Aston Martin Holdings (UK) Limited

Interim financial report

for the period ended 30 June 2015

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Business review and outlook

The Aston Martin brand is one of the most widely recognised luxury sports car brands with a one hundred and two year history of technical automotive performance and a high standard of styling and design. Our portfolio of sports cars is one of the most diversified offerings in the high luxury sport ("HLS") segment. We currently have five models in our product range: V8 Vantage (including the V8 Vantage S), V12 Vantage S, DB9, Vanquish and Rapide S. Some of these models are available in different model types, including engine sizes, as well as in coupe and convertible models. For the twelve months ended 30 June 2015, we sold 3,611 cars.

Our primary production facility is located in Gaydon, UK. The Gaydon facility was opened in 2003, developed for the specific needs of Aston Martin and is one of Europe's most modern automotive manufacturing facilities and one of the most advanced manufacturing facilities in the HLS segment. Other than the engines and certain other components, we manufacture all of our models in Gaydon.

Our total sales (excluding Cygnet) in the second quarter of 2015 were 839 vehicles (829 in the second quarter of 2014).

Average prices

	For the three months ended 30 June 2015	For the year ended 31 December 2014	For the three months ended 30 June 2014
Average car sale price in £ thousands	120 (1)	114 (1)	118 (1)

(1) Excludes Cygnet, Taraf & Zagato models

Sales volumes

	For the three months ended 30 June 2015	For the year ended 31 December 2014	For the three months ended 30 June 2014
V8	286	1,072	237
V12	553	2,590	592
Cygnet	-	23	13
Total	839	3,685	842

Recent developments and factors affecting comparability

On 30 April 2014 the group exercised an option to acquire an additional 10% of the share capital of AMWS Limited, the parent company of Aston Martin Works Limited, for a consideration of £100, increasing its interest in the ordinary share capital of the company from 40% to 50%. Aston Martin Works Limited's principal activities are the servicing, restoration and sale of luxury high-performance motor cars under the brand name of Aston Martin. Previously, Aston Martin Works Limited was accounted for as an associated company using the equity method of accounting, but following the increase in the shareholding to 50% it became a subsidiary and has been fully consolidated from 1 May 2014. In accordance with IFRS 3, for accounting purposes this transaction has been treated as a disposal of a 40% interest and the acquisition of a new 50% interest giving rise to a gain on the disposal of the associated company of £1,706,000, which has been treated as a non-recurring item and recorded in administrative and other expenses in the condensed consolidated statement of comprehensive income. From 1 May 2014 the condensed consolidated statement of comprehensive income includes all revenues and costs of Aston Martin Works Limited whilst the condensed consolidated statement of financial position shows all assets and liabilities.

In the quarter David Richards transferred 32,571 ordinary shares in Aston Martin Holdings (UK) Limited to the following shareholders: 19,671 ordinary shares to Prestige Motor Holdings S.A. and 12,900 ordinary shares to Tejara Capital Limited.

On 23 April 2015, the company accepted binding subscriptions for £200 million of preference shares. The first tranche of £100 million was received on 27 April 2015 and the second tranche of £100 million may be drawn at any time in the following 12 months. These subscriptions also include warrants for a pro rata allocation of P shares (non-voting ordinary shares) corresponding to 4% of the fully diluted share capital of the company.

On 8 June 2015 Mark Wilson joined the group as the new CFO. Mark reports directly to the CEO Dr Andrew Palmer and takes a place on the Executive Board at Aston Martin. Mark has senior automotive experience with McLaren Automotive and Lotus Cars Ltd. He joined the team from renewable energy insurer G-Cube Underwriting where he held the post of Chief Financial and Operating Officer.

In June 2015, the company increased the RCF facility from £30 million to £40 million and extended the expiry date from July 2016 to July 2018.

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Financial review - income statement

Revenue

Revenue was £111.4m for the three months ended 30 June 2015, compared to £108.8m for the three months ended 30 June 2014, an increase of £2.6m or 2.4%, giving revenue of £211.4m for the year to date, an increase of £1.9m or 0.9% over the corresponding period in 2014. Vehicle sales decreased by 3 units or 0.4% to 839 vehicles in the 2015 quarter as compared to 842 vehicles in the second quarter of 2014. There was also a deterioration in the model mix with V12 sales falling to 65.9% of sales from 70.3%, whilst V8 sales have increased to 34.1% from 28.1%. In the half year sales volumes decreased by 74 units to 1,591 vehicles from 1,665 in 2014 with a deterioration in the model mix with V12 sales decreasing to 66.4% from 71.7% and V8 sales increasing to 33.6% from 26.9%. Despite the reduced volumes and adverse model mix, turnover was higher in both the quarter and half year due to favourable exchange movements with in particular the US Dollar 11.0% stronger in the quarter and 8.4% stronger in the half year. The overall effect was that the average wholesale price for core models i.e. excluding Cygnet and Lagonda Taraf, improved from £118,000 to £120,000 in the quarter and from £115,000 to £118,000 in the half year.

