

EMBARGOED UNTIL 7.00am, 16 June 2011

AVESCO GROUP plc

INTERIM RESULTS FOR THE PERIOD ENDED 31 MARCH 2011

Avesco Group plc, the international provider of services to the corporate presentation, entertainment and broadcast markets, announces its results for the three months ended 31 March 2011.

KEY HIGHLIGHTS

Six months to 31 March 2011

- Revenue up 13% to £62.0m (six months ended 31 March 2010: £54.8m)
- EBITDA up 12% to £9.2m (six months ended 31 March 2010: £8.3m)*
- Trading profit of £0.3m (six months ended 31 March 2010: loss of £1.1m)*
- Operating profit of less than £0.1m (six months ended 31 March 2010: loss of £1.7m)
- Loss after tax of £0.7m (six months ended 31 March 2010: loss of £1.6m)

Three months to 31 March 2011

- Revenue up 2% to £31.5m (three months ended 31 March 2010: £31.0m)
- EBITDA down 4% to £4.7m (three months ended 31 March 2010: £4.9m)*
- Trading profit of £0.3m (three months ended 31 March 2010: £0.3m)*

* As described in note 3, the Group uses certain non-GAAP alternative measures to assess underlying operating performance.

Ian Martin, Chief Executive, commented:

I am pleased to report that the Avesco Group continued to make good progress during the six months ended 31 March 2011, with a significant growth in revenues and profitability compared to the first half of 2010. A more positive strategy for the Group is now in place as we have gone from fighting the headwinds to seizing the opportunity. The first six months of this financial year provides strong evidence of the underlying development of the Group.

As we look forward to the remainder of 2011, we are confident that, as we address new challenges and create fresh opportunities, we shall continue to make further progress. Moving closer on the horizon is 2012, a year that continues to hold exceptional promise for the Avesco Group.

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Avesco Group plc

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Chairman's statement

I am pleased to report that the Avesco Group continued to make good progress during the six months ended 31 March 2011, with a significant growth in revenues and profitability compared to the first half of 2010.

A more positive strategy for the Group is now in place as we have gone from fighting the headwinds to seizing the opportunity. While there is still a lot hard work ahead, we are confident that we are positioning Avesco for ongoing improvement, growth and success.

The first six months of this financial year provides strong evidence of the underlying development of the Group. Although we are also reporting the Group's results on a quarterly basis, shareholders should gain a more balanced picture of the Group's performance by viewing our financial performance over the longer period.

Results

In our results for the three months ended 31 December 2010, we reported that the positive trends in the Group were continuing and that a real momentum appeared to be returning to the business.

This upturn in trading is reflected in the results for the six months ended 31 March 2011, when revenues rose 13% to £62.0m (six months ended 31 March 2010: £54.8m) and the Group recorded a trading profit (which excludes amortisation of acquired intangible assets, restructuring costs and non recurring and prior year costs) of £0.3m, showing a significant improvement compared to the prior year (six months ended 31 March 2010: loss of £1.1m).

The results for the second quarter ended 31 March 2011 also reflect those encouraging signs although the improvement is masked by the fact that the comparative quarter in 2010 benefited greatly from the inclusion of the Winter Olympics in Vancouver. Nevertheless, in the three months ended 31 March 2011, revenues were £31.5m, marginally ahead of the comparable period last year (three months ended 31 March 2010: £31.0m) and the trading profit (adjusted as above) was £0.3m, (three months ended 31 March 2010 £0.3m).

EBITDA for the three months ended 31 March 2011 was down 4% on the comparable period last year at £4.7m (three months ended 31 March 2010: £4.9m) but up 12% for the six months ended 31 March 2011 at £9.2m (six months ended March 2010: £8.3m).

After a net investment of £4.2m (three months ended 31 March 2010: £2.8m) in equipment and fixed assets plus working capital outflows of £2.4m (three months ended 31 March 2010: inflows of £0.6m), the net debt rose slightly over the quarter from £16.3m at 31 December 2010, to £18.7m at 31 March 2011, resulting in the Group's gearing (being net debt divided by total equity) increasing to 51% from 44%.

