

# ADMIRAL GROUP plc

**Annual General Meeting**

**Thursday 18 May 2006**





# Admiral Is STILL Different

2005

■ Fast Growing



■ Highly Profitable



■ Strongly Cash Generative



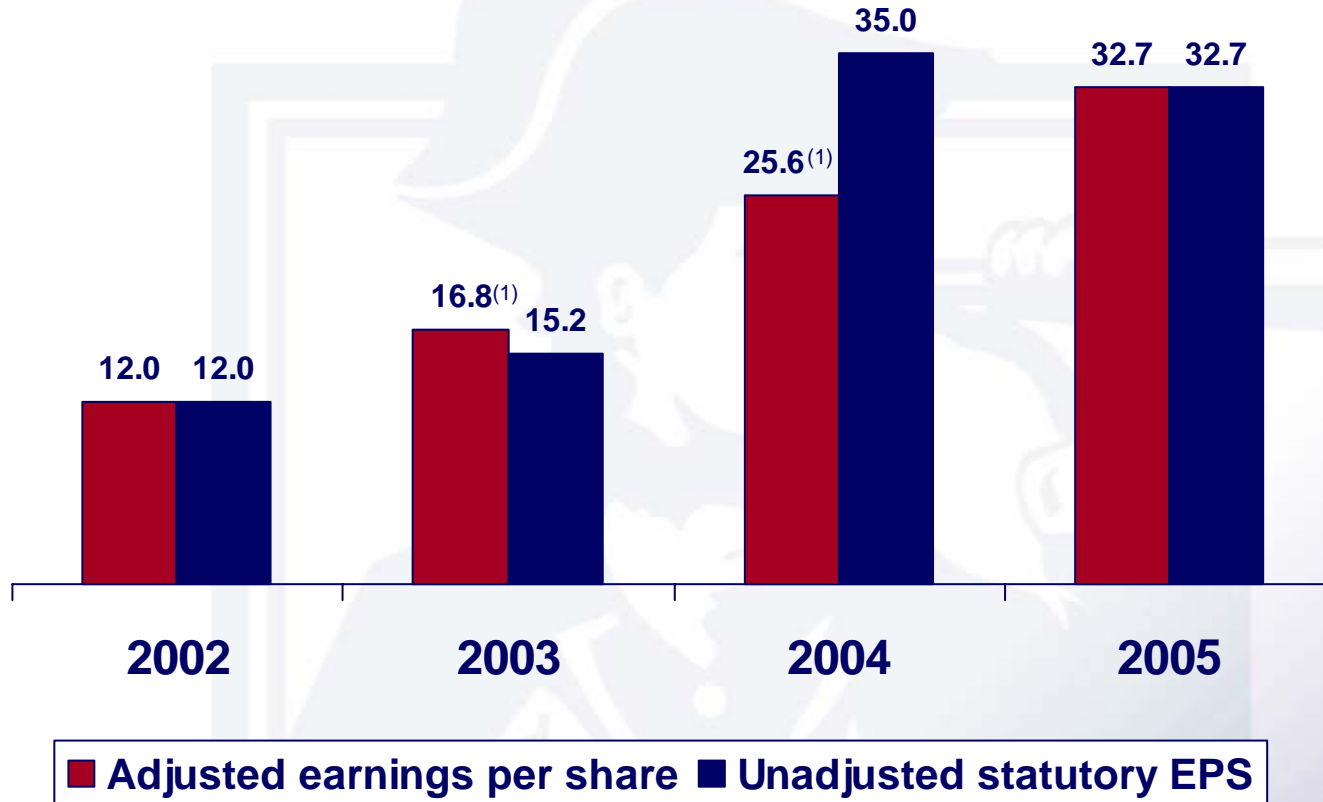


# Financial Highlights

- Core profit up 21% at £122.1 million (2004: £100.6 million)
- Aggregate group turnover up 16% at £638.4 million (2004: £548.0 million)
- Adjusted earnings per share 33 pence (2004: 26 pence)
- Final dividend per share of 14.9 pence



# Earnings per share (eps)



(1) The statutory adjusted earnings per share figures for 2003 & 2004 have been adjusted for the £6m profit commission and £4m ESOT credit



# Strongly Cash Generative - Dividend

## Regular Dividend

- Normal final dividend amounts to 7.8p per share
- Regular dividend 45% of post tax profits
- Dividend paid twice a year

