

ADVENTIS GROUP PLC**Interim Results for the half-year ended 30th June 2010**

Adventis Group plc ("the Company" or "the Group"), the AIM listed marketing services group, today announces its unaudited interim results for the six months ended 30th June 2010.

Highlights

- Turnover £15.1m (2009: £15.1m)
- Operating income (revenue) £5.2m (2009: £5.6m)
- EBITDA (excluding exceptional items)* £0.46m (2009: £0.84m)
- Business growth has come from both existing and new clients, including MSD, Roche, Cisco, Hitachi, Sophos, The Berkeley Group, Ballymore and Sodexo.

* *Exceptional items: costs arising from a legal case £0.31m and acquisition costs £0.04m (2009: nil)*

Charles Phillpot, Chief Executive of Adventis Group plc, commented:

"The first half of the year was overshadowed by a slowdown from some clients awaiting the outcome of the general election and the combined pressures of multiple mergers amongst our pharmaceutical client base. The M&A activity in the pharmaceutical industry regrettably led to several large projects being either cancelled or delayed until H2 while the corporate clients focused on re-organising themselves.

Technology and Telecoms continued to flourish and the combination of bChannels and Second2 saw a very strong performance in H1 with Second2 achieving a 26% increase on H1 2009.

While Media remained profitable, certain campaigns were delayed until H2 2010 pending the outcome of the election. Property continued at a low level, but it was also adversely affected by the election.

Further cuts to overheads are being made which will result in one-off costs being incurred in 2010, but will result in very significant savings in 2011.

While the full year results for 2010 will inevitably reflect the very tough trading environment, 2011 should see a much improved result as the overall strategy of the Group and the combination of its Pharmaceuticals and Technology divisions deliver improved results

I am delighted to announce the appointment of Julian Spooner to the Board as a non executive director with immediate effect. Julian has a very successful track record in Marketing and Communications most notably with the sale of Media Audits Group Ltd in 2005 and since with Accenture and other marketing firms. Neil Crabb will step down from the Board on October 31 2010. The Board would like to join me in thanking Neil for his tremendous contribution to the Group since 2002."

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Chief Executive Officer's Statement and Review

Trading

H1 2010 suffered from the rare combination of a spate of mergers and acquisitions amongst our pharmaceutical clients whilst our media and property clients hesitated due to the uncertainty caused by the general election. This 'perfect storm' led to many delays in planned activity of which some, but not all, should return in H2 2010.

The acquisition of bChannels in February 2010 has complemented our Technology and Telecoms offering with Second2. Already the two companies have cross sold to corporations such as Cisco and Sony and other deals are in the pipeline. Annuity income is now being generated from the first phase of software jointly developed by the two companies aimed at measuring technology clients' sales programmes. The success of these operations will lead to a new office being opened in Oxford to accommodate the new staff required.

Significant further cuts continue to be made in overheads and staff in 2010 and this will generate some one-off costs in 2010 but very significant savings in 2011.

The overall strategy of the Group as a marketing services group aimed at pharmaceuticals and technology remains sound and the Board will continue to seek further growth both organically and by acquisition.

Dividend

In light of the poor trading in H1 2010 the Board is not proposing to pay an interim dividend for the 6 months ended 30 June 2010.

Financial Position

We have provided detailed business segment data in note 3 to the financial information to enable a clearer understanding of the underlying businesses of the Group, and the sector reviews that follow put this data in the context of client servicing activities. On a consolidated basis turnover at £15.1m was at the same level as the corresponding period last year. Operating Income (revenue) however fell from £5.6m to £5.2m reflecting a fall in consolidated gross margin from 37% to 34%. EBITDA (before exceptional items) is a good measure of underlying trading performance and at £0.46m (2009: £0.84m) this is down 45% which is disappointing, but hides some positive developments as the following review will explain.

The Company has incurred two exceptional charges during this period: a legal case was concluded with associated costs of £0.31m being expensed and costs relating to the acquisition of bChannels Limited were also charged to the consolidated statement of comprehensive income as required by IFRS 3 (revised).

The segmental analysis in note 3 includes divisional operating profit and shows that after taking into account costs that are not allocated to each division this was reduced to a loss before tax of £0.06m (2009: profit of £0.71m).

