication Group Co., Ltd. Dentsu BlueFocus (Beijing) Public Relations Consulting Co.,Ltd. Eyesmedia(Beijing) Advertising Co.,Ltd. The Entrepreneur Club of Perking University Zhoushan Hongwen Education Service Co, Ltd	BlueFocus PR Consulting Beijing Co., Ltd. BlueFocus Powering Consulting Co., Ltd. BlueFocus Time PR Consulting Co., Ltd. BlueFocus Image PR Consulting Co., Ltd Beijing Blue Image PR Consulting Co., Ltd. Beijing Kingo Advertising & Communication Co., Ltd. Best Choice Business Consulting Co., Ltd. Beijing snk Advertising co., Ltd

PART IX
ADDITIONAL INFORMATION

1. The Company

The Company was incorporated and registered in England and Wales on 6 June 1983 with registered number 1729478 as a private company limited by shares with the name Holmes & Marchant Limited. On 1 May 1985, the name of the Company was changed to Holmes & Marchant Group PLC. On 3 September 1999 the name of the Company was changed to Huntsworth PLC.

The principal legislation under which the Company operates, and pursuant to which the New Huntsworth Shares will be created, is the Companies Act and regulations made thereunder.

The Company is domiciled in England and Wales and its registered and head office is at 15-17 Huntsworth Mews, London NW1 6DD (telephone number +44 (0)20 7224 8778).

The Huntsworth Shares are listed on the Official List of the London Stock Exchange. The ISIN of the Existing Huntsworth Shares is GB00B0CRWK29. The New Huntsworth Shares are in registered form and may be held in either certificated or uncertificated form.

The auditors of Huntsworth are, and have been throughout the period covered by the financial information in this document, Ernst & Young LLP.

2. Share Capital

The following table shows the issued share capital of the Company as at 30 June 2013 being the date of the most recent balance sheet included in Part VI and as at 16 September 2013 (being the latest practicable date prior to the publication of this document), and the issued share capital of the Company following the Subscription:

	Deferred Shares		Ordinary Shares		Total Nominal value £000
	Number of Shares	Nominal value £000	Number of Shares	Nominal value £000	
At 30 June 2013	212,012,343	103,886	257,972,637	2,580	106,466
Following the Subscription	212,012,343	103,886	321,454,017	3,214	107,100

As at 30 June 2013, being the date of the most recent balance sheet included in Part VI, Huntsworth held 2,289,054 Huntsworth Shares in treasury.

Deferred Shares

The holders of Deferred Shares are not entitled to receive dividends when declared nor the Company's annual report and accounts. The holders of Deferred Shares have no right as such to receive notice of or attend or vote at any general meeting of the Company or to vary or abrogate the rights attaching to the Deferred Shares is proposed.

2.1 Share Capital Summary

The following table shows the changes in the issued share capital of Huntsworth which have occurred between 1 January 2010 and 30 June 2013:

	Deferred Shares		Ordinary Shares		
	Number of Shares	Nominal value £'000	Number of Shares	Nominal value £'000	Total Nominal value £'000
At 1 January 2010	212,012,343	103,886	234,729,328	2,347	106,233
Scrip dividends	—	—	1,464,939	15	15
Issued as deferred consideration for the acquisition of Dutko Worldwide Holdings Inc	—	—	10,805,341	108	108
At 31 December 2010	212,012,343	103,886	246,999,608	2,470	106,356
Scrip dividends	—	—	1,116,424	11	11
Issued as deferred consideration for the acquisition of Tonic Life Communications Limited	—	—	1,817,830	18	18
At 31 December 2011	212,012,343	103,886	249,933,862	2,499	106,385
Scrip dividends	—	—	878,684	9	9
Deferred consideration for the acquisition of Atomic Communications LLC	—	—	1,655,855	16	16
Deferred consideration for the acquisition of Grayling Momentum Limited	—	—	3,377,076	34	34
At 31 December 2012	212,012,343	103,886	255,845,477	2,558	106,444
Issued as deferred consideration for the acquisition of Atomic Communications LLC	—	—	2,127,160	21	21
At 30 June 2013	212,012,343	103,886	257,972,637	2,579	106,465

On 5 July 2013, 481,380 ordinary shares of 1 pence each were issued as a scrip alternative to the final 2012 dividend.

2.2 Existing Shareholder Authorities

At an annual general meeting of the Company held on 13 June 2013, an ordinary resolution was passed granting the Huntsworth Directors the authority to allot relevant securities up to an aggregate nominal amount of £835,616 (and up to a nominal amount of £1,671,232 in connection with an offer by way of a rights issue), such authorities to expire on 12 December 2014 or, if earlier, at the conclusion of the next annual general meeting of the Company after the passing of the resolution.

At an annual general meeting of the Company held on 13 June 2013, a special resolution was passed empowering the Huntsworth Directors to allot equity securities for cash without following the statutory pre-emption procedures. Otherwise than in connection with a rights issue, open offer or other pre-emptive offer, or pursuant to a scrip dividend alternative, the authority contained in the resolution is limited to shares having an aggregate nominal value of £127,923. Such authorities expire at the earlier of 12 December 2014 or, if earlier, at the conclusion of the next annual general meeting of the Company after the passing of the resolution.

2.3 Shareholder authorities proposed at the Huntsworth General Meeting

Please see section 11 of Part I of this document for a summary of the shareholder authorities proposed at the Huntsworth General Meeting. A full list of the Resolutions which will be proposed at the General Meeting is set out in the Notice at Part XII of this document.

3. Memorandum and Articles of Association

The following is a summary of Huntsworth's Memorandum and Articles of Association, which are incorporated by reference into this document and which are available for inspection as set out in paragraph 18 of this Part IX.

3.1 Memorandum of Association

The objects of the Company are unrestricted. The objects clause in the Memorandum of Association of the Company was removed and revoked in accordance with the Companies Act by virtue of a shareholder resolution passed on 13 May 2010.

3.2 Articles of Association

The articles of association of the Company (the “**articles**”) which were adopted on 13 May 2010 contain (amongst others) provisions to the following effect.

(A) Share Rights

Subject to applicable statutes, any resolution passed by the Company under the Companies Act and other Huntsworth Shareholders’ rights, shares may be issued with such rights and restrictions as the Company may by ordinary resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the board (as defined in the articles) may decide. Redeemable shares may be issued. Subject to the articles, the Companies Act and other shareholders’ rights, unissued shares are at the disposal of the board.

(B) Voting Rights

Subject to any rights or restrictions attaching to any class of shares, every member and every duly appointed proxy present at a general meeting or class meeting has, upon a show of hands, one vote and every member present in person or by proxy has, upon a poll, one vote for every share held by him.

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

(C) Restrictions

No member shall be entitled to vote at any general meeting or class meeting in respect of any share held by him if any call or other sum then payable by him in respect of that share remains unpaid or if a member has been served with a restriction notice (as defined in the articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act.

(D) Dividends and other distributions

The Company may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. Subject to the Companies Act, the Board may pay interim dividends, and also any fixed rate dividend, whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it is not liable to holders of shares with preferred or *pari passu* rights for losses arising from the payment of interim or fixed dividends on other shares.

The Board may withhold payment of all or any part of any dividends or other moneys payable in respect of the Company’s shares from a person with a 0.25 per cent. interest (as defined in the articles) if such a person has been served with a restriction notice (as defined in the articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion of the period in respect of which the dividend is paid. Except as set out above, dividends may be declared or paid in any currency.

The Board may if authorised by an ordinary resolution of the Company offer Huntsworth Shareholders (excluding any member holding shares as treasury shares) in respect of any dividend the right to elect to receive ordinary shares by way of scrip dividend instead of cash.

Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and revert to the Company unless the Board decides otherwise.

The Company may stop sending cheques, warrants or similar financial instruments in payment of dividends by post in respect of any shares or may cease to employ any other means of payment, including payment by means of a relevant system, for dividends if either (i) at least two consecutive payments have remained uncashed or are returned undelivered or that means of payment has failed or (ii) one payment remains uncashed or is returned undelivered or that means of payment has failed and reasonable inquiries have failed to establish any new postal address or account of the holder. The Company may resume sending dividend cheques, warrants or similar financial instruments or employing that means of payment if the holder requests such resumption in writing.

(E) Variation of Rights

Subject to the Companies Act, rights attached to any class of shares may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class (calculated excluding any shares held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting (except an adjourned meeting) the quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class (calculated excluding any shares held as treasury shares).

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

(F) Transfer of Shares

The shares are in registered form. Any shares in the Company may be held in uncertificated form and, subject to the articles, title to uncertificated shares may be transferred by means of a relevant system. Provisions of the articles do not apply to any uncertificated shares to the extent that such provisions are inconsistent with the holding of shares in uncertificated form or with the transfer of shares by means of a relevant system.

Subject to the articles, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer must be signed by or on behalf of the transferor and (in the case of a partly-paid share) the transferee.

The transferor of a share is deemed to remain the holder until the transferee's name is entered in the register.

The Board can decline to register any transfer of any share which is not a fully paid share. The Board may also decline to register a transfer of a certificated share unless the instrument of transfer:

- (i) is duly stamped or certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty and is accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
- (ii) is in respect of only one class of share; and
- (iii) if to joint transferees, is in favour of not more than four such transferees.

Registration of a transfer of an uncertificated share may be refused in the circumstances set out in the uncertificated securities rules (as defined in the articles) and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

The Board may decline to register a transfer of any of the Company's certificated shares by a person with a 0.25 per cent. interest (as defined in the articles) if such a person has been served with a restriction notice (as defined in the articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act, unless the transfer is shown to the Board to be pursuant to an arm's length sale (as defined in the articles).

(G) Subdivision of Share Capital

Any resolution authorising the Company to subdivide its shares or any of them may determine that, as between the shares resulting from the subdivision, any of them may have any preference, advantage or be subject to any restriction as compared with the others.

(H) General Meetings

The articles rely on the Companies Act provisions dealing with the calling of general meetings. The Companies Act provides that a general meeting (other than an adjourned meeting) must be called by notice of at least 21 days in the case of an annual general meeting and at least 14 days in any other case (the Company may only call a general meeting on notice of at least 14 days where it has passed an ordinary resolution at its latest annual general meeting enabling it to do so). Notice of a general meeting must be given in hard copy form, in electronic form, or by means of a website and must be sent to every member, the auditors and every Director. It must state the time and date and the place of the meeting and the general nature of the business to be dealt with at the meeting. A notice calling an annual general meeting must state that the meeting is an annual general meeting. Save as otherwise provided by the articles, two members present in person or by proxy and entitled to vote shall be a quorum.

Each Director shall be entitled to attend and speak at any general meeting. The chairman of the meeting may invite any person to attend and speak at any general meeting where he considers that this will assist in the deliberations of the meeting.

(I) Directors

Number of Directors

The Directors shall be not less than two and not more than 12 in number. The Company may elect any person willing to be a Director either to fill a vacancy, or as an addition to the existing Board so long as the number does not exceed the maximum fixed in the articles.

Directors' shareholding qualification

A Director shall not be required to hold any shares in the Company.

Appointment of Directors

Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board holds office only until the next following annual general meeting of the Company and is then eligible for re-appointment.

The Board or any committee authorised by the Board may from time to time appoint one or more Directors to hold any employment or executive office for such period and on such terms as they may determine and may also revoke or terminate any such appointment.

Retirement of Directors

At every annual general meeting of the Company any Director who has been appointed by the Board since the last annual general meeting, or who held office at the time of the two preceding annual general meetings and who did not retire at either of them, or who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for re-appointment by the members.

Removal of Directors by special resolution

The Company may by special resolution remove any Director before the expiration of his period of office.

Vacation of office

The office of a Director shall be vacated if:

- (i) he resigns or offers to resign and the Board resolve to accept such offer;

- (ii) his resignation is requested by all of the other Directors and all of the other Directors are not less than three in number;
- (iii) he is or has been suffering from mental or physical ill health and the Board resolves that his office be vacated;
- (iv) he is absent without the permission of the Board from meetings of the Board (whether or not an alternate Director appointed by him attends) for six consecutive months and the Board resolves that his office is vacated;
- (v) he becomes bankrupt or compounds with his creditors generally;
- (vi) he is prohibited by a law from being a Director;
- (vii) he ceases to be a Director by virtue of the Companies Act; or
- (viii) he is removed from office pursuant to the Company's articles.

