YCO GROUP PLC

19 May 2011

YCO Group plc

(“YCO”, the “Company” or the “Group”)

Results for the year ended 31 December 2010

YCO Group plc, a leading provider of specialist services to superyachts, today announces its audited preliminary results for the year ended 31 December 2010.

HIGHLIGHTS

Financial Highlights

- Revenue up 9% to £27.0m (2009: £24.7m)
- Gross profit increased by 19% to £8.3m (2009: £7.0m)
- Operating profit before exceptional items increased to £930,948 (2009: £82,277)
- Profit before tax of £588,000 (2009: £31,000)
- EPS 1.02p (2009: 0.02p)

* Exceptional items totalled £330,080

Operational Highlights

- Brokerage department bolstered by recruitment of industry leading team
- Number of Sales up 50% to 9 (2009: 6)
- Number of Charter Weeks sold increased 13% to 175 (2009: 155)
- Number of Contracted Yachts increased 13% to 58 (2009: 51)

Charlie Birkett, Chief Executive of YCO Group, commented:

“Our focus in 2010 was to build on the successful restructuring programme implemented in 2009 and this has delivered impressive results across the Group. Strengthened brokerage teams and operations have helped to achieve a considerable increase in Group profitability. Current enquiry levels across all core service divisions are promising and accordingly we look forward to further growth whilst maintaining YCO’s reputation for innovation and client service.”

For further information please contact:

YCO Group plc	
Charlie Birkett, Chief Executive	Tel: +377 93 50 12 12
Arbuthnot Securities	
Tom Griffiths / Ed Groome	Tel: + 44 (0)20 7012 2000
Hudson Sandler	
Charlie Jack / Nathan Field	Tel: + 44 (0)20 7796 4133

CHAIRMAN'S STATEMENT

I am delighted to deliver my maiden statement as Non-Executive Chairman of YCO Group and I thank my predecessor, Peter Jay for his continued support and hard work during his tenure, which saw a critical period of transition for the Group.

Through the continued restructuring of the Group, I am pleased to report that YCO has significantly increased its profitability and it remains wholly focused on maintaining this trend.

In 2010, YCO continued to extend its reach worldwide. A permanent presence in the Middle East was established in Doha and the Group continues to explore opportunities to increase its levels of activity across a wider geographical base.

The Board was strengthened during the period with Ian Petts appointed as Finance Director, after serving YCO in Monaco since 2008 and Rishi Malliwal, an experienced corporate lawyer, joining as Non-Executive director.

The Board continues to assess the efficiency of the Group's operations, ensuring that the company's personnel, brand, service offering and reputation for innovation maintains its leading position in the marketplace.

I would like to thank all of the Group's employees for their commitment and hard work in achieving an excellent set of results. It is exciting to work alongside YCO founders Gary Wright and Charlie Birkett and I have every faith in their growth strategies for the Group and their ability to continue to take YCO forward.

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Rear Admiral Scott Lidbetter - Non Executive Chairman
19 May 2011

CHIEF EXECUTIVE'S STATEMENT

Review of Business Operations

Brokerage

After an encouraging performance by the brokerage division in 2009 the Board took the opportunity to further strengthen the team during 2010, attracting four well regarded sales and charter brokers from a leading competitor. The ongoing recruitment and retention of industry leading employees remains core to our strategy. Overall, both sales and charter performed ahead of expectations, both in terms of the sales, and also in securing new Central Agency Yachts.

During the period YCO continued to offer its clients industry innovating services, most recently an iPad based application designed as a brokerage tool. A superyacht search facility, 'YachtBox' is the first application of its kind and was well received at its launch at the Monaco Yacht Show.

Management

As well as increasing the number of yachts under management, YCO took delivery of two new superyachts from the prestigious German shipyard Lürssen (one above 80m and one above 120m). Both yachts had been overseen by YCO Project Management throughout construction and moved seamlessly to the Operational Management fleet. Overall the department has maintained a satisfying market share and its reputation among captains and owners for its knowledge and service levels continues to grow.

The Group continued to develop its management service offering globally by transferring management personnel permanently to the Gulf. YCO continues to look to developing regions in the superyacht market for potential growth opportunities.

YCO Crew

YCO crew achieved improved results, making more placements in 2010 than in 2009. In Palma, YCO Crew relocated to larger offices and is now able to offer logistical support to YCO managed yachts based or passing locally. The division remains an excellent client source for the Company's yacht management division and as such the Board was satisfied with its performance and looks to strengthen the recruitment team in 2011.

Yacht Fuel Services

The fuel services division maintained its position in the marketplace, performing in line with expectations. In early 2010 the division remained affected by reduced transatlantic yachting traffic however, and the Board continues to review its position within the Group.

