

ADVENTIS GROUP PLC

21 March 2007

Adventis Group Plc (“Adventis” or the “Company”)

Profit growth of 75% in 2006

Final Results 2006

Adventis Group Plc (“ATG/L”), the marketing services, media buyer and advertising agency, is pleased to announce record results for the year ended 31 December 2006. The results represent the Company’s second full trading year since admission to AIM. Growth was organic across all of the Company’s existing businesses and through acquisitions.

Financial Highlights

- Group billings (Turnover): £35.5m, up 62% (2005: £21.9m)
- Pre-tax profit: £1.80m, up 75% (2005: £1.03m)
- Pre-tax profit margin: 21%, up 24% (2005: 17%)
- Earnings per share: 3.76p, up 41% (2005: 2.66p)
- Final dividend recommended of 0.461p (2005: 0.436p), bringing the year’s total to 0.681p (2005: 0.646p), payable on 15 June 2007 to shareholders registered on 25 May.
- Net cash of £2.5m at year end.

Operational Highlights

- Newly acquired businesses contributed 21% to billings
- Billings relating to existing businesses grew 28%
- Roundhouse Advertising Ltd and Adventis Coltman Ltd made first time profit contributions
- Client wins in healthcare, residential and commercial property and financial services sectors

Prospects

Said Charles Phillpot, Chief Executive of Adventis:

“2006 saw significant growth in the Group due to the success of our continued operations and the excellent performance of new acquisitions. We continue to consolidate our position in our market sectors.

The first quarter of 2007 has started well and we are confident about prospects for the current year. We continue to raise our profile in our three chosen market sectors and remain selective about opportunities in these areas.”

– ENDS –

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ADVENTIS GROUP PLC

Notes to Editors

Adventis' strategy is to focus its marketing and media buying services on the property, healthcare and financial services sectors, in which it has the opportunity to build significant market positions.

There are three main strands to Adventis' strategy to develop the business:

- Consolidation of its position in the residential and commercial property markets, which are predominantly serviced by a large number of small operators;
- Diversification into other specific sectors, notably healthcare and financial services, for which marketing is governed by regulatory disclosure and which therefore, like the property sector, have a requirement for expertise;
- Increase profit margins by providing services that are currently sub-contracted to third parties.

Management intends to achieve these objectives through a mix of organic development, acquisitions and by creating structures to attract new senior people with proven revenue earning ability and appropriate sector expertise.

Chairman's statement for the year ended 31 December 2006

I have great pleasure in reporting a further year of considerable progress for the Company. Turnover has grown by more than 60% due to the existing businesses performing extremely well; two very successful acquisitions and by the creation of two new businesses.

In addition to growing our existing businesses, it is our stated aim that we would consider strategically sound acquisitions, and in this respect we have also had a most satisfactory year. In May we announced the significant acquisitions of Coltman Media, a financial services media buyer and Roundhouse Advertising, a specialist healthcare agency. In July we announced the launch of Adventis Financial PR and the acquisition of M2, a property marketing agency. These acquisitions have performed well and we are starting to see synergistic and cross selling benefits reinforcing our already strong position in both healthcare and media buying.

The Group's turnover has risen by 62% to £35.5m, pre-tax profit by 75% to £1.8m and EPS by 41% to 3.76p. In line with our declared intention to pursue a progressive dividend policy we are accordingly recommending a final dividend of 0.461p making 0.681p for the year, an increase of 5%.

The current year has continued to show further progress and we are seeing strong trading results across the Group, reinforced by our recently announced acquisition of Leapfrog Medical Communications Ltd. We now employ some 150 people in five locations. I thank all of our staff for their considerable efforts. We continue to consolidate and enhance our leading market positions in our chosen sectors.

Rupert Sebag-Montefiore retired as non-executive director at the end of the year. His contribution to the company over the last three years has been considerable and much appreciated by the Board. Allan Collins retired as finance director also at the end of 2006 but was appointed as a non-executive director from 1 January 2007. The Board is grateful for his significant contribution to the business as Finance Director, and welcomes his continued involvement in his non-executive capacity. Our new Group Finance Director is Peter Linnell who joined the Board in December. Peter has a long track record as a Finance Director in the marketing industry, at Grey Global Group and Lowe & Partners. His experience is a welcome addition to the Board.

