

B. P. Marsh & Partners PLC ("B.P.Marsh")

Trading Update

B. P. Marsh, the niche venture capital provider to early stage financial services businesses, is pleased to provide the market with an update on trading for the year ended 31 January 2012.

Hyperion Insurance Group Ltd ("Hyperion")

Hyperion, in which the Group has a 19.5% stake, has released its financial results for the year to 30 September 2011. The company increased total revenue by 21% to £87m, continuing a compound annual growth rate of more than 30% over the past ten years, of which organic revenue growth was 18% in the year.

David Howden, Chief Executive, commented; "To achieve 18% organic growth is a reflection of the success of our strategy, our diversified business model and our ability to attract the very best people. Following the achievement of all our strategic objectives in 2011 we are well placed to take advantage of market opportunities around the world and deliver another outstanding year of growth in 2012".

Hyperion has been ranked at 39 in *The Sunday Times* Deloitte Buyout Track 100 league of companies, published on 5 February 2012. The league table ranks businesses with the fastest-growing profits under £50m, in which private equity holds a stake of at least 20%. This is the third occasion that Hyperion have achieved a place in this listing, demonstrating continued success of the business model.

The Group notes recent press comment in respect of a possible acquisition of Windsor Limited by Hyperion. Hyperion's strategy is to look actively at acquisition opportunities and further information will be provided on any potential acquisition when there is enough certainty to make it appropriate.

LEBC Holdings Ltd ("LEBC")

On 1 January 2012, LEBC Group Limited (the trading subsidiary of LEBC) completed a move from the Sesame network to join Tenet Group as an appointed representative. This move should result in enhanced product distribution and, ultimately therefore, improved profitability.

Angus McCallum, LEBC's Finance and Operations Director, said: "The board are of the view that the next phase of the company's growth would benefit from a fresh perspective. We have, over the years, developed a close relationship with and respect for Tenet and the expiry of our contract with Sesame offered an opportunity to obtain that fresh perspective."

Besso Insurance Group Ltd ("Besso")

Besso appointed Stephen Greene as a Non-Executive Director on 5 December 2011. Stephen Greene is currently Executive Chairman of Rankvale Holdings and Rankvale European Property Investors and served as a partner at BDO Stoy Hayward from 1974 until 2002.

The appointment follows that of Tony Hulse, a chartered accountant and former partner at KPMG, as Non-Executive Director and Chair of the Audit Committee in November 2011.

HQB Partners Ltd ("HQB")

HQB, the proxy solicitation and corporate governance advisory partnership in which the Company held a 27.72% stake, entered into administration on 13 January 2012.

The Group valued the investment at £0 from 31 January 2011, from an investment cost of £35,000 in February 2005, however the outstanding loan of £140,000 (at 31 January 2011) was repaid in full prior to HQB entering administration.

New Business Opportunities

The Group focuses on minority investment opportunities in financial services businesses, typically taking an equity stake of between 15% and 45%. The investment goal remains unchanged; to take minority positions in businesses with strong management teams and good growth potential.

In addition, the Group aims to support and develop the companies within its investment portfolio when suitable opportunities to do so arise.

Working capital increased during the period as projected and at 31 January 2012 the Group had cash balances of £0.7m. The Group will accordingly make a £250,000 repayment, from working capital, of the £1.25m Directors Loan in February 2012. Following this repayment the balance of director funding will stand at £1m, from the total available Directors Loan facility of £4.325m. The remainder of the facility is available for investment in new opportunities and the existing portfolio, as outlined above.

Market Overview

There have been recent signs that the US commercial property and casualty market is beginning to harden, with rates in November posting their first rise since 2005 and with a gradual but sustained increase recorded in December and January. Should this trend continue, it should have a positive effect on those divisions of insurance broking companies within the Group's portfolio.

M&A activity remains positive, with US intermediary BB&T Insurance Services acquiring the property and casualty and life assurance divisions of Crump Group, the second-biggest US wholesale broker, for \$570m cash in a merger likely to create the largest wholesaler in the US.

Market consolidation within the IFA sector shows no sign of slowing in 2012, as smaller IFA businesses find the current climate and rigorous demands of the forthcoming Retail Distribution Review challenging.

Full Year Results

The Board expects to report the Group's results for the year ended 31 January 2012 on 30 May 2012.

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Notes to Editors:

About B.P. Marsh & Partners Plc

B.P. Marsh's current portfolio contains nine companies. More detailed descriptions of the portfolio can be found at www.bpmarsh.co.uk.

Over the past 20 years, the Company has assembled a management team with considerable experience both in the financial services sector and in managing private equity investments. Many of the directors have worked with each other in previous roles, and all have worked with each other for at least four years.

Prior to Brian Marsh's involvement in the Company, he spent many years in insurance broking and underwriting in Lloyd's as well as the London and overseas market. He has over 30 years' experience in building, buying and selling financial services businesses, particularly in the insurance sector.

Jonathan Newman is a Chartered Management Accountant and is the Group Director of Finance and has over 14 years' experience in the financial services industry. Jonathan advises investee companies through three non-executive board appointments and evaluates new investment opportunities.

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). Dan currently holds four non-executive board appointments through which he advises investee companies and he also evaluates new investment opportunities.

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 two non-executive appointments and is Chair of the New Business Committee. She is a Member of the Investor Relations Society.