Yacht Help Group (now YCO Client Concierge)

During the year the decision was taken to withdraw YHG operations from Spain and France, with all activity transferred to YCO's expanded offices in Monaco and Palma (YCO Crew). Now 'YCO Client Concierge', the division's service offering has been further strengthened by a partnership with a leading global concierge provider with offices in 60 further cities worldwide. The board views this as a positive development of YCO's existing concierge services, an area of the business which has traditionally differentiated YCO from competitor charter firms.

Financial Review

We are very pleased with our financial performance over the period after posting a small maiden profit in 2009. Profits have increased dramatically from break even to close to £1m before exceptional items of £330k, which includes VAT provision of £150k, goodwill of £102k for the liquidation of Yacht Help Group Gibraltar and fixed asset write off of £77k for the closure of offices in Palma and Barcelona. An increase in charter contracts and office expansion means that cash is slightly lower than forecast at £500k but YCO remains largely free of debt and very well positioned for further growth in 2011.

Outlook

YCO remains focused on building on the excellent client, operational and personnel achievements made in 2010. It will do this through the ongoing development of our client services as well as leveraging the YCO brand through strategic marketing initiatives that will help ensure YCO maintains its position as a leader in the superyacht industry. As part of this YCO intends to implement an Employee Incentive Scheme in 2011 to retain and attract the industry's leading talent - being the only UK listed superyacht services company gives YCO a unique industry advantage in this respect.

The superyacht marketplace is showing signs of gradual recovery. In 2010, the number of superyacht sales across the industry was higher than the previous year and in the first quarter of 2011 YCO has seen an increase in enquiries for sales, charter and yacht management. With several prospects also commissioning the build of new yachts, YCO is currently involved commercially with every major shipyard in northern Europe, a significant milestone.

As founders of YCO, Gary Wright and I are pleased with the Company's performance and welcome new arrivals to the board and the Group, in particular the new Director of Sales and Charter, Neil Cheston. We would like to thank the whole YCO team for enabling us to achieve very encouraging results for 2010.

The Group is confident that in this improving market, with its industry leading client service offering and team of highly respected yacht managers and brokers, YCO can continue to build on the momentum gained in 2010 and accordingly the Board looks forward with optimism.

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Charlie Birkett – Chief Executive Officer
19 May 2011

Y C O G R O U P P L C

Consolidated Income Statement
for the year ended 31 December 2010

	Notes	2010 £	2009 £
Revenue		27,028,837	24,694,534
Cost of sales		(18,696,080)	(17,704,305)
Gross profit		8,332,757	6,990,229
Administrative expenses		(7,401,809)	(6,907,952)
Operating profit	4	930,948	82,277
Analysed as :			
Operating profit before exceptional items		930,948	82,277
Exceptional items	6	(330,080)	-
Operating profit		600,868	82,277
Finance costs	3	(18,128)	(55,977)
Finance income	3	5,708	4,504
Profit before tax		588,448	30,804
Income tax charges	7	(96,888)	(19,851)
Profit for the year		491,560	10,953
Attributable to:			
Owners of the company		491,560	10,953
Earnings per share expressed in pence per share:	6		
Basic –pence		1.02	0.02
Diluted -pence		1.02	0.02

Consolidated Statement of Financial Position as at 31 December 2010

	Notes	2010 £	2009 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill		15,230,607	15,332,787
Intangibles		222,071	242,802
Property, plant and equipment		478,210	618,543
		15,930,888	16,194,132
CURRENT ASSETS			
Inventories		-	4,120
Trade and other receivables		3,341,294	5,204,800
Cash and cash equivalents		505,361	560,299
		3,846,655	5,769,219
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		3,912,862	6,606,431
Financial liabilities – borrowings			
Interest bearing loans and borrowings		18,128	21,983
Tax payable		96,888	19,851
		4,027,878	6,648,265
NET CURRENT LIABILITIES		(181,223)	(879,046)
NON-CURRENT LIABILTIES			
Financial liabilities – borrowings			
Interest bearing loans and borrowings		-	18,459
NET ASSETS		15,749,665	15,296,627
EQUITY AND RESERVES			
Called up share capital		168,584	168,584
Share premium		15,208,685	15,208,685
Retained earnings		240,302	(251,258)
Other reserves		171,312	194,706
Translation reserve		(39,218)	(24,090)
		15,749,665	15,296,627