## Special Dividend

- Special final dividend amounts to 7.1p per share

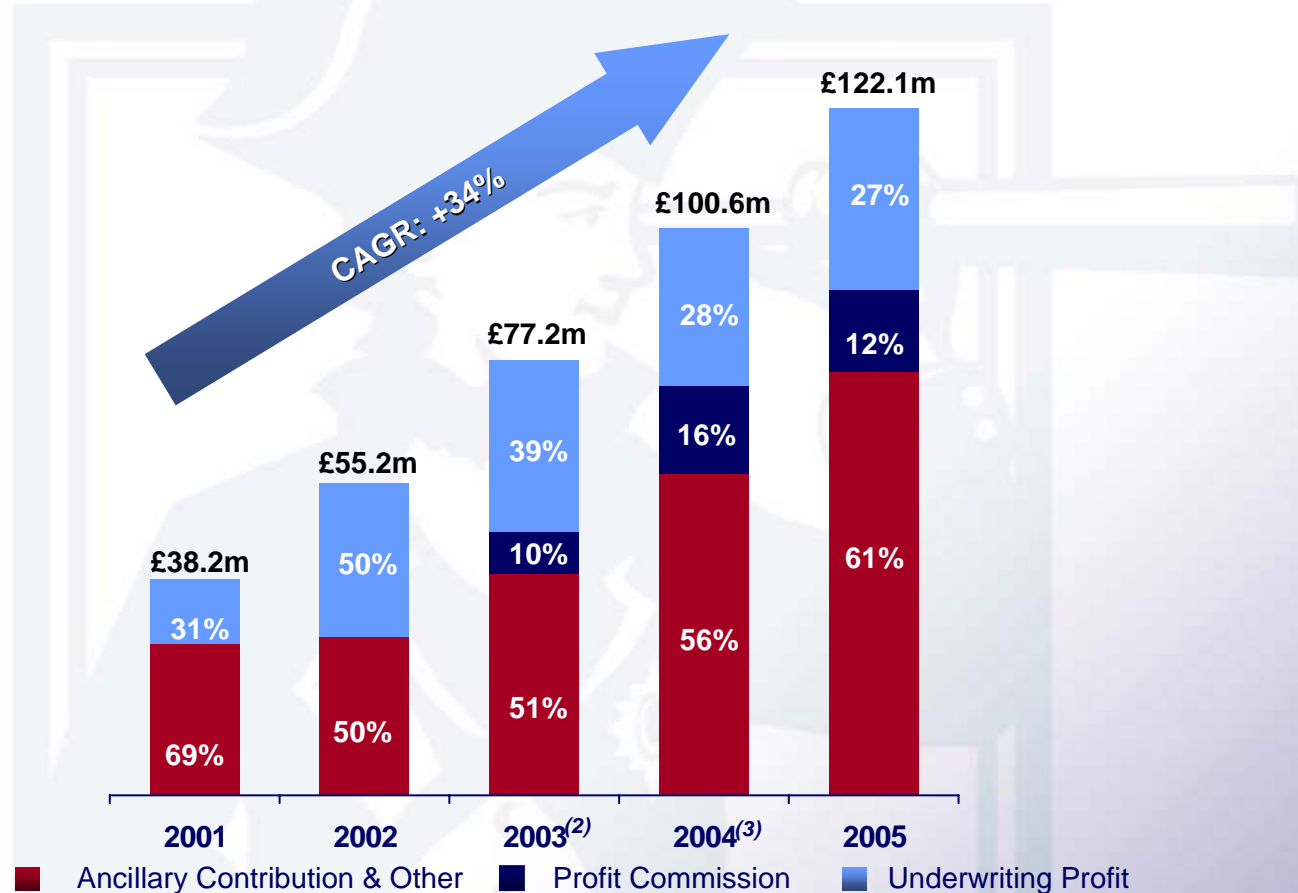
Total final dividend of 14.9p per share

Ex dividend 19 April 2006  
Record date 21 April 2006  
Payment date 25 May 2006



# Highly Profitable

## Core Profit (£m)<sup>(1)</sup>



(1) Core profit is operating profit before share scheme charges

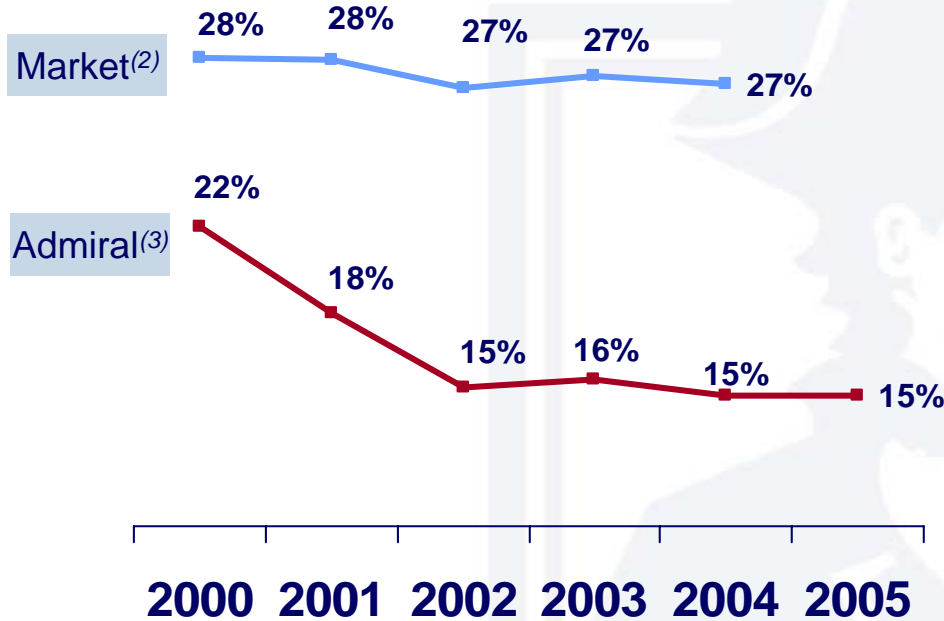
(2) 2003 split is shown after adding back £6m of Munich Re profit commission accounted for in 2004 but relating to premiums earned in 2003

