H.R.OWEN

OFFICIAL DEALER

INTERIM STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013


JACK BARCLAY

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

£134.3m
+4.6%

REVENUE*

◆ £128.4m six months ended 30 June 2012

£2.6m
+23.2%

PROFIT BEFORE TAX*

◆ £2.1m six months ended 30 June 2012

7.3p
+23.7%

EARNINGS PER SHARE*

◆ 5.9p six months ended 30 June 2012

2.0p
+100%

DIVIDEND PER SHARE

◆ 1.0p six months ended 30 June 2012

£10.7m
+42.7%

CASH, CASH EQUIVALENTS & DEPOSIT BALANCES

◆ £7.5m as at 30 June 2012

CONTENTS

"The results represent an excellent performance for the first half outperforming management's expectations. We have a very strong management team in place across the business successfully delivering on our strategic initiatives which are producing consistently good results. The Board continues to look to the future with much confidence and optimism."

JON WALDEN, CHAIRMAN

* From continuing operations

CHIEF EXECUTIVE'S REPORT

I am delighted to report that the Group has continued the positive trading momentum articulated at the time of the announcement of our 2012 full year results and once again improved its underlying trading results in the six months to 30 June 2013 with a performance significantly ahead of management expectations.

Profit for the period from continuing operations, before tax, increased by 23% to £2.6 million compared to £2.1 million to 30 June 2012, representing earnings per share after tax from continuing operations of 7.3 pence (2012: 5.9 pence). In addition, the Group generated a profit from discontinued operations of £0.2 million (2012: £0.3 million). As a result, total profit before tax for the Group was £2.8 million (2012: 2.4 million) and total earnings per share for the period were 8.3 pence (2012: 7.3 pence). Revenue from continuing operations for the period was higher at £134.3 million (2012: £128.4 million) as the Group experienced strong trading performance across its underlying businesses, particularly in used car sales.

"The Group has performed particularly well across our product and service offerings over the period with all business lines being ahead of management expectations at the half year. Of particular note was the significant improvement in used car sales, which were up 24% on prior year with improved margins, the consequence of our strategic initiatives in this sector. We continue to invest in all areas of the business and have further strategic initiatives in aftersales commencing in the second half of the year and beyond."

JOE DOYLE, CHIEF EXECUTIVE

The Group's sales operations traditionally deliver proportionally their best performance in the first half of the year, but the Board had previously anticipated that the first half of 2013 would be constrained by new car delivery schedules as many of the model launches planned by manufacturers for 2013 were due to occur in the second half of the year. However, new car trading has remained robust and significantly ahead of internal expectations and, combined with the strength of our used car sales, has produced a result for the first half of 2013 which has substantially outperformed the same period last year.

The performance of our aftersales operations has been strong and continues to show encouraging improvement with results in the first half ahead of both internal expectations and the prior period. A strategic review of this area was completed in the first half of 2013 with implementation to commence during the third quarter and then beyond into 2014. We have targeted both improvements in efficiency and further revenue generation from the additional capacity created.

The implementation of the Group's strategy for growth continues to gain momentum in many areas. The introduction of an enhanced used car strategy has been particularly successful. Used car volumes in the period of 534 used car sales were up by 24% on the prior year and at improved margins. Additional procurement resource combined with the benefits of our new processes and multi-channel approach to advertising, together with a stronger customer proposition has begun to deliver our potential in this market. The Board sees significant upside opportunity for continued growth for the Group in the used car market.

The new customer relationship management system is now fully operational across all franchises and improvements continue to be made in our digital communications to customers. Website visits have more than doubled since we embarked upon this strategy and we anticipate continued growth in this area which can only continue to enhance the recognition of the Group and the H.R. Owen brand.

The Group has looked to strengthen its relationships and engagement with its customers by hosting a record number of events in the first half of the year as we seek to enable customers to obtain the fullest use and enjoyment of their cars. This is an area that we are seeking to develop further.

Development also continues with related new business opportunities, in particular financial services and accident management for our customers, where we have agreed terms for supply of the service via an outsourced arrangement. We have also developed an online parts and accessories distribution platform which has been launched in the first phase with vintage pre-1955 Bentley parts. The Board believes these initiatives will provide sound foundations for future growth in the business.

Adjusting for the additional £1.5 million (2012: £1.0 million) placed on term deposit in the period, there was a cash inflow in the six months of £4.5 million (2012: £0.4 million) with strong cash flows from operations. The Group finished the period with a strong balance sheet and cash balances, including cash deposits, of £10.7 million (compared to £6.2 million at 31 December 2012 and £7.5 million at 30 June 2012). Excluding manufacturer stocking loans of £22.9 million (2012: £16.1 million), the Group had a net cash position of £3.8 million (2012: net debt of £0.2 million).

