HUNTING PLC

2005 interim statement

INTERIM REPORT 2005

Interim Report

Hunting PLC ("Hunting"), the international energy services company, announces its interim results for the six months to 30 June 2005.

INTRODUCTION

As indicated in the circular sent to shareholders on 1 July 2005 in connection with the recent Rights Issue, the first half of 2005 has been a continuum of the activity levels experienced in late 2004. Natural gas and oil prices are significantly up and are the primary catalyst to the activity levels throughout the world. U.S. natural gas prices have remained above US$6/mmbtu with oil prices rising from below US$40 a barrel to above US$60 a barrel. Again, due to high commodity prices, activity levels and investment in Canadian oil sands and natural gas exploration continue to grow with expectations for a third consecutive record year for wells drilled and volume improvement. The increase in commodity prices has driven the U.S. rig count to a 20 year high of 1,355 active rigs in June. International rig count activity is up 13% year-on-year. Accordingly, all divisions of Hunting have seen improvement.

RESULTS SUMMARY

Operating profit for the six months to 30 June 2005 increased by 88.2% to £22.4m (2004 – £11.9m). Profit before tax increased by 87.3% to £19.1m (2004 – £10.2m). Basic earnings per share of 10.9p were 148% higher (2004 – 4.4p). An Interim Dividend of 2.0p (2004 – 1.5p) will be paid on 23 November 2005 to shareholders on the register at the close of business on 4 November 2005.

Operational Review

The turnover and operating results of each division are included in the financial analysis in note 2 of this report.

Gibson Energy

Gibson Energy, based in Alberta, Canada, achieved a strong result with operating profit for the six months increasing by 90% from £6.7m to £12.7m as the Canadian oil and gas industry is on track to once again establish records for oil and gas well completions. Oil sands investment is growing and providing large volumes for truck transport, pipelines and terminals. In addition, the differential between heavy/sour and light crude oil pricing has enabled Gibson to utilise the synergies of its pipelines, terminals and storage assets. Gibson is one of Canada's premier mid-stream energy service companies providing marketing services, truck transportation, processing and distribution.

Marketing achieved an excellent result for the period due to heavy/sour crude differentials and commodity prices while managing inventories through volatile price swings. Operating profit increased by 126%.

Truck Transportation returned to historical levels of activity with an increase of 64% in operating profit due to higher levels of heavy crude hauling and extended contract negotiations.

Oil and Gas Operations have improved due to the overall activity of the region. Operating profit increased by 20%.

Canwest Propane and Natural Gas Liquids ("NGL") benefited from historical acquisitions and expansion to the West coast of Canada with an increase of 114% in operating profit.

Moose Jaw Asphalt's activity, whilst seasonal, continues to perform below expectations due to high crude oil stock prices.

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Gibson Energy forecasts further growth in overall operations but the marketing division will depend upon crude differentials and blending opportunities during the balance of the year.

Hunting Energy

Hunting Energy is a leading international supplier of products and related services to the upstream oil and gas companies worldwide. Operating profit in the first half increased by 109% from £3.3m to £6.9m.

Continuing a trend started in 2004 when oil prices were below US$35 a barrel, oil prices crossed over US$60 a barrel in the first half of 2005. Analysts are also raising their near term forecast for gas prices. The 2005 gas price exceeds US$6.5/mmbtu, up 16% from last year and more than double the average in 2002. These prices have led to record drilling activity with the U.S. rig count surpassing its 2001 peak by 6% hitting an average 1,355 active rigs in June 2005. While finding costs have risen for oil and gas exploration, operators indicate that the increase is not expected to impact the demand for drilling components as their margins are still good.

Tubular Products – operating profit increased by 5% on reduced inventories following the sale in May 2004 of the larger diameter range.

Manufacturing Operations – operating profit increased by 222% on the same period in 2004 due to higher utilisation, operating efficiencies and price increases.

International Operations – the continued growth of independent exploration and production operators in the North Sea contributed significantly to the 300% increase in operating profit.

Global activity in the second half of 2005 is expected to continue its improvement and benefit all regions where Hunting Energy is positioned. Offices have been opened in the Middle East which are already profitable.

