MINOAN GROUP PLC

31 July 2013

Interim Results Announcement

Minoan Group Plc
(the “Group” or the “Company” or “Minoan”)
announces its unaudited interim results for the 6 months ended 30 April 2013

HIGHLIGHTS

Crete Project

- Crete Project (“Project”) granted Fast Track status, a process designed to facilitate strategic investment projects, and the appeals against the award have been dismissed
- Fast Track status for the Project has generated considerable additional interest, and discussions are progressing with potential partners, investors and hotel operators
- The Strategic Environmental Assessment, the approval of which is the UK equivalent of outline planning consent, should be submitted within the next few weeks
- Successful tender for the operation of a tourism complex adjacent to the Project site

Travel & Leisure

- Full-year results for the Travel & Leisure (“T&L”) division should be well in excess of the last financial year
- Revenues over the period are up by approximately 60% to £19.8 million and net profit before taxation has increased from £10,000 to £117,000
- Classic Travel Limited, an award-winning specialist travel agent with over 30 years’ experience in the travel and holiday market, has been acquired and integrated together with the Golf Concierge brand, a specialist in world-class golfing breaks
- Consolidation of all the travel businesses acquired over the past 27 months under the Stewart Travel brand has been successfully concluded
- Investor subscribes for a 20% stake in the T&L business by way of a subscription for new shares for a price capped at £2 million

Christopher Egleton, Minoan Chairman, commented:

“Over the six months to end-April we continued to progress both the Crete Project and the expansion of travel and leisure business.

Following the granting of Fast Track status for the Project and the dismissal of the subsequent appeals, the Board believes that we have never been closer to bringing the Project to fruition and have had growing and significant interest from investors and hotel operators who are keen to partner with us on the Project.

Our confidence in the future of the Project led us to tender successfully for the operation of a tourism complex adjacent to the Project site, which means we will be operating commercially and actively working within the local community for the first time.

The acquisitions made by our fast-expanding travel business have been successfully integrated and we expect it to deliver revenues and profits well in excess of the last financial year.

We are delighted to welcome a new investor into the T&L business through the subscription of new shares equivalent to 20%. There is an earn-out arrangement such that if the performance of the T&L business hits certain targets the subscription price will rise to £2 million, which would value the division at £10 million.

Post the period covered by the results, L&G, one of the UK’s largest blue-chip institutional investors, increased its holding in the Company to 4.80%.

The coming year promises to be the most significant and transformational in the Group’s history.”

The Company's unaudited interim results for the 6 months ended 30 April 2013 can be viewed on Minoan's website, *www.minoangroup.com*, with effect from 31 July 2013.

For further information visit www.minoangroup.com or contact:

Minoan Group Plc	
Christopher Egleton	christopher.egleton@minoangroup.com
Duncan Wilson	0141 226 2930
Bill Cole	020 8253 4305
WH Ireland Limited	020 7220 1666
Adrian Hadden/Nick Field	
Throgmorton Street Capital	020 7071 0808
Forbes Cutler	
Morgan Rossiter	020 3195 3240
Richard Morgan Evans/James Rossiter	

Chairman's Statement

Introduction

In Greece our successful application for the Group's Crete project (the "Project") to be granted Fast Track status, having been approved in September 2012, was appealed against in February 2013. The subsequent withdrawal of the appeals in April 2103, together with confirmation of Greek Government support received at the time, plus the continuing simplification of the planning process, augur well for the future.

During the period since the year end the Group's travel and leisure business has seen the successful consolidation of the Group's travel companies and the integration of the two acquisitions announced in November last year.

The Group is pursuing a number of opportunities in both Greece and for its travel and leisure business, which could have significant positive effects in the short to medium term.

Greece

The Greek Government has been addressing the numerous complications inherent in the Greek planning process by passing a number of pieces of legislation aimed at simplifying the whole process. As part of this, a new tourism law is expected to be passed in the very near future and this will further simplify the planning process for integrated tourism projects. All of this is consistent with the Government's stated aim of encouraging foreign investment in the Greek development and tourism industries.

I will, of course, keep shareholders informed of any future changes in relevant legislation.