Consolidated Statement of Cash Flows
for the year ended 31 December 2010

	Notes	2010 £	2009 £
Cash flows from operating activities			
Cash generated from operations	8	454,368	(13,074)
Finance costs		(18,127)	(55,977)
Corporation tax paid		(19,851)	-
Net cash inflow/(outflow) from operating activities		416,390	(69,051)
Cash flows from investing activities			
Purchase of intangibles		(113,620)	(204,185)
Purchase of plant and equipment		(278,168)	(81,935)
Proceeds from sale of tangible assets		12,582	46,024
Interest received		5,708	4,504
Net cash (outflow) from investing activities		(373,498)	(235,592)
Cash flows from financing activities			
(Repayment)/receipt of loan to related parties		(65,928)	38,181
Repayment of bank loan		-	(1,355)
Repayment of finance lease		(22,313)	(24,443)
Net cash (outflow)/inflow from financing activities		(88,241)	12,383
(Decrease) in cash and cash equivalents		(45,349)	(292,260)
Cash and cash equivalents at beginning of year		560,299	859,283
Foreign exchange currency translation		(9,589)	(6,724)
Cash and cash equivalents at end of year		505,361	560,299
Represented by:			
Cash at bank and in hand		505,361	560,299

Notes to the Financial Statements

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. The Company changed to its present name on 16 July 2009 upon the successful reorganisation of the Group.

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

2. SEGMENTAL ANALYSIS

In prior years, segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions (i.e. marine fuel and support services). However, information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more specifically focussed on the category of goods and services. The principal categories are support services and client services. The Group's reportable segments under IFRS 8 are therefore as follows:

Support services relate to the goods and services provided to the yacht to enable the yacht to operate (i.e.: marine fuel and lubricants).

Client services relate to the services provided on behalf of client (i.e.: yacht management, yacht sales, yacht purchase, yacht charter, charter marketing, crew recruitment, new construction, project management, provisioning and concierge.)

Information regarding the Group's reportable segments is presented below. Amounts reported for the prior year have been restated to conform to the requirements of IFRS 8.

The chief operating decision maker internal report is based on business segment, which consists of marine fuel and support services as disclosed below.

Segment Results – 2010	**Support Services 2010 £**	**Client Services 2010 £**	**Total 2010 £**
Revenue			
Total	15,292,638	12,630,789	27,923,427
Inter company	(304,273)	(590,317)	(894,590)
Revenue	14,988,365	12,040,472	27,028,837
Operating profit before depreciation, amortisation share based payment charges and restructuring costs:	148,814	1,054,645	1,203,459
Depreciation of tangibles	(3,863)	(157,689)	(161,552)
Amortisation of intangibles	-	(110,959)	(110,959)
Exceptional items	(150,000)	(180,000)	(330,080)
Operating profit	(5,049)	605,917	600,868
Net finance expense			(12,420)
Profit before taxation			588,448
Segment Assets			
Property, plant and equipment	9,067	469,143	478,210
Intangible assets	1,794,265	13,658,414	15,452,679
Other assets	1,307,202	2,539,452	3,846,654
	3,110,534	16,667,009	19,777,543

Segment Results - 2009	Support Services 2009 £	Client Services 2009 £	Total 2009 £
Revenue			
Total	18,234,777	7,336,181	25,570,958
Inter company	(796,079)	(80,345)	(876,424)
Revenue	17,438,698	7,255,836	24,694,534
Operating profit before depreciation, amortisation share based payment charges and restructuring costs:	86,895	436,385	523,280
Depreciation of tangibles	(31,148)	(153,383)	(184,531)
Amortisation of intangibles	(27,643)	(228,829)	(256,472)
Operating profit	28,104	54,173	82,277
Net finance expense			(51,473)
Profit before taxation			30,804
Segment Assets			
Property, plant and equipment	144,216	474,327	618,543
Intangible assets	2,864,281	12,711,308	15,575,589
Other assets	3,751,666	2,017,553	5,769,219
	6,760,163	15,203,188	21,963,351

The chief operating decision maker also report on geographical segment, which consists of Europe, Americas and the rest of the world. The breakdown of the revenue is shown below. The business segment consists of marine fuel and support services as shown below:

	Europe 2010 £	Americas 2010 £	Rest of the world 2010 £	Total 2010 £
Revenue	17,443,236	2,604,031	6,981,570	27,028,837
Total assets	19,777,543	-	-	19,777,543
Capital Expenditure	391,788	-	-	391,788

	Europe 2009 £	Americas 2009 £	Rest of the world 2009 £	Total 2009 £
Revenue	15,548,971	3,276,989	5,868,574	24,694,534
Total assets	21,963,351	-	-	21,963,351
Capital Expenditure	428,779	-	-	428,779

3. NET FINANCE INCOME

	2010 £	2009 £
Finance costs:		
Bank interest	18,128	53,213
Bank loan interest	-	16
Other interest	-	2,748
	18,128	55,977
Finance income:		
Deposit account interest	5,708	2,101
Other interest received	-	2,403
	5,708	4,504
Net finance costs:	**(12,420)**	**(51,473)**

