



19 September 2011

**YCO Group Plc**  
**Interim results for the six months ended 30 June 2011**

YCO Group plc (“YCO”, the “Company” or the “Group”), a leading provider of specialist services to superyachts, today announces its unaudited interim results for the six months ended 30 June 2011.

**Financial Highlights**

- Revenue up 22.5% to £14.4m (2010: £11.8m)
- Gross Profit increased by 20.5% to £4.7m (2010: £3.9m)
- Operating Profit for Continuing Activities before Finance Costs and Tax £647,000 (2010: £633,000)
- Earnings per share at £0.004p (2010: £0.008p)

**Operational Highlights**

- Sale of Yacht Fuel Services trade and assets to World Fuel Services for £1.75 million in June
- Enhanced performance from the charter brokerage and sales division
- Number of contracted yachts for YCO management increased 10.3% to 64 (2010 year end 58)
- Number of weeks of charter booked already at 162 (H1 2011) compared to 175 (FY 2010)

Charlie Birkett, Chief Executive, commented:

*“These results reflect a number of very positive developments that were achieved during the first half, which enabled the Company to enhance/improve its market position. Through the sale of Yacht Fuel Services, the Company strengthened its balance sheet and consolidated its proposition as a leading superyacht broker. This consolidation, combined with the Company’s recent hires, will ensure YCO can continue to build going forward. As a result of these developments, the Company has embarked on a strategic marketing programme to enhance our profile globally. We are confident that these initiatives will translate into increased numbers of enquiries and long term YCO clients as the wider macroeconomic environment improves.”*

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**YCO Group Plc**  
**Interim results for the six months ended 30 June 2011**

**Chairman's Statement**

I am delighted to report that the Group has delivered a strong set of results for the first half of 2011.

Despite continued uncertainty in the wider economy, the Group has made good progress as a result of the significant restructuring programme initiated in 2009 which has continued with the sale of Yacht Fuel Services, further streamlining of the Group's services to focus on our core areas of expertise in the markets of yacht management and brokerage. The Group's continual development of its services and the strengthening of teams across all divisions remains a key focus for 2011. The superyacht and luxury tourism markets continue to show signs of gradual recovery and combined with the significant progress YCO has made as a result of its restructuring and development programme, the Company has the confidence to invest heavily in innovative brand and marketing strategies to re-enforce its position as a leader in the superyacht services market.

On behalf of the Board I would like to thank all our staff for their continued professionalism and dedication, which has been critical in returning the Group to financial health and creating the foundations for the Group's future success.



**YCO Group Plc**  
**Interim results for the six months ended 30 June 2011**

**CEO's Statement**

I am pleased with the Group's performance in all areas during the first six months of 2011. Significant increases in revenue, up 22.5% to £14.4m, and Gross Profit, up 20.5% to £4.7m, were supported by a positive contribution in all the divisions.

The number of yachts contracted across all departments has increased by 10%, slightly ahead of our expectations. Sales of superyachts during the first six months were in line with the Board's expectations. During the period our clients have signed contracts for several significant yacht construction projects at leading European shipyards with which YCO will be involved for the duration of the build. YCO's involvement in these projects demonstrates our ability to manage all key areas from yacht construction, through to management, charter and sales. The management department continues to steadily increase its market share, attracting new boats to the fleet each month.

Charter activity has been in line with our expectations and the recruitment of a highly respected sales and charter team late in 2010 has given the Company additional momentum in our core markets. With additional personnel due to be joining YCO in September, we anticipate continued performance improvements from these teams.

To support our core services, the Group has developed its Concierge division and during the period entered into an agreement with global concierge provider Quintessentially, which has enabled a much improved support service to contracted yachts and charter clients. YCO Crew recruitment has returned its headquarters to Antibes where it now operates with additional personnel who have joined in the first six months of the year.

As a result of these positive developments achieved during the first half, the Company has the confidence to further develop the strategic marketing programme that was started in the first half of 2011. This programme will ensure that YCO's highly respected services and brand are recognised globally by the increasing number of people who buy and charter superyachts. The Company is confident that these initiatives will translate into increased number of enquiries and long term YCO clients as the wider macroeconomic environment improves. This programme will support the strengthened brokerage teams ahead of the forthcoming Monaco Yacht Show, where YCO will have significant presence. As a result we look to build on the significant progress made in the first half and look forward with confidence.

