

B. P. MARSH & PARTNERS PLC

EXTRACT FROM THE INTERIM
RESULTS FOR THE PERIOD
ENDED 31ST JULY 2006

COMPANY INFORMATION



DIRECTORS

Brian Marsh OBE (*Chairman*)
Natasha Dunbar (*Managing Director*)
Jonathan Newman (*Group Director of Finance*)
Stephen Crowther (*Investment Director*)
Francis de Zulueta (*Development Director*)
Stephen Clarke (*Non-executive*)
Philip Mortlock (*Non-executive*)
Clare Ferguson (*Non-executive*)

COMPANY SECRETARY

Robert King

COMPANY NUMBER

5674962

REGISTERED OFFICE

Granville House, 5th Floor
132 Sloane Street, London, SW1X 9AX

AUDITORS

Rawlinson & Hunter
Eagle House, 110 Jermyn Street
London, SW1Y 6RH

BROKER

Hichens, Harrison & Co. plc
Bell Court House, 11 Blomfield Street
London, EC2M 1LB

SOLICITORS

Taylor Wessing, Carmelite
50 Victoria Embankment
Blackfriars, London, EC4Y 0DX

REGISTRAR

Capita Registrars, Northern House
Woodsome Park, Fenay Bridge
Huddersfield, West Yorkshire, HD8 0LA

NOMINATED ADVISER

Nabarro Wells & Co. Limited
Saddlers House, Gutter Lane
Cheapside, London, EC2V 6HS

PUBLIC RELATIONS

Redleaf Communications Limited
9-13 St Andrew Street,
London, EC4A 3AF

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This is an extract from B. P. Marsh & Partners Plc's Interim Results for the period ended 31st July 2006. Full copies of the Interim Results are available from the Investor Relations section of the company's website (www.bpmarsh.co.uk) or by writing to the company at its registered office address.

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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 likes 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 a considerable bank of 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.

WE ARE HERE TO HELP GROUPS OF EXPERTS IN THEIR OWN
FIELD, WITH VIABLE NICHE BUSINESSES, THROUGH THE
EARLY UNCERTAIN YEARS OF THEIR INDEPENDENCE
FROM A LARGE ORGANISATION; WE ALSO PROVIDE YOUNG
AND GROWING BUSINESSES, WHOSE MANAGEMENT PERCEIVE
OPPORTUNITIES FOR EXPANSION, WITH THE REQUIRED FUNDING
AND ADVICE ON STRUCTURING.



WE ARE IN THE BUSINESS OF PLANTING THINGS,
NOT SHOOTING AT THEM
— WE ARE FARMERS NOT HUNTERS.

CHAIRMAN'S STATEMENT



I am pleased to present the interim results for B P Marsh & Partners Plc (the "Group") and its consolidated statements for the period ended 31st July 2006, the first since the Group's admission to AIM on 2nd February 2006.

OVERVIEW

The period witnessed a significant landmark for the Group as it admitted its shares to trading on AIM, raising proceeds of £10.1 million net of expenses through the placement of a total of 9.3 million shares (including just under 7.9 million new shares). This resulted in a total of 29.3 million shares in issue, and an initial market capitalisation of just over £41 million.

During the period, the Group played a significant part in the re-financing of two of its largest investments, and has utilised 43% of the funds raised from its admission to AIM as follows:

- The Group invested a further £1.7 million in Besso Holdings Limited ("Besso"), a multi-niche Lloyd's insurance broking group, to enable Besso to reduce debt and further develop the business. The investment included the capitalisation of a loan (£0.6 million). In doing so, the Group maintained its shareholding in Besso at 24.7%. This shareholding was subsequently diluted to 23.55% following the implementation of an Executive Share Option Plan that was introduced to incentivise management.
- The Group participated in an equity placing to raise £5.1m for Hyperion Insurance Group Limited ("Hyperion") to facilitate the further expansion of one of the United Kingdom's fastest growing independent insurance groups. The Group exercised its pre-emption rights and capitalised part of a loan (£1,429,661), which was due to be repaid by Hyperion and maintained its shareholding in Hyperion at 27.9%.
- The Group invested €1 million (£685,777) in Summa Insurance Brokerage, S. L., a consolidator of regional insurance brokerages based in Spain, which made its first acquisition in March 2006.
- The Group repaid in full the loan of £2,500,000 from Mr. B. P. Marsh following its admission to AIM.