Cost of sales

Cost of sales were £79.9m for the three months ended 30 June 2015, compared to £73.7m for the three months ended 30 June 2014, an increase of £6.2m or 8.4%, whilst for the half year they increased to £145.4m from £136.9m, an increase of £8.5m or 6.2%.

Material costs for the three months ended 30 June 2015 increased to £50.7m or 45.5% of revenue compared to £48.8m or 44.9% of revenue for the same period in 2014. Material costs in the half year increased to £97.3m or 46.0% of revenue from £96.1m or 45.9% of revenue. The slight increase as a percentage of revenue in both the quarter and the half year is mainly due to the adverse model mix referred to above with the higher percentage of V8 sales as compared to V12, being largely offset by exchange benefits with material costs also benefitting from a weaker Euro.

Direct labour for the three months ended 30 June 2015 was £4.8m or 4.3% of revenue, the same as in 2014 when it represented 4.4% of revenue. The corresponding figures for the half year are virtually the same at £9.0m or 4.3% of revenue in 2015 and £9.1m or 4.3% of revenue in 2014.

Other cost of sales for the three months ended 30 June 2015 were £24.4m or 21.9% of revenue, compared to £20.1m or 18.5% of revenue for the three months ended 30 June 2014. In the half year these costs increased to £39.1m from £31.6m, 18.5% and 15.1% of revenue respectively. These increases are principally arise from labour and overhead costs that have previously been absorbed into the cost of inventory in periods of increased inventory, being charged to profit now that inventory levels are falling.

Gross profit

The gross profit was £31.5m or 28.3% of revenue for the three months ended 30 June 2015, compared to £35.1m or 32.3% for the quarter ended 30 June 2014. The gross profit for the half year was £66.0m or 31.2% whilst the 2014 comparatives were £72.6m and 34.7%. Despite the benefit from exchange rates, the deterioration in the quarter and half year in both absolute and percentage terms is due to lower sales volumes coupled with an adverse model mix, together with the increased labour and overhead cost within other costs of sales.

Selling and distribution expenses

Selling and distribution expenses reduced by £0.4m to £8.6m for the three months to 30 June 2015, as compared to £9.0m for the three months to 30 June 2014. In the half year they increased by £0.4m to £16.9m from £16.5m in 2014.The reduction In the quarter arose from lower headcount and cost saving initiatives whilst in the half year these second quarter savings have been offset by increased first quarter costs in connection the expansion of activities in overseas markets and legal costs in protecting the group's intellectual property and trademarks.

Administrative and other expenses

Administrative and other expenses were £36.9m for the three months to 30 June 2015, compared to £32.3m for the three months to 30 June 2014, an increase of £4.6m, and £72.2m for the half year in 2015 as compared to £67.8m in 2014. Included in both the quarter and the half year in 2015 is £2.6m being a payment to a former director relating to the settlement for shares, whilst in the 2014 quarter and the half year there is a profit of £1.7m on the disposal of the associated company. Adjusting for these one-off items, costs increased by £0.3m in the quarter and £0.1m in the half year. Depreciation and amortisation increased by £1.6m in the quarter and £2.1m in the half year, in line with the group's increased capital expenditure profile. Consequently, the core costs before depreciation and amortisation and non-recurring items reduced by £1.3m in the quarter and £2.0m in the half year as part of the aggressive cost controls that are being implemented throughout the group.

Operating loss

The operating loss was £(14.0)m in the three months ended 30 June 2015, compared to a loss of £(6.2)m in the three months to 30 June 2014, a deterioration of £(7.8)m. The half year also saw a deterioration with a loss of £(23.1)m in 2015 as compared to a loss of £(11.5)m in 2014. However, as mentioned above, 2015 included £2.6m of non-recurring costs in both the quarter and half year, and the 2014 quarter and half year included a non-recurring gain of £1.7m. Adjusting for these items the underlying loss deteriorated by £(3.5)m in the quarter from £(7.9)m to £(11.4)m and in the half year from £(13.2)m to £(20.4)m. In the quarter, gross profit reduced by £(3.6)m due to lower sales volumes, adverse model mix and charges for labour and overheads previously absorbed into inventory, whilst fixed costs, excluding non-recurring items, reduced by £0.1m despite an increase in the depreciation and amortisation charge of £(1.6)m. In the half year, gross profit decreased by £(6.6)m for the same reasons as highlighted for the quarter, whilst fixed costs only increased by £(0.5)m despite an increase in the depreciation and amortisation charge of £(2.1)m.