If the office of a Director is vacated for any reason, he must cease to be a member of any committee or sub-committee of the Board.

Alternate Director

Any Director may appoint any person to be his alternate and may at his discretion remove such an alternate Director. If the alternate Director is not already a Director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.

Proceedings of the Board

Subject to the provisions of the articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the Board.

The Board may appoint a Director to be the chairman or a deputy chairman and may at any time remove him from that office. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

All or any of the members of the Board may participate in a meeting of the Board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and to be counted in the quorum.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons as it thinks fit, provided that the majority of persons on any committee or sub-committee must be Directors. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in the articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

Remuneration of Directors

Each of the Directors shall be paid a fee at such rate as may from time to time be determined by the Board, but the aggregate of all such fees so paid to the Directors shall not exceed £500,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the Company. Any Director who is appointed to any executive office shall be entitled to receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, either in addition to or in lieu of his remuneration as a Director. In addition, any Director who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a Director, may be paid such extra remuneration as the Board or any committee authorised by the Board may determine. Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board, or committees of the Board or of the Company

or any other meeting which as a Director he is entitled to attend, and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. The Company may also fund a Director's or former Director's expenditure and that of a Director or former Director of any holding company of the Company for the purposes permitted under the Companies Act and may do anything to enable a Director or former Director or a director or former director of any holding company of the Company to avoid incurring such expenditure as provided in the Companies Act.

Pensions and gratuities for Directors

The Board or any committee authorised by the Board may exercise the powers of the Company to provide benefits either by the payment of gratuities or pensions or by insurance or in any other manner for any Director or former Director or his relations, dependants or persons connected to him, but no benefits (except those provided for by the articles) may be granted to or in respect of a Director or former Director who has not been employed by or held an executive office or place of profit under the Company or any of its subsidiary undertakings or their respective predecessors in business without the approval of an ordinary resolution of the Company.

The Board or any committee authorised by the Board may also subsidise or subscribe to any institution, association, fund or trust, calculated to be for the benefit of the Company, a Director, a former Director, or the relations or dependants of a Director or former Director.

Directors' interests

The Board may, subject to the provisions of the articles, authorise any matter which would otherwise involve a Director breaching his duty under the Companies Act to avoid conflicts of interest. Where the Board gives authority in relation to a conflict of interest the Board may (a) require the relevant Director to be excluded from the receipt of information, the participation in discussion and/or the making of decisions related to the conflict of interest; (b) impose upon the relevant Director such other terms for the purpose of dealing with the conflict of interest as it may determine; and (c) may provide that the relevant Director will not be obliged to disclose information obtained otherwise than through his position as a Director of the Company and that is confidential to a third party or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence. The Board may revoke or vary such authority at any time.

Subject to the provisions of the Companies Act, and provided he has declared the nature and extent of his interest to the Board as required by the Companies Act, a Director may:

- (i) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;
- (ii) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms, including remuneration, as the Board may decide;
- (iii) act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as auditor);
- (iv) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested; and
- (v) be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.

A Director shall not, by reason of his office, be liable to account to the Company or its members for any benefit realised by reason of having an interest permitted as described above or by reason of having a conflict of interest authorised by the Board and no contract shall be liable to be avoided on the grounds of a Director having any such interest.

Restrictions on voting

No Director may vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested, save to the extent permitted specifically in the articles.

Subject to certain exceptions set out in the articles, no Director may vote on, or be counted in a quorum in relation to, any resolution of the Board in respect of any contract in which he has an interest and, if he does so, his vote shall not be counted.

Subject to the Companies Act, the Company may by ordinary resolution suspend or relax to any extent the provisions relating to Directors' interests or the restrictions on voting or ratify any transaction not duly authorised by reason of a contravention of such provisions.

Borrowing powers

Subject to the Company's memorandum of association, the articles, the Companies Act and any directions given by the Company by special resolution, the business of the Company will be managed by the Board who may exercise all the powers of the Company, whether relating to the management of the business of the Company or not. In particular, the Board may exercise all the powers of the Company to borrow and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, to issue debentures and other securities and to give security, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

Indemnity of Directors

To the extent permitted by the Companies Act, the Company may indemnify any Director or former Director of the Company or any associated company against any liability and may purchase and maintain for any Director or former Director of the Company or any associated company insurance against any liability.

4. Major Shareholders

In so far as it is known to the Company as at 16 September 2013 (the latest practicable date prior to the publication of this document), the following persons are interested directly or indirectly in three per cent. or more of the issued ordinary share capital of the Company:

<u>Shareholder</u>	<u>Number of Huntsworth Shares</u>	<u>Percentage of issued share capital</u>
Aberforth Partners	38,958,397	15.07
Terence M. Graunke, Paul G. Yovovitch and Lake Capital Partners . . .	24,234,963	9.38
Fidelity International	22,494,110	8.7
Baillie Gifford	11,400,610	4.41
Wellcome Trust	10,218,982	3.95

Save as disclosed above, the Huntsworth Directors are not aware of any person who is interested directly or indirectly in three per cent. or more of the issued share capital of the Company.

As at 16 September 2013 being the latest practicable date prior to the publication of this document, the Company was not aware of any person or persons who directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

None of the Company's major shareholders has or will have different voting rights attached to the shares they hold in the Company.

As at 16 September 2013, being the latest practicable date prior to the publication of this document, and in so far as is known to the Company, the following persons will, directly or indirectly, be interested in three per cent. or more of the issued share capital of the Company when the Subscription completes based on the assumption that, save as follows, the holdings of such persons in Huntsworth as at 16 September 2013 do not change, 63,000,000 New Huntsworth Shares are issued pursuant to the

Subscription and that no other issues of Huntsworth occur between the date of the document and completion of the Subscription:

<u>Shareholder</u>	<u>Number of Huntsworth Shares</u>	<u>Percentage of enlarged issued share capital</u>
BlueFocus International	63,000,000	19.6
Aberforth Partners	38,958,397	12.12
Terence M. Graunke, Paul G. Yovovitch and Lake Capital Partners . . .	24,234,963	7.54
Fidelity International	22,494,110	7.0
Baillie Gifford	11,400,610	3.55
Wellcome Trust	10,218,982	3.18

5. Huntsworth Share Schemes

5.1 The Huntsworth Performance Share Plan (“PSP”)

Administration of the plan

The PSP is administered by the Remuneration Committee of the Huntsworth Board (the “**Committee**”).

The PSP is divided into two parts as follows:

Part I

A plan providing for the award of a conditional right to acquire shares in the Company or a conditional right to acquire shares in the Company held by the trustee of the Huntsworth Employee Benefit Trust (or any other trust from time to time designated by the Committee) (the “**EBT**”) in respect of which the participant will have a co-ownership interest (an “**Option**”).

Part II

A plan providing for the transfer of performance shares which are subject to forfeiture in accordance with the PSP (a “**PS Award**”) or the transfer of a co-ownership interest in performance shares by the EBT to an eligible employee (a “**CO Award**”).

Other than as stated below, the rules of the two parts are the same.

Eligibility

The Committee selects participants in the PSP. Participants are limited to senior executives of the Huntsworth Group.

Awards

The level of the awards is related to basic salary and is in the form of, in respect of Part I, an Option. In respect of Part II, the level of the awards is related to basic salary and is in the form of a PS Award or a CO Award. Awards are personal to the participant and his or her personal representative and may not be transferred. No payment is required for the grant of an award. Awards will not be pensionable.

Timing

Awards are normally only granted during the six weeks following the approval of the plan by shareholders and the six weeks beginning on the dealing day following the announcement of the yearly and half yearly results of the Company. Awards may be granted at other times in exceptional circumstances. No awards will be granted after 3 July 2016.

Performance targets

The extent to which an award will vest is conditional on the performance of the Company over the performance period and measured against such criteria as determined by the Committee. After an award has been granted, on the occurrence of such events as a result of which the Committee considers it fair and reasonable to do so, the Committee has the right to alter a performance target (including the right to impose a new performance target) in such circumstances as it considers appropriate, provided

that, in respect of Part I, the Committee reasonably considers that the change does not have the effect of making the performance target either materially more easy or more difficult to achieve than it was immediately before the event, and in respect of Part II, where the Committee reasonably considers that the change makes the performance target a fairer measure and does not make the performance target more onerous than it was immediately before the event in question.

Satisfaction of awards and employee trust

The shares to be used for the purposes of the PSP will be fully-paid Huntsworth Shares in the Company. The PSP will be subject to limits that on any date, the aggregate number of new shares in respect of which awards may be granted may not, when added to the number of new shares allocated in the previous 10 years under all employee share schemes of the Huntsworth Group, exceed 10% of the equity share capital of the Company. For these purposes, shares are allocated when rights to acquire or obtain them are granted and otherwise when they are issued. Rights which lapse, by reason of non-exercise or otherwise, cease to count. In respect of Part I, no account is taken of shares issued or remaining issuable under the First, Second, Third and Fourth Options granted under the Huntsworth (Executive Directors) Share Option Scheme (as defined therein) or shares to be issued on the exercise of rights to acquire an interest in shares held by the trustees of the EBT in which the eligible employee has a co-ownership interest. In respect of Part II, no account is taken of shares issued or remaining issuable under the First, Second, Third and Fourth Options granted under the Huntsworth (Executive Directors) Share Option Scheme (as defined therein) or options linked to a CO Award.

Individual limits

The aggregate market value of shares in respect of which one or more awards shall be granted to any eligible employee in any year shall not exceed two times of the amount of his or her basic salary (excluding bonuses, commissions and benefits in kind) at the date of grant.

Leaving the Huntsworth Group

Except as set out below, if a participant ceases to be employed or hold office with any member of the Huntsworth Group, unvested awards under the PSP, in respect of Part I, shall immediately lapse and cease to be exercisable, and in respect of Part II, shall immediately be forfeited and cease to be exercisable. In respect of Part I, if an award holder dies his or her personal representatives may, within the following 12 months, exercise the award (unless the Committee decides otherwise), in respect of the proportion of the shares that corresponds to the expired performance period without performance target. In respect of Part II, no such 12 month limit to exercise the award shall apply to the personal representatives of an award holder who dies. If the award holder's employment ends as a result of injury, ill-health, disability, redundancy, retirement at normal retirement age or, at the discretion of the Committee in other circumstances, or if the Company by which the award holder is employed, or the business in which he works, is sold outside the Huntsworth Group, then in these circumstances awards may be exercised (unless the Committee decides otherwise) in respect to the proportion of the shares that correspond to the proportion of the performance period expired at cessation of employment, and to the extent that the performance target has been satisfied over the shortened period.

Change of control

The exercise of an award will be permitted in the event of a change of control or a compromise or arrangement between the Company and its members under section 899 of the Companies Act 2006 (unless the Committee decides otherwise) in respect to the proportion of the shares that correspond to the proportion of the performance period that has expired and to the extent that the performance target has been satisfied over the shortened period. In respect of Part I, these shares will be deemed to be vested. In respect of Part II, these shares will be deemed to be vested to the extent to which the performance targets have been satisfied and on a time pro-rated basis. In the event of a demerger, reconstruction, reorganisation or amalgamation where the incoming company offers the award holder an exchange of awards, the award will lapse and cease to be exercisable at the end of the period of 21 days after the invitation to exchange awards is made.

Variation of capital

In the event of any variation in the share capital of the Company (including a capitalisation or rights issue or any subdivision, consolidation or reduction in the share capital of the Company) or in such other circumstances as the Committee considers appropriate, in respect of Part I, the Committee may make such adjustment as it considers appropriate to the number and nominal amount of shares (or in the case of rights to acquire an interest in shares held by the trustees of the EBT in which the eligible employee has a co-ownership interest, the nature of the interest in shares) subject to any Option. Any adjustment made by the Committee must be notified to each participant as soon as practicable after the decision is made. In respect of Part II, the Committee may make such adjustment as it considers appropriate then for a PS Award, the shares shall be treated in the same way as any other shares and each participant will be notified accordingly and for a CO Award, the number of performance shares over which the rights have been acquired, the co-ownership interest in the performance shares, the description of the performance shares, or all or any of these may be adjusted in a manner as the Committee may determine.

