

# HUNTSWORTH

13 July 2009

**Huntsworth plc**

## **Acquisition of Tonic Life Communications Limited**

Huntsworth PLC (“Huntsworth”), the international public relations and healthcare communications group, announces today that it has acquired the entire issued share capital of Tonic Life Communications Limited (“Tonic”), a leading healthcare public relations company operating in the UK and USA. This acquisition significantly expands the Huntsworth Health PR operations in the UK and adds to the existing PR division of Dorland in the USA.

Tonic is a high profile healthcare PR company with its prominence exhibited by presence in the Sunday Times Virgin Fast Track 100, The Holmes Report: World’s Fastest Growing PR Agency (2008) and PR Week League Table: ‘Star Agencies’ 08.

Tonic has been built up by Scott Clark, Oliver Parsons and Moira Gitsham all of whom will continue to develop the Tonic business, with Scott and Oliver taking a leadership role in Huntsworth Health’s global PR operations. The Tonic Board will report directly to David Rowley, Group CEO of Huntsworth Health.

Tonic has been acquired from Scott Clark, Oliver Parsons, Moira Gitsham and one other shareholder. The initial consideration is £3.0 million, paid in cash. Deferred consideration may be payable, with an interim payment based on the profits for the two years to 30 June 2011 and a final payment based on the profits for the four years to 30 June 2013.

Payments of deferred consideration are conditional, inter alia, upon profit growth and may be satisfied by cash or loan notes or up to 50% in Huntsworth shares, at the option of Huntsworth. By way of illustration, the maximum total consideration of approximately £12.5 million would require profit growth of over 40% per annum over the 2009 base.

For the year ended 31 December 2008 Tonic had consolidated revenues of £3.3 million and profit before tax of £0.6 million. The consolidated gross assets at 31 December 2008 were £2.3 million. The business will be acquired with £0.5 million of net cash.

David Rowley, Chief Executive of Huntsworth Health, commented:

“Huntsworth Health has been tracking the growth of Tonic for some time, and we are delighted that they have agreed to join our group. Scott and Oliver will take a leadership role and augment our current European and US practices. Tonic and its management will significantly increase our reach and expertise in the healthcare public relations arena.

We are extremely pleased to have attracted this leading agency in healthcare PR which will expand the quality services that we offer to the pharmaceutical sector. Tonic’s excellent client base and successful management team will complement and strengthen both our science and lifestyle healthcare communications brands.”

Scott Clark, Chief Executive of Tonic, said:

“Today’s announcement will propel the Tonic brand to an entirely new level and we are looking forward to becoming part of Huntsworth, a group that has grown from strength to strength. This fulfils our strategy to offer compelling new opportunities for our team and clients, allowing us to retain our vision, culture and aspirations while also benefiting from the scope and energy of an emerging global player in the communications industry.”

Sally Withey, Group Chief Operating Officer, commented:

“We believe that the acquisition of Tonic will further strengthen our Huntsworth Health offer which now constitutes approximately 27% of Group revenues. The Group expects to meet management's profit expectations in the first half of this year and with 86% of forecast revenues committed for 2009, we remain confident in respect of our full year result.”

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