

B. P. MARSH & PARTNERS PLC

EXTRACT FROM THE INTERIM
RESULTS FOR THE PERIOD
ENDED 31ST JULY 2011

COMPANY INFORMATION



DIRECTORS

Brian Marsh OBE (*Chairman*)
Jonathan Newman (*Group Director of Finance*)
Daniel Topping (*Director*)
Camilla Kenyon (*Director*)
Natasha Dunbar (*Non-executive*)
Stephen Clarke (*Non-executive*)
Philip Mortlock (*Non-executive*)

COMPANY SECRETARY

Sinead O’Haire

COMPANY NUMBER

5674962

REGISTERED OFFICE

2nd Floor, 36 Broadway
London, SW1H 0BH

AUDITORS

Rawlinson & Hunter, 8th Floor
6 New Street Square, London, EC4A 3AQ

BROKER AND NOMINATED ADVISER

Panmure Gordon (UK) Limited
Moorgate Hall, 155 Moorgate
London EC2M 6XB

REGISTRAR

Capita Registrars
The Registry, 34 Beckenham Road
Beckenham, Kent BR3 4TU

CONTENTS



This is an extract from B. P. Marsh & Partners Plc's Interim Results for the period ended 31st July 2011. Full copies of the Interim Results are available from the Publications section of the company's website (www.bpmarsh.co.uk) or by writing to the company at its registered office address.

GROUP PROFILE	1
GROUP VALUATION	2
CHAIRMAN'S STATEMENT	3
DIRECTORS	6
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
INVESTMENTS	10

GROUP PROFILE



The B. P. Marsh Group (the "Group") is a niche venture capital provider to early stage financial services businesses. It will consider investing in start-ups, management buy-outs, management buy-ins, hive-offs and similar opportunities. It is also able to provide follow-on funding for successful companies in its portfolio when required for further growth.

The Group typically invests up to £2.5 million in financial service investment opportunities based in the United Kingdom, but will also consider opportunities in Europe, North America and occasionally elsewhere. It seeks to invest in people businesses with good management.

The Group does not seek to impose exit pressures on its investee companies, but prefers to work with management to develop a mutually acceptable exit route.

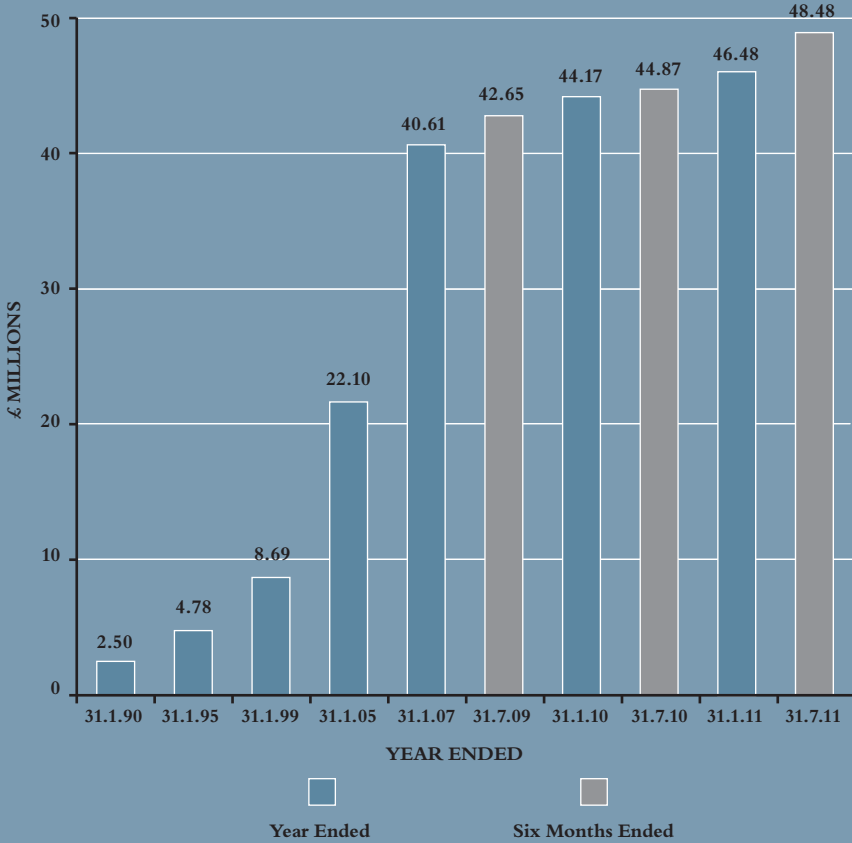
The Group has considerable experience in the financial services sector and seeks to use this experience to add value to its investments. It is also able to provide consultancy and administrative services to its portfolio of investments when required.

