MINOAN GROUP PLC

31 July 2015

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 2015

HIGHLIGHTS

Financials (comparisons to the six months ending 30 April 2014)

- Group total transaction value of £ 28.7m, up 18.6% from £24.2m
- T&L Gross Profit of £2.98m, up 19.4% from £2.49m
- Operating loss of £584,000, down 1.7% from £594,000

Operational

- Underlying performance of the Group's travel division has continued to improve
- Gross Sales, Commissions and EBITDA have all increased compared to 1H2014
- T&L division's PBT shows a small decline entirely as a result of an increased depreciation and amortisation charge
- As previously announced, issues relating to the Group's back office, which will have a one-off impact on H2 performance, have been resolved
- Draft Presidential Decree received unanimous support by Plenum of the Greek Council of State and has been signed off by the President of the Council of State

Christopher Egleton, Minoan Chairman, said:

"The Group has seen improved growth in the first half, with the travel division benefitting from the strength of the pound and the UK's continuing economic recovery. Trading remains strong with the business in robust shape to move forward over the rest of this year and management continue to examine earnings enhancing strategic acquisitions to further improve the travel and leisure division's performance.

The approval of the Itanos Gaia luxury resort project in Crete is nearing its final stages. The recent Parliamentary decision in favour of a renewed agreement with creditors should stabilise government procedures and allow the Presidential Decree to be signed. In anticipation of this, the management team has been strengthened with the appointment of experienced property and construction consultant Nicholas Day as a director of Loyalward Limited to help the Group realise the full benefits of the Itanos Gaia project.

Given the positive performance over the past six months, the Group looks forward to building on the progress made, delivering further improvements in trading performance and increasing shareholder value over the rest of this year."

The Company's unaudited interim results for the 6 months ended 30 April 2015 can be viewed on Minoan's website, *www.minoangroup.com*, with effect from 31 July 2015.

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

Minoan Group Plc

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Chairman's Statement

Introduction

Since my last Statement, accompanying the Report and Financial Statements for the year ended 31 October 2014, the situation in Greece, following the change of Government in January this year has been characterised as a series of crises. However, the recent approval by the Greek Parliament of the various legislative measures requested by the Country's creditors is expected to begin to lead to a normalisation of Government procedures.

The underlying performance of the Group's travel division has continued to improve notwithstanding a number of general difficulties experienced in the sector, most notably the problems in Greece as well as, more recently, the tragic events in Tunisia. Nevertheless, in the half year results Total transaction value and Gross profit have increased by 18.6% and 19.4% respectively.

Greece

The political and financial situation in Greece has been documented in detail throughout the British and International media. Although the worst of the crisis seems to have passed, and the recent Parliamentary votes have been in favour of the new agreement with creditors, it is possible that there may be further hitches before final agreement on the detail is forthcoming.

In the meantime the Government is making major efforts to secure new investment in the country and various Ministers have stated publicly that foreign investment is a priority.

The fact that the Group's project has the unanimous approval of the Draft Presidential Decree by a Plenum of the Greek Council of State should not be forgotten. Given this, and once normal Government activities resume, I expect to be able to confirm progress with the granting of the Presidential Decree.

As soon as possible after this I will give shareholders a more detailed update on the Group's plans.

Travel and Leisure ("T&L")

In the six months ended 30 April 2015, Gross Sales, Commissions and EBITDA have increased over the comparative period last year. The T&L division's profit before tax shows a small decline, entirely as a result of an increased charge for depreciation and amortisation. As announced in the trading update on 14 July 2015, the division's results for the full year will be affected by a number of "one off" impacts resulting from a dispute with the provider of back office services. This has now been successfully resolved.

The first six months saw the "specialist" sector, which includes Golf, Santa and Canada among others, do particularly well. Gross sales increased by over 35% and commission by 27%. This, together with the overall improvement, reflects the continuing effect of the successful integration of earlier acquisitions.

Notwithstanding the effect of the dispute referred to above, which restricted our ability to expand more rapidly in certain areas, the underlying trading performance of the division continues to improve with July already being the best trading month of the year. In addition, we are examining a number of significant transactions to expand this division, not least through acquisitions which will be earnings enhancing.