Business Strategy

2010 has seen the important addition of bChannels to our Technology and Telecoms division. This is one of the few companies globally that designs the distribution channels for software and hardware manufacturers. The distribution channel designed differs by product and country and in every case requires a unique mix of wholesalers and distributors with an appropriate incentive package. After being designed by bChannels, the promotional activity in the channel is then created by Second2 making a cohesive offering to the technology and telecoms sector. Importantly, the two companies have now created stage 1 of a software package that measures the sales process of the channel which is already generating annuity income.

The three pharmaceutical agencies are now fully consolidated in one location and offer a comprehensive range of services. As the Pharmaceutical sector settles after the recent spate of acquisitions, much focus is now being put on the new NHS White Paper which will cause some fundamental revisions to the manner in which pharmaceutical manufacturers communicate with

health professionals. The abolition of Strategic Health Authorities and Primary Care Trusts has given Adventis Health the opportunity to mount a new communication initiative on behalf of our long standing clients. Innovation is crucial in this sector and likely to generate considerable further activity.

The Media companies are now also pooling all management and staff resources. As the property sector recovers so does the opportunity to re-pitch for accounts that have been dormant for the last two years. Financial and travel business continues and opportunities are increasing here too.

Adventis Property has consolidated its Residential and Commercial property practices. Our strength with Housing Associations and Registered Social landlords continues in an otherwise quiet residential market and the recent budget changes will increase the amount of stock such organisations will need to sell through our services.

All of our clients have felt the impact of the economic downturn and it is a tribute to the ingenuity and creativity of our teams that they have been able to evolve their business offerings to match the change in needs.

Operational Review

The following is a summary of activity by business sector for the six months ended 30 June 2010:

Healthcare sector

In common with other sector agencies, Adventis Health has experienced a slow start to the first half of the year. Turnover at £2.14m (2009: £2.48m) reflects this but not as clearly as revenue at £1.57m (2009: £2.1m) which is down by 25%. Operating profit is significantly down at £0.03m (2009: £0.45m) and while there have been significant reductions made to staff overheads, these will benefit future periods rather than the first half of 2010.

Contributing factors have included M&A's of client organisations, a generally suppressed marketing spend due to the economic climate and hesitation due to governmental policy reform on healthcare. Nevertheless, there have been encouraging signs of manufacturers re-engaging with marketing activity, including the development of interactive marketing tools, an area in which Adventis Health is now well placed to deliver.

E-Learning programmes in particular continue to show strong and encouraging growth, with significant programmes in place with MSD and Roche. Recent account wins include a new client, Norgine, with the launch of a new product in 2011. It is anticipated that the scope of work resulting from the recent gains will help redress the slow start to the year and provide reasonable optimism for an end of year profitable return.

A subtle change in strategic direction, which is now more disease and patient centric, is showing early signs of potential, with interest expressed by the Healthcare providers themselves, including the NHS.

Technology and Telecoms sector

Second2 was joined by bChannels within our Technology Group producing combined turnover of £3.67m (2009: £1.60m) and revenue of £2.18m (2009: £1.14m) within which Second2 experienced organic revenue growth contributing £1.43m (2009: £1.14m). The combined operating profit of £0.45m (2009: £0.23m) included £0.14m from bChannels.

These businesses have worked together effectively during the first half year to develop joint services and joint clients, including Cisco, Hitachi and Sophos. Although challenging, like most markets, technology is not experiencing the same level of project delay as other sectors, particularly as Second2 and bChannels are increasingly dealing with clients at a worldwide level. Projects are underway with Brocade and Symantec both in Europe and in North America. The outlook for the second half year is stable, with continued focus on joint Second2 and bChannels services to drive growth in the latter part of 2010 and into 2011.

Media Planning and Buying services

The media division's activities are concentrated on property, financial services and travel clients. Turnover is down 10% at £8.66m (2009: £9.70m) but within this the mix of clients has changed

and revenue is down 29% at £1.09m (2009: £1.53m). Consequently staff costs have been cut but the operating profit is down 27% at £0.33m (2009: £0.45m). 2010 media spends have varied across sectors with the property sector still being depressed, similarly travel is suffering from a spate of bad news from the BA strikes to volcanic ash to travel company closures. However the financial sector has been rallying since the uncertainty of the general election has passed.