Banking Facility

In anticipation of a busy 2012, we have renegotiated and increased our banking facilities with HSBC, the Group's main bankers. Our loan facility with HSBC has been extended until 2015. Total facilities with HSBC are now £32m and the cost of borrowing has been reduced. These new facilities should provide the Group with the additional capital required to take advantage of the opportunities that lie before us.

US Litigation

The Group has an economic interest in the outcome of litigation brought in the USA by a company in the Complete Communications Corporation Limited (“Complete”) group. In July 2010, the jury reached a unanimous verdict in favour of Complete. If the judgement sum is paid in full, the Group’s share after costs would be approximately \$60m (in the region of £1.40 per Avesco Group ordinary share based on the current issued share capital). The defendants have appealed the Court’s decision and it is anticipated that the appeal process will take around two years. Although the extended timeline of this process is a little frustrating, we are comfortable that the legal argument on which this case will be determined remains favourable to us.

Strategy, Current Trading and Outlook

Our long-term strategy has been to create a balanced international business, building on areas where we can make a difference and provide a better service to our clients. The Group has significant unrealised potential which has been created by developing the trust of our customers through delivering a top class, professional service to them for more than 25 years – we are not complacent - but I believe that this is an asset of considerable value.

We continue to grow and see future opportunities. In recent years, our emphasis has predominantly been on organic growth and start ups, both of which take time to develop as opposed to the more instant results of acquisitions. However, by following a steadier route, we have been able to build the structures in the way that we want, writing off the cost against the profits of the day. We are now entering a period where these operations are starting to contribute to profits. Creative Technology, our largest business, now has a significant and growing operation in mainland Europe. In Asia, we are reaching profitability in a region of enormous growth potential. There are other examples of growth and advancement across the Group, where we have successfully built upon our existing businesses and skills.

The Board is determined and focused not only upon ensuring that this forward development continues but also that it becomes visible and recognised.

The cornerstone of the Avesco Group is the extraordinary skill and dedication of our staff, developed over many years. I am proud of them and grateful for their achievements.

As we look forward to the remainder of 2011, we are confident that, as we address new challenges and create fresh opportunities, we shall continue to make further progress.

Moving closer on the horizon is 2012, a year that continues to hold exceptional promise for the Avesco Group.

Richard Murray
Chairman
16 June 2011

Unaudited consolidated income statement
For the three months ended 31 March 2011

	Three months ended 31 March		Six months ended 31 March		Year ended
	2011	2010	2011	2010	30 September
	£000s	£000s	£000s	£000s	£000s
Revenue	31,493	31,005	62,028	54,777	117,236
Cost of sales	(20,735)	(20,984)	(41,090)	(37,297)	(78,163)
Gross profit	10,758	10,021	20,938	17,480	39,073
Operating expenses	(10,592)	(10,274)	(20,913)	(19,216)	(39,829)
Operating profit/(loss)	166	(253)	25	(1,736)	(756)
Finance income	2	1	3	2	6
Finance costs	(308)	(381)	(650)	(743)	(1,368)
Loss before income tax	(140)	(633)	(622)	(2,477)	(2,118)
Income tax (expense)/credit	(46)	810	(49)	846	1,071
(Loss)/profit for the financial period	(186)	177	(671)	(1,631)	(1,047)
	Pence per share	Pence per share	Pence per share	Pence per share	Pence per share
(Losses)/earnings per share for (losses)/profit attributable to the equity holders of the company					
- basic	(0.7)p	0.7p	(2.7)p	(6.5)p	(4.2)p
- diluted	(0.7)p	0.7p	(2.7)p	(6.5)p	(4.2)p

