

**MARWYN VALUE INVESTORS LIMITED**

**UNAUDITED INTERIM RESULTS**

**FOR THE 6 MONTH PERIOD TO 30 JUNE 2010**

## **MARWYN VALUE INVESTORS LIMITED**

### **UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010**

#### **CHAIRMAN'S STATEMENT AND INTERIM MANAGEMENT REPORT**

I am pleased to present the unaudited interim results for Marwyn Value Investors Limited (the “Company”) for the six months ended 30 June 2010. Marwyn Value Investors Limited allows investors access to the investment strategy pursued by Marwyn Value Investors L.P. (the “Master Fund”).

The first six months of the year has seen excellent returns for our Ordinary shareholders with a 30% growth in the NAV and a corresponding 20% increase in the share price to 73p at 30 June 2010. The NAV of the B Ordinary shares also increased, albeit by a more modest 4% with a reduction in the share price over the same 6 month period of 3.5% to 96.5p. The growth in the net assets of the Company for both share classes outperformed all of the major benchmark indices, shown in the table below and positions the Company well to deliver further share price growth in the second half of the year.

In relation to the Ordinary shares, the Company has maintained its investment policy introduced in the reorganisation of the Company in 2009 that no further investments (other than follow-on investments in the existing portfolio companies) are made using available cash and that the existing portfolio of investments is managed with a view to maximising returns to investors by realising investments and making distributions to investors as realisations are made. In order to maximise the returns to investors and to align the interests of the Investment Manager, Marwyn Investment Management LLP with shareholders, the incentive arrangement introduced at the same time as the reorganisation continues in place. There have been no changes to the investment policy of the B Ordinary shares since its launch in November 2009.

Earlier this month, one of the portfolio companies, Marwyn Materials Limited, announced the acquisition of Breedon Holdings Limited, the largest independent UK aggregates producer with 29 quarries, 19 asphalt plants, 27 ready mix concrete plants and 181 million tonnes of mineral reserves. The £160 million reverse takeover, Marwyn’s biggest transaction to date, will place one of the most experienced management teams in the industry at the helm of a well invested business, renamed Breedon Aggregates Limited. Chairman Peter Tom was formerly CEO and later Chairman of Aggregate Industries. Simon Vivian, CEO, was formerly CEO of Mowlem and of Hanson’s European Building Materials business.

The new management believes that the acquisition represents an ideal platform for acquisitive growth through the consolidation of the UK and European heavyside building materials sector and that the business will be an early beneficiary of an economic upturn. Several bolt-on acquisitions have already been identified. Gross proceeds of £50 million from a placing by Marwyn Materials Limited will be used to pay down some of Breedon's existing debt and provide approximately £25.0 million of funds for working capital, capital expenditure and acquisitions. A £94.5 million bank facility will be provided by Breedon's existing lenders (who previously owned 67 per cent of the group) for five years from completion of the transaction.

The principal risks and uncertainties facing the Company have not changed since the publication of the last annual financial report. A summary of those risks and uncertainties is included in the notes to the condensed financial statements.

### **Investment Performance**

A summary of the returns against various benchmarks for the period and from inception is set out below:

#### **Ordinary Shares**

The Net Asset Value ("NAV") per Ordinary share of the Company increased during the period by 26.96p to 117.4p, a rise of 29.81%. As at 6 August 2010, the discount of the share price to net asset value was 35.6%, a slight increase over the 6 month period from 33.1% as at 31 December 2009. This has not been adjusted for any potential warrant exercise dilution.

Performance	NAV %	FTSE	FTSE	MSCI
		All Share (Ex-Inv Tr) %	Small Cap %	Europe Net (€) %
Year to date (to 30/6/2010)	29.81%	-8.09%	-3.10%	-2.45%
Since inception <sup>1</sup> (1/3/2006 to 30/6/2010)	51.17%	-14.21%	-24.64%	-15.76%

#### **B Ordinary Shares**

The NAV per B Ordinary share of the Company increased during the period by 4.9p to 122.4p, a rise of 4.17%. As at 6 August 2010, the discount of the share price to net asset value was 14.4%, a reduction from the discount of 14.9% as at 31 December 2009.

Performance	NAV %	FTSE All Share (Ex-Inv Tr) %	FTSE Small Cap %	MSCI Europe Net (€) %
Year to date (to 30/6/2010)	4.17%	-8.09%	-3.10%	-2.45%
Since inception <sup>2</sup> (30/11/2009 to 30/6/2010)	33.19%	-4.21%	-0.99%	3.62%

**Robert Ware**

**Chairman**

**25 August 2010**

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1. Illustrative performance taking into account the performance of the respective share classes prior to the amalgamation and the impact of the amalgamation. If issue costs are taken into consideration the equivalent performance would be 43.6%

2. The calculation is based on capital raised net of issue costs. If issue costs are taken into consideration the equivalent performance would be 22.4%.