Within the property sector we have seen increased activity from the private sector where developments previously put on hold are now being marketed and more land is being granted planning permission so activity for the future looks set to grow. However the fluctuating economic conditions and continued lack of lending means that many developers and housing associations are still being cautious with their marketing spend. Digital activity is still growing with more demand for innovative solutions, many including video. New account wins in the property sector include the Berkeley Group Plc, Ballymore, Allsop and Ardmore Developments. Both Premium and Adagenda Media have sought to diversify their client base during 2010 and this has resulted in new account wins including the Swiss Tourist Board, Premier Training Global and Crawford's Pharmaceuticals. This initiative remains ongoing and will continue into 2011.

Whilst conditions are still uncertain in the travel arena, we are confident our clients are in a strong enough position to buck the trend, especially India Tourism which is gearing itself up for the forthcoming Commonwealth Games to be held next month. Several new business initiatives are in place, not least of which is joining forces with Adagenda Media to create a strengthened travel offering.

The Financial Services market is beginning to look far more positive with H2 budgets holding up and increasing with a renewed appetite to start talking to the end-user consumer again through the national press. This feeling of confidence is also reflected in healthy budgets for 2011 for which we are already planning the activity. A successful new business drive has resulted in wins, including Sodexo, Evercore and Tracesmart.

Property Marketing Sector

Property creative services are provided by Adventis Property. Turnover is down 18% at £0.64m (2009: £0.78m) but revenue is down 42% due to a change in the mix of services and continued pricing pressure in a depressed market. Consequently, there have been continued operating losses at £0.03m (2009: loss £0.03m) and staff costs continue to be cut. The commercial market in general continues to be sluggish, with very low levels of activity in central London. There has, however, been some improvement in regional markets and markets associated with regeneration.

Notable projects in the commercial sector this financial year include the bid collateral on behalf of our client Exemplar for the Middlesex Hospital site in central London; the re-brand of Winnersh Triangle for SEGRO and the branding and roll-out of Merchant Gate, a major regeneration project in Wakefield for English Cities Fund.

New client wins include Mountgrange, who have instructed us on two projects, and Comland, a new development company whom we are branding.

The residential market has seen some improvement this year, with mothballed projects gradually coming back to market. Long standing clients such as Higgins Homes have also been buying 'oven ready' sites with planning, or distressed assets which require quick turn-around in terms of marketing.

The RSL sector continues to be strong for us, with major ongoing projects for Genesis Homes and Family Mosaic. As grants are reduced the RSL sector is also re-inventing itself as a provider of outright sale or intermediate (shared equity or ownership) product, which requires more outsourced marketing services. Client wins in this sector this year include Thames Valley Housing Association, Hastoe Housing Association, Network, Octavia and Home Group.

Outlook

The first half of 2010 was one of the toughest periods encountered by the Group for the reasons given above. The two contributory factors, namely Pharma industry amalgamation and the election, have now passed and a return to normal trading is foreseen for the balance of 2010.

The cuts in overhead being made in 2010, whilst having a negative financial impact in this year, will deliver a major upside in 2011.

All the teams are heavily focused on delivering the improved H2 2010 required and restoring revenue levels in 2011.

Charles Phillpot

Chief Executive

15th September 2010

Consolidated statement of comprehensive income for the half year to 30 June 2010

	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited 12 months to 31 December 2009
Notes	£'000	£'000	£'000
Continuing operations			
Turnover			
Continuing operations	15,109	15,099	28,329
Cost of sales	<u>(9,940)</u>	<u>(9,516)</u>	<u>(17,519)</u>
Gross profit	5,169	5,583	10,810
Administration expenses	<u>(5,178)</u>	<u>(4,852)</u>	<u>(9,528)</u>
Operating (loss)/profit	(9)	731	1,282
Investment revenue	-	1	2
Finance costs	<u>(54)</u>	<u>(19)</u>	<u>(33)</u>
(Loss)/Profit on ordinary activities before taxation	(63)	713	1,251
Taxation on profit on ordinary activities	<u>19</u>	<u>(213)</u>	<u>(395)</u>
(Loss)/Profit for the period	(44)	500	856
Other comprehensive income	-	-	-
Total comprehensive income and (loss)/profit for the period	(44)	500	856
Attributable to:			
Equity holders of the parent	<u>(44)</u>	477	819
Non-controlling interests	-	23	37
(Loss)/Profit for the period	(44)	500	856
Earnings per share ("EPS")	5		