On 24 May 2013, the Company paid the final dividend in respect of the year ended 31 December 2012 of 1.25 pence per ordinary share. The Board remains committed to its policy of progressive dividend growth and, with the achievement of a strong first half result, has declared an increased interim dividend for the six months ended 30 June 2013 of 2.0 pence per ordinary share (2012: 1.0 pence per ordinary share). This dividend is expected to be paid on 25 October 2013 to shareholders on the register at the close of business on 27 September 2013. With an excellent first half now delivered and promising momentum building into the second half of 2013 the Board intends to recommend at the year-end a dividend for the second half of 2013 of no less than 2.0p, which combined with the interim dividend of 2.0p will total an annual dividend per share of no less than 4.0p. Indeed in light of the growing strategic strength of the business, underpinned by the Board's optimism for the outlook and opportunities for growth for the Group, the Board currently intends to recommend a dividend of no less than 4.5p for 2014 and no less than 5.0p for 2015. The dividend intentions outlined today are a direct result of the sound financial management of the business and the strong performance of the management team in the successful implementation of the Group's strategic initiatives.

Capital expenditure in the six months was £0.8 million (2012: £0.2 million). The Group continues to invest in its dealership premises and, in July, opened its new Lamborghini showroom in Pangbourne following the Group's successful appointment as Lamborghini's dealer for Berkshire. The four-car showroom has been completed to the manufacturer's latest designs and specifications.

The results for the first half of 2013 have been particularly pleasing and are a testament to the strength of the Group's strategy and its relationship with its customers and manufacturers. The second half of this year sees a significant number of new models (for example, Bentley's new Flying Spur, the Rolls-Royce Wraith, and Maserati's new Ghibli, amongst others) where a large number of advance orders are held. In addition, momentum from the first half in used cars has continued into July when in excess of 120 used cars were sold – a record for the Group in its current format. Given these underlying trends, and the continued successful implementation of our strategy, the Board remains very confident in the full year trading outcome.

On 17 July 2013 H.R. Owen received an unsolicited cash offer from Berjaya Philippines Inc. for the entire issued and to be issued share capital of the Company. The offer was for 130 pence per H.R. Owen share. The Board has since rejected the offer believing it to be inadequate and at a level which materially undervalues the Company. In support of this decision H.R. Owen has today published its response document which is being sent to all shareholders and which the Board encourages you to read carefully.

The Board continues to maintain a policy of continuous identification of risks and rewards which may significantly impact on the Group's current and future results. Details of the principal risks and uncertainties are disclosed in Note 1 of the 2012 Annual Report.

The Group was extremely pleased to receive the prestigious 2013 Motor Trader awards of Dealer Group of the Year as well as Dealer Website of the Year. The Dealer Group award is recognition for setting industry standards and for implementing the most successful strategy for developing sales and profitability in the past year. These awards are due to the immense contribution made by all our colleagues, and I would like to record my appreciation to them for their continuing commitment and efforts.

J DOYLE
Chief Executive
8 August 2013

INDEPENDENT REVIEW REPORT TO H.R. OWEN 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 six months ended 30 June 2013 which comprises a consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cashflow statement and related notes.

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.

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 the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (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 Standard 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.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

INDEPENDENT REVIEW REPORT TO H.R. OWEN PLC
CONTINUED

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 six months ended 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

BDO LLP

Chartered Accountants and Registered Auditors
Southampton
United Kingdom
8 August 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Notes:

a. The maintenance and integrity of the H.R. Owen Plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

b. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Notes	**Unaudited 6 months ended 30 June 2013 £'000**	Unaudited 6 months ended 30 June 2012 £'000	Audited Year ended 31 December 2012 £'000
Continuing operations				
Revenue	4	**134,286**	128,440	243,516
Cost of sales		**(114,678)**	(109,579)	(208,237)
Gross profit		**19,608**	18,861	35,279
Other income	5	**687**	182	304
Distribution costs		**(9,205)**	(8,821)	(17,303)
Administrative expenses		**(8,080)**	(7,671)	(14,993)
Operating profit		**3,010**	2,551	3,287
Finance costs and similar charges		**(659)**	(732)	(1,571)
Finance income		**240**	286	596
Profit before taxation		**2,591**	2,105	2,312
Taxation	6	**(867)**	(713)	(906)
Profit after taxation from continuing operations		**1,724**	1,392	1,406
Discontinued operations				
Profit for the period from discontinued operations	7	**233**	325	325
Profit for the period attributable to owners of the parent		**1,957**	1,717	1,731
Earnings per share:				
— Basic (pence per ordinary share)	3	**8.3p**	7.3p	7.3p
— Diluted (pence per ordinary share)	3	**8.3p**	7.3p	7.3p
Earnings per share from continuing operations:				
— Basic (pence per ordinary share)	3	**7.3p**	5.9p	6.0p
— Diluted (pence per ordinary share)	3	**7.3p**	5.9p	6.0p

