

28 June 2007

AVESCO GROUP plc

INTERIM RESULTS

Avesco Group plc, the international provider of services to the corporate presentation, entertainment and broadcast markets, announces its interim results for the half year ended 31 March 2007.

KEY HIGHLIGHTS

- Complete Communications, owner of "Who Wants to be a Millionaire?" sold in December 2006, producing profit to the Group of approximately £31m
- Nil premium merger with Avesco plc completed on 17 May 2007 and name changed from InvestinMedia plc to Avesco Group plc
- Operating profit (InvestinMedia) of £0.5m (2006: loss £0.1m) - 6 months to 31 March 2007
- Pre-tax profit (InvestinMedia) of £31.1m (2006: £1.2m) - 6 months to 31 March 2007
- Operating profit of acquired Avesco businesses of £3.8m (2006: £2.6m) - year to 31 March 2007
- Pre-tax profit of acquired Avesco businesses of £2.9m (2006: £0.5m) - year to 31 March 2007
- Interim dividend of 2.5p per share (2006: 2.5p)
- Pro-forma net assets of £47.3m for enlarged Group

Ian Martin, Chief Executive, commented:

"The six months figures, which are the results of the InvestinMedia operation, clearly show the significant impact of the profit from the disposal of the Millionaire business but are not representative of the Group going forward. For that, the focus should be on the twelve months' figures from the original Avesco business and I am very pleased with the strong growth from those core media services operations with a 46% increase in operating profits.

"Our strategy is clear and straightforward. We are going to build a media services group that is recognised for the quality of its people, services and financial return to shareholders. The creation of the enlarged Avesco Group, bringing in the Fountain Studios business and significantly strengthening the balance sheet, is a substantial step forward to achieving our goal.

"In the near term, the general economic outlook for the remainder of this year appears supportive for the Group. We have one or two key months to come but remain confident."

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CHAIRMAN'S STATEMENT

I am pleased to present my first report to shareholders as chairman of Avesco Group plc. The six months ended 31 March 2007 have been a most exciting period for the Company and, I believe, pave the way for the future development and expansion of the group.

In December 2006, we completed the sale of our interest in Complete Communications Corporation Limited ("Complete"), owner of the rights to the quiz format "Who Wants To Be A Millionaire?", producing a profit on our investment of approximately £31m. At the end of March 2007, we announced the terms of a nil premium merger with Avesco plc, the acquisition of which was completed on 17 May 2007. On the same date, the name of the Company was changed from InvestinMedia plc to Avesco Group plc.

Avesco plc is one of the leading international suppliers to the corporate presentation, entertainment and broadcast markets through its audio visual and broadcast services operations. Together with Fountain Studios, which we acquired in September 2006, the enlarged group is now a media services business employing some 580 people and operating principally in the UK, mainland Europe and North America.

RESULTS

The unaudited interim results for the six months ended 31 March 2007 include the results for the whole of the period of Fountain Studios and our 20.74% share of Medal Entertainment & Media plc ("MEM"). In addition, our 49% share of the results of Complete are included for the period between 1 October 2006 and its disposal on 20 December 2006, together with the gain on that disposal. As MEM has at the date of this report yet to announce its own results for the period, the financial information relating to MEM, which is incorporated in this report, is based on the latest unaudited management information provided to us by MEM.

During the six months to 31 March 2007, group turnover rose to £3.1m (2006: £0.1m) and group operating profit to £0.5m (2006: loss £0.1m), mainly due to the inclusion of Fountain Studios.

The group's share of Complete and MEM combined to produce an operating profit before exceptional items of £0.3m (2006: £1.3m) but respectively suffered exceptional charges in respect of litigation claims and one-off costs associated with the acquisition and integration of UGD/Britannia Music (the DVD and CD direct marketing business that MEM acquired in October 2006) where the group's share amounted to £1.4m (2006: nil).

The gain on disposal of the Complete business remains in line with our previous estimates at approximately £31m. Your board has received advice that most of this gain should not be chargeable to corporation tax.

