

27 February 2014

Craven House Capital Plc
(the "Company")

Interim Financial Results for the Six Months Ended 30 November 2013

Highlights

- NAV of holdings increased by 49% from £3.84m to £5.73m in the six month period
- NAV has more than doubled over past 12 months
- First operating profit reported of £522,000 for the period
- Investments continue to be acquired utilising Craven House shares as currency

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CHAIRMAN'S REPORT
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2013

Overview

During the 6 months to 30 November 2013, Craven House Capital Plc ("Craven House") has demonstrated considerable success in growing the value and scope of its investment portfolio in partnership with our investment manager, Desmond Holdings Ltd ("Desmond").

We are delighted to report a significant increase in our NAV as a result of our investment activities over the course of the six-month period, with net assets increased from £3.84million to £5.73million; a 49% increase. Our NAV has more than doubled in the past twelve months from the £2.42million level reported in November 2012.

This increase in NAV has been achieved through the acquisition of new assets, reduction of debt and increases made in the carried value of existing assets on the balance sheet. In addition to this, I am very pleased to report the first operating profit for the Company since its restructuring, whereby we delivered an operating profit of £522,000 in the six months to November 2013.

During the period, the Company acquired a group of South African agricultural and food processing assets, and executed two favourable restructurings of existing investments.

When using our shares as consideration in the acquisition, we once again issued all shares at 1.25p per Craven House share, a price significantly above our average share price during this period. This reflects the shared view we hold with those companies in which we have invested, which is that our share price has been, and remains, significantly undervalued.

Further details of these corporate transactions are provided below along with updates of our other existing investments.

Investment Activity & Performance

- On the 4th November 2013, the Company acquired a 49% shareholding in a portfolio of agricultural and food processing businesses in South Africa, for a total consideration of CAD \$1,960,000. This portfolio comprises a 1,017-hectare vegetable and cattle farm located in Nelspruit; the second largest vegetable dehydration factory in Africa, also in Nelspruit; and a food storage and distribution centre

located in Johannesburg.

This investment provided us with an outstanding opportunity to establish an interest in food production and processing in South Africa. Craven House is currently exploring a partnership with a leading European dehydrated vegetable producer and is considering an offer from another party to purchase the distribution business.

- On 21st November 2013, Craven House completed the restructuring of a distressed loan (the "Loan") on the 270-room Green Isle Conference and Leisure Hotel in Dublin (the "Hotel"). The Company acquired the loan for €0.7 million in May 2013, becoming the sole secured lender for the Hotel. Craven House and Desmond successfully negotiated the sale of the Hotel to the new owners during the period, and the Company agreed with the new owners to convert the Loan into a mortgage of €1.5 million. The Mortgage carries an interest rate of 4% per annum and will be repaid in full within three years, with a 6-month grace period.

The uplift in value from the Loan to the Mortgage resulted in an increase of €1.5 million in the net asset value of Craven House. This transaction also enabled the Company to achieve its stated objective of acquiring a cash generative asset during the year.

- Farm Lands of Africa Inc. ("FLAF") is a green-field agribusiness operating in West Africa, which is listed on the OTC Markets in New York. On 1 August 2013, the Company completed a settlement agreement with FLAF, resulting in it receiving \$60,000 cash and 20,000,000 shares in Farm Lands of Africa Ltd ("FLAL"), a BVI registered company, which owns 90% of Land and Resources (Guinea) SA ("LRG"), following FLAF breaching certain investor protection mechanisms in September 2012. Therefore, Craven House now holds a 45% stake in LRG, which has the opportunity to control various agricultural assets and operations in the Republic of Guinea, including leases over up to 110,000 hectares of arable land.

The outcome of this negotiated settlement was extremely beneficial for Craven House, with its effective holding in LRG increasing from less than 7% to 45%. This also provided Craven House with greater control exposure to the potential value of this asset going forward.