## INVESTMENT MANAGER'S REPORT

The fund has continued to demonstrate strong performance through 2010 with significant activity through the portfolio combining new investments, follow-on acquisitions for existing companies and strong underlying trading across the portfolio producing strong NAV growth. In addition we have seen core positions such as Entertainment One migrate to a Main Market listing and the £20m disposal of Melorio to Pearson plc for a 120% return on investment which is consistent with the strategy to deliver and realise substantial capital returns for investors over the mid and long term.

### Ordinary shares

In February, the 15,150,000 Ordinary shares acquired by the Master Fund in October 2009 through the partial offer were exchanged into partnership interests in the Master Fund and subsequently cancelled. The resultant discount between the price at which the shares were acquired and the NAV per share allocated to the Class F capital account was GBP2.3m.

### B Ordinary shares

In June, Marwyn Capital I Limited announced it had entered into a conditional agreement to acquire Fulcrum Group Holdings Limited from National Grid plc. The deal was completed on 8th July, following which Marwyn Capital I Limited changed its name to Fulcrum Utility Services Limited.

### Allocation of Marwyn Value Investors Limited NAV by company

Based upon the Company's investment in the Master Fund, the Company's total net asset value is broken down across the following companies in the following percentages as at 30 June 2010:

#### Ordinary shares:

Company	Ticker	Sector	% of NAV
Advanced Computer Software	ASW LN	Healthcare Software	13.97%
Entertainment One	ETO LN	Entertainment Rights	56.57%
Marwyn Materials	MMAT LN	Construction Materials	6.32%
Praesepe	PRA LN	Gaming	12.88%
Silverdell	SID LN	Asbestos Services	1.74%
Zetar	ZTR LN	Specialty Confectionary	1.35%

#### B Ordinary shares:

Company	Ticker	Sector	% of NAV
Fulcrum Utility Services Limited	FCRM LN	Support Services	52.18%
Marwyn Capital II Limited	MCII LN	Investment Company	40.78%

## **INVESTMENTS – ORDINARY SHARES**

**Company:**      **Advanced Computer Software plc (“ACS”)**

**Sector:**        **Healthcare Software**

**Ticker:**        **ASW LN**

Strategy and Opportunity:

ACS has identified the opportunity to become a leading provider of software and IT services to the UK primary care market (the provision of first line patient services such as GPs, walk-in-centres, district nursing, and out-of-hours services). ACS’ strategy is to consolidate the fragmented healthcare software market, through selective acquisitions, with a focus on primary care.

Management Biography:

Vin Murria (Chief Executive Officer) has over 20 years’ experience of working for private equity backed and publicly listed companies focused on the software sector. During this time, Vin has held a number of senior positions, including Chief Executive Officer of Computer Software Group plc, which she took private in May 2007. ACS merged with IRIS in July 2007 and was subsequently sold to Hellman Friedman for USD1bn. Vin is a Partner at Elderstreet Capital, and prior to this was European Chief Operating Officer for Kewill Systems plc and Chairman of Leeds Group plc. She remains a Chair or Non-Executive Director to a number of companies including Greenko Group plc, BSG plc and Innovise plc.

Progress over the Period:

In February 2010 ACS completed its most significant transaction to date, with the acquisition of Redac Holdings Limited, the parent company of COA Solutions Limited from Alchemy Partners LLP, for GBP100m. COA Solutions Limited is a provider of software and IT services to both public and private sector organisations. The acquisition was immediately earnings enhancing and highly cash generative and contributed approximately GBP58m of revenues to the enlarged group on an annualised basis. The acquisition was funded by a combination of cash on the balance sheet and a new GBP55m debt facility provided by Royal Bank of Scotland plc and HSBC Bank plc.

In March 2010, ACS acquired Cerrus Limited, a provider of a software suite used to support community care and management services for a total consideration of GBP0.37m. Following the acquisitions ACS was restructured into three main divisions: Business Solutions; Health, Care & Analytics; and Managed Services & Outsourcing.

In June 2010, ACS released a strong set of results for the twelve months to 28 February 2010, with revenue up by 312% to GBP30.2m (2009: GBP7.3m), and pre-tax profit of GBP4.2m, up 281% on the prior year (2009: GBP1.1m). On a pro forma basis to 28 February 2010, ACS generated GBP91.5m of sales and GBP21.7m of EBITDA.

#### Investment Performance:

During the six month period to 30 June 2010, ACS' share price increased from 35.5p to 37.0p.

**Company: Entertainment One Limited (“E1”)**

**Sector: Entertainment Rights**

**Ticker: ETO LN**

#### Strategy and Opportunity:

E1 has identified the opportunity to create a leading international entertainment group through the combination of international film distribution and independent television content production.

Within film, growth is being driven by increasing investment in rights acquisition, with 123 titles released internationally in the year to 31 March 2010. The group also continues to review corporate acquisition opportunities in new international territories.

Within TV, E1 is the leading independent television producer in Canada and has had a number of recent commissioning successes from major US network broadcasters. Supported by unique Canadian production financing incentives and with established reach into the US and international markets, E1 is well positioned to drive long term value from its production and distribution activities across multiple genres including drama, comedy and kids.