**Charlie Birkett**  
**Chief Executive**



**Condensed Consolidated Income Statement**  
**For the six months ended 30 June 2011**

	Note	Continuing operations YCO Group <i>Unaudited</i> £'000	Discontinued operation YFS* <i>Unaudited</i> £'000	Total 6 months 30/06/11 <i>Unaudited</i> £'000
<b>Revenue</b>		5,353	9,105	14,458
Cost of sales		(1,146)	(8,594)	(9,740)
<b>Gross profit</b>		4,207	511	4,718
Administrative expenses		(3,560)	(300)	(3,860)
Loss on disposal of trade and assets of YFS	7	–	(220)	(220)
<b>Operating profit/(loss)</b>		647	(9)	638
Finance costs				(317)
<b>Profit before tax</b>				321
Taxation				(144)
<b>Profit for the period</b>				177
<b>Earnings per share</b>				
Basic				£0.0037p
Diluted				£0.0035p

\* YFS represents the results of disposal of the trade and assets of YFS during the period.

Due to the disposal of YFS, comparative numbers have been re-presented to reflect that these are discontinued items. Further information on the transaction is given in note 7.



**Condensed Consolidated Income Statement  
For the six months ended 30 June 2010**

	Note	Continuing operations YCO Group <i>Unaudited</i> £'000	Discontinued operation YFS <i>Unaudited</i> £'000	Total 6 months 30/06/10 <i>Unaudited</i> £'000
<b>Revenue</b>		5,685	6,142	11,827
Cost of sales		(2,026)	(5,852)	(7,878)
		<hr/>	<hr/>	<hr/>
<b>Gross profit</b>		3,659	290	3,949
Administrative expenses		(3,026)	(147)	(3,173)
		<hr/>	<hr/>	<hr/>
<b>Operating profit</b>		633	143	776
Finance costs				(243)
				<hr/>
<b>Profit before tax</b>				533
Taxation				(149)
				<hr/>
<b>Profit for the period</b>				<u>384</u>
				<hr/> <hr/>
<b>Earnings per share</b>				
Basic				£0.0080p
Diluted				£0.0076p



**Condensed Statement of Comprehensive Income  
For the six months ended 30 June 2011**

	6 months ended 30/06/11 <i>Unaudited</i> £'000	6 months ended 30/06/10 <i>Unaudited</i> £'000	12 months ended 31/12/10 <i>Audited</i> £'000
<b>Profit for the period</b>	177	384	491
<b>Other comprehensive income:</b>			
Foreign exchange translation differences	39	(50)	(15)
<b>Total comprehensive income for the period</b>	<u>216</u>	<u>334</u>	<u>476</u>
<b>Total comprehensive income attributable to:</b>			
<b>Equity shareholders of the company</b>	<u>216</u>	<u>334</u>	<u>476</u>



**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2011**

	At 30/06/11 <i>Unaudited</i> £'000	At 30/06/10 <i>Unaudited</i> £'000	At 31/12/10 <i>Audited</i> £'000
<b>Non -current assets</b>			
Goodwill	13,436	15,233	15,231
Intangibles	293	235	222
Property, plant and equipment	594	420	478
<b>Total non-current assets</b>	14,323	15,888	15,931
<b>Current assets</b>			
Inventories	–	3	–
Trade and other receivables	4,155	3,738	3,341
Cash and cash equivalents	1,383	786	505
<b>Total current assets</b>	5,538	4,527	3,846
<b>Current liabilities</b>			
Trade and other payables	3,214	4,619	3,913
Financial liabilities – borrowings and interest bearing loans	22	22	18
Current taxes payable	610	169	97
<b>Total current liabilities</b>	3,846	4,810	4,028
<b>Net current assets/(liabilities)</b>	1,692	(283)	(182)
<b>Non-current liabilities</b>			
Financial liabilities – borrowings and interest bearing loans	49	7	–
<b>Net assets</b>	15,966	15,598	15,749