The Company continues to investigate various financing options which will enable it to unlock the potential of the agricultural assets it has access to in Guinea. Recently, these include very encouraging dialogues with development finance institutions and private agricultural investment companies. We expect to be able to report further progress in this regard at the time of our full year results.

Craven House continues to hold 517,350 shares in FLAF, which it is carrying at the current share price of \$0.22.

- Pressfit Holdings Plc ('Pressfit') is a UK holding company with subsidiaries manufacturing specialist stainless steel pipe fittings in China. Craven House's shareholding at the period end represented 25.3% ownership of Pressfit, through investments totalling £1,474,168 with a further 2.1% of the shares in Pressfit being available to the Company in the event that an outstanding convertible loan is exercised. Mark Pajak, Director of both Craven House and Desmond, is also the Chairman of Pressfit.

On 29 July 2013, Pressfit entered into a Partnership Agreement with GXM (Amcopress) Group Co., Limited ("AMCO"). AMCO is a large and profitable manufacturing and distribution company, which operates in the same market sector as Pressfit. Under the agreement, AMCO provided significant new investment into Pressfit as well as offering management expertise and active sales and distribution channels. As part of the Partnership Agreement, AMCO invested £1,575,000 into Pressfit by way of a convertible loan note. A portion of this loan was converted in September 2013, resulting in AMCO now holding 31.4% of Pressfit's enlarged share capital, with Craven House's holding reduced to its current level of 25.3% of the enlarged share capital

Pressfit is continuing its preparations for an introduction to the AIM market to help facilitate expansion and further Pressfit's aim of becoming a major international company specialising in the manufacture and distribution of stainless steel press fittings.

- The Company holds a 49% stake in Ceniako Limited ("Ceniako"), which was acquired for a total consideration of €1,000,000.

Ceniako is a Cypriot holding company, whose sole asset is 1,967 hectares of productive agricultural land with significant development potential. Situated directly on the Atlantic coast of Brazil, between Salvador and Rio de Janeiro, the property features over two kilometres of beachfront in addition to productive cattle pastures and cropland. The last independent valuation valued the land at circa EUR€4.5m.

We continue to seek a buyer or development partner for all or part of the site. In addition, investigations undertaken suggest that the agricultural potential of the land will be best achieved through a combination of palm crop and cattle. As a result of these findings, we have entered discussions with a prospective investment partner to enable us to commence cultivation.

- The Company holds, through its 95% subsidiary, Craven House Industries Ltd, a 50.1% stake in Finishtec Acabamentos Técnicos em Metais Ltda. ("Finishtec"), which was acquired for a total consideration of \$1,000,000.

Finishtec is a Brazilian manufacturing company, based in Curitiba, specialising in the manufacture of industrial electrical switching, distribution and insulating equipment for the domestic power sector in Brazil. Finishtec benefits from an impressive list of blue-chip clients, which include ABB, Siemens, Alstom, Toshiba and Odebrecht.

The end of 2013 represented the first anniversary of our investment in Finishtec. This business is currently preparing its annual accounts and we look forward to reporting on its progress in detail at the time of our full year results.

Working Capital

Operating and overhead costs continue to be managed very prudently. On-going monthly operating costs were c.£15,000 (inclusive of all management fees), during the period.

Immediate working capital needs will be met by cash in the bank, and the continued support of the Company's major shareholder and Investment Manager, Desmond, in the form of both extension of existing loan facilities and new working capital loans where required.

Interest and capital repayments of the mortgage over the Green Isle Hotel, and cash generated by other existing investments, are expected to significantly reduce the Company's requirement for these working capital facilities going forward.

Outlook

The investment and restructurings completed during the period further demonstrate our ability to execute our strategy of acquiring attractive and cash generative assets in our target markets on excellent terms, in particular through the use of Craven House's shares as acquisition currency. We continue to be of the view that our focus on real assets in emerging markets and special situations in developed markets will offer the best returns in the current global economic environment.