Amendments

The rules of the PSP may be amended or added to by the Committee from time to time in any respect provided that no amendment or addition shall be made which would affect adversely any of the subsisting rights of a participant except with his consent in writing (unless at least 75% of the participants in the plan at that time have given their consent in writing to the amendment) or which would be to the advantage of participants without prior approval of the Company in general meeting. However, the prior approval of the Company in general meeting will not be required for amendments which maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Huntsworth Group or for minor amendments to benefit the administration of the plan. The Committee shall give written notice to all participants of any amendment or alteration which affects their rights.

5.2 The Huntsworth Executive Share Option Scheme 2006 (“ESOS”)

Administration of the scheme

Overall responsibility for the operation and administration of the ESOS is vested in the Committee, all of whose members are non-executive Directors.

The sub-schemes

The ESOS is divided into two sub-schemes as follows:

- (i) a share option scheme which has been designed to qualify for approval under the Income Tax Act (Earnings and Pensions) 2003; and
- (ii) a share option scheme which is not so designed and which therefore allows options to be granted above the limit required by the Income Tax (Earnings and Pensions) Act 2003.

The Committee may set up further sub-schemes. In particular, the Committee may set up a sub-scheme under which participants will be granted share appreciation rights which will entitle them to a cash payment calculated by reference to the growth in value of the shares.

Eligibility

Participants in the ESOS are selected by the Committee. Participants are limited to employees and Directors of the Huntsworth Group. Individuals who are Directors of the Company may, however, only participate if they are required to devote substantially the whole of their working time to their duties to the Huntsworth Group.

Options

Options will entitle the holder to acquire Huntsworth Shares in the Company. Options may either be options to subscribe for new Shares to be issued by the Company or options to purchase existing Shares from an employee benefit trust (the “**Employee Trust**”).

Options may be granted either by the Company or by the Employee Trust. Options will be personal to the participant and may not be transferred. No payment will be required for the grant of an option.

Timing

Options may be granted within six weeks of the date on which the ESOS is approved by shareholders. Thereafter, options may normally only be granted in the six weeks following the announcement of the results of the Company for any period and when or shortly after an executive becomes eligible to participate in the ESOS.

Exercise price

The exercise price may not be less than an amount equal to the closing middle market price of a Share, for the dealing day immediately preceding the date of grant or, where options are granted pursuant to an invitation, the date of the invitation.

Individual limit

The maximum number of Shares over which an employee may be granted an option on any date, when added to those in respect of which he has been granted options under the ESOS and any similar scheme in the same financial year of the Company (other than a long-term incentive scheme), will be limited so that the aggregate cost of exercise does not exceed his or her annual salary, unless the Committee determines due to exceptional circumstances that a greater award of up to twice his or her annual salary is appropriate.

Scheme limits

The ESOS will be subject to the limit that on any date, the aggregate number of new Shares in respect of which options may be granted may not, when added to the number of new Shares allocated in the previous ten years under all employee share schemes of the Huntsworth Group, exceed 10% of the equity share capital of the Company. For these purposes, Shares are allocated when rights to acquire or obtain them are granted and otherwise when they are issued. Rights which lapse, by reason of non-exercise or otherwise, cease to count. No account is taken of Shares which are acquired by purchase rather than by subscription except where such Shares were first issued to an employee trust for the purpose of satisfying a participant's rights. No account is taken of Shares which an employee purchases at market value using his own funds. Certain start up options granted under the Executive Directors Share Option Scheme are excluded from these limits.

Performance targets

All options must be granted subject to a performance target which, in normal circumstances, will be measured over a period of not less than three years. The achievement of the performance target will normally be a condition precedent to the right of exercise. The Committee may also impose other conditions. The Committee may also change the performance target from time to time if events happen which make it fair and reasonable to do so but not so as to make the performance target or the other conditions, in the opinion of the Committee, materially easier or more difficult to satisfy than it was when the option was first granted. A summary of the performance targets for options granted to the executive Directors of the Company will be disclosed in the annual report each year. The Committee may set different targets from year to year.

Exercise of options

Options will normally be exercisable in whole or in part not earlier than three years and not later than ten years after grant and only if, and to the extent that, they have vested (that is, the performance target has been met).

Termination of employment

If the participant dies, the performance target will not apply and his personal representatives may exercise his options (but only on a time pro rated basis) in the 12 months following his death. If a participant ceases to be employed within the Huntsworth Group for a permitted reason, vested options may be exercised within 12 months following the termination of employment. A permitted reason is ill-health, injury, disability, redundancy, retirement at normal retirement age, the sale outside the Huntsworth Group of the Company or business in which the participant works or such other reasons as the Committee may decide. If a participant ceases to be employed in any other circumstances, his

vested options will lapse unless the Committee decides otherwise. If a participant ceases to be employed within the Huntsworth Group for any reason (other than death) any unvested options will lapse unless the Committee decides otherwise.

Change of control

In the event of a change of control, a reorganisation, an amalgamation or a voluntary winding up of the Company unvested options may only be exercised (on a time pro rated basis) to the extent that performance targets are met on a pro rated basis measured to the date of the change of control, provided that the Committee may in its discretion decide that the options should be exercisable to a greater extent. In the event of a change of control of the Company, participants may agree with the acquiring company to release their options in return for new options over shares in the acquiring company.

Listing

Application will be made for admission to the Official List of new Shares issued under the ESOS and for permission to trade in those Shares. Shares issued on the exercise of options will rank equally in all respects with existing Shares except for rights attaching to Shares by reference to a record date prior to the date of allotment. The Company will at all times keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe Shares.

Variation of capital

In the event of a variation in the share capital of the Company or in such other circumstances as the Board considers appropriate, it may adjust options in such manner as it determines to be appropriate.

Benefits non-pensionable

Benefits under the ESOS will not form part of a participant's remuneration for pension purposes.

Amendments

The Committee may make such amendments to the ESOS either as are necessary or desirable to obtain or retain the approval of the Board of HM Revenue & Customs under the Income Tax (Earnings and Pensions) Act 2003 or to take account of changes to that Act or other applicable legislation. The Committee may also make such amendments to the ESOS and to any option as may be necessary or desirable to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Huntsworth Group. Except as described above, or for amendments designed to ease the administration of the ESOS, or to correct clerical errors, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, individual or plan limits, the terms of options or the adjustment of options without the prior approval of the Company in general meeting.

Duration

No options will be granted after 3 July 2016.

5.3 The 1996 Huntsworth Approved Executive Share Option Scheme (the "Scheme")

Administration

The Scheme is operated and administered by the Committee, all of whose members are non-executive Directors.

Eligibility

Participants in the Scheme are selected by the Committee. Participants are limited to employees and full time Directors (whose hours of work are at least 25 hours per week (exclusive of meal breaks)) of Huntsworth and its subsidiaries who in either case devote substantially the whole of their working time to their duties to the Huntsworth Group.

Options

Options entitle the holder to acquire (either by purchase or by subscription) Huntsworth Shares in Huntsworth. Options are personal to the optionholder and may not be transferred. No payment is required for the grant of an option and options are not pensionable.

Timing

Options may normally only be granted in the six weeks following the announcement of the results of Huntsworth for any period and/or the four weeks following Huntsworth's annual general meeting or in respect of an employee, the completion of his period of probationary employment. No options may be granted more than 10 years after the date on which the Scheme was adopted.

Option price

The option price payable on exercise of the option may not be less than an amount equal to the average of the middle market quotations of an ordinary share, as derived from the London Stock Exchange Daily Official List (the "**List**"), for the five dealing days immediately preceding the date of grant or, if the Committee so decides, equal to the middle market quotation of an ordinary share, as derived from that List, for the dealing day immediately preceding the date of grant.

Individual Limit

The maximum aggregate market value of Huntsworth Shares over which an employee may be granted an option under the Scheme and any similar scheme (except to the extent already exercised) is limited to £30,000 and, in addition, is further limited so that, when added to the aggregate exercise price in respect of which he has been granted options in the previous year, does not exceed twice the annual rate of the employee's then salary (excluding bonuses and benefits in kind).

Scheme Limits

On any date, the aggregate nominal amount of new Huntsworth Shares in respect of which options may be granted under all option schemes of the Huntsworth Group may not, when added to the nominal amount of new Huntsworth Shares placed under option in the previous ten years, exceed 10 per cent. of the equity share capital of Huntsworth. For the purposes of these limits, options which lapse, by reason of non-exercise or otherwise, cease to count and options over certain shares granted under the Executive Directors Scheme and to executive Directors under the EMI Scheme are excluded.

Performance Targets

All options may, at the discretion of the Committee, be granted subject to a performance target. If a performance target is imposed then its achievement is normally a condition precedent to the right of exercise.

Exercise of Options

Options are normally be exercisable in whole or in part not earlier than three years in respect of 50 per cent. of the shares under option and four years in respect of the remaining 50 per cent. of the shares under option and not later than ten years after grant and normally only for so long as the optionholder remains employed or holds office in the Huntsworth Group. The Committee may however grant options which are exercisable earlier subject to the satisfaction of performance targets or on a change of control. Exercise is, however, permitted:

- (i) if the optionholder's employment ends as a result of injury, disability, redundancy, retirement at normal retirement age or death or, at the discretion of the Committee, in other circumstances, or
- (ii) if the Company by which the optionholder is employed, or the business in which he works, is sold outside the Huntsworth Group.

In these circumstances, the option may be exercised irrespective of whether or not the relevant performance target, if any, has been achieved except as otherwise specified by the Committee when the option was granted.

Except in these circumstances, options lapse if the optionholder ceases to be employed by the Huntsworth Group.

The exercise of options is permitted in the event of a change of control or a compromise or arrangement of Huntsworth under section 425 of the Companies Act 1985. In these events optionholders may surrender their options in return for substitute options over shares in the acquiring company.

Shares

The shares to be used for the purposes of the Scheme are fully-paid Huntsworth Shares in Huntsworth. Huntsworth is obliged to apply for admission to the Official List of new shares issued under the Scheme. Ordinary shares issued on the exercise of options will rank equally in all respects with Existing Huntsworth Shares except for rights attaching to Huntsworth Shares by reference to a record date prior to the date of allotment. Huntsworth is obliged at all times to keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe for Huntsworth Shares.

Variation of Capital

In the event of any capitalisation or rights issue by Huntsworth, or any consolidation, subdivision or reduction of Huntsworth's share capital, the number of Huntsworth Shares subject to any option and the option price may be adjusted by the Committee in such fair and reasonable manner as they determine to be appropriate.

Amendments

The Committee may make such amendments to the Scheme as are necessary to retain the approval of the Board of Inland Revenue under the Income and Corporation Taxes Act 1988 (the "**Taxes Act**") or to take account of changes to that Act or other applicable legislation. The Committee may also make such amendments to the Scheme and to any option as may be necessary or desirable to obtain or maintain favourable tax treatment for participants or for any company in the Huntsworth Group.

Except as described above, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, individual or scheme limits, the terms of options or the adjustment of options without the prior approval of Huntsworth in general meeting.

5.4 The 1996 Huntsworth Unapproved Executive Share Option Scheme (the "1996 Unapproved Scheme")

The rules of the 1996 Unapproved Scheme are substantially the same as the rules of Huntsworth's approved scheme summarised in paragraph 5.3 above. Options can be granted to any Director (other than a non-executive) or employee of any company within the Huntsworth Group (whether based in the UK or overseas) who is required to devote substantially the whole of their working time to the business of the Huntsworth Group. Individuals may be granted options under the scheme each year subject to a limit that the aggregate option price payable on exercise of all options over Huntsworth's shares (other than a savings related option) granted during the year shall not exceed twice the participant's annual salary (excluding bonuses and benefits in kind). In addition, any requirements for prior Inland Revenue approval of amendments to the rules or adjustments on a variation in share capital do not apply. In addition, provided any relevant performance conditions are satisfied at the date of cessation, each option is exercisable for a period of six months following a termination of employment by Huntsworth other than for cause.

5.5 The Huntsworth (Executive Directors) Unapproved Share Option Scheme (the "Executive Directors Scheme")

The rules of this scheme were substantially the same as the rules of Huntsworth's 1996 Unapproved Scheme (summarised above) but with the following differences. Participants were restricted to executive Directors of Huntsworth. Under the Executive Directors Scheme, the Chief Executive had an option over 1,827,957 Huntsworth Shares. All these options were exercisable until 22 July 2013 at an exercise price of 58.125 pence per ordinary share.