Finance income / (expense)

The net finance expense was £(0.2)m in the three months to 30 June 2015, compared to £(6.4)m in the corresponding quarter of 2014. For the half year the net finance expense was £(29.9)m in 2015 as compared to £(13.5)m in 2014. In the quarter there was an increased net gain on fair value adjustments on foreign exchange hedges of £6.7m in 2015 as compared to £1.4m in 2014. In 2015 this mainly arose through the weakening of the Euro against the US Dollar, whilst in 2014 it arose almost entirely from the weakening of the US Dollar against Sterling. This weakening of the US Dollar led to a foreign exchange gain on the translation of US Dollar denominated PIK Notes of £7.1m in 2015 as compared to a gain of £2.5m in 2014. Other net interest costs in the quarter increased to £(13.9)m in 2015 from £(10.4)m in 2014 due to the interest on the Preference Shares issued in April 2015. In the 2015 half year the net loss on the fair value of foreign exchange hedges was £(6.1)m, whilst in 2014 there was a net gain of £2.2m. The loss in 2015 was primarily reflective of a weakening of the Euro against the US Dollar whilst the first half gain in 2014 was due to a weakening of the US Dollar against Sterling. Similarly, due to the US Dollar weakening, there were exchange gains on translation of the PIK Notes of £1.2m in 2015 and £3.2m in 2014. Other net finance costs increased to £(25.0)m in 2015 from £(18.9)m in 2014 due to the Preference Share issue in April 2015. Further analysis of finance

Income tax credit

The income tax credit was £1.9m in the three months to 30 June 2015, as compared to a credit £2.9m in the three months to 30 June 2014, representing rates of 13.5% and 22.9% of the loss before tax respectively. In the half year to 30 June 2015 there was a credit of £5.3m representing a rate of 10.0%, which compared to a credit of £4.7m in 2014, a rate of 18.6%. The percentage is lower than the applicable UK corporation tax rates for the years of 20.25% in 2015 and 21.5% in 2014 as a result of credit not being taken for certain losses, the utilisation of which is not certain. Please refer to note 5 for more information on income tax.

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Financial review - cash flow statement

The three months to 30 June 2015 saw a net cash inflow of £61.3m, compared to an outflow of £(14.4)m in the three months to 30 June 2014. The equivalent flows for the half year were an inflow of £8.6m in 2015 as compared to an inflow of £40.2m in 2014. The cash balance at 30 June 2015 is £97.8m.

Cash flow from operating activities

We generated £4.1m of net cash from our operating activities in the three months to 30 June 2014, and £3.1m in the half year to 30 June 2015, as compared to generating £10.7m and £10.4m in the equivalent three month and six month periods to 30 June 2014. Working capital deteriorated by £(1.3)m in the quarter with a decrease in inventory being more than offset by adverse movements in receivables and payables, whilst 2014 had seen a small net improvement of £0.6m. The balance of the reduction in cash generation arose primarily from the slightly increased loss. Similarly, in the six months working capital deteriorated by £(12.3)m in 2015 as compared to £(14.4)m in 2014. In 2015 this arose from increased receivables, whilst 2014 saw a build up of inventory.

Cash flow from investing activities

Net cash used in investing activities increased to £37.6m in the three months to 30 June 2015, compared to £26.9m in the three months to 30 June 2014. The half year also an increase to £72.2m in 2015 from £54.0m in 2014. The increase arose both from expenditure on intangible and tangible assets. The former increased to £28.8m and £58.1m respectively in the quarter and half year in 2015 from £24.2m and £48.1m respectively in the equivalent 2014 periods, whilst tangible assets also increased to £9.5m and £15.3m in 2015 from £4.6m and £8.2m in 2014. This is reflective of the group implementing its biggest investment strategy in its history to bring a complete new range of vehicles to market. The 2014 quarter and half year also includes an inflow of £1.3m which was the cash in the Works Service business upon the acquisition of a further 10% of its equity on 30 April 2014. This resulted in the company becoming a subsidiary as opposed to an associate and therefore being fully consolidated.

Cash flow from financing activities

Net cash generated from financing activities was £91.0m in the three months to 30 June 2015, as compared to £2.9m in the three months to 30 June 2014. The half year to June 2015 saw net cash generated of £75.8m as compared to £85.8m in 2014. The major reasons for the net inflow in the 2015 quarter were the issue of £100m of preference shares and the receipt of £2.4m from previously partly paid shares. This was offset by interest payments of £(1.1)m the repayment of borrowings of £(6.7)m and transaction fess on the preference shares of £(3.5)m. In contrast the 2014 quarter saw £3.8m raised from the issue of additional equity offset by £(0.8)m from interest and borrowing repayments. In 2015 the only significant difference between the half year and the quarter were interest payments that totalled £(16.3)m in the half year mainly due to the bond interest paid in January. However, in 2014 the half year figure was significantly higher than that for the quarter primarily as a result of the cash raised in March 2014 of £99.1m ($165.0m) through the issue of Senior Subordinated PIK Notes due for repayment in July 2018.