#### Management Biography:

Darren Throop (CEO) and Patrice Theroux (President of Filmed Entertainment) have more than 45 years of combined experience in the entertainment industry. Giles Willits (CFO) was previously Director of Group Finance of J Sainsbury plc.

#### Progress over the Period:

In January 2010, E1 completed a placing of 19.5m shares at 53p per share and used the proceeds to buy back exchangeable notes with a face value of GBP14.5m for a total consideration of GBP9m. The Master

Fund acquired 6.9m shares as part of the placing. Following the buyback, notes with a face value of GBP5.1m remain outstanding, all of which continue to be held by the Master Fund.

In May 2010, E1 announced its results for the year ended 31 March 2010, which were ahead of market expectations with revenue up by 30 % at GBP444.2m (2009: GBP342.6m), and EBITDA up 36% at GBP34.3m (2009: GBP25.3m). E1 also reduced its net debt by GBP17.1m to GBP63.2m.

On 15 July 2010, E1 completed a reorganisation and step up from AIM to the main market of the London Stock Exchange. Following the reorganisation the parent company of the group is now domiciled in Canada.

#### Investment Performance:

During the six month period to 30 June 2010, E1's share price increased from 52p to 78.5p.

**Company: Marwyn Materials Limited (“Marwyn Materials”)**

**Sector: Construction Materials**

**Ticker: MMAT LN**

#### Strategy and Opportunity:

Marwyn Materials has identified the opportunity to create value for shareholders through a properly executed, acquisition led strategy in the international building materials industry focusing on the UK, Eastern Europe and the US. Whilst the UK and international building materials markets are generally well consolidated and dominated by a small number of key players, the smaller end of the market remains fragmented and management believes that shareholder value can be created through market consolidation and providing a first-class localised service to customers. Through their experience of previous recessions, management believe significant value can be created by investing at a cyclical low point. In the long term management believe that recovery in the building materials industry will be driven by the private sector with growth expected in infrastructure, private housing, commercial and industrial subsectors from 2011.

#### Management Biography:

Peter Tom CBE (Executive Chairman) has more than 50 years' experience in the aggregates industry, starting at Bardon Hill Quarries Limited, where he became CEO in 1985. Peter expanded the group, which went on to become Aggregate Industries plc and led the negotiations which resulted in its successful acquisition by Holcim in 2005.



Simon Vivian (Chief Executive Officer) has over 20 years' experience in aggregates and construction. Most recently he was CEO of Mowlem plc and negotiated the takeover of Mowlem plc by Carillion plc in 2005. Prior to Mowlem plc, Simon worked in a number of roles at Hanson plc, ultimately as CEO of its European building materials business.

Ian Peters (Finance Director) has more than 20 years' experience in the international building materials industry, initially in financial controller roles within the UK aggregates business of Hanson plc. Following the demerger of Hanson plc in 1997, Ian was appointed group financial controller, and was involved in the completion of GBP2.5bn of acquisitions. He went on to become finance and development director of Hanson Building Materials Europe between 2000 and 2003. After a year as Finance Director, for Continental Europe and Asia, in 2004 Ian was appointed general manager, Continental Europe.

#### Progress over the Period:

Earlier this month, Marwyn Materials, announced that it had entered into a conditional agreement to acquire Breedon Holdings Limited, the largest independent UK aggregates producer with 29 quarries, 19 asphalt plants, 27 ready mix concrete plants and 181 million tonnes of mineral reserves. The £160 million reverse takeover, Marwyn's biggest transaction to date, will place one of the most experienced management teams in the industry at the helm of a well invested business, which following admission will be renamed Breedon Aggregates Limited. Chairman Peter Tom was formerly CEO and later Chairman of Aggregate Industries. Simon Vivian, CEO, was formerly CEO of Mowlem and of Hanson's European Building Materials business.

The new management believes that the acquisition represents an ideal platform for acquisitive growth through the consolidation of the UK and European heavyside building materials sector and that the business will be an early beneficiary of an economic upturn. Several bolt-on acquisitions have already been identified. Gross proceeds of £50 million from a conditional placing by Marwyn Materials will be used to pay down some of Breedon's existing debt and provide approximately £25.0 million of funds for working capital, capital expenditure and acquisitions. A £94.5 million bank facility will be provided by Breedon's existing lenders (who previously owned 67 per cent of the group) for five years from completion of the transaction.

The Master Fund will invest approximately £12 million in the placing, taking its interest in the ordinary share capital of Marwyn Materials to approximately 27%.

#### Investment Performance:

During the six month period to 30 June 2010, Marwyn Material's share price decreased from 14.5p to 14.0p.

