

28 June 2011

Interim Financial Statements

Minoan Group Plc (the “Group” or “the Company”) presents its Unaudited Interim Financial Statements for the six months ended 31 March 2011

Chairman’s Statement

Introduction

The new masterplan of the Group’s project in Crete (the “Project”) has now been completed and a file will be submitted to Invest in Greece, the government agency handling Fast Track applications, within ten days. In the light of the decision of the Greek Council of State in December 2010 and recent changes to relevant laws in Greece, the Board has commissioned CB Richard Ellis - Axies (“CBRE”), an independent surveyor, to provide an updated letter of opinion on the value of the Group’s interest in the land in Crete (see below).

In addition, following the unanimous approval of shareholders at the General Meeting held on 23 December 2010, the Company has embarked on a rapid implementation of its Travel and Leisure strategy. The creation of a substantial travel business will underpin the development of the Project as well as create a valuable, cash positive stand alone business.

The Project

The Greek Government has announced a number of ministerial changes which the directors believe will be positive for the Project. The ministers replaced included National Economy and Environment. The new Environment Minister has announced a new express procedure for dealing with Environmental Impact Assessments and one of the stated intentions of the Greek Prime Minister is to ensure an increased flow of foreign investment into Greece.

The masterplan is for the creation of a smaller, higher quality and fully sustainable development which, the directors are being advised, should be acceptable to the Greek State. CBRE has issued a letter of opinion which, based on extracts from the Group’s business plan and full consent, opines that the value of the Group’s interest in the land is likely to be in the order of €100 million.

Travel and Leisure

Since the shareholder approval, the Group has announced the following:

- acquisition of King World Travel Limited (“KWT”) in March 2011;
- appointment of KWT as the exclusive franchisee of Cruise118 within the Scottish travel market in April 2011 (see below);
- signing of an agreement for KWT to become the General Sales Agent in the UK for Sunwing Travel Group Inc’s (“Sunwing”) UK-Canada flying programme in May 2011 (see below); and
- acquisition of a 19.9% interest in Stewart Travel Centre (“Stewart”) together with a management agreement for its future operation in May 2011.

I am pleased to confirm that the contract with Cruise118 has now been formally signed. The directors believe that this agreement, which provides access to the cutting edge technology and CRM tools of Cruise118, will enable KWT to become a much stronger player in the growing cruise retail market. It is also our intention to utilise this technology in Scotland’s Cruise Centre, which is the cruise selling division of Stewart.

The Group has commenced the marketing of Sunwing’s transatlantic flying programme. Using its Canada Travel Services brand (primarily web based *canadatravelservices.co.uk*) the first customers have been booked and have travelled.

Chairman’s Statement (continued)

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Travel and Leisure (continued)

The combination of these acquisitions and agreements constitutes a major step in the implementation of the Group's stated intention of creating a substantial, profitable, distribution led travel business which will improve profits incrementally through management input and marketing. The first acquisition of KWT heralded the re-entry of Duncan Wilson into the travel industry and created considerable interest within the sector. A team has been established which is already bringing profit improvements as well as identifying a number of potential complementary businesses to be acquired in the future.

Renewable Energy

As stated previously, the Group remains committed to this sector but, following the restructuring of local government in Greece late in 2010 and further changes to the Renewable Energy legislation, the Board will only move forward when it is confident that the profitability and cash generating properties of the business remain secure.

Financial Results

The unaudited interim results for the six months ended 31 March 2011 are set out below and are in line with the Board's expectations.

The results reflect the acquisition of KWT in March and, as a consequence, the Board is particularly pleased to present a financial statement showing revenue for the first time in the Group's history. The revenue stream is expected to grow substantially in the future.

The Unaudited Consolidated Income Statement includes a charge in respect of share based payments. The share based payments charge is an accounting entry required by International Financial Reporting Standards and involves no movement of cash (see Note 4).

Outlook

Although the delay in the opening of the new Fast Track process has been disappointing, the Board remains confident that it provides a route by which the Project, revised to reflect the decision of the Greek Council of State and relevant new laws, can be brought to fruition.