**Condensed Consolidated Statement of Financial Position (continued)**  
**As at 30 June 2011**

	Note	At 30/06/11 <i>Unaudited</i> £'000	At 30/06/10 <i>Unaudited</i> £'000	At 31/12/10 <i>Audited</i> £'000
<b>Equity and reserves</b>				
Share capital	8	170	168	168
Share premium		15,379	15,209	15,209
Retained earnings		417	133	240
Other reserves		–	162	171
Translation reserve		–	(74)	(39)
<b>Total equity</b>		15,966	15,598	15,749



**Condensed Consolidated Statement of Statement of Changes in Equity  
For the six months ended 30 June 2011**

	Share capital <i>Unaudited</i> £'000	Share premium <i>Unaudited</i> £'000	Retained earnings <i>Unaudited</i> £'000	Other reserves <i>Unaudited</i> £'000	Translation reserve <i>Unaudited</i> £'000	Total <i>Unaudited</i> £'000
At 1 January 2011	168	15,209	240	171	(39)	15,749
Comprehensive income for the period	–	–	177	–	39	216
Share issue	2	170	–	(171)	–	1
<b>At 30 June 2011</b>	<b>170</b>	<b>15,379</b>	<b>417</b>	<b>–</b>	<b>–</b>	<b>15,966</b>
At 1 January 2010	168	15,209	(251)	195	(24)	15,297
Comprehensive income for the period	–	–	384	–	(50)	334
Exchange difference expense	–	–	–	(33)	–	(33)
<b>At 30 June 2010</b>	<b>168</b>	<b>15,209</b>	<b>133</b>	<b>162</b>	<b>(74)</b>	<b>15,598</b>
	<i>Audited</i> £'000	<i>Audited</i> £'000	<i>Audited</i> £'000	<i>Audited</i> £'000	<i>Audited</i> £'000	<i>Audited</i> £'000
At 1 January 2010	168	15,209	(251)	195	(24)	15,297
Comprehensive income for the period	–	–	491	–	(15)	476
Equity to be issued	–	–	–	(24)	–	(24)
<b>At 31 December 2010</b>	<b>168</b>	<b>15,209</b>	<b>240</b>	<b>171</b>	<b>(39)</b>	<b>15,749</b>



**Condensed Consolidated Statement of Cash Flows**  
**For the six months ended 30 June 2011**

	Note	6 months ended 30/06/11 <i>Unaudited</i> £'000	6 months ended 30/06/10 <i>Unaudited</i> £'000	12 months ended 31/12/10 <i>Unaudited</i> £'000
<b>Cash flows from operating activities</b>				
Cash generated from operations	6	271	604	837
Finance costs		(317)	(246)	(401)
Corporation tax paid		–	–	(20)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(46)</b>	<b>358</b>	<b>416</b>
<b>Cash flows from investing activities</b>				
Purchase of intangibles		(172)	(67)	(113)
Purchase of plant and equipment		(178)	(20)	(278)
Proceeds from sale of tangible assets		14	15	13
Net proceeds from disposal of YFS	7	1,312	–	–
Interest received		–	3	5
<b>Net cash inflow/(outflow) from investing activities</b>		<b>976</b>	<b>(69)</b>	<b>(373)</b>
<b>Cash flows from financing activities</b>				
Repayment of loan to related parties		–	(52)	(66)
Repayment of finance lease		(52)	(11)	(22)
<b>Net cash outflow from financing activities</b>		<b>(52)</b>	<b>(63)</b>	<b>(88)</b>
<b>Net increase in cash and cash equivalents</b>		<b>878</b>	<b>226</b>	<b>(45)</b>
Cash and cash equivalents at beginning of period		505	560	560
Foreign exchange currency translation		–	–	(10)
<b>Cash and cash equivalents at end of year</b>		<b>1,383</b>	<b>786</b>	<b>505</b>
<b>Represented by: Cash at bank and in hand</b>		<b>1,383</b>	<b>786</b>	<b>505</b>



**Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2011**

**1. General information**

YCO Group Plc is a company incorporated in England and Wales and quoted on the Alternative Investment Market ("AIM") of the London Stock Exchange.

**2. Basis of preparation**

This consolidated interim financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and on the historical cost basis, using the accounting policies which are consistent with those set out in the Company's Annual Report and Accounts for the year ended 31 December 2010. This interim financial information for the six months to 30 June 2011, which complies with IAS 34 'Interim Financial Reporting', was approved by the Board on 15 September 2011.