**Company: Praesepe plc (“Praesepe”)**

**Sector: Gaming**

**Ticker: PRA LN**

Strategy and Opportunity:

Praesepe has identified the opportunity to consolidate the fragmented low-stake, high-volume (“LSHV”) gaming market in the UK and Europe and to build a diversified gaming group including gaming machines, bingo and sports book/pool betting operations. Praesepe’s pipeline of acquisition opportunities ranges from smaller transactions through to larger medium-to-long term transformational opportunities; the strength of the pipeline is driven by the fragmented nature of LSHV gaming market in the UK and Europe, management’s relationships within the industry and the announced and expected regulatory improvements for operators in the LSHV gaming market.

Management Biography:

Nick Harding (CEO) is a leading manager in the UK gaming sector with relevant experience at Talarius plc, Rank Group plc, Ladbrokes plc and Gala Coral Group Limited. Nick is a past President of BACTA (the AGC industry trade association), a trustee of the Responsibility in Gambling Trust, an advisor to GamCare and was the founding chairman of iGGBA (the UK’s first interactive gaming association).

Matthew Proctor (CFO) joined Praesepe in February 2009 from Gala Coral Group Limited, a market leader in the UK gaming industry, where he was Group Finance Director and a member of the group executive committee. Matthew worked at Gala Coral Group Limited for seven years.

Progress over the period:

In March 2010, Praesepe raised GBP6.0m through the placing of 80m shares at 7.5p each to fund the acquisition of Beacon Entertainments Limited, which completed in April 2010. This was Praesepe's fifth acquisition and delivers on Praesepe's strategy to build a diversified gaming group by substantially increasing Praesepe’s UK adult gaming centre (“AGC”) footprint and bringing Praesepe into the bingo market. This acquisition created a step change in revenues and EBITDA for Praesepe. Following the acquisition, the Praesepe estate has 86 operating sites, comprising 76 AGCs, six bingo clubs and four family entertainment centres.

In April 2010, Praesepe announced its year end results for the 52 weeks ended 27 December 2009, reporting revenue of GBP11.9m (2008: GBP4.5m) with growth driven by the full year effect of the Casino business acquired in 2008 and the post acquisition trading of the businesses acquired in 2009.

EBITDA for the operating businesses increased to GBP2.2m (2008: GBP1.0m), group EBITDA increased to GBP1.1m (2008: loss of GBP1.2m) and pre-tax loss narrowed to GBP0.7m (2008: loss of GBP1.6m).

#### Investment Performance:

During the six month period to 30 June 2010, Praesepe's share price decreased from 8.0p to 6.9p.

**Company:** Silverdell plc ("Silverdell")

**Sector:** Asbestos Services

**Ticker:** SID LN

#### Strategy and Opportunity:

Silverdell has identified the opportunity to consolidate key businesses within the high growth, fragmented UK asbestos services sector. Its ultimate objective is to create a nationwide, full service provider capable of delivering environmental, remediation and consultancy services across diverse end user markets including government, retail, utilities, nuclear, marine and petrochemical. Its core asbestos services market is growing at c.15%, driven by regulatory requirements and the increasing threat of litigation.

#### Management Biography:

Stuart Doughty (Executive Chairman) has over 40 years' experience in the construction industry and from 2001 to 2005 served as Chief Executive Officer of Costain Group plc. Previously he was a director of Alfred McAlpine Construction Limited, Tarmac Construction Limited and Managing Director of John Laing Construction Limited.

Sean Nutley (CEO) has over 20 years in both operational and managerial roles in the industry with Silverdell (UK) Limited.

#### Progress over the period:

Following the successful refinancing of Silverdell in 2009, revenue growth in the first half of its financial year to 31 March 2010 was constant when compared to the previous year at GBP29.6m. However, the business experienced significant margin improvement with underlying EBITDA of GBP1.9m (2009: GBP0.6m). Management reported that they remained confident in meeting the consensus EBITDA for the full year of GBP4.0m.

#### Investment Performance:

During the six month period to 30 June 2010, Silverdell's share price decreased from 10.5p to 8.5p.

**Company:** Zetar plc (“Zetar”)

**Sector:** Specialty Confectionery

**Ticker:** ZTR LN

#### Strategy and Opportunity:

Zetar has identified the opportunity to acquire businesses operating in the confectionery, snack foods and related sectors. The fragmented nature of the European confectionery market, an increased demand for healthier snack products, and increasing industry regulation have presented an opportunity for consolidation. Zetar is now the UK market leader in advent calendars and the UK's fourth largest Easter egg manufacturer.

#### Management Biography:

Ian Blackburn has been CEO since Zetar was listed in January 2005. Between 1998 and 2003 Ian was Chief Executive and, prior to that, Finance Director of Perkins Foods plc.

Clive Beecham joined the Board in April 2005 and has been Group Managing Director since July 2006. He was a co-founder of Kinnerton in 1978 and has been its Managing Director since that time. He continues to have board responsibility for the Kinnerton Group Limited as well as leading Zetar's operational initiatives related to product, packaging and customers.

In January 2010, Zetar announced it had appointed Mark Stott to the board as Group Finance Director. Mark previously worked as Group Finance Director of Noble Foods Limited (Europe's largest egg company) and in various senior finance roles with Dairy Crest plc (a leading UK chilled dairy foods company).

