

Adventis Group plc

Acquisition of Affiniti (UK) Ltd

16 December 2004

Adventis Group plc (“Adventis”), the specialist multimedia and marketing agency, is pleased to announce that it has agreed terms for the acquisition of 100 % of the shares of Affiniti (UK) Ltd (“Affiniti”), a leading marketing, design and advertising agency within the healthcare sector.

Adventis, which floated on AIM in July 2004 with a placing that raised £3.0 million before expenses for the Company, has stated its intention to diversify into a number of different, but related, business streams. The healthcare sector, where Adventis has an existing foothold, was identified as such a sector. By acquiring Affiniti, Adventis intends to build on this base and significantly expand its operations in the healthcare sector.

Information on Affiniti

Affiniti has been trading successfully for four years to become a significant player amongst independent healthcare agencies in the UK. Employing 20 staff Affiniti will continue to operate from its base in Chesham, Buckinghamshire. It has a solid base of blue chip pharmaceutical clients including: Allergan, Aventis Pasteur MSD, Chiron Vaccines, Eden Biopharm, Leo Pharma, and Serono.

The on-going services of Affiniti’s founding directors and management team, Stuart Tennant, John Garner, Chas Burton and Neil Smith have been successfully secured. Affiniti has recently strengthened its management team with Chris Doyle joining as commercial director from Napp Pharmaceuticals. Chris will be responsible for brand strategy and planning.

Details on the acquisition

Adventis is paying a base consideration of £1,129,748, which represents a multiple of 7.5 times pre-tax profit of £150,632 for the year ending 31 May 2004, after adjusting for £49,781 of non-recurring costs in the period. There will be an additional cash payment for an amount equal to the value of Affiniti’s audited net assets at completion (the “Net Asset Amount”). The audited turnover and pre tax profit for Affiniti for the year ending 31 May 2004 were £1,820,073 and £100,851 respectively. If profits grow from their present level, the management of Affiniti can earn further payments amounting to 3.3 times of the annual excess over the next three years, up to a maximum total consideration of £3.5 million (including the Net Asset Amount). Further details of the structure of the payments are included in the footnote below.

Managing Director of Affiniti, Stuart Tennant commented, “The Affiniti board believes this move will enable us to supply a more integrated offering by building up the services currently provided by Affiniti and adding additional capacity to meet the evolving needs of the healthcare industry.”

Charles Phillpot, CEO of Adventis stated, “We have sought to expand our existing business in the healthcare sector and have examined many potential partners. Affiniti were chosen due to their outstanding client base, level of management experience and the excellence of the service they offer. We are confident of the contribution that Affiniti will bring to Adventis in 2005. We look forward to announcing further corporate activity in due course.”

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From left to right: Charles J Phillpot, Chairman; Chas Burton, Director; Stuart Tennant, MD; Neil Smith, Creative Director; John Garner, Director

Footnote:

The base consideration £1,129,748 will be split in a 60:40 ratio as to cash and shares, with an initial payment of £452,122 in cash and £301,417 in shares to be issued at the average of the market price per share of Adventis in the five business days prior to completion, which will take place on 4th January 2005. The balance is phased equally as three annual payments of £75,241 in cash and £50,161 in shares.

The Net Asset Amount will be satisfied by an initial cash payment of £430,135 payable on completion. Following the audit of Affiniti's assets, any variance between this amount paid and the Net Asset Amount will be repayable by the vendors of Affiniti or payable by Adventis as the case may be. The net assets of Affiniti primarily consist of current assets.

The earnout will be paid in a 60:40 ratio as to cash and shares with annual payments based on the audited results for each of the next three financial years.

All share payments post completion will be allotted at the average market price per share of Adventis for the five days prior to their issue. Adventis retains the right to pay any share consideration in cash at its sole discretion.