The Company's balance sheet continues to expand at a rapid pace, with the asset base has now at a point we can target larger, more meaningful acquisitions. The Company's most recent investments have created short-term cash generation opportunities, which have both made the Company profitable for the first time. We are very confident that in continuing to pursue the primary goal of enhancing net asset value we will be able to secure our shareholders above market returns.

Conclusion

Craven House Capital remains an attractive acquisition vehicle with increasing potential. The universe of possible transactions increases in step with the expansion of our balance sheet. As mentioned in previous communication, we remain focused on building long term value for shareholders and do not distract ourselves with self-promotional activity.

Our investment manager, Desmond Holdings, remains the largest shareholder of Craven House Capital and has never sold a share. We are appreciative of the support received from our shareholders to date and are committed to creating value for the enterprise and wealth for shareholders.

Mark Pajak
Acting Chairman

INCOME STATEMENT

FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2013

		Six months ended		Year Ended
		30 Nov 2013	30 Nov 2012	31 May 2013
		(Unaudited)	(Unaudited)	(Audited)
		Group &	Company	Group &
		Company	Company	Company
		£'000	£'000	£'000
CONTINUING OPERATIONS				
Revenue		249	-	348
Gross Portfolio return		374	(26)	246
Other operating income		-	6	-
Administrative expenses		(101)	(689)	(989)
OPERATING PROFIT/(LOSS)		522	(709)	(395)
Finance costs	2	(10)	(3)	(79)
Finance income		6	21	28
PROFIT/(LOSS) BEFORE INCOME TAX		518	(691)	(446)
Income tax		-	-	-
PROFIT/(LOSS) FOR THE PERIOD		518	(691)	(446)
Earnings per share expressed				
In pence per share:				
Basic	6	0.09	(0.15)	(0.09)
Diluted	6	0.08	(0.15)	(0.09)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2013**

		Six months ended		Year Ended
		30 Nov 2013	30 Nov 2012	31 May 2013
		(Unaudited)	(Unaudited)	(Audited)
		Group &	Company	Group &
		Company	Company	Company
		£'000	£'000	£'000

PROFIT/(LOSS) FOR THE PERIOD	518	(691)	(446)
OTHER COMPREHENSIVE INCOME	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	518	(691)	(446)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the company	518	(691)	(446)
Non-controlling interests	-	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	518	(691)	(446)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2013**

		Six months ended		Year Ended
		30 Nov 2013	30 Nov 2012	31 May 2013
		(Unaudited)	(Unaudited)	(Audited)
		£'000	£'000	£'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		-	1	-
Investments at fair value through profit or loss	4	6,114	3,640	4,597
		<u>6,114</u>	<u>3,641</u>	<u>4,597</u>
CURRENT ASSETS				
Trade and other receivables		76	92	79
Cash and cash equivalents		6	-	1
		<u>82</u>	<u>92</u>	<u>80</u>
TOTAL ASSETS		<u>6,196</u>	<u>3,733</u>	<u>4,677</u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	5	8,423	8,219	8,313
Share premium		6,206	3,860	4,948
Retained earnings		(8,901)	(9,664)	(9,419)
TOTAL EQUITY		<u>5,728</u>	<u>2,415</u>	<u>3,842</u>
LIABILITIES				

CURRENT LIABILITIES

Trade and other payables		192	706	372
Financial liabilities-borrowings				
interest bearing loans and borrowings	7	276	612	463
		468	1,318	835
TOTAL LIABILITIES		468	1,318	835
TOTAL EQUITY AND LIABILITIES		6,196	3,733	4,677