5.6 The Huntsworth Enterprise Management Incentive Scheme (the “EMI Scheme”)

The main terms of the EMI Scheme are summarised below:

Eligibility

Participants in the EMI Scheme are selected by the Committee. Participants are limited to employees of Huntsworth and its subsidiaries.

Options

Options entitle the holder to acquire (either by purchase or by subscription) Huntsworth Shares. Options are personal to the optionholder and may not be transferred. No payment is required for the grant of an option and options are not pensionable. Options granted to individual participants will be in substantially the same terms and consistent with the provisions of this summary and the applicable legislation in Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 (“ITEPA”), as amended from time to time.

Timing

It is intended that options under the EMI Scheme will normally only be granted in the six weeks following the announcement of the results of Huntsworth for any period and/or the four weeks following Huntsworth’s annual general meeting and/or, in respect of an individual employee only the four weeks following their confirmation of their employment at the end of their probationary period.

No options may be granted more than 10 years after the date on which the EMI Scheme was adopted.

Option price

The option price payable on exercise of the option will be determined by the Committee at the time of grant and may be less than the market value of a share at that date.

Scheme Limits

The value of the total number of shares which are the subject of options granted under the EMI Scheme may not exceed the limits prescribed by the relevant legislation. Options granted under the EMI Scheme will count for the purposes of the aggregate limits of the Huntsworth Share Option Schemes.

Performance Targets

All options may, at the discretion of the Committee, be granted subject to a performance target. If a performance target is imposed then its achievement will normally be a condition precedent to the right of exercise.

Exercise of options

Options will be exercisable in whole or in part not later than ten years after grant and normally only for so long as the optionholder remains employed in the Huntsworth Group. Exercise will, however, be permitted if the optionholder’s employment ends as a result of injury, disability, redundancy, retirement at normal retirement age or death or, at the discretion of the Committee, in other circumstances.

In these circumstances, the option may normally be exercised irrespective of whether or not the relevant performance target, if any, has been achieved. Except in these circumstances, options will lapse if the optionholder ceases to be employed by the Huntsworth Group. The exercise of options will be permitted in the event of a change of control or a compromise or arrangement of Huntsworth under section 425 of the Companies Act 1985. In these events optionholders may surrender their options in return for substitute options over shares in the acquiring company.

Shares

The shares to be used for the purposes of the EMI Scheme are fully-paid Huntsworth Shares in Huntsworth. Huntsworth is obliged to apply for admission to the Official List of new shares issued under the EMI Scheme. Ordinary shares issued on the exercise of options rank equally in all respects with existing Huntsworth Shares except for rights attaching to Huntsworth Shares by reference to a record

date prior to the date of allotment. Huntsworth has a commitment at all times to keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe for Huntsworth Shares.

Variation of Capital

In the event of any capitalisation or rights issue by Huntsworth, or any consolidation, subdivision or reduction of Huntsworth's share capital the number of Huntsworth Shares subject to any option and the option price may be adjusted by the Committee in such fair and reasonable manner as they determine to be appropriate.

Amendments

The Committee may make such amendments to the EMI Scheme as are necessary for options to continue to qualify for the approval of the Board of Inland Revenue under Schedule 5 of ITEPA or to take account of changes to that Act or other applicable legislation. The Committee may also make such amendments to the Scheme and to any option as may be necessary or desirable to obtain or maintain favourable tax treatment for participants or for any company in the Huntsworth Group.

Except as described above, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, individual or scheme limits, the terms of options or the adjustment of options without the prior approval of Huntsworth in general meeting.

5.7 The Huntsworth Non-Executive Directors Share Option Scheme (the "Non-Executive Scheme")

Administration

The Non-Executive Scheme is operated and administered by a committee (the "**Executive Committee**"), a majority of whose members are executive Directors.

Eligibility

Participants in the Non-Executive Scheme are selected by the Executive Committee. Participants are limited to non-executive Directors of Huntsworth and its subsidiaries.

Options

Options will entitle the holder to acquire Huntsworth Shares by subscription. Options are personal to the optionholder and may not be transferred. No payment is required for the grant of an option.

Timing

Options may be granted, in the case of the first grant, as soon as practicable following approval of the Scheme by Huntsworth in general meeting. Thereafter, options may normally only be granted in the six weeks following the announcement of the results of Huntsworth for any period, or the four weeks following the annual general meeting.

Exercise price

The exercise price may not be less than an amount equal to the average of the middle market quotations of an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five dealing days ending with the day immediately preceding the date of grant or, if the Committee determines, equal to the middle market quotation of an ordinary share, as derived from the London Stock Exchange Daily Official List, for the dealing day immediately preceding the date of grant.

Scheme limit

The Non-Executive Scheme is subject to the limit that the number of new Huntsworth Shares in respect of which options may be granted under the Non-Executive Scheme may not exceed 5 million shares. For the purposes of these limits, options which lapse, by reason of non-exercise or otherwise, cease to count. No options may be granted more than ten years after the date on which options are first granted under the Scheme.

Exercise of options

Options may generally only be granted under the Non-Executive Scheme in circumstances where, without prejudice to the right to exercise on a change of control or sale of the Company or undertaking in which the director holds office, the option shall only be exercised in whole or in part as the case may be following such time as the performance condition imposed at grant is satisfied.

Options may also be granted on terms that they are generally exercisable not earlier than 3 years nor later than 10 years after the date of grant and normally only for so long as the optionholder remains employed in the Huntsworth Group.

The exercise of options is permitted in the event of a change of control, a reorganisation, an amalgamation or a voluntary winding up of Huntsworth. In the event of a change of control of Huntsworth, optionholders may surrender their options in return for substitute options over shares in the acquiring company.

Shares

The shares to be used for the purposes of the Non-Executive Scheme are fully-paid Huntsworth Shares in Huntsworth. Huntsworth is obliged to apply for admission to the Official List of new shares issued under the Non-Executive Scheme. Ordinary shares issued on the exercise of options rank equally in all respects with existing Huntsworth Shares except for rights attaching to Huntsworth Shares by reference to a record date prior to the date of allotment. Huntsworth has a commitment at all times to keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe Huntsworth Shares.

Variation of capital

In the event of any capitalisation or rights issue by Huntsworth, or any consolidation, subdivision or reduction of Huntsworth's share capital or any other variation in its issued share capital and in the case of the unapproved part, a demerger, the number and nominal amount of Huntsworth Shares subject to any option, the rights attached to any option and the exercise price may be adjusted by the Directors in such manner as they determine to be appropriate subject to the auditors confirming in writing that such adjustment is, in their opinion, fair and reasonable.

Amendments

The Executive Committee may make such amendments to the Non-Executive Scheme as are necessary or desirable to take account of changes to applicable legislation. The Executive Committee may also make such amendments to the Non-Executive Scheme and to any option as may be necessary or desirable to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Huntsworth Group.

Except as described above or for amendments designed to ease the administration of the Non-Executive Scheme, no amendment which is to the advantage of participants may be made to those provisions dealing with eligibility, individual or scheme limits, the terms of options or the adjustment of options without the prior approval of Huntsworth in general meeting.

5.8 The Huntsworth Deferred Share Bonus Plan (the "Bonus Plan")

Administration of the plan

The Bonus Plan is administered by the Committee (appointed by the Board), all of whose members are non-executive Directors.

Eligibility

The participants are selected by the Committee (and may include executive Directors) and must be employees of the Company or one of its subsidiaries. Participants must also have waived all or any part (as determined by the Committee) of the bonus to which they may be entitled under the Company's annual bonus scheme.

Awards

The award will be a contingent right to receive or option to acquire fully-paid ordinary shares in the Company.

Timing

Awards will usually be granted in the six weeks following the announcement of the results of the Company.

Bonus Plan limitations

The number of shares comprised in the awards will be determined by the Committee but may not exceed such number of shares as have an aggregate market value at the date of the award of no more than 125% of the gross value of the bonus that would otherwise have been payable but has been previously waived by the participant. The award may also include a number of shares with a market value equal to the dividends which would have been received on the shares comprised in the award if they had been owned by the participant before vesting.

Vesting of award

In normal circumstances, awards will be transferred to the participant and options will become exercisable on the vesting date. The vesting date is such date as the Committee may determine, being not earlier than 12 months after the award date. However, if there is a restricted period, then the vesting date would be the first dealing day after the end of the relevant restricted period.

Leaving the Huntsworth Group

If the participant's employment terminates by reason of death, permanent ill-health, disability, retirement, redundancy or by reason of the company by which he is employed ceasing to be a member of the Huntsworth Group, that the undertaking, or part of the undertaking, in which he works is transferred to a person who is not a member of the Huntsworth Group or any other reason at the discretion of the Committee (all being a "**Permitted Reason**") then, all of his shares subject to the Award will be transferred to him on the vesting date and any option will become exercisable.

If the participant ceases to be employed within the Huntsworth Group prior to the vesting date, due to summary dismissal, then his award will lapse immediately upon his dismissal.

If the participant ceases to be employed for a reason other than a Permitted Reason or a reason justifying summary dismissal, 20% of the award will lapse immediately on cessation of employment and the remainder of the award will continue in force until the vesting date (when the shares to be transferred to the participant should be no more than 125% of the waived bonuses).

Variation of capital

In the event of any variation in the share capital of the Company (including a capitalisation or rights issue or any subdivision, consolidation or reduction in the share capital of the Company) or in such other circumstances as the Committee determines appropriate, the Committee may make such adjustment as it considers appropriate to the number of shares under the award provided that such adjustment is notified to each participant as soon as reasonably practicable after its decision.

Amendments

The Committee may change the Bonus Plan in any way but no change may adversely affect any of the subsisting rights of a participant except either with his written consent or with the consent of the majority of participants affected by the change. In addition, the Committee may change the Bonus Plan to take account of any amendment to any relevant law, and may make any change to the Bonus Plan to get or maintain a favourable tax exchange control or regulatory treatment for participants or any member of the Huntsworth Group or make minor amendments to the Bonus Plan to benefit its administration (without consent of the participants).

Change of control

When a relevant change of control takes place, the shares subject to the award will be transferred to the participant and options will become exercisable immediately on the occurrence of the change of control.

If a demerger, reconstruction, reorganisation or amalgamation occurs, and participants are offered compensation in the form of new equivalent shares over awards in another company, then the shares subject to the awards will not be released and such awards shall lapse 28 days after the date on which the invitation to exchange the old awards for the new award is made, or if earlier the date on which such invitation is accepted.

Duration

No awards should be granted after 31 December 2018.

5.9 The Huntsworth 2010 Share Award Plan (the “2010 Plan”)

Administration of the 2010 Plan

The 2010 Plan is administered by the Committee.

Eligibility

The Committee selects participants in the 2010 Plan. A person is eligible to participate in the 2010 Plan if he is an employee of the Huntsworth Group. Directors of Huntsworth are not eligible to participate in the 2010 Plan as the 2010 Plan has not been approved by Huntsworth Shareholders at a general meeting of Huntsworth.

Awards

Awards are in the form of a contingent right to receive fully-paid ordinary shares in the Company and can be on such terms, not being inconsistent with the 2010 Plan rules, as the Committee may determine.

Timing

The Committee can operate the 2010 Plan at any time.

Vesting of award

In normal circumstances, awards will be transferred to the participant on the vesting date. The vesting date is such date as the Committee may determine. However, if there is a restricted period, then the vesting date would be the first dealing day after the end of the relevant restricted period.

Leaving the Huntsworth Group

If the participant's employment terminates by reason of death, permanent ill-health, permanent injury or permanent disability, retirement, redundancy, or by reason of the company by which he is employed ceasing to be a member of the Huntsworth Group, or that the undertaking, or part of the undertaking in which he works is transferred to a transferee which is not a member of the Huntsworth Group or any other reason at the discretion of the Committee (all being a “**Permitted Reason**”) then (subject to the terms upon which the award was granted) the number of Shares subject to his award will be reduced on a time-apportioned basis having regard to the proportion of the period from the award date to the normal vesting date that has elapsed to the date of cessation of employment (or by such lesser amount as the Committee may decide).

If the participant ceases to be employed for a reason other than a Permitted Reason, any award will lapse immediately on cessation of employment.

