

27 April 2006



MAMA Group Plc

Interim Results for the six months ended 31 January 2006

Group transformed by acquisition

MAMA Group Plc ("MAMA Group", "the Company" or "the Group"), the holding company of a number of music and marketing services businesses, announces its interim results for the six-month period ended 31 January 2006.

Summary:

- Completion of the reverse takeover of Stonestrow Media Limited and related placing raising £7 million before expenses
- Turnover of the Group £1.69 million (2005: £825,000)
- Trading profits of £47,000 before depreciation, amortisation and interest (2005: £6,000)
- Net assets increased to £16.7 million (from £375,000 on 31 January 2005)
- Cash in hand and at bank totalling £4.5 million

Commenting, Adam Driscoll and Dean James, Co-Chief Executives, said:

"The period under review included a significant acquisition which has had a transformative effect on the Company's business and prospects.

The first half of the year has of course been dominated by the acquisition of the Stonestrow group and the management team is now focused on the growth and development of the core businesses in the second half and beyond.

Demand for live music is increasing year-on-year across all age groups. We continue to benefit from this increase in demand and we expect this trend to continue into the foreseeable future. We are the UK market leader in small live music venues and over the past 12 months have been the UK's most successful music management company. The Company has a strong asset base and is in an excellent position both to expand its existing operations and also to branch out into additional business areas which are complementary to those operations, such as music publishing.

Trading since the period-end has been in line with management expectations and we look forward to delivering full year numbers which demonstrate the strength and potential of the Group. At a time of growth and change in the music industry we are confident that we have the right businesses and assets to enable us to capitalise upon the opportunities that lie ahead."

The full text of the Co-Chief Executives' statement and the unaudited interim results for the period ended 31 January 2006 is set out below.

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Chief Executives' statement

Introduction

We are pleased to announce the interim results for MAMA Group Plc for the six month period ended 31 January 2006. The period under review included a significant acquisition which has had a transformative effect on the Company's business and prospects.

On 22 November 2005 MAMA Group Plc ("MAMA Group" or "the Company") announced an offer to acquire the entire issued share capital of Stonestrow Media Limited ("Stonestrow"), the holding company of the Channelfly group of music businesses. An institutional share placing to raise £7 million was announced at the same time. The offer valued Stonestrow at approximately £12.2 million and constituted a reverse takeover for the purposes of the AIM Rules. The offer and the placing were declared unconditional on 14 December 2005 and the first stage of the acquisition was completed on 15 December 2005.

The offer remained open until 12 April 2006 when we completed the statutory procedure to acquire the interests of the minority shareholders of Stonestrow who did not respond to the offer.

Financial Results

Under acquisition accounting rules the unaudited results presented here embody the data relating to the companies within MAMA Group at the start of the financial year on 1 August and only six weeks of trading within the enlarged group following the date upon which the offer was declared unconditional.

The first six months of the year were very positive for the existing businesses of the Company. While turnover within those businesses is a little lower than the same period last year, margins have been much improved and the EBITDA profit for the period is markedly better at £75,000 (up from £6,000). Sales overall have been good and we expect to report full year revenues for those businesses well ahead of the figure for the year ended 31 July 2005.

The Stonestrow group is rather larger than the existing businesses and accordingly the overall revenues and gross profit figures for the enlarged group are substantially higher than those reported in the 2005 interim results and indeed in the year ended 31 July 2005.

Turnover for the period was £1.69 million and the gross profit was £920,000. The consolidated EBITDA profit for MAMA Group was £47,000 and the operating loss was £108,000. This operating loss consists of non-cash items; £33,000 of depreciation and £122,000 of amortisation of goodwill arising from acquisitions, including the Stonestrow acquisition.

The figures from the Stonestrow group show an EBITDA loss of £28,000 for the six weeks. This figure relates to the quietest period of the year for almost all of the businesses of the Stonestrow group and is not representative of the performance of that group over the full six months. In the year ended 31 July 2005 the Stonestrow group posted maiden audited EBITDA earnings of £52,000 on a consolidated basis.

The trading results of the Stonestrow group for the period under review are materially better than the same results in the preceding period and we expect that improvement to be augmented in the second half.