Unaudited consolidated balance sheet

As at 31 March 2011

	31 March 2011 £000s	31 March 2010 £000s	30 September 2010 £000s
Assets			
Non-current assets			
Property, plant and equipment	53,115	53,733	51,971
Intangible assets	221	506	328
Deferred income tax assets	4,468	4,391	4,470
Trade and other receivables	242	308	277
	58,046	58,938	57,046
Current assets			
Inventories	1,587	1,238	1,385
Trade and other receivables	23,247	23,092	19,355
Current income tax assets	82	67	113
Cash and cash equivalents	6,017	6,218	6,896
	30,933	30,615	27,749
Total assets	88,979	89,553	84,795
Liabilities			
Non-current liabilities			
Borrowings and loans	18,422	17,846	15,342
Deferred income tax liabilities	1,401	1,578	1,398
Provisions for other liabilities and charges	317	514	815
	20,140	19,938	17,555
Current liabilities			
Trade and other payables	25,259	26,345	23,980
Current income tax liabilities	484	433	520
Borrowings and loans	6,267	5,901	5,279
Provisions for other liabilities and charges	498	361	211
	32,508	33,040	29,990
Total liabilities	52,648	52,978	47,545
Total assets less total liabilities	36,331	36,575	37,250
Equity			
Capital and reserves attributable to equity holders of the company			
Ordinary shares	2,599	2,599	2,599
Share premium	23,286	23,286	23,286
Other reserves	124	251	214
Retained earnings	10,322	10,439	11,151
Total equity	36,331	36,575	37,250

Unaudited consolidated statement of changes in equity
For the three months ended 31 March 2011

	Share capital account £000s	Share premium account £000s	Other reserves £000s	Retained earnings £000s	Total £000s
Balance at 1 January 2011	2,599	23,286	52	10,730	36,667
Total comprehensive income/(expense) for the period	-	-	72	(186)	(114)
	2,599	23,286	124	10,544	36,553
Transactions with owners in their capacity as owners:					
External dividends paid	-	-	-	(254)	(254)
LTIP and share options	-	-	-	32	32
Balance at 31 March 2011	2,599	23,286	124	10,322	36,331

	Share capital account £000s	Share premium account £000s	Other reserves £000s	Retained earnings £000s	Total £000s
Balance at 1 October 2010	2,599	23,286	214	11,151	37,250
Total comprehensive expense for the period	-	-	(90)	(671)	(761)
	2,599	23,286	124	10,480	36,489
Transactions with owners in their capacity as owners:					
External dividends paid	-	-	-	(254)	(254)
LTIP and share options	-	-	-	96	96
Balance at 31 March 2011	2,599	23,286	124	10,322	36,331

	Share capital account £000s	Share premium account £000s	Other reserves £000s	Retained earnings £000s	Total £000s
Balance at 1 January 2010	2,599	23,286	509	10,220	36,614
Total comprehensive (expense)/income for the period	-	-	(258)	177	(81)
	2,599	23,286	251	10,397	36,533
Transactions with owners in their capacity as owners:					
LTIP and share options	-	-	-	42	42
Balance at 31 March 2010	2,599	23,286	251	10,439	36,575

Unaudited consolidated statement of changes in equity (continued)
For the three months ended 31 March 2011

	Share capital account £000s	Share premium account £000s	Other reserves £000s	Retained earnings £000s	Total £000s
Balance at 1 October 2009	2,599	23,286	618	12,028	38,531
Total comprehensive expense for the period	-	-	(367)	(1,631)	(1,998)
	2,599	23,286	251	10,397	36,533
Transactions with owners in their capacity as owners:					
LTIP and share options	-	-	-	42	42
Balance at 31 March 2010	2,599	23,286	251	10,439	36,575

	Share capital account £000s	Share premium account £000s	Other reserves £000s	Retained earnings £000s	Total £000s
Balance at 1 October 2009	2,599	23,286	618	12,028	38,531
Total comprehensive expense for the period	-	-	(404)	(1,047)	(1,451)
	2,599	23,286	214	10,981	37,080
Transactions with owners in their capacity as owners:					
LTIP and share options	-	-	-	170	170
Balance at 30 September 2010	2,599	23,286	214	11,151	37,250

Unaudited consolidated cash flow statement
For the three months ended 31 March 2011