Change of control

When a relevant change of control takes place, (subject to the terms upon which the award was granted) the shares subject to an award will be transferred to the participant immediately on the occurrence of the change of control.

If a demerger, reconstruction, reorganisation or amalgamation occurs, participants are to be offered compensation in the form of new equivalent awards over shares in another company which the Committee considers to be fair and reasonable and the Committee decides that the following should apply, then the shares subject to awards will not be released and such awards shall lapse 28 days after the date on which the invitation to exchange the awards for a new award is made, or if earlier the date on which such invitation is accepted.

Variation of capital

In the event of any variation in the share capital of the Company (including, without limitation, a capitalisation or rights issue or any subdivision, consolidation or reduction in that share capital of the Company) or in any other circumstances where the Committee considers it appropriate, the Committee may adjust the award in any way it thinks appropriate. The adjustment may be to any or all of the nominal amount and the number of Shares under the award. The Committee must notify each participant of any adjustments to his award as soon as reasonably practicable after its decision.

Amendments

The Committee may change the 2010 Plan in any way but no change may adversely affect any of the subsisting rights of a participant except with either their written consent or with the consent of the majority of participants affected by the change. The Committee may not change the 2010 Plan to allow a Director of Huntsworth to participate or to allow awards to be satisfied by the issue of new Shares or the transfer of treasury shares except with the consent of the shareholders of the Company in general meeting.

5.10 The Incepta Group plc Executive Share Option Plan

The Incepta Group plc Executive Share Option Plan (“**ESOP**”) was adopted by the Company on 3 July 1998. All options granted under the ESOP were exercisable until 4 July 2013. The following is a summary of the principal features of the ESOP:

Constitution

The ESOP is constituted by rules in two parts: Part A, which was submitted to the Inland Revenue for approval in accordance with the provisions of the Income and Corporation Taxes Act 1988 (“**Taxes Act**”) and received such approval on 9 September 1998, and Part B which is not capable of approval. Both parts have been designed to be used as an Incentive Stock Option Plan under the United States Internal Revenue Code of 1986 (as amended) (the “**1986 Code**”). The ESOP is administered by the Directors.

Eligibility

All Directors who work for not less than 25 hours per week (excluding meal breaks) and all employees who work for not less than 20 hours per week for the Company and such subsidiaries of the Company as are designated as participating subsidiaries by the Directors, who are not precluded from participating in the ESOP under the provisions of Schedule 9 of the Taxes Act relating to a material interest in a close company and who are not deemed by the provisions of the 1986 Code to own Huntsworth Shares in the Company possessing more than 10 per cent. of the total combined voting power of all classes of Huntsworth Shares in the Company are eligible to participate in the ESOP. Options are granted at the discretion of the Directors to such eligible employees as they may select.

Option price

Options will entitle the holder to acquire Huntsworth Shares, whether by subscription or purchase, at a price per share (the “**Option Price**”) determined by the Directors. The Option Price will be the middle-market quotation, derived from The Stock Exchange Daily Official List, for the date of grant for options granted without the prior issue of invitations to eligible employees to apply for options. Where the Directors issue invitations to apply for options to eligible employees and the Option Price is determined before the invitations are issued, options must be granted no later than the 29th day in the period commencing on the first dealing day by reference to which the Option Price was calculated.

Individual limits

No option shall be granted to an individual under Part A of the ESOP if, immediately following such grant the aggregate market value of all shares over which he has been granted options under the ESOP and any other Inland Revenue approved share option scheme (except a savings related share option scheme) established by the Company or an associated company of the Company whilst it is such an associated company, and which have not been exercised or lapsed, would exceed £30,000. For US individuals, the aggregate market value of all shares with respect to which Incentive Stock Options first become exercisable by any option holder in any calendar year shall not exceed US\$100,000.

Grant of Options

Options may only be granted within the period of 42 days commencing on the dealing day following any of:

- (i) the date on which Part A of the ESOP received Inland Revenue approval, for options granted under Part A only;
- (ii) the announcement by the Company of its final or interim results for any period;
- (iii) the issue by the Company of any prospectus, listing particulars or other documents containing equivalent information relating to its shares;
- (iv) any day on which the Directors determine that exceptional circumstances so justify the grant; or
- (v) a day on which any announcement is made of modifications to be made to the Taxes Act or a day on which any such modifications come into force.

No consideration will be required for the grant of an option under the ESOP but the Directors may determine that consideration of £1 shall be payable by the eligible employees prior to the grant of an option. Options will not form part of option holders' pensionable pay.

Performance conditions

Options will be granted subject to minimum objective performance conditions which must be approved in advance by the Inland Revenue and measured over a continuous period of at least three years commencing no earlier than the financial year immediately preceding the date of grant.

Exercise of Options

An option may be exercised in whole or in part, but only by the person to whom it was granted, or his personal representative(s), and is not transferable. Options may normally be exercised by eligible employees who are not precluded, in the case of options granted under Part A, from exercising their options because of a material interest in a close company, only between the third and tenth anniversaries of the date of grant, at the end of which period they will lapse. A former employee may exercise an option within the period of one year after cessation of employment irrespective of whether the performance conditions have been satisfied, but only where his employment ceases on account of injury, ill-health or disability. Where employment ceases on account of redundancy, retirement at contractual retirement age or later retirement or following early retirement by agreement with his employer or (if the Directors so decide in their absolute discretion) for any other reason, the option may be exercised within the period of one year after cessation of employment if the performance conditions are satisfied. An option holder who retires at his contractual retirement age may not exercise any option granted within two years before his date of retirement. The personal representative(s) of a deceased option holder may exercise an option within the period of one year following his death. If an option holder ceases employment by reason of injury, ill-health or disability, retirement at contractual retirement age, early retirement by agreement with his employer or redundancy, or any other reason in the absolute discretion of the Directors before 42 months have elapsed since the date of grant or since the date on which he last exercised an Inland Revenue approved option, an extended exercise period will apply. Where cessation of employment was on account of injury, ill-health or disability, the option holder may, at the discretion of the Directors, exercise his option within the period commencing on the date of cessation of employment and ending six months after the earliest date on which the option could be exercised without incurring any liability to income tax. Where cessation of employment is by reason of retirement, redundancy or for any other reason if the Directors agree, the option may be exercised within the period commencing on the first date on which they determined that the performance conditions have been satisfied and ending

six months after the earliest date on which the option could be exercised without incurring liability to income tax. No options may be exercised more than 42 months after the date of cessation of employment.

Options will lapse if an option holder leaves the service of the Company or a participating subsidiary, other than in the circumstances referred to above or, where the circumstances referred to above apply, if the options are not exercised within the prescribed periods. Options which are subject to performance conditions or any further conditions may also lapse if it is established that these cannot be satisfied. Options also become exercisable within a limited period in the event of the takeover, reconstruction or winding-up of the Company, but following a takeover may alternatively, with the agreement of the acquiring company, be rolled over to become options over the acquiring company's shares. In the absence of exercise or roll-over, the options will lapse at the end of the specified period.

Issues of shares

Within 28 days of the exercise of an option, shares will be allotted and issued (or transferred) to the option holder concerned or to the option holder's nominee. Shares allotted will rank *pari passu* with the shares then in issue other than in respect of dividend and other entitlements declared by reference to a record date prior to the date of exercise.

Reimbursement of taxes

The Company (and where relevant, the Participating Companies) may be legally required to account for tax in respect of options granted under Part B of the ESOP. Where this is the case, option holders shall be required to indemnify the Company (and any Participating Company) in full against any such tax.

Overall ESOP limits

The ESOP is subject to the following limit on the number of shares which may be subscribed for: in any ten year period not more than ten per cent. of the issued share capital of the Company from time to time may be issued or become issuable pursuant to the grant of options or awards under the employees' share schemes established by the Company.

Adjustments

The Option Price and the number of shares over which options have been granted will, following any capitalisation or other variation of capital, be adjusted in such manner as the Directors determine, subject, except in the case of capitalisation, to written confirmation from the Company's auditors that the adjustments are, in their opinion fair and reasonable. In the case of options to subscribe no adjustment may be made which would result in the Option Price falling below the nominal value of Huntsworth Shares in the Company, unless the Directors are authorised to capitalise a sum equal to the difference between the Option Price and nominal value from the Company's reserves. Any adjustment to options granted under Part A of the ESOP will, in addition, need to be approved by the Inland Revenue.

Amendments

The ESOP may be amended by the Directors in any way, provided that any amendment which is made to the provisions which relate to:

- (i) the persons who are eligible to become option holders;
- (ii) the limitations on the number of shares over which options can be granted;
- (iii) the maximum entitlement for any option holder;
- (iv) the mandatory performance conditions; or
- (v) the basis for determining option holders' entitlement to and terms of the shares to be provided under the ESOP and for their adjustment in the event of a capitalisation or other variation of capital,

will not be effective unless either it has been approved by the shareholders of the Company in general meeting or it is a minor amendment which the Directors consider necessary or desirable in order to benefit the administration of the ESOP to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders (whether present or future) or the Company or members of its group. No alteration to Part A or Part B may be made which would

abrogate or adversely affect the subsisting rights of option holders. No amendment to Part A of the ESOP will be effective until it has been approved by the Inland Revenue.

Under Part B of the ESOP, on the exercise of an option the Directors may in lieu of allotting or procuring the transfer of shares to the optionholder pay to the optionholder a cash sum equal to the amount by which the value of the shares subject to the notice of exercise exceeds the Option Price of those shares. Following receipt of such payment by an optionholder, he shall have no further rights in respect of the shares for which the notice of exercise was given. The Company may make any deductions from such payment as may be required under the laws of any territory applicable to the optionholder and/or his employing company.

Termination

The ESOP will terminate on the tenth anniversary of its approval of shareholders and the Directors may at any time terminate it without prejudice to the rights of existing option holders.

As at 30 June 2013 the options listed below had been granted pursuant to the ESOP and were outstanding:

<u>Number of Huntsworth Shares</u>	<u>Exercise Price (pence)</u>	<u>Exercisable between</u>
164,722	119.51	4 July 2006–4 July 2013

No Director has been granted any options pursuant to the ESOP.

5.11 Incepta Group plc Executive Long Term Incentive Plan

The Incepta Group plc Executive Long Term Incentive Plan (the “**LTIP**”) was established on 7 July 2000.

Operation and Eligibility

Options to acquire Huntsworth Shares may be granted at the discretion of the Board with the approval of the Committee to any full time or part time employee of the Company or any participating company who is not within two years of retirement, including any executive director required to devote 25 hours or more a week to working for the Company.

Restriction on shares available for the LTIP

On any date, the aggregate number of Huntsworth Shares acquired by subscription and in respect of which options may be granted may not, when added to the number of Huntsworth Shares placed under option in the previous ten years under the LTIP or any other employee share scheme, exceed ten per cent. of the number of Huntsworth Shares in issue on that date. For the purposes of this limit, options which lapse by reason of non-exercise or otherwise cease to count. Before granting any option which replaces one previously exercised, the Board must satisfy itself that there has been a sustained improvement in the performance of the Company over a three year period.

Grant of Options

Options will normally only be granted within 42 days of the announcement of the Company’s annual or interim results. The Board may, however, resolve to grant options outside this period in exceptional circumstances. Participation in the LTIP is entirely separate from and does not affect any pension right or the terms and conditions of employment of any eligible employee. The Directors shall grant options by resolution and issue option certificates as soon as practicable after passing such resolution. The form of the option certificate shall be determined by the Directors but the certificate will state the number of shares comprised in the option, the date of grant, any performance condition and the exercise price. Any employee to whom an option is granted may renounce such option by giving written notice within 30 days after its date of grant. Options renounced in this way shall be deemed never to have been granted.

The exercise price shall be not less than the higher of the nominal value of an ordinary share in the Company and the market value of an ordinary share.

Adjustments

The exercise price and the number of Huntsworth Shares subject to an option may be adjusted in the event of a rights issue, capitalisation issue, share split, consolidation of shares or reduction of capital of the Company on any other variation in the share capital which in the opinion of the Directors justifies a variation in the number of Huntsworth Shares comprising the option and/or the option price, subject, except in the case of a capitalisation issue, to the written confirmation of the Company's auditors that such adjustment is fair and reasonable.