#### Progress over the Period:

In January 2010, Zetar announced its interim results for the six months to 31 October 2009. During this period sales grew 7% to GBP57.1m (2008: GBP53.6m) and EBITDA was up 18% to GBP3.9m (2008: GBP3.3m).

In May 2010, Zetar published a trading update, announcing a strong recovery in both trading and financial performance with expectations that full year results for the year ended 30 April 2010 would be significantly ahead of last year and in line with market expectations.

#### Investment Performance:

During the six month period to 30 June 2010, Zetar's share price increased from 180.5p to 212.5p.

## **INVESTMENTS – B ORDINARY SHARES**

**Company:** Fulcrum Utility Services Limited (formerly Marwyn Capital I Limited) (“Fulcrum”)

**Sector:** Support Services

**Ticker:** FCRM LN

### **Strategy and Opportunity:**

Fulcrum has identified the opportunity to become the leading utilities connections provider to the non-regulated UK market, through the acquisition and turnaround of Fulcrum Group Holdings Limited, a wholly owned subsidiary of National Grid plc.

Fulcrum Group Holdings Limited is an independent gas transportation and connections business, generating revenue of GBP31.0m and an EBITDA loss of GBP8.3m in the ten months to 31 January 2010. Despite having the key attributes critical to success in the connections market – namely a skilled engineering base, national coverage and established credibility in the market – as a non-core subsidiary of National Grid the business has been prevented from efficiently responding to increased competition in the market and taking advantage of new revenue opportunities.

Fulcrum believes that with a new management team and independent ownership, Fulcrum Group Holdings Limited can be re-established as the leading provider to the market and return to strong revenue growth and profitability.

### **Management Biography:**

John Spellman (CEO) has more than 30 years experience in the energy and utilities industries and was most recently CEO of Corona Energy Limited, the largest independent supplier of gas to the UK industrial and commercial sector. Whilst at Corona Energy Limited, John successfully completed a turnaround of the business, delivering revenue growth, reducing operational risk and realising operational efficiency savings.

### **Progress over the Period:**

On 17 June 2010, Marwyn Capital I Limited (“MCIL”) announced that it had entered into a conditional agreement with National Grid plc to acquire Fulcrum Group Holdings Limited for a nominal consideration of GBP10 and a post-completion working capital adjustment of approximately GBP5m in favour of MCIL. At the same time, MCIL announced the placing of 91.7m Ordinary shares at a price of 12p per share, with the net proceeds to be used to fund the ongoing operations and turnaround of Fulcrum Group Holdings Limited. Following the placing, the Master Fund holds 13.2% of the shares in the

enlarged group. MCIL also announced that at completion it would change its name to Fulcrum Utility Services Limited.

MCIL announced the completion of the acquisition of Fulcrum Group Holdings Limited on 8 July 2010.

#### Investment Performance:

During the six month period to 30 June 2010, Fulcrum's share price increased from 14.5p to 15.75p.

**Company:** Marwyn Capital II Limited ("MCII")

**Sector:** Investment Company

**Ticker:** MCII LN

#### Strategy and Opportunity

Incorporated in December 2009, MCII was established to acquire one or more quoted or unquoted businesses or companies (in whole or in part) initially by way of a reverse takeover. MCII will conduct its activities wholly or mainly in the UK with particular focus on the following sectors: healthcare, testing and inspection and leisure.

#### Management Biography

A management team is yet to be appointed.

#### Progress over the period

Nothing to report.

#### Investment Performance:

During the six month period to 30 June 2010, MCII's share price increased from 12p to 12.5p.

## **RESPONSIBILITY STATEMENT**

We confirm that to the best of our knowledge:

(a) the Condensed Set of Financial Statements has been prepared in accordance with IAS 34 - Interim Financial Reporting;

(b) the Chairman's Statement and Interim Management Report, Investment Manager's Report and Condensed Notes to the Financial Statements include:

\* a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

\* a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

Robert Ware  
Non-executive Chairman

Paul Everitt  
Non-Executive Director

25 August 2010

**STATEMENT OF COMPREHENSIVE INCOME - FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010**

	For the six month period ended 30 June 2010 (unaudited)			For the six month period ended 30 June 2009 (unaudited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>INCOME</b>						
Bank interest	60	-	60	1,205	-	1,205
Gain on investments held at fair value through profit or loss	-	4,610,028	4,610,028	-	16,588,952	16,588,952
	<u>60</u>	<u>4,610,028</u>	<u>4,610,088</u>	<u>1,205</u>	<u>16,588,952</u>	<u>16,588,952</u>
<b>EXPENSES</b>						
Directors' fees	-	-	-	28,556	-	28,556
Administration fees	-	-	-	26,509	-	26,509
Legal and professional fees	-	-	-	295,086	-	295,086
Regulatory expenses	-	-	-	2,829	-	2,829
Audit fees	-	-	-	6,918	-	6,918
Registrars fees	-	-	-	3,368	-	3,368
Exempt fee	-	-	-	898	-	898
Formation expenses	-	-	-	-	-	-
Other expenses	60	-	60	15,273	-	15,273
	<u>60</u>	<u>-</u>	<u>60</u>	<u>379,437</u>	<u>-</u>	<u>379,437</u>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<u>-</u>	<u>4,610,028</u>	<u>4,610,028</u>	<u>(378,232)</u>	<u>16,588,952</u>	<u>16,210,720</u>
Attributable to holders of Ordinary shares	<u>-</u>	<u>4,373,163</u>	<u>4,373,163</u>	<u>(378,232)</u>	<u>16,588,952</u>	<u>16,210,720</u>
Attributable to holders of B Ordinary shares	<u>-</u>	<u>236,865</u>	<u>236,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
Return per Ordinary share - basic	-	6.19p	6.19p	(0.46p)	20.19p	19.73p
Return per Ordinary share - diluted	-	4.66p	4.66p	(0.46p)	20.19p	19.73p
Return per B Ordinary share - basic and diluted	-	4.97p	4.97p	-	-	-

All items in the above statement derive from continuing operations. The notes to the unaudited condensed financial statements form an integral part of these financial statements.



**STATEMENT OF FINANCIAL POSITION**  
**30 JUNE 2010**

	<b>30 June 2010</b> <b>(unaudited)</b> <b>£</b>	<b>31 December 2009</b> <b>(audited)</b> <b>£</b>
<b>NON-CURRENT ASSETS</b>		
Unquoted investments held at fair value through profit or loss	84,805,213	80,188,371
<b>CURRENT ASSETS</b>		
Prepayments	-	-
Cash and cash equivalents	<u>253,797</u>	<u>396,577</u>
	<u>253,797</u>	<u>396,577</u>
<b>TOTAL ASSETS</b>	<u>85,059,010</u>	<u>80,584,948</u>
<b>CURRENT LIABILITIES</b>		
Loan	(250,000)	(250,000)
Accruals	<u>(3,797)</u>	<u>(146,577)</u>
<b>TOTAL LIABILITIES</b>	<u>(253,797)</u>	<u>(396,577)</u>
<b>NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS</b>	<u>84,805,213</u>	<u>80,188,371</u>
<b>EQUITY</b>		
Share capital	87	87
Share premium	48,384,287	48,384,287
Special distributable reserve	26,346,979	26,346,979
Warrant reserve	4,392,660	4,392,660
Exchange reserve	54,388	47,574
Capital reserve - Unrealised	(1,977,287)	(6,587,315)
Revenue reserve	<u>7,604,099</u>	<u>7,604,099</u>
<b>TOTAL EQUITY</b>	<u>84,805,213</u>	<u>80,188,371</u>
Net assets attributable to each Ordinary share	78,674,420	74,301,258
Net assets attributable to each B Ordinary share	6,130,793	5,887,113
Net assets per Ordinary share	117.41p	90.44p
Net assets per B Ordinary share	122.40p	117.53p

The notes to the unaudited condensed financial statements form an integral part of these financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 25 August 2010.

Robert Ware  
Non-executive Chairman

Paul Everitt  
Non-Executive Director

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY**

**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010 (UNAUDITED)**

	<b>Called up share capital £</b>	<b>Share premium £</b>	<b>Special distributable reserve £</b>	<b>Warrant reserve £</b>	<b>Exchange reserve £</b>	<b>Capital reserve £</b>	<b>Revenue reserve £</b>	<b>Total £</b>
As at 1 January 2010	87	48,384,287	26,346,979	4,392,660	47,574	(6,587,315)	7,604,099	80,188,371
Exchanges	-	-	-	-	6,814	-	-	6,814
Profit for the period	-	-	-	-	-	4,610,028	-	4,610,028
As at 30 June 2010	87	48,384,287	26,346,979	4,392,660	54,388	(1,977,287)	7,604,099	84,805,213

**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2009 (UNAUDITED)**

	<b>Called up share capital £</b>	<b>Share premium £</b>	<b>Special distributable reserve £</b>	<b>Warrant reserve £</b>	<b>Exchange reserve £</b>	<b>Capital reserve £</b>	<b>Revenue reserve £</b>	<b>Total £</b>
As at 1 January 2009	8,215,647	43,780,480	26,346,979	4,392,660	-	(25,614,795)	(473,502)	56,647,469
Exchanges	-	-	-	-	-	-	-	-
(Loss)/Profit for the period	-	-	-	-	-	16,588,952	(378,232)	16,210,720
As at 30 June 2009	8,215,647	43,780,480	26,346,979	4,392,660	-	(9,025,843)	(851,734)	72,858,189

The notes to the unaudited condensed financial statements form an integral part of these financial statements.