Following the withdrawal of the appeals in April 2013, confirming the Project's Fast Track status, the Group and its consultants commenced the detailed work required to prepare the necessarily complex file for the Strategic Environmental Assessment ("SEA"). The SEA includes a number of studies which, by their nature, are required to be as current as possible and, as a consequence, take a significant amount of time and expertise to complete.

The process is close to being finalised and we expect to submit the formal SEA to Invest in Greece within a few weeks. Thereafter, the legislation provides that the assessment of the SEA is completed within approximately 60 working days. SEA approval is akin to outline planning consent in the UK and, following the granting of Fast Track status, we are hopeful of a successful conclusion.

The Board's growing confidence in the Project has led to the successful tender for the operation of a tourism complex at Metohi Vai on a twenty year lease. Metohi Vai is an important location adjacent to the Project site which consists of a number of traditionally designed buildings and a restaurant. Although small, the Board views this as an important step as, from January next year, the Group will actually be operating commercially in the area for the first time, probably with local partners.

Travel and Leisure ("T&L")

The Group's T&L business has expanded significantly in the half year with the consolidation of all the travel businesses under the Stewart Travel brand being successfully concluded by May. The integration of the Classic Travel business and the Golf Concierge brand, both acquired in November 2012, has also been completed successfully.

Chairman's Statement (continued)

Travel and Leisure ("T&L") (continued)

As set out in the Segmented information note (note 3), the division's revenue has increased from £12,563,000 to £19,849,000 and the net profit before taxation from £10,000 to £117,000. Since the first half of the year is traditionally the less profitable, this is a very good performance. With the exception of the experiment in locating computerised travel agency kiosks in sub-post offices, which has not matched expectations, all the main sections of the T&L business have shown increased turnover and profitability.

As a result of the change in the CAA's approach to the industry generally, which we have reported previously, the Group decided to transfer the settlement system of its T&L business to the Hays Independence Group, which now means that only the commission received on holiday bookings is recognised. This change, plus a number of other factors, also referred to previously, while not changing how we report the division's results, had an impact on the Group's short term cash flow.

As part of the consolidation process the Group has incurred additional cash costs in relation to new branches and other rationalisation measures. For example, two existing old branches in Ayr were merged into a new branch, which is now trading at a higher level than the two previous branches combined.

The non-operational cash costs of the rationalisation have been approximately £150,000 in the period, whilst the impact of one-off charges on the T&L division's profits has been approximately £100,000.

Operating costs of the T&L division have been higher than originally budgeted in order to prepare for the future. Nevertheless, I expect the full year results of the division to be well in excess of those of the previous year.

Corporate Development

On 30 July 2013 the Company entered into an agreement by which an investor, a company the backers of which include individuals who have a long association with the Group, has agreed to subscribe for a 20% stake in the Group's T&L business by way of a subscription for new shares. The agreement provides for an initial subscription price of £770,000, which could increase up to £2 million depending on future performance. The agreement contains certain minority protection rights for the investor and rights of pre-emption and "drag and tag" rights in favour of the Group and other provisions which are usual in such a transaction.

Financial Results

The Group is now organised into divisions in order to better reflect its strategy and growth objectives. The segmented information in note 3 enables shareholders to see the results of the Group's different activities.

The unaudited interim results for the six months ended 30 April 2013 are set out below and are in line with the Board's expectations. After taking into account one-off costs and the share based payments charge, the Group's full year results are expected to be in line with market expectations.

Outlook

Your Board believes that with the six months to end-April having been spent in the successful consolidation of the travel and leisure businesses and in achieving substantial progress in Greece, the next six months may be viewed with increasing optimism.

Chairman's Statement (continued)

Outlook (continued)

The change in the CAA's approach referred to above, plus the rationalisation and other costs, has resulted in the Group's prudent cash management causing a temporary slow-down in its expansion programme.

However, The T&L division has performed strongly and is well positioned to further enhance its contribution.

We have continued to review acquisitions and other opportunities in both of the Group's businesses with a view to creating value for shareholders and I expect to announce the crystallisation of a number of these opportunities in the not too distant future.