Vesting

In normal circumstances, options may be exercised at any time between the third and tenth anniversaries of their date of grant to the extent that they have vested, provided that any performance conditions to which they are subject have been fulfilled and that the option holder is an employee or director of the Company or any participating company at the time of exercise. Options will vest in respect of one third of the shares on each of the third, fourth and fifth anniversaries of the date of grant.

Performance Conditions

Performance conditions will be set by the Directors acting on the recommendation of the Remuneration Committee. The Directors may vary the performance condition if, in their reasonable opinion, this will result in a fairer measure of the performance of the job of the option holder and will ensure that the Plan more effectively achieves its purpose of incentivising employees and will be no more difficult to satisfy than the original performance condition.

Early Exercise

Options will become exercisable immediately on the death of a participant or on the option holder ceasing to be an eligible employee by reason of injury, sickness, disability or redundancy even though the performance condition has not been satisfied, or, subject to the satisfaction of any performance condition, retirement or the sale or transfer out of the Company's group, of the business or that part of the business to which the option holder's employment relates. Options which have become exercisable must be exercised during 12 months after cessation of employment. Rights of exercise arise on a change of control or reconstruction of the Company and in the event of a voluntary winding-up even though the performance condition has not been satisfied. Options granted immediately prior to listing cease to be exercisable if listing does not occur. Options will lapse if they are not exercised within 10 years of their date of grant or if the option holder ceases to be employed in circumstances other than those mentioned above unless the Directors so permit.

On a change of control or reconstruction of the Company, options may, with the consent of the Company acquiring control of the Company, be released in consideration for the grant of equivalent rights over the shares of the acquiring company or a company associated with it. The rights are equivalent if, broadly, the aggregate market values of the shares under both the old and new options and the aggregate exercise price of each option are, on the date of exchange, equal.

General

Until options are exercised, option holders have no voting or other rights in respect of the shares under option. Shares issued pursuant to the LTIP will rank *pari passu* in all respects with the shares already then in issue except that they will not rank for rights attaching to shares by reference to a record date falling prior to the date of issue. Options are non-transferable.

Alterations

The LTIP will be administered by the Board with the approval of the Committee, which may amend the same by resolution. The prior approval of shareholders will be required for certain amendments to the advantage of participants. Shareholder approval is not required for minor amendments made to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the LTIP, the Company or any participating company. The prior approval of a majority of option holders who respond to a letter from the Company setting out any alterations or additions to their disadvantage and asking them to approve such alteration or addition is required.

Any income tax or primary Class 1 national insurance contributions for which the Company must account to the Inland Revenue on the option holder's behalf, either at the date of grant or following the exercise of an option granted under the LTIP, must be repaid to the Company by the option holder within 21 days of the date on which the option is exercised.

Termination

The LTIP may be terminated at any time by resolution of the Board or by the shareholders and shall in any event terminate on the tenth anniversary of the date of adoption of the LTIP. Termination shall not affect the rights of subsisting option holders at the date of termination.

At the date of this document the options listed below have been granted pursuant to the LTIP and are outstanding:

<u>Number of Huntsworth Shares</u>	<u>Exercise Price (pence)</u>	<u>Exercisable between</u>
879,162	103.87	2 November 2007–2 November 2014

6. Outstanding Options and Awards under Huntsworth Share Schemes

Save as disclosed below, none of the share capital of any member of the Huntsworth Group is under option or agreed conditionally or unconditionally to be put under option.

As at 30 June 2013, inclusive of the options and awards granted to Huntsworth Directors as set out in paragraph 5 of Part VIII, employees and former employees of the Huntsworth Group held options and awards over the following Huntsworth Shares:

<u>Name of scheme</u>	<u>No. of awards</u>	<u>Length of share option</u>	<u>Exercise period</u>	<u>Exercise price (pence)</u>
Huntsworth schemes				
2006 Huntsworth Approved Executive Share Option Scheme	263,512	10 years	Feb 2012–Dec 2020	32.5–98.3
2006 Huntsworth Unapproved Executive Share Option Scheme	5,319,274	10 years	Dec 2009–Dec 2020	32.5–108.25
1996 Huntsworth Approved Executive Share Option Scheme	225,919	10 years	Jul 2006–May 2016	58.1–117.5
1996 Huntsworth Unapproved Executive Share Option Scheme	437,650	10 years	Jul 2006–Aug 2016	58.1–117.5
Huntsworth (Executive Directors) Unapproved Scheme	1,827,957	10 years	Jul 2006–Jul 2013	58.125
Huntsworth Enterprise Management Incentive Scheme	595,378	10 years	Jul 2006–Oct 2014	58.1–117.5
Huntsworth Non-Executive Directors Unapproved Scheme	34,042	10 years	Apr 2007–Apr 2014	117.5
Huntsworth Performance Share Plan . . .	6,956,003	10 years	Jul 2009–Apr 2023	Nil
Huntsworth Deferred Share Bonus Plan .	1,405,628	10 years	Mar 2011–Mar 2019	Nil
Huntsworth Deferred Share Bonus Plan .	1,534,456	10 years	Mar 2012–Mar 2019	Nil
Incepta Group schemes				
Incepta Group plc Employee Share Option Scheme Approved	58,045	10 years	Jul 2006–Jul 2013	119.5
Incepta Group plc Executive Share Option Plan Unapproved	106,677	10 years	Jul 2006–Jul 2013	119.5
Incepta Group plc Executive Long-Term Incentive Plan	879,162	10 years	Nov 2007–Nov 2014	103.9

7. Related Party Transactions

Save as disclosed in the financial information set out in the related party transactions note to: (i) the accounts in the financial statements for the years ended 31 December 2010, 31 December 2011 and 31 December 2012; and (ii) the interim financial statements for the six months ended 30 June 2013, incorporated by reference into this document, for each of the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 and during the period between 1 July 2013 and 16 September 2013 (the latest practicable date prior to the publication of this document), Huntsworth entered into no material transactions with related parties.

8. Mandatory bids and compulsory acquisition rules relating to Huntsworth Shares

Other than as provided by the City Code and Chapter 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company.

8.1 Mandatory bid

The City Code applies to the Company. Under the City Code, if an acquisition of interests in shares were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30% or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of interests in shares by a person holding (together with its concert parties) shares carrying between 30% and 50% of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights in the Company.

8.2 Squeeze-out

Under the Companies Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90% of the shares to which such offer related it could then compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration to the Company which would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

8.3 Sell-out

The Companies Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

9. Material Contracts

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by members of the Huntsworth Group: (i) within the two years immediately preceding the date of this document which are, or may be, material to the Huntsworth Group; or (ii) at any time and contain obligations or entitlements which are, or may be, material to the Huntsworth Group as at the date of this document:

9.1 The Subscription Agreement

Details of the Subscription Agreement are provided in Part II of this document.

9.2 Facilities Agreement

A pounds sterling term loan facility and a multicurrency revolving credit facilities agreement dated 15 March 2011 (the "**Syndicated Facility**"), maturing in 2015, which provides for total commitments of £30 million under the term loan facility (the "**Term Loan**") and £75 million under the revolving credit facility (the "**RCF**") between Huntsworth as borrower and certain of its subsidiaries as guarantors,

Lloyds TSB Bank plc (“**Lloyds TSB**”) as agent and Clydesdale Bank plc (“**Clydesdale**”), Lloyds TSB and The Royal Bank of Scotland plc (“**RBS**”) as mandated lead arranger and original lenders. The Term Loan is subject to a repayment schedule from 31 March 2013. The RCF expires in May 2015.

The Syndicated Facility is for: (i) the refinancing of the £85 million syndicated revolving facility between, inter alia, the Company and Lloyds TSB and RBS (originally dated 27 July 2007); and (ii) general corporate purposes (including, subject to restrictions contained in the Syndicated Facility, the making of acquisitions, share buybacks and as working capital).

Interest is payable at the percentage rate per annum equal to the aggregate of the applicable: (i) margin; (ii) LIBOR, or in the case of loans in euro, EURIBOR; and (iii) mandatory costs (which cover certain regulatory costs). The margin will be between 1.75 per cent. and 2.90 per cent. per annum, subject to certain financial ratios being met.

The Syndicated Facility contains standard banking covenants. The Syndicated Facility is secured by guarantees from various members of the group comprising a minimum of 65 per cent. of the consolidated EBITDA and revenue of the group. Material subsidiaries (those subsidiaries comprising five per cent, or more of the Consolidated EBITDA of the group) must be guarantors under the Syndicated Facility. In the event of certain market-standard events of default relating to, inter alia, non-payment and non-satisfaction of financial covenants relating to Net Worth, the ratio of Consolidated EBITDA to Net Interest Payable and the ratio of Consolidated Net Debt to Continuing EBITDA, the facilities shall be terminated and all outstanding amounts shall become due and payable on demand.

9.3 Overdraft

A committed overdraft and ancillary facilities agreement dated 15 March 2011 (the “**Overdraft Facility**”), maturing in May 2015, between Huntsworth and certain of its subsidiaries as borrowers and Lloyds TSB as lender. Lloyds TSB agreed to provide a committed overdraft facility of £5 million for: (i) the refinancing of the £5 million bilateral committed overdraft facility and ancillary facilities agreement between Lloyds TSB and Huntsworth dated 27 July 2007 and as amended on 24 October 2007 and 7 December 2009; and (ii) general corporate purposes (including, subject to restrictions contained in the Syndicated Facility, the making of acquisitions, share buybacks and as working capital). Lloyds TSB has also agreed to provide certain other ancillary facilities. The maximum aggregate overdraft balance (on a gross basis) must not exceed £15 million. Commitment interest calculated quarterly in arrears at a rate of 1.325 per cent. per annum is payable on the available undrawn balance of the committed facility limit of £5 million. Interest is payable on the committed overdraft facility at a margin of 2.65 per cent. per annum. The Overdraft Facility contains standard banking covenants. The Bank may demand immediate payment of amounts owing under the Overdraft Facility (including interest or charges) in the event of certain defaults as specified in the Syndicated Facility.

9.4 ScopeMedical share purchase agreement

A share sale and purchase agreement dated 8 July 2010 made between Huntsworth plc as Purchaser, and the shareholders of ScopeMedical Limited (the “**Shareholders**” of “**ScopeMedical**”) as vendors, pursuant to which Huntsworth acquired the entire issued capital of ScopeMedical. The gross initial consideration was £4,617,666 (£3,638,666 net of £979,000 cash acquired).

Final consideration was agreed to be payable, based on average performance during the years ending 31 December 2010, 31 December 2011, 31 December 2012 and 31 December 2013 (or, if the vendors make an election to substitute the figure for the financial year ending on 31 December 2013 for the figure for the financial year ending 31 December 2014, an average so calculated) less the value of all previous payments. Consideration is payable wholly in cash or wholly or partly by the issue of Huntsworth Shares at Huntsworth’s discretion, provided that any deferred consideration not satisfied by the issue of Huntsworth Shares shall be satisfied in cash. The amount of final consideration was agreed to be calculated by reference to a multiple of the average adjusted profits of ScopeMedical. The multiple is within a fixed range of amounts which vary according to ScopeMedical and its US subsidiary’s adjusted revenues. The total final consideration shall not exceed £7,047,778.

No claim may be brought by Huntsworth in respect of any warranties following the expiry of the warranty period on 31 March 2012 apart from tax warranties, which expire on the seventh anniversary of the completion date.

For further information in relation to the acquisition of ScopeMedical Limited and details about its business please see section 4 of Part III of this document.

9.5 Tonic Life Communications Limited share purchase agreement

A share sale and purchase agreement dated 10 July 2009 made between Huntsworth plc as Purchaser, Huntsworth Healthcare Group Limited (“**HHGL**”) and the shareholders of Tonic Life Communications Limited (the “**Shareholders**”) as vendors, pursuant to which Huntsworth acquired the entire issued capital of Tonic Life Communications Limited.

Consideration paid to date, including initial consideration, and deferred consideration based on the average adjusted profits for the 12 month periods ending 31 June 2010 and 31 June 2011, totals £5,700,080. This balance was settled by the aggregate of the issue of 1,817,830 ordinary shares and £4,620,048 in cash.