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Responsibility statement of the directors in respect of the interim financial report

Pursuant to clause 22.3 (b) of the Revolving Credit Facility agreement between Aston Martin Holdings (UK) Limited (the "Company") and Deutsche Bank AG, London Branch (acting as Agent), the undersigned certifies on behalf of the Company that to the best of his knowledge the condensed set of consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, and fairly represent the financial condition and operations of the Company's group as at 30 June 2015.

Mark Wilson
Chief Financial Officer

26 August 2015

Condensed consolidated statement of comprehensive income
for the period ended 30 June 2015

	Notes	6 months ended 30 June 2015	3 months ended 30 June 2015	6 months ended 30 June 2014	3 months ended 30 June 2014
		£'000	£'000	£'000	£'000
Revenue	2	211,405	111,433	209,491	108,760
Cost of sales		(145,400)	(79,909)	(136,850)	(73,688)
Gross profit		66,005	31,524	72,641	35,072
Selling and distribution expenses		(16,904)	(8,620)	(16,451)	(9,016)
Administrative and other expenses		(72,169)	(36,947)	(67,758)	(32,250)
Share of result in associates		-	-	32	(30)
Operating loss		(23,068)	(14,043)	(11,536)	(6,224)
Analysed as :					
Payment to a former director relating to the settlement for shares		(2,636)	(2,636)	-	-
Gain on the disposal of an associated company		-	-	1,706	1,706
Underlying operating loss*	7	(20,432)	(11,407)	(13,242)	(7,930)
Operating loss		(23,068)	(14,043)	(11,536)	(6,224)
Finance income	3	2,810	14,550	6,511	4,677
Finance expense	4	(32,742)	(14,703)	(20,004)	(11,083)
Net financing expense		(29,932)	(153)	(13,493)	(6,406)
Loss before tax		(53,000)	(14,196)	(25,029)	(12,630)
Income tax credit	5	5,321	1,915	4,655	2,892
Loss for the period		(47,679)	(12,281)	(20,374)	(9,738)
Other comprehensive income / (expense)					
Items that will never be reclassified to profit or loss					
Measurement of defined benefit asset		5,481	12,686	4,516	3,001
Related income tax		(1,096)	(2,537)	(903)	(600)
		4,385	10,149	3,613	2,401
Items that are or maybe reclassified to profit or loss					
Foreign exchange translation differences		200	412	(717)	(316)
Other comprehensive income / (expense) for the period, net of income tax		4,585	10,561	2,896	2,085
Total comprehensive expense for the period		(43,094)	(1,720)	(17,478)	(7,653)
(Loss) / profit attributable to:					
Owners of the group		(47,797)	(12,356)	(20,323)	(9,687)
Non-controlling interests		118	75	(51)	(51)
		(47,679)	(12,281)	(20,374)	(9,738)
Total comprehensive income / (expense) attributable to:					
Owners of the group		(43,212)	(1,795)	(17,427)	(7,602)
Non-controlling interests		118	75	(51)	(51)
		(43,094)	(1,720)	(17,478)	(7,653)

* underlying operating loss represents operating loss excluding non-recurring items.

Notes on pages 11 to 13 form an integral part of the financial statements.

Condensed consolidated statement of changes in equity

Group	Share capital	Share premium	Capital reserve and Non-controlling interests	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2014	**3**	**358,296**	**92,964**	**(237)**	**(44,828)**	**406,198**
Total comprehensive income / (expense) for the period						
Loss	-	-	-	-	**(9,687)**	**(9,687)**
Other comprehensive income / (expense) for the period						
Foreign currency translation differences	-	-	-	(316)	-	(316)
Measurement of defined benefit asset (note 11)	-	-	-	-	3,001	3,001
Income tax on other comprehensive income					(600)	(600)
Total other comprehensive income / (expense)	-	-	-	**(316)**	**2,401**	**2,085**
Total comprehensive income / (expense) for the period	-	-	-	**(316)**	**(7,286)**	**(7,602)**
Transactions with owners, recorded directly in equity						
Capital Increase	-	**3,750**	-	-	-	**3,750**
Total transactions with owners	-	**3,750**	-	-	-	**3,750**
Changes in ownership interests						
Acquisition of subsidiary with non-controlling interests (note 12)	-	-	**5,455**	-	**(51)**	**5,404**
At 30 June 2014	3	362,046	**98,419**	(553)	**(52,165)**	**407,750**

In April 2014 a further 76,180 ordinary shares were issued to Prestige Motor Holdings S.A, which is controlled by Investindulrial V L.P., for a consideration of £3,750,000.