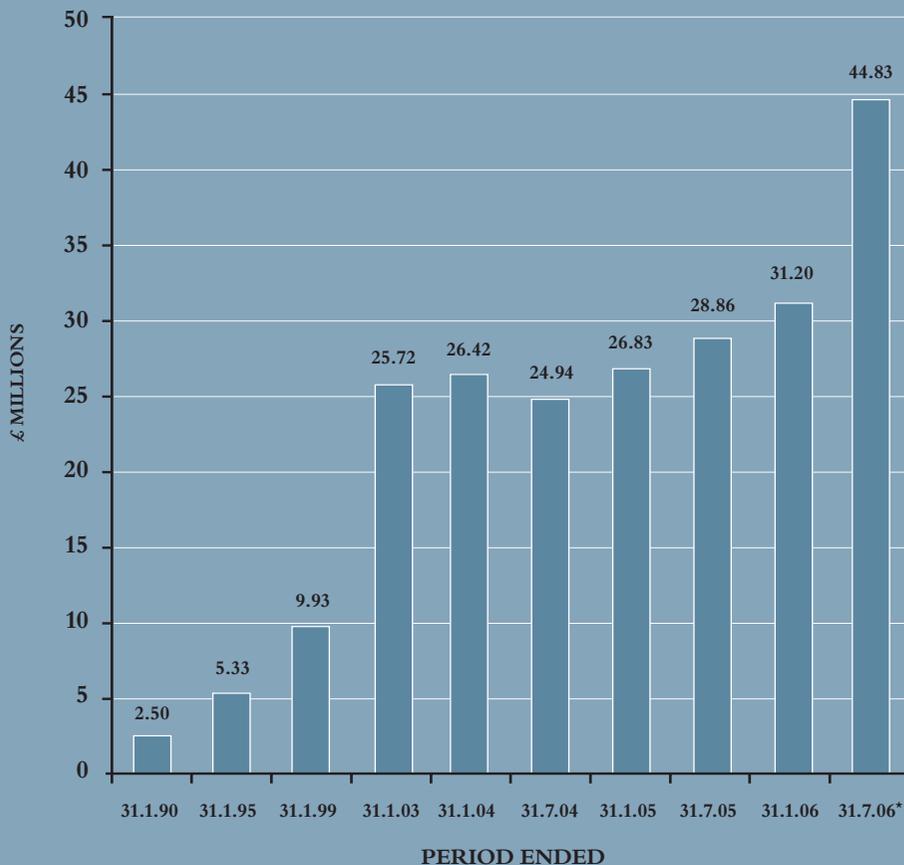
The other investments within the Group's portfolio made good, in some cases very good, progress during the period.

In addition, the Group has been actively reviewing a number of prospective new investments. During the period, six potential investments have been brought to an advanced stage of negotiation and it is hoped that one or more of these will come to fruition by the end of the current financial year.

GROUP VALUATION



The Group made total distributions of £4,363,000 between 2002 and 2005 and therefore the valuations below are net of these distributions. The valuation as at 31.7.06* includes £10.1m net proceeds raised on AIM.



CONTINGENT LIABILITIES (£ MILLIONS)

The directors estimate that, if the group were to dispose of all its investments at the amount stated in the Balance Sheet for each period, the tax on capital gains stated below would be or would have become payable by the group.

0 0.56 1.24 4.01 4.56 4.06 4.73 5.22 5.49 6.45

NB: The valuations from 31st January 2003 onwards have been reviewed by the Group's auditors and have previously been disclosed in the Company's Admission Document dated 2nd February 2006 or in subsequent results announcements. Although the valuations prior to this date were prepared on a consistent basis they have not been the subject of review and are provided for comparative purposes.

CHAIRMAN'S STATEMENT



The Group typically invests amounts of up to £2.5 million and only takes minority equity positions, normally acquiring between 15% and 45% of a target company's total equity. The Group insists on its investee companies adopting certain minority shareholder protections and appointing one of its directors to the relevant board. The Group's successful track record is based upon a number of factors that include, amongst other things, a robust investment process, the management's considerable experience of the financial services sector, and a flexible approach towards exit-strategies.