Chairman's Statement (continued)

Outlook

As the political picture in Greece becomes more stable and Government procedures are less impacted by the macro economic problems I expect to be able to update shareholders with positive news.

In the travel division, underlying performance continues to improve and, in due course, I hope to be able to announce significant progress.

Christopher W Egleton

Chairman
31 July 2015

Unaudited Consolidated Statement of Comprehensive Income
6 months ended 30 April 2015

	6 months ended 30.04.15	6 months ended 30.04.14	Year ended 31.10.14
	£'000	£'000	£'000
Total transaction value	**28,723**	24,215	50,757
Revenue	**2,981**	2,496	5,932
Cost of sales	**-**	-	(252)
Gross profit	**2,981**	2,496	5,680
Operating expenses	**(3,011)**	(2,665)	(5,306)
Other operating expenses			
Corporate development costs	**(244)**	(262)	(501)
Charge in respect of share-based payments	**(310)**	(163)	(639)
Operating loss	**(584)**	(594)	(766)
Finance costs	**(175)**	(100)	(270)
Loss before taxation	**(759)**	(694)	(1,036)
Taxation	**-**	-	-
Loss for period attributable to equity holders of the Company	**(759)**	(694)	(1,036)
Loss per share attributable to equity holders of the Company: Basic and diluted	**(0.43)p**	(0.42)p	(0.61)p

Unaudited Consolidated Statement of Changes in Equity
6 months ended 30 April 2015

6 months ended 30 April 2015

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2014	**14,843**	**30,261**	**9,349**	**(11,955)**	**42,498**
Loss for the period	**-**	**-**	**-**	**(759)**	**(759)**
Net proceeds from shares issued	**80**	**531**	**-**	**-**	**611**
Share-based payments:					
Current period charges	**-**	**-**	**-**	**310**	**310**
Balance at 30 April 2015	**14,923**	**30,792**	**9,349**	**(12,404)**	**42,660**

6 months ended 30 April 2014

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 November 2013	14,693	28,781	9,349	(11,997)	919	41,745
Loss for the period	-	-	-	(694)	-	(694)
Net proceeds from shares issued	56	498	-	-	-	554
Acquisition of non-controlling interest	-	-	-	-	(919)	(919)
Share-based payments:						
Current period charges	-	-	-	163	-	163
Settlement of liabilities	-	-	-	439	-	439
Balance at 30 April 2014	14,749	29,279	9,349	(12,089)	-	41,288

Year ended 31 October 2014

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 November 2013	14,693	28,781	9,349	(11,997)	919	41,745
Loss for the year	-	-	-	(1,036)	-	(1,036)
Net proceeds from shares issued	150	1,480	-	-	-	1,630
Acquisition of non-controlling interest	-	-	-	-	(919)	(919)
Share-based payments:						
Current year charges	-	-	-	639	-	639
Settlement of liabilities	-	-	-	439	-	439
Balance at 31 October 2014	14,843	30,261	9,349	(11,955)	-	42,498

Unaudited Consolidated Balance Sheet as at 30 April 2015

	As at 30.04.15 £'000	As at 30.04.14 £'000	As at 31.10.14 £'000
Assets			
Non-current assets			
Intangible assets	**9,568**	8,979	9,414
Property, plant and equipment	**718**	745	717
Total non-current assets	**10,286**	9,724	10,131
Current assets			
Inventories	**40,607**	39,017	40,042
Receivables	**1,916**	922	1,592
Cash and cash equivalents	**539**	73	127
Total current assets	**43,062**	40,012	41,761
Total assets	**53,348**	49,736	51,892
Equity			
Share capital	**14,923**	14,749	14,843
Share premium account	**30,792**	29,279	30,261
Merger reserve account	**9,349**	9,349	9,349
Retained earnings	**(12,404)**	(12,089)	(11,955)
Total equity	**42,660**	41,288	42,498
Liabilities			
Non-current liabilities	**4,000**	2,542	3,500
Current liabilities	**6,688**	5,906	5,894
Total liabilities	**10,688**	8,448	9,394
Total equity and liabilities	**53,348**	49,736	51,892