**CASH FLOW STATEMENT**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010**

	<b>For the six month period to 30 June 2010 (unaudited)</b>	<b>For the six month period to 30 June 2009 (unaudited)</b>
	<b>£</b>	<b>£</b>
<b>Net cash outflow from operating activities</b>	-	(207,294)
<b>Net cash inflow/(outflow) from investing activities</b>	-	200,000
<b>Net cash outflow before financing</b>	-	(7,294)
Payment of share issue costs	(142,780)	-
<b>Net cash outflow from financing activities</b>	(142,780)	-
<b>Decrease in cash and cash equivalents</b>	(142,780)	(7,294)
<b>Cash and cash equivalents at beginning of period</b>	396,577	80,131
<b>Cash and cash equivalents at end of period</b>	253,797	72,837

The notes to the unaudited condensed financial statements form an integral part of these financial statements.

## **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2010 TO 30 JUNE 2010**

### **General information**

Marwyn Value Investors Limited is a closed-ended investment fund registered by way of continuation in the Cayman Islands (registered number MC-228005). The rights of the shareholders are governed by Cayman Law and may differ from the rights and duties owed to shareholders in a UK incorporated company. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

### **Basis of preparation**

The condensed set of financial statements included in this interim report has been prepared in accordance with the International Accounting Standard (IAS) 34 'Interim Financial Reporting', as adopted by the European Union.

In order to better reflect the activities of an investment company in accordance with the guidance issued by the Association of Investment Companies ("AIC"), supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income.

On the basis that the financial statements have been prepared in accordance with IFRS, the Directors have not sought to prepare the financial statements on a basis compliant with the recommendations of the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC"), except for the Statement of Comprehensive Income presentation discussed above.

The condensed set of financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual report and audited financial statements for the year ended 31 December 2009. These interim financial statements have not been audited or reviewed by auditors.

The Company does not operate in an industry where significant or cyclical variations as a result of seasonal activity are experienced during the financial year.

### **Accounting policies**

The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2009, except as described below.

*(a) Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group*

- IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint

- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.
- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received any assets from customers.
- 'Additional exemptions for first-time adopters' (Amendment to IFRS 1) was issued in July 2009. The amendments are required to be applied for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing IFRS preparer.
- Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The effective dates vary standard by standard but most are effective 1 January 2010.

## **1. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, or the parties are under common control or influence, in making financial or operational decisions.

### *(a) Management fee*

Under the Master Fund Management Agreement, the Manager receives monthly management fees from the Master Fund not exceeding 2% per annum of the net asset value of each class of share in the Master Fund, payable monthly in arrears.

On 8 July 2009, the Company completed its planned reorganisation and subsequent migration to the Cayman Islands. Prior to the reorganisation, the Master Fund also paid the Manager performance and incentive fees equal to 20% of the increase in the net asset value of each class of share in the Master Fund over and above a reference net asset value, with performance and incentive fees only therefore paid where the net asset value is above a "high watermark" for the relevant class of share. The Manager did not receive a performance fee in relation to its investments which are categorised as Special Situation Investments. Following the reorganisation, the incentive allocation borne by the Class F and B1 Interests is no longer calculated on the basis of realised and unrealised gains that arise on the value of the Master Fund's net assets during the relevant accounting period and there will be no high watermark. Any incentive allocation to be borne by the Class F and Class B1 Interests will only be payable on "Returns" being made. For these purposes Returns shall mean any distribution, dividend or return of capital by the Master Fund to holders of the Class F and Class B1 Interests and purchases of Ordinary shares and B Ordinary shares by the Company or the Master Fund (which are subsequently cancelled through the Exchange Procedure or otherwise).

*(b) Administration fee*

Axio Capital Solutions Limited, a related party, was paid £27,500 for the administration of the Ordinary shares and B Ordinary shares including administration of the Exchange Procedure during the period.

Fortis Fund Services (Guernsey) Limited was paid £20,000 for the administration of the Ordinary shares in the prior year comparative period. Post the implementation of the Exchange Procedure, these fees are paid by the Master Fund.

*(c) Board of Directors' remuneration*

With effect from 1 January 2010, all Directors are entitled to receive an annual fee of £20,000 per annum for their services as Director to the Company, any part of which may be waived. All Directors are entitled to receive reimbursement for all travel and other costs incurred as a direct result of carrying out their duties as Directors.

The Directors, together with their beneficial interests and those of their families, held the following interests in the Ordinary shares or Warrants of the Company at 30 June 2010, and there have been no changes in their interests from 30 June 2010 to the date of approval of this interim report.

	<b>Ordinary shares</b>	<b>New Warrants</b>
Robert Thomas Ernest Ware	458,715	78,975
Paul Cookson	Nil	Nil
James Corsellis	Nil	Nil
Paul Everitt	Nil	Nil
Michael Price	Nil	Nil

No Directors held any interest in the B Ordinary shares. The emoluments of the individual Directors for the period were:

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Robert Thomas Ernest Ware	10,000	10,000
Paul Cookson*	5,699	-
James Corsellis	10,000	-
Paul Everitt	10,000	3,667
Michael Price	10,000	4,889
David Williams**	-	-
David John Warr	-	5,000
Ian Geoffrey Clarke	-	5,000
	<u>45,699</u>	<u>28,556</u>

\* Appointed 18 March 2010, \*\* Resigned 18 March 2010.

