

EMBARGOED UNTIL 7.00am, 15 January 2009

AVESCO GROUP plc

Preliminary Results for the year ended 30 September 2008

Avesco Group plc, the international provider of services to the corporate presentation, entertainment and broadcast markets, announces its preliminary results for the year ended 30 September 2008.

KEY HIGHLIGHTS

- Results reflect the first full year of trading since the merger in May 2007 with Avesco plc
- Revenue of £94.8m (2007: £33.2m)
- Trading Profit of £1.6m (2007: £0.6m)*
- Operating profit of £7.4m (2007: £1.6m)
- Profit before tax of £6.5m (2007: £0.1m)
- Continuing operations basic earnings per share of 26.6p (2007: loss per share of 2.5p)
- Adjusted basic earnings per share of 3.3p (2007: 0.7p)*
- Proposed final dividend of 1.0p per share making a total of 3.5p (2007: 6.0p)

* As described in note 10, the Group uses certain non-GAAP alternative measures to assess underlying operating performance.

Ian Martin, Chief Executive, commented:

“It is pleasing to report that, despite the challenging global economic trading conditions during the period, Avesco Group has produced a profitable outcome in the year ended 30 September 2008.

In the first quarter of the new financial year we have continued to grow revenue compared to the same period last year, which will help to cushion the absence of major sporting events in 2009. This performance has been driven by an effective sales strategy and from an increasing contribution from our businesses in Dubai and China. We also benefit from our exposure to the sports, television and entertainment markets, which remain somewhat more resilient.

We expect trading conditions to remain difficult for at least the rest of 2009 and have planned accordingly. Actions have been taken to improve the Group’s cash generation, capital expenditure has been substantially reduced and other cost reduction measures taken.

The Avesco Group has the strength to withstand the current head winds we all face, is strongly cash generative, has proven management and established and well positioned businesses. We remain very optimistic about the long-term prospects of the Group.”

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Avesco Group plc

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Avesco Group plc

Chairman's Statement

It is pleasing to report that, despite the challenging global economic trading conditions during the period, Avesco Group has produced a profitable outcome in the year ended 30 September 2008. I ended my statement last year by warning of a tough economic environment and, whilst we are not immune to the current difficult trading conditions, the steps we have taken over the last two years have strengthened our position and leave us well placed operationally. Our plan is to manage the business through the economic downturn by tightly controlling costs, capital expenditure, and cash flow.

The Avesco Group has a strong balance sheet underpinned by significant assets and a strong funding position. We have well established businesses and believe that by continuing to focus on service and quality, we are well positioned against our competitors.

Clearly the world situation is fragile and we are or will be faced with a number of issues. We are confident that we have the right plan and strong leadership in place to bring Avesco through these difficult times.

Results

These financial statements have been prepared using International Financial Reporting Standards (IFRS) and the comparative figures restated accordingly. An explanation of the impact of IFRS on the Group's previously published financial statements can be found in the Group's previously released interim report and accounts for 2008. However, there is no substantial effect on trading results.

In the twelve months ended 30th September 2008, revenue increased to £94.8m (2007: £33.2m), reflecting the inclusion of the Avesco plc companies for the full 12 months and the acquisition in April 2008 of Charter Broadcast. There was a profit before tax from continuing operations of £6.5m (2007: £0.1m). Basic earnings per share were 21.6p (2007: 157.4p). The Group increased its trading profit (as defined per note 10) to £1.6m (2007: £0.6m) helped by positive impact of the European Football Championships and the Beijing Olympics.

At the end of the period, the Group remained in good order with net borrowings of £19.8m and gearing of 37 %. The bulk of a retention against warranty and indemnity claims relating to the disposal of the Group's interest in Complete Communications Corporation Limited ("Complete"), which was completed in December 2006, has now been released, of which £4.6m was received by the Group during the year and a further £4.3m, including interest of £0.4m, after the period end.

Dividend and Share Capital

In the light of the current uncertain environment, the focus of the Avesco Group is on cash generation, maintaining its balance sheet strength and ensuring that the Company has the potential to take advantage of any opportunities that may emerge. We have, therefore, reviewed our future dividend policy and decided, despite a resilient trading performance, to propose a reduction in the final dividend to 1.0p (2007:3.5p), giving a total dividend for this financial year of 3.5p (2007: 6.0p). The final dividend will be paid on 6 April 2009.

