5 December 2016

MBL GROUP PLC

(AIM: MUBL)

("MBL" or the "Group")

Unaudited Interim Results for the Six Months Ended 30 September 2016, Directorate Change and Conclusion of Strategic Review

The Board of MBL Group plc announces its interim results for the six months ended 30 September 2016.

Key points:

- Group revenue up 13% to £7.54 million (2015: £6.7 million)
- Group profit before taxation and exceptional items £0.2 million (2015: loss £0.04 million)
- Group loss before taxation £0.2 million (2015: loss £0.04 million)
- Net cash of £1.5 million (2015: £1.8 million) and the Group remains debt free
- No dividend is proposed
- Peter Palframan joins the Board as a Non-Executive Director
- Chris Jones leaves the Board with immediate effect
- Completion of Strategic Review and end of Offer Period

Tim Jackson-Smith, Chairman of MBL, commented**:**

"I am pleased to report that during the period all of the trading businesses within the Group continued to perform well, were profitable, cash generative and on average delivered a 13% growth in sales. However, the Group did incur significant exceptional, one-off costs in the first 6 months of this current financial year and these have led to a loss in the period at Group level.

The Group recently announced that it had begun a strategic review with the aim of maximizing value for our shareholders and we believe that a third party may be better placed to develop the potential in our trading businesses and take them forward to the next phase of their development. Accordingly, the Board is going to carry out a formal sales process regarding each business and will update shareholders in due course as to progress.

Finally, I would like to announce some changes to the Board. With immediate effect Chris Jones is stepping down from the Board and is being replaced by Peter Palframan. I would like to thank Chris for all his efforts and wish him well for the future. I would also like to welcome Peter to the Board and look forward to working with him as we look to execute the plan outlined in the strategic review. Peter's skill set is perfectly matched to the challenges ahead."

A copy of the Unaudited Interim Results will be available on the Company's website – www.mblgroup.co.uk

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CHAIRMAN'S STATEMENT

I am pleased to report that during the period all the trading businesses within the Group continued to perform well, were profitable, cash generative and on average delivered a 13% growth in sales.

Operational Review

Home Entertainment

	30 September 2016 £'000	*30 September 2015 £'000*
Revenue	*4,226*	*3,913*
Operating profit	*151*	*70*

The Group's Home Entertainment division is one of the UK's leading suppliers of music and entertainment products to online and physical retailers around the world.

The division performed well in the period, boosted by a weaker pound, and saw revenues of £4.2million (2015: £3.9 million). Operating profit more than doubled to £151,000 (2015: £70,000). Gross profit margins were lower than the same period last year at 13.4% (2015: 14.7%).

Garden & Home

	30 September 2016 £'000	*30 September 2015 £'000*
Revenue	3,299	*2,728*
Operating profit	180	*19*

Our Garden & Home division specialises in the online and mail order sale of garden bird food, aquatics supplies and associated wildlife products.

Sales during the period increased by 21% to £3.3 million (2015: £2.7 million) leading to an increase in operating profit for the period of 950% to £180,000 (2015: £19,000). As was expected, the tightly controlled cost base within the business meant that top line growth fed through to bottom line profit and this, combined with expertise in buying and online marketing strategies, has helped to consolidate the business's position in this market.

Financial Review

The Financial Statements have been prepared to separately present the financial performance of the Group's operations including the prior year comparatives. The Segmental Analysis in the Notes to the Financial Statements presents the Group's consolidated revenue streams.

Overall, Group revenue for the year increased by 13% to £7.5 million (2015: £6.7 million). Group gross margins reduced slightly to 25.2% (2015: 26%).

The Group loss for the period before taxation was £0.2million (2015: £0.04 million) and this has been caused by a series of exceptional, one-off costs in the period that have been incurred by the Company as part of the recent changes that have been made.

The Group is a relatively small business and as such it is possible for investment in future performance or operating challenges to have a disproportionate effect on our short term financial performance. We are also sensitive to the costs of maintaining an AIM listing and these costs have a sizeable impact on the costs of administering the Group.

Cash flow, working capital and borrowing facilities

The Group ended the period with cash balances of £1.5 million (2015: £1.8 million). The net cash outflow from operating activities was £0.3million (2015: inflow of £0.1 million). The Group remains debt free.

