14 September 2010

YCO Group Plc

("YCO", the "Company" or the "Group")

Interim Results for the 6 months ended 30 June 2010

YCO Group plc, a leading provider of specialist services to superyachts, today announces its unaudited Interim Results for the 6 months ended 30 June 2010.

Financial Highlights

- Revenue up 9% to £11.8m (H1 2009: £10.9m)
- Gross Profit increased by 27% to £3.9m (H1 2009: £3.1m)
- PBT increased to £533,000 (H1 2009: Loss of £0.6m)
- Earnings per share up to 0.8p (H1 2009: Loss of 1.24p)

Operational Highlights

- Return to profitability as a result of:
  - successful restructuring programme throughout 2009
  - encouraging performance from the brokerage division as market conditions recovered
- Improved performance in all Client Services divisions:
  - Management income up 15%
  - Sales income up 65%
  - Charter income increased more than 3.5 times
- Number of contracted yachts up 8%

Charlie Birkett, Chief Executive, commented:
"The Board is pleased to announce a strong set of interim results, which reflect the benefits of the restructuring programme undertaken in 2009 and continues the Group's growth trend reported at the full year results."

"During the first half of 2010, the Group has continued to reduce costs where practical and to improve operational and cost efficiencies in all areas, leveraging gradually improving market conditions to enable an encouraging performance in almost all areas of operations. The Board remains confident regarding the outlook for the Group for the remainder of 2010 and next year."

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Chairman's Statement

I am delighted to report that as a result of the ongoing and successful turnaround strategy, the Group has delivered a strong set of results for the first half of 2010 and significantly increased the level of profit before tax.

The significant restructuring programme that was initiated in 2009 enabled the brokerage and management divisions to perform ahead of the Board's expectations. In addition, these divisions also benefited from strengthened teams and improving market conditions in the superyacht market.

The Company looks forward to building on the achievements of the past 12 months' efficiencies and leveraging a gradually improving luxury tourism market, while exploring opportunities to expand the Group's reach globally and strengthen YCO's coverage in growing and emerging yachting markets. In order to achieve optimum operational and cost efficiencies, the Board will continue to review the Group's cost structure and composition.

With some exciting projects in the pipeline, we approach the outcome of the second half of the year with confidence and look forward to building on the successes of the first six months.

I would also like to welcome to the Board Ian Petts, who joined as Finance Director in August 2010.

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.

Peter Jay
Non Executive Chairman
14 September 2010

Chief Executive's Statement

For the first six months of 2010 the Group has delivered a strong and profitable performance and ahead of the Board's expectations. Key factors driving the performance were improving market conditions and the benefit from the restructuring programme initiated in 2009. In particular, the brokerage and chartering divisions performed well.

DIVISIONAL OVERVIEW

BROKERAGE

- YCO Brokerage maintained its position as a leading superyacht sales and charter operation. It showed a strong improvement in performance, with revenue across yacht sales and charter more than doubling. This was mainly due to strengthened brokerage teams and signs of a gradual recovery in the market. Encouragingly, the performance of the charter division was up on the same period for 2008, which was a more typical year for yacht charter, but before the effect of the economic downturn.

MANAGEMENT

- YCO Management continued its stable performance, increasing its market share of the superyacht management market while improving operational efficiency and margins.

CREW RECRUITMENT

- YCO Crew continued to operate satisfactorily in a competitive marketplace and perform ahead of the Board's expectations. The division now operates from headquarters in Monaco, although the division maintains its offices in Antibes and Palma with the latter office having performed particularly well in the first half of 2010.

YACHT FUEL SERVICES

- Yacht Fuel Services was profitable in the first half. However, as it operates in an increasingly competitive market, this had a detrimental effect on the operating margins. Operating profit was slightly down on the same period last year, due to fewer vessels travelling out and returning from the Caribbean, which impacted the sales in the first quarter of the year.

YACHT HELP GROUP

- Yacht Help Group reported a weak performance compared to the other divisions, and as a part of the Group's restructuring the Gibraltar Yacht Help Group office was closed and replaced with a successful sub-agency structure with a lower cost base. Going forward, the Board considers that Yacht Help Group should be able to produce higher margins.

CURRENT TRADING AND OUTLOOK

The Board is pleased to see that the benefits of the restructuring programme and the ongoing turnaround translated into continued profitability for the Group and in particular, in the significantly improved performance of the higher margin Brokerage division.

The Group will continue to strive to improve efficiency in all areas of the business and move ahead of the competition in our service offering to our clients.

The ongoing strategy for sales and charter is to leverage the strong performance and to maintain the growth rate achieved during the period. The sales market shows some signs of gradual recovery and the division has some promising projects in the pipeline.

