



ADVENTIS GROUP

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For release

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ADVENTIS GROUP PLC Interim Results 2006

Adventis Group plc, the specialist multi-media marketing and advertising agency, today announces its results for the half-year ended 30 June 2006.

- Profit before tax up 52% at £799k (2005 - £527k)
- Turnover up by 53% to £16.4m (2005 - £10.7m)
- Basic EPS up by 45% to 1.6p (2005 - 1.1p)
- Interim dividend per share up 5% at 0.22p (2005 - 0.21p)
- Operating profit from new ventures in 2006 totalling £133k (2005 - £151k)
- Acquisition of Roundhouse Advertising Limited and The Coltman Media Company Limited (now Adventis Coltman Limited) completed May 2006
- Strong balance sheet to support further acquisitions
- Major client wins include Howard Holdings, St Martins Property Corporation Ltd., Slough Estates, South West Regional Development Agency, Morley Fund Management, Farnborough Business Park, Abstract Land and Exemplar.
- Share buy-back in January 2006 of 325,000 shares

Peter Mitchell, Chairman of Adventis Group plc, commented:

“The first six months of 2006 has seen a continuation of the success we have built since floating on AIM in July 2004. The acquisition of a further two businesses has strengthened our existing business and will enhance our position as a major player in the residential and commercial property, financial services and healthcare media sectors. The outcome for the remainder of the year looks encouraging. “

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Chief Executive Officer's Statement for the half year ended 30 June 2006

Trading Update

I am pleased to report a strong set of results for the half year ended 30 June 2006, with record levels of billings and profits, both organically across most of our businesses and through acquisitions. Group billings of £16.4m were up 53% (2005: £10.7m) and pre-tax profit of £799k was up 52% (2005: £527k). This represents the third successive year of significantly increased billings and profits and the Company has continued to benefit from healthy margins and strong cash flow.

The earnings per share rose by 45% for January – June 2006 to 1.6p compared with 1.1p for the previous half year.

Dividend

The Board is recommending an increase of 5% in the interim dividend at 0.22p (2005 0.21p) per share, payable to shareholders registered on 13th October for payment on 27th October.

Financial Position

Net cash balance on 30 June 2006 was £1.4m, indicating our continued ability to translate revenue growth into cash.

Market Overview

The group operates in a competitive market place in media planning and buying; PR; direct marketing, and other marketing services comprising corporate identity programmes, advertising campaigns, digital media and collateral materials. There is a rising demand for specialists in various marketing fields and the margins generated tend to be greater than those that the mainstream generalists can earn. Our revenues are generated predominantly in the form of both retainers and fees for project specific work. Many of our clients have very long standing relationships with the Group.

Business Strategy

The group enjoyed a more buoyant market in 2006. Since our admission to AIM on 1st July 2004 we have pursued our stated business strategy of increasing the market share for our media services in the residential and commercial property, financial services and healthcare sectors.

Acquisitions and Joint Ventures

In May 2006 the Group announced the acquisition of The Coltman Media Company Ltd (now renamed Adventis Coltman Ltd), a financial services specialist media buying company and the acquisition of Roundhouse Advertising Limited, a specialist healthcare agency.

Since the half year the Group has successfully launched Adventis Financial PR, based on the 'Financial PR Firm of the year 2005', Binns & Co PR. The addition of M-Squared, a specialist property marketing agency has served to strengthen our offering in the residential market.

Operational Review

The following is a summary of activity by business sector for the six months ended 30 June 2006:

Residential Property Marketing Sector

Our residential property marketing sector has a broad base of clients from international names such as Savills to many UK developers such as Capital & Provident, Higgins Homes, Galliard Homes and Grove Manor Homes. It provides a broad range of consultancy and creative services across the industry and has continued to grow this creative business with encouraging margins.

Commercial Property Marketing Sector

Our commercial property marketing sector won several major long-term projects in 2005/6 such as Howard Holdings, St Martins Property Corporation Ltd., Abstract Land, Slough Estates, South West Regional Development Agency, Morley Fund Management, Farnborough Business Park Abstract Land, Exemplar. These project successes continue to give the business a positive order book for the current year.

Financial Services Sector

Adventis NMG Ltd, which specialises in financial services continued to trade profitably for the period. A series of projects were concluded in 2005 for clients such as Lexis Nexis. The addition of Adventis Coltman Ltd and Adventis Financial PR has enhanced our offering in the Financial Services sector and will facilitate further growth of Adventis NMG.

Healthcare Sector

Affiniti (UK) Ltd and Roundhouse Advertising when combined are in the top ten UK Healthcare Marketing Companies. The scale of the operation is important in this sector as the multinational pharmaceutical clients increasingly prefer larger service groups. These two companies will shortly move to shared premises in order to achieve a larger pool of specialist talent plus further economies of scale.