Tenkay Resources

Tenkay Resources is a non-operating oil and gas exploration company with producing reserves principally in the Southern U.S. Operating profit for the six months increased by 77%. There were 9 successes out of 12 wells drilled during the first half with an increase in reserves.

E. A. Gibson Shipbrokers

E. A. Gibson Shipbrokers is a leading international shipbroker primarily in the oil and gas tanker market. While transaction volume and rates continue to be strong, rates have declined in the first half of 2005. However, the global supply of, and demand for, crude oil will continue maintaining good tanker rates above the historical average.

Hunting Energy France in Paris has continued its reorganisation which has led to earnings improvement.

Capital expenditure for the six month period to 30 June 2005 was £16.6m (2004 – £10.9m). Net debt at 30 June 2005 was £137.8m (30 June 2004 – £98.9m), with gearing of 108%.

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Post balance sheet financing

On 29 June 2005 the Company announced a Rights Issue to raise approximately £45.7m to fund ongoing capital investment in existing and new facilities and to take advantage of new acquisition opportunities. On 18 August 2005 the Company announced the acquisition of Cromar for £9.6m, a company that specialises in equipment and support to well service operators worldwide.

OUTLOOK

We are very pleased to announce this strong set of results for the first half of the year. Whilst we expect continued improvement the extent of the improvement will be dependent upon light and heavy crude price differentials and the ability to continue raising prices for goods and services. The recent acquisition of Cromar will produce additional earnings for Hunting Energy and continued foreign investment in the Alberta oil sands will benefit Gibson Energy. Labour constraints will continue to be an issue for the Company as with all energy service organisations, however, to date, turnover rates have been minimised and training programmes are well established to maintain this position. We continue to view the future with optimism as the momentum provided by oil company expenditures for exploration and production to replenish dwindling supplies, coupled with growing world demand, should continue to benefit Hunting through the remainder of 2005 and into 2006.

Richard Hunting
Chairman
1 September 2005

Dennis Proctor
Chief Executive

Consolidated Income Statement

(Unaudited)

	Notes	**Six months ended 30 June 2005 £m**	Six months ended 30 June 2004 £m	Year ended 31 December 2004 £m
Revenue	2	**668.2**	539.5	1,159.4
Cost of sales		**(609.5)**	(498.0)	(1,066.7)
Gross profit		**58.7**	41.5	92.7
Other operating income		**1.1**	1.5	2.9
Operating expenses*		**(37.4)**	(31.1)	(69.8)
Profit from operations before exceptional items		**22.4**	11.9	25.8
Exceptional items	3	**–**	–	(5.0)
Profit from operations	2	**22.4**	11.9	20.8
Net finance costs		**(3.3)**	(1.7)	(4.4)
Share of profits in associates		**–**	–	0.1
Profit before tax		**19.1**	10.2	16.5
Taxation	4	**(6.7)**	(3.4)	(5.1)
Profit for the period		**12.4**	6.8	11.4
Attributable to:				
Shareholders of the parent		**11.8**	6.7	10.9
Minority interests		**0.6**	0.1	0.5
		12.4	6.8	11.4
Earnings per share			(restated)	(restated)
Basic earnings per 25p ordinary share	6	**10.9p**	4.4p	7.9p
Diluted earnings per 25p ordinary share	6	**10.4p**	4.3p	7.7p

The above results relate to continuing operations.

The earnings per share numbers include the impact of the bonus element of the Rights Issue, which was announced on 29 June 2005.

*Operating expenses include an exceptional charge of £3.8m for onerous leases in the year ended 31 December 2004.

