

HUNTSWORTH

2nd December 2009

Huntsworth plc (“Huntsworth” or “the Group”)

Acquisition of Dutko Worldwide Holdings, Inc

Huntsworth plc, the global public relations and healthcare communications group, today announces that it is acquiring Dutko Worldwide Holdings, Inc. (‘Dutko’), a US-based public policy management company, for an initial consideration of \$33.6 million (£20.4 million). This acquisition brings a new strategic investor, Lake Capital Partners LP (‘Lake’), to the Group. Taken together with the robust trading reported in our recent Interim Management Statement, these developments underpin our confidence in the enlarged Group in 2009 and beyond.

Acquisition of Dutko

Huntsworth is acquiring the entire share capital of Dutko and its subsidiaries. Dutko is the largest independent public policy management group by revenue in the US market. Based in Washington with 10 offices around the US, Dutko will make a significant contribution to Huntsworth’s developing global public affairs network. The acquisition is expected to be EPS enhancing in its first full year of consolidation.

Dutko was founded in 1981 and has evolved into a multidisciplinary government affairs, strategy and management company. Its client services include Federal and State Lobbying, Government Market Analysis and Positioning, Global Strategic Consulting, Political Intelligence, Grassroot, Polling Research and Risk Management and Critical Infrastructure Protection Consulting. Dutko’s key clients include Abbott Laboratories, Booz Allen Hamilton, The Coalition to Advance Healthcare Reform, CITGO Petroleum Company, GlaxoSmithkline and Johnson Controls. In terms of geography, 90% of revenues were generated from US-based clients and around 96% of revenues are held on a retained basis.

In the audited consolidated accounts for the year to 31st December 2008, Dutko reported pre tax profits of \$5.6 million on revenues of \$33.3 million. Consolidated gross assets at 31st December 2008 were \$51.7 million.

Terms of the acquisition

The business is being acquired from its employees and Lake Capital Partners LP for an initial consideration of \$33.6 million (£20.4 million), comprised of 21.0 million* (\$22.2 million) of Huntsworth shares at completion and 10.8 million* shares (\$11.4 million) at the end of 2010. Further performance-based consideration will also be payable based on profits for each of the years to 2012 and will be satisfied by cash or shares at Huntsworth’s option. By way of illustration, the maximum consideration of \$44.6 million (£27.0 million) would require profit growth of 10% per annum over a three year period.

In addition and as part of the terms of the acquisition, Huntsworth will assume Dutko's net debt of \$9.7 million.

Mark Irion, Chief Executive of Dutko, and his executive team will remain with the business on completion.

As a result of the transaction, the vendors of Dutko (including Lake) will own 9.1% of Huntsworth shares at completion, building to 13.2% at the end of 2010. The vendors will be subject to restrictions on the sale of their shares in Huntsworth for a period of 12 months from completion.

Application will be made to the UK Listing Authority for a total of 21.0 million new ordinary shares to be admitted to the Official List and to the London Stock Exchange for the new ordinary shares to be admitted to trading. The new ordinary shares rank *pari passu* in all respects with the existing issued ordinary shares of Huntsworth. Dealings in the new ordinary shares are expected to commence on Tuesday 8th December 2009.

Strategic Opportunity

Dutko will be consolidated within the Grayling brand. The combination of Dutko's scale in the US lobbying and Government relations market and Huntsworth's international public affairs network creates one of the leading global lobbying and public affairs networks. With revenues of over \$50 million worldwide on a combined basis this presents a powerful proposition to existing and potential clients. The key opportunities for synergies are threefold:

- Huntsworth's existing public affairs network is sub scale in the US. The addition of Dutko, which has limited overlap with existing Huntsworth clients, therefore enables the Group to add US lobbying and Government relations services to its existing public affairs clients on a global basis.
- Huntsworth's existing public affairs network provides services which are complementary to US lobbying activities. The combination thus allows the Group to broaden Dutko's existing relationships globally.
- Dutko and the Huntsworth group share a specialisation in the healthcare sector which has become a focus for US legislation. The acquisition allows the timely cross marketing of US lobbying and Government relations services to Huntsworth's healthcare clients across the Group.

New Strategic Investor

As part of the Dutko transaction, Huntsworth gains a new significant investor, Lake Capital Partners LP, an established Chicago-based investor in services enterprises with \$1.3 billion of equity commitments under its and affiliates' management. The acquisition gives Lake an initial holding of 7.0% of the Huntsworth share capital, building to 9.4% at the end of 2010 under the terms of the consideration. Lake intends to be a supportive shareholder and brings a US-based perspective on business development and new media opportunities. Lake will be subject to sales restrictions on their new Huntsworth shares for a period of 12 months from completion.

Extended Banking Arrangements

Huntsworth is pleased to announce an extension to September 2012 of its banking arrangements together with amendments which give the Group enhanced flexibility and greater certainty of pricing as it evolves. This extension provides for an effective 6 month extension to Huntsworth's previous refinancing date with no changes to covenants. The margin on this facility remains very favourable in relation to the market but its improved terms come at a small additional cost

Summary

The Board of Huntsworth believe that this acquisition will further enhance our ability to attract and service global clients. We welcome both Dutko to the Group and investor Lake Capital Partners to the share register.

On a combined basis, the acquisition of Dutko and the terms of the extended banking arrangements are expected to be EPS enhancing in 2010, the first full year of consolidation. Furthermore, the acquisition of Dutko improves the net debt: continuing EBITDA ratio for the enlarged Group and is comfortably within our banking facilities.

The impact of the recent situation in Dubai is not expected to have a significant impact on the Group as the region contributes only 1% to revenues. Taken together with the robust trading reported in our recent Interim Management Statement, these developments announced today underpin our confidence in the enlarged Group in 2009 and beyond.

Peter Chadlington, Chief Executive of Huntsworth plc, commented:

"We have been looking for some time for the right opportunity in Washington to extend our international public affairs network. In Dutko we have found a high quality management team with an impressive client roster and a robust business model supported by a high proportion of retainer fees. We look forward to offering existing Huntsworth clients more US and global services as we, in turn, help Dutko expand outside the US."

Mark Irion, Chief Executive, Dutko Worldwide, commented:

"Joining forces with the Huntsworth group of international public affairs and public relations companies marks a significant achievement in Dutko's six year long plan to build a global public policy management consultancy. We are especially excited about our new capabilities to orchestrate integrated public affairs and government affairs campaigns with Grayling, the world's third largest independent public relations and public affairs agency."

"We are so pleased to be poised to offer clients the global strategic communications, digital and public affairs resources of our new sister company, and the Dutko platform is perfectly positioned to accelerate Grayling's growth in the North American market."

Lake Capital Management Chairman Terence M Graunke commented:

"Lake Capital Partners enjoyed a successful collaboration with Dutko and looks forward to being a shareholder of Huntsworth plc, which has a strong leadership team and is well-positioned for success in an exciting and dynamic market space we know well. Dutko will bring much to and draw much from being a member of the Huntsworth family of companies."

** consideration shares to be issued based on a share price of 64.1p per share*

Enquiries to:

Huntsworth PLC

Peter Chadlington, Chief Executive
Sally Withey, Chief Operating Officer

+44 (0) 207 224 8778

Citigate Dewe Rogerson

Simon Rigby
George Cazenove

+44 (0) 207 638 9671