Included in Capital Reserve and Non-controlling interests is £1,100,000 of additional capital reserve and £4,355,000 of Non-controlling interest relating to the 50% interest in the share capital of AMWS Limited, the parent company of Aston Martin Works Limited.

Condensed consolidated statement of changes in equity (continued)

Group	Share capital	Share premium	Capital reserve and Non-controlling interests	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2014	**3**	**358,296**	**92,964**	**164**	**(35,404)**	**416,023**
Total comprehensive income / (expense) for the period						
Loss	-	-	-	-	**(20,323)**	**(20,323)**
Other comprehensive income / (expense) for the period						
Foreign currency translation differences	-	-	-	(717)	-	(717)
Remeasurement of defined benefit asset (note 11)	-	-	-	-	4,516	4,516
Income tax on other comprehensive income					(903)	(903)
Total other comprehensive income / (expense)	-	-	-	**(717)**	**3,613**	**2,896**
Total comprehensive income / (expense) for the period	-	-	-	**(717)**	**(16,710)**	**(17,427)**
Transactions with owners, recorded directly in equity						
Capital Increase	-	**3,750**	-	-	-	**3,750**
Total transactions with owners	-	**3,750**	-	-	-	**3,750**
Changes in ownership interests						
Acquisition of subsidiary with non-controlling interests	-	-	**5,455**	-	**(51)**	**5,404**
At 30 June 2014	**3**	**362,046**	**98,419**	**(553)**	**(52,165)**	**407,750**

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Condensed consolidated statement of changes in equity (continued)

Group	Share capital	Share premium and share warrants	Capital reserve and Non-controlling interests	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2015	**3**	**366,463**	**98,626**	**40**	**(153,281)**	**311,851**
Total comprehensive income / (expense) for the period						
Profit / (loss)	-	-	**75**	-	**(12,356)**	**(12,281)**
Other comprehensive income						
Foreign currency translation differences	-	-	-	(412)	-	(412)
Remeasurement of defined benefit liability (note 11)	-	-	-	-	12,686	12,686
Income tax on other comprehensive income	-	-	-	-	(2,537)	(2,537)
Total other comprehensive income / (expense)	-	-	-	**(412)**	**10,149**	**9,737**
Total comprehensive income / (expense) for the period	-	-	**75**	**(412)**	**(2,207)**	**(2,544)**
Transactions with owners, recorded directly in equity						
Capital Increase	-	11,398	-	-	-	11,398
Total transactions with owners	-	**11,398**	-	-	-	**11,398**
At 30 June 2015	**3**	**377,861**	**98,701**	**(372)**	**(155,488)**	**320,705**

Included in Capital Reserve and Non-controlling interests is £1,100,000 of additional capital reserve and £4,637,000 of Non-controlling interest relating to the 50% interest in the share capital of AMWS Limited, the parent company of Aston Martin Works Limited.

The capital increase during the 3 months ended 30 June 2015 represents the share premium paid for previously partly paid shares of £2,355,000 and the fair value of the share warrants granted in connection with the issue of the preference shares amounting to £9,043,000.

Group	Share capital	Share premium and share warrants	Capital reserve and Non-controlling interests	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	**3**	**366,463**	**98,583**	**(172)**	**(112,076)**	**352,801**
Total comprehensive income / (expense) for the period						
Profit / (loss)	-	-	**118**	-	**(47,797)**	**(47,679)**
Other comprehensive income						
Foreign currency translation differences	-	-	-	(200)	-	(200)
Remeasurement of defined benefit asset (note 11)	-	-	-	-	5,481	5,481
Income tax on other comprehensive income	-	-	-	-	(1,096)	(1,096)
Total other comprehensive income / (expense)	-	-	-	**(200)**	**4,385**	**4,185**
Total comprehensive income / (expense) for the period	-	-	**118**	**(200)**	**(43,412)**	**(43,494)**
Transactions with owners, recorded directly in equity						
Capital increase	-	11,398	-	-	-	11,398
Total transactions with owners	-	**11,398**	-	-	-	**11,398**
At 30 June 2015	**3**	**377,861**	**98,701**	**(372)**	**(155,488)**	**320,705**

Included in Capital Reserve and Non-controlling interests is £1,100,000 of additional capital reserve and £4,637,000 of Non-controlling interest relating to the 50% interest in the share capital of AMWS Limited, the parent company of Aston Martin Works Limited.

The capital increase during the 6 months ended 30 June 2015 represents the share premium paid for previously partly paid shares of £2,355,000 and the fair value of the share warrants granted in connection with the issue of the preference shares amounting to £9,043,000.