The notes on pages 13 to 24 form an integral part of this condensed set of financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Unaudited 6 months ended 30 June 2013 £'000	Unaudited 6 months ended 30 June 2012 £'000	Audited Year ended 31 December 2012 £'000
Profit for the period	**1,957**	1,717	1,731
Other comprehensive income/(expense)			
Actuarial gains/(losses) recognised in defined benefit pension scheme	**570**	(694)	(581)
Deferred taxation thereon	**(131)**	167	134
Tax benefit on special pension contributions			
— deferred tax	**(26)**	(12)	(28)
— current tax	**26**	12	29
Total other comprehensive income/(expense) for the period	**439**	(527)	(446)
Total comprehensive income for the period attributable to owners of the parent	**2,396**	1,190	1,285

	Unaudited 6 months ended 30 June 2013 £'000	Unaudited 6 months ended 30 June 2012 £'000	Audited Year ended 31 December 2012 £'000
Total comprehensive income for the period attributable to owners of the parent arises from:			
Continuing operations	**2,163**	865	960
Discontinued operations	**233**	325	325
Total comprehensive income for the period attributable to owners of the parent	**2,396**	1,190	1,285

The notes on pages 13 to 24 form an integral part of this condensed set of financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2013

	Notes	**Unaudited 6 months ended 30 June 2013 £'000**	Unaudited 6 months ended 30 June 2012 £'000	Audited Year ended 31 December 2012 £'000
Assets				
Non-current assets				
Intangible assets		**3,145**	3,145	3,145
Property, plant and equipment	8	**8,663**	9,085	8,810
Deferred tax assets		**336**	694	699
Total non-current assets		**12,144**	12,924	12,654
Current assets				
Inventories		**43,770**	35,110	39,848
Trade and other receivables		**11,553**	9,530	10,627
Cash and cash equivalents		**7,668**	6,524	4,657
Other current interest-bearing deposits		**3,000**	1,000	1,500
		10,668	7,524	6,157
Total current assets		**65,991**	52,164	56,632
Liabilities				
Current liabilities				
Financial liabilities – borrowings		**(29,747)**	(23,822)	(29,457)
Current tax liabilities		**(768)**	(651)	(892)
Trade and other payables		**(31,761)**	(25,245)	(24,138)
Total current liabilities		**(62,276)**	(49,718)	(54,487)
Net current assets		**3,715**	2,446	2,145
Non-current liabilities				
Deferred tax liabilities		**(998)**	(1,452)	(1,128)
Retirement benefit liability	13	**(66)**	(1,228)	(1,074)
Total non-current liabilities		**(1,064)**	(2,680)	(2,202)
Net assets		**14,795**	12,690	12,597
Equity attributable to the owners of the parent				
Ordinary shares	9	**11,806**	11,806	11,806
Retained earnings		**2,989**	884	791
Total equity		**14,795**	12,690	12,597

The notes on pages 13 to 24 form an integral part of this condensed set of financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Unaudited Ordinary shares £'000	Unaudited Retained earnings £'000	Unaudited Total equity £'000
At 1 January 2012	11,806	(142)	11,664
Profit for the period	—	1,717	1,717
Actuarial losses recognised in defined benefit pension scheme	—	(694)	(694)
Deferred tax thereon	—	167	167
Corporation tax benefit on special pension contributions			
— deferred tax	—	(12)	(12)
— current tax	—	12	12
Other comprehensive expense for the period		(527)	
Total comprehensive income for the period	—	1,190	1,190
Dividends paid	—	(165)	(165)
Share options:			
— value of employee services	—	1	1
At 1 July 2012	11,806	884	12,690
Profit for the period	—	14	14
Actuarial gains recognised in defined benefit pension scheme	—	113	113
Deferred tax thereon	—	(33)	(33)
Corporation tax benefit on special pension contributions			
— deferred tax	—	(16)	(16)
— current tax	—	17	17
Other comprehensive expense for the period		81	
Total comprehensive income for the period	—	95	95
Dividends paid	—	(237)	(237)
Share options:			
— value of employee services	—	49	49
At 1 January 2013 carried forward	**11,806**	**791**	**12,597**