The MAMA Group consolidated balance sheet is vastly improved over the previous year, with net assets standing at £16.7 million, up from £375,000, and cash at bank and in hand on 31 January 2006 totalling £4.5 million.

Outlook

Following the acquisition of Stonesthrow, MAMA Group now comprises three divisions: Live Music, Artist Services and Media. Trading is good in all three divisions.

Live Music

The live music market continues to show good growth both indoor and outdoor. Our live music division has seen strong growth assisted by the opening of our sixth Barfly venue in Birmingham in September 2005. Through our Barfly venue network we now book over 7,000 live performances a year and sell over 600,000 tickets.

Negotiations are progressing on additional venues. We have also been developing events outside of our own venues, a strategy which we expect to deliver further growth. The first such event, a festival in Brighton from 18-20 May, has achieved a great start in its inaugural year with over 180 bands scheduled to play and tickets selling well. We hope to turn this event into a key part of the UK music landscape in the coming years. The strength of the live music market also benefits our Artist Services businesses in terms of providing opportunities for our artists to play at large outdoor festivals.

Artist Services

During the period we have added a number of new bands to our management roster and signed several bands to recording production deals. We have also entered into a funding arrangement with Ingenious Music VCT plc for one of the bands, The Heights, and anticipate entering into similar arrangements with Ingenious Music in respect of other artists in the second half. SuperVision Management, our artist management company, won the two key UK music management trophies, being named 'Manager of the Year' by industry journal Music Week and also at the Music Managers' Forum Roll of Honour ceremony on 19 April 2006. Two of the bands that we represent, Franz Ferdinand and The Kaiser Chiefs, have achieved multiple-platinum record sales in 2005 and 2006 and will this year headline the Reading and Leeds music festivals. We have a number of developing bands for whom we have high hopes of commercial success in 2006 and 2007.

Providing an enhanced offering to artists is important to our continued success. We envisage offering a more comprehensive range of services to artists in future, including publishing, merchandising and ticketing facilities. The continued transformation of the music industry in the digital age is bringing about a shift in relationships between artists and their service providers. We are developing our artist services business to ensure that we create value for both us and our clients across a range of revenue streams.

Media and Marketing Services

Within our media and marketing division we have retained key clients such as Jack Daniels, 3 and The Times, whilst winning new business from clients such as the Co-op Bank and Bayer International.

Our music magazine, The Fly, continues to perform well. It is a key title in the market and has demonstrated that it provides real value to music consumers by introducing them to up-and-coming artists. We are working on a number of on and off-line developments to ensure that we can continue to develop and serve the 250,000-strong community that currently uses our magazine for information about new bands. Linking bands and fans directly is now an intrinsic part of the music market - through our live venues and our magazine business we are ideally placed to provide the services that will more closely link these two groups.

Summary

Demand for live music is increasing year-on-year across all age groups. We continue to benefit from this increase in demand and we expect this trend to continue into the foreseeable future. We are the UK market leader in small live music venues and over the past 12 months have been the UK's most successful music management company. The Company has a strong asset base and is in an excellent position both to expand

its existing operations and also to branch out into additional business areas which are complementary to those operations, such as music publishing.

Although MAMA Group businesses operate independently, the Company's strategy is to combine the advantages of each business, so that for example our live music venues, which specialise in up-and-coming bands, provide a source of potential clients for management and recording contracts, while our media and marketing businesses are able to promote our own clients in a cost-effective fashion. In this respect we believe that we offer the most comprehensive and strategically sound set of businesses capable of delivering strong revenue growth in the UK music industry, as demonstrated by the recent growth in the business units combined with the success of our artists.

The first half of the year has of course been dominated by the acquisition of the Stonestrow group and the management team is now focused on the growth and development of the core businesses in the second half. Trading since the period-end has been in line with management expectations and we look forward to delivering full year numbers which demonstrate the strength and potential of those businesses. At a time of growth and change in the music industry we are confident that we have the right businesses and assets to enable us to capitalise upon the opportunities that lie ahead.

