

ADVENTIS GROUP PLC

Interim Results

Adventis Group plc, the specialist multi-media marketing and advertising agency, today announces its results for the half-year ended 30 June 2007.

Highlights:

- Turnover up by 52% to £24.9m (2006: £16.4m)
- Profit before tax up 57% at £1.255m (2006: £0.799m)
- Basic EPS up by 37% to 2.2p (2006 - 1.6p)
- Interim dividend per share up 5% at 0.23p (2006 - 0.22p)
- Acquisition of Leapfrog Medical Communications Ltd completed in January 2007
- Major client wins include: Standard Life, Barclays, HBOS, Man Investments, Premier Resorts, Wandsworth Riverside Quarter, Weston Homes, Savills International (online media activity), Acorn Property Group, Partnership Assurance, Marketing Hub, Insuremore, Roche, Novartis, Pfizer, Schering Plough, Serono and GlaxoSmithKline
- Strong balance sheet to support further acquisitions

Peter Mitchell, Chairman of Adventis Group plc, commented:

“The first six months of 2007 have seen the continued success of the Adventis strategy of jointly building marketing communications and sector specific knowledge, with the latter contained within a regulatory framework. Our pre-tax profit-to-revenue margin exceeds 20% which is a rare achievement amongst marketing services businesses.

We continue to focus on property, financial services and healthcare; sectors that demand high skill sets, a regulatory understanding and generate a consistent and profitable income. Our M&A activities resulted in the addition of Leapfrog Medical Communications in January, which has added the important area of medical communications services to our healthcare group and is a significant addition in both strategic and profit terms.

Our first half year results have exceeded our targets and the outcome for the remainder of the year looks encouraging.”

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Chairman's Statement

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Peter Mitchell,
Non-Executive Chairman
24 September 2007

Chief Executive Officer's Review

Trading Update

I am pleased to report a strong set of results for the half year ended 30 June 2007, with record levels of billings, revenue and profits, both organically and through acquisitions. Group billings of £24.9m were up 52% (2006: £16.4m) generating revenues of £5.7m up 46% (2006: £3.9m) and pre-tax profits of £1.255m up 57% (2006: £0.799m). This continues our unbroken record of significantly increased billings and profits every period since the Company floated in 2004 and the Company has continued to benefit from healthy margins and strong cash flow.

The earnings per share rose by 37% for January – June 2007 to 2.2p compared with 1.6p for the previous half year.

Dividend

The Board is recommending an increase of 5% in the interim dividend at 0.23p (2006 0.22p) per share, payable to those shareholders on the register on 5th October 2007 for payment on 22nd October 2007.

Financial Position

Net cash balance on 30 June 2007 was £2.7m and the current balance is in excess of £4m, indicating our continued ability to translate revenue growth into cash. The Company currently has no borrowings having financed its acquisition strategy from its own resources. As a result we have a very strong balance sheet which will help us fund future acquisitions.

Market Overview

Demand for marketing services continues to be healthy and our core sectors of operation, property, financial services and healthcare have enjoyed strong growth. Whilst the provision of such services is always competitive we have been able to manage pressure on margins and enjoyed a return in excess of 20% for pre tax profit as a percentage of revenue, which is exceptionally high for our industry. Although the group grew by over 50% during this period there is still considerable potential for further growth in these chosen sectors.

Efficient service provision in these areas relies on strong divisional management, recruiting and maintaining teams that win and retain clients. I am very glad to see our strength in this area grow as the group itself develops. Our spread of sectors does offer some level of insulation from the ebb and flow that all market's experience and I am confident we have built a strong business base.

Business Strategy

The group was able to exploit its growing critical mass in 2007 and increased its market share for our media services in the residential and commercial property, financial services and healthcare sectors. We consolidated all three of our healthcare operations into one prime office building in Beaconsfield and close to the M40/M25 intersection, an ideal location and environment for such a business. We further consolidated our creative resources to offer enhanced career opportunities for the team and to enable us to make a more varied offering to our clients. Our financial systems have also been overhauled by Peter Linnell, our new Finance Director, and further efficiencies have been identified.

Acquisitions and Joint Ventures

In January 2007 the Group announced the acquisition of Leapfrog Medical Communications Ltd, a medical education specialist, with unrivalled healthcare clients. As part of our enlarged healthcare group, Leapfrog have since won business from international customers, such as Roche, Novartis, Pfizer, Schering Plough, Serono and GlaxoSmithKline.

Operational Review

The following is a summary of activity by business sector for the six months ended 30 June 2007:

Residential Property Marketing Sector

Our residential property marketing sector continues to service a broad base of clients including Savills, Galliard Homes, Places for People and Delph. It provides a broad range of consultancy and creative services across the industry and has continued to gain new clients and grow its creative business with encouraging margins.

Commercial Property Marketing Sector

Our commercial property marketing sector won several major long-term projects in 2006/7 such as Howard Holdings, ECF Regeneration, Standard Life, McKay Securities, Develica and Exemplar. These projects continue to give the business a positive order book for the current year.