	Unaudited Ordinary shares £'000	Unaudited Retained earnings £'000	Unaudited Total equity £'000
At 1 January 2013 brought forward	**11,806**	**791**	**12,597**
Profit for the period	—	**1,957**	**1,957**
Actuarial gains recognised in defined benefit pension scheme	—	**570**	**570**
Deferred tax thereon	—	**(131)**	**(131)**
Corporation tax benefit on special pension contributions			
— deferred tax	—	**(26)**	**(26)**
— current tax	—	**26**	**26**
Other comprehensive income for the period		**439**	
Total comprehensive income for the period	—	**2,396**	**2,396**
Dividends paid	—	**(295)**	**(295)**
Share options:			
— value of employee services	—	**97**	**97**
At 30 June 2013	**11,806**	**2,989**	**14,795**

The notes on pages 13 to 24 form an integral part of this condensed set of financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Notes	**Unaudited 6 months ended 30 June 2013 £'000**	Unaudited 6 months ended 30 June 2012 £'000	Audited Year ended 31 December 2012 £'000
Cash flows from operating activities				
Cash generated from operations	10	**6,955**	1,346	1,657
Finance costs		**(723)**	(732)	(1,457)
Tax paid		**(944)**	(222)	(558)
Tax recovered		**54**	—	22
Net cash generated from/(used in) operating activities		**5,342**	392	(336)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**7**	—	7
Purchase of property, plant and equipment		**(806)**	(159)	(846)
Finance income		**263**	286	564
Increase in other current interest-bearing deposits		**(1,500)**	(1,000)	(1,500)
Net cash used in investing activities		**(2,036)**	(873)	(1,775)
Cash flows from financing activities				
Payments of dividends to shareholders		**(295)**	(165)	(402)
Net cash used in financing activities		**(295)**	(165)	(402)
Increase/(decrease) in cash and cash equivalents		**3,011**	(646)	(2,513)
Cash and cash equivalents at 1 January		**4,657**	7,170	7,170
Cash and cash equivalents at 30 June		**7,668**	6,524	4,657

The notes on pages 13 to 24 form an integral part of this condensed set of financial statements.

NOTES TO THE INTERIM STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

1. Basis of preparation and other information

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2012 were approved by the board of directors on 26 March 2013 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed, not audited. The condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with International Accounting Standard ("IAS") 34 'Interim financial reporting' as adopted by the European Union. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Company details

The Company's registered address is Melton Court, Old Brompton Road, London SW7 3TD. The Company is a public limited company listed on the London Stock Exchange and is incorporated and domiciled in England and Wales. The Company's registration number at Companies House is 1753134.

Accounting policies

Except as described below the principal accounting policies used in preparing this financial information are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in the Group's Annual Report & Accounts on pages 44 to 47 of those annual financial statements.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual earnings.

The following standard has been applied to the interim results:

- Amendments to IAS19 Employee Benefits (applicable for our December 2013 financial statements): The amendments require immediate recognition of actuarial gains and losses in other comprehensive income and eliminate the corridor method. The principal amendment that will affect most entities with a defined benefit plan is the requirement to calculate net interest income or expense using the discount rate used to measure the defined benefit obligation. The effect of adopting this Standard has been to reduce finance income in the period by £77,000. There is no effect on the net asset position.

There are no other new standards, amendments to standards, or interpretations which are effective in 2013 that are relevant to the Group.

1. Basis of preparation and other information continued

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. These risks are formally reviewed by the Board and, where appropriate, monitored and mitigated by suitable processes.

Any business associated with the sale of cars is vulnerable to outside factors, both political and economic. Interest rate changes, increasing fuel costs, congestion charging, and broader environmental concerns could all have an impact on a consumer's decision whether or not to buy a particular new or used car. Our activities are spread across a number of manufacturers and across both new and used cars and aftersales in order to attempt to minimise the risks that arise.

Other risks relate to the close contractual relationships we have with a number of vehicle manufacturers, and in particular our reliance on their continuing to supply a suitable mix of popular vehicle models at competitive prices. If this supply ceases, is restricted or over-supplied for any reason, then clearly the impact on our performance, especially in relation to new cars, could have an adverse effect on profitability. This risk is mitigated by the Group's spread of manufacturer relationships and the Group's careful observance of maintaining manufacturer operational standards.

Possible future changes to the legislative framework governing the sale of new cars in the UK, and the competition provided by internet-based brokers and sellers, also pose risks to us. We have developed a significant on-line presence in order to ensure exposure to these rapidly developing new avenues of sales. In the area of aftersales, any improvement in the reliability and durability of cars will reduce their need for servicing and repairs, and the threat of increased competition from the independent service and repair sector is now a permanent feature of the market. The Group's investment in maintaining close relationships with its customers aims to generate customer loyalty and mitigate the risk of aftersales work migrating to the independent sector.