**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2013**

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000	Total equity £'000
Balance at 1 June 2012	8,156	(8,973)	3,137	2,320
Changes in equity				
Issue of share capital	63	-	723	786
Total comprehensive income	-	(691)	-	(691)
Balance at 30 November 2012	8,219	(9,664)	3,860	2,415
Changes in equity				
Issue of share capital	94	-	1,088	1,182
Total comprehensive income	-	245	-	245
Balance at 31st May 2013	8,313	(9,419)	4,948	3,842
Changes in equity				
Issue of share capital	110	-	1,258	1,368
Total comprehensive income	-	518	-	518
Balance at 30 November 2013	8,423	(8,901)	6,206	5,728

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2013**

	Six months ended		Year Ended
	30 Nov 2013	30 Nov 2012	31 May 2013
	(Unaudited)	(Unaudited)	(Audited)
	Group &	Company	Group &
	Company	Company	Company
	£'000	£'000	£'000

Cash flows from operating activities			
Cash generated from operations	10	(42)	(354)
Interest paid	(10)	(3)	(79)
Net cash used in operating activities	-	(45)	(433)
Cash used in investing activities			
Purchase of fixed asset investments	(1,182)	(798)	(2,018)
Sale of fixed asset investments	-	-	537
Other loans	(187)	-	(130)
Exchange variance re investments	-	-	18
Interest received	6	21	28
Net cash used in investing activities	(1,363)	(777)	(1,565)
Cash from financing activities			
Share issue	1,368	786	1,968
Net cash from financing activities	1,368	786	1,968
Increase/(Decrease) in cash and cash equivalents	5	(36)	(30)
Cash and cash equivalents at the beginning of period	1	31	31
Cash and cash equivalents at the end of the period	6	(5)	1
Cash and cash equivalents consist of:	6	(5)	1
Cash and cash equivalents included in current assets/(Trade and other payables)			

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2013

1. ACCOUNTING POLICIES

General Information

Craven House Capital plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the company information page. The Company is listed on the AIM Market of the London Stock Exchange (code: CRV).

The next annual financial statements of Craven House Capital plc will be prepared in accordance with applicable International Financial Reporting Standards (IFRS) as adopted for use by the European Union. Accordingly, the interim financial information in this report has been prepared using accounting policies consistent with IFRS. IFRS are subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an on-going process of review and endorsement by the European Commission. The financial information has been prepared on the basis of the IFRS that the directors expect to be applicable as at 31st May 2014.

The financial information has been prepared under the historical cost convention except in relation to the fair value adjustments required by accounting standards. The principal accounting policies have been applied to all periods presented.

This financial information is unaudited and does not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006. The financial statements of the Company for the year ended 31 May 2013, which were prepared in accordance with IFRS as adopted for use by the European Union, have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not include any statement under Section 498 of the Companies Act 2006.

This financial information is presented in pounds sterling, rounded to the nearest £'000. Pounds sterling is the currency of the primary economic environment in which the company operates.

The directors do not propose the issuance of a dividend.

The interim financial information for the six months ended 30 November 2013 was approved by the directors on 26 February 2014.

Basis of consolidation

The group financial information includes the financial information of Craven House Capital plc ('CRV') and its subsidiary undertaking, Craven House Industries Limited ('CHI'). CHI was incorporated during the year ended 31 May 2013 under the laws of the Republic of Ireland and as such, the 2012 interim figures presented relate to the Company only as no group existed in 2012.

Going concern

At the balance sheet date, the Company had drawn down non-interest bearing loans from Desmond to enable it to make qualifying investments under its Investing Policy and to provide working capital for the Company. Although amounts drawn down are repayable within 12 months of the balance sheet date, Desmond has agreed that it will not seek repayment of outstanding balances in respect of both facilities unless the Company is in a position to make the repayment. Of the initial amount drawn down, £207,000 remained outstanding at the period end. The Directors also aim to generate cash from yield-based investments; and full / partial exits of the Company's more liquid investments (if required). Further to the successful private placing; the ongoing working capital facility provided by Desmond; and income generated by investments, the Board is pleased to report that the Company can prepare accounts on the going concern basis.

