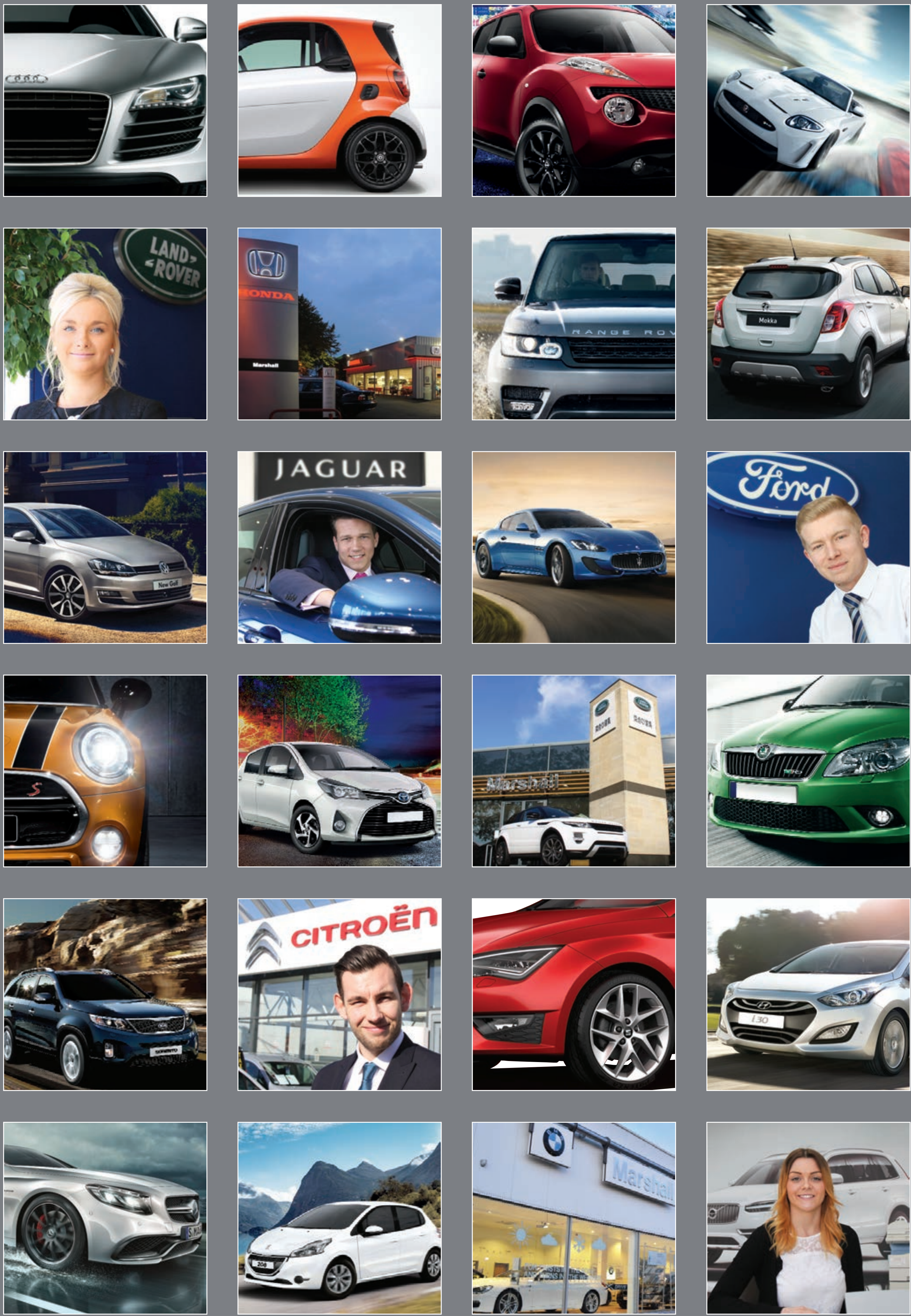

Interim Report and Accounts

Six months ended 30th June 2015

Marshall
Motor Holdings plc

18 August 2015

MARSHALL MOTOR HOLDINGS PLC

("MMH" or the "Group")

Unaudited interim results for the six months ended 30 June 2015

Strong results from both Retail & Leasing

Marshall Motor Holdings plc, one of the UK's leading automotive retail and leasing groups, is pleased to announce its unaudited interim results for the six months ended 30 June 2015 (the "**Period**").

Financial highlights

- Revenue increased by 16.0% to £632.5m (H1 2014: £545.4m)
- Profit before tax up 9.8% to £10.5m (H1 2014: £9.5m)
- Earnings per share of 19.7p
- Maiden pro rata interim dividend of 0.58p per share
- Strong balance sheet

Operational highlights

- Strong trading performance driven by contributions from recently acquired businesses and continued organic growth
- New car unit sales up by 10.4% (like-for-like up by 5.9%)
- Used car unit sales up by 11.8% (like-for-like up by 2.7%)
- Total aftersales revenues up by 9.0% (like-for-like up by 1.7%)
- New facility developments underway to support Audi and Jaguar Land Rover

Commenting on the results Daksh Gupta, Group Chief Executive, said:

"The Board is pleased to announce strong trading in the first half of the year, underpinned by a combination of contributions from recently acquired businesses and like-for-like organic growth which led to our retail and leasing segments reporting significant growth in profit before tax (up 26.6% and 40.9% respectively).