Financial instruments

The Group utilises financial instruments such as used vehicle stocking loans in order to finance its operations and to manage the interest rate and liquidity risks that arise from those operations and from its sources of finance. It is not the policy of the Group to trade in financial instruments. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk.

This interim financial information does not include all financial risk management information and disclosures as required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

In the period to 30 June 2013:

- there have been no changes in the Board's policy for managing each of the risks above;
- there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities; and
- there were no reclassifications of financial assets.

1. Basis of preparation and other information continued

Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive's Report on pages 2 and 3. Details of the Group's liquidity position and borrowing facilities are described in the Group's 2012 Annual Report & Accounts in Note 16 of those annual financial statements, and the Group's objectives, policies and processes for managing its capital are set out in the Directors' Report. Its financial risk management objectives, details of its financial instruments, and its exposures to credit risk and liquidity risk are set out in Note 18 of those annual financial statements. The directors believe that the Group remains well placed to manage its business risks successfully despite the uncertain economic outlook.

Therefore, at the time of preparation of this half-yearly financial report, after making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Group's half-yearly financial report.

2. Dividends

On 24 May 2013, the final dividend recommended for the year ended 31 December 2012 of 1.25 pence per ordinary share, amounting to £295,000, was paid to shareholders. An interim dividend of 2.0 pence per ordinary share (2012: 1.00 pence per ordinary share) has been declared on 8 August 2013 for the six months ended 30 June 2013 and is expected to be paid on 25 October 2013 to shareholders on the register at the close of business on 27 September 2013. This interim dividend has not been recognised as a liability in this interim financial information but will be recognised in shareholders' equity in the annual financial statements for the year ending 31 December 2013.

3. Earnings per share

The calculation of earnings per share is based on the profit after taxation of £1,957,000 (2012: £1,717,000) and the weighted average number of shares in issue during the period of 23,611,742 (2012: 23,611,742). The calculation of earnings per share for the year ended 31 December 2012 is based on the profit after taxation of £1,731,000 and the weighted average number of shares in issue during the period of 23,611,742.

The calculation of earnings per share from continuing operations is based on the profit after taxation of £1,724,000 (2012: £1,392,000) and the weighted average number of shares in issue during the period of 23,611,742 (2012: 23,611,742). The calculation of earnings per share from continuing operations for the year ended 31 December 2012 is based on the profit after taxation of £1,406,000 and the weighted average number of shares in issue during the year of 23,611,742.

3. Earnings per share continued

Basic earnings per share is calculated by dividing the earnings attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares which are currently exercisable. The Group has two classes of dilutive potential ordinary shares being share options granted to employees in 2005 under the 2001 Share Option Plan and those granted to employees in 2012 under the 2011 Share Option Plan. At 30 June 2013, the performance criteria for the vesting of the options granted in 2005 had been met and consequently there were an additional 528,887 ordinary shares which were exercisable.

The share options granted in June 2012 to executive directors and certain senior employees under a long-term incentive plan have not been included in the calculation of diluted earnings per share as the performance conditions for these options have not been met and the options are therefore not exercisable.

4. Segmental reporting

The chief operating decision-maker has been identified as the board of directors. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board considers the business primarily from a product perspective, assessing the performance of car sales (both new and used) and aftersales (including servicing, parts and bodyshop).

The Board assesses the performance of the operating segments based on a measure of adjusted operating profit, defined as gross profit less directly attributable expenses. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments, such as exceptional gains on lease disposals and redundancy costs and other exceptional items. Finance income and costs are not included in the result for each operating segment that is reviewed by the Board. Other information provided to the Board is measured in a manner consistent with that in the Financial Statements.

For 2013 the Group is organised into two main business segments: the sale of new and used motor vehicles and an aftersales operation consisting of the servicing of vehicles, sales of parts and bodyshop repairs. Unallocated costs represents shared property costs and depreciation of fixed assets, in addition to background support services, such as finance, IT and marketing, and corporate expenses which cannot be directly attributed to either business segment.

4. Segmental reporting continued

The Group operates from a single geographical area, namely the United Kingdom.