Condensed consolidated statement of financial position
at 30 June 2015

	Note	As at 30.06.15 £'000	As at 30.06.14 £'000	As at 31.12.14 £'000
Non-current assets				
Intangible assets		**656,812**	595,301	625,805
Property, plant and equipment		**175,083**	175,738	174,379
Investments in associates		-	-	-
Other financial assets		**603**	766	-
Deferred tax asset		**44,024**	23,016	44,024
Employee benefits	11	-	6,765	-
		876,522	801,586	844,208
Current assets				
Inventories		**93,963**	99,837	98,427
Trade and other receivables		**64,350**	44,056	51,538
Other financial assets		**191**	4,419	527
Cash and cash equivalents	8	**97,838**	114,862	89,250
		256,342	263,174	239,742
Total assets		**1,132,864**	1,064,760	1,083,950
Current liabilities				
Borrowings	8	**12,909**	13,287	19,808
Trade and other payables		**158,879**	143,149	160,048
Income tax payable		**461**	163	1,208
Other financial liabilities		**8,204**	20	3,088
Provisions	10	**6,997**	7,253	9,171
		187,450	163,872	193,323
Non-current liabilities				
Borrowings	8	**508,466**	396,245	412,598
Other financial liabilities		**2,895**	25	2,819
Employee benefits	11	**7,583**	-	12,404
Provisions	10	**8,096**	7,948	8,111
Deferred tax liabilities		**97,669**	88,920	101,894
		624,709	493,138	537,826
Total liabilities		**812,159**	657,010	731,149
Net assets		**320,705**	407,750	352,801
Equity				
Share capital		**3**	3	3
Share premium		**368,818**	362,046	366,463
Share warrants		**9,043**	-	-
Capital reserves		**94,064**	94,064	94,064
Translation reserve		**(372)**	(553)	(172)
Retained earnings		**(155,488)**	(52,114)	(112,076)
Equity attributable to owners of the group		**316,068**	403,446	348,282
Non-controlling interests		**4,637**	4,304	4,519
Total equity		**320,705**	407,750	352,801

Notes on pages 11 to 13 form an integral part of the financial statements.

Condensed consolidated statement of cash flows
for the period ended 30 June 2015

	Notes	6 months ended 30 June 2015 £'000	3 months ended 30 June 2015 £'000	6 months ended 30 June 2014 £'000	3 months ended 30 June 2014 £'000
Operating activities					
Loss for the period		**(47,679)**	**(12,281)**	(20,374)	(9,738)
Adjustments to reconcile loss for the period to net cash inflow from operating activities					
Tax on continuing operations	5	**(5,321)**	**(1,915)**	(4,655)	(2,892)
Share of result in associates		**-**	**-**	(32)	30
Net finance costs		**29,253**	**212**	15,914	7,351
Other non cash movements		**(200)**	**(412)**	(717)	(316)
Gain on the disposal of an associated company		**-**	**-**	(1,706)	(1,706)
Depreciation and impairment of property, plant and equipment		**14,552**	**7,292**	14,584	6,671
Amortisation and impairment of intangible assets		**27,051**	**13,602**	24,890	12,625
Difference between pension contributions paid and amounts recognised in income statement		**660**	**314**	(363)	(232)
Decrease / (increase) in inventories		**4,464**	**7,254**	(23,252)	(7,039)
(Increase) / decrease in trade and other receivables		**(14,197)**	**(5,653)**	(1,635)	3,515
Decrease / (increase) in trade and other payables		**(2,549)**	**(2,889)**	10,532	4,153
Movement in provisions		**(2,163)**	**(651)**	(1,664)	(1,002)
Cash generated from operations		**3,871**	**4,873**	11,522	11,420
Income taxes paid		**(779)**	**(789)**	(1,096)	(744)
Net cash inflow from operating activities		**3,092**	**4,084**	10,426	10,676
Cash flows from investing activities					
Interest received	3	**1,128**	**593**	961	547
Payments to acquire property, plant and equipment		**(15,256)**	**(9,459)**	(8,195)	(4,562)
Payments to acquire intangible assets		**(58,058)**	**(28,767)**	(48,053)	(24,215)
Purchase of Works Service business		**-**	**-**	1,300	1,300
Net cash used in investing activities		**(72,186)**	**(37,633)**	(53,987)	(26,930)
Cash flows from financing activities					
Interest paid		**(16,255)**	**(1,083)**	(16,889)	(662)
Proceeds from capital increase		**2,355**	**2,355**	3,750	3,750
Net new / (repayment of) borrowings		**93,265**	**93,302**	99,723	(179)
Transaction fees on new borrowings		**(3,536)**	**(3,536)**	(825)	10
Net cash inflow from financing activities		**75,829**	**91,038**	85,759	2,919
Net increase / (decrease) in cash and cash equivalents		**6,735**	**57,489**	42,198	(13,335)
Cash and cash equivalents at the beginning of the period		**89,250**	**36,536**	74,653	129,289
Effect of exchange rates on cash and cash equivalents		**1,853**	**3,813**	(1,989)	(1,092)
Cash and cash equivalents at the end of the period	8	**97,838**	**97,838**	114,862	114,862

Notes on pages 11 to 13 form an integral part of the financial statements.

