



GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

541 Orchard Road

#11-04 Liat Towers

Singapore 238881

SGX-Listed Grand Banks Narrows Losses and Improves Gross Margins On Sharply Higher Revenue in 1Q 2013 As U.S. Yacht Market Recovers

- Revenue rose 44.4% to S\$6.5 million in 1Q 2013 from S\$4.5 million in 1Q 2012
- 1Q 2013 gross profit recorded S\$1.1 million reversing from a loss of S\$0.3 million in 1Q 2012 with improved utilization of Malaysian facility
- Net order book backlog stood at S\$10.9 million as at 30 September 2012 up 25.3% from the same period last year
- Cash and cash equivalents rose S\$2.9 million to S\$25.5 million as at 30 September 2012 from S\$22.6 million as at 30 June 2012, with zero borrowings
- New orders received after the 10 October 2012 EGM
- Group is aggressively targeting a return to profitability by FY2013/FY2014 and a timely removal from the SGX Watch-List

In SGD Million (ending 30 September)	1Q'13 S\$	1Q'12 S\$	Change %
Revenue	6.5	4.5	44.4
Gross Profit/(Loss)	1.1	(0.3)	(493.1)
Total Operating Expenses	(2.4)	(2.3)	3.5
Loss from Operations	(1.3)	(2.6)	(51.8)
Net Loss for the Period	(1.4)	(2.0)	(25.9)
Cash and Cash Equivalents	25.5	17.7	44.0

SINGAPORE, 9 November 2012 – Grand Banks Yachts Limited (“Grand Banks” or “the Group”) announced today that its net loss for the July-September 2012 period (“1Q 2013”) narrowed to S\$1.4 million from S\$2.0 million a year earlier as revenue soared 44% to S\$6.5 million over the comparative periods on signs of a recovery in the U.S. luxury boat market.

The improved performance underscores the Singapore Exchange Mainboard-listed yacht maker's efforts to improve operational efficiency and introduce new boat designs, in line with its strategic roadmap to return to profitability following the severe disruption to the global market since the 2008 global financial crisis.

The manufacturer of the renowned Grand Banks brand of luxury motor yachts recently introduced four new models which have been well-received by buyers, mostly from its main market the United States.

Gross profit of S\$1.1 million in 1Q 2013 reversed a loss of S\$0.3 million in 1Q 2012 as utilization of the Pasir Gudang facility in Johor, Malaysia, increased with improved sales. Gross margin rose to 17.6%, reversing a negative gross margin of 6.5%, a year earlier.

Total operating expenses rose marginally to S\$2.4 million from S\$2.3 million a year earlier due to an increase in professional fees. Other non-operating expense in 1Q 2013 of S\$0.2 million compared to an income of S\$0.7 million in 1Q 2012, due to unfavourable weakening of the US dollar against the Singapore dollar.

Loss per share, based on an issued share capital base of 115,339,500 in 1Q 2013, reduced to 1.49 S cents from 2.03 S cents in 1Q 2012 (95,978,250 shares).

The Group's operating cash flow and working capital for 1Q 2013 were affected by an increase in inventory and pre-payments of S\$1.0 million, mainly associated with new yacht orders. To upgrade its product line-up, including new boat designs, Grand Banks incurred capital expenditure of S\$0.6 million.

On 27 September 2012, the company issued 19.2 million new shares to two new investors increasing its paid-up capital by S\$5.2 million and the Group's cash position by S\$2.9 million to S\$25.5 million as at 30 September 2012 from S\$22.6 million as at 30 June 2012.

The seasonally slower months of July and August, along with uncertainty among dealers and customers due to the circumstances leading up to the 10 October 2012 EGM (which had led to deferred orders) reduced the net order book backlog to S\$10.9 million as at 30 September 2012, down from S\$13.2 million as at 30 June 2012, although this is S\$2.2 million higher than the S\$8.7 million backlog a year ago.

Mr Heine Askaer-Jensen, Chairman of Grand Banks, said: "We have a healthy start to FY2013. Following the EGM we received new orders and recently participated in the largest boat show in the world, at Fort Lauderdale, last week. Our new designs are hitting the trade shows amidst clear signs of a recovery of the U.S. market."

As production levels in the manufacturing facility increases, the Group may face challenges such as recruiting and training new workers which could affect expansion efforts.

“In line with our strategic roadmap, we are adding to our yacht inventory, strengthening the customer experience, improving internal efficiencies and are also continuing to look for alternative revenue streams to increase utilisation of our manufacturing facility. We had also recently announced sales or cross marketing agreements for representation of Grand Banks yachts in Malaysia and China,” he said.

Grand Banks is seeking to return to profitability in either the current financial year or the financial year ending 30 June 2014 and to exit the Watch-List administered by the SGX.

End of Release

About Grand Banks Yachts Limited

With a renowned legacy that dates back to 1956, Singapore-based Grand Banks Yachts Limited is a global brand well known for its vast experience in manufacturing and selling luxury motor yachts. The Grand Banks brand is recognized across the globe for superior quality and craftsmanship which created one of the most acclaimed and highly sought-after yachts on the market today. The Group’s manufacturing facility is located in Pasir Gudang in Malaysia. Grand Banks has Company-owned stores in Seattle (USA) and Sydney (Australia) and independently owned dealers based in other parts of North America, Europe and Asia. Grand Banks was listed on the SGX in 1987 and upgraded to the Main Board in 1993.

For more information, visit: www.grandbanks.com

Grand Banks Yachts Limited contact:

Grand Banks Yachts Limited

Peter Poli, Chief Financial Officer & Executive Director
541 Orchard Road #11-04, Liat Towers
Singapore 238881
Tel: (65) 6545-2929
Email: IR@grandbanks.com

Investor/Media Relations contact:

WeR1 Consultants Pte Ltd

38A Circular Road, Singapore 049394
Tel: (65) 6737 4844, Fax: (65) 6737 4944
Lai Kwok Kin, laikkin@wer1.net
Josephine Auxilio, josephine@wer1.net