Christopher W Egleton

Chairman
31 July 2013

Unaudited Consolidated Statement of Comprehensive Income
6 months ended 30 April 2013

	6 months ended 30.04.13	6 months ended 30.04.12	Year ended 31.10.12
	£'000		£'000
Results			
Revenue	**19,849**	12,563	37,379
Cost of sales	**17,340**	11,409	33,646
Gross profit	**2,509**	1,154	3,733
Operating expenses	**(2,754)**	(1,356)	(3,867)
Other operating expenses			
Corporate development costs	**(416)**	(415)	(866)
Charge in respect of share based payments	**(193)**	(133)	(290)
	(854)	(750)	(1,290)
Finance costs	**(49)**	(30)	(57)
Loss before taxation	**(903)**	(780)	(1,347)
Taxation expense	**-**	-	(24)
Loss for period attributable to equity holders of the Company	**(903)**	(780)	(1,371)
Loss per share attributable to equity holders of the Company	**(0.60)p**	(0.74)p	(1.14)p

Unaudited Statement of Changes in Equity
6 months ended 30 April 2013

6 months ended 30 April 2013

	Share capital £'000	**Share premium £'000**	**Merger reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 November 2012	**14,541**	**28,349**	**9,349**	**(11,084)**	**41,155**
Loss for the period	**-**	**-**	**-**	**(903)**	**(903)**
Net proceeds from shares issued	**17**	**48**	**-**	**-**	**65**
Share based payments:					
Current period charges	**-**	**-**	**-**	**193**	**193**
Settlement of brought forward liabilities	**-**	**-**	**-**	**-**	**-**
Balance at 30 April 2013	**14,558**	**28,397**	**9,349**	**(11,794)**	**40,510**

6 months ended 30 April 2012

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2011	14,054	24,809	9,349	(10,388)	37,824
Loss for the period	-	-	-	(780)	(780)
Net proceeds from shares issued	214	1,542	-	-	1,756
Share based payments:					
Current period charges	-	-	-	133	133
Settlement of brought forward liabilities	-	-	-	352	352
Balance at 30 April 2012	14,268	26,351	9,349	(10,683)	39,285

Year ended 31 October 2012

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2011	14,054	24,809	9,349	(10,388)	37,824
Loss for the year	-	-	-	(1,371)	(1,371)
Net proceeds from shares issued	487	3,540	-	-	4,027
Share based payments:					
Current year charges	-	-	-	290	290
Settlement of brought forward liabilities	-	-	-	385	385
Balance at 31 October 2012	14,541	28,349	9,349	(11,084)	41,155

Unaudited Consolidated Balance Sheet as at 30 April 2013

	As at 30.04.13 £'000	As at 30.04.12 £'000	As at 31.10.12 £'000
Assets			
Non-current assets			
Intangible assets	**8,302**	6,477	8,229
Property, plant and equipment	**20,985**	20,565	20,706
Investments	**-**	378	-
Total non-current assets	**29,287**	27,420	28,935
Current assets			
Inventories	**17,158**	16,372	16,763
Receivables	**1,193**	467	1,063
Cash and cash equivalents	**819**	1,079	657
Total current assets	**19,170**	17,918	18,483
Total assets	**48,457**	45,338	47,418
Equity			
Share capital	**14,558**	14,268	14,541
Share premium account	**28,397**	26,351	28,349
Merger reserve account	**9,349**	9,349	9,349
Retained earnings	**(11,794)**	(10,683)	(11,084)
Total equity	**40,510**	39,285	41,155
Liabilities			
Current liabilities	**7,947**	6,053	6,263
Total liabilities	**7,947**	6,053	6,263
Total equity and liabilities	**48,457**	45,338	47,418

Unaudited Consolidated Cash Flow Statement
6 months ended 30 April 2013

	6 months ended 30.04.13	6 months ended 30.04.12	Year ended 31.10.12
	£'000	£'000	£'000
Cash flows from operating activities			
Net cash inflow/(outflow) from continuing operations (note 1)	**592**	190	(965)
Finance costs	**(49)**	(30)	(57)
Net cash generated from/(used in) operating activities	**543**	160	(1,022)
Cash flows from investing activities			
Acquisition of trade and assets of Stewart Travel Centre	**-**	-	(360)
Cash acquired with Stewart Travel Centre	**-**	-	286
Net disposal/(purchase) of property, plant and equipment	**(329)**	188	(45)
Purchase of intangible assets	**(52)**	-	(233)
Net cash used in investing activities	**(381)**	188	(352)
Cash flows from financing activities			
Net proceeds from the issue of ordinary shares	**-**	222	1,522
Net cash generated from financing activities	**-**	222	1,522
Net increase in cash	**162**	570	148
Cash at beginning of period	**657**	509	509
Cash at end of period	**819**	1,079	657

