

Clipper Ventures Plc

(The 'Group' or the 'Company' or 'Clipper Ventures')

Preliminary Results

For the year ended 30th April 2007

Highlights

- * Group profit before and after tax of £925k, an increase of 5% year-on-year and marginally ahead of market expectations.
- * The results include the majority of profit associated with the 2006/7 Velux 5 Oceans Race. Although this has led to an 8.5% reduction in turnover, margin on the Velux 5 Oceans race is particularly strong and accordingly the Group has benefited from a 14.7% increase in operating profit.
- * Earnings per share were static at 2.8p per share.
- * Interest costs have more than doubled year-on-year. This was due to the high level of borrowing early in the reporting period. However the Company now has no net debt.
- * The Group completed a successful fund raising during the period and now has adequate financial resources going forward.
- * Preparations are nearing completion for the next Clipper Round the World Yacht Race, due to start from Liverpool in September. The event promises to be the most successful Clipper race to date.
- * Following the reduction in capital, and the consequent elimination of the deficit on the Profit and Loss account, approved earlier this year the Board is recommending the Company's maiden dividend payment of 0.25p per share at the forthcoming AGM and intends to pursue a progressive dividend policy going forward.

Chief Executive's Review

Clipper Round the World Yacht Race

Our unique sponsorship model, which pits cities from around the world against each other for the Clipper Cup, continues to grow. Sponsorship income in the Clipper 07 race is forecast to be approximately £5m (the majority of which is now contracted):

Sponsorship Income £'000

	Clipper 05	Clipper 07
Contracted	3,709	4,422

Additionally the Company has already contracted £1m of sponsorship income for the Clipper 09 race, and discussions have commenced with a number of other cities interested in continuing their association with the race. The Board sees this early recruitment of sponsoring cities as key to the future success of the event, as it gives a forward visibility of income for the business.

Crew income for the Clipper races continues to grow ahead of inflation. As at the date of publishing these results:

Crew Income £'000	Clipper 05	Clipper 07
Contracted	4,417	4,895

Additional crew income is expected to arise in the coming months from existing crew members increasing the number of race legs in which they participate.

One of the key factors in the ability of an event to generate sponsorship income is the level of media coverage it generates. As such the Company views the media value of its events as a leading indicator of the potential of the events to generate sponsorship income. During the year, management has commissioned an independent agency to measure the media value of its events and it is intended that this measurement shall continue in future events. Media coverage of the Clipper 05 race was independently valued by Sports Marketing Surveys at £27.6m, a value that we anticipate will be significantly exceeded in the Clipper 07 Race following our recently announced partnership with APP Broadcast to produce a 10-part television series for international distribution.

The Clipper 05 website generated 26 million hits. A new state-of-the-art website has just been launched with input from each of the international city sponsors, audio clips, video footage and more regular position reports and competitor blogs. The Clipper 07 website is set to generate a vastly increased number of visitors, further increasing the media reach of the event.

Since the first race in 1996, the event has been transformed from a low-key amateur sailing race into a major, and highly profitable, international event attracting the interest of the world's media and business leaders.

Velux 5 Oceans

The Velux 5 Oceans race is known as the longest and toughest event for any individual in any sport. And the 2006 edition, with Velux as its title sponsor, proved no exception. From the drama of Mike Golding's rescue of Alex Thomson in the Southern Ocean, to the domination of the winner's podium by Bernard Stamm, and the inspiring completion of the race by our 68-year-old Chairman, Sir Robin Knox Johnston, the race provided a spectacular event.

The sponsorship contract that the Company signed with Velux linked sponsorship

payments to specific targets of media generation of the race, with the maximum sponsorship payment being made when the race generated a media value of £60m. The media value of the race is still being measured by Sports Media Surveys, but has now passed Euro40m and is forecast to shortly exceed Euro60m - maximum payment level in the Velux Contract. With this success under our belt, we are now in very advanced discussions with a number of parties interested in the sponsorship of the next event in 2010, and hope to be able to make further announcements shortly. We also anticipate that the media value of the 2006 event will allow us to sign a number of secondary sponsors and 'official suppliers' for the 2010 race - a source of sponsorship income which was missing from the 2006 race.

Nevertheless, the 2006 Velux 5 Oceans race proved profitable. Divisional operating profit for the event was £1074k, a significant improvement on the 2002 event which was run with limited investment to break even.

When we purchased the 5 Oceans Race (or Around Alone as it was then known) in 2001 for just \$150,000 it was seen as an exhausted event with no direction. It is now one of the most high profile media events within the sport of round the world sailing with the proven ability to generate solid revenues.

Clipper Training

Building on our world-class training offered to our race crews for the last eleven years, 2007 saw the launch of our training division, Clipper Training, in conjunction with Plymouth University and Falmouth College. This opens a new line of income, offering training to the general public for a maritime studies degree, as well as giving our existing Clipper Race crews degree credits as a result of the training they do with us. Additionally we receive a government subsidy for each student that undertakes our training further boosting this revenue stream.

Clipper Hospitality & Events

During the year we launched a new division, Clipper Hospitality & Events, offering corporate sailing onboard our Dubois 68s when they are not involved in the Clipper Race. This has proved highly attractive, has returned a small profit in its first year of operations and we look forward to the continued growth of this area of the business.