	Three months ended 31 March		Six months ended 31 March		Year ended
	2011	2010	2011	2010	30 September
	£000s	£000s	£000s	£000s	2010
	£000s				
Cash flows from operating activities					
Cash generated from operations	2,165	5,381	5,040	8,671	20,050
Net interest paid	(258)	(325)	(626)	(650)	(1,311)
Income tax received/(paid)	17	158	(43)	178	131
Net cash generated from operating activities	1,924	5,214	4,371	8,199	18,870
Cash flows from investing activities					
Purchases of property, plant and equipment	(4,472)	(3,213)	(9,348)	(4,489)	(13,843)
Proceeds from sale of property, plant and equipment	259	390	274	513	2,142
Net cash used in investing activities	(4,213)	(2,823)	(9,074)	(3,976)	(11,701)
Cash flows from financing activities					
Proceeds from borrowings	4,210	2,324	8,482	2,578	3,838
Repayments of borrowings	(1,845)	(1,815)	(4,642)	(4,490)	(8,100)
Net cash generated / (used) in financing activities	2,365	509	3,840	(1,912)	(4,262)
Cash (used)/generated from discontinued operations	(327)	23	(146)	23	257
Net (decrease) / increase in cash, cash equivalents and bank overdrafts	(251)	2,923	(1,009)	2,334	3,164
Cash, cash equivalents and bank overdrafts at beginning of period	5,891	3,335	6,896	3,882	3,882
Exchange gains/(losses) on cash and bank overdrafts	126	(507)	(121)	(465)	(150)
Cash, cash equivalents and bank overdrafts at end of period	5,766	5,751	5,766	5,751	6,896
Bank overdrafts at end of period	251	467	251	467	-
Cash, cash equivalents at end of period	6,017	6,218	6,017	6,218	6,896

Notes to the interim report and accounts

1. General information

Avesco Group plc ('the Company') and its subsidiaries (together 'the Group') is an international media services business. The Group has subsidiaries around the world and sells in the UK, USA, Europe, Asia Pacific and the Middle East.

The Company is a public limited company which is listed on the Alternative Investment Market and is incorporated and domiciled in the UK. The address of its registered office is Unit E2, Sussex Manor Business Park, Gatwick Road, Crawley, West Sussex, RH10 9NH.

The registered number of the Company is 01788363.

2. 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 appended to this document. The interim report and accounts, which were approved by the Board of Directors on 16 June 2011, are not full accounts within the meaning of section 434 of the Companies Act 2006.

The figures for the year ended 30 September 2010 have been extracted from the audited annual report and accounts that have been delivered to the Registrar of Companies. PricewaterhouseCoopers LLP, Avesco Group plc's auditors, reported on those accounts under section 495 of the Companies Act 2006. Their report was unqualified and did not contain a statement under section 498 of that Act.

3. Basis of preparation

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 2011. These are consistent with those included in the previously published annual report and accounts for the year ended 30 September 2010, which have been prepared in accordance with IFRS as adopted by the European Union.

Alternative performance measures

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 these interim report and accounts.

a) *Trading profit/loss*

'Trading profit/loss' is separately disclosed, being defined as operating profit adjusted to exclude amortisation of acquired intangible assets, restructuring costs and other non-recurring and prior year costs. The Directors believe that adjusted operating profit/loss is an important measure of the underlying performance of the Group.

b) *Adjusted earnings per share*

'Adjusted earnings per share' is calculated by dividing the profit for the period excluding the amortisation of acquired intangible assets, restructuring costs and other non-recurring and prior year costs by the weighted average number of ordinary shares in issue during the period. The Directors believe that adjusted earnings per share provides an important measure of the underlying performance of the Group.

c) *EBITDA*

Adjusted earnings before interest, taxation, depreciation and amortisation ('EBITDA') is separately disclosed, being defined as trading profit/loss adjusted to exclude depreciation and amortisation of software. The Directors believe that EBITDA is an important measure of the underlying performance of the Group.

4. Segmental information

	Three months ended 31 March		Six months ended 31 March		Year ended
	2011	2010	2011	2010	30 September
	£000s	£000s	£000s	£000s	2010
	£000s				
Revenue					
Creative Technology	21,553	19,311	40,194	32,596	69,876
Full Service	5,131	4,833	10,822	10,593	22,164
Broadcast	5,917	8,833	12,740	14,115	26,779
Inter Segment revenue	(1,108)	(1,972)	(1,728)	(2,527)	(1,583)
Group revenue	31,493	31,005	62,028	54,777	117,236
Operating profit					
Creative Technology	1,276	944	1,162	(79)	822
Full Service	(322)	(526)	(362)	(822)	(667)
Broadcast	(561)	140	(306)	29	2,116
Head Office	(92)	(267)	(184)	(195)	(992)
Trading profit/(loss)	301	291	310	(1,067)	1,279
Amortisation of acquired intangible assets (IFRS 3)	-	(91)	-	(182)	(244)
Restructuring costs	(156)	(453)	(208)	(487)	(1,316)
Other non-recurring and prior year costs	21	-	(77)	-	(475)
Operating profit/(loss)	166	(253)	25	(1,736)	(756)

