

**Admiral Group plc**  
**Announcement re offer of subordinated notes and trading update**  
**9 July 2014**

**Admiral Group plc announces intention to offer subordinated notes**

Today Admiral announces that, following meetings with fixed income investors in the UK beginning 15 July, it intends to offer up to £200 million of ten year, tier two, subordinated notes.

**Comment from Henry Engelhardt, CEO Admiral Group**

"I'm pleased to announce our first bond issue. Since Admiral went public in 2004 we have been unleveraged, but we think that with a favourable market and rates that seem very reasonable, now is a good time to diversify our capital base.

"It is an opportune time to strengthen and diversify our capital resources as we make a prudent transition into Solvency II in 2016, with the attendant regulatory capital requirement and buffers. The additional capital also sets us up well for the growth we expect from all our businesses in the coming years whilst being consistent with our existing dividend policy."

**Admiral Group plc trading update for the six-month period ended 30 June 2014**

The Group is today issuing a trading update for the six-month period ended 30 June 2014 ahead of reporting its half-year results on Wednesday 13 August 2014. Unless otherwise stated, figures quoted are for the six months ended 30 June 2014, with comparatives reflecting the position against the same period in 2013.

- Group customers increased to 3.9 million (H1 2013: 3.6 million)
- Group turnover decreased to £1.0 billion (H1 2013: £1.1 billion)
- UK car insurance vehicle count increased to 3.1 million (H1 2013: 3.0 million)
- UK car insurance turnover decreased to £0.85 billion (H1 2013: £0.92 billion)
- International car insurance vehicle count increased to 0.6 million (H1 2013: 0.5 million)
- International car insurance turnover £0.1 billion (H1 2013: £0.1 billion)

**Comment from Henry Engelhardt, CEO Admiral Group**

"In the UK there are some signs that premiums are no longer falling but we have yet to see firm evidence of an inflection point and a return to premium growth. Admiral's rates have been pretty flat over the first half of the year, though as a result of the reductions in 2013, total premiums are down around 9% compared to the first half of last year. Thanks to positive improvements in retention levels, our UK customer numbers have increased by over 4%.

"UK claims development on the back years (2012 and prior) has been positive and we continue to forecast good levels of reserve releases. Our expectations for our UK business in 2014 therefore remain unchanged. However, as we've said previously, our margin expectations for business earned this year are lower than in recent years, in the main as a consequence of the decline in premiums. Much of the impact of the reduced margin will be reflected in earnings of subsequent years.

"Outside the UK, our international insurance operations continue to grow and make positive progress. Our European price comparison businesses have had a good, profitable first half of the year and we're encouraged by the very early indicators from comparenow.com in the US, which would suggest meriting an increase in marketing investment in the second half.

"Our first half results are announced on Wednesday 13<sup>th</sup> August and we look forward to providing further details at that time."

**Notice of results**

Admiral Group plc will announce its interim results for the six months to 30 June 2014 at 7.00am on Wednesday 13 August 2014.

Following this, at 9.00am, the Group will host an analyst presentation to discuss the results. The presentation will be held at UBS, 1 Finsbury Avenue, London, EC2M 2PP.

Those analysts wishing to attend are asked to contact Tom Blackwell at FTI Consulting on +44 20 7269 7222 or at [tom.blackwell@fticonsulting.com](mailto:tom.blackwell@fticonsulting.com).

The presentation will be accessible via a webcast and conference call for those unable to attend in person, details of which will be provided on the Admiral Group plc website at [www.admiralgroup.co.uk](http://www.admiralgroup.co.uk).

**For further information, please contact:****Admiral**

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