In total, the group and share of associates' profits on ordinary activities before taxation was £31.1m (2006: £1.2m) and diluted earnings per share were 181.7p (2006: 5.1p).

Although Avesco plc and its subsidiaries now represent the bulk of the Group's trading businesses, they were not part of the group for the period ended 31 March 2007. We have, therefore, included an unaudited 12 month consolidated profit and loss account of Avesco plc and its subsidiaries on the face of the Group Profit and Loss Account. These numbers show the increasing strength of the Avesco plc companies with operating profit before goodwill and exceptional items of £ 3.8m (2006: £2.6m), representing a 46% increase from the prior year.

Although there has been a dramatic change in the nature and structure of the group since the period end, as a sign of its confidence the Board is maintaining the interim dividend at 2.5 p (2006: 2.5p).

REVIEW OF OPERATIONS

Fountain Studios enjoyed a very successful first six months under the Company's ownership with good utilisation of its facilities.

Of the businesses that were added to the group through the purchase of Avesco plc, Creative Technology (CT) is the largest. It is one of the premier staging companies in the world with operations in North America, UK, Germany and Dubai and with a new office due to open in the coming months in Shanghai. CT was established over 20 years ago and provides the highest quality AV, staging, multimedia and video display services worldwide.

In the full service sector Avesco has three regional businesses that have market leading positions. Of these, JVR offers the broadest range of audiovisual services from its branches in Amsterdam, Hilversum, Rotterdam and Roosendaal. Action has a strong presence on the Cote d'Azur, offering video, IT systems and display services into the corporate events and exhibitions markets from its base in Monaco. From its branches across the UK, MCL provides a full range of services to the corporate market, including conferences and exhibitions together with a thriving equipment hire business.

Presteigne, a leading provider of broadcast equipment and system solutions to the broadcast and entertainment markets sectors in Europe, is one of the fastest growing businesses within Avesco. Presteigne, which has offices in UK, Germany and Holland, has established itself at the forefront of the market for the rental of high definition broadcast television equipment in Europe after a period of significant investment and growth.

MANAGEMENT AND STAFF

On completion of the acquisition of Avesco plc, a number of the directors of that company joined the Avesco Group plc Board. I was appointed non-executive Chairman in place of Richard Murray, who becomes non-executive Deputy Chairman. Ian Martin was appointed as Chief Executive, John Christmas as Finance Director, David Nicholson and Graham Andrews as executive Directors and Laurence Blackall as a non-executive Director. Cameron Maxwell, who was previously Chief Executive, remains as a non-executive Director.

At the same time, Alfred Stirling, who was a non-executive Director, stepped down from the Board. Alfred has had a long association with the Company and I would like to thank him for his valuable advice and input to the Board over many years.

The group has a growing and diverse international workforce. I would like to thank them on behalf of the Board for all their hard work, dedication and enthusiasm, which we recognise as fundamental to the future success of the group.

STRATEGY

The strategy of the Avesco Group remains to build a media services group that is recognised for the quality of its people, its service and its financial return to shareholders.

We believe that the existing Avesco and Fountain Studios businesses, allied to the financial resources of the Company, have combined to produce a financially strong media services group. We shall focus upon the key objectives of improving profit and cash flow. We will manage the operating cash flow to enhance shareholder value by investing further in the growth of our business. A number of new office openings are being progressed and we continue to evaluate acquisition opportunities as they arise.

OUTLOOK

The general economic outlook for the remainder of this year, which includes our quieter summer season, appears supportive for the Group. We have one or two key months to come but remain confident.

The combination of the Avesco and Fountain Studios businesses with the strength of the Company's balance sheet leaves us well placed to drive the development of the group over the next few years.