The expansion in the Travel and Leisure sector will continue to be fulfilled by means of a carefully controlled programme of acquisitions that are expected to be both cash and profit generative to the expanded group.

Conclusion

I and my fellow directors remain firmly of the opinion that the changes in Greece will bring success in the implementation of the Project. This, taken together with the opportunities in the Travel and Leisure sector, provides grounds for considerable optimism for the future.

With the skills available, both at Board level and within the management team, I believe that the remainder of the current year will see significant progress in all the areas of Group's business and I look forward to being able to inform you accordingly.

The directors remain fully committed to the success of the Group and to providing long term value for shareholders.

Christopher W Egleton

Chairman
28 June 2011

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Unaudited Consolidated Income Statement 6 months ended 31 March 2011

	6 months ended 31 March 2011	6 months ended 31 March 2010	Year ended 30 September 2010
	£	£	£
Revenue	610,035	-	-
Cost of sales	533,833	-	-
Gross profit	76,202	-	-
Operating expenses	(411,804)	(290,053)	(726,247)
Charge in respect of share based payments	(161,999)	(272,840)	(535,190)
	(573,803)	(562,893)	(1,261,437)
Operating loss	(497,601)	(562,893)	(1,261,437)
Finance income	-	29	51
Loss before taxation	(497,601)	(562,864)	(1,261,386)
Taxation	-	-	-
Loss for period attributable to equity holders of the Company	(497,601)	(562,864)	(1,261,386)
Basic and diluted loss per share attributable to equity holders of the Company	(0.65)p	(0.83)p	(1.77)p
Basic and diluted loss per share attributable to equity holders of the Company (excluding the charge in respect of share based payments)	(0.44)p	(0.43)p	(1.02)p

All of the above arises from continuing activities.

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Unaudited Consolidated Statement of Changes in Equity

6 months ended 31 March 2011

	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total equity £
Balance at 1 October 2010	13,767,921	21,755,799	9,348,724	(9,121,485)	35,750,959
Loss for the period	-	-	-	(497,601)	(497,601)
Net proceeds from shares issued	102,707	1,182,932	-	-	1,285,639
Share based payments	-	-	-	161,999	161,999
Balance at 31 March 2011	13,870,628	22,938,731	9,348,724	(9,457,087)	36,700,996

6 months ended 31 March 2010

	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total equity £
Balance at 1 October 2009	13,635,113	20,055,643	9,348,724	(8,395,289)	34,644,191
Loss for the period	-	-	-	(562,864)	(562,864)
Net proceeds from shares issued	91,762	1,210,977	-	-	1,302,739
Share based payments	-	-	-	272,840	272,840
Balance at 31 March 2010	13,726,875	21,266,620	9,348,724	(8,685,313)	35,656,906

Year ended 30 September 2010

	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total equity £
Balance at 1 October 2009	13,635,113	20,055,643	9,348,724	(8,395,289)	34,644,191
Loss for the year	-	-	-	(1,261,386)	(1,261,386)
Net proceeds from shares issued	132,808	1,700,156	-	-	1,832,964
Share based payments	-	-	-	535,190	535,190
Balance at 30 September 2010	13,767,921	21,755,799	9,348,724	(9,121,485)	35,750,959

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Unaudited Consolidated Balance Sheet as at 31 March 2011

	31 March 2011 £	31 March 2010 £	30 September 2010 £
Assets			
Non-current assets			
Intangible assets	4,313,343	3,572,776	3,572,776
Property, plant and equipment	177,208	180,527	173,809
Total non-current assets	4,490,551	3,753,303	3,746,585
Current assets			
Inventories	35,201,734	34,407,661	34,724,932
Receivables	245,500	41,834	38,122
Cash and cash equivalents	1,094,480	270,984	71,280
Total current assets	36,541,714	34,720,479	34,834,334
Total assets	41,032,265	38,473,782	38,580,919
Equity			
Share capital	13,870,628	13,726,875	13,767,921
Share premium account	22,938,731	21,266,620	21,755,799
Merger reserve account	9,348,724	9,348,724	9,348,724
Retained earnings	(9,457,087)	(8,685,313)	(9,121,485)
Total equity	36,700,996	35,656,906	35,750,959
Liabilities			
Current liabilities	4,331,269	2,816,876	2,829,960
Total liabilities	4,331,269	2,816,876	2,829,960
Total equity and liabilities	41,032,265	38,473,782	38,580,919

