COBURG GROUP PLC

("COBURG" OR "THE COMPANY")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

Trading for the first six months has continued to be difficult with coffee commodity prices remaining high and volatile. This has continued to put margins under pressure where the company has been unable to pass on the full effect of price increases to its customers. Sales were up £175k compared to the same period past year, in large part due to the price increases that have been passed on but gross profit dropped £53k over that same period compared to last year, despite the increases in prices. Operating costs have been kept flat year on year.

There are some signs of the coffee market stabilising but it remains a highly uncertain time for commodity prices generally and a very difficult economic climate for the company's customers. The Group's results show a loss of £46k for the first six months compared to a profit of £3k for the same period last year.

The directors consider that the business is unlikely to return to profitability in the current year amidst this uncertainty and, as indicated at the AGM, have continued to seek other strategic scenarios to reduce the Group's exposure to the coffee business over the last six months. To this end and having sought out and considered a number of alternatives and offers, the Directors have agreed a sale of the coffee subsidiaries. This is discussed in a separate circular that will shortly be sent to shareholders and is also being announced at this time. Should shareholders approve the sale of the coffee business, Coburg will become an investing company under Rule 15 of the AIM Rules for Companies and a resolution will also be put to shareholders seeking approval of the investing policy to be followed going forward..

Chris Birkle

CHAIRMAN

10TH JANUARY 2012

Enquiries:

Chris Birkle	Coburg Group PLC	+44 (0)20 8317 0103
Colin Aaronson	Grant Thornton Corporate Finance	+44 (0)20 7383 5100
Nick Emerson	Simple Investments	+44 (0)14 8341 3500

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
PERIOD ENDING 31 OCTOBER 2011

	Six months to 31 October 2011 (Unaudited) £'000	*Six months to 31 October 2010 (Unaudited) £'000*
Revenue	**990**	815
Cost of sales	**(729)**	(501)
Gross profit	**261**	314
Distribution costs	**(117)**	(88)
Administration expenses	**(184)**	(218)
Group Operating Profit or (Loss)	**(40)**	8
Interest payable and similar charges	**(6)**	(5)
Profit before tax	**(46)**	3
Income tax expense	**-**	-
Profit/(loss) for the financial period	**(46)**	3
Other comprehensive income:	-	-
Total comprehensive income for the period	**(46)**	3
Basic profit / (loss) per share	(11p)	0.07p
Diluted profit / (loss) per share	(11p)	0.03p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 31 OCTOBER 2011

	31 October 2011 (Unaudited) £'000	*31 October 2010 (Unaudited) £'000*	*30 April 2011 (Audited) £'000*
ASSETS			
Non-current assets			
Goodwill	**147**	198	*147*
Property, plant and equipment	**251**	284	271
Investments	**20**	-	19
	418	482	437
Current assets			
Inventories	**237**	172	*258*
Trade and other receivables	**366**	263	*291*
Cash and cash equivalents	**26**	4	*54*
	629	439	*603*
TOTAL ASSETS	**1,047**	921	*1,040*
LIABILITIES			
Current liabilities			
Trade and other payables	**429**	292	*438*
Financial liabilities - borrowings			
Short term borrowings	**31**	47	*42*
Interest bearing loans and borrowings	**35**	184	*29*
	495	523	*509*
Non-current liabilities			
Financial liabilities - borrowings	**8**	-	*40*
Interest bearing loans and borrowings	**100**	9	*1*
	108	9	*41*
Total liabilities	**603**	532	*550*
Net assets	**444**	389	*490*
EQUITY			
Called up equity share capital	**1,207**	1,190	*1,207*
Share premium account	**633**	418	*633*
Other reserves	**426**	426	*426*
Retained earnings	**(1,822)**	(1,645)	*(1,776)*
	444	389	*490*

CONSOLIDATED STATEMENT OF CASHFLOWS
PERIOD ENDING 31 OCTOBER 2011

	Six months to 31 October 2011 (Unaudited) £'000	*Six months to 31 October 2010 (Unaudited) £'000*
Cash flows from operating activities		
Operating profit/ (loss)	**(40)**	8
Adjustments for:		
Depreciation	**22**	27
Profit or loss on disposal of property, plant and equipment	**4**	(1)
(Increase) / decrease in trade and other receivables	**(76)**	188
(Decrease) in trade and other payables	**(9)**	(420)
Decrease in inventories	**23**	18
Cash generated from operations	**(76)**	(180)
Interest paid	**(6)**	(5)
Net cash from operating activities	**(82)**	(185)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(33)**	(18)
Purchase of investments	**(2)**	-
Sale of property, plant and equipment	**30**	1
Net cash used in investing activities	**(5)**	(17)
Cash flows from financing activities		
New borrowings	**100**	150
Repayment of loans	**(23)**	(14)
Finance lease payments	**(5)**	(18)
Net cash used in financing activities	**72**	118
Net decrease in cash and cash equivalents	**(15)**	(85)
Cash and cash equivalents at beginning of period	**10**	42
Cash and cash equivalents at end of period	**(5)**	(43)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
PERIOD ENDING 31 OCTOBER 2011