Six months ended 30 June 2013	Sales £'000	Aftersales £'000	Segment totals £'000	Unallocated £'000	Group £'000
Continuing operations:					
Revenue – external customers	115,731	18,555	134,286	—	134,286
Segment result	6,228	3,896	10,124	(7,114)	3,010
Finance costs	—	—	—	(659)	(659)
Finance income	—	—	—	240	240
Profit/(loss) before tax	6,228	3,896	10,124	(7,533)	2,591
Taxation	—	—	—	(867)	(867)
Profit/(loss) from continuing operations for the period	6,228	3,896	10,124	(8,400)	1,724
Discontinued operations:					
Revenue – external customers	—	—	—	—	—
Segment result	—	—	—	233	233
Finance costs	—	—	—	—	—
Finance income	—	—	—	—	—
Profit before tax	—	—	—	233	233
Taxation	—	—	—	—	—
Profit from discontinued operations for the period	—	—	—	233	233
Inventories	40,052	3,718	43,770	—	43,770
Other segment assets	3,315	2,428	5,743	16,478	22,221
Unallocated assets					
— property, plant and equipment	—	—	—	8,663	8,663
— intangible assets	—	—	—	3,145	3,145
— tax	—	—	—	336	336
Total assets	43,367	6,146	49,513	28,622	78,135
Inventory stocking loans	(28,848)	(899)	(29,747)	—	(29,747)
Other segment liabilities	(19,827)	(3,042)	(22,869)	(8,892)	(31,761)
Unallocated liabilities					
— Tax and other non-current liabilities	—	—	—	(1,832)	(1,832)
Total liabilities	(48,675)	(3,941)	(52,616)	(10,724)	(63,340)
Net assets/(liabilities)	(5,308)	2,205	(3,103)	17,898	14,795

The total segmental loss before tax of £7,300,000 which cannot be allocated to either Car Sales or Aftersales segments includes depreciation charges of £947,000. Unallocated property, plant and equipment of £8,663,000 includes capital expenditure of £806,000.

4. Segmental reporting continued

Six months ended 30 June 2012	Sales £'000	Aftersales £'000	Segment totals £'000	Unallocated £'000	Group £'000
Continuing operations:					
Revenue – external customers	111,635	16,805	128,440	—	128,440
Segment result	5,947	3,738	9,685	(7,134)	2,551
Finance costs	—	—	—	(732)	(732)
Finance income	—	—	—	286	286
Profit/(loss) before tax	5,947	3,738	9,685	(7,580)	2,105
Taxation	—	—	—	(713)	(713)
Profit/(loss) from continuing operations for the period	5,947	3,738	9,685	(8,293)	1,392
Discontinued operations:					
Revenue – external customers	—	—	—	—	—
Segment result	—	—	—	325	325
Finance costs	—	—	—	—	—
Finance income	—	—	—	—	—
Profit before tax	—	—	—	325	325
Taxation	—	—	—	—	—
Profit from discontinued operations for the period	—	—	—	325	325
Inventories	31,758	3,352	35,110	—	35,110
Other segment assets	2,432	2,093	4,525	12,529	17,054
Unallocated assets					
— property, plant and equipment	—	—	—	9,085	9,085
— intangible assets	—	—	—	3,145	3,145
— tax	—	—	—	694	694
Total assets	34,190	5,445	39,635	25,453	65,088
Inventory stocking loans	(23,486)	(336)	(23,822)	—	(23,822)
Other segment liabilities	(16,001)	(2,715)	(18,716)	(6,529)	(25,245)
Unallocated liabilities					
— Tax and other non-current liabilities	—	—	—	(3,331)	(3,331)
Total liabilities	(39,487)	(3,051)	(42,538)	(9,860)	(52,398)
Net assets/(liabilities)	(5,297)	2,394	(2,903)	15,593	12,690

The total segmental loss before tax of £7,255,000 which cannot be allocated to either Car Sales or Aftersales segments includes depreciation charges of £963,000. Unallocated property, plant and equipment of £9,085,000 includes capital expenditure of £159,000.

4. Segmental reporting continued

Year ended 31 December 2012	Sales £'000	Aftersales £'000	Segment totals £'000	Unallocated £'000	Group £'000
Continuing operations:					
Revenue – external customers	209,511	34,005	243,516	—	243,516
Segment result	9,626	7,354	16,980	(13,693)	3,287
Finance costs	—	—	—	(1,571)	(1,571)
Finance income	—	—	—	596	596
Profit/(loss) before tax	9,626	7,354	16,980	(14,668)	2,312
Taxation	—	—	—	(906)	(906)
Profit/(loss) for the year from continuing operations	9,626	7,354	16,980	(15,574)	1,406
Discontinued operations:					
Revenue – external customers	—	—	—	—	—
Segment result	—	—	—	325	325
Finance costs	—	—	—	—	—
Finance income	—	—	—	—	—
Profit before tax	—	—	—	325	325
Taxation	—	—	—	—	—
Profit from discontinued operations for the period	—	—	—	325	325
Inventories	36,623	3,225	39,848	—	39,848
Other segment assets	3,684	1,832	5,516	11,268	16,784
Unallocated assets					
— property, plant and equipment	—	—	—	8,810	8,810
— intangible assets	—	—	—	3,145	3,145
— tax	—	—	—	699	699
Total assets	40,307	5,057	45,364	23,922	69,286
Inventory stocking loans	(28,975)	(482)	(29,457)	—	(29,457)
Other segment liabilities	(15,779)	(781)	(16,560)	(8,470)	(25,030)
Unallocated liabilities					
— Tax and other non-current liabilities	—	—	—	(2,202)	(2,202)
Total liabilities	(44,754)	(1,263)	(46,017)	(10,672)	(56,689)
Net (liabilities)/assets	(4,447)	3,794	(653)	13,250	12,597