The Group's aim is to be the capital provider of choice to the financial services intermediary sector.

GROUP VALUATION



The valuations from 31st January 2007 include £10.1 million net proceeds raised on AIM and all valuations stated below are net of deferred tax.



CHAIRMAN'S STATEMENT



We are pleased to announce the interim results for B.P. Marsh & Partners Plc (“B.P. Marsh” or the “Group”) and its consolidated statements for the six-month period ended 31st July 2011 (the “Period”).

FINANCIAL HIGHLIGHTS

- Net Asset Value (“NAV”) during six month period up 4.3% to £48.5m from £46.5m at 31st January 2011
- NAV year on year increase of 8.1% from £44.9m at 31st July 2010
- NAV per share of 166p, an increase of 13p from 153p at 31st July 2010
- Profit before tax of £2.3m (unaudited), an increase of 69.4% from £1.4m for the six months to 31st July 2010
- Average compound NAV growth of 12.1% p.a. since 1990 (excl. £10.1m raised on flotation)
- £0.45m cash at year-end plus a further £3.075m loan facility available (£2.36m committed to current investments, £1.17m available)

OVERVIEW

During the Period we have successfully increased NAV by 4%, which the Board considers to be a solid achievement in light of the continued climate of economic fragility, whilst our share price has performed consistently against the benchmark indices over the Period. This NAV uplift is predominantly due to the continued strong growth in revenues and EBITDA at Hyperion, together with a solid performance from our other investments.

The Board remains committed to its previously stated aim of reducing the discount to NAV. We are maintaining our corporate visibility in the market with increased newsflow and the release of our Trading Update in August demonstrates that this approach has a positive effect on share price. The Group also reconsidered its advisory appointments over the period and appointed Panmure Gordon as Corporate Broker and Nominated Adviser with effect from 12th September 2011.

The Board recognises the challenges faced by small and mid-cap companies retaining a listing on AIM and our Group is no exception to this. Whilst the junior market has shown some signs of resurgence in recent months, the Directors are of the view that economic conditions will continue to be difficult. Nevertheless, we are confident in the strength of our underlying portfolio.

PORTFOLIO UPDATE

Besso Insurance Group Ltd (“Besso”)

In April 2011, the Group acquired a further 11% shareholding and additional loan stock in Besso for £1.5m, taking its total equity holding in the group to 34%; £1.25m of this further investment was financed from the £4.325m Directors’ loan that was put in place in June 2010.

CHAIRMAN'S STATEMENT

(CONTINUED)



The Group first invested in Besso in 1995 and when the opportunity arose to restructure the company the Group demonstrated its commitment to its investee company. It is this commitment to Management within the investee companies that makes the Group unique.

The transaction saw Michael Wade joining Besso as its new Chairman, taking a 15% stake in place of Union Hamilton Reinsurance Limited (part of the Wells Fargo corporation). Besso has maintained its listing in the Insurance Times Top 50 Brokers, ranked 36th in the 2011 edition, and with the support of its shareholders, is now in the process of repositioning; building on its existing business and manoeuvring itself to take advantage of opportunities to grow through acquisition and attracting new teams. Besso has also appointed Tony Hulse as a non-executive director, who was a partner at KPMG, and spent the last two years as their Head of General Insurance Markets in the UK.

Hyperion Insurance Group Ltd (“Hyperion”)

In 2010 Hyperion increased revenue by 26% to £72.2m and EBITDA by 41% to £12.0m. 2011 is on track to deliver further strong revenue and EBITDA growth, and the group has expanded further with the acquisition of Accette Insurance Group, Asia's largest independent insurance broker, and the acquisition of Davidoff Insurance Brokers in Israel.

Howden Broking Group (the broking subsidiary of Hyperion) reached agreement to acquire the broking business of professional indemnity specialist PYV Ltd on 3rd May 2011. As a result of this acquisition a significant team and book of business has moved to Howden Broking Group.

