Admiral Group plc Results for the Year Ended 31 December 2010

02 Mar 2011

Admiral announces another record profit coupled with continued strong growth. Profit before tax at £266 million was 23% ahead of 2009, whilst turnover rose 47% to £1.58 billion. The Board is proposing a record final dividend for 2010 of 35.5p per share, to be paid on 10 June 2011.

2010 Preliminary Results Highlights

- Group profit before tax up 23% at £266 million (2009: £216 million)
- Record final dividend of 35.5p per share, full dividend 68.1p (2009: second interim 29.8p,
  full 57.5p)
- Group turnover* up 47% at £1.58 billion (2009: £1.08 billion)
- Number of Group customers up 32% to 2.75 million (2009: 2.08 million)
- Non-UK car insurance turnover up 64% to £78 million with customers up 61% to
  195,000
- Record return on capital of 59% (2009: 54%)
- Employee Share Scheme – shares, in total worth over £12 million will be distributed to
  over 3,500 staff based on the 2010 result

*** Turnover is defined as total premiums written (including co-insurers' share) and other revenue**

Comment from Alastair Lyons, Group Chairman

"With higher profits, a capital-efficient cash-generative business model, and a conservatively managed business, we are very pleased once again to be able to propose an increase in total dividends for the year of 18% to 68.1p per ordinary share. This represents 94% of after-tax earnings."

Comment from Henry Engelhardt, Group Chief Executive

"For the seventh consecutive year, indeed every year since we became a public company, Admiral Group has reported record profits and record turnover. We have now exceeded £1.5 billion turnover which is a fantastic achievement.

"I'm extremely proud of how hard everyone at Admiral has worked to achieve this result. Does it make sense, however, to say that I am pleased, but far from satisfied? In my view, 2010 was a mixed year for the Group. There were some big triumphs but also some quite sobering moments and, in a lot of areas, it's too early to judge the quality of the work completed.

"The big success was the UK motor insurance business. It's a snowball going like a freight train. Downhill. Wow! Throughout 2010 we experienced a flood of new business, with UK vehicle growth at over 30%. Everyone in the organisation is focussed on providing great value and service to all our customers.

"However there is a lot of work to be done to create sustainable, profitable and growing businesses outside the UK. There is no magic formula. In 2010 we said goodbye to our German operation AdmiralDirekt and we wish the team there every success for the future. Closer to home, we also have a lot of work to do with Confused which had a tough year in 2010."

Admiral Group will hold a conference call for newswires and other real-time media at 07:30 GMT on Wednesday 2 March 2011. To participate journalists are invited to dial +44 (0)20 7138 0845. Access to the facility will be available by using the participant code 3480554.