The total segmental loss before tax of £14,343,000 which cannot be allocated to either Car Sales or Aftersales segments includes depreciation charges of £1,918,000. Unallocated property, plant and equipment of £8,810,000 includes capital expenditure of £846,000.

5. Other income

	Unaudited 6 months ended 30 June 2013 £'000	Unaudited 6 months ended 30 June 2012 £'000	Audited Year ended 31 December 2012 £'000
Curtailment gain arising from closure of defined-benefit pension Scheme to future accrual	**343**	—	—
Other miscellaneous income	**344**	182	304
Total other income	**687**	182	304

As part of the process of closing the defined-benefit pension scheme ("the Scheme") to future accrual, the Company agreed with the trustees of the Scheme that it would make a one-off cash contribution into the new defined-contribution schemes of those affected employees. This payment totalled £83,000 and has been charged against Distribution costs in the Income Statement.

6. Income tax

The income tax charge is recognised based on management's best estimate of the weighted average annual corporation tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2013 is 30.1% (the estimated tax rate for the six months ended 30 June 2012 was 33.9%).

7. Discontinued businesses

The income statement and cash flow statement distinguish discontinued operations from continuing operations. The Group still holds certain provisions and other contingent liabilities relating to businesses sold in prior years and reviews these balances at each balance sheet date to assess whether they are still required to be held. As a result of this assessment at 30 June 2013 a sum of £233,000 was released back to profit.

In March 2011, the Group closed its Alfa Romeo dealership at Parsons Green, London and relinquished the franchise to the manufacturer and then, in March 2012, surrendered its property lease back to its landlord, receiving a cash consideration of £325,000.

Basic and diluted profits and losses per share from discontinued operations are set out below:

	Unaudited 6 months ended 30 June 2013 £'000	Unaudited 6 months ended 30 June 2012 £'000	Audited Year ended 31 December 2012 £'000
Basic (pence per ordinary share)	**1.0**	1.3	1.3
Diluted (pence per ordinary share)	**1.0**	1.3	1.3

8. Fixed asset movements

In the six month period under review, the Group acquired fixed assets of £806,000 (2012: £159,000). Included in this amount is capital expenditure in respect of improvements to leasehold premises in the period which amounted to £123,000 (2012: £20,000) and assets in the course of construction of £495,000 (2012: £Nil). Depreciation charges for the six months ended 30 June 2013 were £947,000 (2012: £963,000). The Group disposed of fixed assets with a net book value of £8,000 (2012: £4,000).

9. Shares and share options

At 30 June 2013 the issued share capital of the Company was 23,611,742 ordinary shares of 50 pence each. No new shares were issued in the period. The Company has cumulative grants of 528,887 share options to directors and certain senior executives as at 30 June 2013 for which the performance target for these share options to become exercisable has been met. Certain additional options were granted in June 2012 to the executive directors and certain senior management. An accounting charge of £97,000 has been charged in respect of the grant of these options against the results for the six months ended 30 June 2013 (six months ended 30 June 2012: £1,000) whilst the comparative figures for the year ended 31 December 2012 included an accounting charge of £50,000.

The Remuneration Committee met on 16 July 2013, prior to the announcement of the Offer on 17 July 2013, and approved new awards under the Company's existing long term incentive plan to some of its executive management. The scheme is intended to provide annual allocations and was approved by H.R. Owen shareholders at the Company's Annual General Meeting in 2012. It is the intention of the Board to grant these awards following the announcement of these interim results today. Based on an indicative share price at the date of grant of 138 pence, the awards will cover approved share allocations under the scheme of 390,431 (2012: award of 872,716) or 1.7% (2012: 3.7%) of the issued share capital of H.R. Owen Plc.