The Board views the future with confidence. The strategy we have pursued, in almost three years since the Company's flotation on AIM, of organic growth coupled with selective, focused acquisitions, has proven itself and continues to be sound. Our emphasis on specialised sectors currently of healthcare, property and financial services offers, we believe, good opportunities for continuing strong growth.

Peter Mitchell
Chairman

ADVENTIS GROUP PLC

Chief Executive Officer's Statement for the year ended 31 December 2006

I am pleased to report a strong set of results for the year ended 31 December 2006, with record levels of billings and profits, both organically across all of our businesses and through acquisitions. Group billings of £35.5m were up 62% (2005: £21.9m); gross profit of £8.5m was up 47% (2005: £5.8m), and pre-tax profit of £1.8m was up 75% (2005: £1.03m). 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 for 2006, including acquisitions were 3.76p, which compares with 2.66p for the previous year, an increase of 41%.

Overall we have increased market share and increased our margins. It is particularly gratifying at a time of rapid growth to see margins improving to over 20%, putting the Group at the very top of its industry.

Dividend

The Board is recommending a final dividend of 0.461p per share, making a total for the year of 0.681p. This increase underlines our stated intention to pursue a progressive dividend policy and reflects our confidence in this business going forward, especially our continued ability to translate revenue growth into cash.

Financial Position

Net cash balance at 31 December 2006 was £2.5m, and the Company continues to be cash generative with a strong balance sheet.

Market Overview

The marketing, media and communications market in 2006 was both buoyant and competitive. Our clients continue to enjoy good results and their success is reflected in their continued demand for marketing services. With a total of eight new ventures added to the Group since its flotation in July 2004, integration and consolidation of the new companies has been a key theme. We have started to see the benefits of cross selling our range of marketing services in media buying and planning, corporate identity programmes, advertising campaigns, interiors and digital media.

Recruitment and retention of key directors and staff continues to be an issue in the marketing services industry due to its highly labour intensive nature. There is a rising demand for specialists in various marketing fields making recruitment a challenge across the sector. Our policy of offering competitive packages with an element of profit share has delivered a high quality and stable senior team. Our revenues are generated predominantly in the form of both retainers and fees for project specific work with many clients demonstrating long term loyalty. It is against this background that I am pleased to report results that reflect the hard work of all the team at Adventis.

Business Strategy

Adventis has continued its rapid programme of growth and has combined this with a substantial uplift in operating margins. We have pursued our stated business strategy of increasing market share for our media services in our largest industry sector, the residential and commercial property sectors. We also continued to expand the services we provide in our other target markets, currently comprising financial services and healthcare, where our revenue by sector grew over that achieved in the previous year.

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. Its client base includes the likes of Threadneedle Investments, Friends Provident, Baillie Gifford and Witan Investment Trust. In May the Group later announced the acquisition of Roundhouse Advertising Limited, a specialist healthcare agency, whose clients include Baxter, Boehringer Ingelheim, Pfizer AH and Schering-Plough.

ADVENTIS GROUP PLC

In July 2006 the Group successfully launched Adventis Financial PR, offering a financial media management service to a broad group of clients, most of them fully listed or quoted on AIM. The Group also announced the addition of M2, a specialist property marketing agency that has served to strengthen our offering in the residential market.

The acquisitions fit well with Adventis' existing businesses and strategy. The management of all these companies has been retained, ensuring continuity of client relationships. We expect the Group to enjoy financial benefits from its increased scale, for example in media buying.

Operational Review

The following is a summary of activity by business sector for the year ended 31 December 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, Galliard Homes, Devington Homes and Grove Manor Homes. It provides a broad range of consultancy and creative services across the industry.