Financial Services

Adventis NMG Ltd, which specialises in financial services continued to trade profitably for the period. A series of projects have been won recently for clients such as LexisNexis, Foresters Friendly Society, Equity Insurance Group, Just Retirement, Barclays, HBOS and Man Investments. The strengthening of the team and further building of Adventis NMG's digital offering gives the business excellent prospects for further growth this year.

Healthcare Sector

The combined group of Affiniti (UK) Ltd, Roundhouse Advertising Ltd and Leapfrog Medical Communications Ltd are in the top five UK Healthcare Marketing Companies. The addition of a medical communications offering, through the acquisition of Leapfrog, has been an ideal strategic fit and has provided the enhanced group with significant business opportunities. In addition to adding the Leapfrog clients previously mentioned, we have also won new business from Ferring, Merck Serono, Roche and Allergan.

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. New business wins in 2007 included: Premier Resorts, Wandsworth Riverside Quarter, Newhall Project, Weston Homes, Savills International (online media activity), Sherwoods Property Consultants, Acorn Property Group, Partnership Assurance, Marketing Hub and Insuremore

Outlook

The strength of the first half year has carried on into the second half and we are on course to meet market expectations. We continue to actively pursue strategic acquisitions to add to the group and this activity will continue in the second half. I expect that the benefits of the enlarged healthcare group will start to be felt over the next six-to-twelve months and we will look to identify and exploit all areas of synergy.

We are confident that our strong cash position, profit performance and balance sheet will enable the group to maintain its growth momentum and build its market share, while ensuring our profit record is sustained.

Charles Phillpot
Chief Executive Officer

Adventis Group plc
Group income statement

	Unaudited 6 months to 30 June 2007	Unaudited 6 months to 30 June 2006	Audited 12 months to 31 December 2006
Notes	£'000	£'000	£'000
Turnover			
Continuing operations	23,785	14,094	27,973
Acquisitions	1,130	2,340	7,556
	<u>24,915</u>	<u>16,434</u>	<u>35,529</u>
Operating profit			
Continuing operations	1,025	601	1,221
Acquisitions	122	133	451
Profit on ordinary activities before interest	<u>1,147</u>	<u>734</u>	<u>1,672</u>
Net interest receivable	115	65	130
Finance costs	-7	-	-2
Profit on ordinary activities before taxation	<u>1,255</u>	<u>799</u>	<u>1,800</u>
Taxation on profit on ordinary activities	-376	-240	-467
Profit for the period	<u>878</u>	<u>559</u>	<u>1,333</u>
Attributable to:			
Equity holders of the parent	869	558	1,316
Minority interest	9	1	17
Profit for the period	<u>878</u>	<u>559</u>	<u>1,333</u>

Earnings per share ("EPS")

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Basic earnings per share			
Average number of shares in issue	39,576,955	34,720,045	35,007,794
EPS (pence)	2.20	1.61	3.76
Fully diluted earnings per share			
Fully diluted average number of shares in issue	42,317,537	35,107,236	36,066,998
EPS (pence)	2.05	1.59	3.65

Adventis Group Plc
Group Balance Sheet

	Unaudited 30 June 2007	Unaudited 30 June 2006	Audited 31 December 2006
Notes	£'000	£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	575	303	259
Goodwill and other intangible assets	10,809	9,638	8,273
Deferred tax asset	164	181	164
	11,548	10,122	8,696
Current assets			
Work in progress	335	252	293
Trade and other receivables	8,337	7,527	6,590
Cash and cash equivalents	2,689	1,363	2,464
	11,362	9,142	9,347
Total assets	22,910	19,264	18,043
EQUITY			
Capital and reserves			
Share capital	2 100	88	96
Share premium account	5,508	3,849	4,789
Treasury stock	10	0	0
Capital redemption reserve	200	200	200
Other reserves	20	20	20
Share based payments reserve	53	23	43
Retained earnings	3,722	2,316	3,036
	9,613	6,496	8,184
Minority interest	27	48	18
Total equity	9,640	6,544	8,202
LIABILITIES			
Non-current liabilities			
Obligations under finance leases - due in more than one year	0	0	7
Provisions for other liabilities and charges	4	6	4
Deferred consideration	3,615	4,022	3,400
	3,619	4,028	3,411
Current liabilities			
Trade and other payables	5,988	5,618	4,371
Current income tax liabilities	1,462	267	572
Obligations under finance leases - due in less than one year	4	0	5
Provisions for other liabilities and charges	0	34	0
Deferred consideration	2,196	2,773	1,482
	9,650	8,692	6,430
Total liabilities	13,270	12,720	9,841
Total equity and liabilities	22,910	19,264	18,043