Consolidated Balance Sheet

(Unaudited)

	At 30 June 2005 £m	At 30 June 2004 £m	At 31 December 2004 £m
ASSETS			
Non-current assets			
Property, plant and equipment	**167.4**	150.4	155.8
Goodwill	**50.7**	47.5	47.5
Intangible assets	**3.1**	3.0	3.1
Interests in associates	**4.9**	8.8	8.7
Available for sale investments	**0.2**	5.5	3.6
Retirement benefit assets	**27.8**	23.6	23.8
Receivables and other assets	**3.7**	3.1	3.3
Deferred tax assets	**14.2**	4.7	11.2
	272.0	246.6	257.0
Current assets			
Inventories	**94.5**	82.3	76.5
Trade and other receivables	**141.4**	138.8	140.4
Investments	**1.2**	–	–
Cash and cash equivalents	**71.0**	8.6	15.1
	308.1	229.7	232.0
LIABILITIES			
Current liabilities			
Trade and other payables	**151.2**	141.3	152.8
Current tax liabilities	**6.5**	4.2	1.1
Borrowings	**89.6**	7.5	16.4
Provisions	**0.6**	–	0.6
	247.9	153.0	170.9
Net current assets	**60.2**	76.7	61.1
Non-current liabilities			
Borrowings	**120.4**	100.0	129.3
Deferred tax liabilities	**65.6**	49.8	59.5
Retirement benefit obligations	**1.9**	1.5	1.9
Other payables	**2.7**	1.7	1.9
Provisions	**13.8**	14.7	13.6
	204.4	167.7	206.2
Net assets	**127.8**	155.6	111.9
Shareholders' funds			
Share capital	**25.4**	73.2	25.3
Share premium	**42.3**	41.5	41.5
Other reserves	**28.4**	20.6	22.4
Retained earnings	**27.4**	17.0	19.0
	123.5	152.3	108.2
Minority interests	**4.3**	3.3	3.7
Total equity	**127.8**	155.6	111.9

The Group adopted IAS 32 and IAS 39 on 1 January 2005. As a result, cash and cash equivalents and borrowings as at 30 June 2005 are required to be shown gross even though they are subject to a common legal right of set-off. At 30 June 2004 and 31 December 2004, these are shown net.

Consolidated Statement of Recognised Income and Expense

(Unaudited)

	Six months ended 30 June 2005 £m	Six months ended 30 June 2004 £m	Year ended 31 December 2004 £m
Profit for the period	**12.4**	6.8	11.4
Currency differences	**3.6**	(4.2)	(2.7)
Losses on cash flow hedges	**(0.1)**	–	–
Actuarial gains on defined benefit pension schemes	**3.0**	4.1	3.5
Transferred to income statement on disposal of available for sale investments	**(0.3)**	–	–
Tax on items taken directly to equity	**(0.9)**	(1.3)	(1.1)
Net income recognised directly in equity	**5.3**	(1.4)	(0.3)
Total recognised income and expense for the period	**17.7**	5.4	11.1

Reconciliation of Movements in Consolidated Shareholders' Funds

(Unaudited)

	Notes	**Six months ended 30 June 2005 £m**	Six months ended 30 June 2004 £m	Year ended 31 December 2004 £m
Profit attributable to shareholders		**11.8**	6.7	10.9
Dividends	5	**(3.0)**	(4.3)	(6.2)
Retained profit for the period		**8.8**	2.4	4.7
Currency differences		**3.6**	(4.2)	(2.7)
Losses on cashflow hedges		**(0.1)**	–	–
Cancellation and repayment of preference shares		**–**	–	(47.9)
Cost of share options		**0.3**	0.1	0.4
Share capital issued		**0.9**	–	–
Allotment of Treasury shares		**–**	–	0.1
Actuarial gains on defined benefit pension schemes (net of tax)		**2.1**	2.8	2.4
Transfer to income statement on disposal		**(0.3)**	–	–
Net addition (reduction) to shareholders' funds		**15.3**	1.1	(43.0)
Opening shareholders' funds		**108.2**	151.2	151.2
Closing shareholders' funds		**123.5**	152.3	108.2

Consolidated Cash Flow Statement

(Unaudited)