Basic earnings per share			
Average number of shares in issue	47,241,096	42,721,738	43,353,614
EPS (pence)	(0.09)	1.12	1.97
Fully diluted earnings per share			
Fully diluted average number of shares in issue	49,876,087	44,410,662	45,095,373
EPS (pence)	(0.09)	1.07	1.90

Consolidated statement of financial position as at 30 June 2010

	Unaudited 30 June 2010	Unaudited 30 June 2009	Audited 31 December 2009
Notes	£'000	£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	515	578	518
Goodwill and other intangible assets	18,458	15,988	15,693
Deferred tax asset	78	97	78
	19,051	16,663	16,289
Current assets			
Work in progress	364	806	53
Trade and other receivables	6,199	4,843	7,025
Cash and cash equivalents	95	-	35
	6,658	5,649	7,113
Total assets	25,709	22,312	23,402
EQUITY			
Capital and reserves			
Share capital	120	109	120
Share premium account	7,481	6,655	7,448
Shares held by EBT	(23)	(23)	(23)
Capital redemption reserve	200	200	200
Other reserves	20	20	20
Share based payments reserve	130	126	130
Retained earnings	5,514	5,751	5,788
Shareholder's equity	13,442	12,838	13,683
Non-controlling interests	-	79	-
Total equity	13,442	12,917	13,683
LIABILITIES			
Non-current liabilities			
Deferred tax liability	4	-	4
Deferred consideration	2,045	2,363	1,097
	2,049	2,363	1,101
Current liabilities			
Trade and other payables	5,634	3,896	5,637
Current income tax liabilities	61	730	98
Borrowings	3,000	1,783	1,800
Deferred consideration	1,523	623	1,083
	10,218	7,032	8,618
Total liabilities	12,267	9,395	9,719
Total equity and liabilities	25,709	22,312	23,402

Group statement of changes in equity

	Share capital	Share premium	Capital redemption reserve	Shares held by EBT	Share based transactions	Retained earnings	Attributable to equity holders	Attributable to non- controlling Interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 31 December 2008	109	6,655	220	(23)	126	5,274	12,361	56	12,417
Total comprehensive income	-	-	-	-	-	477	477	23	500
Changes in equ									
Period to 30 June 2009									
Issue of share capital	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Treasury stock acquired	-	-	-	-	-	-	-	-	-
Shares acquired by EBT	-	-	-	-	-	-	-	-	-
Share based transactions	-	-	-	-	-	-	-	-	-
Balance 30 June 2009	109	6,655	220	(23)	126	5,751	12,838	79	12,917
Total comprehensive income	-	-	-	-	-	342	342	14	356
Changes in equity									
Period to 31 December 2009									
Issue of share capital	11	793	-	-	-	-	804	-	804
Dividends paid	-	-	-	-	-	(305)	(305)	(25)	(330)
Share based transactions	-	-	-	-	4	-	4	-	4
Difference arising on disposal on Interest in Adventis NMG Limited	-	-	-	-	-	-	-	(68)	(68)
Balance 31 December 2009	120	7,448	220	(23)	130	5,788	13,683	-	13,683
Total comprehensive income	-	-	-	-	-	(44)	(44)	-	(44)
Changes in equity									
Period to 30 June 2010									
Issue of share capital	-	33	-	-	-	-	33	-	33
Dividends paid	-	-	-	-	-	(230)	(230)	-	(230)
Treasury stock acquired	-	-	-	-	-	-	-	-	-
Shares acquired by EBT	-	-	-	-	-	-	-	-	-
Share based transactions	-	-	-	-	-	-	-	-	-
Balance 30 June 2010	120	7,481	220	(23)	130	5,514	13,442	-	13,442