The successful completion of our IPO and transition to public company status marked a significant moment in the Group's development and provided us with increased financial capacity to help us continue pursuing our goal of becoming the UK's premier automotive dealer group for retail and leasing.

I would like to take the opportunity on behalf of the Board to thank the entire Marshall team, our brand partners and new investors for their continued support.

Based on current market conditions, the Board's outlook for the full year remains in line with our expectations".

For further information and enquiries please contact:

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About Marshall Motor Holdings plc (www.mmhplc.com)

The Group's principal activities are the sale and repair of new and used vehicles through Marshall Motors and the leasing of vehicles through Marshall Leasing. The Group's businesses are integrated and include a total of 71 franchises covering 24 brands, operating from 63 sites across 16 counties in England.

MMH is the only franchised dealer group in the UK to represent all of the top 5 prestige vehicle manufacturer brands (being Audi, BMW, Mercedes-Benz, Land Rover and Jaguar) and all of the top 10 volume vehicle manufacturer brands (being Ford, Vauxhall, Volkswagen, Nissan, Peugeot, Toyota, Citroen, Hyundai, Kia and Skoda). Its diverse portfolio means it represents manufacturer brands accounting for around 88% of all new vehicle sales in the UK, the highest market coverage of any UK dealer group.

With revenues of £1.1bn in 2014, the Group is the tenth largest dealer group in the UK.

Cautionary statement

This announcement contains unaudited information and forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and undue reliance should not be placed on any such statements because they speak only as at the date of this document and are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and MMH's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. MMH undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.

Introduction

I am delighted to report that the Group has delivered a strong trading performance during the Period which builds on the positive full year performance reported in 2014. Both our retail and leasing segments have reported significant growth in profit before tax (up 26.6% and 40.9% respectively) which has been partly offset, as anticipated, by additional central costs, including the first time occurrence of costs relating to our new public company status.

Following three consecutive years of strong growth in the UK new car market, the rate of underlying growth has returned to more normalised levels. During the Period, the Group increased its total new car unit sales by 10.4% (like-for-like 5.9%) and increased its used unit sales by 11.8% (like-for-like 2.7%).

The Group's retail segment has also shown growth within aftersales across both revenue and margin, benefitting in part from a growing UK vehicle parc (particularly in vehicles aged between 1- 3 years old where customers typically return to franchised dealerships for aftersales services) but also due to a number of management initiatives to drive productivity, efficiency and customer retention.

The Group has also made significant progress within its integrated leasing segment. At 30 June 2015, the leasing fleet was 5,897 vehicles, up 1.7% versus the same date last year.

We recognise the importance of, and the opportunities that exist from, the use of technology both to attract customers and provide them with an enhanced retail experience. We will be launching our new website in the first quarter of 2016 to build on the success of our existing site which, as a result of growth over recent years, is now the 7th most visited UK dealer website. In addition, following a successful pilot, we are also improving our customers' experience in our showrooms with the roll-out in the second half of 2015 of a tablet-based enquiry management system.

The Group has continued to focus on all aspects of employee and colleague engagement and the Board is delighted to report that this has been recognised by the Great Place to Work Institute with the Group being ranked the 26th best place to work in the UK (large company category).

The Group remains well positioned to execute its acquisition strategy supported by an adjusted net cash position at 30 June 2015 of £39.9m (excluding leasing loans) and a committed, undrawn revolving credit facility of £75m.

Financial Review

Group turnover increased by 16.0% to £632.5m (H1 2014: £545.4m). Like-for-like revenues showed an encouraging growth of 6.7% with revenues in new, used and aftersales all showing growth against the same period last year.

Gross margin at 11.7% is marginally below the same period last year, driven by an increased mix of new unit sales.

Operating expenses of £62.0m are 15.7% higher than in the same period last year driven by the impact of acquisitions and an anticipated increase in unallocated central costs. Unallocated central costs of £4.1m are £2.2m higher than the same period last year. This was driven in part by the first time occurrence of ongoing costs to support our new public company status and a one-off cost relating to the settlement of historic, pre-IPO long term incentive plan ('LTIP') liabilities. Certain further professional fees and expenses in relation to the IPO have been charged against the share premium account.

Finance costs of £1.4m are £0.2m higher than the same period last year, reflecting increased costs associated with the Group's £75m revolving credit facility and increased stock financing charges in line with volume growth. These additional costs include amortisation of arrangement fees and non-utilisation charges.

At 22%, the effective tax rate is below last year in line with the reduction in the UK corporation tax rate.

Total inventory at £181.7m is 11.5% higher than the position reported at 31 December 2014. This increase has been driven, in part, by additional stock-building to support new product launches.