2. Finance expense

	Six months ended		Year Ended
	30 Nov 2013	30 Nov 2012	31 May 2013
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
Loan interest	10	3	79
	10	3	79

3. Taxation

No tax charges arose in the period or in comparative periods as a result of losses incurred.

4. Investments at fair value through profit or loss

GROUP

	Quoted Investments £'000	Unquoted Investment £'000	Total £'000
At 1 June 2013 (audited)	201	4,396	4,597
Additions	-	1,182	1,182

Revaluations	(149)	484	335
At 30 th November 2013 (unaudited)	<u>52</u>	<u>6,062</u>	<u>6,114</u>

COMPANY

	Quoted Investments £'000	Unquoted Investment £'000	Total £'000
At 1 June 2013 (audited)	201	3,740	3,941
Additions	-	1,182	1,182
Revaluations	(149)	528	379
At 30 th November 2013 (unaudited)	<u>52</u>	<u>5,450</u>	<u>5,502</u>

Quoted investments at 30 November 2013 relate to shares held in Farm Lands of Africa Inc, a company listed on the OTC markets in New York. These shares have been measured on a Level 2 basis due to these not being traded in an active market.

Unquoted investments at 30 November 2013 have been measured on a Level 3 basis as no observable market data was available. These investments are as follows:

Shares in Pressfit Holdings Plc are valued at £1,474,168, representing a 25.32% holding. These have been valued at the latest transaction price paid by Craven House Capital as the Directors believe this is the best information available and they are not aware of any circumstances to indicate an impairment of this investment.

Shares in Ceniako Limited valued at £832,362, representing a 49% holding. These have been valued at the price paid by Craven House Capital. The Directors believe that this is the best indication of the value at the period end.

Shares in Finishtec Acabamento Tecnicos em Metais Ltda valued at £611,729. This is held through a 95% subsidiary Craven House Industries Limited giving the group a 47.6% stake. These have been valued at the price paid by Craven House Capital as the Directors believe that this is the best indication of the value at the period end.

A convertible loan to Pressfit Holdings Plc valued at £123,501. This has been valued based on the number of shares that Craven House Capital would receive on conversion at the same market price as the shares held above as these can be converted at any time at Craven's option.

A loan with Greentel Limited valued at £1,248,690. The period end valuation is based on the agreed conversion of the loan into a facility of €1,500,000 on 28 November 2013 which the Directors believe is the most appropriate indicator of the period end valuation based on the information available to them

Shares in EmVest Barvale (Pty) Ltd valued at £452,817. These have been valued at the price paid by Craven House Capital during the period. The Directors believe that this is the best indication of the value at the period end.

Shares in EmVest Evergreen Properties (Pty) Ltd valued at £509,355. These have been valued at the price paid by Craven House Capital during the period. The Directors believe that this is the best indication of the value at the period end.

Shares in EmVest Foods (Pty) Ltd valued at £169,785. These have been valued at the price paid by Craven House Capital during the period. The Directors believe that this is the best indication of the value at the period end.

Shares in Farm Lands of Africa Ltd valued at £639,692. These have been valued in accordance with the value attributed to them in the agreed settlement of the exchange of the Farm Lands of Africa Inc shares. The Directors believe that this is the best indication of the value at the period end.

5. CALLED UP SHARE CAPITAL

The Company's authorised share capital is as follows:

Number	Class:	Nominal Value	30 Nov 2013 (Unaudited) £'000	31 May 2013 (Audited) £'000
2,280,038,212	Ordinary	0.001	2,280	2,280
77,979,412	Deferred	0.09	7,018	7,018
77,979,412	Deferred	0.009	702	702
			10,000	10,000

Issued and fully paid share capital as at 30 November 2013 are as follows:

Number	Class:	Nominal Value	30 Nov 2013 (Unaudited) £'000	31 May 2013 (Audited) £'000
702,466,557 (2012: 498,036,741)	Ordinary	0.001	703	593
77,979,412	Deferred	0.09	7,018	7,018
77,979,412	Deferred	0.009	702	702
			8,423	8,313

The deferred shares carry no entitlement to receive notice of any general meeting, to attend, speak or vote at such general meeting. Holders are not entitled to receive dividends, and on a winding up of the Company holders of deferred shares are entitled to a return of capital only after the holder of each Ordinary share has received a return of capital together with a payment of £1 million per share. The deferred shares may be cancelled at any time for no consideration by way of a reduction in capital.