In October 2007 and January 2008, the Company used £1m from the proceeds of sales of its shares in 2waytraffic N.V. to make market purchases of its own shares, buying a total of 870,000 shares. The Board has no current intention to make market purchases of any further shares.

Current Trading and Outlook

We are cautious about the short-term prospects for the economy and have planned accordingly. A number of actions have been taken to improve the Group's cash generation. Capital expenditure has been substantially reduced and other cost reduction measures taken. In the first quarter of the new financial year we have continued to grow revenue compared to the same period last year which will help to cushion the absence of major sporting events in 2009. This performance has been driven by an effective sales strategy and from an increasing contribution from our businesses in Dubai and China.

These actions demonstrate the defensive qualities of the business and consequently we expect the Avesco Group to be strongly cash positive in this financial year.

People

I would like to thank all our staff for their skill, hard work and determination to see the business succeed. We cannot be more appreciative of their achievements in these challenging times.

Conclusion

2009 will be a very tough year. I can assure you that we are attentive and do not underestimate the short-term challenges. The Avesco Group has financial strength, is strongly cash generative, has proven management and well established and well positioned businesses that should enable us to be more resilient in any downturn and prosper in more positive markets.

Michael Gibbins
Chairman
15 January 2009

Avesco Group plc **Chief Executive's Report**

Overall Comment

We have built the Avesco Group upon the principle of strong finances and a world-class operational capability. Our investment in quality people, geographic spread and a modern range of rental equipment will differentiate us from our competitors as we continue to develop the Group.

We expect trading conditions to remain difficult for at least the rest of 2009. The global financial crisis and its impact on the real economy have clearly reduced confidence levels, which are already having a negative impact on the element of our business which is more reliant on our customers' discretionary expenditure, principally in the corporate sector. This is to some extent mitigated by new business wins, our exposure to the sports, television and entertainment markets, which remain somewhat more resilient, and by the growing presence of our new operations in China and Dubai.

We have already taken substantive actions and implemented a strategy to manage the Avesco Group successfully through these uncertain times.

Our priorities are:

- To continue to increase our market share and grow our revenue
 - We endeavour to remain highly competitive on pricing and are determined to retain and develop our customer base.
 - We continue to build upon our international business in key territories such as the Far East and the Middle East.
 - We seek opportunities to develop into new markets with partners such as CT Touring.
 - Using the benefits of our global network, we can quote local rates to multi national customers.
 - As some customers scale back their own investment plans, we can offer a viable rental alternative.
 - In comparison to certain of our distressed competitors, we can offer customers the comfort that they will be engaging a financially sound supplier with the resources to see their event through to a successful conclusion.

- Increased cash generation
 - We are managing our cost base tightly and will continue to do so. Selective headcount reductions have been made across the Group in non client-facing positions and discretionary expenditure reduced or eliminated.
 - Following significant investment in our rental stock and operational delivery capability over the last three years, we are able to reduce substantially our level of capital expenditure without compromising our services or product offering.
 - As well as reducing capital expenditure, we will continue to look for opportunities to dispose of older equipment.
 - We are implementing upgrades to our information technology systems which will drive efficiency improvements.
 - We have also placed a renewed focus on the management of our working capital.

In the current environment it is important that we carefully manage our cost base to ensure that we continue to have the financial flexibility to improve the business. We are focused upon maximising cash generation whilst maintaining high customer service.

Review of Year Ended 30 September 2008

These results are the first set to incorporate a full 12 months' figures for the Avesco plc businesses acquired on 17 May 2007. Consequently, the 2007 comparative figures below include the trading results of the major part of what is now the Avesco Group for only 4 ½ months.

Creative Technology ("CT")

This division provides staging services to corporate events, tradeshow, exhibitions, entertainment and special events. CT is the Group's largest business with offices in Los Angeles, Chicago, Las Vegas, San Francisco, London, Stuttgart, Dubai, Hong Kong and Shanghai.

Revenue	£54.0m (2007: £17.1m)
Trading profit/loss	£0.6m (2007: loss of £0.1m)
Operating profit	£0.5m (2007: £0.4m)

CT performed well during the year driven by a strong performance from CTUS. The overall result was achieved despite a disappointing year from CT Germany and the costs of establishing CT in China and the Middle East.

