

5 September 2008

MCB FINANCE GROUP PLC**Interim results for the six months ended 30 June 2008**

MCB Finance Group Plc (AIM: MCRB.L) (the “Company” or “MCB”), the consumer finance company providing flexible credit solutions to retail customers in Finland, Estonia, Latvia and Lithuania, today announces its financial results for the six months ended 30 June 2008 and the intention to raise additional equity of up to €5 million in the coming months to make sure the Company can fully take advantage of opportunities for growth during late 2008 and 2009.

Highlights

- Company profitable on monthly pre-tax basis after achieving break-even in period
- Pre-tax loss of €565k (€1.6m) on €5m turnover (€1.5m)
- Trading continues to be strong in all territories. 100,000 customers served to date
- Successful start of additional distribution channels in Estonia and Latvia
- Continued robust demand for Credit24 loan products
- MCB's proprietary credit scoring models have led to strong repayment performance, despite the weakened macro-economic environment
- Successful launch of new corporate identity alongside established consumer brands
- Significant further growth expected, and on target for profitability during 2008

Bertil Rydevik, Chairman, said:

“We have continued to develop the business in line with our growth strategy and are greatly encouraged by the performance in the first half of the year. Having made a number of important advances in the period and achieved profit on a monthly basis, we remain confident that our strategy will continue to deliver profitable growth and meet expectations for the full year.”

MCB Finance Group Plc:

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CHAIRMAN'S STATEMENT

Business overview

MCB Finance Group is a consumer finance company providing fast, convenient, easily understood and flexible credit solutions under the Credit24 brand to retail customers in Finland and the Baltic countries of Estonia, Latvia and Lithuania (together, the Fenno-Baltic Region). The Company provides unsecured loans of between €100 and €2,000 to qualifying customers, with maturities ranging from one month to two years. Loan products are designed to suit customers' needs with simple and transparent terms and flexible repayment schedules.

Loans are offered online through the Company's Credit24-branded websites in Estonia, Finland, Lithuania and Latvia, as well as through certain distribution partners in the Baltic countries.

The company is a leading participant in the non-standard segment of the consumer credit market. This segment typically provides small denomination loans with maturities up to one year or more, and attracts customers who value the flexibility and simplicity of the products offered. The non-standard market is typically under-served by larger financial institutions.

Operational update

The Company achieved EBT break-even on a monthly basis starting in May this year and is now trading profitably on a monthly basis. The achievement of monthly break-even during the period, less than two years from the launch of the business, was a major milestone for the Company. All markets are currently contributing to group profitability.

Lending volumes:

MCB has continued to experience rapid growth in all markets. During the period the Company extended approximately €26.1 million of loan principal, up from €8.1 million during the same period last year. Out of this, €15.7m was extended during Q2 2008, up 51% from Q1 2008 (€10.4 million).

MCB has served 100,000 individual customers to date, a high and growing proportion of whom return on a regular basis as repeat customers.

Earlier this year MCB successfully extended the Credit24 product range to include larger loans with longer maturities to carefully selected customers. However, the bulk of MCB's lending remains loans with maturities between one and six months, which gives the Company a high degree of visibility on repayment performance, and the flexibility to adjust as needed to any changes in credit performance.

The Company's Credit24 brand is increasingly well established as a provider of flexible loan products, supported by MCB's marketing activities, an attractive product offering and high levels of customer service.

Repayment performance:

Credit performance has continued in line with expectations. Despite ongoing concerns about the global economy in general, and the Baltics in particular, MCB is seeing no deterioration in repayment performance. The Company monitors credit performance rigorously and continues to refine its proprietary credit scoring models with the benefit of accumulated historical data. Changes in the Baltic macroeconomic environments have led to slightly higher rejection rates for loan applications, with overall positive impact on loan book performance.

Other developments:

MCB has continued to improve the user-friendliness, reach and accessibility of its Credit24 products and services. During the period the Company upgraded all local Credit24 sites to further improve the customer experience, including refined site functionality and visuals to streamline the customer application process. The partnerships earlier announced with R-Kioski in Estonia and with BTA in Latvia have begun successfully, and that with Spauda/R-Kioski in Lithuania is expected to follow shortly. These retail partnerships, in addition to that established earlier with the Latvian Post, enhance Credit24's distribution reach and market visibility, and allow us to better serve those customers who prefer a face-to-face interaction when applying for credit.

MCB's proprietary credit extension and CRM systems are proving increasingly valuable to the Company's lending and collection operations in strengthening customer relationships while robustly addressing risk. Our low-cost model has been integral to performance to date, distinguishes us from several of our peers, and will be a key factor in equipping the Company to enter and grow in new markets as and when these opportunities become available.