	Six months ended 30 June 2005 £m	Six months ended 30 June 2004 £m	Year ended 31 December 2004 £m
Operating activities			
Profit from operations before exceptional items	**22.4**	11.9	25.8
Depreciation, amortisation and impairment	**10.5**	9.2	19.5
(Profit) on disposal of investments	**(0.4)**	–	(0.4)
(Profit) on disposal of property, plant and equipment	**(0.3)**	–	(0.9)
(Increase) in inventories	**(14.8)**	(15.8)	(10.0)
Decrease (increase) in receivables	**5.4**	(14.3)	(14.2)
Increase (decrease) in payables	**(0.8)**	12.0	19.2
Taxation (paid) received	**(1.7)**	8.6	6.6
Other non cash flow items	**0.3**	(0.8)	0.4
Net cash inflow from operating activities	**20.6**	10.8	46.0
Investing activities			
Dividends received from associates	**3.8**	3.5	3.5
Purchase of subsidiary and businesses	**(1.2)**	(0.5)	(1.5)
Cash acquired with subsidiary	**0.5**	–	–
Purchase of minority interest in subsidiary	**–**	(0.4)	(0.1)
Purchase of and loans to associates	**(5.3)**	(0.2)	(0.2)
Proceeds from disposal of investments	**3.3**	–	2.4
Proceeds from disposal of subsidiary	**–**	22.9	19.9
Proceeds from disposal of property, plant and equipment	**1.6**	5.0	6.0
Purchase of property, plant and equipment	**(16.6)**	(10.9)	(21.9)
Purchase of intangible assets	**(0.2)**	(0.1)	(0.4)
Net cash (outflow) inflow from investing activities	**(14.1)**	19.3	7.7
Financing activities			
Interest received	**1.8**	1.1	3.1
Interest paid	**(5.9)**	(4.0)	(8.7)
Equity dividends paid	**(3.0)**	(2.3)	(3.8)
Preference dividends paid	**–**	(2.0)	(2.4)
Share capital issued	**0.9**	–	–
Cancellation and repayment of preference share capital	**–**	–	(47.9)
(Increase) in deposits maturing after 3 months	**(1.2)**	–	–
Proceeds from borrowings	**–**	–	92.9
Repayment of borrowings	**(10.6)**	(32.1)	(87.9)
Capital element of finance leases	**(0.2)**	(0.2)	(0.3)
Net cash (outflow) from financing activities	**(18.2)**	(39.5)	(55.0)
Net (decrease) in cash, cash equivalents and bank overdrafts	**(11.7)**	(9.4)	(1.3)
Cash, cash equivalents and bank overdrafts at beginning of period	**10.9**	12.4	12.4
Effect of foreign exchange rate changes	**0.3**	(0.4)	(0.2)
Adoption of IAS 32 and IAS 39	**(0.3)**	–	–
Cash, cash equivalents and bank overdrafts at end of period	**(0.8)**	2.6	10.9

Notes to the Interim Report

1 BASIS OF ACCOUNTING

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and IFRS 1 *First-time adoption of International Financial Reporting Standards*, as it is part of the period covered by the Group's first IFRS financial statements for the year ended 31 December 2005. These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations which are effective, or have been adopted early, as at 1 September 2005. The IFRS standards and IFRIC interpretations that will be applicable at 31 December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements.

Under the transitional arrangements within IFRS 1, reconciliations are required between the IFRS comparative financial information published within this report and the previously published UK GAAP financial information. These are contained within a separate report *Transition to International Financial Reporting Standards* also published on 1 September 2005 and which accompanies this interim report.

The comparative information for the year ended 31 December 2004 and the six months ended 30 June 2004 have been prepared in accordance with IFRS and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for the year ended 31 December 2004, prepared under UK GAAP, has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified.

Accounting policies

The Company's principal IFRS accounting policies are set out within the separate report *Transition to International Financial Reporting Standards*.

Changes in IFRS Accounting Policies

This interim report includes the adoption of IAS 32 *Financial Instruments: Disclosure and Presentation* and IAS 39 *Financial Instruments: Recognition and Measurement* with effect from 1 January 2005. There have been no other changes in accounting policies.