Commercial Property Marketing Sector

Our commercial property marketing sector won several major long-term projects in 2006 such as Howard Holdings, St Martins Property Corporation Ltd., Abstract Land, Slough Estates, South West Regional Development Agency, Morley Fund Management and Farnborough Business Park. These project successes continue to give the business a positive order book for 2007.

Media Planning and Buying Sector

Our three media planning and buying companies, Premium Media, Adagenda Media and Adventis Coltman, are a significant force in the property and financial sector. They have full NPA (Newspapers Publishing Association) recognition and enjoy 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. Account wins during 2006 included Brit Insurance, China Travel Service, Croatian Villas, Barratt Homes (various regions), Kingsoak London, Mount Anvil, Assettrust and ING Real Estate.

Financial Services Sector

Adventis NMG, which specialises in financial services, continued to trade profitably in 2006. A series of projects were concluded for clients such as Prudential, Brit Insurance, Lincoln Financial Group, Moneywise, and ABN Amro and the outlook for larger projects from such clients is positive. The addition of Adventis Coltman Media and Adventis Financial PR has enhanced our offering in the financial services sector and will facilitate further growth of Adventis NMG.

Healthcare Sector

The Group now has a substantial presence in the Healthcare sector through its two creative agencies, Affiniti and Roundhouse and latterly through Leapfrog. The combination of these three entities not only puts Adventis Healthcare in the top 5 UK service providers but also allows substantial cross selling. All three companies will be moving into centralised premises adjacent to the M25 in mid-2007. This will generate further synergies and economies of scale. Account wins in 2006 included Baxter, Merz, Merial International, Queen Charlottes Children's Hospital and Schering – Plough.

Outlook

The first quarter has started well with all our subsidiary companies enjoying a high level of activity and we are confident about prospects for the current year.

ADVENTIS GROUP PLC

We continue to raise our profile in our chosen market sectors and it is very gratifying that this increase in awareness of Adventis has led to the presentation of many more, very strong M&A opportunities. We continue to be very selective in making further acquisitions and focus on agreeing the best possible terms for the Group.

The investment in the Company of more than £1 million by Morgan Stanley, UBS and Oceanwood Capital Management announced on 30th November of 2006 was very encouraging and offers even more opportunities in the M&A arena. I am confident that our strong performance to date will continue in 2007.

Charles Phillpot
Chief Executive Officer

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Consolidated income statement for the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover		35,529	21,901
Operating profit		1,672	929
Investment revenues		130	102
Finance costs		(2)	(4)
Profit on ordinary activities before taxation		1,800	1,027
Taxation	3	(467)	(105)
Profit for the financial year		1,333	922
Attributable to:			
Equity holders of the parent		1,316	876
Minority interests		17	46
		1,333	922
Earnings per share	5		
Basic		3.76p	2.66p
Diluted		3.65p	2.63p

The Group's results derive entirely from continuing activities

ADVENTIS GROUP PLC

Consolidated balance sheet as at 31 December 2006

	Notes	2006 £'000	2005 £'000
Assets			
Non-current assets			
Goodwill	6	8,273	1,827
Other intangible assets	7	0	416
Property, fixtures and equipment		259	194
Deferred tax assets		164	181
		<u>8,696</u>	<u>2,618</u>
Current assets			
Work in progress		293	151
Trade and other receivables		6,590	3,488
Bank balances and cash		2,464	2,585
		<u>9,347</u>	<u>6,224</u>
Total assets		<u><u>18,043</u></u>	<u><u>8,842</u></u>
Equity and liabilities			
Shareholders' equity			
Share capital		96	81
Share premium account		4,789	2,862
Capital redemption reserve		200	200
Other reserves		20	20
Share based payments reserve		43	23
Retained earnings		3,036	1,892
		<u>8,184</u>	<u>5,078</u>
Equity minority interests		18	47
Total equity		<u>8,202</u>	<u>5,125</u>
Non-current liabilities			
Obligations under finance leases		-	-
Deferred tax liabilities		8	6
Deferred consideration		3,400	964
		<u>3,408</u>	<u>970</u>
Current liabilities			
Trade and other payables		4,371	2,267
Current tax liabilities		572	149
Obligations under finance leases		8	12
Deferred consideration		1,482	319
		<u>6,433</u>	<u>2,747</u>
Total liabilities		<u>9,841</u>	<u>3,717</u>
Total equity and liabilities		<u><u>18,043</u></u>	<u><u>8,842</u></u>

