

**IMMEDIATE RELEASE**

May 22, 2007

**NEWS**

OTCBB: AMGU

**ADS Media Group Reports 2007 First Quarter Financial Results**

**Revenue Up 37% Year Over Year**

SAN ANTONIO, Texas – ADS Media Group, Inc., (OTCBB: AMGU) today announced financial results for its first quarter ended March 31, 2007.

The Company reported revenue of \$931,500 in the first quarter, up 37% from revenue of \$680,700 in the same quarter last year. The increase in revenue was attributable to a growing customer base and higher demand for the Company's innovative direct-to-door delivery services. It was the Company's second consecutive quarter of increased year-over-year revenue.

Gross profit in the first quarter increased 20% to \$336,300 from \$280,800 in the first quarter a year ago due to higher revenue. The Company continued to invest in growth initiatives during the first quarter, including the addition of senior sales executives and support personnel in conjunction with establishment of sales offices in Dallas, Chicago, Miami, New York and Los Angeles. In addition, the Company invested in new operating infrastructure and marketing programs and incurred higher costs associated with professional fees, including fees related to auditing year-end financial statements and related regulatory filings. These increased costs contributed to growth in total operating expenses -- to \$888,100 from \$406,400 in the same quarter last year. As a result, net loss in the first quarter increased to \$514,300, or \$0.05 per basic and diluted share, from \$132,000, or \$0.03 per basic and diluted share, in the first quarter of 2006.

"We are pleased to report our second straight quarter of year-over-year revenue growth, a clear indication that the improvements we have made to our business over the past 18 months are contributing to growing customer demand for our services," said Dub Doyal, CEO. "Forty four percent of first quarter revenue came from new customers that the Company has won during the prior 12 months. In addition, revenue from one of our large, long-term customers increased by 365% over the same quarter a year ago. It's important to note that our first quarter revenue increase includes no contribution from the new, nationwide sales structure that we deployed in the first quarter – five strategically located sales offices that are expected to begin contributing to sales in the second half of 2007. Additionally, we are anticipating revenue contribution from our La Canasta de Valores program, a branded, Hispanic-community marketing initiative scheduled to roll out to two million households in two stages during the second half of the year.

"As anticipated, our operating costs increased significantly during the first quarter as we geared up our sales and marketing programs, added key sales executive and support positions, and enhanced our operating infrastructure with the intention of creating new revenue opportunities within existing customer accounts and developing key new customers," Doyal added. "As our new business initiatives mature throughout the year we expect increased revenue to offset the added expense load and contribute to steadily improving bottom line results."

**About ADS Media Group, Inc.**

ADS Media Group, Inc. provides direct-to-door advertising and marketing services to companies, institutions and government agencies under the trade name ADS Direct Media. The Company has a growing list of local, regional and national clients, including many Fortune 500 companies. ADS has established a highly-efficient delivery system capable of distributing advertising materials and samples direct to the front door of homes and small businesses. Using sophisticated mapping software, ADS can target specific audiences, geo-demographically, down to census block groups. This high degree of targeting is complemented by ADS' ability to provide customers with state-of-the-art delivery tracking and verification services. ADS is headquartered in San Antonio, Texas. For more information, visit [www.adsmediagroup.com](http://www.adsmediagroup.com).

**CAUTIONARY STATEMENT**

This news release contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, based on current expectations, estimates and projections that are subject to risk. Forward-looking statements are inherently uncertain, and actual events could differ materially from the Company's predictions. Important factors that could cause actual events to vary from predictions include those discussed in the Company's SEC filings. Specifically, statements in this news release about revenue growth, profitability, market leadership, efficacy of products and services, effectiveness of the Company's national sales force and La Canasta program, ability to win and support new customers and improve operations, and raising shareholder value are forward-looking statements that are subject to risks including availability of capital and personnel, customer preferences and advertising plans, and other factors. Readers should not place undue reliance on these forward-looking statements. The Company assumes no obligation to update its forward-looking statements to reflect new information or developments. For a more extensive discussion of the Company's business, please refer to the Company's SEC filings at [www.sec.gov](http://www.sec.gov).

Company Contact:  
Michael Wofford  
Chief Financial Officer  
210-655-6613

Investor Relations Contact:  
Jay Pfeiffer  
Pfeiffer High Investor Relations, Inc.  
303-393-7044

## Consolidated Statements of Operations

(Unaudited)	Three months ended	
	March 31,	
	<u>2007</u>	<u>2006</u>
Revenues	\$ 931,463	\$ 680,656
Cost of goods sold	<u>595,209</u>	<u>399,867</u>
Gross profit	336,254	280,789
Selling, administrative and other operating expense	<u>888,067</u>	<u>406,416</u>
Income (loss) from operations	(551,813)	(125,627)
Other income (expense)		
Interest and other expense	(720)	(6,419)
Interest and other income	<u>38,254</u>	<u>-</u>
Total other income (expense)	<u>37,534</u>	<u>(6,419)</u>
Income (loss) before income taxes	(514,279)	(132,046)
Income taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ (514,279)</u>	<u>\$ (132,046)</u>
Net income (loss) per share, basic	<u>\$ (0.05)</u>	<u>\$ (0.03)</u>
Net income (loss) per share, diluted	<u>\$ (0.05)</u>	<u>\$ (0.03)</u>
Weighted average basic shares outstanding	10,880,867	3,819,161
Weighted average diluted shares outstanding	10,880,867	3,819,161

Consolidated Balance Sheets (Unaudited)	March 31,	December 31
	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 3,176,785	\$ 3,354,597
Accounts receivable, net	845,018	1,259,850
Prepaid expenses	89,503	128,967
Other current assets	<u>6,543</u>	<u>6,743</u>
Total current assets	4,117,849	4,750,157
Property and equipment		
Furniture and fixtures	36,870	36,870
Computer equipment and software	81,961	74,875
Less: accumulated depreciation	(80,252)	<u>(75,678)</u>
Total property and equipment, net	38,579	36,067
Goodwill	250,000	250,000
Other assets	<u>6,922</u>	<u>6,922</u>
Total assets	<u>\$ 4,413,350</u>	<u>\$ 5,043,146</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 336,798	\$ 257,717
Customer advance payments	86,972	89,804
Accrued salaries and wages	140,775	110,643
Accrued liabilities	48,714	267,887
Other current liabilities	6,442	8,430
Obligations under capital leases	<u>3,315</u>	<u>3,165</u>
Total current liabilities	623,016	737,646
Obligations under capital leases, long term	<u>-</u>	<u>887</u>
Total liabilities	623,016	738,533
Shareholders' equity (deficit):		
Preferred stock	3	3
Common stock	10,881	10,881
Additional paid-in capital	6,735,101	6,735,101
Accumulated deficit	(2,955,651)	<u>(2,441,372)</u>
Total shareholders' equity (deficit)	3,790,334	<u>4,304,613</u>
Total liabilities and shareholders' equity (deficit)	<u>\$ 4,413,350</u>	<u>\$ 5,043,146</u>