The second half of the year benefited from the Beijing Olympics where CT worked for the organising committee in the award winning opening ceremony and also supported various customers in the corporate-sponsored pavilions around the main stadium.

CT proved itself again to be a world-class business in an increasingly competitive market. CT now has bases in each of the major markets of North America, Europe, the Middle East and the Far East and is ideally placed to support its international clients at high profile events across these regions.

Full Service

This division supplies audio visual and presentation services and comprises Media Control ("MCL") in the UK; Action in France and Spain; and JVR Audiovisual in the Netherlands.

Revenue	£20.6m (2007: £7.3m)
Trading loss	Loss of £0.8m (2007: £nil)
Operating loss	Loss of £0.9m (2007: £nil)

MCL, with offices across the UK, has now developed into a strong national player. It has successfully consolidated its position as a preferred supplier to a number of major UK corporations and venues. The increasing importance of Barcelona as a conference destination has led to Action extending its operations with a first office in Spain. JVR consolidated its position in the Dutch market and took a number of measures to improve its efficiency and performance for the coming year.

This division has greater exposure to the discretionary spend of corporations and thus its performance has suffered accordingly. Management is now focused on delivering a profit in the current financial year.

Broadcast Services

This division comprises Presteigne Charter and Fountain Studios of which Presteigne Charter is larger and faster growing.

Revenue	£20.2m (2007: £8.8m)
Trading profit	£1.7m (2007: £1.2m)
Operating profit	£7.5m (2007: £2.1m)

Presteigne Charter has developed from a narrow UK based dry hire business into a global projects and systems based broadcast services group. A key element in this development has been the acquisition during the year of the Charter Broadcast business, which includes offices in Australia and Singapore. The integration of Charter Broadcast will give rise to substantial cost savings and opportunities and the acquisition, as expected, was earnings enhancing in the period.

A highly profitable year for Presteigne Charter benefited from strong demand from both the European Football Championships and the Beijing Olympic Games. At the Olympics, Presteigne Charter provided services to eight different television broadcasting companies, enhancing its reputation as a leading facilitator of high profile live television events around the world.

Fountain Studios saw a lower utilisation of its facilities compared to the prior year. Although studio productions again included *The X Factor* and *Britain's Got Talent*, Fountain had a quieter summer as the broadcasters concentrated on the major sports events around the world. A small loss was disappointing although an improved outcome is expected for the coming year.

Outlook

The Avesco Group has the strength to withstand the current head winds we all face and we remain very optimistic about the long-term prospects of the Group. The coming year will undoubtedly see some tough trading conditions but we are confident and committed not just to getting through this period of uncertainty but emerging from it in good shape.

Ian Martin
Chief Executive
15 January 2009

Avesco Group plc
Consolidated Income Statement
For the year ended 30 September 2008

	Note	Year ended 30 September	
		2008 (unaudited) £000s	2007 (unaudited) £000s
Continuing operations			
Revenue	1	94,815	33,176
Cost of sales		(61,077)	(19,554)
Gross profit		33,738	13,622
Operating expenses		(33,525)	(13,083)
Loss on disposal of investment		-	(574)
Other income		7,200	1,433
Other gains		-	153
Operating profit		7,413	1,551
Finance income		585	829
Finance costs		(1,515)	(627)
Share of loss of associates		-	(554)
Impairment of associate		-	(1,057)
Profit before income tax		6,483	142
Income tax credit/(expense)	3	178	(632)
Profit/(loss) from continuing operations		6,661	(490)
Discontinued operations			
(Loss)/profit from discontinued operations	4	(1,250)	31,731
Profit for the financial year		5,411	31,241
		Pence per share	Pence per share
Earnings per share for profit attributable to the equity holders of the company			
- basic	5	21.6p	157.4p
- diluted	5	21.6p	152.0p
Earnings/(losses) per share for profit/(losses) from continuing operations attributable to the equity holders of the company			
- basic	5	26.6p	(2.5)p
- diluted	5	26.6p	(2.5)p

All amounts are attributable to equity holders of the Company.