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

	Three months ended 31 March		Six months ended 31 March		Year ended
	2011	2010	2011	2010	30 September
	£000s	£000s	£000s	£000s	2010
	£000s				
Trading profit/(loss)	301	291	310	(1,067)	1,279
Depreciation	4,370	4,564	8,796	9,167	18,070
Amortisation of software	71	76	143	151	303
EBITDA on trading operations	4,742	4,931	9,249	8,251	19,652

EBITDA is defined in note 3.

6. Earnings per share

	Three months ended 31 March		Six months ended 31 March		Year ended
	2011	2010	2011	2010	30 September
	£000s	£000s	£000s	£000s	2010 £000s
(Loss)/profit for the period	(186)	177	(671)	(1,631)	(1,047)
Amortisation of acquired intangible assets (IFRS 3)	-	91	-	182	244
Restructuring costs	156	453	208	487	1,316
Other non-recurring and prior year (credits)/costs	(21)	-	77	-	475
Trading (loss)/profit after net finance costs and income tax (expense)/credit	(51)	721	(386)	(962)	988
Weighted average number of shares (net of treasury shares)					
For basic earnings per share (000's)	25,293	25,023	25,156	25,023	25,023
Effect of dilutive share options (000's)	-	-	-	-	-
For diluted earnings per share (000's)	25,293	25,023	25,156	25,023	25,023
(Losses)/earnings per share					
Basic	(0.7)p	0.7p	(2.7)p	(6.5)p	(4.2)p
Diluted	(0.7)p	0.7p	(2.7)p	(6.5)p	(4.2)p
Adjusted basic	(0.2)p	2.9p	(1.5)p	(3.8)p	3.9p
Adjusted diluted	(0.2)p	2.9p	(1.5)p	(3.8)p	3.9p

Basic earnings per share have been calculated by dividing profit/loss 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/loss for the period by the weighted average number of ordinary shares in issue during the period, adjusted for any awards under the Company's Long Term Incentive Plan ("LTIP") where pre-specified performance conditions have been satisfied and any required conversion of dilutive potential options. There is no dilution in the current or prior period as the performance conditions have not yet been satisfied for the outstanding LTIP awards. Losses are not subject to dilution.

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

7. Analysis of net debt

	At 1 January 2011 £000s	Cash flow £000s	Other non cash changes £000s	Currency translation differences £000s	At 31 March 2011 £000s
Cash at bank and in hand	5,891	(15)	-	141	6,017
Bank overdrafts	-	(236)	-	(15)	(251)
Net cash	5,891	(251)	-	126	5,766
Bank loans due in more than one year	(11,418)	(2,511)	-	21	(13,908)
Hire purchase obligations due in less than one year	(6,175)	1,175	(1,074)	58	(6,016)
Hire purchase obligations due in more than one year	(4,602)	(1,029)	1,074	43	(4,514)
Net debt	(16,304)	(2,616)	-	248	(18,672)

	At 1 October 2010 £000s	Cash flow £000s	Other non cash changes £000s	Currency translation differences £000s	At 31 March 2011 £000s
Cash at bank and in hand	6,896	(773)	-	(106)	6,017
Bank overdrafts	-	(236)	-	(15)	(251)
Net cash	6,896	(1,009)	-	(121)	5,766
Bank loans due in more than one year	(12,363)	(1,525)	-	(20)	(13,908)
Hire purchase obligations due in less than one year	(5,279)	1,318	(2,080)	25	(6,016)
Hire purchase obligations due in more than one year	(2,979)	(3,633)	2,080	18	(4,514)
Net debt	(13,725)	(4,849)	-	(98)	(18,672)