Unaudited Consolidated Cash Flow Statement
6 months ended 30 April 2015

	6 months ended 30.04.15 £'000	6 months ended 30.04.14 £'000	Year ended 31.10.14 £'000
Cash flows from operating activities			
Net cash inflow/(outflow) from continuing operations (note 1)	**396**	(909)	(2,138)
Finance costs	**(175)**	(100)	(270)
Net cash generated from/(used in) operating activities	**221**	(1,009)	(2,408)
Cash flows from investing activities			
Purchase of property, plant and equipment	**(64)**	(81)	(122)
Purchase of intangible assets	**(256)**	(246)	(713)
Non cash movement in intangible assets	**-**	(100)	(153)
Acquisition of shares in subsidiary company	**-**	(430)	(430)
Net cash used in investing activities	**(320)**	(857)	(1,418)
Cash flows from financing activities			
Net proceeds from the issue of ordinary shares	**11**	-	667
Loans received	**500**	1,701	3,081
Payments of hire purchase liabilities	**-**	(33)	(66)
Net cash generated from financing activities	**511**	1,668	3,682
Net increase/(decrease) in cash	**412**	(198)	(144)
Cash at beginning of period	**127**	271	271
Cash at end of period	**539**	73	127

Notes to the Unaudited Consolidated Cash Flow Statement
6 months ended 30 April 2015

1 Cash flows from operating activities

	6 months ended 30.04.15	6 months ended 30.04.14	Year ended 31.10.14
	£'000	£'000	£'000
Loss before taxation	**(759)**	(694)	(1,036)
Finance costs	**175**	100	270
Depreciation	**52**	101	102
Amortisation	**102**	5	130
Exchange loss relevant to property, plant and equipment	**11**	5	22
Increase in inventories	**(565)**	(650)	(1,675)
Share-based payments	**310**	602	1,078
Increase in receivables	**(324)**	(26)	(696)
Decrease in non-current liabilities	**-**	(100)	-
Increase/(decrease) in current liabilities	**794**	(636)	(126)
Non cash movement in current liabilities	**-**	(39)	-
Non cash movement in equity	**600**	423	(207)
Net cash inflow/(outflow) from continuing operations	**396**	(909)	(2,138)

Notes to the unaudited interim results
6 months ended 30 April 2015

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 2014 has been delivered to the Registrar of Companies. The auditor's 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 2014 were approved by the Board on 30 March 2015.

The interim financial statements for the 6 months ended 30 April 2015 comprise an Unaudited Consolidated Statement of Comprehensive Income, 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 EU adopted International Financial Reporting Standards ("IFRS") and the International Financial Reporting Interpretations Committee ("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 2014.

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 business. In particular, the directors have reviewed the matters referred to below.

A Plenum of the Greek Council of State, the highest court in Greece, has unanimously approved the draft presidential decree in respect of the Project with no dissenting opinions. The draft presidential decree approves the development plan and the strategic environmental impact study. The Company is awaiting the granting of the formal Presidential Decree.

Accordingly, the directors consider it relevant that having completed financial joint venture agreements prior to the above, and any other consents, they will conclude further Project joint venture agreements in the near term. In addition, the directors are considering other options which would 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.

Notes to the unaudited interim results (continued)
6 months ended 30 April 2015

2. Basis of preparation (continued)

Going concern (continued)

With a number of acquisitions in the planned expansion of its Travel and Leisure business having been completed over a period of time, the Group is now generating 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 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 Travel and Leisure 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 2015