Media Planning and Buying Sector

Our three media planning and buying companies, Premium Media Ltd, Adgenda Media Ltd and Adventis Coltman Ltd., are a significant force in the media sector. They have full NPA (Newspapers Publishing Association) recognition and enjoy very favourable commercial terms with media owners. Media broking works very much in tandem with our creative business. Business volumes continue to grow at good margins for this industry.

Outlook

The second half has started well and we are encouraged by the prospects for the current year.

We continue to raise our profile in our chosen market sectors of property, healthcare and financial services. More opportunities are offering themselves to us in these areas and we are able to be very selective in making further acquisitions and focus hard on agreeing the best possible terms for the Group.

Our strong cash position, profit performance and balance sheet will enable further strategic developments and we continue to explore ways of growing the group while ensuring our profit record is maintained.

Charles Phillpot
Chief Executive Officer

Adventis Group Plc
Group income statement

	* Restated		
	6 months to 30 June 2006	6 months to 30 June 2005	12 months to 31 December 2005
Note	£'000	£'000	£'000
Turnover			
Continuing operations	14,094	7,305	13,893
Acquisitions	2,340	3,394	8,008
	<u>16,434</u>	<u>10,699</u>	<u>21,901</u>
Operating profit			
Continuing operations	601	331	550
Acquisitions	133	151	379
Profit on ordinary activities before interest	<u>734</u>	<u>482</u>	<u>929</u>
Net interest receivable	65	45	102
Finance costs	-	-	(4)
Profit on ordinary activities before taxation	<u>799</u>	<u>527</u>	<u>1,027</u>
Taxation on profit on ordinary activities	(240)	(164)	(105)
Profit for the period	<u>559</u>	<u>363</u>	<u>922</u>
Attributable to:			
Equity holders of the parent	558	374	876
Minority interest	1	(11)	46
Profit for the period	<u>559</u>	<u>363</u>	<u>922</u>
Earnings per share ("EPS")			
3			
Basic earnings per share			
Average number of shares in issue (number)	34,720,045	32,509,248	32,977,826
EPS (pence)	1.61	1.11	2.66
Fully diluted earnings per share			
Fully diluted average number of shares in issue (number)	35,107,236	33,337,748	33,242,904
EPS (pence)	1.59	1.09	2.63

* Figures restated for IFRS

Adventis Group Plc
Group Balance Sheet

	* Restated		
	30 June	30 June	31 December
	2006	2005	2005
Note	£'000	£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	303	207	194
Goodwill and other intangible assets	9,638	2,784	2,243
Deferred tax asset	181	-	181
	<u>10,122</u>	<u>2,991</u>	<u>2,618</u>
Current assets			
Work in progress	252	1	151
Trade and other receivables	7,527	5,698	3,488
Cash and cash equivalents	1,363	1,643	2,585
	<u>9,142</u>	<u>7,342</u>	<u>6,224</u>
Total assets	<u>19,264</u>	<u>10,333</u>	<u>8,842</u>
EQUITY			
Capital and reserves attributable to equity holders of the parent			
Share capital	2 88	81	81
Share premium account	3,849	2,862	2,862
Capital redemption reserve	200	200	200
Other reserves	20	20	20
Retained earnings	2,339	1,456	1,915
	<u>6,496</u>	<u>4,619</u>	<u>5,078</u>
Minority Interest	48	1	47
	<u>6,544</u>	<u>4,620</u>	<u>5,125</u>
Total equity			
LIABILITIES			
Non-current liabilities			
Obligations under finance leases - due in more than one year	-	15	-
Provisions for other liabilities and charges	6	-	6
Deferred consideration	4,022	1,569	964
	<u>4,028</u>	<u>1,584</u>	<u>970</u>
Current liabilities			
Trade and other payables	5,618	3,816	2,248
Current income tax liabilities	267	174	149
Obligations under finance leases - due in less than one year	-	2	12
Provisions for other liabilities and charges	34	12	19
Deferred consideration	2,773	125	319
	<u>8,692</u>	<u>4,129</u>	<u>2,747</u>
Total liabilities	<u>12,720</u>	<u>5,713</u>	<u>3,717</u>
Total equity and liabilities	<u>19,264</u>	<u>10,333</u>	<u>8,842</u>

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Group statement of changes in equity