2 SEGMENTAL REPORTING

Business Segments

	Six months ended 30 June 2005			
	Total gross revenue £m	**Inter-segmental revenue £m**	**Total revenue £m**	**Profit from operations £m**
Gibson Energy				
Marketing	**485.0**	**(42.5)**	**442.5**	**8.8**
Truck Transportation	**35.7**	**(3.0)**	**32.7**	**1.8**
Oil and Gas Operations	**7.9**	**(1.8)**	**6.1**	**2.4**
Canwest and Natural Gas Liquids	**48.9**	**(24.1)**	**24.8**	**1.5**
Moose Jaw Asphalt	**34.4**	**(11.9)**	**22.5**	**(1.8)**
	611.9	**(83.3)**	**528.6**	**12.7**
Hunting Energy Services				
Tubular Products	**31.0**	**(2.3)**	**28.7**	**2.0**
Manufacturing	**31.1**	**(3.1)**	**28.0**	**2.9**
International	**31.5**	**(1.4)**	**30.1**	**2.0**
	93.6	**(6.8)**	**86.8**	**6.9**
Tenkay	**6.0**	**–**	**6.0**	**2.3**
Other operating divisions	**46.8**	**–**	**46.8**	**0.5**
	758.3	**(90.1)**	**668.2**	**22.4**

	Six months ended 30 June 2004			
	Total gross revenue £m	Inter-segmental revenue £m	Total revenue £m	Profit from operations £m
Gibson Energy				
Marketing	380.9	(32.2)	348.7	3.9
Truck Transportation	28.7	(1.7)	27.0	1.1
Oil and Gas Operations	7.0	(1.5)	5.5	2.0
Canwest and Natural Gas Liquids	49.1	(23.1)	26.0	0.7
Moose Jaw Asphalt	20.9	(9.1)	11.8	(1.0)
	486.6	(67.6)	419.0	6.7
Hunting Energy Services				
Tubular Products	46.7	(2.5)	44.2	1.9
Manufacturing	24.3	(4.5)	19.8	0.9
International	19.1	(0.7)	18.4	0.5
	90.1	(7.7)	82.4	3.3
Tenkay	3.9	–	3.9	1.3
Other operating divisions	34.2	–	34.2	0.6
	614.8	(75.3)	539.5	11.9

2 SEGMENTAL REPORTING continued

	Year ended 31 December 2004			
	Total gross revenue £m	Inter-segmental revenue £m	Total revenue £m	Profit from operations £m
Gibson Energy				
Marketing	825.3	(78.1)	747.2	7.0
Truck Transportation	60.6	(4.7)	55.9	2.6
Oil and Gas Operations	15.2	(3.2)	12.0	5.3
Canwest and Natural Gas Liquids	104.0	(44.1)	59.9	1.6
Moose Jaw Asphalt	69.3	(31.2)	38.1	(1.0)
	1,074.4	(161.3)	913.1	15.5
Hunting Energy Services				
Tubular Products	85.2	(8.2)	77.0	4.0
Manufacturing	42.8	(4.8)	38.0	2.2
International	45.5	(1.4)	44.1	2.1
	173.5	(14.4)	159.1	8.3
Tenkay	8.5	–	8.5	3.1
Other operating divisions	78.7	–	78.7	2.7
Total	1,335.1	(175.7)	1,159.4	29.6
Exceptional items (including £3.8m charged to operating expenses)				(8.8)
Total profit from operations				20.8

3 EXCEPTIONAL ITEMS

	Six months ended 30 June 2005 £m	Six months ended 30 June 2004 £m	Year ended 31 December 2004 £m
Exceptional items comprise:			
Settlement of a claim on the disposal of a former subsidiary	**–**	–	3.1
Closure of a US subsidiary	**–**	–	1.9
	–	–	5.0

4 TAXATION

The taxation charge for the six months ended 30 June 2005 is calculated by applying the best estimate of the 2005 annual effective rate of tax to the profit for the period.

5 DIVIDENDS

	Six months ended 30 June 2005 £m	Six months ended 30 June 2004 £m	Year ended 31 December 2004 £m
Preference dividends:	**–**	2.0	2.4
Ordinary dividends:			
2003 final	**–**	2.3	2.3
2004 interim	**–**	–	1.5
2004 final	**3.0**	–	–
	3.0	4.3	6.2

A proposed 2005 interim dividend of 2.0p per share was approved by the Board, for payment on 23 November 2005.