	At 1 January 2010 £000s	Cash flow £000s	Other non cash changes £000s	Currency translation differences £000s	At 31 March 2010 £000s
Cash at bank and in hand	3,765	2,965	-	(512)	6,218
Bank overdrafts	(430)	(42)	-	5	(467)
Net cash	3,335	2,923	-	(507)	5,751
Bank loans due in more than one year	(12,677)	(1,707)	-	(172)	(14,556)
Finance lease obligations due in less than one year	(5,867)	1,503	(996)	(74)	(5,434)
Finance lease obligations due in more than one year	(3,935)	(305)	996	(46)	(3,290)
Net debt	(19,144)	2,414	-	(799)	(17,529)

	At 1 October 2009 £000s	Cash flow £000s	Other non cash changes £000s	Currency translation differences £000s	At 31 March 2010 £000s
Cash at bank and in hand	4,531	2,168	-	(481)	6,218
Bank overdrafts	(649)	166	-	16	(467)
Net cash	3,882	2,334	-	(465)	5,751
Bank loans due in more than one year	(13,700)	(719)	-	(137)	(14,556)
Finance lease obligations due in less than one year	(5,988)	3,097	(2,477)	(66)	(5,434)
Finance lease obligations due in more than one year	(5,256)	(466)	2,477	(45)	(3,290)
Net debt	(21,062)	4,246	-	(713)	(17,529)

	At 1 October 2009 £000s	Cash flow £000s	Other non cash changes £000s	Currency translation differences £000s	At 30 September 2010 £000s
Cash at bank and in hand	4,531	2,554	-	(189)	6,896
Bank overdrafts	(649)	610	-	39	-
Net cash	3,882	3,164	-	(150)	6,896
Bank loans due in more than one year	(13,700)	1,256	-	81	(12,363)
Hire purchase obligations due in less than one year	(5,988)	5,565	(4,842)	(14)	(5,279)
Hire purchase obligations due in more than one year	(5,256)	(2,559)	4,842	(6)	(2,979)
Net debt	(21,062)	7,426	-	(89)	(13,725)

8. Interim and final dividends

During the year ended 30 September 2010, the Group paid no dividends.

A final dividend for the year ended 30 September 2010 of 1.0p per share was approved by shareholders and was paid on 6 April 2011 to shareholders on the register at 6.00pm on 11 March 2011.

9. Contingencies

InvestinMedia Holdings Limited ("InvestinMedia"), a subsidiary of the Company, sold its investment in Complete Communications Corporation Limited ("Complete") on 20 December 2006. In connection with the sale, InvestinMedia and other vendors gave certain warranties and indemnities to the buyer, liability in respect of which runs for periods of up to seven years from the date of completion. Companies in the Complete group are also subject to legal claims which may give rise to liability on the part of InvestinMedia and other vendors under the indemnities. On 8 July 2010 the Company announced that the jury in a US legal action had reached a unanimous verdict favourable to InvestinMedia and the other vendors of Complete. On 21 December 2010, the defendants' alternative motions for a new trial and for judgement as a matter of law were denied. On 14 January 2011 the defendants filed their notice of appeal. If the award is paid in full, the Group's interest (after costs but including pre-judgement interest) is estimated at approximately \$60m. No credit has been taken in these accounts to reflect this verdict, pending completion of the appeal process.

10. 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.com.

INDEPENDENT REVIEW REPORT TO AVESCO GROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim report and accounts for the three month and six month period ending 31 March 2011, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and related notes. We have read the other information contained in the interim report and accounts and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The interim report and accounts are the responsibility of, and have been approved by, the Directors. The Directors are responsible for preparing the interim report and accounts in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the Company's annual financial statements.

This interim report and accounts has been prepared in accordance with the basis set out in note 3.

The maintenance and integrity of the Avesco Group plc website is the responsibility of the Directors; the work carried out by the auditors does not involve a consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report and accounts based on our review. 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.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report and accounts for the three month and six month period ending 31 March 2011 are not prepared, in all material aspects, in accordance with the basis set out in note 3 and the AIM Rules for Companies.

PricewaterhouseCoopers LLP

Chartered Accountants

16 June 2011

Gatwick