Avesco Group plc
Alternative Performance Measures (non-GAAP)
For the year ended 30 September 2008

Alternative Performance Measures (non-GAAP)	Year ended 30 September	
	2008 (unaudited) £000s	2007 (unaudited) £000s
Operating profit	7,413	1,551
Adjusted to exclude:		
Amortisation of acquired intangible assets (IFRS 3)	660	26
Loss on disposal of investment	-	574
Restructuring costs	976	-
Release of property lease and dilapidation provision	(280)	-
Excess of the acquirer's interest in the fair value of acquiree's identifiable net assets released to the income statement	(7,200)	(1,433)
Fair value gain on investment in 2waytraffic N.V. under IAS 39	-	(153)
Trading profit	1,569	565
Net finance (costs)/income	(930)	202
Income tax credit/(expense)	178	(632)
Trading profit after net finance (costs)/income and income tax credit/(expense)	817	135
	Pence per share	Pence per share
Adjusted earnings per share (note 5)		
- basic	3.3p	0.7p
- diluted	3.3p	0.7p

Refer to note 10 for a full description of the alternative performance measures adopted by the Group.

Avesco Group plc
Consolidated Statement of Recognised Income and Expense
For the year ended 30 September 2008

	Year ended 30 September	
	2008	2007
	(unaudited)	(unaudited)
	£000s	£000s
Currency translation differences	390	(11)
Cash flow hedges	164	-
Deferred tax liability on cash flow hedges	(41)	-
Total income/(expense) recognised directly in equity	513	(11)
Profit for the year	5,411	31,241
Total recognised income for the year	5,924	31,230

All amounts are attributable to equity holders of the Company.

Avesco Group plc
Consolidated balance sheet
As at 30 September 2008

	Year ended 30 September	
	2008 (unaudited) £000s	2007 (unaudited) £000s
Assets		
Non-current assets		
Property, plant and equipment	64,362	44,190
Intangible assets	1,998	1,668
Deferred income tax assets	3,442	2,079
Trade and other receivables	148	4,972
	69,950	52,909
Current assets		
Inventories	1,288	1,440
Trade and other receivables	26,465	20,582
Derivative financial instruments	146	-
Cash and cash equivalents	4,845	8,651
	32,744	30,673
Total assets	102,694	83,582
Liabilities		
Non-current liabilities		
Borrowings and loans	18,838	9,391
Deferred income tax liabilities	1,609	1,429
Provisions for other liabilities and charges	294	381
	20,741	11,201
Current liabilities		
Trade and other payables	22,716	14,648
Current income tax liabilities	159	501
Borrowings and loans	5,853	7,545
Provisions for other liabilities and charges	194	-
	28,922	22,694
Total liabilities	49,663	33,895
Total assets less total liabilities	53,031	49,687
Equity		
Capital and reserves attributable to equity holders of the company		
Ordinary shares	2,599	2,599
Share premium	23,286	23,286
Other reserves	502	(11)
Retained earnings	26,644	23,813
Total equity	53,031	49,687

Avesco Group plc
Consolidated cash flow statement
For the year ended 30 September 2008

	Year ended 30 September	
	2008	2007
	(unaudited)	(unaudited)
	£000s	£000s
Cash flows from operating activities		
Cash generated/(used) from operations	13,800	2,895
Net interest	(1,008)	(8)
Income tax paid	(430)	(99)
Net cash generated from operating activities	12,362	2,788
Cash flows from investing activities		
Acquisition of subsidiaries (net of cash acquired)	(1,765)	(6,664)
Purchases of property, plant and equipment	(24,507)	(12,093)
Proceeds from sale of property, plant and equipment	714	2,433
Proceeds from sale of investments	6,013	-
Discontinued operations	-	24,572
Net cash (used)/generated in investing activities	(19,545)	8,248
Cash flows from financing activities		
Purchase of treasury shares	(1,011)	-
Proceeds from borrowings	17,949	5,381
Repayments of external borrowings	(10,802)	(7,758)
Dividends paid to company's shareholders	(1,524)	(568)
Net cash generated/(used) in financing activities	4,612	(2,945)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(2,571)	8,091
Cash, cash equivalents and bank overdrafts at beginning of year	8,476	322
Exchange (losses)/gains on cash and bank overdrafts	(1,201)	63
Cash, cash equivalents and bank overdrafts at end of year	4,704	8,476
Bank overdrafts	141	175
Cash, cash equivalents at end of year	4,845	8,651

Avesco Group plc
Notes to the preliminary announcement
For the year ended 30 September 2008

1. Segmental information

a) *Primary reporting format – business segments*

As at 30 September 2008, the Group's continuing business is classified by management into four main segments. These correspond to three operating segments (Creative Technology, Full Service and Broadcast Services) which together provide the Group's principal activity of services to the corporate presentation, entertainment and broadcast markets. In addition, the Group recognises a further segment, Head Office, which provides administrative support to the rest of the Group.