The Group continues to benefit from a strong balance sheet following the IPO. Total net debt at 30 June 2015 was £6.3m with an adjusted net cash position of £39.9m excluding the £46.3m asset-backed loans within the leasing segment.
A new £75m three year banking facility was put in place in March 2015 for general corporate purposes including acquisitions and working capital requirements. The facility remains undrawn as at the date of this announcement.

Over the longer term, the Board continues to believe it is in the best interests of all stakeholders that the Group maintains a sound financial position. In this respect, the Board targets net bank indebtedness (excluding leasing segment loans) of not more than 1.25x net debt / EBITDA within its future results. This leverage may rise for a period of time towards the Group's banking facility limit of not more than 3.0x should an exceptional investment opportunity arise.

Interim Dividend

The Board is pleased to announce an interim dividend of 0.58p per share. This pro-rata dividend is in line with the dividend policy set out at the time of our IPO. The dividend will be paid by 25 September 2015 to shareholders who are on the Company's register at close of business on 28 August 2015. As set out in our IPO admission document, the Board intends to maintain a progressive dividend policy whereby dividends are covered between 4 to 5 times underlying earnings and paid in an approximate one-third (interim dividend) and two-thirds (final dividend) split.

Operating Review: Retail Segment

The retail segment consists of 71 franchises trading from 63 sites. The Group operates a well balanced portfolio of volume, prestige and alternate premium brands. The Group is the only franchised dealer group in the UK to represent all of the top five prestige vehicle manufacturer brands and all of the top ten volume vehicle manufacturer brands and its diverse portfolio means it represents manufacturer brands accounting for around 88% of all new vehicle sales in the UK. The Board believes this diversified spread of representation is a key strength of the business. In addition, the Group has significant headroom with its key manufacturer partners to achieve further growth in representation through future acquisitions.

We have now successfully completed the integration of acquisitions made in 2014 which have made a positive contribution in the Period and are performing in line with expectations.

Capital expenditure during the Period was £4.3m, including the purchase of the long-leasehold interest of our Jaguar/Land Rover facility in Cambridge at a cost of £1.7m in preparation for the longer term re-development of the site.

On 20 May 2015, the Group exchanged contracts (subject to planning approvals) for the purchase of land for development in Exeter to support the relocation of its Audi facility.

In addition, on 22 May 2015, the Group exchanged contracts (subject to planning approvals) for the purchase of land for development in Ipswich to support the establishment of a new Jaguar/Land Rover facility. This development is part of the reorganisation of the Jaguar/Land Rover Suffolk market area and will see the relocation of the Group's existing Halesworth Land Rover and Ipswich Jaguar dealerships to the new site.

Each of these new facilities is expected to commence trading in the second half of 2016. We have planned for some disruption to these businesses over the period of transition and they are all expected to generate additional revenue and profitability once through that initial transition.

In addition to the above developments, during the Period the Group has continued to invest in the retail portfolio and as part of the Group's continued improvement strategy, upgrades have been undertaken at Milton Keynes Volvo, Plymouth Audi, Barnstable Skoda, Taunton VW along with Mercedes Benz sites at South Lakes, Preston and Blackpool. Further portfolio upgrades are scheduled for Mercedes Benz Bolton and Blackburn.

Six months ended 30 June 2015	**Revenue**		**Gross Profit**	
	£m	mix*	£m	mix
New Car	326.2	51.9%	23.8	34.5%
Used Car	238.1	38.0%	16.9	24.5%
Aftersales	63.1	10.1%	28.3	41.0%
Internal Sales	(14.1)	n/a	-	-
Total	**613.4**	**100.0%**	**69.0**	**100.0%**

Six months ended 30 June 2014	**Revenue**		**Gross Profit**	
	£m	mix*	£m	mix
New Car	275.7	51.1%	20.3	33.7%
Used Car	205.9	38.2%	14.9	24.7%
Aftersales	57.9	10.7%	25.0	41.6%
Internal Sales	(11.7)	n/a	-	-
Total	**527.9**	**100.0%**	**60.2**	**100.0%**

*Revenue mix calculated excluding Internal Sales

New Vehicles

	H1 2015	**H1 2014**	**Variance**	
			Total	**LFL**
Total New Units	18,195	16,483	10.4%	5.9%

During the Period, the Group increased its new car unit sales by 10.4% (like-for-like 5.9%). Market growth in new vehicle sales continues to be driven by the availability of competitively priced finance. Personal contract purchase (PCP) with minimal or zero deposit requirements and affordable monthly payments have been instrumental in driving the new retail market. In addition, a weaker than expected economic recovery in the Eurozone and a strengthening of Sterling coupled with slower demand in certain international markets have resulted in additional new vehicle supplies being drawn to the UK market.

Recent reductions in fuel costs, the introduction of more fuel efficient vehicles and a stable used car market have also played their part in driving new retail sales as consumers seek to access the benefits of new car ownership.