Notes to the Unaudited Consolidated Cash Flow Statement
6 months ended 30 April 2013

1 Cash flows from operating activities

	6 months ended 30.04.13	6 months ended 30.04.12	Year ended 31.10.12
	£'000	£'000	£'000
Loss before taxation	**(903)**	(780)	(1,347)
Finance costs	**49**	30	57
Depreciation	**56**	10	59
Gain on disposal of property, plant and equipment	**-**	-	(4)
Exchange (gain)/loss relevant to property, plant and equipment	**(6)**	19	19
Increase in inventories	**(395)**	(720)	(1,111)
Movement in share based payment reserve	**193**	485	675
Increase in receivables	**(130)**	(125)	(599)
Increase/(decrease) in current liabilities	**1,684**	(263)	(1,294)
Non cash movement in fixed assets	**-**	-	200
Non cash movement in investments	**(21)**	-	100
Non cash movement in current liabilities	**65**	1,534	2,280
Net cash inflow/(outflow) from continuing operations	**592**	190	(965)

Notes to the unaudited interim results
6 months ended 30 April 2013

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 hotels and resorts and in the operation of independent travel businesses, through which the Group provides a broad range of services including, inter alia, transportation, hotel and other 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 31 October 2012 has been delivered to the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain statements under s498(2) to s498(4) of the Companies Act 2006. The Report and Financial Statements for the year ended 31 October 2012 were approved by the Board on 28 March 2013.

The interim financial statements for the 6 months ended 30 April 2013 comprise an Unaudited Consolidated Statement of Comprehensive Income, Unaudited 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 EU adopted International Financial Reporting Standards ("IFRS") and IFRIC interpretations 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 consistent with those adopted in the Report and Financial Statements for the year ended 31 October 2012.

Going concern

The interim unaudited 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 its travel and leisure ("T&L") business. In particular, the directors have reviewed the matters referred to below.

The Company has received approval for the Project to qualify as a strategic investment and to be eligible for inclusion under the provisions of the Fast Track Law, the new process approved by the Greek Government allowing for quicker permitting time for Fast Track projects. Accordingly, the directors consider it relevant that, having completed a financial joint venture agreement prior to Fast Track and any other consents, they will conclude further Project joint venture agreements in the near term. In addition, the directors are considering a number of other agreements which are likely to have a major beneficial impact on the Group's resources.

In addition to specific Project related matters as noted above, and as has been the case in the past, the Group continues to raise capital in order to meet its existing working capital requirements 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 having been completed, the Group is now generating profits and cash flow within this sector of its activities.

Notes to the unaudited interim results (continued)
6 months ended 30 April 2013

Going concern (Continued)

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

3. Segmented information

The Group strategy and growth objectives necessitate the building of an associated infrastructure. The Group considers it appropriate to identify separately the corporate development division together with costs related to acquisitions. Accordingly, the Group is organised into three divisions both by business segment and geographical location:

- the luxury resorts division, currently being the development of a luxury resort in Crete, which includes the central administration costs of the Group;

- the T&L division (UK), being the operation and management of the travel businesses; and

- the corporate development division (UK) as described above.

Notes to the unaudited interim results (continued)
6 months ended 30 April 2013

3. Segmented information (continued)

The information presented below is consistent with how information is presented to the Board, with the Group's accounting policies and with the geographical location of the relevant divisions.