The segmental results for the year ended 30 September 2008 are as follows:

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Group £000s
Total segment revenue	54,616	20,927	20,607	-	96,150
Inter segment revenue	(570)	(311)	(454)	-	(1,335)
Revenue	54,046	20,616	20,153	-	94,815
Trading profit/(loss)	633	(788)	1,666	58	1,569
Amortisation of acquired intangible assets (IFRS 3)	(26)	-	(634)	-	(660)
Restructuring costs	(121)	(76)	(744)	(35)	(976)
Release of property lease and dilapidation provision	-	-	-	280	280
Excess of the acquirer's interest in the fair value of acquiree's identifiable net assets released to the income statement	-	-	7,200	-	7,200
Operating profit/(loss)	486	(864)	7,488	303	7,413
Net finance costs					(930)
Profit before income tax					6,483
Income tax credit					178
Profit from continuing operations					6,661
Loss from discontinued operations					(1,250)
Profit for the financial year					5,411

The segmental results for the year ended 30 September 2007 are as follows:

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Group £000s
Total segment revenue	17,359	7,528	8,993	-	33,880
Inter segment revenue	(307)	(201)	(196)	-	(704)
Revenue	17,052	7,327	8,797	-	33,176
Trading profit/(loss)	(128)	38	1,198	(543)	565
Amortisation of acquired intangibles	(9)	-	(17)	-	(26)
Loss on disposal of investment	-	-	-	(574)	(574)
Excess of the acquirer's interest in the fair value of acquiree's identifiable net assets released to the income statement	516	-	917	-	1,433
Fair value gain on investment in 2waytraffic N.V. under IAS 39	-	-	-	153	153
Operating profit/(loss)	379	38	2,098	(964)	1,551
Net finance income					202
Share of loss of associates					(554)
Impairment of associate					(1,057)
Profit before income tax					142
Income tax expense					(632)
Loss from continuing operations					(490)
Profit from discontinued operations					31,731
Profit for the financial year					31,241

Other segment items included in the income statement are as follows:

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Group £000s
Year ended 30 September 2008					
Depreciation	9,383	2,395	4,315	8	16,101
Amortisation	127	35	665	53	880
Year ended 30 September 2007					
Depreciation	2,840	782	1,203	16	4,841
Amortisation	40	4	21	9	74

Inter-segment transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.

The segmental assets and liabilities at 30 September 2008 and capital expenditure for the year then ended are shown below.

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Unallocated £000s	Group £000s
Total assets	39,225	10,329	41,990	7,708	3,442	102,694
Total liabilities	20,005	4,700	8,766	14,424	1,768	49,663
Capital expenditure	13,981	2,428	8,071	27	-	24,507

Segment assets and liabilities are reconciled to entity assets and liabilities as follows:

	Assets £000s	Liabilities £000s
Segment assets/liabilities	99,252	47,895
Unallocated:		
Deferred tax	3,442	1,609
Income tax	-	159
Total	102,694	49,663

The segmental assets and liabilities at 30 September 2007 and capital expenditure for the year then ended are shown below.

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Unallocated £000s	Group £000s
Total assets	28,127	10,044	22,834	20,498	2,079	83,582
Total liabilities	16,200	4,620	6,009	5,136	1,930	33,895
Capital expenditure	6,805	1,429	3,852	7	-	12,093

Segment assets and liabilities are reconciled to entity assets and liabilities as follows:

	Assets £000s	Liabilities £000s
Segment assets/liabilities	81,503	31,965
Unallocated:		
Deferred tax	2,079	1,429
Income tax	-	501
Total	83,582	33,895

b) *Secondary reporting format – geographical segments*

The Group's main business segments operate in four main geographical areas.