Adventis Group plc**Group statement of changes in equity**

	Share capital & treasury £'000	Share premium account £'000	Capital reserves £'000	Minority Interests £'000	Retained earnings £'000	Shareholder's funds - equity £'000
Balance at 1 January 2006	81	2,862	220	47	1,915	5,125
Profit for the period	-	-	-	-	559	559
Dividends	-	-	-	-	-142	-142
Minority interest	-	-	-	1	-1	0
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
Profit for the period	-	-	-	-	774	774
Dividends	-	-	-	-	-76	-76
Minority interest	-	-	-	16	-16	0
Adjustment	-	-	-	-46	46	0
Issue of share capital	8	940	-	-	-	948
Share based payments	-	-	-	-	12	12
Balance at 31 December 2006	96	4,789	220	18	3,079	8,202
Profit for the period	-	-	-	-	878	878
Dividends	-	-	-	-	-183	-183
Minority interest	-	-	-	9	-9	0
Issue of share capital	14	719	-	-	-	733
Share based payments	-	-	-	-	10	10
Balance at 30 June 2007	110	5,508	220	27	3,775	9,640

Adventis Group plc
Group cash flow statement

	Unaudited 6 months to 30 June 2007	Unaudited 6 months to 30 June 2006	Audited 12 months to 31 December 2006
Notes	£'000	£'000	£'000
Cash generated from operating activities	1,617	-139	872
Income tax paid	-129	-122	-436
Interest paid	-6	-5	-2
Net cash from/(used in) operating activities	1,482	-266	434
Cash flows from investing activities			
Interest received	115	65	130
Purchase of property, plant & equipment	-220	-125	-128
Purchase of other investments	0	-143	-125
Acquisition of subsidiaries	4 -1,005	-679	-1,230
Net cash used in investment activities	-1,110	-882	-1,353
Cash flows from financing activities			
Dividends paid	-183	-142	-218
Repayments of obligations under finance leases	-9	-2	-3
Proceeds of issuing share capital	45	70	1,019
Net cash (used in)/from financing activities	-147	-74	798
Net increase/(decrease) in cash and cash equivalents	225	-1,222	-121
Cash and cash equivalents at the beginning of the period	2,464	2,585	2,585
Cash and cash equivalents at the end of the period	2,689	1,363	2,464

Adventis Group Plc

Notes to the accounts

Note 1 Principal accounting policies

These unaudited interim consolidated 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 2006 (from which comparative figures have been extracted) on which the auditors gave an unqualified audit report, have been filed with the Registrar of Companies.

The Company has applied IFRS for the reporting period and all prior periods where figures have been included for comparison purposes. The financial statements are prepared under the historical cost convention and, in conformity with generally accepted accounting principles require the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those of estimates.

Full details of the Company's accounting policies can be found in the 2006 Annual Report and Accounts published in April 2007 and available on the Company's website at www.adventis.co.uk.

Note 2 Share capital

	30 June 2007 No. shares	30 June 2006 No. shares	31 December 2006 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	39,869,260	35,016,846	38,283,646

In accordance with the terms of the relevant share sales and purchase agreements, the following shares were issued during the six month ended 30 June 2007:

- Affiniti (UK) Limited 135,570 fully paid ordinary shares
- Leapfrog Medical Communications Limited 975,169 fully paid ordinary shares
- Adventis Coltman Limited 316,980 fully paid ordinary shares were issued

In addition 157,895 fully paid shares were issued as two employees exercised their share options.

As a result the nominal value of issued share capital increased £3,961 while £720,305 was added to the share premium account.

The employee benefit trust is the beneficial owner of 25,180 fully paid ordinary shares.

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 income statement.

The EPS has moved from 1.61p to 2.20p whilst the fully diluted EPS has moved from 1.59p to 2.05p.

Note 4 Acquisition of Leapfrog Medical Communications Limited

On 5th February 2007 the Company acquired 100% of the issued share capital of Leapfrog Medical Communications Limited for cash and shares totalling:

	<u>£'000</u>
Property plant and equipment	45
Stocks	137
Trade Debtors	577
Bank and cash balances	298
Tax liabilities	(219)
Trade and other payables	<u>(513)</u>
	325
Goodwill	2,337
	<u>2,662</u>
Satisfied by	
Cash	931
Issue of Adventis Group ordinary share capital	432
Deferred consideration	720
Contingent consideration	<u>579</u>
	<u>2,662</u>
Net cash (outflow) arising on acquisition	(633)
Cash consideration	931
Bank balances and cash acquired	298

In addition, payments of £75,241 were made for the next instalment of deferred consideration due for the acquisition of Affiniti (UK) Ltd acquired in January 2005, and the first deferred consideration payment of £120,000 and earn-out payment of £175,662 due for the acquisition of Adventis Coltman Limited acquired in May 2006.

Note 5 Employee Benefit Trust

In accordance with the Urgent Issues Task Force (UITF) Abstract 32 “Employee Benefit Trusts and other intermediate payment arrangement”, 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 6 Goodwill & 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.