Used Vehicles

	H1 2015	H1 2014	Variance Total	Variance LFL
Total Used Units	14,656	13,114	11.8%	2.7%

Used car unit sales increased by 11.8% versus the same period last year and 2.7% on a like-for-like basis. The Group continues to operate a strict 56 day stocking policy and continues to account for used car refurbishment and PDI costs at full retail labour rates. The Board considers these combined policies promote improved stock turnover, reduce residual value stock holding risk and ensure rigour in appraising and valuing part exchange vehicles acquired by the Group.

Used car gross margin at 7.1% is marginally below the same period last year and is a key area of focus for further growth and development moving forward. The Board is implementing a number of incremental margin-driving initiatives including a greater focus on used vehicles aged between three to five years. These vehicles have a lower average selling price whilst maintaining similar levels of gross profit per unit and are attractive to consumers seeking reassurance and warranty protection from a franchised dealer.

Aftersales

	H1 2015	H1 2014	Variance Total	Variance LFL
Revenue (£m)	63.1	57.9	9.0%	1.7%

Aftersales involves the servicing, maintenance and repair of vehicles. The Group operates two standalone body shops and one standalone petrol forecourt. Aftersales makes a significant financial contribution to the Group.

The aftersales market is highly dependent on the UK vehicle parc. The latest estimate from the Society of Motor Manufacturers and Traders is that the UK car parc currently stands at 31.4m vehicles, increasing over recent years as a result of the strong new car market. In addition, increased penetration of service plans have supported market growth allowing customers to plan and budget for service costs with a higher level of certainty and ensuring repeat visits to the dealership.

Gross margin at 44.8% has also seen a significant improvement, up from 43.2% in the same period last year partly due to workshop efficiency and productivity improvements.

Operating Review: Leasing Segment

	H1 2015	H1 2014	Variance
Additions	829	795	4.3%
Disposals	963	606	58.9%
Fleet	**5,897**	**5,799**	**1.7%**

The leasing segment achieved profit before tax of £2.5m during the Period, a growth of 40.9% versus the same period last year. The segment has continued to grow its fleet which, at 5,897 vehicles at 30 June 2015, was 1.7% ahead of the same date last year, including the addition of a number of new clients. The fleet has declined marginally from the position at 31 December 2014. This is, in part, due to a number of disposals being deferred at the end of last year to take advantage of a stronger used car market in January and February 2015. The Group is targeting a small increase in the size of the fleet for the year as a whole.

The leasing segment continues to focus on its business-to-business strategy, providing a service-led fleet management offering high added value service to clients of all sizes. The segment is fully integrated within the Group and wherever possible, sources new vehicles and de-fleets end of lease vehicles via the Group's retail segment.

The client base of the segment remains well diversified and balanced with no single customer representing more than 9% of the fleet and the top 10 customers accounting for 43.0% of the fleet.

Robust risk management and control is a core discipline of the leasing segment's business model and the segment employs sophisticated techniques to monitor and control residual value risk. The used car market remained stable during the Period and the Board will continue to monitor residual values closely. Disposal profits are only recognised at the end of leases when they have been achieved.

The leasing fleet continues to be financed by asset-backed loans secured against the vehicles. The net book value of the fleet at 30 June 2015 was £59.6m against £46.3m of loans. This represents embedded equity within the fleet of 22.4%. The Board believes that a prudent approach to residual value setting combined with significant equity in the leasing fleet provides a sustainable and resilient model for the business.

The strategy of the leasing segment moving forward continues to remain focused on recruiting and retaining clients through its service-driven offering rather than attempting to compete with larger competitors solely on pricing. The Board believes that this model is capable of delivering steady and sustained growth moving forward as well as providing additional margin retention opportunities for the retail segment.

Operating Review: Unallocated Segment

The unallocated segment consists principally of administrative and asset management functions which are not directly attributable to the Group's retail or leasing segments. The unallocated segment recorded a loss before tax of £4.1m during the Period compared to loss before tax of £1.7m in the same period last year. Additional costs are principally attributable to the first time occurrence of expenses relating to the Group's public company status. In addition, the Group incurred a one-off cost of £0.7m relating to the settlement of historic pre-IPO LTIP liabilities.

Outlook

The Group has produced a set of strong results in the Period, showing growth in both revenue and profit before tax. Order-take to date for the important plate-change month of September is in line with management expectations. The post-election economic landscape with low interest rates and a favourable exchange rate environment continues to allow manufacturers to lead with strong and attractive consumer offers, driving vehicle sales.

The outlook for the aftersales departments remains positive given the strength over recent years in the new car market and growth in the UK car parc.

We continue to consider a number of acquisition opportunities.

Based on current market conditions, the Board's outlook for the full year remains in line with our expectations.