Final consideration was agreed to be payable in respect of one minority Shareholder in cash; and in respect of the other Shareholders in either cash/ loan notes or Huntsworth Shares at Huntsworth’s election, provided that at least 50% of any deferred consideration is paid in cash. The amount of final consideration was agreed to be calculated as a multiple of the average annual adjusted profits for the four years ending 30 June 2013, less the value of all previous payments. The multiple has a fixed range, dependent on the compound annual growth rate of adjusted profits for the four years ending 30 June 2013. The maximum payment cannot exceed £6,299,920. The vendors have the option to make an election to substitute the adjusted profits for the 12 months ending on 30 June 2013 for the adjusted profits for the 12 months ending 30 June 2014 if the adjusted profits for the 12 months ending 30 June 2013 are less than the average adjusted profits for the four year period.

No claim may be brought by Huntsworth in respect of any warranties following the expiry of the warranty period on 31 March 2011 apart from tax warranties, which expire on the seventh anniversary of the completion date.

For further information in relation to the acquisition of Tonic Life Communications Limited and details about its business please see section 4 of Part III of this document.

9.6 Atomic Communications, LLC

Huntsworth guaranteed the obligations of its subsidiary Huntsworth Financial, Inc. (a Delaware Corporation), (“**HFI**”) under a units purchase agreement dated 22 March 2011 with the unitholders of Atomic Communications, LLC (“**Atomic**”) as vendors pursuant to which HFI acquired all the units of Atomic and its respective holdings in each of its US subsidiaries.

Deferred consideration is payable based on a multiple of average adjusted profits for each of the financial periods ending 31 December 2011, 2012, 2013, 2014 and 2015 (or 31 December 2016 and 2017, if the vendors make a substitution to extend the earn-out period for a further one or two years). The multiple used is determined by reference to compound average annual revenue growth.

Consideration paid to date, including initial consideration, and deferred consideration totals US\$13,712,122. This balance was settled by the aggregate of the issue of 3,783,015 ordinary shares and US\$10,719,053 in cash.

Future deferred consideration is to be payable in cash or Huntsworth Shares at Huntsworth’s election, provided that at least 33% of any deferred consideration is paid in cash. Any such Huntsworth Shares cannot be sold by the vendors without giving 60 days’ notice to Huntsworth. The maximum future consideration, payable subject to future performance as noted above, cannot exceed US\$33,142,871.

The agreement contains representations and warranties which are usual for a transaction of this nature. HFI and its affiliates, including Huntsworth, had the benefit of indemnification by the vendors in relation to any breach of the representations or warranties in the agreement. No claims under this indemnity can be made following the expiry of the warranty period on 31 March 2013 other than in respect of certain representations and warranties (e.g. tax warranties), where the indemnity will survive for a period ending 180 days after the expiration of the applicable statute of limitations. HFI and Huntsworth gave a substantially similar indemnity to the vendors which was also expressed to survive until 180 days after the expiration of the applicable statute of limitations.

For further information in relation to the acquisition of Atomic and details about its business please see section 4 of Part III.

10. Significant subsidiaries

Huntsworth is a holding company and its significant subsidiaries, which are all 100% owned, are set out below:

<u>Subsidiary undertaking</u>	<u>Country of Incorporation</u>	<u>Principal activity</u>
Grayling Communications Limited	UK	Public Relations consultants
Atomic PR UK Limited	UK	Public Relations consultants
Holmes & Marchant Communications Limited	UK	Public Relations consultants
Hudson Sandler Limited	UK	Public Relations consultants
The Quiller Consultancy Limited	UK	Public Relations consultants
Grayling Austria GmbH	Austria	Public Relations consultants
Grayling SA	Belgium	Public Relations consultants
Grayling Momentum Limited	British Virgin Islands	Public Relations consultants
Grayling d.o.o.	Croatia	Public Relations consultants
Grayling Czech Republic S.R.O	Czech Republic	Public Relations consultants
Grayling France SAS	France	Public Relations consultants
Grayling Deutschland GmbH	Germany	Public Relations consultants
Grayling Hungary KFT	Hungary	Public Relations consultants
Grayling Nederland B.V.	Netherlands	Public Relations consultants
Grayling Poland Sp z.o.o.	Poland	Public Relations consultants
Grayling Romania SRL	Romania	Public Relations consultants
Grayling Eurasia LLC	Russia	Public Relations consultants
Grayling d.o.o.	Serbia	Public Relations consultants
Grayling Asia Pte Ltd	Singapore	Public Relations consultants
Grayling d.o.o.	Slovenia	Public Relations consultants
Grayling Comunicación S.L.	Spain	Public Relations consultants
Citigate & Trimedia Norden AB	Sweden	Public Relations consultants
Grayling Suisse SA	Switzerland	Public Relations consultants
Grayling Halka Illiskiler Limited Sirketi	Turkey	Public Relations consultants
Atomic Communications, LLC	USA	Public Relations consultants
Civilia Communications, LLC	USA	Public Relations consultants
Dutko Global Inc	USA	Public Relations consultants
Grayling Connection Point LLC	USA	Public Relations consultants
Citigate Dewe Rogerson Limited	UK	Public Relations consultants
Citigate Dewe Rogerson (Beijing) Consulting Services Co. Ltd	China	Public Relations consultants
Citigate Asia Limited	Hong Kong	Public Relations consultants
Citigate First Financial B.V.	Netherlands	Public Relations consultants
Citigate Dewe Rogerson iIMAGE (PTE) Ltd	Singapore	Public Relations consultants
The Red Consultancy Limited	UK	Public Relations consultants
Shiny Red Limited	UK	Public Relations consultants
Apothecom ScopeMedical Limited	UK	Healthcare communications and research
Huntsworth Health Limited	UK	Healthcare communications and research
Tonic Life Communications Limited	UK	Healthcare communications and research
Apothecom Associates LLC	USA	Healthcare communications and research
Apothecom ScopeMedical Inc	USA	Healthcare communications and research
Axiom Professional Health Learning LLC	USA	Healthcare communications and research
Curatio CME Institute LLC	USA	Healthcare communications and research
Evoke Health LLC	USA	Healthcare communications and research
Huntsworth Health Corporation	USA	Healthcare communications and research
Huntsworth Health North America LLC	USA	Healthcare communications and research

11. Litigation

In June 2009 Huntsworth commenced proceedings against Mr. Richard Wolff, a former employee of Grayling in New York seeking to enforce restrictive covenants contained in Mr Wolff's service agreement, similar covenants contained in a separation agreement and damages in relation to alleged breaches of

those covenants. As part of this action, Huntsworth also commenced proceedings against Mr Wolff's new employer and another former employee of Grayling (the "**Other Parties**"). Mr Wolff has denied the allegations and made counterclaims against Huntsworth, seeking damages for, amongst other things, damage to his relationship with his new employer. The counterclaim is for approximately US\$1.2 million. In February 2012, Huntsworth filed a motion for summary judgment against Mr Wolff. The outcome of this application is awaited. So far, Huntsworth has incurred significant legal costs of approximately US\$1.4 million in pursuing the litigation.

Other than as stated above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Huntsworth is aware) during the year preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Huntsworth Group.

12. Working capital statement

The Company is of the opinion that, taking account of available facilities, the working capital available to the Huntsworth Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

13. Sources and Bases of selected financial information

13.1 As at the close of business on 16 September 2013, the latest practicable date prior to the publication of this document, Huntsworth had in issue 258,454,017 ordinary shares of 1 pence each.

13.2 Where information has been sourced from a third party, the Company confirms that the information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used, the source of such information has been identified wherever it appears in this document.

14. General

The aggregate costs and expenses payable by Huntsworth in connection with the Subscription are estimated to amount to approximately £2.0 million (excluding amounts in respect of VAT).

The financial information contained in this document which relates to the Company does not constitute full statutory accounts as referred to in section 434 of the Companies Act.

15. Significant Change

There has been no significant change in the trading or financial position of the Huntsworth Group since 30 June 2013, the date to which Huntsworth's last interim financial statements (which is incorporated by reference into this document as set out in Part VI of this document) was prepared.

16. Consents

Numis Securities Limited, whose address is The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

Quayle Munro Limited, whose address is 22 Berners Street, London W1T 3LP, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

BDO LLP has given and has not withdrawn its written consent to the inclusion in this document of its accountant's report in Part VII of this document in the form and context in which it appears, and has authorised the contents of that report for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules.

17. Principal Establishments/Property

Huntsworth's principal establishments which are occupied by Huntsworth and/or its subsidiaries are as follows. All properties are leasehold offices.

Country	City	Use	End date	Annual Rent £
UK	London	Huntsworth Head Office	28-Sep-19	171,993
UK	London	Citigate	Rolling	554,219
UK	London	Red	31-Jul-14	538,000
USA	Washington DC	Grayling	28-Feb-23	498,091
USA	New York	Grayling	28-Feb-14	187,500
USA	San Francisco	Grayling	28-Feb-15	126,000
UK	London	Grayling	31-Jul-15	250,418
UK	London	Grayling	24-Apr-16	225,000
USA	New York	Huntsworth Health	31-May-14	285,135
USA	Yardley	Huntsworth Health	30-Nov-15	579,462
USA	Philadelphia	Huntsworth Health	31-Dec-18	526,635
USA	San Francisco	Huntsworth Health	31-Jan-15	253,523
USA	New York	Huntsworth Health	20-Jan-24	662,829

18. Documents available for inspection

Copies of the following documents:

- (i) the existing Memorandum and Articles of Association of the Company;
- (ii) the audited consolidated accounts of the Huntsworth Group for the three years ended 31 December 2010, 31 December 2011, and 31 December 2012;
- (iii) the unaudited interim financial statements for the six months to 30 June 2013;
- (iv) the consent letters referred to in paragraph 16 above;
- (v) the report from BDO LLP set out in Part VII; and
- (vi) this document,

are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period from the date of publication of this document until Admission at:

- (i) the registered office of the Company, 15-17 Huntsworth Mews, London NW1 6DD; and
- (ii) the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY.

PART X
DEFINITIONS

The following definitions apply throughout this announcement unless the context otherwise requires:

“Additional Subscription Right”	means the right to subscribe for additional new Huntsworth Shares described in section 1.5 of Part II of this document;
“Admission”	means, in respect of the New Huntsworth Shares, the admission to listing on the Official List of the FCA and to trading on the main market of the London Stock Exchange;
“Announcement”	means the announcement made on 25 April 2013 of the Subscription;
“BlueFocus”	means BlueFocus Communication Group Co. Ltd.;
“BlueFocus International”	means BlueFocus International Limited;
“Business Day”	means any day (other than a Saturday or Sunday) on which banks are open in London for normal business (other than solely in respect of the trading and settlement of euro);
“Citigate”	means the group of financial and corporate communications agencies that collectively form part of the Citigate reportable segment in the Huntsworth Annual Report and Accounts 2012;
“City Code”	means the City Code on Takeovers and Mergers in the United Kingdom;
“Companies Act”	means the Companies Act 2006 (as amended);
“Conditions”	means the conditions to completion of the Subscription Agreement as described in section 1.1 of Part II of this document;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the operator (as defined in the CREST Regulations);
“Deferred Shares”	means the deferred shares of £0.49 each in the capital of the Company, the holders of which are not entitled to receive dividends when declared nor the Company’s report and accounts. The holders of deferred shares have no right as such to receive notice of or to attend or vote at any general meeting of the Company unless a resolution to wind up the Company or to vary or abrogate the rights attaching to the deferred shares is proposed;
“Disclosure and Transparency Rules”	means the disclosure rules and transparency rules made by the FCA pursuant to Part VI of FSMA, as amended from time to time;
“EBITDA”	means earnings before interest, taxes, depreciation, and amortization;
“Existing Huntsworth Shareholders”	means holders of Existing Huntsworth Shares;
“Existing Huntsworth Shares”	means the Huntsworth Shares in issue as at the date of this document;
“Existing Issued Share Capital”	means the existing number of Huntsworth Shares in issue as at the date of this document;
“FCA”	means the Financial Conduct Authority;