Over the coming months, the yacht management division will benefit from the completion of major build projects for which it has already won the management contracts. The division continues to invest in the training of its staff in order to maintain its leading position in the market, as well as upgrading online management software YCO LIVE to improve further the efficiencies of real-time, paperless yacht management.

After a review of operations, YCO Crew's senior management has moved from Antibes to Monaco to be integrated further with YCO Management and to enhance the service offering to the Company's managed yachts.

In order to further strengthen the service offering from the Group's own Yacht Management division, the Group is exploring the potential benefits of re-branding the Yacht Help Group division to bring it in line with YCO Management's brand. Following the success of the sub-agency operation in Gibraltar referred to above, the Group is now exploring the opportunity of expanding the division's reach through a network of similar sub-agents worldwide. This network would be co-ordinated centrally from Monaco by the existing multi-lingual yacht concierge team.

The Company continues to invest in innovative IT solutions for the Yacht Management and Brokerage divisions as well as investing in strengthening our teams. The Group will continue to evaluate its composition and looks forward to building further on our achievements to date, and in particular, a successful outcome for the second half of the year.

Charlie Birkett
Chief Executive Officer
14 September 2010

Consolidated Income Statement
for the six months ended 30 June 2010

	Notes	Six months to 30 June 2010 Unaudited £'000s	Six months to 30 June 2009 Unaudited £'000s	Year ended 31 December 2009 Audited £'000s
Revenue		11,827	10,895	24,694
Cost of sales		(7,878)	(7,783)	(17,704)
Gross profit		3,949	3,112	6,990
Administrative expenses		(3,410)	(3,681)	(6,908)
Operating profit / (loss)		539	(569)	82
Finance income		3	-	5
Finance costs		(9)	(27)	(56)
Profit / (loss) before tax		533	(596)	31
Income tax charges		(149)	-	(20)
Profit / (loss) for the period from continuing operations attributable to equity shareholders		384	(596)	11
Earnings / (loss) per share				
Basic (pence)	8	0.80	(1.24)	0.02
Diluted (pence)	8	0.80	(1.24)	0.02

Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2010

	Six months ended 30 June 2010 Unaudited £'000s	Six months ended 30 June 2009 Unaudited £'000s	Year ended 31 December 2009 Audited £'000s
Profit / (loss) for the period	**384**	**(596)**	**11**
Other comprehensive income			
Currency translation differences	(50)	104	(52)
Total comprehensive income for the period	**334**	**(492)**	**(41)**
Total comprehensive income attributable to :			
equity shareholders of the company	**334**	**(492)**	**(41)**

Consolidated Statement of Financial Position
as at 30 June 2010

	Notes	As at 30 June 2010 Unaudited £'000s	As at 30 June 2009 Unaudited £'000s	As at 31 December 2009 Audited £'000s
Assets				
Non-current assets				
Property, plant and equipment		420	740	618
Goodwill	6	15,233	15,333	15,333
Intangibles		235	310	243
		15,888	16,383	16,194
Current assets				
Inventories		3	10	4
Trade and other receivables		3,738	5,901	5,205
Cash and cash equivalents		786	157	560
		4,527	6,068	5,769
Current liabilities				
Trade and other payables		4,619	7,832	6,606
Financial liabilities – borrowings and interest bearing loans		22	22	22
Tax payable		169	-	20
		4,810	7,854	6,648
Net current liabilities		(283)	(1,786)	(879)
Non-current liabilities				
Financial liabilities – borrowings and interest bearing loans		(7)	(29)	(18)
Net assets		15,598	14,568	15,297
Equity				
Capital and reserves				
Called up share capital		168	168	168
Share premium		15,209	14,959	15,209
Retained earnings/(loss)		133	(858)	(251)
Other reserves		162	195	195
Currency translation reserve		(74)	104	(24)
Total equity		15,598	14,568	15,297

Consolidated Statement of Changes in Equity
For the six months ended 30 June 2010

	Share capital £'000s	Share premium £'000s	Retained earnings £'000s	Other reserves £'000s	Translation reserve £'000s	Total £'000s
As at 1 January 2010	**168**	**15,209**	**(251)**	**195**	**(24)**	**15,297**
Profit after tax for the period	-	-	384	-	-	384
Exchange difference expensed	-	-	-	(33)	-	(33)
Translation reserve	-	-	-		(50)	(50)
As at 30 June 2010	**168**	**15,209**	**133**	**162**	**(74)**	**15,598**
As at 1 January 2009	**168**	**14,959**	**(262)**	**195**	**28**	**15,088**
Loss after tax for the period	-	-	(596)	-	-	(596)
Translation reserve	-	-	-	-	76	76
As at 30 June 2009	168	14,959	(858)	195	104	14,568
As at 1 January 2009	**168**	**14,959**	**(262)**	**195**	**28**	**15,088**
Expenses recovered	**-**	**250**	**-**	**-**	**-**	**250**
Profit after tax for the year	**-**	**-**	**11**	**-**	**-**	**11**
Translation reserve	**-**	**-**	**-**	**-**	**(52)**	**(52)**
As at 31 December 2009	**168**	**15,209**	**(251)**	**195**	**(24)**	**15,297**

