

COBURG GROUP PLC (the "Company")

INTERIM STATEMENT FOR THE PERIOD ENDED 31 OCTOBER 2008

Sales recorded a solid performance, rising from £1,688,000 to £1,719,000 during the first six months. We have continued to experience margin pressures especially from the US dollar denominated price of raw coffee. Although we have been able to pass some of this increase on to customers there has been some delay in restoring the gross margin back to its previous level.

We have also taken the opportunity to reorganise the business by reducing staff costs in distribution and administration ahead of what we anticipate will be difficult conditions next year. The one off redundancy costs associated with these changes are recorded within administration costs.

Despite these pressures, our sales have risen 2% and our loss before tax has improved marginally from a £51k loss to a £49k loss, this being after some material one-off costs to effect the changes in our operations. Naturally there is concern about the economy in general but as our sales demonstrate, our customers and markets continue to be relatively resilient to some of the more extreme pressures facing other sectors of the economy.

The directors remain committed to bringing the business to a profitable basis as soon as possible.

Konrad Legg

Chairman

10th December 2008

COBURG GROUP PLC

INTERIM RESULTS 2008

Consolidated Income Statement

	Six months to 31 October 2008 (unaudited) £'000	Restated Six months to 31 October 2007 (unaudited) £'000	Year to 30 April 2008 (audited) £'000
Revenue	1,719	1,688	3,586
Cost of sales	1,130	1,042	2,289
Gross profit	<u>589</u>	<u>646</u>	<u>1,297</u>
Distribution costs	170	231	494
Administration expenses	445	450	910
Group operating profit	(26)	(35)	(107)
Interest payable and similar charges	(23)	(16)	(21)
Loss on sale of property, plant and equipment	-	-	(5)
Loss before tax	<u>(49)</u>	<u>(51)</u>	<u>(133)</u>
Loss attributable to Minority interests	-	4	-
Profit attributable to equity shareholders	<u>(49)</u>	<u>(47)</u>	<u>(133)</u>
Earnings per share (pence per share)			
- Basic:	(0.21)	(0.20)	(0.56)
- Diluted:	(0.21)	(0.20)	(0.56)

Consolidated Balance Sheet

	As at 31 October 2008 (unaudited) £'000	As at 31 October 2007 (unaudited) £'000	Restated As at 30 April 2008 (audited) £'000
ASSETS			
Non current assets			
- Intangible	204	184	210
- Tangible	412	514	465
	616	698	675
Current assets			
- Trade and other receivables	470	443	413
- Stock	247	253	255
- Cash and cash equivalents			2
	717	696	670
Total Assets	1,333	1,394	1,345
EQUITY			
Capital and reserves attributable to shareholders of the company			
- Ordinary shares	1,190	1,190	1,190
- Share premium	418	418	418
- Other reserves	435	437	435
- Minority interest	-	-	-
- Retained earnings	(1,680)	(1,574)	(1,631)
	363	471	412
LIABILITIES			
Current Liabilities			
- Financial liabilities	70	85	90
- Trade and other payables	645	537	616
- Current tax liabilities	36	39	24
	751	661	730
Non-current liabilities			
- Financial liabilities	148	128	119
- Other non current liabilities	71	134	84
	219	262	203
Total Equity and Liabilities	1,333	1,394	1,345

Consolidated Cash Flow Statement

	As at 31 October 2008 (unaudited) £'000	Restated As at 31 October 2007 (unaudited) £'000	As at 30 April 2008 (audited) £'000
Cash flows from operating Activities	14	86	165
Cash flows from investing Activities			
-Purchase of property plant and equipment	(5)	(62)	(48)
- Purchase of intangibles	-	(8)	(9)
Net cash used in investing Activities	(5)	(70)	(57)
Cash flows from financing Activities			
- Interest paid	(23)	(16)	(21)
- New borrowings	16	10	-
- Repayment of loans	-	-	-
- Repayments of finance leases	(32)	(3)	(33)
Net cash used in financing activities	(39)	(9)	(54)
Net decrease/increase in cash and cash equivalents	(30)	7	54
Cash equivalents at beginning of the period	(38)	(92)	(92)
Cash equivalents at the end of the period	(68)	(85)	(38)

Consolidated Statement of Changes In Equity

	As at 31 October 2008 (unaudited) £'000	As at 31 October 2007 (unaudited) £'000	Restated As at 30 April 2008 (audited) £'000
Opening balance	412	527	556
- Profit for the period	(49)	(62)	(133)
- Conversion adjustment to IFRS.		15	-
- Share based payments	-	-	(2)
- Minority interest	-	(9)	(9)
Closing balance	363	471	412

Notes to interim statements

1. Summary of significant accounting policies

Basis of preparation

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The group's statutory financial statements for the year ended 30 April 2008, prepared under International Financial Reporting Standards (IFRS) have been filed with the Registrar of Companies. The auditor's report on those statements was unqualified.

The interim financial information has been prepared in accordance International Financial Reporting Standards and on the same basis and using same accounting policies as used in the financial statements for the year ended 30 April 2008. The interim financial statements have not been audited.

2. Earnings per share

The profit per share for the period to 31 October 2008 is calculated on the consolidated loss on ordinary activities after tax of £49,000 (2007: £47,000)

divided by 23,790,914 (2007: 23,790,914) being the weighted average number of ordinary shares in issue during the period.

3. Restatement of comparatives

The information with regards to the 6 months to 31 October 2007 has been restated from those published in previous interim statements issued to reflect a change in the groups accounting policy applied to the amortisation of goodwill. The impact of this application is a decrease in the loss attributable to shareholders and an increase in group's reserves of £15,000. Full details of the change and its impact on previous financial statements can be found in the full audited statutory financial statements for the year ended 30 April 2008.

4. Reconciliation of operating loss to net cash flow from operating activities

	As at 31 October 2008 (unaudited) £'000	As at 31 October 2007 (unaudited) £'000	Restated As at 30 April 2008 (audited) £'000
Operating Loss	(26)	(35)	(107)
Depreciation	49	60	124
Amortisation of intangibles	6	9	9
Decrease in inventories	8	8	6
Increase in debtors	(58)	(32)	(2)
Increase in creditors	35	76	137
Share based payments	-	-	(2)
	14	86	165

5. Copies available

Copies of the interim report are available to the public, free of charge, from the Companies registered office at 3 Harrington Way, Warspite Road, Woolwich, London SE18 5NU and are also available on the Company's website www.coburg-group.com