FINANCIAL PERFORMANCE

At 31st July 2006, the net asset value of the Group was £44.9m (2005: £28.9 million). As previously, this net asset value takes no account of deferred tax.

This represented an increase in net asset value of £32.3 million (plus £10.1 net proceeds raised on AIM) over the original capital investment in 1990 of £2.5 million. The Directors are satisfied that the Group has during the six months again maintained its average annual compound growth rate of 17% after running costs, realisations, losses and distributions but excluding deferred tax.

Based upon the above figures the Group's net asset value per share as at 31st July 2006 was 153.2 pence (including the placing proceeds).

The consolidated pre-tax profit for the period was £92k (2005: £67k).

PEOPLE

In September 2006, Ms Clare Ferguson who, inter alia, was a partner in the law firm Taylor Wessing for 24 years, joined the Board as a non-executive and was immediately co-opted onto the Remuneration Committee. We warmly welcome her, and I thank all the Directors and staff for their unstinting contributions towards the progress of the Group.

OUTLOOK

The Group remained unique in its investment sector and we continue to see a large number of relatively small enterprises with excellent management and spirited business plans. These represent a challenge, which the BP Marsh team relishes.

Brian Marsh OBE
Chairman

DIRECTORS



Brian Marsh OBE

(Chairman, aged 65) (R) (I) (V)

Brian started his career in insurance broking and underwriting in Lloyd's and the London and overseas market over 40 years ago and was, from 1979 to 1990 chairman, of the Nelson Hurst & Marsh group, before founding the Group. He has over 30 years experience in building, buying and selling financial services businesses particularly in the insurance sector.

Natasha Dunbar BBA

(Managing Director, aged 36) (I)

Natasha has over 10 years' experience in the financial services industry. Having joined the Company in 1994 she was made managing director in March 2002. Natasha is responsible for the day to day running of all operational aspects of the business and works closely with Brian Marsh in defining the strategic development of the Company.

Stephen Crowther

(Investment Director, aged 50) (I)

Stephen joined the Group in 1998. He has over 27 years' experience in the London insurance market both in broking and underwriting. He researches potential investments and, usually through non-executive board appointments, advises investee businesses and monitors their progress.

Francis de Zulueta ASI

(Development Director, aged 47) (I)

Francis joined the Group in February 2002. After a 23-year broking career with Nelson Hurst & Marsh, Willis Faber, Special Risk Services, Aon and Minet he was active in the mergers, acquisitions and venture capital business of Marsh McLennan. With a wide-ranging knowledge of the financial services market, he seeks out, researches and evaluates potential new investments for B. P. Marsh.

Jonathan Newman ACMA, MSI, BA (Hons.)

(Group Director of Finance, aged 31) (I) (V)

Jonathan is a chartered management accountant with 9 years' experience in the financial services industry. He joined the Group in November 1999 and was appointed a director of B.P. Marsh & Company Limited in September 2001 and group finance director in December 2003. Jonathan also advises investee companies through several non-executive board appointments and evaluates new investment opportunities.

DIRECTORS



Stephen Clarke FCA

(Non-executive, aged 68) (A) (R)

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 25 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 68) (R) (A) (V)

A chartered accountant with over 25 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.

Clare Ferguson

(Non-executive, aged 56) (R)

A Consultant in the Litigation and Dispute Resolution Department at law firm Taylor Wessing. Partner for 24 years, she has latterly focused on Risk Management. With her broad and deep knowledge in the field she adds legal expertise to our team.

COMMITTEE KEY

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

INVESTMENTS



The Group has holdings in the following companies:

Berkeley (Insurance) Holdings Limited

In July 2002 the Group invested in Berkeley (Insurance) Holdings, a company that provides its clients with independent advice on the most suitable choice of insurance broker in specialist as well as mainstream insurance areas.

Website: www.berkeleyinsurance.com

Date of investment: July 2002

Equity stake: 19.9%

31st July 2006 valuation: £92,000

Besso Holdings Limited

In February 1995 the Group assisted a specialist team departing from insurance broker Jardine Lloyd Thompson Group in establishing Besso Holdings. The company specialises in insurance broking for the North American wholesale market.