Consolidated Statement of Cash Flows
For the six months ended 30 June 2010

	Note	Six months to 30 June 2010 Unaudited £'000s	Six months to 30 June 2009 Unaudited £'000s	Year ended 31 December 2009 Audited £'000s
Cash flows from operating activities	9	367	(445)	(13)
Finance costs		(9)	(27)	(56)
Net cash inflow/(outflow)from operating activities		358	(472)	(69)
Cash flows from investing activities				
Interest received		3	-	5
Purchase of intangibles		(67)	(137)	(204)
Purchase of plant and equipment		(20)	(50)	(82)
Proceeds from sale of tangible assets		15	-	46
Net cash from investing activities		(69)	(187)	(235)
Cash flows from financing activities				
Loan (repaid to)/received from related parties		(52)	(28)	38
Bank loan repaid		-	(15)	(1)
Repayment of finance lease		(11)	-	(25)
Net cash from financing activities		(63)	(43)	12
Net cash inflow/(outflow)		226	(702)	(292)
Cash and cash equivalents at the beginning of the period		560	859	859
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-	(7)
Represented by :				
Cash and cash equivalents		786	157	560

Notes to the Interim Financial Information

1. General information

YCO Group Plc is a company incorporated in England and Wales and quoted on the Alternative Investment Market 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 2009. This interim financial information for the six months to 30 June 2010, which complies with IAS 34 'Interim Financial Reporting', was approved by the Board on 14 September 2010.

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 2009, as described in those annual financial statements.

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

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010, but are not currently relevant for the Group.

- IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.
- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009.
- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009.
- 'Additional exemptions for first-time adopters' (Amendment to IFRS 1) was issued in July 2009. The amendments are required to be applied for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing IFRS preparer.
- Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The effective dates vary standard by standard but most are effective 1 January 2010.

3. Significant accounting policies (continued)

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

- IFRS 9, 'Financial instruments', issued in December 2009. This addresses the classification and measurement of financial assets. The Group is assessing whether there will be any impact on the accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.
- Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011. Earlier application, in whole or in part, is permitted.
- 'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. The amendment should be applied for annual periods beginning on or after 1 February 2010. Earlier application is permitted.
- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009 is effective for annual periods beginning 1 January 2011. Earlier application is permitted.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted.
- Improvements to International Financial Reporting Standards 2010 were issued in May 2010. The effective dates vary standard by standard but most are effective 1 January 2010.

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.

The senior management assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as restructuring costs, legal expenses and impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not included in the result for each operating segment that is reviewed by the senior management.

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

4. Segmental analysis (continued)

	Six months period to 30 June 2010		
Segment results	Support services £'000s	Client services £'000s	Total £'000s
Revenue	7,818	4,302	12,120
Inter company	(293)	-	(293)
Revenue	7,525	4,302	11,827
Operating profit before depreciation, amortisation and restructuring costs	65	720	785
Depreciation of tangibles	(19)	(79)	(98)
Amortisation of intangibles	(100)	(48)	(148)
Tangible asset scrapped	(72)	-	(72)
Goodwill impairment	-	(100)	(100)
Operating profit/(loss)			539
Net finance expense			(6)
Profit before taxation			533
Segment assets			
Property, plant and equipment	51	369	420
Intangible assets	2,764	12,704	15,468
Other assets	2,281	2,246	4,527
	5,096	15,319	20,415

	Six months period to 30 June 2009		
Segment results	Support services £'000s	Client services £'000s	Total £'000s
Revenue	8,683	2,668	11,351
Inter company	(456)	-	(456)
	8,227	2,668	10,895
Operating profit/(loss) before depreciation, amortisation, and restructuring costs	46	(401)	(355)
Depreciation of tangibles	(19)	(98)	(117)
Amortisation of intangibles	-	(97)	(97)
Operating profit/ (loss)	27	(596)	(569)
Net finance expense			(27)
Loss before taxation			(596)
Segment assets			
Property, plant and equipment	156	584	740
Intangible assets	2,889	12,754	15,643
Other assets	3,318	2,750	6,068
	6,363	16,088	22,451