In June the Company changed its name to MCB Finance Group Plc to better reflect its business focus and widening range of services. At the same time MCB renewed its corporate and investor website which can be found at www.mcbfinance.com.

Financials

Revenue for the six months ended 30 June 2008 totalled €4,973,251 (1H 2007: €1,453,406), which is in line with expectations. Direct operating costs, which include provisions and variable costs related to the Company's lending operations, were €2,402,852 (1H 2007: €1,067,338). Administrative expenses were €2,798,354 (1H 2007: €1,940,650). Net finance costs were €336,691 (1H 2007: €7,497). The net loss for the period was €564,646 (1H 2007: €1,562,079), in line with expectations.

Administrative expenses include a €111,846 non-cash reserve arising on employee share options granted during 2007 and 2008 to date. Excluding these charges, the Company's Pro-forma Net loss for the period was €452,800.

Credit loss provisions for the period totalled €1,496,561 (1H 2007: €735,903). The Company has continued to sell certain aged receivables which, together with extensive historical repayment performance data, allow us to confirm provisioning levels.

Performance has improved markedly on a quarterly basis. Q2 2008 was Net income break-even on revenues of €3.1 million, up from a Pro-forma Net loss of €0.5 million during Q1 2008 on revenues of €1.9 million.

A summary of MCB's financial performance during the period is provided below.

	1H 2008	1H 2007	Q2 2008	Q1 2008
Revenue	€ 4,973k	€ 1,453k	€ 3,075k	€ 1,898k
Pro-forma Net profit (loss)	-€ 453k	-€ 1,562k	€ 49k	-€ 502k

MCB's low-cost business model is a key factor driving its improved financial performance. The Company has a certain level of fixed costs which require only limited additions to support higher customer and lending volumes. The Board expects these economies of scale further to improve financial performance as MCB continues to grow in current and possibly additional markets.

Overall financial performance trends are positive and we expect the Company to reach expectations for full year profitability in 2008.

Funding

In February 2008 MCB raised €5.1 million from current and new shareholders to support the anticipated further growth in the business. The placing, completed despite very difficult equity market conditions, represented a strong endorsement of MCB's underlying business and development plans.

In July the Company further increased its revolving credit facility with Rietumu Bank from €10 million to €15 million, and extended the term of the facility from August 2008 through March 2009. Only half of this facility was drawn at the end of the period.

The Company's expected further growth will require an appropriate combination of debt and equity financing. Having made a number of significant advances in the first half, the Company will seek to raise additional equity of up to €5 million in the coming months to take advantage of opportunities for growth during late 2008 and 2009.

Current trading and outlook

We have continued to develop the business in line with our growth strategy and are greatly encouraged by the performance in the first half of the year. The changes to the product offering and Credit24 sites, together with the introduction of additional retail distribution points have proven popular with customers, and we are encouraged by the continued good repayment performance of the loan portfolio.

Lending volumes have continued in line with expectations in the current period, and the Board remains confident of the Group's prospects and its ability to meet expectations for the full year.

Bertil Rydevik
Chairman
5 September 2008

CONSOLIDATED INCOME STATEMENT
For the 6 months ending 30 June 2008

	Note	6 months to 30 June 2008 (<i>unaudited</i>) €	6 months to 30 June 2007 (<i>unaudited</i>) €	Year to 31 December 2007 (<i>audited</i>) €
Revenue		4,973,251	1,453,406	3,950,724
Impairment charge relating to legacy systems		-	-	(117,980)
Other direct operating expenses		(2,402,852)	(1,067,338)	(2,312,032)
Direct operating expenses		(2,402,852)	(1,067,338)	(2,430,012)
Cost of employee share options		(111,846)	-	(332,799)
Other administrative expenses		(2,686,508)	(1,940,650)	(4,131,293)
Administrative expenses		(2,798,354)	(1,940,650)	(4,464,092)
Interest payable and similar charges		(348,493)	(16,461)	(146,713)
Interest receivable		11,802	8,964	14,039
Loss on ordinary activities before taxation		(564,646)	(1,562,079)	(3,076,054)
Taxation	3	-	-	-
Loss on ordinary activities after taxation attributable to the equity shareholders of the parent company		(564,646)	(1,562,079)	(3,076,054)
		2008 €	2007 €	2007 €
Basic and diluted loss per Ordinary share	4	(0.033)	(0.112)	(0.220)

All of the activities of the Group during the period are classed as continuous.

There are no recognised gains or losses except as included in the consolidated income statement, and therefore a statement of recognised income and expense has not been prepared.