Revenue	2008 £000s	2007 £000s
United Kingdom	38,207	17,255
Mainland Europe	22,206	7,717
United States of America	28,033	7,787
Rest of the World	6,369	417
	94,815	33,176

Revenue is allocated based on the country in which the customer is located.

Total assets	2008 £000s	2007 £000s
United Kingdom	61,587	57,907
Mainland Europe	15,947	10,902
United States of America	16,538	12,436
Rest of the World	5,180	258
	99,252	81,503
Unallocated assets	3,442	2,079
	102,694	83,582

Total assets are allocated based on where the assets are owned.

	2008	2007
	£000s	£000s
Capital expenditure		
United Kingdom	10,231	6,771
Mainland Europe	5,057	2,266
United States of America	6,168	3,054
Rest of the World	3,051	2
	24,507	12,093

Capital expenditure is allocated based on where the assets are located.

2. Earnings before interest, taxation, depreciation and amortisation ('EBITDA')

	2008	2007
	£000s	£000s
Trading profit	1,569	565
Depreciation	16,101	4,841
Amortisation of software	220	48
EBITDA on trading operations	17,890	5,454

3. Income tax (credit)/expense

	2008	2007
	£000s	£000s
Current tax	85	347
Deferred tax:		
Origination and reversal of temporary differences	(263)	285
	(178)	632

4. Discontinued operations

The (loss)/profit from discontinued operations relates to trading and disposal of Complete as follows:

	2008	2007
	£000s	£000s
Share of associates' trading operating profit and interest	-	539
Share of associates' provision for litigation claims (i)	-	(810)
Share of associates' profit on disposal of investments (ii)	-	597
(Loss)/gain on disposal of associate (iii)	(1,250)	31,405
	(1,250)	31,731

- i) Share of associates' provision for litigation claims is in respect of Complete where provision has been made for outstanding litigation claims both by and against Complete. The tax effect of this item is £nil.
- ii) Share of associates' profit on disposal of investments is in respect of the profit made by Complete when it sold some of its own subsidiaries just prior to its own sale to 2waytraffic N.V. The tax effect of this item is £nil.
- iii) (Loss)/gain on disposal of associate is in respect of the profit made on the sale of the Group's 49% holding in Complete to 2waytraffic N.V. The tax effect of this item is £nil.

5. Earnings per share

	2008 £000s	2007 £000s
Profit for the period	5,411	31,241
Loss/(profit) from discontinued operations	1,250	(31,731)
Profit/(loss) from continuing operations	6,661	(490)
Amortisation of acquired intangible assets (IFRS 3)	660	26
Loss on disposal of investment	-	574
Restructuring costs	976	-
Release of property lease and dilapidation provision	(280)	-
Excess of the acquirer's interest in the fair value of acquiree's identifiable net assets	(7,200)	(1,433)
Fair value gain on investment in 2waytraffic N.V. under IAS 39	-	(153)
Share of loss of associates	-	554
Impairment of associate	-	1,057
Trading profit after net finance (costs)/income and income tax credit/(expense)	817	135
(Loss)/profit from discontinued operations	(1,250)	31,731
Weighted average number of shares (net of treasury shares)		
For basic earnings per share (000's)	25,052	19,853
Effect of dilutive share options (000's)	-	706
For diluted earnings per share (000's)	25,052	20,559
Earnings/(losses) per share		
Basic	21.6p	157.4p
Diluted	21.6p	152.0p
Continuing operations basic	26.6p	(2.5)p
Continuing operations diluted	26.6p	(2.5)p
Adjusted basic	3.3p	0.7p
Adjusted diluted	3.3p	0.7p
Discontinuing operations basic	(5.0)p	159.9p
Discontinuing operations diluted	(5.0)p	154.4p

Basic earnings per share have been calculated by dividing profit for the period by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share have been calculated by dividing profit for the period by the weighted average number of ordinary shares in issue during the period adjusted to assume conversion of all dilutive potential options. Losses are not subject to dilution. There is no dilution in the year ended 30 September 2008 as the share price was less than the option price at year end.

Adjusted, basic and diluted earnings per share have been calculated as per note 10.

6. Dividends

During the year ended September 2008 the Group paid a final dividend of £876,000 (3.5p per share) and an interim dividend of £648,000 (2.5p per share). Both these payments related to the year ended 30 September 2007. The final dividend of 3.5p per share proposed in respect of the year ended 30 September 2007 was paid in April 2008. During the year ended September 2007 the Group paid a final dividend of £568,000 (3.5p per share) relating to the year ended 30 September 2006.