4. Segmental analysis (continued)

Segment results	12 months period to 31 December 2009 Support Services £'000s	Client Services £'000s	Total £'000s
Revenue	18,235	7,336	25,571
Inter company	(796)	(81)	(877)
Revenue	17,439	7,255	24,694
Operating profit/(loss) before depreciation, amortisation, and restructuring costs	87	436	523
Depreciation of tangibles	(31)	(153)	(184)
Amortisation of intangibles	(28)	(229)	(257)
Operating profit/(loss)	28	54	82
Net finance expense			(51)
Profit before taxation			31
Segment assets			
Property, plant and equipment	144	474	618
Intangible assets	2,864	12,712	15,576
Other assets	3,752	2,017	5,769
	6,760	15,203	21,963

The geographical segment analysis consists of Europe, Americas and the rest of the world.
Six months to 30 June 2010:

	Europe £'000s	Americas £'000s	Rest of the world £'000s	Total £'000s
Revenue	6,236	2,159	3,432	11,827
Total assets	20,415	-	-	20,415
Capital expenditure	87	-	-	87

Six months to 30 June 2009:

	Europe £'000s	Americas £'000s	Rest of the world £'000s	Total £'000s
Revenue	8,147	1,616	1,132	10,895
Total assets	22,451	-	-	22,451
Capital expenditure	187	-	-	187

4. Segmental analysis (continued)

Year ended 31 December 2009	Europe £'000s	Americas £'000s	Rest of the world £'000s	Total £'000s
Revenue	15,549	3,277	5,868	24,694
Total assets	21,963	-	-	21,963
Capital expenditure	286	-	-	429

5. Operating profit / (loss) for the half year

The operating profit (2009 loss) for the half year is stated after charging/(crediting):

	Six months to 30 June 2010 £'000s	Six months to 30 June 2009 £'000s	Year ended 31 December 2009 £'000s
Goodwill impaired (note 6)	100	-	-
Loss on disposal of owned assets (note 7)	72	-	-

6. Impairment of goodwill

Management have taken the decision to commence liquidation of Yacht Help Group Gibraltar Limited ("Gibraltar") as part of the ongoing restructuring programme to save costs and improve efficiency. An impairment review of the goodwill associated with Gibraltar resulted in the prudent decision to write the goodwill off.

The value written off during the period was £100,000. The operational activity of Gibraltar has been transferred to the Palma, Mallorca operations or is now provided through a strategic partner with revenues flowing into Yacht Help Group Palma. The activity transferred to Palma, Mallorca did not in the opinion of the directors justify a transfer of the associated goodwill.

7. Disposal of fixed assets

The restructuring and relocation of Yacht Help Group (Mallorca) SL resulted in a loss on disposal of fixtures and fittings associated with the former office premises. The loss on disposal amounted to £72,000.

8. Earnings / (loss) per share

	Six months to 30 June 2010	Six months to 30 June 2009	Year ended 31 December 2009
Earnings/(loss) per ordinary share			
Basic – pence	0.80	(1.24)	0.02
Diluted – pence	0.80	(1.24)	0.02

The profit/(loss) per ordinary share is based on the Group's profit for the period of £384,000 (30 June 2009 - £596,000 loss; 31 December 2009 - £11,000 profit) and a basic and diluted weighted average number of shares in issue of 48,166,401.

9. Reconciliation of operating profit / (loss) to net cash in / (out)flow from operating activities

	Six months to 30 June 2010 £'000s	Six months 30 June 2009 £'000s	Year ended 31 December 2009 £'000s
Operating profit / (loss) for the period	539	(569)	82
Adjustments for :			
Impairment loss recognised on investment	100	-	-
Amortisation of other intangibles	48	143	257
Depreciation of property, plant and equipment	98	101	185
Loss on scrapping of tangible fixed assets	72	-	-
Profit /(loss) on unrealised foreign exchange	(48)	76	-
Decrease/ (Increase) in inventories	1	194	200
Decrease/ (Increase)/ in receivables	1,277	68	1,013
(Decrease)/increase in payables	(1,720)	(458)	(1,750)
Net cash in/(out)flow from operating activities	367	(445)	(13)

10. Called up share capital

The issued share capital as at 30 June 2010 was 48,166,401 ordinary shares of 0.35p each. (30 June 2009 – 48,166,401 ordinary shares of 0.35p each; 31 December 2009 – 48,166,401 ordinary shares of 0.35p each).

11. Contingent liabilities

At the end of the interim period, YCO Limited had £247,000 (30 June 2009 - £566,000) (31 December 2009 £125,000) 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.

12. Status of interim accounts

The unaudited interim financial information for the 6 months ended 30 June 2010 does not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006. The figures for the year ended 31 December 2009 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and which contain an unqualified audit report and did not contain statements under Section 498 to 502 of the Companies Act 2006.

13. Interim statements publication

Copies of this announcement will be available from the Company's registered office at 18 Coulson Street, London, SW3 3NB and on the Company's website www.ycogroup.com.