CONSOLIDATED BALANCE SHEET
As at 30 June 2008

	Note	30 June 2008 (unaudited) €	30 June 2007 (unaudited) €	31 December 2007 (audited) €
ASSETS				
Non-current assets				
Goodwill		737,723	737,723	737,723
Intangible assets		39,595	180,952	24,736
Property, plant and equipment		101,610	23,706	66,779
Total non-current assets		878,928	942,381	829,238
Current assets				
Trade and other receivables	5	15,230,969	3,603,265	8,187,738
Cash and cash equivalents		1,413,951	1,449,634	506,093
Total current assets		16,644,920	5,052,899	8,693,831
Total assets		17,523,848	5,995,280	9,523,069
EQUITY AND LIABILITIES				
Equity				
Issued share capital	6	2,542,460	2,095,567	2,095,567
Share premium account	7	8,469,908	4,150,572	3,965,831
Equity-settled employee benefit reserve	7	444,645	194,697	332,799
Retained earnings	7	(3,693,701)	(1,615,080)	(3,129,055)
Total equity	7	7,763,312	4,825,756	3,265,142
Current liabilities				
Trade and other payables	8	2,310,536	911,129	1,707,927
Short-term borrowings	9	7,450,000	258,395	4,550,000
Total current liabilities		9,760,536	1,169,524	6,257,927
Total equity and liabilities		17,523,848	5,995,280	9,523,069

The interim financial statements were approved by the Board of Directors on 4th September 2008 and signed on its behalf by:

B Rydevik
Chairman

H Nilert
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT
for the six months to 30 June 2008

		6 months to 30 June 2008 (unaudited)	6 months to 30 June 2007 (unaudited)	Year to 31 December 2007 (audited)
	Note	€	€	€
Cash flow used in operating activities	10	(6,870,925)	(3,303,574)	(8,302,563)
Cash flow from investing activities				
Purchase of property, plant and equipment		(50,113)	(17,888)	(69,304)
Purchase of intangible assets		(22,074)	(36,004)	(36,004)
Cash flow from investing activities		(72,187)	(53,892)	(105,308)
Cash flow from financing activities				
Issue of share capital		5,139,265	5,744,359	5,744,361
Expenses relating to issue of shares		(188,295)	(1,210,830)	(1,395,573)
Receipt of short-term borrowing		2,900,000	100,022	4,550,000
Repayment of short-term borrowing		-	(100,000)	(258,373)
Cash flow from financing activities		7,850,970	4,533,551	8,640,415
Increase in cash and cash equivalents		907,858	1,176,085	232,544
Opening cash and cash equivalents		506,093	273,549	273,549
Closing cash and cash equivalents		1,413,951	1,449,634	506,093

Notes to the interim financial statements

1. STATUTORY ACCOUNTS

The interim results for the six month period ended 30 June 2008 are unaudited. The financial information contained within this report does not constitute statutory accounts as defined by Section 240 of the Companies Act 1985. Statutory accounts for the year to 31 December 2007, upon which the auditors have given an unqualified report and made no statement under Sections 237(2) or (3) of the Companies Act 1985, have been delivered to the Registrar of Companies. Further copies of the report are available from the Company Secretary at the registered office, and on the Company's website at www.mcbfinance.com.

2. BASIS OF PREPARATION

MCB Finance Group Plc is registered and domiciled in England and Wales.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2007. The financial information is presented in euros and has been prepared under the historical cost convention and on a going concern basis.

3. TAXATION (as restated)

The deferred tax asset figure for 30 June 2007 interim accounts was restated as per below:

No corporation tax arises in Estonia unless a distribution is made. As no distribution has been made in the period no liability to corporation tax arises. There is no tax charge for the period in respect of the Group's other subsidiary undertakings due to their losses from previous years. Deferred tax asset on these losses of approximately €228,988 (2007: €263,659) has not been provided for in the consolidated interim results. The 2007 unprovided deferred tax asset has been adjusted to take account of Lithuanian and Latvian subsidiaries.

4. EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share is based on:

	6 months to 30 June 2008	6 months to 30 June 2007	Year to 31 December 2007
The basic and diluted weighted average number of Ordinary shares in issue during the period	17,324,868	13,923,907	13,994,436
The loss for the period (€)	(564,646)	(1,562,079)	(3,076,054)

Notes to the interim financial statements (continued)

5. TRADE AND OTHER RECEIVABLES

	6 months to 30 June 2008	6 months to 30 June 2007	Year to 31 December 2007
	€	€	€
Customer loan receivables	15,014,398	3,466,005	7,995,514
Other receivables	216,571	137,260	192,224
	<u>15,230,969</u>	<u>3,603,265</u>	<u>8,187,738</u>

Customer loan receivables are stated net of bad debt provisions of €2,433,000 (31 December 2007: €1,301,403; June 2007: €806,852). The provision charged to the income statement during period was €1,131,597 (31 December 2007: €1,230,453; June 2007: €735,903). Actual credit loss charged to the income statement during the period was €364,964 (31 December 2007: €156,329; June 2007: €0).