Website: www.besso.co.uk

Date of investment: February 1995

Equity stake: 23.55%

31st July 2006 valuation: £8,821,000

HQB Partners Limited

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.

Website: www.hqbpartners.com

Date of investment: January 2005

Equity stake: 28.0%

31st July 2006 valuation: £214,000

Hyperion Insurance Group Limited

The Group first invested in Hyperion Insurance Group in 1994. The Hyperion Insurance Group owns, amongst other things, an insurance broker specializing 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.

Website: www.hyperiongrp.com

Date of investment: November 1994

Equity: 27.89%

31st July 2006 valuation: £12,608,000

INVESTMENTS



Paterson Martin Limited

Paterson Martin 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 modeling techniques to assess risk, with a view to providing counterparty risk transaction advice.

Website: www.patersonmartin.com

Date of investment: April 2004

Equity stake: 22.5%

31st July 2006 valuation: £774,000

Portfolio Design Group International Limited

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.

Website: www.surrendalink.co.uk

Date of investment: March 1994

Equity stake: 20.0%

31st July 2006 valuation: £3,921,000

Principal Investment Holdings Limited

In December 1999 the Group invested in Principal, a predominantly discretionary fund manager with both retail and institutional clients.

Website: www.principalinvestment.co.uk

Date of investment: December 1999

Equity stake: 19.76% (Reducing to 19.12% on conversion of preference shares)

31st July 2006 valuation: £7,240,000

Public Risk Management Limited

In September 2003 the Group assisted in establishing Public Risk Management, a company which specialises in the development and provision of risk management services, including processes and procedures, to the public sector.

Website: www.publicriskmanagement.co.uk

Date of investment: September 2003

Equity stake: 35.0%

31st July 2006 valuation: £127,000

Summa Insurance Brokerage, S. L.

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

Website: www.grupo-summa.com

Date of investment: January 2005

Equity stake: 35.0%

31st July 2006 valuation: £1,050,000

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST JULY 2006



	UNAUDITED 6 MONTHS TO 31 ST JULY 2006 £000	UNAUDITED 6 MONTHS TO 31 JULY ST 2005 £000	AUDITED YEAR TO 31 ST JANUARY 2006 £000
Turnover	374	390	941
Staff costs	(752)	(509)	(1,507)
Depreciation	(2)	(3)	(6)
Other operating charges	(426)	(318)	(708)
Operating costs	(1,180)	(830)	(2,221)
Income from participating interests	316	325	702
Income from other fixed asset investments	318	236	285
Other operating income	634	561	987
Operating profit/(loss)	(172)	121	(293)
Provision against fixed asset investments and other loans	-	(66)	(232)
Profit on disposal of fixed asset investments	114	34	574
Interest receivable and similar income	167	11	33
Interest payable and similar charges	(17)	(33)	(78)
	264	(54)	297
Profit on ordinary activities before taxation	92	67	4
Taxation	-	-	-
Profit on ordinary activities after taxation	92	67	4
Dividends	-	-	(69)
Retained profit/(loss) for the period	92	67	(65)

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

BALANCE SHEET
FOR THE PERIOD ENDED 31ST JULY 2006



	UNAUDITED AS AT 31 ST JULY 2006 £000	UNAUDITED AS AT 31 JULY ST 2005 £000	AUDITED AS AT 31 ST JANUARY 2006 £000
Fixed assets			
Tangible assets	6	8	8
Investments	34,847	27,221	27,700
	34,853	27,229	27,708
Current assets			
Debtors	3,692	3,548	6,644
Cash at bank and in hand	7,424	438	1,084
	11,116	3,986	7,728
Creditors - amounts falling due within one year	(1,102)	(1,363)	(1,733)
Net current assets	10,014	2,623	5,995
Total assets less current liabilities	44,867	29,852	33,703
Creditors - amounts falling due after more than one year	-	(1,000)	(2,500)
	44,867	28,852	31,203
Capital and reserves			
Called up share capital	2,928	2,507	2,519
Share premium account	9,361	17	17
Shares to be issued	94	-	-
Revaluation reserve	22,541	18,322	19,209
Reverse acquisitions reserve	393	-	-
Profit and loss account	9,550	8,006	9,458
Shareholders' funds	44,867	28,852	31,203

NOTES



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

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