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of outstanding Ordinary shares is adjusted to assume conversion of all dilutive potential Ordinary shares. The dilutive potential Ordinary shares are those options where the exercise price is less than the average market price of the Company's Ordinary shares during the year.

Reconciliations of the earnings and weighted average number of Ordinary shares used in the calculations are set out below:

	Six months ended 30 June 2005 £m	Six months ended 30 June 2004 £m	Year ended 31 December 2004 £m
Profit attributable to shareholders of the parent	**11.8**	6.7	10.9
Less: Preference dividends	**–**	(2.0)	(2.4)
Net profit attributable to equity holders of the parent	**11.8**	4.7	8.5
Effect of dilutive potential Ordinary shares:			
Share options	**–**	–	–
Earnings for the purposes of diluted earnings per share	**11.8**	4.7	8.5

	Weighted average number of shares millions	Weighted average number of shares millions	Weighted average number of shares millions
Weighted average number of Ordinary shares	**107.9**	107.7	107.7
Dilutive outstanding share options	**4.2**	1.2	1.9
Long term incentive options	**0.9**	–	0.9
Adjusted weighted average number of Ordinary shares	**113.0**	108.9	110.5

	pence	pence	pence
Basic EPS	**10.9**	4.4	7.9
Diluted EPS	**10.4**	4.3	7.7

Basic earnings per share before exceptional items is disclosed to indicate the underlying profitability of the Group as follows:

	pence	pence	pence
Basic EPS	**10.9**	4.4	7.9
Effect of exceptional items (after taxation)	**–**	–	5.2
Basic EPS before exceptional items	**10.9**	4.4	13.1

Earnings per share numbers include the impact of the deemed issue of 6.7 million bonus shares inherent in the Rights Issue.

7 CHANGES IN DEBT

	At 31 December 2004 £m	Adoption of IAS 32 and IAS 39 £m	At 1 January 2005 £m	Cash flow £m	Exchange movements £m	**At 30 June 2005 £m**
Cash and cash equivalents	15.1	59.0	74.1	(3.6)	0.5	**71.0**
Bank overdrafts	(4.2)	(59.3)	(63.5)	(8.1)	(0.2)	**(71.8)**
		(0.3)		(11.7)	0.3	
Current borrowings	(11.8)	–	(11.8)	(4.9)	(0.7)	**(17.4)**
Non-current borrowings	(128.5)	(0.5)	(129.0)	15.5	(6.3)	**(119.8)**
Finance leases	(1.2)	–	(1.2)	0.2	–	**(1.0)**
Money market deposits	–	–	–	1.2	–	**1.2**
Total net debt	(130.6)	(0.8)	(131.4)	0.3	(6.7)	**(137.8)**

The adoption of IAS 32 and IAS 39 incorporates the grossing-up of cash and bank overdrafts previously off-set and the recognition of accrued interest within net debt.

8 POST BALANCE SHEET EVENT

On 29 June 2005, the Company announced a Rights Issue of 25,373,332 new Ordinary shares at 180 pence per share on a 1 for 4 basis. The gross proceeds were £45.7m. With the exception of the earnings per share, which includes the bonus element of the Rights Issue, the financial information in this interim report has not been adjusted.

Consolidated Statement of Changes in Equity

(Unaudited)