Included in the above are trade receivables due after more than one year:

	6 months to 30 June 2008	6 months to 30 June 2007	Year to 31 December 2007
	€	€	€
Customer loan receivables	845,865	-	45,686
Other receivables	2,172	-	2,172
	<u>848,037</u>	<u>-</u>	<u>47,858</u>

6. CALLED UP SHARE CAPITAL

	30 June 2008		30 June 2007		31 December 2007	
	Number	€	Number	€	Number	€
Authorised						
Ordinary shares of 10p each	30,000,000	3,792,000	20,000,000	2,970,320	20,000,000	2,970,320
Issued and fully paid						
Ordinary shares of 10p each	17,394,247	2,542,460	14,063,815	2,095,567	14,063,815	2,095,567

A Share issues during the period

On 14 February 2008 the Company issued 3,330,432 Ordinary shares, raising €4.95 million (net of expenses).

B Share option schemes

During the period the Company issued 120,362 options over the Ordinary shares of the Company. One-twelfth of the options granted vest at the end of each calendar quarter (subject to the option holder remaining an employee of the Company). The option holders have an obligation to reimburse any income tax paid by the Company in connection with the exercise of the option. None of these options lapsed or were exercised during the year.

7. STATEMENT OF CHANGES IN EQUITY

	Share capital €	Share premium €	Other Reserves €	Retained earnings €	Total €
At the start of the period	2,095,567	3,965,831	332,799	(3,129,055)	3,265,142
Loss for the financial period	-	-	-	(564,646)	(564,646)
Arising on share issue	446,893	4,504,077	-	-	4,950,970
Arising on employee share options	-	-	111,846	-	111,846
At the end of the period	2,542,460	8,469,908	444,645	(3,693,701)	7,763,312

8. TRADE AND OTHER PAYABLES

	6 months to 30 June 2008 €	6 months to 30 June 2007 €	Year to 31 December 2007 €
Trade creditors	240,804	147,012	243,669
Other taxations and social security	159,266	241,260	349,090
Other creditors	136,077	140,919	137,675
Accruals	229,363	94,650	176,030
Deferred income	1,545,026	287,288	801,463
	2,310,536	911,129	1,707,927

Notes to the interim financial statements (continued)

9. SHORT TERM BORROWINGS

	6 months to 30 June 2008	6 months to 30 June 2007	Year to 31 December 2007
	€	€	€
Bank loans and overdrafts	7,450,000	258,395	4,550,000

The bank loan at 30 June 2008 bears interest at 12.5% and is a draw-down of a total facility of €15m which is secured by a floating charge over the Group's outstanding customer loan receivables, certain of the Group's bank accounts and all property including existing and future tangible and / or intangible property owned by Mobile Credit Latvia. The facility is repayable on 24 March 2009.

10. RECONCILIATION OF LOSS ON ORDINARY ACTIVITIES BEFORE TAX TO CASH FLOW USED IN OPERATING ACTIVITIES

	6 months to 30 June 2008	6 months to 30 June 2007	Year to 31 December 2007
	€	€	€
Loss on ordinary activities before taxation	(564,646)	(1,562,079)	(3,076,054)
Depreciation	15,282	2,447	10,790
Amortisation	7,215	35,786	74,022
Impairment	-	-	117,980
Employee share options	111,846	194,697	332,799
Increase in debtors	(7,043,231)	(2,425,852)	(7,010,325)
Increase in creditors	602,609	451,427	1,248,225
Cash flow used in operating activities	(6,870,925)	(3,303,574)	(8,302,563)

Independent review report to MBC Finance Group Plc

We have been engaged by MBC Finance Group Plc to review the financial information for the six months ended 30 June 2008 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 10. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Respective responsibilities of directors and auditors

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules issued by the London Stock Exchange, which requires that the interim report must be prepared and presented in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility is to express to the Company a conclusion on the consolidated financial information in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial information in the interim report does not give a true and fair view of the financial position of the Company as at 30 June 2008 and of its financial performance and its cash flows for the six months then ended, in accordance with the AIM Rules issued by the London Stock Exchange.

Mazars LLP
Chartered Accountants
Tower Bridge House
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London E1W 1DD

5 September 2008

Notes:

(a) The maintenance and integrity of the MCB Finance Group Plc web site is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

SHAREHOLDER INFORMATION**MCB Finance Group Plc**

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