Adam Driscoll and Dean James
Co-Chief Executives

27 April 2005

**Unaudited Group Profit and Loss Account
For the period ended 31 January 2006**

	Notes	Unaudited 6 months ended 31 January 2006 £'000	Audited 12 months ended 31 July 2005 £'000	Unaudited 6 months ended 31 January 2005 £'000
Turnover	3			
- Continuing activities		780	1,053	825
- Acquisitions	4	914	-	-
		<u>1,694</u>	<u>1,053</u>	<u>825</u>
Cost of sales		(774)	(568)	(401)
Gross profit		<u>920</u>	<u>485</u>	<u>424</u>
Administrative expenses		(1,028)	(886)	(448)
Operating profit/(loss) before interest, depreciation and goodwill amortisation ("EBITDA")				
- Continuing activities		75	(260)	6
- Acquisitions	4	(28)	-	-
		<u>47</u>	<u>(260)</u>	<u>6</u>
Depreciation		(33)	(55)	(12)
Goodwill		(122)	(86)	(18)
		<u>(108)</u>	<u>(401)</u>	<u>(24)</u>
Total Operating loss:				
- Continuing activities		(60)	(401)	(24)
- Acquisitions	4	(48)	-	-
		<u>(108)</u>	<u>(401)</u>	<u>(24)</u>
Interest receivable		17	-	-
Interest payable and similar charges		(7)	(29)	(13)
Loss on ordinary activities before and after taxation		<u>(98)</u>	<u>(430)</u>	<u>(37)</u>
Loss per share (basic and diluted)	6	(0.0001)p	(2.1)p	(0.19)p

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

**Unaudited Group Balance Sheet
As at 31 January 2006**

	Notes	Unaudited as at 31 January 2006 £'000	Audited as at 31 July 2005 £'000	Unaudited as at 31 January 2005 £'000
Fixed assets				
Intangible assets		14,078	647	715
Tangible assets		550	55	44
		14,628	702	759
Current assets				
Stock		42	-	-
Debtors		1,219	338	353
Cash at bank and in hand		4,461	30	57
		5,722	368	410
Creditors: Amounts falling due within one year		(3,148)	(742)	(794)
		2,574	(374)	(384)
Net current (liabilities) / assets				
Total assets less current liabilities		17,202	328	375
Creditors: Amounts falling due after more than one year		(471)	(7)	-
		16,731	321	375
Net assets				
Capital and reserves				
Called up share capital		17,720	1,305	955
Share premium account		2,261	2,584	2,584
Share capital to be issued		457	41	51
Merger reserve		546	546	546
Profit and loss account		(4,253)	(4,155)	(3,761)
		16,731	321	375

**Unaudited Group Cash Flow Statement Sheet
For the period ended 31 January 2006**

	Unaudited Six months ended 31 January 2006 £'000	Audited 12 months ended 31 July 2005 £'000	Unaudited Six months ended 31 January 2005 £'000
Cash outflow from operating activities	(70)	(226)	(33)
Returns on investments and servicing of finance	10	(29)	-
Capital expenditure and financial investment	(462)	(49)	(47)
Acquisitions and disposals	(10,986)	-	-
Management of liquid resources	-	-	(13)
Financing	15,939	81	(104)
Increase / (decrease) in cash in the period	4,431	(223)	(197)

**NOTES TO THE UNAUDITED INTERIM RESULTS
FOR THE PERIOD ENDED 31 JANUARY 2006**

1. Basis of preparation

The financial information contained in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1995.

The financial information contained in this interim report has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ending 31 July 2005 and therefore in accordance with UK GAAP.

Under the rules of the AIM market of the London Stock Exchange ("the AIM Rules") the Company is obliged to adopt International Financial Reporting Standards ("IFRS") for financial periods commencing on or after 1 January 2007. The Company may choose to adopt IFRS in respect of earlier financial periods. The adoption of IFRS will involve the restatement of prior year results to reflect IFRS. The current accounting treatment of the acquisition detailed at note 4 below, and thus the profit and loss account presented in these results, includes a material amount of goodwill amortisation. The Company has been advised that goodwill amortisation is not applicable under IFRS.

2. Basis of consolidation

The Group's financial information consolidates that of the Company and all its subsidiary undertakings.

References to "MAMA Group" or "the Company" are references to MAMA Group Plc. References to "the Group" are references to MAMA Group and its subsidiary undertakings.