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 2015			
	Luxury Resorts £'000	**Travel and Leisure £'000**	**Corporate Development £'000**	**Total £'000**
Total transaction value	**-**	**28,723**	**-**	**28,723**
Revenue	**-**	**2,981**	**-**	**2,981**
Cost of sales	**-**	**-**	**-**	**-**
Gross profit	**-**	**2,981**	**-**	**2,981**
Operating expenses	**(173)**	**(2,838)**	**(244)**	**(3,255)**
	(173)	**143**	**(244)**	**(274)**
Charge in respect of share based payments	**(310)**	**-**	**-**	**(310)**
Operating (loss)/profit	**(483)**	**143**	**(244)**	**(584)**
Finance costs	**(144)**	**(31)**	**-**	**(175)**
(Loss)/profit before taxation	**(627)**	**112**	**(244)**	**(759)**
Operating expenses include:				
Depreciation and amortisation	**-**	**154**	**-**	**154**
Operating leases - plant and equipment	**-**	**11**	**-**	**11**
Assets/liabilities				
Goodwill	**6,127**	**2,451**	**-**	**8,578**
Other non-current assets	**134**	**1,574**	**-**	**1,708**
Current assets	**41,402**	**1,660**	**-**	**43,062**
Total assets	**47,663**	**5,685**	**-**	**53,348**
Non-current liabilities	**4,000**	**-**	**-**	**4,000**
Current liabilities	**5,247**	**1,441**	**-**	**6,688**
Total liabilities	**9,247**	**1,441**	**-**	**10,688**

Notes to the unaudited interim results (continued)
6 months ended 30 April 2015

3. Segmented information (continued)

	6 months ended 30 April 2014			
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	Total £'000
Total transaction value	-	24,215	-	24,215
Revenue	-	2,496	-	2,496
Cost of sales	-	-	-	-
Gross profit	-	2,496	-	2,496
Operating expenses	(337)	(2,328)	(262)	(2,927)
	(337)	168	(262)	(431)
Charge in respect of share based payments	(163)	-	-	(163)
Operating (loss)/profit	(500)	168	(262)	(594)
Finance costs	(81)	(19)	-	(100)
(Loss)/profit before taxation	(581)	149	(262)	(694)
Operating expenses include:				
Depreciation and amortisation	3	103	-	106
Operating leases - plant and equipment	-	22	-	22
Assets/liabilities				
Goodwill	6,127	2,159	-	8,286
Other non-current assets	159	1,279	-	1,438
Current assets	39,151	861	-	40,012
Total assets	45,437	4,299	-	49,736
Non-current liabilities	2,500	42	-	2,542
Current liabilities	5,475	431	-	5,906
Total liabilities	7,975	473		8,448

Notes to the unaudited interim results (continued)
6 months ended 30 April 2015

3. Segmented information (continued)

	Year ended 31 October 2014			
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	Total £'000
Total transaction value	-	50,757	-	50,757
Revenue	-	5,932	-	5,932
Cost of sales	-	(252)	-	(252)
Gross profit	-	5,680	-	5,680
Operating expenses	(428)	(4,878)	(501)	(5,807)
	(428)	802	(501)	(127)
Charge in respect of share-based payments	(639)	-	-	(639)
Operating (loss)/profit	(1,067)	802	(501)	(766)
Contribution to central costs	300	(300)	-	-
Finance costs	(222)	(48)	-	(270)
(Loss)/profit before taxation	(989)	454	(501)	(1,036)
Taxation	-	-	-	-
(Loss)/profit after taxation	(989)	454	(501)	(1,036)
Operating expenses include:				
Depreciation and amortisation	1	231	-	232
Operating leases - plant and equipment	-	49	-	49
Assets/liabilities				
Goodwill	6,127	2,451	-	8,578
Other non-current assets	146	1,407	-	1,553
Current assets	40,457	1,304	-	41,761
Total assets	46,730	5,162	-	51,892
Non-current liabilities	3,500	-	-	3,500
Current liabilities	4,862	1,032	-	5,894
Total liabilities	8,362	1,032	-	9,394

4. Goodwill

Goodwill arising on acquisitions represents the difference between the fair value of the net assets acquired and the consideration paid and has been recognised as an asset.

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 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.

Notes to the unaudited interim results (continued)
6 months ended 30 April 2015

4. Goodwill (continued)

In addition, the directors are of the opinion that the projected value of the Travel and Leisure business, which is treated as one cash generating unit, is in excess of the value of the amount of goodwill attributable to it. 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.

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. 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 2015 was 177,502,922 (6 months ended 30 April 2014: 166,024,704, year ended 31 October 2014: 168,636,782).