# Admiral Group PLC : Interim Management Statement

## 7 November 2014 7:00 AM GMT

**7 November 2014**

Admiral Group's Interim Management Statement covers the period 1 July to 6 November 2014. Unless otherwise stated, figures quoted are for the quarter ended 30 September 2014, with comparatives reflecting the position compared against the same quarter in 2013.

**Comment from Henry Engelhardt, Chief Executive Officer**

"Admiral now insures over four million customers, more than four times the number we insured when we listed as a UK car insurer on the London Stock Exchange ten years ago. It won't be too long before a million of our customers are served by our non-UK car insurance operations.

"Prices in the competitive UK car insurance market appear to be stabilising after a period of rapid deflation. Due mainly to positive claims development on our back years, our expectations for our UK Car Insurance business in 2014 remain on track. However, as we have said before, we anticipate that future earnings will be impacted by the decline in premiums experienced across the market in recent years coupled with a return to higher claims inflation.

"Looking further out, in the UK, Admiral's industry-leading combined ratios mean that we are well placed to grow and continue to deliver strong returns for our shareholders. Our four car insurance and three price comparison businesses outside the UK, and our developing UK home insurance operation, all represent opportunities for future growth and value creation.

"In particular, Comparenow.com continues to make good progress justifying ongoing investment. However, the UK price comparison market remains highly competitive and we expect Confused.com to deliver a lower result in the second half compared to the first half of 2014."

**Highlights**

- Group customers increased 10% to 4.03 million (Q3 2013: 3.67 million)
- Group turnover decreased by 3% to £513 million (Q3 2013: £528 million)
- UK Car Insurance customers increased by 5% to 3.18 million (Q3 2013: 3.03 million) primarily due to improved retention
- UK Car Insurance turnover decreased by 5% to £419 million (Q3 2013: £440 million)
- Other customers* increased 34% to 854,000 (Q3 2013: 636,000)

**Other customers comprises UK Household Insurance, International Car Insurance and Gladiator*

**Additional Notes**

- Investment in the Group's US Price Comparison operation, Comparenow.com, is expected to be in the region of £15 million in 2014 and projected to be up to double this level in 2015. These figures representing Admiral Group's share (68%) of the total loss before tax. Admiral will report a profit before tax adjusted to exclude minority interests' share as well as statutory profit before tax.
- Admiral's inaugural £200 million bond issue (completed in July 2014) will result in a net cost of approximately £4.3 million per annum after tax, representing interest costs less investment income.
- Contrary to our previous expectation, the UK Competition and Markets Authority report of 24 September 2014 did not recommend the banning of referral fees related to the provision of temporary replacement vehicles (credit hire). Income from this source amounted to approximately £5 per vehicle insured per annum in Admiral's UK Car Insurance business.

**For further information, please contact:**


**Admiral**

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|---|---|---|
| Louise O'Shea | Investors & Analysts | +44 (0) 2920 434 384 |
| James Carnduff | Media | +44 (0) 2920 434 232 |

**FTI Consulting**

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|---|---|
| Paul Marriott | +44 (0) 203 727 1341 |
| Ed Berry | +44 (0) 203 727 1046 |