(3) 2004 split is shown after deducting £6m of Munich Re profit commission accounted for in 2004 but relating to premiums earned in 2003



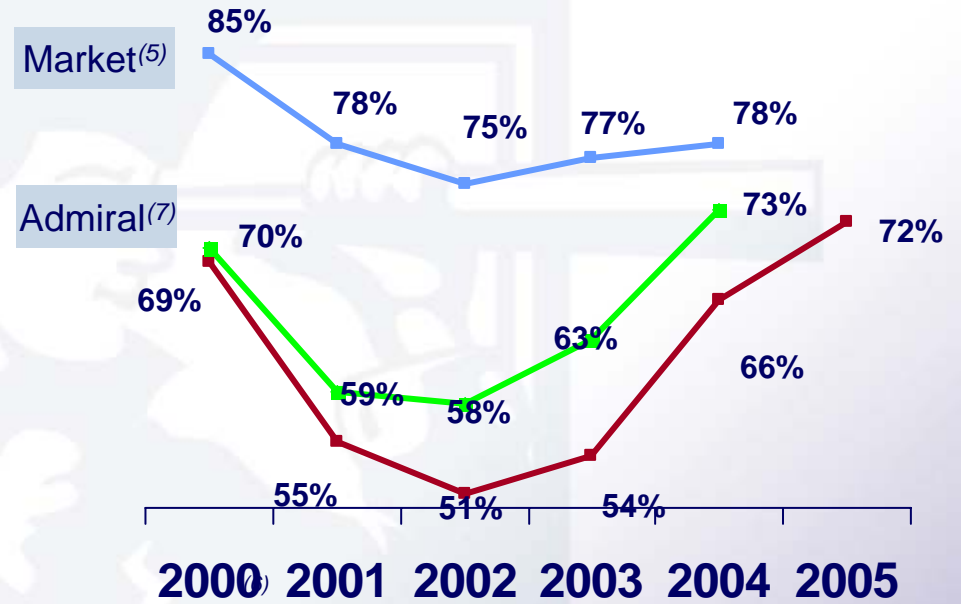
# Highly Profitable

## Expense Ratios<sup>(1)</sup>



—■ Total Market (Earned Basis)  
—■ Admiral (Earned Basis)

## Loss Ratios<sup>(4)</sup>



—■ Total Market (Earned Basis)  
—■ Admiral (Ultimate Best Estimate at Dec 05)  
—■ Admiral (Ultimate Best Estimate at Dec 04)