**3. Significant accounting policies**

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

**Taxation**

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

**Finance costs**

Finance costs have been reclassified to include all such costs related to the financing of the Group that do not arise from the operating activities of the group, such as costs associated with the Group's listing on AIM. This represents a change in the classification of these expenses compared to the annual financial statements and has been conducted to improve the relevance of the presentation. The effect of this change has been to increase finance costs and decrease operating costs by £298,000, £237,000 and £383,000 for the respective accounting periods ended 30 June 2011, 30 June 2010 and 31 December 2010.

**Significant accounting policies**

These condensed consolidated interim Financial Statements are unaudited and have been prepared on the basis of accounting policies consistent with those applied in the Consolidated Financial Statements for the year ended 31 December 2010.

There are no new standards effective for the first time in the current financial period with significant impact on its consolidated results or financial position.



**Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2011**

**4. Segmental analysis**

The chief operating decision-maker has been identified as the senior management. They review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The senior management considers the business from both a geographic and service perspective. From a service perspective, management assesses the performance of support services and client services.

- Support services; includes the crew recruitment services, human resource consultancy and included the Yacht Fuel Services (YFS) distribution services until the trade and assets were sold on 23 June 2011.
- Client services; includes the yacht brokerage and charter services, yacht construction and maintenance consultancy services and also includes the logistical and management support services.

The senior management assesses the performance of the operating segments based on a measure of adjusted earnings before interest and tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as restructuring costs and impairments when the impairment is the result of an isolated, non-recurring event. The costs of corporate head office and other costs which are not controlled by the operating divisions are allocated to these divisions. Interest income and expenditure are not included in the result for each operating segment that is reviewed by senior management. The assets of the company are not split into these segments for management information.

Other information provided, except as noted below, to the senior management is measured in a manner consistent with that in the financial statements.



**Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2011**

**4. Segmental analysis (continued)**

	Client services <i>Unaudited</i>	Support services <i>Unaudited</i>	YFS <i>Unaudited</i>	Total <i>Unaudited</i>
<b>Six months ended 30 June 2011</b>	£'000	£'000	£'000	£'000
<b>Revenue</b>	5,187	166	9,105	14,458
Segment result	725	(78)	211	858
Loss on disposal of trade and assets of YFS	–	–	(220)	(220)
<b>Operating profit / (loss)</b>	<hr/> 725	<hr/> (78)	<hr/> (9)	<hr/> 638
Finance costs				<hr/> (317)
<b>Profit before tax</b>				<hr/> 321
Taxation				<hr/> (144)
<b>Profit for period</b>				<hr/> <hr/> 177
	Client services <i>Unaudited</i>	Support services <i>Unaudited</i>	YFS <i>Unaudited</i>	Total <i>Unaudited</i>
<b>Six months ended 30 June 2010</b>	£'000	£'000	£'000	£'000
<b>Revenue</b>	5,435	250	6,142	11,827
<b>Operating profit / (loss)</b>				<hr/> 776
Finance costs				<hr/> (243)
<b>Profit before tax</b>				<hr/> 533
Taxation				<hr/> (149)
<b>Profit for period</b>				<hr/> <hr/> 384



**Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2011**

**4. Segmental analysis (continued)**

<b>Twelve months ended 31 December 2010</b>	Client services <i>Unaudited</i> £'000	Support services <i>Unaudited</i> £'000	YFS <i>Unaudited</i> £'000	Total <i>Unaudited</i> £'000
<b>Revenue</b>	11,401	335	15,293	27,029
<b>Operating profit / (loss)</b>				983
Finance costs				(395)
<b>Profit before tax</b>				588
Taxation				(97)
<b>Profit for period</b>				491

<b>Geographical analysis</b>	Europe <i>Unaudited</i> £'000	Americas <i>Unaudited</i> £'000	Rest of the World <i>Unaudited</i> £'000	Total <i>Unaudited</i> £'000
<b>Revenue from external customers</b>				
Six months to 30 June 2011	3,441	8,031	2,986	14,458
Six months to 30 June 2010	6,236	2,159	3,432	11,827



**Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2011**

**5. Earnings per share**

	6 months ended 30/06/11 <i>Unaudited</i> pence	6 months ended 30/06/10 <i>Unaudited</i> pence	12 months ended 31/12/10 <i>Audited</i> pence
<b>Earnings per ordinary share</b>			
Basic - pence	0.37	0.80	1.02
Diluted - pence	0.35	0.76	1.00

The profit per ordinary share is based on the Group's profit for the period of £177,000 (30 June 2010 - £384,000 profit; 31 December 2010 - £491,000 profit) and a basic and diluted weighted average number of shares in issue of 48,190,175.

