

## **B. P. Marsh & Company Plc (“B. P. Marsh”, the “Company” or the “Group”)**

### **Trading Update**

B. P. Marsh, a niche venture capital provider to early stage financial services businesses, is pleased to provide the market with an update on trading for the six month period to 31<sup>st</sup> July 2012. Since reporting our results on 30<sup>th</sup> May 2012 and against a backdrop of continuing global economic uncertainty, the Group’s investee companies have completed a number of growth-focused acquisitions. The Group’s cash position has improved, following the partial realisation of the Hyperion investment, providing opportunities for provision of follow-on funding to the existing investment portfolio and for new opportunities.

On 30<sup>th</sup> May 2012 the Group announced its annual results for the year ended 31<sup>st</sup> January 2012, when the Group's Net Asset Value was £50.1m (equating to an NAV per share of 171p).

The Board remains committed to narrowing the discount between the share price and NAV. As part of these continuing efforts, the Board agreed in July 2012 to undertake a small share buy-back of £50,000, taking place in August 2012.

At 31<sup>st</sup> July 2012 the Group had cash balances of £3.26m. The Group additionally has access to a Directors’ Loan facility of £4.325m, having repaid the outstanding £1.25m on this facility in two payments; £250,000 on 24<sup>th</sup> February 2012 and £1m on 18<sup>th</sup> June 2012. The net cash position at 31<sup>st</sup> January 2012 was £0.7m.

### **Partial Realisation**

On 17<sup>th</sup> May 2012 the Group sold 1,193,500 shares in Hyperion Insurance Group Limited ("Hyperion") for a cash consideration of £4,535,300, representing an IRR of 40.4% on these shares since they were acquired in November 1994. B.P. Marsh will retain a 13.98% shareholding in Hyperion, having reduced its previous 18.94% stake by 2.75% as a result of this realisation, and subsequent further dilution resulting from the Windsor acquisition.

The shares were sold to an existing Hyperion shareholder, Murofo Investments S.L. (“Murofo”), increasing their shareholding to 14.46%, from 11.71%, (and who now sit at 12.48%).

### **Investment Portfolio**

#### **Amberglobe Limited (“Amberglobe”) - Acquisition of ongoing business of Turner Butler**

On 27<sup>th</sup> July 2012 Amberglobe acquired the assets of Turner & Co (GB) Limited and Turner Butler Limited, the national business sales agent. The acquisition brings together two business brokerages, Amberglobe and Turner Butler, who are leaders of the SME sales market in the UK and will create the predominant force in that sector. Turner Butler has a proven business model and has demonstrated consistent profitability despite the current economic climate.

The Group provided financing for the acquisition of the assets of Turner Butler through loan financing, which is expected to be repaid within three years.

Post this acquisition the Group's holding has been hived up into a new holding company, The Broucour Group Ltd ("Broucour"), under the same terms and equity as per the original holding in Amberglobe, with Amberglobe Limited and Turner Butler Limited as its two wholly owned trading subsidiaries.

Jonathan Newman has been appointed as the Group's nominee director on the Boards of all three companies within the Broucour group, having served previously as the Group's nominee director on the Board of Amberglobe.

The Group views the acquisition as an excellent opportunity to establish Broucour as the predominant force within the SME sales market in the UK, enabling it to capitalise on this strong positioning over the coming years.

The Broucour Group's Managing Director, Rupert Cattell said: "I am absolutely delighted with the acquisition of Turner Butler. This is a terrific brand that is very well known within the business sales market. It has a high profile, a proven business model and an excellent team of people. I have known and admired Shaun Sweeney the previous owner of Turner Butler for many years and he has created an excellent business that is the perfect sister brand to Amberglobe, since they operate in different market sectors while still sharing the same IT systems and business practices. I believe that the acquisition will allow us to become the pre-eminent business brokerage in the UK. I am also very pleased that under the terms of the deal, I will continue to work closely with Shaun following the acquisition."

### **Hyperion Insurance Group Limited ("Hyperion")**

#### Howden completes acquisition of Indonesian broker

Howden Broking Group Limited, the broking subsidiary of Hyperion, completed the acquisition of Accette Insurance Group's Indonesian operation, PT Accette Brokers Asuransi on 6<sup>th</sup> August 2012. The business has been renamed PT Howden Insurance Brokers Indonesia, and will trade under the Howden brand.

Tim Coles, CEO of Howden Broking Group, commented: "With the world's fourth largest population and a robust and growing economy, Indonesia is an important global market. The huge infrastructure development currently planned and taking place in the country, combined with a growing affluent community and low levels of insurance penetration, mean that it is also a market of great opportunity which we intend to be a major part of."

#### Completion of acquisition of Windsor Limited ("Windsor")

Regulatory approval was granted for the acquisition by Hyperion of Windsor from its management, employees and institutional backer Hutton Collins Partners LLP and completion of the acquisition took place on 3<sup>rd</sup> July 2012

#### DUAL, winners of Underwriter of the Year.

The DUAL Group was named Underwriting Agency of the Year at the British Insurance Awards on 4<sup>th</sup> July 2012.

## **US Risk (UK) Limited – Extension of loan facility**

On investment in US Risk (UK) Limited in June 2010 the Group provided a £1.95m loan facility for a two year term. The loan was not drawn down and on expiry, it was agreed to provide a new two year facility to July 2014. The loan is intended to enable the company to build on the successful acquisition of James Hampden International Insurance Brokers Limited and Abraxas AG in 2012 with further acquisitions and team lifts.

## **New Business Opportunities**

The Group focuses on minority investment opportunities in financial services business, typically taking an equity stake of between 15% and 45%. The uncertain global economic outlook has created a cautious climate as entrepreneurs seek to mitigate or avoid risk and has led the Group to focus on developing existing portfolio companies and establishing a more targeted approach to investment opportunities. The combination of these factors has shaped the Group's prudent approach to new investment opportunities in recent years, however, with renewed cash reserves an upswing in the opportunity pipeline is expected.

## **Exit Opportunities**

The Board continues to consider exit opportunities for both portfolio investments and for the Group itself as and when they may arise.

The Group will announce its interim results on Tuesday 23<sup>rd</sup> October 2012.

## **For further information:**

### **B. P. Marsh & Partners Plc**

[www.bpmarsh.co.uk](http://www.bpmarsh.co.uk)

Brian Marsh OBE / Camilla Kenyon

+44 (0)20 7233 3112

### **Nominated Adviser & Broker**

#### **Panmure Gordon**

Paul Lumbis / Fred Walsh / Charles Leigh-Pemberton

+44 (0)20 7459 3600

## **Notes to Editors:**

About B. P. Marsh

B. P. Marsh's current portfolio contains nine companies. More detailed descriptions of the portfolio can be found at [www.bpmarsh.co.uk](http://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 15 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) 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 was appointed as Head of Investor Relations at B. P. Marsh in February 2009, having four years' prior experience with the Company. Camilla holds two non-executive appointments, is Chair of the New Business Committee and is a Member of the Investor Relations Society.

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