“Form of Proxy”	means the form of proxy accompanying this document for use in connection with the General Meeting;
“FSMA”	means the Financial Services and Markets Act 2000 (as amended);
“General Meeting”	means the general meeting of Huntsworth to be held on 4 October 2013, notice of which is set out in this document, and any adjournment thereof to consider and, if thought fit, to approve the Resolutions;
“Grayling”	means the group of public relations and government relations agencies that collectively form part of the Grayling reportable segment in the Huntsworth Annual Report and Accounts 2012;
“Huntsworth” or the “Company”	means Huntsworth PLC;
“Huntsworth Board” or “the Board”	means the board of Huntsworth Directors;
“Huntsworth Directors”	means the directors of Huntsworth as at the date of this document, whose names are set out in page 18, and “Huntsworth Director” or “Director” means any one of them;
“Huntsworth Group”	means Huntsworth and its subsidiaries and subsidiary undertakings from time to time;
“Huntsworth Health”	means the group of healthcare communications agencies that collectively form part of the Huntsworth Health reportable segment in the Huntsworth Annual Report and Accounts 2012;
“Huntsworth Share Schemes”	means those share schemes of Huntsworth more fully described in paragraphs 5.1 to 5.11 of Part IX of this document;
“Huntsworth Shareholders”	means holders of Huntsworth Shares;
“Huntsworth Shares”	means ordinary shares of 1 pence each in the capital of Huntsworth (including, if the context requires, the New Huntsworth Shares);
“IFRS”	means International Financial Reporting Standards;
“IPO”	means an initial public offering;
“Listing Rules”	means the rules made by the FCA pursuant to Part VI of FSMA, as amended from time to time;
“London Stock Exchange”	means London Stock Exchange plc;
“NDRC”	means the National Development and Reform Commission of the People’s Republic of China;
“New Huntsworth Shares”	means the 63,000,000 Huntsworth Shares proposed to be issued and credited as fully paid to BlueFocus International pursuant to the Subscription;
“Notice”	means the notice convening the General Meeting set out in Part XII of this document;
“Numis”	means Numis Securities Limited;
“Official List”	means the official list of the UKLA pursuant to Part V of FSMA;
“Pounds”, “Pence” and “£”	means the lawful currency of the United Kingdom;
“PR”	means public relations;
“Proposed Director”	means Mr Oscar Zhao;

“Prospectus Rules”	means the prospectus rules made by the FCA pursuant to Part VI of FSMA in relation to the offers of securities to the public and admission of securities to trading on a regulated market, as amended from time to time;
“Quayle Munro”	means Quayle Munro Limited;
“Red” or the “Red Consultancy”	means the specialist brands agency that forms the Red reportable segment in the Huntsworth Annual Report and Accounts;
“Resolutions”	means resolutions 1 to 3 to be proposed at the General Meeting, which are set out in the Notice of General Meeting at Part XII of this document;
“Restricted Jurisdiction”	means any jurisdiction where sending the Prospectus would violate the law of that jurisdiction;
“SAFE”	means the State Administration of Foreign Exchange of the People’s Republic of China;
“Subscription”	means the subscription by BlueFocus International for the New Huntsworth Shares and the allotment and issue by the Company of the New Huntsworth Shares to BlueFocus International;
“Subscription Agreement”	means the subscription agreement dated 25 April 2013 between BlueFocus International, Huntsworth and BlueFocus;
“Third Party”	means any government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, stock exchange, trade agency, association, institution or any other body or person whatsoever in any jurisdiction;
“UK” or “United Kingdom”	means the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority” or “UKLA”	means the United Kingdom Financial Conduct Authority in its capacity as the competent authority for listing under Part VI of FSMA;
“US” or “United States” or “United States of America”	means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
“US Person”	means Huntsworth Shareholders that have a registered address in the United States and beneficial owners of Huntsworth Shares that are natural persons, resident in or that are legal persons organised under the laws of the United States;
“US Securities Act”	means the Securities and Exchange Acts of 1933 and 1934.

Unless otherwise stated, all times referred to in this announcement are references to London time.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

For the purpose of this document, **“subsidiary”**, **“subsidiary undertaking”**, **“undertaking”** and **“associated undertaking”** have the meanings given by the Companies Act.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

PART XI
RELEVANT DOCUMENTATION

The following documentation, which was sent to Huntsworth Shareholders at the relevant time and/or is available for inspection in accordance with paragraph 18 of Part IX, contains information which is relevant to the Subscription:

1. Huntsworth's Annual Report and Accounts for the Three Financial Years Ended 31 December 2010, 2011 and 2012

These reports and accounts contain the audited consolidated historical financial statements of the Company for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 and the audit reports in respect of each such year.

2. Huntsworth Information Incorporated by Reference

The table below sets out the documents which are incorporated by reference into this document, to ensure that Huntsworth Shareholders and others are aware of all information which, according to the particular nature of the Company and of the New Huntsworth Shares, is necessary to enable others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company and of the rights attaching to the New Huntsworth Shares:

<u>Information incorporated by reference into this document</u>	<u>Subject matter</u>	<u>Location of Incorporation in this document</u>	<u>Page number in this document</u>
Huntsworth's Annual Report and Accounts for 2010 including the independent auditor's report	Principal Markets	Paragraph 3 of Part III	29
	Principal Investments	Paragraph 5 of Part III	31
	Operating and Financial Review	Paragraph 2 of Part IV	32
	Selected Financial Information	Paragraph 1 of Part V	33
	Liquidity and capital resources	Paragraph 2 of Part V	33
	Financial statements for the financial year ended 31 December 2010 and the audit report thereon	Paragraph 2 of Part VI	38
	Related Party Transaction	Paragraph 7 of Part IX	78
Huntsworth's Annual Report and Accounts for 2011 including independent auditor's report	Principal Markets	Paragraph 3 of Part III	29
	Principal Investments	Paragraph 5 of Part III	31
	Operating and Financial Review	Paragraph 2 of Part IV	32
	Selected Financial Information	Paragraph 1 of Part V	33
	Liquidity and capital resources	Paragraph 2 of Part V	33
	Financial statements for the financial year ended 31 December 2011 and the audit report thereon	Paragraph 2 of Part VI	38
	Related Party Transaction	Paragraph 7 of Part IX	78

<u>Information incorporated by reference into this document</u>	<u>Subject matter</u>	<u>Location of Incorporation in this document</u>	<u>Page number in this document</u>
Huntsworth's Annual Report and Accounts for 2012 including independent auditor's report	Principal Markets	Paragraph 3 of Part III	29
	Principal Investments	Paragraph 5 of Part III	31
	Operating and Financial Review	Paragraph 2 of Part IV	32
	Selected Financial Information	Paragraph 1 of Part V	33
	Liquidity and capital resources	Paragraph 2 of Part V	33
	Financial statements for the financial year ended 31 December 2012 and the audit report thereon	Paragraph 2 of Part VI	38
	Net assets	Note 1 to Part VII	41
	The Board	Paragraph 7.1 of Part VIII	48
	Conflicts of Interest	Paragraph 10 of Part VIII	50
	Related Party Transaction	Paragraph 7 of Part IX	78
	Significant Change	Paragraph 15 of Part IX	83
The unaudited consolidated interim financial statements for the six months ended 30 June 2013			
Huntsworth's Memorandum and Articles of Association		Paragraph 3 of Part IX	54

PART XII
NOTICE OF GENERAL MEETING

Huntsworth plc

(Incorporated and registered in England and Wales with Registered number 1729478)

Registered Office: 15-17 Huntsworth Mews, London NW1 6DD

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Huntsworth plc (the “**Company**”) will be held at 29 Cloth Fair, London, EC1A 7NN on 4 October 2013 at 9.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary or special resolutions as indicated below:

Terms defined in the document of which this Notice forms part shall have the same meaning in this Notice.

SPECIAL RESOLUTIONS

1. To grant the Directors authority to allot shares and to disapply pre-emption rights in respect of those shares

That subject to and conditional upon Resolutions 2 and 3 being validly passed:

Part A

the Board be and hereby is authorised, without prejudice to the authorities conferred on it at the last general meeting of the Company, to allot ordinary shares in the Company up to a nominal amount of £630,000 in connection with the subscription agreement dated 25 April 2013 made between the Company, BlueFocus Communication Group Co. Ltd and BlueFocus International Limited (the “**Subscription Agreement**”), such authority to apply until the conclusion of the next annual general meeting of the Company after the date on which this resolution is passed; and

Part B

the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by Part A of this resolution as if section 561 of the Companies Act 2006 did not apply to any such allotment, such power to be limited to the allotment of equity securities up to a nominal amount of £630,000.

2. To grant the Directors further authority to allot shares to disapply pre-emption rights in respect of those shares

That subject to and conditional upon Resolutions 1 and 3 having been validly passed:

Part A

the Board be and hereby is authorised, without prejudice to all subsisting authorities, to allot ordinary shares in the Company up to a nominal amount of £169,307.20 which may fall to be issued pursuant to the rights of BlueFocus International Limited as set out in the Subscription Agreement in the event that the Company decides to issue ordinary shares for non-cash consideration, such authority to apply for a period of five years after the date on which this resolution is passed (provided that this authority shall lapse upon any offer to purchase the entire issued and to be issued share capital of the Company becoming unconditional in all respects (within the meaning of the City Code on Takeovers and Mergers)); and

Part B

the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by Part A of this resolution as if section 561 of the Companies Act 2006 did not

apply to any such allotment, such power to be limited to the allotment of equity securities up to a nominal amount of £169,307.20, such power to apply for a period of five years after the date on which this resolution is passed.

ORDINARY RESOLUTION

3. Appointment to the board

That subject to and conditional upon Resolutions 1 and 2 having been validly passed and the admission to listing on the Official List of the FCA and to trading on the main market of the London Stock Exchange of the 63,000,000 new ordinary shares issued to BlueFocus International Limited pursuant to the Subscription Agreement having occurred, to appoint Mr Oscar Zhao as a director of the Company.

By order of the Huntsworth Board

Martin Morrow

Company Secretary

18 September 2013

Notes

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those members entered on the register of members of the Company at close of business on 2 October 2013 or, in the event that the General Meeting is adjourned, on the register of members of the Company 48 hours before the time of the adjourned meeting, will be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after close of business on 2 October 2013 will be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member of the Company who is unable or does not wish to attend the General Meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend and to speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such authority) must be included with the proxy form. If more than one proxy is validly appointed in respect of a share or shares, the appointment received last before the latest time for receipt of proxies will take precedence. In the case of joint holders, where one or more of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority will be determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior). If the Company is unable to determine which was delivered or received last, none of them shall be treated as valid in respect of that share or shares. A form appointing a proxy has been made available to members, and where it has been sent to members by post may be returned in the enclosed pre-paid envelope. To be effective, it must be completed and be received by Computershare Investor Services PLC ("**Computershare Investor Services**"), The Pavilions, Bridgwater Road, Bristol BS99 6ZY by hand or post not later than 9.00 a.m. on 2 October 2013.
3. CREST members who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so through Computershare Investor Services by 9.00 a.m. on 2 October 2013. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such an instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments as specified in Note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable their CREST sponsors, or voting service provider should note that Euroclear UK and Ireland Limited does not make available any special procedures in CREST for any particular message and should note that normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting as he/she thinks fit in relation to any other matter which is put before the General Meeting.
5. The return of a completed form of proxy, other such instruction or any CREST Proxy Instruction as described above will not prevent a member attending the General Meeting and voting in person if he/she wishes.
6. Any person to whom this Notice of General Meeting has been sent, whose shares are held on their behalf by another person and who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated**

Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under such agreement, have a right to give instructions to the member as to the exercise of voting rights.

7. The statement of the rights of members in relation to the appointment of proxies in Notes 2 and 3 above do not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company. A Nominated Person should contact the member by whom he/she has been nominated, and not the Company, regarding any matters relating to their investment.
8. As at 16 September 2013 (being the latest practicable date prior to the date of this notice) the issued ordinary share capital of the Company conferring the right to vote at the General Meeting consisted of 258,454,017 ordinary shares of 1 pence each carrying one vote each (2,289,054 shares are held in treasury).
9. A member which is a body corporate and which wishes to be represented at the General Meeting by a person with authority to speak and vote (a "**corporate representative**") must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the governing body. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company. In order to facilitate voting by corporate representatives at the General Meeting, arrangements will be put in place at the meeting to follow the procedure set out in the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives. Please see www.icsa.org.uk for further details of this procedure or contact Computershare Investor Services on 0870 707 1048 or, if, calling from outside the UK, on 0044(0) 870 707 1048. Calls to the Computershare Investor Services 0044(0) 870 707 1048 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Computershare Investor Services cannot provide advice on the merits of the Subscription or the Resolutions generally or give any financial, legal or tax advice.