**6. Reconciliation of operating profit to net cash inflow from operating activities**

	6 months ended 30/06/11 <i>Unaudited</i> £'000	6 months ended 30/06/10 <i>Unaudited</i> £'000	12 months ended 31/12/10 <i>Unaudited</i> £'000
<b>Operating profit for the period</b>	638	776	983
Adjustments for:			
Depreciation of property, plant and equipment	76	98	161
Loss on disposal of property, plant and equipment	–	72	100
Amortisation of intangibles	74	48	111
Goodwill impairment	–	100	102
Loss on disposal of trade and assets of YFS	220	–	–
Revaluation of deferred share consideration	–	(48)	(23)
European VAT provision	–	–	150
<b>Operating cash inflow before movements in working capital</b>	<b>1,008</b>	<b>1,046</b>	<b>1,584</b>
Decrease in inventories	–	1	4
(Increase)/decrease in trade and other receivables	(551)	1,277	1,931
Decrease in payables	(186)	(1,720)	(2,682)
<b>Net cash inflow from operating activities</b>	<b>271</b>	<b>604</b>	<b>837</b>



**Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2011**

**7. Yacht Fuel Services**

On 23<sup>rd</sup> June 2011 YCO Group PLC sold the business and assets of YFS division to World Fuel Services Europe Ltd for a total consideration of £1,750,000 million settled in cash. Goodwill of £1,794,265 originally associated with the initial purchase of Yacht Fuel Services Ltd was written off on 23<sup>rd</sup> June 2011.

The accounts for the six months ended 30<sup>th</sup> June 2010 and twelve months ended 31<sup>st</sup> December 2010 have been re-presented to take account of the discontinued operations, being the disposal of the YFS division.

The trade and assets of the Yacht Fuel Services business which we were disposed of were as follows:

	<i>Unaudited</i> £'000	At 23/06/11 <i>Unaudited</i> £'000
Goodwill		1,794
Property, plant and equipment		–
Inventories		–
Trade receivables		1,614
Cash and cash equivalents		–
Trade payables		(1,876)
<b>Net assets disposed</b>		<b>1,532</b>
Loss on disposal of trade and assets		(220)
Total consideration	1,750	
Sale costs	(176)	
Less working capital deduction	(262)	
	<hr/> 1,312	<hr/> 1,312
<b>Satisfied by:</b>		
Cash		1,214
Deferred cash		98
<b>Net consideration</b>		<hr/> <b>1,312</b> <hr/>

The deferred consideration is due to be settled in cash on or before 31 December 2011.



**Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2011**

**8. Share capital**

The issued share capital as at 30 June 2011 was 48,487,789 ordinary shares of £0.0035p each. (30 June 2010 – 48,166,401 ordinary shares of £0.0035p each; 31 December 2010 – 48,166,401 ordinary shares of £0.0035p each).

**9. Contingent liabilities**

At the end of the interim period, YCO Limited had £44,000 (30 June 2010 - £247,000) (31 December 2010 £12,000) overdrawn balances in clients' accounts. In the event that the yacht owners do not pay the overdrawn amount in the clients' accounts, and YCO are unable to recover the amounts, the Group would be liable for the balance to the bank.

**10. Status of interim accounts**

The unaudited interim financial information for the six month period ended 30 June 2011 does not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 31 December 2010 are extracted from the statutory financial statements which has been filed with the Registrar of Companies and which contains an unqualified audit report and did not contain statements under Section 498 to 502 of the Companies Act 2006.

**12. Status of interim accounts**

Copies of this interim financial information document are available from the Company at its registered office at 18 Coulson Street, London, SW3 3NB and on the Company's website [www.ycogroup.com](http://www.ycogroup.com).