Consolidated statement of cash flows for the period ended 30 June 2010

	Unaudited 6 months to 30 June 2010 £'000	Unaudited 6 months to 30 June 2009 £'000	Audited 12 months to 31 December 2009 £'000
Cash flows from operating activities			
Profit from operations	(9)	802	1,282
Adjustments for:			
Impairment of investments	6	-	57
Share based transactions	-	-	4
Depreciation on plant and equipment	66	64	137
Operating cash flows before movement in working capital	63	866	1,480
Increase in work in progress	(311)	(550)	203
Increase/(decrease) in receivables	1,089	101	2,805
(Decrease)/increase in payables	(1,069)	414	(2,892)
Cash generated by operations	(228)	831	1,596
Corporation tax paid	(177)	(486)	(1,116)
Interest paid	(54)	(19)	(33)
Net cash from operating activities	(459)	326	447
Cash flows from investing activities			
Interest received	0	1	2
Purchase of property, plant & equipment	(63)	(73)	(86)
Sale of interest in subsidiary	0	0	(69)
Development of intangible software assets	0	0	(110)
Deferred consideration for prior acquisitions	(949)	(2,320)	(2,710)
Acquisition of subsidiary	561	0	0
Net cash (used) in investment activities	(451)	(2,392)	(2,973)
Cash flows from financing activities			
Dividends paid	(230)	-	(330)
Repayments of obligations under finance leases	-	(4)	-
Proceeds of issuing share capital	-	-	804
Net cash from financing activities	(230)	(4)	474
Net (decrease) in cash and cash equivalents	(1,140)	(2,070)	(2,052)
Cash and cash equivalents at the beginning of the period	(1,765)	287	287
Cash and cash equivalents at the end of the period	(2,905)	(1,783)	(1,765)
Cash and cash equivalents comprises the following amounts:			
Cash and cash equivalents	95	17	35
Borrowings	(3,000)	(1,800)	(1,800)
	(2,905)	(1,783)	(1,765)

Notes to the accounts

Note 1 Principal activity

Adventis Group plc is a company incorporated and domiciled in England & Wales with its registered office at 95 Wigmore Street, London W1U 1HH. The principal activity of the Group is in the provision of marketing communications services.

Note 2 Basis of preparation

The accounting policies applied in the interim consolidated financial information for the six months ended 30 June 2010 are consistent with those of the annual financial statements for the year ended 31 December 2009, which has been prepared in accordance with IFRS as adopted by the European Union. The financial information contained in the consolidated interim report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The figures for the year ended 31 December 2009 have been extracted from the statutory financial statements which have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain a statement made under Section 498 (2) or (3) of the Companies Act 2006.

Except as described below, the accounting policies adopted in the preparation of the half year consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning on 1 January 2010, and impact the consolidated half year financial information as described:

IFRS 3 (revised), "Business combinations", and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates", and IAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. IFRS 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes. For example acquisition-related expenses and any revisions to contingent cash consideration in the period following the acquisition will be recorded in the consolidated statement of comprehensive income. As this amendment is applied prospectively it has not been applied in respect of acquisitions made in previous periods.

As the Group has adopted IFRS 3 (revised), it is also required to adopt IAS 27 (revised), "Consolidated and separate financial statements". IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. Such transactions will no longer result in either goodwill or in a gain or a loss being recognised.

Note 3 Segment analysis

The Group's activities are split into four main operating divisions – Healthcare industry, Technology & Telecoms industry, Media planning & buying services and the Property industry. These divisions are the basis on which information is reported to the Group Board. The segment result is the measure used for the purposes of resource allocation and assessment and represents profit earned by each segment, before exceptional operating costs, group amortisation and impairment charges, share-based payment charges, corporate costs, net finance costs and taxation. All divisions operate from the UK and all revenue is derived from the supply of services.