Michael Gibbins
Chairman
28 June 2007

**Unaudited consolidated profit and loss account
For the six months ended 31 March 2007**

**Avesco plc
Unaudited
consolidated profit
and loss account**

	Six months ended 31 March 2007		Year ended 30 September 2006		Year ended 31 March 2007
	£'000	(restated*) £'000	(restated*) £'000	(restated*) £'000	£'000
Turnover	3,116	100	381		74,611
Cost of sales	(1,142)	-	(90)		(45,960)
Gross Profit	1,974	100	291		28,651
Operating expenses before goodwill amortisation	(1,412)	(249)	(653)		(24,870)
Goodwill amortisation	(24)	-	-		(28)
Total operating expenses	(1,436)	(249)	(653)		(24,898)
Group operating profit / (loss)	538	(149)	(362)		3,753
Share of associates' operating profit before exceptional items	293	1,308	1,924		-
Share of associates' operating exceptional items	(1,430)	-	-		-
Share of associates' operating (loss) / profit	(1,137)	1,308	1,924		-
Continuing operations	44	288	(540)		3,753
Discontinued operations	(643)	871	2,102		-
Group and share of associates' operating (loss) / profit	(599)	1,159	1,562		3,753
Share of associates' non-operating exceptional items	597	-	-		-
Gain on disposal of associate	30,858	-	-		-
Group and share of associates' profit on ordinary activities before interest and taxation	30,856	1,159	1,562		3,753
Group interest receivable / (payable)	237	47	53		(835)
Share of associates' net interest	20	10	67		-
Net interest receivable / (payable) and similar items	257	57	120		(835)
Profit on ordinary activities before taxation	31,113	1,216	1,682		2,918
Taxation on profit on ordinary activities	(310)	(361)	(844)		
Profit for the period	30,803	855	838		
Earnings per share					
Basic	189.9p	5.3p	5.2p		
Diluted	181.7p	5.1p	5.0p		

* The periods ended 31 March 2006 and 30 September 2006 have been restated following the adoption of FRS20 "Share-based payment" (see Note 2 for further details).

**Unaudited consolidated statement of total recognised gains and losses
For the six months ended 31 March 2007**

	Six months ended 31 March 2007	Six months ended 31 March 2006 (restated)	Year ended 30 September 2006 (restated)
	£'000	£'000	£'000
Profit for the period	30,803	855	838
Total recognised gains and losses relating to the period	30,803	855	838
Prior year adjustment (see Note 2)	(339)		
Total recognised gains and losses since last annual report	30,464		

Unaudited consolidated balance sheet As at 31 March 2007

	31 March 2007	31 March 2006 (restated*)	30 September 2006 (restated*)
	£'000	£'000	£'000
Intangible assets	454	-	-
Tangible assets	6,797	-	7,232
Investment in associates	1,076	6,131	5,174
Other investments	1,872	-	-
Fixed assets	10,199	6,131	13,121
Stocks	60	-	62
Debtors: amounts falling due within one year	1,873	-	488
Debtors: amounts falling due after more than one year	9,490	15	133
Cash	17,798	2,192	322
Current assets	29,221	2,207	1,005
Creditors: amounts falling due within one year	(1,968)	(765)	(6,939)
Net current assets / (liabilities)	27,253	1,442	(5,934)
Net assets	37,452	7,573	7,187
Share capital	1,632	1,632	1,632
Treasury shares	(91)	(91)	(91)
Share premium	12,489	12,489	12,489
Profit and loss account	23,422	(6,457)	(6,843)
Equity shareholders' funds	37,452	7,573	7,187

* The balance sheets at 31 March 2006 and 30 September 2006 have been restated following the adoption of FRS20 "Share-based payment" (see Note 2 for further details).

Unaudited reconciliation of movements in equity shareholders' funds For the six months ended 31 March 2007

	Six months ended 31 March 2007	Six months ended 31 March 2006 (restated)	Year ended 30 September 2006 (restated)
	£'000	£'000	£'000
Profit for the period	30,803	855	838
Dividends*	(568)	(568)	(973)
Retained profit for the period	30,235	287	(135)
Share options	30	37	73
Net change in equity shareholders' funds	30,265	324	(62)
Opening equity shareholders' funds as previously reported	7,336	6,706	6,706
Restatement – FRS20**	(149)	(25)	(25)
Restatement – FRS21***	-	568	568
Opening equity shareholders' funds	7,187	7,249	7,249
Closing equity shareholders' funds	37,452	7,573	7,187

* The prior year disclosure of dividends has been amended to reflect accounting for distributions to equity holders directly within equity in accordance with FRS 25. This amendment has nil impact on the opening or closing position of the company.

