

# HUNTSWORTH

19 November 2010

**Huntsworth plc  
("Huntsworth" or "the Group")**

**Interim Management Statement**

**Increased confidence of growth in 2011  
Success in attracting global clients  
Changes to Group Board**

## **IMS Statement**

Huntsworth plc, the global public relations and healthcare communications group, announces that it is trading in line with management profit and earnings expectations for 2010.

The Group has excellent margins both before and after central costs and a strong new business book running well into 2011 with about 65% of 2011 revenues already committed.

The Group has concentrated on using its new streamlined organisation to pitch for global and multi-office accounts in 2010. This strategy is bearing fruit and the Group has a very strong pipeline of international and global pitches, including our largest PR opportunity to date, which we expect to come on stream during the first quarter of 2011 and run for a number of years.

Contract negotiations for these larger international clients take several months and some revenue has moved from 2010 into next year. We therefore expect 2010 revenues to be below management's expectations but have renewed confidence that 2011 management revenue and profit expectations will be met.

The balance sheet remains robust with net debt comfortably within banking covenants.

## **CITIGATE**

Citigate, which is 15% of the Group, has won a number of new retained mandates including Hyder Consulting PLC and Oando PLC.

Recent transactions include United Business Media's \$287m acquisition of Canon Communications LLC, Palamon Capital Partners LLP's €243m sale of Retail Decisions Ltd's Australian business and the IPO of Argos Resources Ltd.

## **GRAYLING**

Grayling, which together with Dutko our public affairs business in Washington represents 49% of Group revenues, is seeing real momentum in pitching for, and winning, larger clients. The bulk of these wins will be worked on in 2011 and beyond.

Significant international wins include Volkswagen Middle East and Hilton Worldwide.

## **HUNTSWORTH HEALTH**

Huntsworth Health, which is 29% of the Group, continues to gain in strength and reputation. We continued to build on our global structure which provided the rationale for Huntsworth Health to become a preferred provider in 14 different companies and the division is well placed to leverage this status in 2011. Digital revenues in particular continue to grow strongly.

## **RED**

RED, which represents 7% of the Group, was hard hit by the cutback in public sector spending when the new coalition government was elected, but has recovered quickly replacing all public sector revenues with new commercial organisations including Barclaycard, Thistle Hotel Group plc, ACI Worldwide Ltd, Bravissimo Ltd and Napp Pharmaceutical Holdings.

## **Board Changes**

Huntsworth also announces the following changes to the Board.

Colin Adams will join the Board as Group Finance Director. Colin has a strong background in the media sector, joining from Bloomsbury Publishing Plc where he has been Group Finance Director since 1994 and is a director on the main subsidiary boards within the group. In 2007 he was appointed to the Investment Committee of the Creative Capital Fund, an equity fund that provides seed capital investment to entrepreneurs and businesses in London's creative industries. It is intended he will join as soon as his contractual obligations allow which we anticipate will be in April 2011.

Tymon Broadhead, the current Group Finance Director and Company Secretary, will step down from the Board and leave the Company to pursue other career interests after an appropriate handover period during the first half of 2011.

Peter Chadlington, CEO of Huntsworth, said:

“We have made the very difficult transition from being a series of loosely affiliated companies into a streamlined, efficient international communications business. We have begun to demonstrate that we are able to compete for, and win, larger global mandates, served by many offices in multiple geographies.

“Colin is a media heavyweight with an outstanding track record in the sector. I’m confident he will play an important role in helping us take the group to the next stage of its development. Tymon’s contribution to the development of Huntsworth has been exceptional and we wish him well for the future.”

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**Additional information:**

There is no other information required to be disclosed pursuant to LR9.6.13