An interim dividend for the year ended 30 September 2008 of 2.5p per share was paid on 1 October 2008 to shareholders on the register at the close of business on 12 September 2008. The financial statements do not reflect this dividend payable.

A final dividend for the year ended 30 September 2008 of 1.0p per share has been proposed and, subject to shareholders' approval, will be paid on 6 April 2009 to shareholders on the register at close of business on 6 March 2009. The financial statements do not reflect this dividend payable.

7. Analysis of net debt

Group	At 1 October 2007 £000s	Cash flow £000s	Acquisition £000s	Other non cash changes £000s	Currency translation differences £000s	At 30 September 2008 £000s
Cash at bank and in hand	8,651	(3,278)	650	-	(1,178)	4,845
Bank overdrafts	(175)	57	-	-	(23)	(141)
Net cash	8,476	(3,221)	650	-	(1,201)	4,704
Bank loans due in less than one year	(1,074)	-	-	1,074	-	-
Bank loans due in more than one year	(3,324)	(9,229)	-	(1,074)	(598)	(14,225)
Hire purchase obligations due in less than one year	(6,423)	5,427	(3)	(4,697)	(16)	(5,712)
Hire purchase obligations due in more than one year	(5,940)	(3,345)	(12)	4,697	(13)	(4,613)
Net debt	(8,285)	(10,368)	635	-	(1,828)	(19,846)

8. Acquisition of Charter Broadcast

On 14 April 2008 the Group acquired 100% of the share capital of the Charter Broadcast group of companies. The acquisition was satisfied by a total cash consideration of £2,115,000. This purchase has been accounted for as an acquisition.

9. Status of preliminary announcement

The preliminary results for the year to 30 September 2008 are unaudited. The financial information set out in the announcement does not constitute the Group's statutory accounts for the year ended 30 September 2008.

The statutory accounts for the year to 30 September 2008 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.

Statutory Accounts for the year ended 30 September 2007 under UK GAAP have been delivered to the Registrar of Companies and the auditors' report on these accounts was unqualified and did not contain a statement under either Section 237(2) or (3) of the Companies Act 1985.

10. Basis of preparation

The preliminary results for the year ended 30 September 2008 have been prepared in accordance with the accounting policies set out in the interim report and accounts for the six months ended 31 March 2008.

For the purposes of this preliminary announcement and the annual report and accounts, the Group uses alternative non-Generally Accepted Accounting Practice ("non-GAAP") financial measures which are not defined within IFRS. The Directors use these measures in order to assess the underlying operational performance of the Group and as such, these measures are important and should be considered alongside the IFRS measures. The following non-GAAP measures are referred to in the preliminary announcement:

Trading profit/loss

'Trading profit/loss' is separately disclosed, being defined as operating profit adjusted to exclude amortisation of acquired intangible assets, the loss on disposal of investments, restructuring costs, the release of property lease and dilapidation provisions, excess of the acquirer's interest in the fair value of acquiree's identifiable net assets and the fair value gain on investments under IAS 39. The Directors believe that adjusted operating profit/loss is an important measure of the underlying performance of the Group.

Adjusted earnings per share

'Adjusted earnings per share' is calculated by dividing the profit for the period excluding the amortisation of acquired intangible assets, the loss on disposal of investments, restructuring costs, the release of property lease and dilapidation provisions, the excess of acquirer's interest in the fair value of acquiree's identifiable net assets, the fair value gain on investments under IAS 39, the share of loss of associates, the impairment of associates and the profit from discontinued operations and all related taxation effects. The Directors believe that adjusted earnings per share provides an important measure of the underlying earnings capacity of the Group.

11. Annual general meeting

The Annual General Meeting of the Company will be held at 10.00am on 5 March 2009 at Unit E2, Sussex Manor Business Park, Gatwick Road, Crawley, West Sussex, RH10 9NH.

12. Annual report and accounts

Copies of the full Statutory Accounts will be dispatched to shareholders in due course. Copies will also be available on the Company's website (www.avesco.com) and from the registered office of the Company: Unit E2, Sussex Manor Business Park, Gatwick Road, Crawley, West Sussex, RH10 9NH.