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HASGROVE plc

Merger of three digital businesses creates top 10 UK digital agency

Hasgrove plc (AIM: HGV, 'Hasgrove', 'the Group'), the pan European marketing and communications services group, has merged its three digital businesses to create Amaze, a new marketing and technology company. Amaze is set to become one of the top ten UK digital agencies and the biggest in the North West.

In the year to 31 December 2007, Hasgrove's digital and communications division, which encompasses all of Amaze's units, reported revenues up 44% to £6.2m (2006: £4.3m). On a proforma full year basis revenues would have been £13m to 14m. The three businesses merging, Connectpoint, Amaze and Pavilion with over 170 staff, will be moving into new offices in Manchester and the Liverpool area. Pavilion and Amaze were acquired in late 2007; Connectpoint has been part of the group since March 2005.

The Group's strategic goal is to build a pan European organisation that is capable of capitalising on the rapidly changing world of communications by operating in high growth, niche areas where Hasgrove can be a market leader. The Group is focused on three disciplines that are mutually supportive and from which it derives synergy benefits. They are Public Affairs and Corporate Communications, Digital Communication Services and Design.

Hasgrove plans to develop Amaze into a leading pan European company within the next 24 months, through a combination of organic and acquisitive growth. Amaze will initially focus on acquisition opportunities in London, France and Germany.

Amaze will build on the creative, media and technical expertise developed by the three original companies. It will be able to deliver a 'wider and deeper' offering of marketing and technology services that, according to Forrester Research, is required by larger international clients. Traditional PR, print and broadcast advertising and brand consulting will remain part of the core service offering. Amaze's clients will benefit from both the extended service offering and shared knowledge base, in addition to the proven 10-15 year track record and expertise across a number of key market sectors.

Amaze's clients include The Cooperative Group, Greater London Authority, Lexus, The National Lottery, Northern Rail, ODEON Cinemas, Siemens Enterprise Communications and Toyota Europe.

Rod Hyde, Hasgrove CEO, commented on the merger:

"We are very confident that combining the communication skills of its constituent companies into the new Amaze will deliver strong synergies and create a major player within the UK digital marketplace. The combination of the three businesses will also provide our growing list of international clients with a more comprehensive and sophisticated range of marketing communications solutions."

"Our goal is to be a leading pan-European company within 24 months and we have an ambitious growth strategy in place to achieve this."

Enquiries:

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Note to editors

Hasgrove plc is a pan European marketing and communications services group, with three mutually supportive disciplines from which it derives synergy benefits. They are Public Affairs and Corporate Communications; Digital Communication Services; and Design.

The Group's strategic goal is to build a pan European organisation that is capable of capitalising on the rapidly changing world of communications by operating in high growth, niche areas where Hasgrove can be a market leader. This is being achieved by a combination of organic development and acquisition within the fragmented marketing communications sector. The Group provides services which encompass multi-channel, cross-disciplinary and cross-border activity.

There are now more than 350 personnel in the Group, serving a broad client base of more than 500 clients, working in a number of well established, profitable and strongly cash generative operating businesses:

- **Interel**, including Politics International, is a leading European Corporate Affairs consultancy focusing on public affairs and issues management. Interel has over 130 professionals in its offices in Brussels, London, Berlin, Paris, Prague, Madrid and Washington DC and has a well established network of partners in all other major cities in Europe. **Odyssey Interactive**, which is part of the Public Affairs and Corporate Communications Division, supplies intranet software solutions.
- **Amaze** offers a broader range of marketing and technology services, including the delivery of web technology solutions, as well as traditional PR, print and broadcast advertising and brand consulting.
- **The Chase** is a leading UK graphic design agency.