ADVENTIS GROUP PLC

Consolidated statement of changes in equity for the year ended 31 December 2006

	Share capital £'000	Share premium £'000	Capital reserves £'000	Retained earnings £'000	Minority interest £'000	Total £'000
Balance at 31 December 2004	79	2,563	220	1,223	1	4,086
Changes in equity for 2005						
Profit for the year	-	-	-	922	-	922
Dividends paid	-	-	-	(198)	-	(198)
Minority interests	-	-	-	(46)	46	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total recognised earnings for the year	-	-	-	678	46	724
Issue of share capital	2	299	-	-	-	301
Share based transactions	-	-	-	14	-	14
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2005	81	2,862	220	1,915	47	5,125
Changes in equity for 2006						
Profit for the year	-	-	-	1,333	-	1,333
Dividends paid	-	-	-	(218)	-	(218)
Minority interests	-	-	-	(17)	17	-
Adjustment	-	-	-	46	(46)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total recognised earnings for the year	-	-	-	1,144	(29)	1,115
Issue of share capital	15	1,927	-	-	-	1,942
Share based transactions	-	-	-	20	-	20
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2006	96	4,789	220	3,079	18	8,202

ADVENTIS GROUP PLC

Consolidated cash flow statement for the year ended 31 December 2006

	2006		2005	
	£'000	£'000	£'000	£'000
Operating activities				
Profit from operations	1,672		929	
Adjustments for:				
Amortisation of intangible assets	-		45	
Amortisation of investments	25		-	
Share based transactions	20		14	
Depreciation on fixtures and equipment	80		76	
Loss on disposal of fixed assets	-		1	
	<u>1,797</u>		<u>1,065</u>	
Operating cash flows before movement in working capital				
Increase/(decrease) in work in progress	(65)		(50)	
Increase in receivables	(993)		(1,096)	
Increase in payables	133		558	
	<u>(925)</u>		<u>477</u>	
Cash generated by operations				
Corporation tax paid	(436)		(317)	
	<u>(436)</u>		<u>(317)</u>	
Net cash from operating activities		436		160
Investing activities				
Interest received	130		102	
Interest element of finance leases	(1)		(1)	
Bank overdraft interest paid	(1)		(3)	
Acquisition of subsidiaries	(1,230)		(581)	
Other investments in operations	(125)		-	
Purchase of fixtures and equipment	(128)		(59)	
	<u>(1,355)</u>		<u>(542)</u>	
Net cash used in investment activities		(1,355)		(542)
Financing activities				
Equity dividends paid to shareholders	(218)		(198)	
Share capital issued (net of costs)	1,019		-	
Capital element of finance lease rental payments	(3)		(9)	
	<u>798</u>		<u>(207)</u>	
Net cash (used)/from financing activities		798		(207)
Net (decrease)/increase in cash and cash equivalents		(121)		(589)
Cash and cash equivalents at beginning of period		2,585		3,174
		<u>2,585</u>		<u>3,174</u>
Cash and cash equivalents at end of period		<u>2,464</u>		<u>2,585</u>

ADVENTIS GROUP PLC

Notes to the financial statements For the year ended 31 December 2006

1. **Basis of preparation**

The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2006 and 2005. Except as shown below, the financial information for the year ended 31 December 2006 has been prepared using the accounting policies which are consistent with those adopted in the audited accounts for the year ended 31 December 2005. The financial information for the year ended 31 December 2005 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors have reported on the 2005 accounts; their report was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985. The auditors have yet to sign their report on the 2006 accounts. The statutory accounts for the year ended 31 December 2006 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The financial information set out in this announcement was approved by the Board of Directors on 20 March 2007.

