



Admiral Group plc Results for the Six Months Ended 30 June 2009

25 Aug 2009

Admiral achieves another record half year profit coupled with continued good growth. Profit before tax at £105.3 million was 5% ahead of H1 2008, whilst turnover rose 17% to £540.1 million. The Board is declaring a record interim dividend payment of 27.7p per share.

H1 2009 Highlights

- Group profit before tax up 5% at £105.3 million (H1 2008: £100.3 million)
- Interim dividend of 27.7p per share (2008 interim: 26.0p)
- Group turnover* up 17% at £540.1 million (H1 2008: £463.4 million)
- Group net revenue up 19% at £243.1 million (H1 2008: £204.0 million)
- Number of Group customers up 18% to 1.92 million from 1.63 million at 30 June 2008
- Profit from UK car insurance up 18% to £101.2 million (H1 2008: £86.0 million)
- UK ancillary income per vehicle steady at £71 (H1 2008: £71)
- Turnover from outside the UK £24.5 million (up 64%) and 100,500 customers
- Rastreator.es, our Spanish price comparison site, successfully launched in March 2009
- Employee Share Scheme – over £4.5 million shares will be distributed to over 3,000 staff based on the H1 2009 result

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

Comment from Henry Engelhardt, Group Chief Executive

"Wow! Considering the general economic climate and pathetic investment returns this was an outstanding result. Once again, I'm happy to announce an all-time record for profits; that the business continued its strong growth; and that we will soon pay a record dividend.

"Key to our success was the great result turned in by the UK car insurance

business. We increased the number of customers by 17% by giving a combination of competitive prices and great service. As well as growing the number of customers we increased premium rates by around 5.5% in the first half of 2009, meaning current rates are around 8% higher than 12 months ago.

“As the UK business goes from strength to strength we have continued to invest in our longterm future by developing our operations outside the UK. Overall we now have over 100,000 customers outside the UK, in Spain, Germany and Italy and these businesses contributed £24.5m of turnover in the first six months of the year. On 30 March we launched Rastreator, our Spanish price comparison site. Looking to the future, we are working on the launch of a direct car insurance operation in the USA, based in Richmond, Virginia, which will be called Elephant. We are also starting work on two further price comparison operations in Italy and France.

“Confused.com started the year well, increasing revenue against a backdrop of a UK price comparison market which remains highly competitive. “It’s a great set of numbers for the first half of the year, and I’m very pleased to say that, as a result, every member of staff will receive £1,500 of free shares in the Group, worth over £4.5 million in total.”

Comment from Alastair Lyons, Group Chairman

"With a further advance in first half profits we are delighted once again to be able to declare an increase in our interim dividend, now at 27.7 pence per ordinary share. This represents 97% of after-tax earnings for the first six months of 2009, testament to the strength of Admiral's capital-efficient cash-generative business model."

2009 Interim Results Review

Admiral’s profit before tax for the six months to June 2009 amounted to £105.3 million, an increase of 5% over the £100.3 million achieved in the same period in 2008. Turnover rose 17% in the period to reach £540 million (H1 2008: £463 million).

During the first half of 2009, the Group wrote total motor premiums for itself and its underwriting partners of £427 million (H1 2008: £363 million). Compared to 12 months previously UK car insurance customers increased 17% to 1.73 million.

Admiral’s highly effective direct distribution model is reflected in a UK expense ratio of 17.9% (H1 2008: 18.1%). The UK combined operating ratio for the

period was 82.1% (H1 2008: 80.1%). The directors of Admiral continue to believe that the Group's superior loss and expense ratios will enable it to outperform significantly the UK private motor insurance market.

Confused.com revenue was up 10% at £40.2 million (H1 2008 £36.6 million), although profits reduced to £11.0 million (H1 2008: £15.6 million).

The Board has declared an interim dividend of 27.7p per share, which includes a special dividend of 14.9p per share, in addition to its normal final dividend of 12.8p per share, in line with its established policy of distributing at least 45% of post-tax profits. This represents a total interim dividend distribution of £74 million.