10. Cash flows from operating activities

	Unaudited 6 months ended 30 June 2013 £'000	Unaudited 6 months ended 30 June 2012 £'000	Audited Year ended 31 December 2012 £'000
Continuing operations:			
Profit for the period from continuing operations	**1,724**	1,392	1,406
Adjustments for:			
Tax charge	**867**	713	906
Depreciation charge	**947**	963	1,918
Loss on disposal of property, plant and equipment	**1**	4	5
Share option charge/(credit)	**97**	(1)	50
Finance income	**(240)**	(286)	(596)
Finance costs	**659**	732	1,571
Changes in working capital:			
(Increase)/decrease in inventories	**(4,193)**	2,849	1,790
(Increase) in trade and other receivables	**(949)**	(1,062)	(2,127)
Increase/(decrease) in payables	**8,155**	(4,237)	(3,515)
Excess of pension contributions over current service cost	**(113)**	(46)	(76)
Cash generated from continuing operations	**6,955**	1,021	1,332
Discontinued operations:			
Profit for the period from discontinued operations	**233**	325	325
Changes in working capital:			
(Decrease) in payables	**(233)**	—	—
Cash generated from discontinued operations	**—**	325	325
Total cash generated from operations	**6,955**	1,346	1,657

11. Capital commitments

At 30 June 2013 the Group had capital commitments associated with the development of its new Lamborghini dealership at Pangbourne, Berkshire of £107,000 (2012: £Nil).

12. Related-party transactions

H.R. Owen Plc operates four Bentley franchises for new and used car sales, through its Jack Barclay Limited and Broughtons of Cheltenham Limited subsidiaries. The Group also operates five Bentley aftersales franchises from its service and bodyshop facilities through its Jack Barclay Limited, Broughtons of Cheltenham Limited and H.R. Owen Dealerships Limited subsidiaries. Bentley Motors Limited holds shares in H.R. Owen Plc equivalent to 27.9% of the Company's issued share capital and has therefore been deemed to be a related party. During the six months ended 30 June 2013, the Group purchased vehicles and parts from Bentley Motors Limited totalling £36.0 million (2012: £30.4 million). At 30 June 2013, an amount of £1.8 million (31 December 2012: £1.0 million) was owed by the Group to Bentley Motors Limited.

13. Retirement benefit liability

The Group operates the H.R. Owen London Defined Benefit Pension Scheme, a defined benefit pension scheme, which operates on a pre-funded basis. The funding policy is to contribute such variable amounts as, on the advice of the Scheme's actuary, will achieve a 100% funding level on a projected salary basis. Actuarial assessments covering expense and contributions are carried out by independent qualified actuaries, with the last such review being carried out as at 5 April 2010.

The Scheme currently operates in a deficit position and, as a result, H.R. Owen Plc agreed with the Scheme's trustees that the Group would make an additional annual contribution of £50,000 in May 2011 and May 2012 and, if the Scheme remained in a deficit position, a further payment of £50,000 in 2013. The payments scheduled to be made in 2011 and 2012 were both made in those years. In March 2013 the Group, with the agreement of the trustees of the Scheme, closed the Scheme to future accrual and agreed to increase the 2013 scheduled payment to the Scheme to £100,000. That payment was made in March 2013. H.R. Owen Plc also makes additional monthly contributions of £4,000 to the Scheme, with these additional monthly contributions continuing whilst the Scheme remains in a deficit position.

14. Seasonality

The Group's sales of new cars are subject to significant monthly fluctuations as a result of the bi-annual registration plate change which occurs in the months of March and September in the United Kingdom. As a result of these fluctuations, the Group historically makes the majority of its revenue in the first six months of the year and this trend is broadly expected to continue in this, and future, years.

15. Responsibility statement

The directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by the Disclosure and Transparency Rules ("DTR") 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of H.R. Owen Plc are listed in the Annual Report & Accounts for the year ended 31 December 2012. On 14 June 2013 Brendan Moynahan resigned as a non-executive director of the Company. There have been no other changes in the composition of the Board in 2013 up to the date of this report.

By order of the Board:

J DOYLE
Chief Executive
8 August 2013

M WARREN
Finance Director

PROFESSIONAL ADVISERS

Company Secretary and Registered Office
James David Seton Adams
Melton Court
Old Brompton Road
London SW7 3TD

Independent Auditors
BDO LLP
Chartered Accountants and Statutory Auditors
Arcadia House
Maritime Walk
Ocean Village
Southampton SO14 3TL

Solicitors
SNR Denton LLP
One Fleet Place
London
EC4M 7WS

Stockbrokers
Charles Stanley & Company Limited
131 Finsbury Pavement
London EC2A 1NT

Bankers
Barclays Bank plc
1 Churchill Place
London E14 5HP

Registrars
Capita Registrars Limited
34 Beckenham Road
Beckenham
Kent BR3 4TU

Registered Number
1753134

For further information on our services please visit our website www.hrowen.co.uk

H.R. OWEN PLC

MELTON COURT ◆ OLD BROMPTON ROAD ◆ LONDON SW7 3TD

TEL: 020 7245 1122 ◆ www.hrowen.co.uk