Hyperion has moved up to 19th place in the Insurance Times Top 50 Brokers listings, from 22nd place in 2010, following their 2010 results. The group was named as one of the top 10 insurance brokers to deliver outstanding results and the Insurance Times stated; “This is a tremendous story of what can be achieved through focus, hard work and an underwriting agency that delivers excellent profits”. Earlier this year Howden Insurance Brokers (the UK Broking subsidiary of Howden Broking Group Ltd) won the Insurance Broker of the Year award at the 2011 British Insurance Awards.

Oxford Insurance Brokers Ltd (“Oxford”), trading subsidiary of US Risk (UK) Ltd

David Doe and his North American special lines division are the latest recruits to join Oxford, moving from Alwen Hough Johnson. This team specialises in professional liability, financial institutions and directors and officers business.

This follows the arrival of another North American specialty lines team earlier this year from AJ Gallagher International.

In recent months Oxford has also brought in new teams to strengthen its UK professional indemnity division and to develop an international fine art and specie portfolio.

CHAIRMAN'S STATEMENT

(CONTINUED)



GROUP STRATEGY, MARKET OVERVIEW AND INVESTMENT OPPORTUNITIES

The Group focuses on minority investment opportunities in financial services business, typically taking an equity stake of between 15% and 45%. The geographic focus is predominantly within the UK but the Group continues to investigate opportunities to strengthen relationships with potential US-based investment partners, recognising that in the insurance market in particular there are increasing investment opportunities in the North American region. These are in part being generated by fall-out from continuing consolidation in the “big three” insurance brokers and the emergence of new participants in the market on aggressive acquisition trails, such as Ryan-Turner Specialty LLC, leading to potential opportunities for new investment as well as for the Group's existing portfolio companies.

Despite these positive developments, conditions remain difficult in the insurance market, with Lloyd's of London posting an interim loss of £697m for the six-month period ending 30th June 2011. Recent natural disasters do not appear to have soaked up excess capacity in the market and rates remain soft across many lines of business.

SHAREHOLDERS

The Board remains committed to its stated aim of narrowing the discount to NAV and delivering shareholder returns that reflect performance. The Directors believe that the Group's investment portfolio is demonstrating steady growth and that the portfolio will continue to increase in value.

DIVIDENDS

As previously stated, the Group is not minded to recommend dividends while part of its loan facility remains drawn upon. Therefore no dividends will be paid from the period to 31st July 2011. However, as successful realisations are made and loan funds repaid, the Board will reassess this position.

OUTLOOK

The general economic outlook remains uncertain and this calls for a steady approach from the Board and the Group over the coming months. Whilst it is difficult to predict how events in the global economy will unfold, the Board believes that the Group continues to be well-positioned to face ongoing challenges in the global markets, and to exploit the potential investment opportunities this presents. The Board continues to consider and rigorously review all exit opportunities for its portfolio of investments.

Brian Marsh OBE
Chairman
18th October 2011

DIRECTORS



References throughout the Reports and Consolidated Financial Statements to the “Company” or “B. P. Marsh” refers to B. P. Marsh & Partners Plc, and references to the “Group” refers to the consolidated group, being the Company and its subsidiary undertakings.

Brian Marsh OBE

(Chairman), aged 70 (R) (I) (V)

Brian started his career in insurance broking and underwriting in Lloyd’s and the London and overseas market 50 years ago and was, from 1979 to 1990, chairman of Nelson Hurst & Marsh (Holdings) Ltd, before founding the Group. Brian has over 30 years’ experience in building, buying and selling financial services businesses particularly in the insurance sector. He is the Group’s nominee director on the board of one investee company and is also the majority shareholder in B.P. Marsh owning 59.1% of the Company

Jonathan Newman ACMA, MCSI

(Group Finance Director), aged 36 (I) (V)

Jonathan is a Chartered Management Accountant with over 14 years’ experience in the financial services industry. He joined the Group in November 1999 and was appointed a director of B. P. Marsh in September 2001 and Group Finance Director in December 2003. Jonathan advises investee companies through three non-executive board appointments and evaluates new investment opportunities.

Daniel Topping MCSI, ACIS

(Director), aged 27 (I) appointment date 1st March 2011

Daniel Topping is a Member of the Chartered Institute of Securities and Investment (MCSI) and an Associate Member of the Institute of Chartered Secretaries and Administrators (ACIS), having joined the Company in 2007. Dan was appointed director in 2011 and currently holds four non-executive board appointments through which he advises investee companies and he also evaluates new investment opportunities.

Camilla Kenyon

(Director), aged 38 (I) appointment date 1st March 2011

Camilla Kenyon was appointed as Head of Investor Relations at B. P. Marsh in February 2009, having four years prior experience with the Company. She holds three non-executive appointments and is Chair of the New Business Committee. She is a Member of the Investor Relations Society.