Dividends

The Board is not recommending the payment of a dividend.

Our people

I have had the pleasure over the last few months of meeting many of the Group's employees. They are clearly one of the Group's great strengths and I would like to take this opportunity to thank them for their support during my transition into my role as chairman. MBL's staff are critical to the success of the Group and the first 6 months of this financial year have seen substantial improvement in the Group's underlying performance. On behalf of the Board, I would like to thank everyone across the Group for their hard work and dedication.

Board update

The Board has seen a number of changes recently with Tony Johnson, Lisa Clarke and Chris Jones stepping down and Peter Palframan joining the board as a non-executive director. I would like to thank Tony, Lisa and Chris for their contribution to the Group and to wish them well for the future.

The first six months of this financial year have therefore been costly and distracting and I am keen to now focus my efforts on the businesses within the Group to make sure that they continue to perform in the best and most effective way possible. Peter and I are committed to move forward and to deliver as much value as we can to the shareholders and the strategic review that we have carried out is the first step on that journey.

Strategic Review

As requested by shareholders, the Board has been conducting a strategic review of the Group. This has been a collaborative process, which has involved a great deal of time commitment on behalf of the Board, senior management and Grant Thornton. The purpose of the exercise has been to investigate how to improve the performance of the business and enhance shareholder value. We have decided to explore a potential sale of both trading businesses within the Group as we believe that a third party may be better placed to take these businesses to the next phase of their development.

As a result of the completion of the Strategic Review, the Group is no longer in an Offer Period.

Current Outlook

The second half of the financial year has started well with sales in both divisions ahead of management expectations.

T Jackson-Smith
Chairman
5 December 2016

Consolidated Statement of Comprehensive Income
For the period ended 30 September 2016

	Note	**Unaudited 6 months to 30 September 2016 £'000**	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Revenue		**7,539**	6,654	14,767
Cost of sales		**(5,635)**	(4,944)	(11,079)
Gross profit		**1,904**	1,710	3,688
Distribution expenses		**(538)**	(455)	(934)
Administrative expenses - normal		**(1,147)**	(1,300)	(2,733)
- reorganisation costs		**(453)**	-	-
Operating (loss)/profit		**(234)**	(45)	21
Finance income		**2**	3	5
(Loss)/profit before tax		**(232)**	(42)	26
Taxation expense	*4*	**(19)**	-	49
(Loss)/profit for the period		**(251)**	(42)	75
Total comprehensive (expense)/income for the period		**(251)**	(42)	75

There are no items other than those stated above that would comprise comprehensive income. All the items above are attributable to equity holders of the Company.

Earnings per share:

		Unaudited 6 months to 30 September 2016	Unaudited 6 months to 30 September 2015	Audited Year ended 31 March 2015
Basic and diluted (loss)/profit per share	*5*	**(1.4)p**	(0.2)p	0.4p

Consolidated Statement of Financial Position
As at 30 September 2016

	Note	**30 September 2016 £000**	30 September 2015 £000	31 March 2016 £000
Non-current assets				
Property, plant and equipment		**232**	287	262
Intangible assets		**140**	140	140
Deferred tax assets		**29**	-	48
Total non-current assets		**401**	427	450
Current assets				
Inventories		**671**	554	689
Trade and other receivables		**1,817**	1,702	1,705
Cash and cash equivalents		**1,539**	1,768	1,855
Total current assets		**4,027**	4,024	4,249
Total assets		**4,428**	4,451	4,699
Current liabilities				
Trade and other payables		**(1,336)**	(1,221)	(1,356)
Tax payable		**-**	(4)	-
Provisions	*7*	**(472)**	(472)	(472)
Total current liabilities		**(1,808)**	(1,697)	(1,828)
Net assets		**2,620**	2,754	2,871
Equity attributable to equity holders of the parent				
Share capital		**1,297**	12,972	1,297
Share premium		**-**	21,531	-
Retained earnings		**4,123**	(28,949)	4,374
Merger reserve		**(2,800)**	(2,800)	(2,800)
Total equity		**2,620**	2,754	2,871
Total equity and liabilities		**4,428**	4,451	4,699