4. OPERATING PROFIT/(LOSS) FOR THE YEAR

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

	2010 £	2009 £
Rent operating leases	658,674	670,578
Depreciation - owned assets	157,223	180,410
Depreciation – leased assets	4,329	4,121
Amortisation of intangibles	110,950	256,472
Loss on sale of tangible assets	22,488	319
Auditors' remuneration (Company £28,626; 2009: £20,000)	53,017	40,000
Auditors' remuneration (Non-audit work)	3,000	3,000
Compensation for loss of office	48,000	-
Foreign exchange differences	(110,946)	128,071

The analysis of administrative expenses in the consolidated income statement by nature of expense:

	2010 £	2009 £
Employment costs	4,204,244	3,963,951
Depreciation and amortisation	272,511	441,003
Advertising costs	385,804	316,098
Travelling and entertaining	316,440	275,676
Establishment costs	799,797	813,165
Other expenses	1,423,013	1,098,059
	7,401,809	6,907,952

5. INCOME TAX EXPENSE

The tax charge on the profit for the year was as follows:

	2010 £	2009 £
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2008 - 28%)	164,765	8,625
Effects of:		
Non deductible expenses	35,955	2,951
Depreciation add back	5,461	8,586
Capital allowance	(15,793)	(6,931)
Losses carried forward	(93,078)	64,065
Other tax adjustments	(422)	(57,445)
	(67,877)	11,226
Current tax charge	96,888	19,851

The Group has estimated trading losses of £nil (2009 - £nil), management expense excess of £4,800 (2009 - £276,000) and non trading losses of £12,334 (2009 - £12,000) available to carry forward against future profits. The deferred tax asset not provided at 28% on the grounds that the recovery could not be foreseen with reasonable certainty was £398 (2009 - £80,000).

The Group also has estimated trading losses from foreign subsidiaries of £420,000 (2009 - £515,000). The deferred tax asset not provided at 20% on the grounds that the recovery could not be foreseen with reasonable certainty was £82,000 (2009 - £144,000).

6. EXCEPTIONAL ITEMS

	2010 £	2009 £
European VAT Provision	150,000	-
Goodwill write off	102,180	-
Fixed asset write off	77,900	-
	330,080	-

A provision for European VAT was provided by the board. This represents a potential fiscal liability where private vessels were fueled in European waters.

During the year, Management took the decision to liquidate Yacht Help Group Gibraltar to save costs and improve efficiency. An impairment review of the goodwill associated with Gibraltar resulted in the prudent decision to write off the goodwill. The value written off during the period was 102,180 GBP.

During the year the company closed an office in Palma and Barcelona with the result of a write off of fixed assets of 77,900 GBP.

7. EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two classes of dilutive potential ordinary shares being those share options granted to employees and suppliers where the exercise price is less than the average market price of the Group's ordinary shares during the year and the shares to be issued to satisfy the deferred consideration on the acquisition of a subsidiary.

Details of the adjusted earnings per share are set out below:

	2010	**2009**
Basic EPS		
Earnings attributable to ordinary shareholders (£)	491,560	10,953
Weighted average number of shares	48,166,584	48,166,584
Basic EPS (pence)	**1.02**	**0.02**

	2010	**2009**
Diluted EPS		
Earnings attributable to ordinary shareholders (£)	491,560	10,953
Weighted average number of shares	49,144,304	49,144,304
Diluted EPS (pence)	**1.02**	**0.02**

8. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED FROM OPERATIONS

	2010 **£**	**2009** **£**
Operating profit for the year	600,868	82,277
Adjustments for:		
Depreciation of property, plant and equipment	161,552	184,531
Loss on sale of tangible assets	22,488	319
Amortisation of intangibles	110,959	256,472
Goodwill write off	102,180	-
Fixed asset write off	77,900	-
Revaluation of deferred share consideration	(23,394)	-
Operating cash inflow before movements in working capital	1,052,553	523,599
Decrease in inventories	4,120	199,840
Decrease in trade and other receivables	1,930,654	1,013,357
(Decrease) in trade and other payables	(2,532,959)	(1,749,870)
Cash inflow/(outflow) generated from operations	454,368	(13,074)

9. AVAILABILITY OF THIS ANNOUNCEMENT

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 423 of the Companies Act 2006.

Copies of this announcement are available from the Company's registered office and from its website, at www.ycogroup.com.

The report and accounts for the year ended 31 December 2010 will be posted to shareholders in due course and will be available from the Company's registered office and from its website, at www.ycogroup.com.

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