	6 months ended 30 April 2013			
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	Total £'000
Results				
Revenue	-	19,849	-	19,849
Cost of sales	-	17,340	-	17,340
Gross profit	-	2,509	-	2,509
Operating expenses	(362)	(2,392)	(416)	(3,170)
Charge in respect of share based payments	(193)	-	-	(193)
	(555)	117	(416)	(854)
Finance costs	(49)	-	-	(49)
(Loss)/profit before taxation	(604)	117	(416)	(903)
Operating expenses include:				
Depreciation	5	51	-	56
Operating leases	-	25	-	25
Assets/liabilities				
Non-current assets	26,607	2,680	-	29,287
Current assets	18,047	1,123	-	19,170
Total assets	44,654	3,803	-	48,457
Current liabilities	5,680	2,267	-	7,947

Notes to the unaudited interim results (continued)
6 months ended 30 April 2013

3. Segmented information (continued)

	6 months ended 30 April 2012			
	Luxury Resorts £’000	Travel and Leisure £’000	Corporate Development £’000	Total £’000
Results				
Revenue	-	12,563	-	12,563
Cost of sales	-	11,409	-	11,409
Gross profit	-	1,154	-	1,154
Other operating expenses				
Operating expenses	(242)	(1,114)	(415)	(1,771)
Charge in respect of share based payments	(133)	-	-	(133)
	(375)	40	(415)	(750)
Finance costs	-	(30)	-	(30)
(Loss)/profit before taxation	(375)	10	(415)	(780)
Operating expenses include:				
Depreciation	2	8	-	10
Assets/liabilities				
Non-current assets	26,885	535	-	27,420
Current assets	16,762	1,156	-	17,918
Total assets	43,647	1,691	-	45,338
Current liabilities	3,347	2,706	-	6,053

Notes to the unaudited interim results (continued)
6 months ended 30 April 2013

3. Segmented information (continued)

	Year ended 31 October 2012			
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	Total £'000
Results				
Revenue	-	37,379	-	37,379
Cost of sales	-	33,646	-	33,646
Gross profit	-	3,733	-	3,733
Operating expenses	(547)	(3,320)	(866)	(4,733)
Charge in respect of share based payments	(290)	-	-	(290)
	(837)	413	(866)	(1,290)
Finance costs	(57)	-	-	(57)
(Loss)/profit before taxation	(894)	413	(866)	(1,347)
Operating expenses include:				
Depreciation	6	53	-	59
Gain on disposal	-	(4)	-	(4)
Operating leases	-	32	-	32
Assets/liabilities				
Non-current assets	26,602	2,333	-	28,935
Current assets	16,859	1,624	-	18,483
			-	
Total assets	43,461	3,957	-	47,418
Current liabilities	4,471	1,792	-	6,263

4. Goodwill

Goodwill arising on acquisitions represents the difference between the total net assets of those entities on the respective dates of acquisition and the consideration paid.

Goodwill is tested annually for impairment. In particular, the directors have considered the current value of the Group's overall interest in the Project and its progress and are of the opinion that the Project site has longer term value in excess of the carrying value of non-current assets and inventories. The directors' opinion of the current value also takes into account the estimate dated 27 June 2011 of the development value of the Project site in the order of €100 million, which was included in the Company's AIM readmission document published on 30 September 2011 and which was reaffirmed in March 2012.

In addition, the directors are of the opinion that the projected value of the Travel and Leisure businesses acquired, which is treated as one cash generating unit, is in excess of the value of the amount of goodwill attributable to them. This opinion is arrived at on the basis of the good names of the businesses acquired and the fact that the establishment of business clusters affords the Company the opportunity to realise certain economies of scale thus improving cash flow and profitability.

Goodwill arising from acquisitions has been recognised as an asset.

Notes to the unaudited interim results (continued)
6 months ended 30 April 2013

5. Property, plant and equipment

Costs identified as being in respect of acquiring, maintaining and protecting the Group's acquisition of its interest in the Project to date have been reallocated from inventories to property, plant and equipment in prior years in order to better reflect the Group's long term commitment to its investment in Crete.

Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment loss.

6. 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 the unaudited consolidated statement of comprehensive income in respect of the LTIP and options using the Black-Scholes and Monte Carlo fair value pricing models as appropriate at the grant date and charged over the vesting periods. This charge does not involve any cash payment. A corresponding entry is recognised in equity.

7. 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. There are no dilutive instruments in issue, 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 30 April 2013 was 150,239,672 (6 months ended 30 April 2012: 105,901,621, year ended 31 October 2012: 120,434,862).