	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited 12 months to 31 December 2009
	£'000	£'000	£'000
TURNOVER (BILLINGS)			
Health	2,140	2,483	6,016
Technology & telecoms	3,671	1,599	3,389
Media	8,655	9,698	16,900
Property	644	782	1,366
Financial services	-	538	580
Other	-	-	78
	15,110	15,100	28,329
OPERATING INCOME (REVENUE)			
Health	1,571	2,085	4,134
Technology & telecoms	2,177	1,140	2,507
Media	1,087	1,526	2,683
Property	334	578	1,092
Financial services	-	255	391
Other	-	-	4
	5,169	5,584	10,811
OPERATING PROFIT			
Health	25	450	791
Technology & telecoms	451	229	543
Media	332	453	1,018
Property	(32)	(31)	12
Financial services	-	65	73
Other	-	-	(4)
	776	1,166	2,433
Unallocated costs:			
Corporate costs	(361)	(371)	(957)
Interest expense (net)	(54)	(18)	(31)
Depreciation & impairment	(72)	(64)	(194)
Exceptional items	(352)	-	-
	(63)	713	1,251
(LOSS)/PROFIT BEFORE TAX			

Note 4 Share capital

	30 June 2010 No. shares	30 June 2009 No. shares	31 December 2009 No. shares
Authorised			
Ordinary Shares of 0.25pence each	60,000,000	60,000,000	60,000,000
Allotted, called up and fully paid			
Ordinary Shares of 0.25pence each	48,411,267	43,515,871	47,867,471

On 2 February 2010 the Company issued 193,796 shares as part of the initial consideration for the acquisition of all the share capital of bChannels Limited (refer Note 6 below). On 29 March 2010 the Company issued 350,000 shares that had vested under the Company's LTIP Scheme to Charles Phillpot. The employee benefit trust is the beneficial owner of 65,180 fully paid ordinary shares. The Company holds 728,953 fully paid ordinary shares acquired during 2008 in treasury, which are held in retained earnings.

Note 5 Earnings per share

The number of shares used in the calculation of the earnings per share is shown at the foot of the Group statement of comprehensive income.

Note 6 Acquisition of bChannels Limited

On 2 February 2010 the Company acquired 100% of the issued share capital of bChannels Limited for cash and shares totalling:

	£'000
Trade & other debtors	263
Bank and cash balances	1,266
Tax liabilities	(157)
Trade and other payables	(1,066)
	<u>306</u>
Goodwill	2,452
	<u>2,758</u>
Satisfied by	
Cash	705
Issue of Adventis Group ordinary share capital	33
Contingent consideration	2,020
	<u>2,758</u>
Net cash arising on acquisition	561
Cash consideration	705
Bank balances and cash acquired	1,266

The contingent consideration is payable over four years and the actual sums payable will be based on the profits generated by bChannels Limited during those years. Settlement of the contingent consideration will be 75% in cash and 25% in new ordinary shares in Adventis Group plc. The maximum potential consideration payable is £4.5 million. The due diligence costs and stamp duty tax arising from this transaction amounted to £42,000 and have been treated as an operating cost in compliance with IFRS 3 (revised).

Note 7 Settlements relating to acquisitions

A number of payments were made for the next instalments of deferred consideration due on acquisitions completed prior to 2010 as follows:

- In respect of the acquisition of Leapfrog Medical Communications Limited, originally announced on 6 February 2007, a final cash settlement of £187,200.
- In respect of the acquisition of Second2 Limited, originally announced on 10 June 2008, a cash settlement of £600,000. In addition loan note liabilities amounting to £101,667 were settled during this period.

An initial payment of £60,151 was also made following the exercise of put options relating to Adgenda Media Limited, originally announced on 30 March 2005. Further payments of £250,000 will be made during the second half of 2010.

Note 8 Employee Benefit Trust

In accordance with the Summary of Interpretations 12 – Consolidation – Special Purposes entities, the Company includes the assets and liabilities of that trust within its balance sheet. In the event of the winding up of the Company, neither the shareholders nor the creditors would be entitled to the assets of the employee benefit trust.

Note 9 Goodwill and business combinations

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and is tested for impairment annually, or on such occasions that events or changes in circumstances indicate that its value might be impaired.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued by the group, plus any costs directly attributable to the acquisition. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair value at the acquisition date, except for non-current assets that are held for resale, which are recognised and measured at fair value less costs to sell. The following is a summary of the Goodwill account:

	£000's
As at 1 January 2010	15,693
Additions	2,769
Reductions	(4)
As at 30 June 2010	<u>18,458</u>

Note 10 Nature of financial information

The Board approved the interim financial information for the period ended 30 June 2010 on 14 September 2010.

These interim results are available on the Company's website at www.adventis.co.uk.