Daksh Gupta,
Chief Executive
18 August 2015

Marshall Motor Holdings plc
Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
		(unaudited)	*(unaudited)*	*(audited)*
		£'000	**£'000**	**£'000**
Revenue		632,477	545,379	1,085,883
Cost of Sales		(558,613)	(481,108)	(959,712)
Gross Profit		**73,864**	**64,271**	**126,171**
Operating expenses		(62,013)	(53,593)	(110,928)
Group operating profit		**11,851**	**10,678**	**15,243**
Finance costs	5	(1,400)	(1,157)	(2,350)
Profit before taxation		**10,451**	**9,521**	**12,893**
Taxation	6	(2,299)	(2,190)	(2,957)
Profit for the period		**8,152**	**7,331**	**9,936**
Attributable to:				
Owners of the parent		8,152	7,331	9,939
Non-controlling interests		-	-	(3)
		8,152	**7,331**	**9,936**
Total comprehensive income for the period, net of tax		**8,152**	**7,331**	**9,936**
Attributable to:				
Owners of the parent		**8,152**	**7,331**	**9,939**
Non-controlling interests		**-**	**-**	**(3)**
		8,152	**7,331**	**9,936**
Earnings per share (expressed in pence per share)				
Basic earnings per share	7	19.7	208.5	282.6
Diluted earnings per share	7	19.3	208.5	282.6

Marshall Motor Holdings plc
Consolidated Statement of Changes in Equity

	Note	Share Capital	Share Premium	Retained Earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000
For the half year ended 30 June 2015 (Unaudited)							
Balance at 1 January 2015		2,250	-	63,870	66,120	36	66,156
Profit for the period		-	-	8,152	8,152	-	8,152
Issue of share capital		47,181	19,672	-	66,853	-	66,853
Total comprehensive income		47,181	19,672	8,152	75,005	-	75,005
Transactions with owners							
Dividend paid		-	-	(15,000)	(15,000)	-	(15,000)
Balance at 30 June 2015		49,431	19,672	57,022	126,125	36	126,161
For the half year ended 30 June 2014 (Unaudited)							
Balance at 1 January 2014		2,250	-	58,431	60,681	39	60,720
Profit for the period		-	-	7,331	7,331	-	7,331
Total comprehensive income		-	-	7,331	7,331	-	7,331
Balance at 30 June 2014		2,250	-	65,762	68,012	39	68,051
For the year ended 31 December 2014 (Audited)							
Balance at 1 January 2014		2,250	-	58,431	60,681	39	60,720
Profit for the year		-	-	9,939	9,939	(3)	9,936
Total comprehensive income		-	-	9,939	9,939	(3)	9,936
Transactions with owners							
Dividend paid		-	-	(4,500)	(4,500)	-	(4,500)
Balance at 31 December 2014		2,250	-	63,870	66,120	36	66,156

Marshall Motor Holdings plc
Consolidated Statement of Financial Position
At 30 June 2015

	Note	30 June 2015	30 June 2014	31 December 2014
		(unaudited)	*(unaudited)*	*(audited)*
		£'000	**£'000**	**£'000**
Assets				
Non-current assets				
Intangible assets	10	22,055	9,662	22,055
Property, plant and equipment	11	94,482	82,694	91,037
Investment properties		1,920	1,920	1,920
Investments		10	10	10
Deferred tax asset		94	313	94
Total non-current assets		**118,561**	**94,599**	**115,116**
Current assets				
Inventories		181,710	131,275	163,011
Trade and other receivables		54,689	112,878	73,181
Cash and cash equivalents		46,431	3,566	1,826
Total current assets		**282,830**	**247,719**	**238,018**
Total assets		**401,391**	**342,318**	**353,134**
Shareholders' equity				
Share capital		49,431	2,250	2,250
Share premium		19,672	-	-
Retained earnings		57,022	65,762	63,870
Equity attributable to owners of the parent		**126,125**	**68,012**	**66,120**
Share of equity attributable to non-controlling interests		36	39	36
Total equity		**126,161**	**68,051**	**66,156**
Non-current liabilities				
Loans and borrowings		22,084	22,464	25,205
Trade and other payables		8,612	8,808	8,579
Deferred tax liabilities		1,783	1,880	1,783
Total non-current liabilities		**32,479**	**33,152**	**35,567**
Current liabilities				
Loans and borrowings		30,692	23,234	28,342
Trade and other payables		210,062	214,124	221,442
Current tax liabilities		1,997	3,757	1,627
Total current liabilities		**242,751**	**241,115**	**251,411**
Total liabilities		**275,230**	**274,267**	**286,978**
Total equity and liabilities		**401,391**	**342,318**	**353,134**