Consolidated Statement of Changes in Equity
For the period ended 30 September 2016

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total £000
At 1 April 2015	**12,972**	**21,531**	**(2,800)**	**(28,907)**	**2,796**
Total comprehensive expense for the period	-	-	-	(42)	(42)
At 30 September 2015	**12,972**	**21,531**	**(2,800)**	**(28,949)**	**2,754**
Capital reduction	(11,675)	-	-	11,675	-
Cancellation of Share Premium	-	(21,531)	-	21,531	-
Total comprehensive income for the period	-	-	-	117	117
At 31 March 2016	**1,297**	**-**	**(2,800)**	**4,374**	**2,871**
Total comprehensive expense for the period	-	-	-	(251)	(251)
At 30 September 2016	**1,297**	**-**	**(2,800)**	**4,123**	**2,620**

Consolidated Statement of Cash Flows

For the period ended 30 September 2016

	Unaudited 6 months to 30 September 2016 £000	Unaudited 6 months to 30 September 2015 £000	Audited Year ended 31 March 2016 £000
Cash flows from operating activities			
(Loss)/profit for the period	**(251)**	(42)	75
Adjustments for:			
Depreciation	**40**	62	107
Impairment of intangibles	**-**	9	8
Financial income	**(2)**	(3)	(5)
Profit on sale of property, plant and equipment	**-**	-	(30)
Taxation	**19**	-	(49)
	(194)	26	106
Increase in trade and other receivables	**(113)**	(27)	(30)
Decrease/(increase) in inventories	**18**	70	(65)
(Decrease)/increase in trade and other payables	**(20)**	78	213
	(309)	147	224
Tax paid	**-**	2	-
Net cash flow from operating activities	**(309)**	149	224
Cash flow from investing activities			
Interest received	**2**	3	5
Proceeds from sale of property, plant and equipment	**-**	20	51
Acquisition of property, plant and equipment	**(9)**	(104)	(125)
Payments made to acquire trade and assets		(8)	(8)
Net cash flow from investing activities	**(7)**	(89)	(77)
Cash flows from financing activities			
Interest paid	**-**	-	-
Net cash flow from financing activities	**-**	-	-
Net (decrease)/increase in cash and cash equivalents	**(316)**	60	147
Cash and cash equivalents at 1 April	**1,855**	1,708	1,708
Cash and cash equivalents at end of period	**1,539**	1,768	1,855

Notes

1. Basis of preparation

MBL Group Plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. The half-year financial report for the 6 month period to 30 September 2016 represents that of the Company and its subsidiaries (together referred to as the 'Group').

This half-year financial report is an interim management report as required by Rule 18 of the AIM Rules for Companies and was authorised for issue by the Board of Directors on 2 December 2016.

The half-year financial report is prepared in accordance with the EU endorsed standard IAS 34 'Interim Financial Reporting'. The comparative figures for the year ended 31 March 2016 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's Auditor and delivered to the Registrar of Companies. The Report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 of the Companies Act 2006.

The information contained in the half-year financial report for the 6 month period to 30 September 2016 and 30 September 2015 is unaudited and should be read in conjunction with the annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with the IFRS adopted by the European Union.

As required by AIM Rule 18, the half-year financial report has been prepared and presented in a form consistent with that which will be adopted in the preparation of the Company's annual report and accounts for the year ended 31 March 2016.

The Group's policy is to maintain the ability to continue as a going concern, in order to provide returns to the shareholder and benefits to other stakeholders. Accordingly the going concern basis has been adopted in preparing these interim results.

The consolidated financial statements of the Group for the year ended 31 March 2016 are available upon request from the Company's registered office at MBL Group plc, Unit 1 Millennium City Park, Millennium Road, Preston, Lancashire, PR2 5BL.

2. Going concern

The financial report has been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts to 31 March 2018 taking account of reasonable possible changes in trading performance. These forecasts show the Group to be cash positive throughout the next 15 months and make a number of assumptions around revenue and profitability of the remaining business activity.

These forecasts demonstrate the Group has appropriate funds which the directors believe are sufficient for the Group to continue to trade for at least the next 12 month period. In addition the Group continues to reflect an overall net assets position and is debt free.