Since the introduction of the Exchange Procedure, Directors' fees are paid directly from the Master Fund. The above fees do not include reimbursed expenditure.

## 2. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

The earnings per Ordinary share for the period has been calculated on a weighted average basis and is arrived at by dividing the net (loss)/ profit for the period by the weighted average number of Ordinary shares in issue. The weighted average number of Ordinary shares is 70,605,644 (30 June 2009: 82,156,473) and the weighted average number of B Ordinary shares is 4,770,442 (30 June 2009: Nil).

## 3. DIVIDEND

The Directors do not recommend an interim dividend. The Company expects to distribute realised returns from investments or make follow-on investments consistent with its investment strategy.

## 4. SHARE CAPITAL

On 12 February 2010, the 15,150,000 Ordinary shares held by the Master Fund were exchanged for Master Fund partnership interests and Exchange Shares, resulting in Ordinary shares outstanding of 67,006,473, outstanding Exchange Shares of 15,150,000 and outstanding B Ordinary shares of 5,008,870. The rights of the Ordinary shares, B Ordinary shares and Exchange Shares remain as detailed in the last annual report.

The share capital of the Company together with movements during the period are shown in the tables below.

<b>Movement for the 6 month period to 30 June</b>		<b>2010</b>		<b>2009</b>
<b><u>Issued and fully paid</u></b>	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
<i>Ordinary shares:</i>				
Opening Balance – Ordinary shares	82,156,473	82	82,156,473	8,215,647
Opening Balance – B Ordinary shares	5,008,870	5	-	-
<b>Opening Balance – Total Ordinary shares</b>	<b>87,165,343</b>	<b>87</b>	<b>82,156,473</b>	<b>8,215,647</b>
Ordinary shares redesignated as Exchange Shares	(15,150,000)	(15)	-	-
B Ordinary shares redesignated as B Exchange Shares	(653,870)	(1)	-	-
B Exchange Shares redesignated as B Ordinary shares	653,870	1	-	-
Closing balance – Ordinary shares	67,006,473	67	82,156,473	8,215,647
Closing balance – B Ordinary shares	5,008,870	5	-	-
<b>Closing balance – Total Ordinary shares</b>	<b>72,015,343</b>	<b>72</b>	<b>82,156,473</b>	<b>8,215,647</b>

		2010		2009
	Number	£	Number	£
<i>Exchange Shares:</i>				
<b>Opening Balance</b>	-	-	-	-
Ordinary shares redesignated as Exchange Shares	15,150,000	15	-	-
B Ordinary shares redesignated as B Exchange Shares	(653,870)	(1)	-	-
B Exchange Shares redesignated as B Ordinary shares	653,870	1	-	-
<b>Closing balance</b>	<b>15,150,000</b>	<b>15</b>	<b>-</b>	<b>-</b>

## 5. RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company have not changed since the publication of the last annual financial statements. A summary of those principal risks follows below and a detailed explanation can be found in the notes to the last annual financial statements.

### Market Risk

The Company's exposure to market risk consists of Interest Rate Risk and Price Risk. The Company is not directly exposed to any material Currency Risk, although this may be a factor in Price Risk as a result of the investments made by the Master Fund.

#### *(a) Interest Rate Risk*

The Company finances its operations through a mixture of shareholders' capital and retained returns. With the exception of cash at bank, which receives interest at a floating rate and the loan from the Master Fund, which pays interest received net of charges on the corresponding cash amount held, all assets and liabilities of the Company are non-interest bearing. All income received by the Company on cash held is paid to the Master Fund in accordance with the Exchange Procedure.

#### *(b) Price Risk*

The Company invests in two classes of the Master Fund, Class F and Class B1 and is susceptible to market price risk arising from uncertainties about future values of those Master Fund classes. The Company's investment portfolio complies with the investment parameters as disclosed in its SFM Admission document.

Any movement in the value of the Class F or Class B1 of the Master Fund would result in an equivalent movement in the net asset value per Ordinary share and B Ordinary share respectively.



**Liquidity Risk**

The Company's investment in the Master Fund is relatively illiquid as the Master Fund invests a significant part of its assets in illiquid investments. The Master Fund and/ or Company may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

As all operating expenses, other than share issue costs paid directly by the Company from the proceeds of shares issued, are paid by the Master Fund and the loan is repayable by set-off the Directors do not consider the Company has any liquidity risk.

**Credit Risk**

The main credit risk relates to the cash held with financial institutions. The Company's maximum exposure to credit risk is the carrying value of the cash on the balance sheet. In addition there is the risk that the Master Fund is unable to satisfy valid redemption instructions delivered by the Company. The Directors consider that the Investment Manager manages the Company's exposure to this credit risk by way of its investment process.