DIRECTORS

(CONTINUED)



Natasha Dunbar BBA

(Non-executive), aged 41 (R)

Natasha has over 16 years' experience in the financial services industry. Having joined the Company in 1994 she was made Managing Director in March 2002. In February 2008 Natasha stepped down as Managing Director and became a non-executive director on the board of B. P. Marsh. Trustees on behalf of Natasha own 4.9% of the Company.

Stephen Clarke FCA

(Non-executive), aged 73 (R) (A)

A Chartered Accountant, Stephen gained many years' experience with Charterhouse Development Capital in the structuring of venture capital projects in all fields including financial services, and in guiding and monitoring their progress. He joined the Group in 1993 and has over 30 years' experience of the financial services sector. Stephen continues to give specialist advice to B. P. Marsh on the structuring of entry and exit deals.

Philip Mortlock MA, FCA

(Non-executive), aged 74 (R) (A) (V)

A Chartered Accountant with over 30 years' insurance experience, Philip entered the Lloyd's insurance world in 1965 and, after some years with Fenchurch Group, joined Nelson Hurst & Marsh group as Finance Director and Company Secretary until 1990. He joined the Group in 1990 and has a great deal of experience of the special nature of broking and underwriting finances. Philip continues to give a broad range of advice to B. P. Marsh and is also the Group's nominee director on the board of one of its investee companies.

KEY

- (R) Member of the Remuneration Committee during the year
- (A) Member of the Audit Committee during the year
- (I) Member of the Investment Committee during the year
- (V) Member of the Valuation Committee during the year

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31ST JULY 2011

	UNAUDITED 6 MONTHS TO 31 ST JULY 2011 £'000	UNAUDITED 6 MONTHS TO 31 ST JULY 2010 £'000	AUDITED YEAR TO 31 ST JAN 2011 £'000
Gains / (losses) on investment			
Realised (losses) / gains on disposal of investments	(20)	347	350
Impairment of investments and loans	(239)	(223)	(446)
Unrealised gains on investment revaluation	2,639	1,396	2,971
	2,380	1,520	2,875
Income			
Dividends	130	198	599
Income from loans and receivables	415	280	599
Fees receivable	219	394	820
	764	872	2,018
Income net of gains on investment	3,144	2,392	4,893
Operating expenses	(761)	(967)	(1,837)
Operating income	2,383	1,425	3,056
Financial income	-	3	2
Financial expenses	(47)	(6)	(28)
Carried interest provision	3	(11)	(7)
Exchange movements	30	(30)	(10)
	(14)	(44)	(43)
Profit on ordinary activities before exceptional items	2,369	1,381	3,013
Exceptional items	(30)	-	-
Profit on ordinary activities before taxation	2,339	1,381	3,013
Income tax	(331)	(388)	(415)
Profit on ordinary activities after taxation attributable to equity holders	£2,008	£993	£2,598
Earnings per share			
- basic and diluted (pence)	6.9p	3.4p	8.9p

The result for the period is wholly attributable to continuing activities.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED 31ST JULY 2011

	UNAUDITED 31 ST JULY 2011 £'000	UNAUDITED 31 ST JULY 2010 £'000	AUDITED 31 ST JAN 2011 £'000
Assets			
Non-current assets			
Property, plant and equipment	24	36	33
Investments	48,692	45,578	47,143
Loans and receivables	6,329	4,475	4,403
	55,045	50,089	51,579
Current assets			
Trade and other receivables	1,757	1,412	1,672
Cash and cash equivalents	448	562	515
	2,205	1,974	2,187
Liabilities			
Non-current liabilities			
Loans and other payables	(1,250)	-	-
Carried interest provision	(328)	(335)	(331)
Deferred tax liabilities	(7,014)	(6,656)	(6,683)
	(8,592)	(6,991)	(7,014)
Current liabilities			
Trade and other payables	(174)	(201)	(276)
	(174)	(201)	(276)
Net assets	£48,484	£44,871	£46,476
Capital and reserves - equity			
Called up share capital	2,929	2,929	2,929
Share premium account	9,370	9,370	9,370
Fair value reserve	22,909	19,202	20,883
Reverse acquisition reserve	393	393	393
Retained earnings	12,883	12,977	12,901
Shareholders' funds - equity	£48,484	£44,871	£46,476

The Interim Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 17th October 2011 and signed on its behalf by B.P. Marsh & J.S. Newman.