** The periods ended 31 March 2006 and 30 September 2006 have been restated following the adoption of FRS20 "Share-based payment" (see Note 2 for further details).

*** The periods ended 31 March 2006 and 30 September 2006 have been restated in accordance with FRS21 "Events after the balance sheet date" where interim dividends are recognised when paid and final dividends are recognised on approval at the Annual General Meeting.

**Unaudited consolidated cash flow statement
For the six months ended 31 March 2007**

	Six months ended 31 March 2007 £'000	Six months ended 31 March 2006 £'000	Year ended 30 September 2006 £'000
Group operating profit / (loss)	538	(33)	(165)
Depreciation, amortisation and impairment	78	-	8
Change in working capital	(734)	60	436
Net cash (outflow) / inflow from operating activities	(118)	27	279
Dividends from associates	-	-	880
Returns on investments and servicing of finance	142	42	53
Taxation	-	-	-
Net cash inflow before capital expenditure	24	69	1,212
Purchase of tangible assets	(97)	-	(55)
Net cash outflow for capital expenditure	(97)	-	(55)
Purchase of trades and businesses	-	-	(7,053)
Investment in associate	-	-	(435)
Disposal of investments	23,049	-	-
Net cash inflow / (outflow) from acquisitions and disposals	23,049	-	(7,488)
Equity dividends paid	-	(2)	(972)
Net cash inflow / (outflow) before use of liquid resources and financing	22,976	67	(7,303)
Change in bank term deposits	-	50	1,050
Change in bank loans	(5,500)	-	5,500
Change in cash	17,476	117	(753)
Closing net funds / (debt)	17,798	2,192	(5,178)

Notes to interim report and accounts

1 Status of interim report and accounts

The interim report and accounts are unaudited but have been reviewed by the auditors and their independent review report is set out on page 10. The interim report and accounts, which were approved by the Board of Directors on 28 June 2007, are not full accounts within the meaning of section 240 of the Companies Act 1985.

The figures for the year ended 30 September 2006, except for the effect of the restatement required on the adoption of FRS 20 (see Note 2 below), have been extracted from the audited annual report and accounts that have been filed with the Registrar of Companies. The audit report on that annual report and accounts was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

2 Accounting policies

The interim report and accounts have been prepared using the accounting policies to be applied in the annual report and accounts for the year ending 30 September 2007. These are consistent with those included in the annual report and accounts for the year ended 30 September 2006 with the exception of FRS20 "Share-based payment" which was adopted in the period. The adoption of FRS20 has resulted in the numbers for the periods ended 31 March 2006 and 30 September 2006 being restated to recognise additional charges to the profit and loss account of £115,262 and £197,121 respectively in respect of outstanding share options. The creditors due within one year line of the balance sheets at 31 March 2006 and 30 September 2006 have also been restated for the cumulative accrual for the National Insurance element of these options of £103,562 and £148,648 respectively.

3 Exceptional items

	Six months ended 31 March 2007 £'000	Six months ended 31 March 2006 £'000	Year ended 30 September 2006 £'000
Share of associates' restructuring costs	(732)	-	-
Share of associates' provision for litigation claims	(698)	-	-
Operating exceptional items	(1,430)	-	-
Share of associates profit on disposal of investments	597	-	-
Gain on disposal of associate	30,858	-	-
Non-operating exceptional items	31,455	-	-

