

Embargoed: draft

SEVEN ARTS PICTURES PLC
("Seven Arts" or the "Company")

Admission to PLUS

Seven Arts Pictures PLC, the international independent movie production and distribution business, is delighted to announce that trading in its ordinary shares will commence today on London's PLUS market.

The entire issued share capital of 21,684,000 ordinary shares has today been admitted to trading on PLUS, giving Seven Arts a market capitalisation, at the issue price of 30p, of GBP 6.5 million. The Company's Corporate Advisor is St Helen's Capital Plc.

The Business

Seven Arts, a UK registered company, is a producer and distributor of feature films with offices in London and Los Angeles. The Company specialises in the international licensing of motion picture distribution rights and owns a library of approximately thirty completed titles, whose distribution rights are exploited all over the world through theatrical release, DVD and television. Seven Arts earns commissions from the introduction of financing for new motion pictures, through a combination of pre-sales and other types of non-recourse financing such as tax-preferred and equity investments.

The Company has most recently completed and delivered two new titles to be unveiled at this month's Cannes Film Festival: "Noise" and "Deal" are scheduled for release at cinemas across the US and UK in Autumn of this year. "Noise" features an all-star cast including Bridget Moynahan ("I, Robot") and Academy Award winners Tim Robbins ("Mystic River") and William Hurt ("The Village"). "Deal" features Burt Reynolds ("Boogie Nights," "The Longest Yard"), Bret Harrison ("Orange County") and Shannon Elizabeth ("American Pie") in a drama about an ex-gambler who teaches a hot-shot college student about playing cards.

The Future

Key to the Company's ongoing development and growth is the continual expansion of Seven Arts' distribution library, which underpins the value of the Company and provides long-term sustainable revenues. The Company achieves this not only through its own creation and production of new feature films but also by the acquisition of other productions at various stages of completion.

As such the Company is currently in production on new feature films to add to its growing library. Current projects include "The Winter Queen", a \$30m production to be directed by Paul Verhoeven ("Total Recall" and "Basic Instinct"), starring Milla Jovovich ("Resident Evil"). The Company commenced filming last month on two new movies: "American Summer" and "Autopsy". Both will be produced by Warren Zide, the Producer of the hugely successful "American Pie" trilogy.

As well as continuing to make and acquire feature films for international theatrical release, Seven Arts believes there is significant value in the “straight to DVD” market and will continue to exploit this area, particularly in the horror genre.

Peter Hoffman, Chief Executive, commented,

“Seven Arts has developed a business model that enables the Company to collect revenues from the perennial exploitation of library titles, whilst focussing the bulk of its efforts on producing and acquiring new and lucrative assets to add to that library. We are delighted to join PLUS, an increasingly popular market in the UK, where Seven Arts is very active as a business.”

Future Short Term Financing Strategy

The Company is currently undertaking a private placing to raise GBP 2million.

The Board

Peter Hoffman, Chairman & Chief Executive

Seven Arts was founded by Peter Hoffman who has over twenty years experience in the production of motion pictures. As the former CEO of Carolco Pictures, Peter Hoffman is responsible for the production of such titles as Basic Instinct, Terminator II, Rambo and Total Recall.

Elaine New, Finance Director

Graduating from Cambridge University in 1982, Elaine has since held numerous senior positions with both public and private companies in the UK. As the former Finance Director of AIM-quoted film distributor Metrodome Group Plc, Elaine has six years of experience in the sector. Titles she helped release include Donnie Darko and Monster, for which Charlize Theron won an Oscar for Best Actress. Elaine is a member of the Executive Committee of The Quoted Companies Alliance.

Julia Verdin, Non Executive Director - USA

Julia Verdin has established herself as one of Hollywood’s leading independent producers having produced or co-produced, among many others, the critically acclaimed 2004 Newmarket release, Stander and the Merchant of Venice, starring Al Pacino, Jeremy Irons and Joseph Fiennes. Julia divides her time between London and Los Angeles, the two Cities in which Seven Arts is based.

Anthony Hickox, Non-Executive Director - UK

Anthony Hickox, the son of movie director Douglas Hickox and Oscar-winning editor Anne Coates, pioneered the genre of horror-comedy. He has written, directed or produced numerous productions such as Hellraiser II.

Rufus Pearl, Non Executive Director - UK

Rufus Pearl is the Managing Director of Pear IMS. He is currently a Non-Executive Director of Birchington Investments Limited which is listed on the Irish Stock Exchange. He was previously Administrative Director of Jubilee Investment Trust Plc which was quoted on the Official List of the London Stock Exchange, Administrative Director of Proscare plc (now Mediwatch plc) listed on AIM and was a Non-Executive Director of Aberdeen Park Investments plc (now New Hibernia Investments plc) listed on the Bermudan Stock Exchange.

Anthony Bryan, Non Executive Director – USA

A Harvard MBA with a distinguished career spanning over 50 years which has seen him awarded The Distinguished Flying Cross as a Spitfire pilot during WW2. Mr Bryan has held many Chairman and CEO roles notably Monsanto Chemical Company and Copperweld Steel Corporation. He has sat on the Audit Committees of major corporations such as Federal Express, the Chrysler Corporation and ITT Corporation. He has advised on the Compensation Committee of equally prestigious companies such as Pittsburgh and Houston National Banks and Hamilton Oil Corporation. He was a member of Nixon's US China Trade Council and a US representative to the Advisory Board of AMRO Bank. Mr Bryan is currently Chairman of US Dry Cleaning Corporation, Astrata Group Inc and 360 Global Wine Company. He is also a lifetime trustee of the GAR Trust and Carnegie Mellon University.