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Unaudited Consolidated Cash Flow Statement 6 months ended 31 March 2011

	6 months ended 31 March 2011	6 months ended 31 March 2010	Year ended 30 September 2010
	£	£	£
Cash flows from operating activities			
Net cash generated from/(used in) continuing operations	752,696	(848,636)	(1,334,009)
Net cash generated from/(used in) operating activities	752,696	(848,636)	(1,334,009)
Cash flows from investing activities			
Acquisition of subsidiary	(429,103)	-	-
Purchase of property, plant and equipment - net	(10,393)	(3,478)	(3,732)
Net cash used in investing activities	(439,496)	(3,478)	(3,732)
Cash flows from financing activities			
Interest received	-	29	51
Net proceeds from the issue of ordinary shares	710,000	985,200	1,271,101
Net cash generated from financing activities	710,000	985,229	1,271,152
Net increase/(decrease) cash	1,023,200	133,115	(66,589)
Cash at beginning of period	71,280	137,869	137,869
Cash at end of period	1,094,480	270,984	71,280

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Note to the Unaudited Consolidated Cash Flow Statement 6 months ended 31 March 2011

Cash flows from operating activities

	6 months ended 31 March 2011	6 months ended 31 March 2010	Year ended 30 September 2010
	£	£	£
Operating loss	(497,601)	(562,893)	(1,261,437)
Depreciation	6,994	2,225	14,506
Exchange loss/(gain) relevant to property, plant and equipment	-	4,319	(990)
Increase in inventories	(476,802)	(573,579)	(890,850)
Share based payments	161,999	272,840	535,190
Increase in receivables	(207,378)	(5,308)	(1,596)
Increase/(decrease) in current liabilities	1,501,309	(303,779)	(290,695)
Non cash movement in intangible assets	(311,464)	-	-
Non cash movement in current liabilities	575,639	317,539	561,863
Net cash generated from/(used in) continuing operations	752,696	(848,636)	(1,334,009)

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Notes to the Unaudited Interim Financial Statements 6 months ended 31 March 2011

1. General information

The Company is a public limited company incorporated in England and Wales and quoted on AIM. The Company's principal activity in the period under review was that of a holding and management company of a Group involved in the design, creation, development and management of environmentally friendly luxury resorts. During the period the Group also commenced the implementation of its policy to expand further in the travel and leisure ("T&L") sector with the acquisition of King World Travel Limited ("KWT") on 10 March 2011. The Group's intention is to provide a broad range of services including, inter alia, transportation, accommodation and leisure services.

2. Basis of preparation

The interim financial statements are unaudited and do not constitute statutory accounts as defined in Section 434(3) of the Companies Act 2006. A copy of the audited Report and Financial Statements for the year ended 30 September 2010 has been delivered to the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain statements under Section 498 of the Companies Act 2006. The Report and Financial Statements for the year ended 30 September 2010 were approved by the Board on 21 February 2011.

The interim financial statements for the 6 months ended 31 March 2011 comprise an Unaudited Consolidated Income Statement, Unaudited Consolidated Statement of Changes in Equity, Unaudited Consolidated Balance Sheet and Unaudited Consolidated Cash Flow statement plus relevant notes.

The interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the EU and the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies adopted in the preparation of the interim financial statements are set out below. These policies have been consistently applied to all the periods represented, unless otherwise stated.

Going concern

The interim financial statements have been prepared on the going concern basis.

The directors have considered the financial and commercial position of the Group in relation to its project in Crete (the "Project") and also in respect of the expansion of its T&L business, the implementation of which has now commenced (see above). In particular, the directors have reviewed the matters referred to below.