The movement in share capital in the six months ended 30 November 2013 was as follows:

On 4 November 2013, the Company allotted 94,322,598 new ordinary shares to EmVest Asset Management for a consideration of CAD\$1,960,000 (£1,177,000).

On 28 November 2013, the Company allotted 13,648,000 new ordinary shares to Desmond Holdings Ltd in lieu of the performance fee due for the year ended 31st May 2013. The value of the performance being £170,600.

On 28 November 2013, the Company allotted 1,800,000 new ordinary shares to Mr Balbir Bindra in lieu of remuneration totalling £18,000.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the equity holders for the period of £518,000 and on weighted average number of shares in issue of 606,865,654 (Six months ended 30 November 2012: loss of £691,000 and 458,514,748 shares; Year ended 31 May 2013 loss of £446,000 and 510,107,834 shares) being the weighted average number of shares, in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to the equity holders for the period of £518,000 and on weighted average number of shares and warrants in issue of 689,091,920 (Six months ended 30 November 2012: loss of £691,000 and 540,741,014 shares; Year ended 31 May 2013 loss of £446,000 and 592,334,100 shares) being the weighted average number of shares and warrants, in issue during the period.

Due to the loss incurred in the period ended 30 November 2012 and the year ended 31 May 2013 there are no diluted earnings per share for these periods. This is in accordance with IAS 32.

7. LOANS

Other loans of £276,000 comprise advances made by Desmond Holdings Ltd ("Desmond") totalling £207,000 and loans made by Wise Star Capital Investment Limited, both being Hong Kong investment companies. The loans were provided to enable the Company to make qualifying investments under its Investing Policy and to provide working capital for the Company.

The terms of the loans provided by Desmond are as follows:

a) Investment facility

Non-interest bearing loan facility of up to £700,000, originally provided in December 2010. The majority of this has now been repaid and as at 30 November 2013, the Company's borrowings under this facility totalled £47,000.

b) Working capital loans

Interest-bearing loans provide financial support to enable the Company to meet its reasonable working capital requirements. The facility will remain in place for at least 12 months from the date of approval of the financial statements. Desmond has agreed that it will not seek repayment of outstanding balances in respect of both facilities unless the Company is in a position to make the repayment.

The loan provided by Wise Star Capital Investment Limited includes interest payable at a rate of 6% per annum. The loan was provided for 12 months dated 1st September 2011; however this loan has since been extended. The amount owed to Wise Star Capital Investment Limited at the balance sheet date was £69,121.

8. RELATED PARTY DISCLOSURES

During the period, the Company entered into the following transactions with related parties and connected parties:

Loans from Desmond Holdings Limited

At the period end the Company owed £207,000 to Desmond Holdings Limited, the Company's Investment Manager and major shareholder in the Company.

Management fees payable to Desmond Holdings Limited

At the year end, included in trade creditors, is an amount of £35,000 payable to Desmond Holdings Limited, in respect of management services provided. The total amount owed to Desmond in respect of unpaid invoices at the balance sheet date was £157,500.

Investment in Pressfit Holdings Plc

At the period end the Company held shares in Pressfit Holdings Plc and a convertible loan was owed to the Company, both of which were included in unquoted investments. During the period Mark Pajak was Chairman of Pressfit Holdings Plc.

9. EVENTS AFTER THE REPORTING PERIOD

No reportable events occurred after the reporting period.