

Clipper Ventures Plc

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

Interim Results

For the six months to 30th October 2007

Highlights

\* Pre and post tax profit £313,000

\* Operating cash flow for the period before dividend payment £1.08 million

\* Net assets £4.2m compared to £2.1m for the corresponding date last year as a result of strong cash flow and the elimination of long term borrowings

\* Interim dividend of 0.2p per share

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InterimStatement

The Board of Clipper Ventures plc is pleased to be able to report that the company made further progress in the six months to 30 October 2007 as evidenced by the reported profit before and after tax of £313,000 as against £89,000 for the comparable period in 2006.

The six months under review saw the successful conclusion of the Velux 5 Oceans race, which generated the maximum sponsorship payment relating to media coverage, and the start of the Clipper 07 event. In respect of Clipper 07, which was one seventh completed at the end of the period under review, 17% of the income and expenditure attributable to the overall event is included in the results to 30 October 2007.

We believe there has been, and may still be, a lack of understanding as to how the statutory accounts of the Company are presented and, in particular how

income and costs are recognised. The interim accounts are now drawn up, and the comparison restated for the prior year, under IFRS. Drawing up or restating accounts under IFRS has had virtually no practical effect although shareholders will see increased and lengthier disclosure, by way of notes, in the full year accounts to April 2008. It may be helpful to anticipate such disclosure by setting out how, for example, the Clipper 07 income and expenditure falls within the statutory accounts for the various years.

In revenue recognition terms the Clipper 07 event actually spans three accounting periods from 2006/7 through to 2008/9. Income and attributable expenditure are accounted for over the duration of the race. Thus one seventh of such income and expenditure relates to the period under review, whereas by the end of the accounting period (30 April 2008) the race will be seven tenths complete and will conclude in the first half of the following financial year.

Given that sponsorship and crew income is generally contracted well in advance this means the Company has a high degree of forward visibility of the likely results, subject to unforeseen circumstances and central overheads.

However, certain sponsorship and training income relating to the race is contracted and paid for on terms which are not race dependent and such income is taken into account when it becomes contractually due. Accordingly, some £1.7 million of training and sponsorship income, and the associated cost, was taken in the accounts for the last financial year even before the Clipper 07 event started.

A comparison showing the progress of the Clipper race, based on historical actual and current contracted revenues to 31 December 2007, is set out below. This does not represent the likely final outcome of the Clipper 07 event as crew sales continue up until the last leg departs.

£'000	Clipper 2005	Clipper 2007	2007 v 2005
	Actual	Contracted	Change
		Revenue	

Crew Revenue	4719	5287	+12%
Sponsorship Revenue	3374	4375	+30%
Other Revenue	111	373	+236%
Total Revenue	8204	10035	+22%

Figures as at 31 December 2007

Crew sales and sponsorship negotiations, whilst at a relatively early stage, for both Velux 2010 and Clipper 09 are encouraging and in line with the Board's expectations.

It is difficult to foresee what effect, if any, the current uncertain state of the world economy and markets will have on crew sales and corporate or city sponsorship although no consequences have been seen to date. Paradoxically crew sales have remained strong during times of previous economic uncertainty as high achievers and earners changing jobs, for whatever reason, use the window thus created to take a once-in-a-lifetime opportunity. Conversely it should be recognised that crew participation is a totally discretionary purchase.

After the year end the company bought a limited number of its own shares into treasury. The board regard the company purchasing its own shares as an appropriate use of surplus cash resources but one to be used only when the quantum available and pricing, in the context of financial and commercial market sentiment, are appropriate.

The Board proposes to pay an interim dividend of 0.2p to shareholders on the register as at 21 March 2008 payable on 2 May 2008. This compares with a maiden dividend in respect of the whole of the last financial year of 0.25p and is in line with the Company's stated progressive dividend policy.

#### Consolidated Income Statement

For the Six Months Ended 31st October 2007

months to	6 months to	6
31st Oct	31st Oct	
2006	2007	

	£'000
£'000	
Revenue from continuing operations 3,122	2,366
Cost of sales (776)	(1,128)
Gross profit 2,346	1,238
Administrative expenses (2,197)	(910)
Operating profit from continuing 149 operations	328
Finance expense (60)	(15)
Profit before taxation 89	313
Taxation 0	0
Profit for the period attributable to 89 equity holders of the parent	313
Earnings per ordinary share (pence) 0.29	0.80
Diluted earnings per ordinary share 0.29 (pence)	0.80

#### Consolidated Balance Sheet

As at 31st October 2007

	31st Oct
31st Oct	2007
2006	
	£'000
£'000	
Non-current assets	
Property, plant and equipment 4,564	4,302
Goodwill 321	321

Investments in associates	0
-	
Deferred Tax asset	357
728	
Current assets	
Inventories	94
121	
Trade and other receivables	4,694
4,436	
Cash & cash equivalents	1,069
-	
Non-current assets classified as held for	
107	
sale	
Total assets	10,837
10,277	
Non-current assets	
Long-term borrowings	-
(1,664)	
Deferred income	(3,167)
(4,200)	
Deferred Tax liability	-
(2)	
Current liabilities	
Trade and other payables	(3,477)
(2,233)	
Current tax payable	-
(104)	
Total liabilities	(6,644)
(8,203)	
Net assets	4,193
2,074	
Equity	
Share Capital	585
504	
Share premium account	2,105
4,366	
Retained earnings	1,503
(2,796)	

Total equity attributable to equity 2,074	4,193
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Consolidated Cash flow Statement

For the Six Months Ended 31st October  
2007

months to	6 months to	6
31st Oct	31st Oct	
2006	2007	
£'000	£'000	
Net Cash flow from Operating Activities 126	1,102	
Interest Paid (60)	(15)	
Net cash flow from Operating Activities 66 less Interest Paid	1,087	
Cash flows from Investing Activities:	.	
Acquisition of Property, Plant and (103) Equipment	0	
Net Cash Inflow/(Outflow) from Investing (103) Activities	0	
Net Cash flow from Financing Activities:		
Dividends Paid to shareholders 0	(98)	
Equity Acquired and Held as Treasury 0 Stock	(39)	
Net Increase/(Decrease) in Cash and Cash (37) Equivalents	950	

END