The Group had a cash balance of £1.5m as at 30 September 2016 and currently does not have a bank overdraft or loan facilities.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial report.

3. Unaudited segmental analysis

The Group comprises the following main business segments:

Home Entertainment	The sale of home entertainment products predominantly to the export market.
Garden & Home	The sale of garden bird, aquatics, wildlife and pet related products direct to consumer via mail order and online channels.
Other	A combination of revenue streams including the license of film and music rights for manufacture, sale and download.

Consolidated statement of comprehensive income for period ended 30 September 2016:

	Home Entertainment £'000	Garden & Home £'000	Other £'000	Group Total £'000
Gross revenue	4,227	3,300	12	**7,539**
Intersegment revenue	-	-	-	**-**
Net revenue	4,227	3,300	12	**7,539**
Operating profit before exceptional and central costs	151	183	40	**374**
Central costs				**(155)**
Exceptional costs				**(453)**
Operating loss after exceptional and central costs				**(234)**
Finance income				**2**
Taxation				**(19)**
Total comprehensive expense for the period				**(251)**
Total assets and liabilities				
Total assets	1,777	601	1,909	**4,287**
Goodwill	-	140	-	**140**
Total liabilities	(582)	(295)	(930)	**(1,807)**
Total segment net assets	1,195	446	979	**2,620**
Capital expenditure				
Intangible assets	-	-	-	**-**
Tangible fixed assets	-	4	5	**9**
Depreciation	6	9	24	**39**

Consolidated statement of comprehensive income for period ended 30 September 2015:

	Home Entertainment £'000	*Garden & Home £'000*	*Other £'000*	*Group Total £'000*
Gross revenue	3,913	2,728	13	**6,654**
Intersegment revenue	-	-	-	**-**
Net revenue	3,913	2,728	13	**6,654**
Operating profit before central costs	70	19	12	**101**
Central costs				**(146)**
Operating loss after central costs				**(45)**
Finance income				**3**
Taxation				**-**
Total comprehensive expense for the period				**(42)**
Total assets and liabilities				
Total assets	1,283	741	2,286	**4,310**
Goodwill	-	140	-	**140**
Total liabilities	(704)	(186)	(806)	**(1,696)**
Total segment net assets	579	695	1,480	**2,754**
Capital expenditure				
Intangible assets	-	8	-	**8**
Tangible fixed assets	1	103	-	**104**
Depreciation	8	35	19	**62**

Consolidated statement of comprehensive income for period ended 31 March 2016:

	Home Entertainment £'000	*Garden & Home £'000*	*Other £'000*	*Group Total £'000*
Gross revenue	8,853	5,857	57	**14,767**
Intersegment revenue	-	-	-	**-**
Net revenue	8,853	5,857	57	**14,767**
Operating profit before central costs	180	14	57	**251**
Central costs				**(230)**
Operating profit after central costs				**21**
Finance income				**5**
Taxation				**49**
Total comprehensive income for the period				**75**
Total assets and liabilities				
Total assets	1,505	724	2,330	**4,559**
Goodwill	-	140	-	**140**
Total liabilities	(748)	(358)	(722)	**(1,828)**
Total segment net assets	757	506	1,608	**2,871**
Capital expenditure				
Intangible assets	-	8	-	**8**
Tangible fixed assets	6	15	104	**125**
Depreciation	13	52	42	**107**
Impairment of intangibles	-	8	-	**8**

4. Taxation

The income tax charge has been estimated by the Group based on adjustments to tax payable in respect of previous years and the level of losses incurred in the period ending 30 September 2016.

5. Earnings per share

The calculation of the basic earnings per share is based on the loss after taxation divided by the weighted average number of shares in issue, being 17,296,068 *(2015:* 17,296,068*; year ended 31 March 2016: 17,296,068)*.

6. Property, plant and equipment

During the period, the Group acquired assets with a cost of £9,000 *(2015: £104,000; year ended 31 March 2016: £125,000).*

7. Provisions

	Lease commitment £'000
At 1 April 2015, 30 September 2015, 31 March 2016 and 30 September 2016	472
Analysed as:	
Current liabilities	472