Notes to the financial statements for the period ended 30 June 2015

1 Basis of preparation and principal accounting policies

Aston Martin Holdings (UK) Limited (the "Company") is a Company incorporated and domiciled in the UK. The condensed consolidated interim financial statements of the company as at the end of the period ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the 'group').

The group meets its day-to-day working capital requirements and medium term funding requirements through a mixture of Senior Secured Notes, Senior Subordinated PIK notes, Preference shares, a revolving credit facility, facilities to finance inventory and a wholesale vehicle financing facility. The Senior Secured Notes, which expire in July 2018, amount to £304,000,000 and include certain covenant tests. The Senior Subordinated PIK notes and related accrued interest amount to £119,108,000 (187,321,000 US Dollars) at 30 June 2015 and are also due for repayment in July 2018. The Preference shares and related accrued interest amounted to £90,136,000 at 30 June 2015. A second tranche of £100,000,000 of Preference shares may be drawn at any time until April 2016. The increased and extended £40,000,000 revolving credit facility is available until July 2018. The revolving credit facility was undrawn at 30 June 2015, 31 December 2014 and 30 June 2014.

The directors have prepared trading and cash flow forecasts for the period to 2020. These forecasts showed that the group has sufficient financial resources to meet its obligations as they fall due and meet all covenant tests.

The forecasts make assumptions in respect of future trading conditions and in particular, the launch of future models. The nature of the group's business is such that there can be variation in the timing of cash flows around the development and launch of new models and the availability of funds provided through the vehicle wholesale finance facility as the availability of credit insurance and sales volumes vary, in total and seasonally. The forecasts take into account the aforementioned factors to an extent which the directors consider to be reasonably prudent, based on the information that is available to them at the time of approval of these financial statements.

Accordingly, after considering the forecasts, appropriate sensitivities, current trading and available facilities, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and therefore the directors continue to adopt the going concern basis in preparing the financial statements.

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as endorsed by the European Union. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended 31 December 2014.

Significant accounting policies

The condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the group's published consolidated financial statements for the year ended 31 December 2014.

Estimates and judgements

The preparation of a condensed set of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In the process of applying the group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

- the point of capitalisation and amortisation of development costs
- the useful lives of tangible and intangible assets

The key sources of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next year are as follows:

- the measurement and impairment of indefinite life intangible assets (including goodwill);
- the measurement of warranty liabilities; and
- the measurement of defined benefit pension assets and obligations.

The measurement of intangible assets other than goodwill on a business combination involves estimation of future cash flows and the selection of a suitable discount rate. The group determines whether indefinite life intangible assets are impaired on an annual basis and this requires an estimation of the value in use of the cash generating units to which the intangible assets are allocated.

The measurement of warranty liabilities has been estimated on past experience of the actual level of warranty claims received. Management establishes these estimates based on historical information on the nature, frequency and average cost of the warranty claims.

Measurement of defined benefit pension assets and obligations requires estimation of future changes in salaries and inflation, as well as mortality rates, the expected return on assets and suitable discount rates.

Notes to the financial statements for the period ended 30 June 2015 (continued)

2 Revenue

	6 months ended 30.06.15 £'000	3 months ended 30.06.15 £'000	6 months ended 30.06.14 £'000	3 months ended 30.06.14 £'000
Sale of vehicles	**186,048**	**98,392**	186,903	96,505
Sale of parts	**22,388**	**11,504**	21,113	10,952
Servicing of vehicles	**2,969**	**1,537**	1,475	1,303
Total revenue	**211,405**	**111,433**	209,491	108,760

3 Finance income

	6 months ended 30.06.15 £'000	3 months ended 30.06.15 £'000	6 months ended 30.06.14 £'000	3 months ended 30.06.14 £'000
Bank deposit and other interest income	**1,128**	**593**	961	547
Net interest income on the net defined benefit (liability) / asset	**-**	**-**	93	59
Net gain on financial instruments recognised at fair value through profit or loss	**505**	**6,856**	2,256	1,524
Net foreign exchange gain	**1,177**	**7,101**	3,201	2,547
Total finance income	**2,810**	**14,550**	6,511	4,677

4 Finance expense

	6 months ended 30.06.15 £'000	3 months ended 30.06.15 £'000	6 months ended 30.06.14 £'000	3 months ended 30.06.14 £'000
Bank loans and overdrafts	**25,968**	**14,458**	19,905	10,974
Net interest expense on the net defined benefit (liability) / asset	**188**	**84**	-	-
Net loss on financial instruments recognised at fair value through profit or loss	**6,586**	**161**	99	109
Total finance expense	**32,742**	**14,703**	20,004	11,083

5 Income tax credit

The effective tax rate for the 6 months ended 30 June 2015 has been estimated at 10.0% (six months ended 30 June 2014 : 18.6%). This compares to a UK statutory rate of tax 20.25% applicable to the group for the period to 30 June 2015.