Marshall Motor Holdings plc
Consolidated Cash Flow Statement
For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
		(unaudited)	*(unaudited)*	*(audited)*
Cash flows from operating activities		**£'000**	**£'000**	**£'000**
Profit before taxation		10,451	9,521	12,893
Adjustments for:				
Depreciation		10,727	10,653	20,995
Finance costs	5	1,400	1,157	2,350
(Profit)/Loss on disposal of Property, Plant & Equipment		(45)	(17)	(55)
		22,533	21,314	36,183
Changes in working capital:				
(Increase)/decrease in inventories		(18,699)	3,912	(13,816)
Decrease/(increase) in trade and other receivables		18,492	(35,258)	5,646
(Decrease)/increase in trade and other payables		(11,347)	31,752	22,202
		(11,554)	406	14,032
Tax paid		(1,930)	(599)	(4,145)
Interest paid		(1,400)	(1,157)	(2,350)
Net cash inflow from operating activities		**7,649**	**19,964**	**43,720**
Cash flows from investing activities				
Purchase of property, plant and equipment		(18,712)	(15,305)	(33,059)
Purchase of investment property		-	(100)	(100)
Acquisition of subsidiary, net of cash acquired		-	(599)	(15,788)
Proceeds from disposal of property, plant and equipment		4,585	4,283	8,382
Net cash outflow from investing activities		**(14,127)**	**(11,721)**	**(40,565)**
Cash flows from financing activities				
Proceed from borrowings		13,172	6,797	25,263
Repayment of borrowings		(13,942)	(13,233)	(23,851)
Dividends paid		(15,000)	-	(4,500)
Issue of share capital net of costs		66,853	-	-
Net cash (outflow)/ inflow from financing activities		**51,083**	**(6,436)**	**(3,088)**
Net increase in cash and cash equivalents		44,605	1,807	67
Cash and cash equivalents at 1 January		1,826	1,759	1,759
Cash and cash equivalents at period end		**46,431**	**3,566**	**1,826**
Reconciliation of net cash flow to movement in net debt				
Increase in net cash		44,605	1,807	67
Repayment of asset back financings		13,942	13,233	23,851
Proceeds of asset back financings		(13,172)	(6,797)	(25,263)
Movement in net debt		45,375	8,243	(1,345)
Opening net debt		(51,720)	(50,375)	(50,375)
Net debt at period end		**(6,345)**	**(42,132)**	**(51,720)**

1. General Information

Marshall Motor Holdings plc (the ‘Company’) is a company which is quoted on the Alternative Investment Market (“AIM”) and is incorporated and domiciled in the UK. The address of the registered office is: Airport House, The Airport, Cambridge, CB5 8RY. The Company is the holding company of Marshall Motor Group Limited, Marshall Leasing Limited and other subsidiaries (collectively, the “Group”), whose activities consist principally of car and commercial vehicle sales, leasing, distribution, service and associated activities trading under the names ‘Marshall Motor Group’ and ‘Marshall Leasing’. The registered number of the company is 2051461.

These consolidated interim financial statements for the six months ended 30 June 2015 and for the six months ended 30 June 2014 are unaudited. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

The figures for the year ended 31 December 2014 are not the statutory accounts for that year but have been extracted from the statutory accounts filed with the Registrar of Companies on which the auditor gave an unqualified opinion and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

These statements have been reviewed by the Company’s auditor and a copy their review report is set out at the end of these statements.

The financial information is presented in thousands of pounds sterling (“£”) except when otherwise indicated.

‘Like-for-like’ businesses are defined as those which traded under the Group’s ownership throughout both the period under review and the corresponding comparative period.

These consolidated interim financial statements were approved by the Board on 18 August 2015.

2. Accounting Policies

The annual financial statements of Marshall Motor Holdings plc are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The financial information included in this interim financial report has been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Accounting’ as adopted by the European Union. This interim financial report has been prepared under the historical cost convention as modified by the revaluation of investments and investment properties.

These financial statements have been prepared in accordance with the accounting policies set out in the Group Financial Statements for the year ended 31 December 2014 as disclosed in the document prepared for the purposes of the Group’s admission to AIM (“Admission Document”), and these accounting policies are expected to apply in the Group Financial Statements for the year ended 31 December 2015.

Basis of preparation: Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of these interim financial statements. For these reasons, they continue to adopt the going concern basis in the preparation of these interim financial statements.

3. Segmental Reporting

Management has determined the operating segments based on the operating reports reviewed by the Chief Executive that are used to assess both performance and strategic decisions. Management has identified that the Chief Executive Officer is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating segments'.

The business is split into two main operating segments generating revenue and a third support segment:

- Retail – sales and servicing of motor vehicles and ancillary services.
- Leasing – leasing of vehicles to end consumers and fleet customers.
- Unallocated - administrative and asset management functions in support of the wider business.

All segment revenue, profit before taxation, assets and liabilities are attributable to the principal activity of the Group being the provision of car and commercial vehicle sales, leasing, vehicle service and other related services. All revenue is generated in the UK.

Depreciation presented in the segmental note is restricted to assets other than assets held for contract rental.