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2010 brought forward	1,190	418	426	(1,630)	404
Profit for the period	-	-	-	3	3
Balance at 31 October 2010	1,190	418	426	(1,627)	407
Loss for the period	-	-	-	(149)	(149)
Shares issued in the period	17	215	-	-	232
Balance at 30 April 2011	1,207	633	426	(1,776)	490
Balance at 1 May 2011 brought forward	1,207	633	426	(1,776)	490
Profit for the period	-	-	-	(46)	(46)
Balance at 31 October 2011	1,207	633	426	(1,822)	444

NOTES TO THE INTERIM FINANCIAL STATEMENTS
PERIOD ENDING 31 OCTOBER 2011

1. BASIS OF ACCOUNTING

These interim financial statements for the period ended 31 October 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS). The Group financial statements of Coburg Group plc consolidate the financial statements of Coburg Coffee Company Limited and C.K. Coffee Limited.

The information presented within these interim financial statements is in compliance with IAS 34 'Interim Financial Reporting'. This requires the use of certain accounting estimates and requires that management exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where the assumptions and estimates are significant to the interim financial statements are disclosed below.

The financial information contained in this report, which has not been audited, does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006 and has been prepared on the same basis and using same accounting policies as used in the financial statements for the year ended 30 April 2011. The interim financial statements have not been audited.

The Company's statutory financial statements for the year ended 30 April 2011, prepared under IFRS have been filed with the Registrar of Companies. The auditors' report for the 2011 financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006, but contained a matter of emphasis paragraph in respect of the Group's ability to continue as a going concern.

The following International Financial Reporting Standards, amendments and interpretations have been released but are not effective for the current period. The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's profit or equity: IFRS Standards and Interpretations issued but not yet effective:

IFRS STANDARDS AND INTERPRETATIONS ISSUED BY IASB BUT NOT YET EU APPROVED

Title	Issued	Effective Date
IAS 12 Amendments to Deferred tax: Recovery of Underlying Assets	Jan 2011	Accounting periods beginning on or after 01/01/2012
IAS 1 Amendment - Presentation of items of other comprehensive income	June 2011	Accounting periods beginning on or after 01/07/2012
IAS 19 Amendment - Employee Benefits	June 2011	Accounting periods beginning on or after 01/01/2013
IAS 27 Separate Financial Statements	May 2011	Accounting periods beginning on or after 01/01/2013
IAS 28 Investments in Associates and Joint Ventures	May 2011	Accounting periods beginning on or after 01/01/2013
IFRS 10 Consolidated Financial Statements	May 2011	Accounting periods beginning on or after 01/01/2013
IFRS 11 Joint Arrangements	May 2011	Accounting periods beginning on or after 01/01/2013
IFRS 12 Disclosure of Interests in Other Entities	May 2011	Accounting periods beginning on or after 01/01/2013
IFRS 13 Fair Value Measurement	May 2011	Accounting periods beginning on or after 01/01/2013
IFRS 9 Financial Instruments	Nov-09	Accounting periods beginning on or after 01/01/2013
IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine	Oct 2011	Accounting periods beginning on or after 01/01/2013

2. CRITICAL ACCOUNTING ESTIMATES

In order to prepare these consolidated financial statements in accordance with the accounting policies set out in note 1, management has used estimates and judgements to establish the amounts at which certain items are recorded. Critical accounting estimates and judgements are those that have the greatest impact on the financial statements and require the most difficult, subjective and complex judgements about matters that are inherently uncertain. Estimates are based on factors including historical experience and expectations of future events that management believe to be reasonable. However, given the judgemental nature of such estimates, actual results could be different from the assumptions used. The critical accounting policies are set out below.

Impairment of goodwill

An impairment of goodwill has the potential to significantly impact upon the group's income for the year. In order to determine whether impairments are required the Group estimates the recoverable amount of the goodwill. This calculation is usually based on projecting future cash flows over a rolling nineteen-year period. A discount factor, based upon the Group's weighted average cost of capital is applied to obtain a current value ('value in use'). The 'fair value less costs to sell' of an asset is used if this results in an amount in excess of 'value in use'.