Directors and Other Interests

Set out below is a list of the Directors' current and other directorships and partnerships, in addition to the Company, held in the last five years

Peter Hoffman

Current Directorships

Seven Arts Pictures Inc
Cinevisions

Previous Directorships

SAP Liquidation Limited

Elaine New

Current Directorships

Alexandra Plc
Questwest Limited
Bruce Oldfield Ltd
Quoted Companies Alliance

Previous Directorships

Retail Assist Limited
Metrodome Group plc

Rufus Pearl

Current Directorships

Pearl Investment Management Services Limited
The Land and Equity Pension Fund Limited
Greyhound Self Storage Limited
Pink Lining Limited
New Pastures Entertainment Limited
Stellington Services Limited
The Newmarket '2 Year Old' Racing Club Plc

Previous Directorships

Glasgow Park Investments Limited
Ivybeam Limited
PTP Management Limited
Dromina Limited
Jubilee Investment Trust Plc
Medifin Limited
Seaside Investment Trust Plc
Commander Investments Limited
Aberdeen Park Investments Limited
Langley Park Investment Trust Plc
Armadillo Investments Limited
Medicar Plc

Julia Verdin

No other UK directorships
British Academy of Film and Television Arts (L.A.)
Jules Films Inc.

Anthony Hickox

No other directorships

Anthony Bryan

Current Directorships

US Dry Cleaning Corporation

Astrata Group Incorporated - Non-Executive Chairman of the Board

360 Global Wine Company - Non-Executive Chairman of the Board

Lifetime Trustee GAT Trust

Lifetime Trustee Carnegie Mellon University

Previous Directorships

Copperweld Steel Corporation

Cameron Iron Works

Monsanto Chemical Company

American Medical Centres

IMetal (Paris)

Texas Medical Centre and Heart Institute

Oceanics PLC

Audit Committee member

Federal Express

Chrysler Corporation

Pittsburgh National Bank

ITT Corporation

Koppers Company

Allegheny International Inc

Compensation Committee

Chrysler Corporation

Pittsburgh National Bank

Hamilton Oil Corporation

First City National Bank Houston

Advisory Committee member to

US China Trade Council

AMRO Bank

Director's and Major Shareholder's Interests

The interests of the Directors following admission are as follows:

NAME	NUMBER	%
Rufus Pearl	2000	.009

The interests of other shareholders of over 3% are detailed as follows:

NAME	NUMBER	%
Seven Arts Pictures Inc*	11,595,000	53.47
Langley Park Investment Trust Plc	5,000,000	23.06
Julie Ann Wing	1,280,000	5.90
Pershing Keen Nominees Limited (GWCLT)	964,499	4.45
Jubilee Investment Trust Plc	900,000	4.15

The beneficial owners of Seven Arts Inc* are Peter Hoffman and Susan Hoffman who hold 9,100,000 ordinary shares or 41.96% of the Company between them and Fine Arts Entertainment Inc., which is wholly owned by Robert Gerringer, who holds 2,495,000 ordinary shares or 11.50% of the Company

The Directors are not aware of any other interest in the Company's ordinary share capital which would amount to 3% or more of the Company's issued ordinary share capital. There is no shareholding held in the name of Pershing Keen Nominees Limited that amounts to a holding of more than 3% or more of the issued share capital.

No one shareholder holds more than 30% of Jubilee Investment Trust; the major share holder being Vidacos Nominees Limited holding 21% of the total holding in the trust. The same is true for Langley Park Investment Trust with Vidacos also the major share holder holding 29% of the trust.

Reasons for the Introduction to PLUS

The Directors wish to provide a platform for the predominantly UK based shareholders of Seven Arts to trade in its ordinary shares and invest in one of the few remaining mainstream independent film production companies.

It is further considered that PLUS is an ideal platform for the future expansion of the Company both by acquisition, with the use of publicly quoted shares as part or full consideration, and the procurement of growth capital from investors

Risk Factors

Your attention is drawn to the following risk factors:

The success of the Company depends largely upon the expertise of the current Directors and their ability to identify suitable developments projects;

The Company's future success will also depend, inter alia, on its future Directors and management team. The recruitment of suitable skilled Directors and retention of their services or the services of any future management team cannot be guaranteed;

The Ordinary Shares are not listed or traded on any stock exchange. Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on PLUS this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment, or sustain a total loss of their investment;

Share market conditions may affect the ultimate value of the Company's share price regardless of future operating performance; continued membership of PLUS is entirely at the discretion of PLUS Markets Plc; the share prices of public companies are often subject to significant fluctuations. In particular, the market for shares in smaller public companies is less liquid than for larger public companies. Consequently, the Company's share price may be subject to greater fluctuation and the Ordinary Shares may be difficult to sell;

It is likely that the Company will need to raise further funds in the future to raise further working or development capital for projects. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares. Shareholders may be materially diluted by any further issue of Ordinary Shares by the Company;

The Company's Ordinary Shares are intended for capital growth and therefore may not be suitable as a short-term investment. Investors may therefore not realise their original investment at all, or within the time-frame they had originally anticipated;

The Company will be operating in a competitive industry where commercial risks are high. Audience reaction, initial reviews, public taste and demand cannot be predicted with certainty. Accordingly, an investment in the Company, as with many film, TV and new media companies is speculative and investors may not get back the amount of their original investment; and while such personnel as specified in this announcement have agreed in principle to work on the Film, no contracts have been entered into by them and there is no guarantee that they will work on any projects in the future.

The Directors of Seven Arts Pictures Plc accept responsibility for this announcement.

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Admission Details

Admission Price: 30p

Ordinary Shares in Issue 21,684,000

Market Capitalisation on Admission GBP 6.5 million

Sector Classification: Media and Entertainment

Corporate Adviser: St Helen's Capital Plc