4 Gain on disposal of associate

As previously announced, the investment in Complete Communications Corporation Ltd ("Complete") was sold on 20 December 2006 to 2 Way Traffic N.V. The proceeds were 1,534,162 ordinary shares of €0.01 each in 2 Way Traffic N.V. issued at a total subscription price of £1.9 million, £9.9 million held in a retention account that is subject to warranty and indemnity claims, £20.9 million in cash (net of expenses) and a balance due from 2 Way Traffic N.V. based on the final net assets of Complete. Additional consideration may also be receivable depending on the outcome of certain litigation in the United States. A gain on disposal of £30.9 million has been recognised in the results to 31 March 2007 but is subject to change pending any future adjustments in respect of the final net asset value of Complete, the final amount due from the retention account and the results of litigation in progress. The pre disposal trading of Complete has been disclosed within discontinued operations in the consolidated profit and loss account.

5 Earnings per share

	Six months ended 31 March 2007 £'000	Six months ended 31 March 2006 (restated*) £'000	Year ended 30 September 2006 (restated*) £'000
Earnings			
Profit for the period	30,803	855	838
Weighted average number of shares			
For basic earnings per share (000's)	16,223,797	16,223,797	16,223,797
Effect of dilutive share options (000's)	732,853	612,852	654,226
For diluted earnings per share (000's)	16,956,650	16,836,649	16,878,023
Earnings per share			
Basic	189.9p	5.3p	5.2p
Diluted	181.7p	5.1p	5.0p

* The periods ended 31 March 2006 and 30 September 2006 have been restated following the adoption of FRS20 "Share-based payment" (see Note 2 for further details).

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

Diluted earnings per share have been calculated by dividing profit after taxation by the weighted average number of ordinary shares in issue during the period adjusted to assume conversion of all dilutive potential ordinary shares.

6 Interim dividend

An interim dividend of 2.5p per share will be paid on 1 October 2007 to shareholders on the register on 14 September 2007. At 31 March 2007, the interim dividend had not been paid and is therefore not recognised in the results for the period to 31 March 2007.

7 Acquisition of Fountain Television Limited

As reported in the annual report and accounts for the year ended 30 September 2006, Fountain Television Limited was acquired on 6 September 2006. The fair value of the assets acquired has been reassessed which has had the effect of reducing the value of these assets and the creation of goodwill. The fair value exercise is due to complete by 30 September 2007 with further adjustments to the asset and goodwill values possible. The final fair values will be presented in the annual report and accounts for the year ended 30 September 2007.

8 Post balance sheet events

As previously announced, the nil-premium merger of InvestinMedia plc and Avesco plc completed on 17 May 2007. As a consequence of the completion of the acquisition, the name of the Company was changed to "Avesco Group plc". The acquisition was satisfied by the issue of 9,669,602 new Avesco Group ordinary shares of 10p each and a total cash consideration of £7,289,619. The Company now has 25,985,899 shares in issue of which 92,500 are held in treasury.

9 Distribution of interim report and accounts

Copies of this interim report and accounts are being sent to all shareholders and additional copies are available either from the Company's web site (www.avesco.com) or from the Company's registered office: Avesco Group plc, Unit E2, Sussex Manor Business Park, Gatwick Road, Crawley, West Sussex, RH10 9NH. Telephone: +44 (0) 1293 583 400. Fax: +44 (0) 1293 583 410. E-mail: mail@avesco.co.uk

Independent review report to Avesco Group Plc

Introduction

We have been instructed by the company to review the financial information solely in respect of the company for the six months ended 31 March 2007 which comprises the consolidated profit and loss account, consolidated statement of total recognised gains and losses, consolidated balance sheet, the reconciliation of movements in equity shareholders' funds, consolidated cash flow statement and the related notes. We have not reviewed the unaudited consolidated profit and loss account for the year ended 31 March 2007 of Avesco plc. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules for Companies. The accounting policies are consistent with those that the directors intend to use in the preparation of the next annual financial statements.

The maintenance and integrity of the Avesco Group plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 March 2007.

PricewaterhouseCoopers LLP

Chartered Accountants
Gatwick
28 June 2007