Estimated future cash flows for impairment calculations are based on management's expectations of future volumes and margins based on plans and best estimates of the productivity of the assets in their current condition. Future cash flows therefore exclude benefits from major expansion projects requiring future capital expenditure where that expenditure has not been approved at the balance sheet date.

Future cash flows are discounted using a discount rate based on the Group's weighted average cost of capital, adjusted if appropriate for circumstances specific to the asset being tested. The weighted average cost of capital is impacted by estimates of interest rates, equity returns and market related risks. The Group's weighted average cost of capital is reviewed on an annual basis.

Going concern

In assessing going concern the directors have prepared forecasts. The forecasts are based on factors including historical experience and expectations of future events which the directors believe to be reasonable. However, given the judgemental nature of such estimates, actual results could be different from the forecasts used. Further details regarding going concern are provided in the basis of accounting note and the director's report. At the year end the forecasts indicated that the group required further financing in order to continue as a going concern. At that time the Group was being supported via a loan from a major shareholder whilst the directors continued to explore strategies to secure the Groups future.

3. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

	Six months to 31 October 2011			*Six months to 31 October 2010*		
	Earnings (£000)	**Weighted average no. of shares**	**Amount per share (pence)**	*Earnings (£000)*	*Weighted average no. of shares*	*Amount per share (pence)*
Losses attributable to ordinary shareholders	**(46)**	**412,909**	**(11)**	3	412,909	0.7
Dilutive effect of options *				-	425,000	-
Dilutive effect Of warrants *				-	175,000	-
Diluted losses per share *				3	1,012,909	0.03

* Potential dilutive ordinary shares arise from share options. For these, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average

annual market share price of the Company's shares) based on the monetary value of the exercise price attached to outstanding share options. Thus the dilutive weighted average number of shares considers the number of shares that would have been issued assuming the exercise of the share options. If these are proved to be anti-dilutive (increase the potential earnings per share) they are omitted from the calculation, as the group has made a loss in the current year the options are therefore anti-dilutive and diluted earnings per share are therefore not provided for the current year.

4. SEGMENTAL REPORTING

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision making. The operating segments represent those assessed by the board and relate to the group's two trading companies. The principal activities are:-

a. Coburg Coffee Company Ltd - The sourcing, roasting and distribution of quality coffee beans, the grinding and marketing of country originals and blended ground coffees and the sourcing, preparation and distribution of single estate and blended teas**.**

b. CK Coffee Ltd - Supplier of coffee, tea and other beverages to offices, cafes, hotels and restaurants.

Period Ended 31 October 2011	**Coburg Coffee Company £'000s**	**CK Coffee £'000s**	**Total £'000s**
External Revenue	682	308	990
Revenue - Internal	175	-	175
Total Revenue	**857**	**308**	**1,165**
Depreciation and amortisation	**13**	**9**	**22**
Operating Profit/(Loss)	**102**	**(79)**	**23**
Group and consolidation adjustments			(63)
Finance costs	(6)		(6)
Loss before tax			**(46)**
Tax			-
Loss after tax as per income statement			**(46)**

All turnover arose within the United Kingdom and related to external sales.

Period Ended 31 October 2010	Coburg Coffee Company £'000s	CK Coffee £'000s	Total £'000s
External Revenue	392	423	815
Revenue - Internal	257	-	257
Total Revenue	**649**	**423**	**1,072**
Depreciation and amortisation	**14**	**13**	**27**
Operating Profit/(Loss)	**(37)**	**105**	**68**
Group and consolidation adjustments			(61)
Finance costs		(4)	(4)
Profit before tax			**3**
Tax			-
Profit after tax as per income statement			**3**

Period Ended 31 October 2011	Coburg Coffee Company £'000s	CK Coffee £'000s	Total Group £'000s
Segment assets	806	261	**1,067**
Unallocated assets			
Consolidation Adjustments			(108)
Goodwill			60
Trade and other receivables			28
Cash and cash equivalents			-
Total assets			**1,047**
Segment liabilities	**737**	**108**	**845**
Unallocated liabilities			
Consolidation Adjustments			(279)
Trade and other payables			37
Borrowings			-
Total liabilities			**603**
Net operating assets	**69**	**153**	**444**

Year ended 30 April 2011	Coburg Coffee Company £'000s	CK Coffee £'000s	Total Group £'000s
Segment assets	**826**	**301**	**1,127**
Unallocated assets			
Consolidation Adjustments			(540)
Goodwill			98
Trade and other receivables			316
Cash and cash equivalents			40
Total assets			**1,041**
Segment liabilities	**674**	**249**	**923**
Unallocated liabilities			
Consolidation Adjustments			(464)
Trade and other payables			33
Borrowings			59
Total liabilities			**551**
Net operating assets	**152**	**52**	**490**