Investor Information

A resolution will be proposed at the forthcoming AGM that the Company be authorised to re-purchase its own shares. It is the Board's intention to re-purchase shares where the Company has sufficient working capital to do so and where the price would make the purchase advantageous to shareholders.

The investor relations area of our web-site is currently being upgraded. Current financial reports and Director profiles are already available at www.clipper-ventures.com. Additional investor information as required by AIM

Rule 26 will be added shortly.

The Board is pleased with the progress of the Company and is able to report profits in line with market expectations. It has therefore decided to propose a maiden dividend payment of 0.25p per share at the forthcoming AGM. It is intended that this will be the first dividend payment of a progressive dividend policy, including an interim dividend in the year to April 08.

The Company has been informed of the following Board shareholdings as at the date of this announcement:

Name of director	Number of Ordinary Shares held	Percentage of the Company's issued share capital
William Ward	7,589,936	19.39
Robin Knox-Johnson	2,749,941	7.02
Bob Dench	666,667	1.70
Guy Spelman	125,000	0.32
David Stublely	433,333	1.11

The Board is pleased to announce the appointment to the Board of Jeremy Matthew Knight, aged 44, who on 15 December 2006 became finance director on a temporary basis, as Finance Director and Company Secretary. Jeremy is also a Director of Corellen Ltd, Clipper Ventures plc, Clipper Ventures Online Ltd, Zapcat Racing Ltd and Grand Prix of Ocean Racing Ltd. Save for the above there is no further information required to be disclosed under paragraph (g) of Schedule 2 of the AIM Rules with respect to the appointment of Jeremy Knight.

Consolidated Profit and Loss Account

For the year ended 30th April 2007

Profit and Loss	2007	2006
	£	£
Turnover	6,980,615	7,625,197
Cost of Sales	(3,127,378)	(4,850,919)
Gross Profit	3,853,237	2,774,278
Administration Expenses	(2,778,934)	(1,838,837)
Operating Profit	1,074,303	935,441

Other Interest Receivable and similar income	13	488
Interest Payable and similar charges	(148,991)	(57,084)
Profit on Ordinary Activities Before Taxation	925,325	878,845
Tax on profit on Ordinary Activities		
Profit on Ordinary Activities After Taxation	925,325	878,845
Profit Per Ordinary Share (Pence)	2.8	2.8
Diluted Profit Per Ordinary Share (Pence)	2.8	2.8

All results are derived from continuing operations.

There were no recognised gains or losses or other movements in shareholders' funds other than those included in the profit and loss account above.

Consolidated Balance Sheet

As at 30th April 2007

	2007	2006
	£	£
Fixed Assets		
Intangible Assets	316,004	321,478
Tangible Assets	4,363,568	4,461,174
Investments	125	125
	4,679,697	4,782,777
Current Assets		
Assets Held for Resale	214,676	644,044

Stock	147,114	124,057
Debtors	5,114,671	4,101,876
Cash at Bank and In Hand	319,120	1,159
	5,795,581	4,871,136
Creditors : amounts falling due within one year	(1,470,320)	(2,376,431)
Deferred Income falling due within one year	(3,868,185)	(3,328,682)
	5,338,505	(5,705,113)
Net Current Assets / (Liabilities)	457,076	(833,977)
Total Assets less Current Liabilities	5,136,773	3,948,800
Creditors: Amounts falling due	(200,000)	(750,000)
after more than one year		
Deferred Income falling due	(1,269,348)	(1,669,000)
after more than one year	(1,469,348)	(2,419,000)
Provisions for Liabilities	(1,783)	(1,783)
	3,665,642	1,528,017
Capital and Reserves		
Called up share capital	587,195	503,862
Share Premium Account	2,142,728	4,365,951
Profit and Loss Account	935,719	(3,341,796)
Shareholders Funds	3,664,642	1,528,017

Consolidated Cash Flow Statement

For the year ended 30th April 2007

	2007	2006
	£	£
Net cash inflow from operating activities	438,126	931,491
Returns on investment and servicing of finance		
Interest Received	13	488
Interest Paid	(148,991)	(57,084)
Net cash inflow / (outflow) for returns on investment and servicing of finance	(148,978)	(56,596)
Taxation	0	1,783
Capital expenditure and financial investment		
Payment to acquire tangible assets	(21,426)	(1,756,860)
Receipts from sales of tangible assets	0	350
Net cash outflow for capital expenditure	(21,426)	(1,756,510)
Net cash outflow before financing	267,722	(879,832)
Financing		
Issue of ordinary share capital	70,000	45,654
Share Premium on issue of equity share capital	942,300	800,595
Repayment of debenture loans	(350,000)	(500,000)
New loans	0	750,000
Net cash inflow / (outflow) from financing	662,300	1,096,249
Increase / (decrease) in cash in the year	930,022	216,417

Notes to the Financial Statements.

1) Status of Financial Information

The financial information set out in this announcement does not comprise the Group's statutory accounts for the years ended 30 April 2007 or 30 April 2006.

The financial information for the year ended 30 April 2006 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified with an emphasis of matter paragraph relating to going concern and did not contain a statement under either Section 237 (2) or Section 237 (3) of the Companies Act 1985.

The statutory accounts for the year ended 30 April 2007 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

2) Earnings per Ordinary Share

Profit/(loss) per share has been calculated on the net basis on the profit on ordinary activities after taxation of £925,325 (2006: £878,845) using the weighted average number of ordinary shares in issue of 32,917,942 (2006: 30,859,609).