2. **Principal accounting policies**

Basis of accounting

The 2006 financial statements are the group's consolidated financial statements prepared under International Financial Reporting and Accounting Standards, with a transition date of 1 January 2004. The financial statements have also been prepared in accordance with International Financial Reporting and Accounting Standards adopted for use by the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the company has the power to govern the financial and operating policies of a subsidiary.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions and balances between Group enterprises are eliminated on consolidation.

Taxation

The tax charge represents the sum of current and deferred tax.

Current tax payable is based on taxable profits for the year. Taxable profits differ from net profits as reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability or the asset is realised.

ADVENTIS GROUP PLC

3. Tax on profit on ordinary activities

Analysis of charge in period

	2006 £'000	2005 £'000
Current tax:		
UK corporation tax on profits of the period	544	290
Adjustments in respect of previous periods	(104)	(3)
	<u>440</u>	<u>287</u>
Deferred tax:		
Origination and reversal of timing differences	27	(2)
Effect of increased tax rate on opening liability	-	1
Realisation of deferred tax asset	-	(181)
	<u>27</u>	<u>(182)</u>
Total deferred tax	<u>27</u>	<u>(182)</u>
Tax on profits on ordinary activities	<u>467</u>	<u>105</u>

4. Dividends

	2006 £'000	2005 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend of 0.436p (2004: 0.412) per share	142	130
Interim dividend of 0.22p (2005: 0.21p) per share	76	68
	<u>218</u>	<u>198</u>
Recommended final dividend of 0.461p (2005: 0.436p) per share	<u>182</u>	<u>142</u>

The recommended final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The estimate of the recommended dividend is based on the shares in issue as at 20 March 2007.

ADVENTIS GROUP PLC

5. Earnings per share

The calculations of the basic and diluted earnings per share are based on the following data:

	2006 £'000	2005 £'000
Profit for the purpose of basic earnings per share	<u>1,316</u>	<u>876</u>
Number of shares		
Weighted average number of ordinary shares in issue during the year	35,007,794	32,977,826
Effect of dilutive options	538,966	166,766
Effect of dilutive warrants	171,179	98,312
Effect of dilutive deferred consideration	349,059	-
Diluted weighted average number of ordinary shares in issue during the year	<u>36,066,998</u>	<u>33,242,904</u>

The weighted average number of ordinary shares in issue during the year includes 636,176 Ordinary shares, which represent the deferred consideration due on the acquisition of Coltman Media Company Limited at the average Adventis share price for 2006. The diluted weighted average number of ordinary shares in issue during the year includes 595,357 Ordinary shares, which represent the contingent deferred consideration due on the acquisition of Roundhouse Advertising Limited at the average Adventis share price for 2006.

6. Goodwill

	£'000	£'000
Carrying amount		
At 1 January 2005 and 31 December 2005	1,827	259
Additions	6,030	1,568
Reclassification of intangible assets	416	-
At 31 December 2005	<u>8,273</u>	<u>1,827</u>

The additions relate to the acquisitions of Coltman Media Company Ltd and Roundhouse Advertising Ltd, and an uplift of Affiniti (UK) Ltd goodwill arising from the re-valuation of the contingent consideration. The reclassification arises from a change in accounting policy whereby the company no longer believes that intangibles and goodwill can be separately valued.

7. Other intangible assets

	£'000	£'000
Cost		
At 1 January 2005 and 31 December 2005	461	-
Addition	-	461
Reclassification	(461)	-
At 31 December 2005 and 31 December 2006	<u>-</u>	<u>461</u>
Accumulated amortisation		
At 1 January 2005 and 31 December 2005	45	-
Amortisation charge	-	45
Reclassification	(45)	-
At 31 December 2005 and 31 December 2006	<u>-</u>	<u>45</u>
Carrying amount		
At 31 December 2005 and 31 December 2006	<u>-</u>	<u>416</u>

ADVENTIS GROUP PLC

The reclassification arises from a change in accounting policy whereby the Company no longer believes that other intangibles and goodwill can be separately valued.