A reduction in the UK corporation rate from 23% to 21% (effective from 1 April 2014) and a further reduction to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the group's current tax charge accordingly.

The deferred tax liability at 30 June 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

In addition to the change in tax rates, permanently disallowable expenditure and restrictions on the use of tax losses give rise to further adjustments to the total tax arising in the periods.

6 Dividends

No dividends have been declared or paid in the six month period to 30 June 2015 or the six month period to 30 June 2014.

7 Underlying operating loss

	6 months ended 30.06.15 £'000	3 months ended 30.06.15 £'000	6 months ended 30.06.14 £'000	3 months ended 30.06.14 £'000
Operating loss	**(23,068)**	**(14,043)**	(11,536)	(6,224)
Payment to a former director relating to the settlement for shares	**2,636**	**2,636**		
Gain on the disposal of an associated company	**-**	**-**	(1,706)	(1,706)
Underlying operating loss *	**(20,432)**	**(11,407)**	(13,242)	(7,930)

* underlying operating loss represents operating loss excluding non-recurring items.

Notes to the financial statements for the period ended 30 June 2015 (continued)

8 Net borrowings

	As at 30.06.15 £'000	As at 30.06.14 £'000	As at 31.12.14 £'000
Cash and cash equivalents	**97,838**	114,862	89,250
Bank loans and overdrafts (a)	**(12,909)**	(13,287)	(19,808)
Senior Secured Loan Notes (b)	**(299,222)**	(297,584)	(298,403)
Senior Subordinated PIK notes ©	**(119,108)**	(98,661)	(114,195)
Preference shares (d)	**(90,136)**	-	-
	(423,537)	(294,670)	(343,156)

(a) The group has facilities to fund the in transit inventory between the UK company, Aston Martin Lagonda Limited, and its US and Chinese subsidiaries. At 30 June 2015 the utilisation of these facilities was £12,909,000. At 30 June 2015, 31 December 2014 and 30 June 2014 the revolving credit facility was undrawn. The group has a wholesale vehicle financing facility of £100,000,000 with Standard Chartered Bank plc. Following a renegotiation of the terms of the facility and the transfer of substantially all of the risk to Standard Chartered Bank plc the facility is off-balance sheet.

(b) The group raised £304,000,000 through the issue of 9.25% Senior Secured Loan Notes in July 2011 which are due for repayment in July 2018.

(c) In March 2014, the group issued 10.25% Senior Subordinated PIK notes with a value of 165m US Dollars. At the 30 June 2015 closing exchange rate the liability relating to the Senior Subordinated PIK notes, including accrued interest, was £119,108,000.

(d) In April 2015 the company accepted binding subscriptions for £200,000,000 of preference shares with an interest rate of 15% payable on a PIK basis. The first tranche of £100,000,000 was received on 27 April 2015 and the second tranche of £100,000,000 may be drawn at any time in the following 12 months. These subscriptions also include warrants for a pro rata allocation of P shares (non voting ordinary shares) corresponding to 4% of the fully diluted share capital of the company. At 30 June 2015 the liability relating to the preference shares, including accrued interest, was £90,136,000.

9 Foreign exchange rates

	Average rate 6 months ended 30.06.15	**Average rate 3 months ended 30.06.15**	Average rate 6 months ended 30.06.14	Average rate 3 months ended 30.06.14
US dollar	**1.5219**	**1.4845**	1.6618	1.6672
Chinese renminbi	**9.4385**	**9.2033**	10.1931	10.3594
Euro	**1.3354**	**1.3822**	1.2058	1.2096

10 Provisions

	As at 30.06.15 £'000	As at 30.06.14 £'000	As at 31.12.14 £'000
Warranty	**15,093**	15,201	17,282
Non-current	**8,096**	7,948	8,111
Current	**6,997**	7,253	9,171
	15,093	15,201	17,282

11 Pension scheme

The net liability for defined benefit obligations of £(19,955,000) at 31 March 2015 has reduced to a net liability of £(7,583,000) at 30 June 2015. The movement of £12,372,000 comprises contributions of £2,271,000 plus a net actuarial gain of £12,686,000 less a charge to the income statement of £(2,585,000). The net actuarial gain has arisen mainly due a change in the discount rate assumptions used in the valuation of the scheme's assets and liabilities compared to those used at 31 March 2015. The discount rate increased to 3.85% at 30 June 2015 compared to 3.45% at 31 March 2015.

12 Related party transactions

There have been no new related party transactions that have taken place in the first six months of the current financial year that have materially affected the financial position or performance of the group during that period and there have been no changes in the related party transactions described in the last annual report that could do so.