For the half year ended 30 June 2015 (Unaudited)

	Retail	Leasing	Unallocated	Total
	£'000	£'000	£'000	£'000
Revenue				
Total revenue	613,363	**18,997**	117	**632,477**
Total revenue from external customers	613,363	18,997	117	632,477
Depreciation	**(2,044)**	**(4)**	**(9)**	**(2,057)**
Segment operating profit/(loss)	12,856	3,041	(4,046)	11,851
Finance cost	(848)	(535)	(17)	(1,400)
Profit/(loss) before taxation	**12,008**	**2,506**	**(4,063)**	**10,451**
Total assets	**246,812**	**70,415**	**84,164**	**401,391**
Total liabilities	**194,360**	**54,907**	**25,963**	**275,230**
Additions in the period				
Property, plant and equipment	4,263	14,449	-	18,712

3. Segmental Reporting *(continued)*

For the half year ended 30 June 2014 (Unaudited)

	Retail	Leasing	Unallocated	Total
	£'000	**£'000**	**£'000**	**£'000**
Revenue				
Total revenue	527,877	**17,390**	112	**545,379**
Total revenue from external customers	527,877	17,390	112	545,379
Depreciation	**(1,721)**	**(4)**	**(8)**	**(1,733)**
Segment operating profit/(loss)	10,043	2,377	(1,742)	10,678
Finance cost	(558)	(599)	-	(1,157)
Profit/(loss) before taxation	**9,485**	**1,778**	**(1,742)**	**9,521**
Total assets	**227,313**	**63,808**	**51,197**	**342,318**
Total liabilities	**175,447**	**50,559**	**48,261**	**274,267**
Additions in the period				
Property, plant and equipment	2,286	13,457	-	15,743

For the year ended 31 December 2014 (Audited)

	Retail	Leasing	Unallocated	Total
	£'000	**£'000**	**£'000**	**£'000**
Revenue				
Total revenue	1,050,473	**35,179**	231	**1,085,883**
Total revenue from external customers	1,050,473	35,179	231	1,085,883
Depreciation	**(3,657)**	**(9)**	*(16)*	**(3,682)**
Segment operating profit/(loss)	15,748	5,073	(5,578)	15,243
Finance cost	(1,210)	(1,140)	-	(2,350)
Profit/(loss) before taxation	**14,538**	**3,933**	**(5,578)**	**12,893**
Total assets	**243,571**	**70,407**	**39,156**	**353,134**
Total liabilities	**185,791**	**57,405**	**43,782**	**286,978**
Additions in the period				
Property, plant and equipment	11,221	27,265	-	38,486

3. Segmental Reporting *(continued)*

Retail revenue is derived from a number of service lines, principally being new and used vehicle sales and aftersales as per the following:

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	(unaudited)	*(unaudited)*	*(audited)*
	£'000	**£'000**	**£'000**
New	326,189	275,680	544,835
Used	238,132	205,921	413,066
Aftersales & other	63,132	57,927	117,857
Internal	(14,090)	(11,651)	(25,285)
Total	**613,363**	**527,877**	**1,050,473**

4. Other Operating Costs

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	(unaudited)	*(unaudited)*	*(audited)*
	£'000	**£'000**	**£'000**
Employee costs	32,052	27,587	56,564
Depreciation on property, plant and equipment	2,061	1,687	3,010
Loss/(profit) on disposal of property, plant and equipment	(45)	(17)	(55)
Operating lease rentals - property	3,366	3,205	6,608
Management charge from Marshall of Cambridge (Holdings) Limited	1,030	854	1,818
Legal and professional charges	514	419	1,843
Other expenses	23,035	19,858	41,140
	(62,013)	**(53,593)**	**(110,928)**

Included within the management charge from Marshall of Cambridge (Holdings) Limited in the Period is a charge of £656,000 in respect of historic LTIP liabilities which crystallised when the Company's shares were admitted to AIM.

5. Finance Costs

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	(unaudited)	*(unaudited)*	*(audited)*
	£'000	**£'000**	**£'000**
Interest costs:			
Interest payable on bank borrowings	579	599	1,140
Stock financing charges and other interest	821	558	1,210
Finance costs	**1,400**	**1,157**	**2,350**

6. Taxation

Analysis of charge in year	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	(unaudited)	*(unaudited)*	*(audited)*
	£'000	**£'000**	**£'000**
Current tax on profits for the year	2,299	2,190	3,490
Adjustments in respect of prior years	-	-	122
Total current tax	**2,299**	**2,190**	**3,612**
Origination and reversal of temporary differences	-	-	(377)
Other timing differences	-	-	(278)
Total deferred tax	-	-	(655)
Income tax charge	**2,299**	**2,190**	**2,957**

The tax charge for the six months ended 30 June 2015 has been provided at the effective tax rate of 22% (six months ended 30 June 2014: 23%).

7. Earnings per Share

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	(unaudited)	*(unaudited)*	*(audited)*
	£'000	**£'000**	**£'000**
Profit for the period	8,152	7,331	9,939
Non-controlling interests	**-**	**-**	**(3)**
Basic earnings	**8,152**	**7,331**	**9,936**
Weighted average number of ordinary shares in issue for the basic earnings per share	41,318,867	3,515,625	3,515,625
Basic earnings per share (in pence per share)	**19.7**	**208.5**	**282.6**
Diluted earnings per share (in pence per share)	**19.3**	**208.5**	**282.6**

For the six month period ended 30 June 2014 and the year ended 31 December 2014, the weighted average number of ordinary shares in issue for the basic and diluted earnings per share has been adjusted to reflect the impact of the sub-division of shares described in note 9.

