

Avesco Group plc Acquires Balance of CT Germany

Avesco Group plc, the provider of services to the corporate presentation, entertainment and broadcast markets, announces that it has today acquired the remaining 25.1 per cent interest, which Avesco did not already own, in CT Creative Technology GmbH & Co KG, a German limited liability partnership, which trades as 'CT Germany'. The transaction is effective as of 31 August 2007 and is a related party transaction under Rule 13 of the AIM Rules for Companies.

The minority interest has been purchased from Georg Rossler, Managing Director of CT Germany, for a consideration of €0.6m (£0.4m), which will be paid in cash within 10 business days. Mr Rossler has signed an amended employment agreement, under which he will continue to be employed by CT Germany as managing director for a minimum term of three years but, subject thereto, his employment is capable of termination on 12 months' notice.

CT Germany, which was established by Avesco and Mr Rossler in early 2003, has already grown to become one of the leading audio visual service providers in Germany, serving both the domestic and international markets and providing a range of specialist video, audio, IT and large screen display services to the corporate presentation, entertainment and sports' markets. The business employs around 40 permanent staff at its offices in Stuttgart and Dusseldorf. In the year ended 31 March 2007, CT Germany achieved an unaudited operating profit of €0.5m (£0.3m) on a turnover of €10.4m (£7.0m). As at 31 July 2007, CT Germany had unaudited gross assets of €2.9m (£2.0m).

The Directors consider, having consulted the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned. The transaction is unlikely to have a material impact on Avesco's results in the current year.

Avesco is a media services business employing some 580 people and operating mainly in the UK, mainland Europe and North America. Its three principal divisions comprise Creative Technology, Full Service and Broadcast Services. In addition to CT Germany, the Creative Technology division has operations in London, Chicago, Las Vegas, Los Angeles, San Francisco and Dubai and will soon be opening in China. Its services are used for a broad range of events such as conventions, product launches, exhibitions, sporting and entertainment events.

Ian Martin, Chief Executive of Avesco said, 'This is an exciting development for Avesco and our Creative Technology business. We see plenty of opportunity for growth in the German market and full ownership and control of CT Germany provides us with a solid platform for further expansion in that territory.'

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