INVESTMENTS



As at 31st July 2011 the Group's equity interests were as follows:

Amberglobe Limited

(www.amberglobe.co.uk)

In March 2008 the Group assisted in establishing Amberglobe Limited, a business sales platform that provides valuation and negotiation services for the sale of SME businesses in the sub £3m sector.

Date of investment: March 2008

Equity stake: 49.0%

31st July 2011 valuation: £98,000

Besso Holdings Limited

(www.besso.co.uk)

In February 1995 the Group assisted a specialist team departing from insurance broker Jardine Lloyd Thompson Group in establishing Besso Holdings Limited. The company specialises in insurance broking for the North American wholesale market, and changed its name to Besso Insurance Group Limited in June 2011.

Date of investment: February 1995

Equity stake: 34.02%

31st July 2011 valuation: £4,182,000

HQB Partners Limited

(www.hqbpartners.com)

In January 2005 the Group made an investment in HQB Partners, a company which provides strategic transaction advice, proxy solicitation services, voting analysis and investor relations services.

Date of investment: January 2005

Equity stake: 27.72%

31st July 2011 valuation: £0

Hyperion Insurance Group Limited

(www.hyperiongrp.com)

The Group first invested in Hyperion Insurance Group in 1994. The Hyperion Insurance Group owns, amongst other things, an insurance broker specialising in directors' and officers' ("D&O") and professional indemnity ("PI") insurance. A subsidiary of Hyperion became a registered Lloyd's insurance broker. In 1998 Hyperion set up an insurance managing general agency specialising in developing D&O and PI business in Europe.

Date of investment: November 1994

Equity stake: 19.5%

31st July 2011 valuation: £31,748,000

INVESTMENTS

(CONTINUED)



LEBC Holdings Limited

(www.lebc-group.com)

In April 2007 the Group invested in LEBC, an Independent Financial Advisory company providing services to individuals, corporates and partnerships, principally in employee benefits, investment and life product areas.

Date of investment: April 2007

Equity stake: 21.95%

31st July 2011 valuation: £3,069,000

Paterson Squared, LLC

(www.paterson2.com)

Paterson Squared was founded by a group of professionals from the actuarial, capital markets and reinsurance advisory sectors in conjunction with the Group. The company uses sophisticated modelling techniques to assess risk, with a view to providing counterparty risk transaction advice.

Date of investment: April 2004

Equity stake: 22.5%

31st July 2011 valuation: £0

Portfolio Design Group International Limited

(www.surrendalink.co.uk)

In March 1994 the Group invested in the Portfolio Design Group, a company which sells with-profits life endowment policies to large financial institutions. In 2002 the company diversified into investment management.

Date of investment: March 1994

Equity stake: 20.0%

31st July 2011 valuation: £1,893,000

Randall & Quilter Investment Holdings plc

(www.rqih.com)

Randall & Quilter Investment Holdings plc is an AIM listed run-off management service provider and acquirer of solvent insurance companies in run-off. The Group invested in Randall & Quilter in January 2010, the result of a share exchange with the Group's shareholding in JMD Specialist Insurance Services Group Limited, which Randall & Quilter have now wholly acquired.

Date of investment: January 2010

Equity stake: 1.23%

31st July 2011 valuation: £844,992

INVESTMENTS

(CONTINUED)



Summa Insurance Brokerage, S. L.

(www.grupo-summa.com)

In January 2005 the Group provided finance to a Spanish management team with the objective of acquiring and consolidating regional insurance brokers in Spain.

Date of investment: January 2005

Equity stake: 48.63%

31st July 2011 valuation: £5,210,000

US Risk (UK) Limited

(www.oxfordinsurancebrokers.co.uk)

In July 2010 the Group completed its investment in US Risk (UK) Limited, the parent company of Oxford Insurance Brokers Limited, a London-based Lloyd's insurance and reinsurance broker.

Date of investment: July 2010

Equity stake: 30.0%

31st July 2011 valuation: £1,647,000

These investments have been valued in accordance with the accounting policies on Investments set out in the Consolidated Financial Statements.

**GROWTH, MATURITY
AND A VISION FOR SUCCESS.**

B. P. MARSH & PARTNERS PLC

2nd Floor

36 Broadway

London SW1H 0BH

Tel: +44 (0)207 233 3112

Fax: +44 (0)207 222 0294

www.bpmarsh.co.uk