3. Turnover

The Group's turnover for the period represents the consolidated activities of the Company and its subsidiary undertakings for the period from 1st August 2005 to 31st January 2006.

4. Acquisitions

On 22 November 2005 the Company announced an offer to acquire the entire issued share capital of Stonesthrow Media Limited ("Stonesthrow") the holding company of the Channelfly group. The offer valued Stonesthrow at approximately £12.2 million and was categorised as a reverse takeover for the purposes of the AIM Rules. On 14 December 2005, following the holding of an EGM approving the terms of the acquisition of Stonesthrow and also approving the placing of 140,000,000 new ordinary 5p shares in the Company with institutional investors for cash at 5p per share, the offer was declared unconditional. The Company's name was changed from Campus Media Plc to MAMA Group Plc on 14 December 2005 and the new shares were admitted to AIM on 15 December 2005.

The terms of the offer stipulated that the consideration for Stonesthrow was to be satisfied by the payment of £1.76 million in cash and the issue of 208,733,375 new ordinary shares in the company at 5p per share. When the Company declared the offer to be unconditional it stated that acceptances received had exceeded 90% of the issued share capital of Stonesthrow and that it would be applying the mandatory acquisition process set out under the Companies Act 1985 ("the Act") in relation to the shares in respect of which acceptances had not been received. The relevant statutory notices were sent out on 26 February 2006 and the notice period expired on 7 April 2006. No objections having been filed pursuant to the Act, the acquisition of the Stonesthrow shares held by persons who did not accept the offer took place on 10 April 2006. The relevant purchase consideration, namely £16,405 in cash and 2,050,625 new shares in the Company were delivered to Stonesthrow on 12 April 2006. That consideration is held by Stonesthrow on trust for the non-accepting shareholders and will be passed to them in accordance with the terms of s429 of the Act.

The audited financial statements for Stonesthrow for the period to 31 July 2005, being the last financial statements published by Stonesthrow prior to the acquisition, reported consolidated group turnover of £6.672 million and an operating loss of £211,000. This included a share of the loss of the Company which was at that time an associated undertaking of Stonesthrow. According to its published balance sheets, the net consolidated liabilities of the Stonesthrow group totalled £1.03 million at 31 July 2005, including £212,000 cash at bank and in hand, £841,000 of debtors and £1,977,000 of creditors and provisions.

Under acquisition accounting rules, the interim results presented here include 100% of the results of Stonesthrow and its subsidiaries with effect from 15 December 2005 up to 31 January 2006.

The unaudited results of Stonesthrow and its group for the period from acquisition to 31 January 2006 are itemised in the profit and loss account presented here. The unaudited results of Stonesthrow and its group for the period of six months from 1 August 2005 to 31 January 2006 were as follows:

	<i>£'000</i>
Turnover	3,621
Cost of sales	(1,869)
Administrative Expenses	(1,814)
EBITDA	<u>(62)</u>
Net Operating Loss	<u>(262)</u>

5. Shares in Parent Company

Channelfly plc, one of the subsidiaries of Stonesthrow, is the beneficial owner of 6,549,998 shares in the Company; given that Channelfly is a subsidiary of the Company it cannot exercise any voting rights in

respect of those shares pursuant to section 23(5) of the Act. The Company has stated that it intends to dispose of this shareholding and in the admission document dated 22 November 2005 it was reported that the Company proposed to sell 5,804,689 of the shares held by Channelfly plc to Mr D James, one of the directors of the Company. No contracts or sales terms have yet been agreed between Channelfly and Mr James or any third party but it remains the intention of the Directors that the shareholding in the Company will be sold in due course.

6. Taxation

The Group has estimated corporation tax losses to carry forward against future profits of approximately £7 million (31 July 2005: £920,000; 31 January 2005: £353,000)

7. Loss per share

The calculation of loss per share is based on the unaudited consolidated loss for the financial period and 113,942,106 (31 July 2005: 20,603,310; 31 January 2005: 19,096,139) ordinary shares being the weighted average number of shares in issue during the period.

8. Copies of this report

Copies of this interim report will be sent to shareholders. Further copies can be obtained from the Company's registered office at Zeppelin Building, 59-61 Farringdon Road, London EC1M 3JB.