6 Months ended 30 June 2005	Attributable to equity holders of the Parent					Minority interests	Total equity
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	£m	£m
At 1 January 2005	25.3	41.5	22.4	19.0	108.2	3.7	111.9
Adoption of IAS 32 and IAS 39	–	–	0.5	(0.5)	–	–	–
At 1 January 2005 as adjusted	25.3	41.5	22.9	18.5	108.2	3.7	111.9
Depreciation transfer for land and buildings	–	–	(0.7)	0.7	–	–	–
Exchange differences	–	–	3.6	–	3.6	–	3.6
Actuarial gains on defined benefit pension schemes	–	–	3.0	–	3.0	–	3.0
Losses on cash flow hedges	–	–	(0.1)	–	(0.1)	–	(0.1)
Transfer to income statement on disposal	–	–	(0.3)	–	(0.3)	–	(0.3)
Tax on items taken directly to equity	–	–	(0.9)	–	(0.9)	–	(0.9)
Net income recognised directly in equity	–	–	4.6	0.7	5.3	–	5.3
Profit for the period	–	–	–	11.8	11.8	0.6	12.4
Total income for the period	–	–	4.6	12.5	17.1	0.6	17.7
Dividends	–	–	–	(3.0)	(3.0)	–	(3.0)
Shares issued	0.1	0.8	–	–	0.9	–	0.9
Transfer operating gains on defined benefit pensions schemes (net of tax)	–	–	0.6	(0.6)	–	–	–
Reserve for cost of share options	–	–	0.3	–	0.3	–	0.3
At 30 June 2005	25.4	42.3	28.4	27.4	123.5	4.3	127.8

6 Months ended 30 June 2004	Attributable to equity holders of the Parent					Minority interests	Total equity
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	£m	£m
At 1 January 2004	73.2	41.5	22.2	14.3	151.2	3.2	154.4
Depreciation transfer for land and buildings	–	–	(1.3)	1.3	–	–	–
Exchange differences	–	–	(4.2)	–	(4.2)	–	(4.2)
Actuarial gains on defined benefit pension schemes	–	–	4.1	–	4.1	–	4.1
Tax on items taken directly to equity	–	–	(0.8)	(0.5)	(1.3)	–	(1.3)
Net income recognised directly in equity	–	–	(2.2)	0.8	(1.4)	–	(1.4)
Profit for the period	–	–	–	6.7	6.7	0.1	6.8
Total income for the period	–	–	(2.2)	7.5	5.3	0.1	5.4
Dividends	–	–	–	(4.3)	(4.3)	–	(4.3)
Transfer between reserves	–	–	0.5	(0.5)	–	–	–
Reserve for cost of share options	–	–	0.1	–	0.1	–	0.1
At 30 June 2004	73.2	41.5	20.6	17.0	152.3	3.3	155.6

Consolidated Statement of Changes in Equity

(Unaudited)

Year ended 31 December 2004	Attributable to equity holders of the Parent					Minority interests	Total equity
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	£m	£m
At 1 January 2004	73.2	41.5	22.2	14.3	151.2	3.2	154.4
Depreciation transfer for land and buildings	–	–	(1.7)	1.7	–	–	–
Exchange differences	–	–	(2.7)	–	(2.7)	–	(2.7)
Actuarial gains on defined benefit pension schemes	–	–	3.5	–	3.5	–	3.5
Tax on items taken directly to equity	–	–	(0.6)	(0.5)	(1.1)	–	(1.1)
Net income recognised directly in equity	–	–	(1.5)	1.2	(0.3)	–	(0.3)
Profit for the year	–	–	–	10.9	10.9	0.5	11.4
Total income for the year	–	–	(1.5)	12.1	10.6	0.5	11.1
Dividends	–	–	–	(6.2)	(6.2)	–	(6.2)
Allotment of Treasury shares	–	–	0.1	–	0.1	–	0.1
Cancellation and repayment of preference shares	(47.9)	–	–	–	(47.9)	–	(47.9)
Transfer between reserves	–	–	1.2	(1.2)	–	–	–
Reserve for cost of share options	–	–	0.4	–	0.4	–	0.4
At 31 December 2004	25.3	41.5	22.4	19.0	108.2	3.7	111.9

SHARE INFORMATION

The Ordinary shares of the Company are quoted on London Stock Exchange plc.

Telephone information on the latest share price is available on 0906 003 2942.

Lloyds TSB Registrars offers a range of shareholder information and dealing services on www.shareview.co.uk

MARKET MAKERS

The following companies have indicated to the London Stock Exchange that they make a market in the Company's Ordinary shares:

ABN Amro Bank NV
Merrill Lynch International
Numis Securities
Williams de Broë
Winterflood Securities

3 Cockspur Street, London SW1Y 5BQ
Tel: 020 7321 0123 Fax: 020 7839 2072
www.hunting.plc.uk