In December 2010 the Greek Council of State reached a decision relating to the Project. This decision was enlightening as to the form of tourism development that may be created in this area.

A new permitting process has been approved by the Greek Government regarding strategic investments planned in the country, known as the Fast Track Law. The purpose of this law is to expedite the planning process for projects which the government considers to be environmentally appropriate and which will, inter alia, strengthen the Greek economy, create employment and introduce novel technologies.

**Notes to the Unaudited Interim Financial Statements (continued)
6 months ended 31 March 2011**

2. Basis of preparation (continued)

Going concern (continued)

The Company is in the process of submitting a file based on its new masterplan to Invest in Greece, the government agency appointed to handle applications under the Fast Track process. The masterplan is for the creation of a smaller, higher quality, fully sustainable development and the directors are being advised that it should now be acceptable to the Greek State.

As has been the case in the past, the Group continues to raise capital in order to meet its existing working capital requirements (see note 6) and the directors consider that any necessary funds will be raised as required.

With the first acquisitions in the planned expansion of its T&L business the Group is now in a position to generate profits and cash flow within this sector of its activities.

Having taken these matters into account, the directors consider that the going concern basis of preparation of the interim financial statements is appropriate.

The interim financial statements do not include any adjustment that would be required if the Company were unable to continue as a going concern.

3. Goodwill

The increase in goodwill has arisen from the acquisition of KWT.

IFRS require that goodwill be tested annually for impairment and not amortised. In the Group's case, the requirement to amortise goodwill ceased with effect from 31 March 2006. The directors have considered the current value of the land and the progress of the Project and are of the opinion that the project site has longer term value in excess of the value of both the amount of goodwill attributable to it and inventories.

In addition, the directors are of the opinion that the projected value of the KWT business is in excess of the value of the amount of goodwill attributable to it.

4. Share based payments

The Group has a Long Term Incentive Plan ("LTIP") in which any director or employee selected by the remuneration committee may participate. Awards under the LTIP have been granted on the basis that certain performance conditions will be met.

The Company has also granted options to purchase Ordinary Shares of 1p each.

A charge has been made in respect of the LTIP and options using the Black-Scholes and Monte Carlo pricing models as appropriate and charged over the vesting periods. This charge, shown as a charge in respect of share based payments in the consolidated income statement, does not involve any cash payment.

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Notes to the Unaudited Interim Financial Statements (continued) 6 months ended 31 March 2011

5. Loss per share attributable to equity holders of the Company

Earnings per share are calculated by dividing the earnings attributable to the equity holders of a company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share are calculated by adjusting basic earnings per share to assume the conversion of all dilutive potential ordinary shares. In the case of losses however, these shares are antidilutive and as such they are ignored in calculating diluted loss per share. Therefore the basic loss per share and diluted loss per share are the same. The weighted average number of shares used in calculating basic and diluted loss per share for the 6 months ended 31 March 2011 was 76,104,773 (6 months ended 31 March 2010: 68,208,678; year ended 30 September 2010: 71,458,212).

6. Events after the balance sheet date

On 8 April 2011 the Company issued 2,012,424 new ordinary shares of 1p each at 15 pence per share in order to satisfy certain existing commitments.

On 11 May 2011 the Company placed 2,698,413 new ordinary shares of 1p each at 15.75 pence per share to fund the implementation of its growth strategy in the T&L sector and to provide ongoing working capital.

On 18 May 2011 the Company issued 333,333 new ordinary shares of 1p each at 15 pence per share in respect of the exercise of Warrants 2011.

On 31 May 2011 the Company issued 1,780,410 new ordinary shares of 1p each at 15.62 pence per share in settlement of the consideration for the acquisition of a 19.9% interest in Stewart Travel Centre. Simultaneously, the Company signed a management agreement for the future operation of Stewart.

Minoan Group Plc's unaudited interim financial statements for the 6 months ended 31 March 2011 can be viewed on the Company's website, www.minoangroup.com, with effect from close of business on 28 June 2011.

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