	Share capital £'000	Share Premium account £'000	Capital Reserves £'000	Minority Interests £'000	Retained earnings £'000	Shareholders funds - equity £'000
Balance at 1 January 2005	79	2,563	220	1	1,223	4,086
Profit for the period	-	-	-	-	363	363
Dividends	-	-	-	-	(130)	(130)
Issue of share capital	2	299				301
Share based payments						
Balance at 30 June 2005	81	2,862	220	1	1,456	4,620
Profit for the period	-	-	-	-	559	559
Dividends paid	-	-	-	-	(68)	(68)
Minority interest	-	-	-	46	(46)	-
Issue of share capital	-		-	-	-	-
Share based payments	-				14	14
Balance at 31 December 2005	81	2,862	220	47	1,915	5,125
Profit for the period	-	-	-	-	559	559
Dividends	-	-	-	-	(142)	(142)
Minority interest				1	(1)	-
Issue of share capital	7	987	-	-	-	994
Share based payments					8	8
Balance at 30 June 2006	88	3,849	220	48	2,339	6,544

Adventis Group Plc
Group cash flow statement

	6 months to 30 June 2006	6 months to 30 June 2005	12 months to 31 December 2005
Note	£'000	£'000	£'000
Cash generated from operating activities	(139)	(687)	477
Income taxes paid	(122)	(140)	(317)
Interest paid	(5)	(1)	(4)
Net cash (used in)/from operating activities	(266)	(828)	156
Cashflows from investing activities			
Interest received	65	46	102
Purchase of property plant and equipment	(125)	(9)	(59)
Purchase of other investments	(143)	-	-
Acquisition of subsidiaries	(679)	(599)	(581)
Net cash used in investment activities	(882)	(562)	(538)
Cashflows from financing activities			
Dividends paid	(142)	(130)	(198)
Repayments of obligations under finance leases	(2)	(7)	(9)
Proceeds of issuing share capital	70	-	-
Net cash (used in)/from financing activities	(74)	(137)	(207)
Net (decrease)/increase in cash and cash equivalents	(1,222)	(1,527)	(589)
Cash and cash equivalents at the beginning of the period	2,585	3,153	3,174
Cash and cash equivalents at the end of the period	1,363	1,626	2,585

Adventis Group Plc

Notes to the accounts

Note 1 Principal accounting policies

On 19 August 2005 the Adventis Group announced that from 1 January 2005, the Group will “early adopt” and prepare all future consolidated financial statements in accordance with International Accounting Standards and International Financial Reporting Standards (jointly “IFRS”), as adopted by the European Union (“EU”) and applicable to all AIM quoted companies for financial reporting periods beginning on or after 1 January 2007.

These unaudited interim financial statements do not constitute statutory accounts within the meaning of s240 of the Companies Act 1985. The statutory accounts for the year ended 31 December 2005 (from which comparative figures have been extracted) on which the auditors gave an unqualified audit report, have been filed with the Registrar of Companies.

Note 2 Share capital

	30 June 2006 No. shares	30 June 2005 No. shares	31 December 2005 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	35,016,846	32,509,248	32,509,248

In accordance with the terms of the agreement to acquire Affiniti (UK) Limited 470,000 fully paid ordinary shares were issued in the six months to 30 June 2006. In accordance with the terms of the agreement to acquire The Coltman Media Company Limited 829,600 fully paid shares were issued as part of the initial consideration and to acquire Roundhouse Advertising Limited, 951,200 fully paid shares were issued.

Note 3 Earnings per share

The number of shares used in the calculation of the earnings per share is shown at the foot of the profit and loss account.

The EPS has moved from 1.11p to 1.61p whilst the fully diluted EPS has moved from 1.09p to 1.59p.

Note 4 Acquisition of The Coltman Media Company Limited (now Adventis Coltman Limited) and Roundhouse Advertising Limited

On 22nd May 2006 the Group acquired 100% of the issued share capital of The Coltman Media Company Limited (now Adventis Coltman Limited) and Roundhouse Advertising Limited for cash and shares totalling:

	<u>Coltman</u>	<u>Roundhouse</u>
	£'000	£'000
Property plant and equipment	-	17
Stocks	-	76
Trade Debtors	1,575	412
Prepayments and accrued income	28	25
Bank and cash balances	996	528
Trade payables	(1,113)	(59)
Provisions for liabilities and charges	(832)	(378)
Goodwill	2,264	3,604
Intangible assets	834	659
Total Consideration	<u>3,752</u>	<u>4,884</u>
Satisfied by		
Cash	920	1,063
Issue of Adventis Group ordinary share capital	360	417
Deferred consideration	972	616
Contingent consideration	1,500	2,788
	<u>3,752</u>	<u>4,884</u>
Net cash inflow/(outflow) arising on acquisition	76	(535)
Cash consideration	920	1,063
Bank balances and cash acquired	996	528

In addition payments of £220,000 were made for the next instalments due for the acquisition of Affiniti (UK) Ltd acquired in January 2005.

Note 5 Early adoption of IFRS

As noted above the group has now adopted IFRS and this report contains restated numbers to reflect that change.

Note 6 Report

Copies of this report will be available on request from the company secretary of Adventis Group PLC at 93-95 Wigmore Street, London W1U 1HH.