8. Dividends

A final dividend of £15,000,000 for the year ended 31 December 2014 was paid in March 2015 before admission of the Company's shares to trading on AIM.

An interim dividend of 0.58p per share will be paid by 25 September 2015 to shareholders who are on the Company's register at close of business on 28 August 2015.

9. Called up Share Capital

	30 June 2015	30 June 2014	31 December 2014
	(unaudited)	*(unaudited)*	*(audited)*
	£'000	**£'000**	**£'000**
Allotted, called up and fully paid ordinary shares of 64p each	49,431	2,250	2,250
	49,431	**2,250**	**2,250**

On 27 March 2015, 30 million ordinary shares of 100p each were issued at par and subsequently the entire share capital of the Company was subdivided into 50,390,625 ordinary shares of 64p each.

On 2 April 2015, 26,845,638 new ordinary shares of 64p each were issued for 149p each.

10. Intangible Assets

	30 June 2015	30 June 2014	31 December 2014
	(unaudited)	*(unaudited)*	*(audited)*
	£'000	**£'000**	**£'000**
Cost			
Balance brought forward	22,055	9,587	9,587
Additions	-	75	12,468
Balance carried forward	**22,055**	**9,662**	**22,055**

On 30 June 2014, Marshall Motor Group acquired the trade and assets of Volvo Bishops Stortford from Regent Automotive Group. On 1st July 2014, Marshall Motor Group acquired the trade and assets of Halesworth Land Rover from Hammond Land Rover Limited. On 8 August 2014, Marshall Motor Holdings plc acquired the entire issued share capital of CMG 2007 Limited, which operates BMW and Mini dealerships in Scunthorpe and Grimsby and Nissan dealerships in Boston, Grantham and Lincoln.

11. Property, Plant & Equipment

	Freehold land and buildings	Leasehold land and buildings	Plant & Equipment	Assets held for contract rental	Total
	£'000	£'000	£'000	£'000	£'000
For the half year ended 30 June 2015 (Unaudited)					
Cost					
At 1 January 2015	33,017	3,645	25,863	95,636	**158,161**
Additions at cost	394	2,211	1,666	14,441	**18,712**
Disposals	-	(17)	(250)	(15,571)	**(15,838)**
At 30 June 2015	**33,411**	**5,839**	**27,279**	**94,506**	**161,035**
Accumulated Depreciation					
At 1 January 2015	9,361	1,210	19,181	37,372	**67,124**
Charges for the period	517	132	1,408	8,670	**10,727**
Disposals	-	(1)	(148)	(11,149)	**(11,298)**
At 30 June 2015	**9,878**	**1,341**	**20,441**	**34,893**	**66,553**
Net Book Amount					
At 30 June 2015	23,533	4,498	6,838	59,613	94,482
For the half year ended 30 June 2014 (Unaudited)					
Cost					
At 1 January 2014	27,470	2,780	27,387	89,563	**147,200**
Additions at cost	217	384	1,685	13,457	**15,743**
Disposals	(288)	(1)	(4,732)	(10,088)	**(15,109)**
At 30 June 2014	**27,399**	**3,163**	**24,340**	**92,932**	**147,834**
Accumulated Depreciation					
At 1 January 2014	8,622	1,030	21,592	34,086	**65,330**
Charges for the period	441	69	1,223	8,920	**10,653**
Disposals	(154)	-	(4,055)	(6,634)	**(10,843)**
At 30 June 2014	**8,909**	**1,099**	**18,760**	**36,372**	**65,140**
Net Book Amount					
At 30 June 2014	**18,490**	**2,064**	**5,580**	**56,560**	**82,694**
For the year ended 31 December 2014 (Audited)					
Cost					
At 1 January 2014	27,470	2,780	27,387	89,563	**147,200**
Additions at cost	5,835	900	4,496	27,255	**38,486**
Disposals	(288)	(35)	(6,020)	(21,182)	**(27,525)**
At 31 December 2014	**33,017**	**3,645**	**25,863**	**95,636**	**158,161**
Accumulated Depreciation					
At 1 January 2014	8,622	1,030	21,592	34,086	**65,330**
Charges for the period	893	181	2,608	17,313	**20,995**
Disposals	(154)	(1)	(5,019)	(14,027)	**(19,201)**
At 31 December 2014	**9,361**	**1,210**	**19,181**	**37,372**	**67,124**
Net book amount					
At 31 December 2014	**23,656**	**2,435**	**6,682**	**58,264**	**91,037**

12. Related Party Transactions

Other than the transactions described in the Admission Document, no new related party transactions have taken place in the first six months of the current financial year that have materially affected the financial position or performance of the Group during that period and there have been no material changes in related party transactions described in the last Annual Report that could do so.

Independent review report to Marshall Motor Holdings plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 6 months ended 30 June 2015 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Consolidated Cash Flow Statement and the related notes 1 to 12. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standards 34, “Interim Financial Reporting,” as adopted by the European Union.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standards 34, “Interim Financial Reporting,” as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 6 months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Ernst & Young LLP
Cambridge
18 August 2015

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