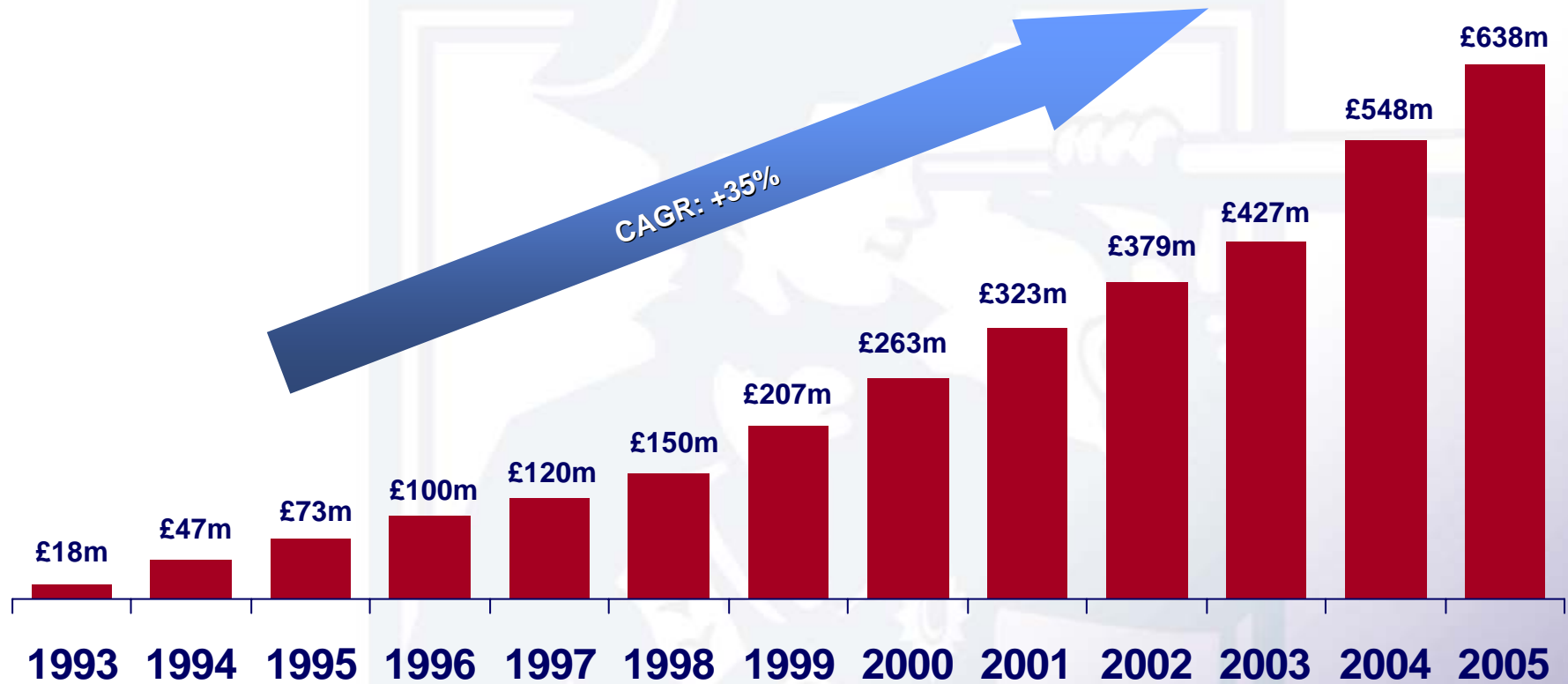
(1) Including claims handling expenses  
 (2) EMB analysis of FSA returns for total UK motor market  
 (3) Adjusted to exclude non-recurring expenses such as Lloyd's costs and 2.5% non-recurring expense commission; based on net earned premiums before stop loss costs of £911,000 in 2001 and £607,000 in 2002

(4) Excluding claims handling expenses  
 (5) EMB analysis of FSA returns for UK private motor market  
 (6) 2000 earned loss ratio includes claims incurred and premiums earned in 2000 on business written in 1999 underwriting year  
 (7) Actuarial best estimate of ultimate outcome based on actuarial analysis



# Fast Growing

## Historical Revenue Growth (£m)<sup>(1)</sup>



(1) Revenue comprises total premiums written + gross other income + allocated investment income

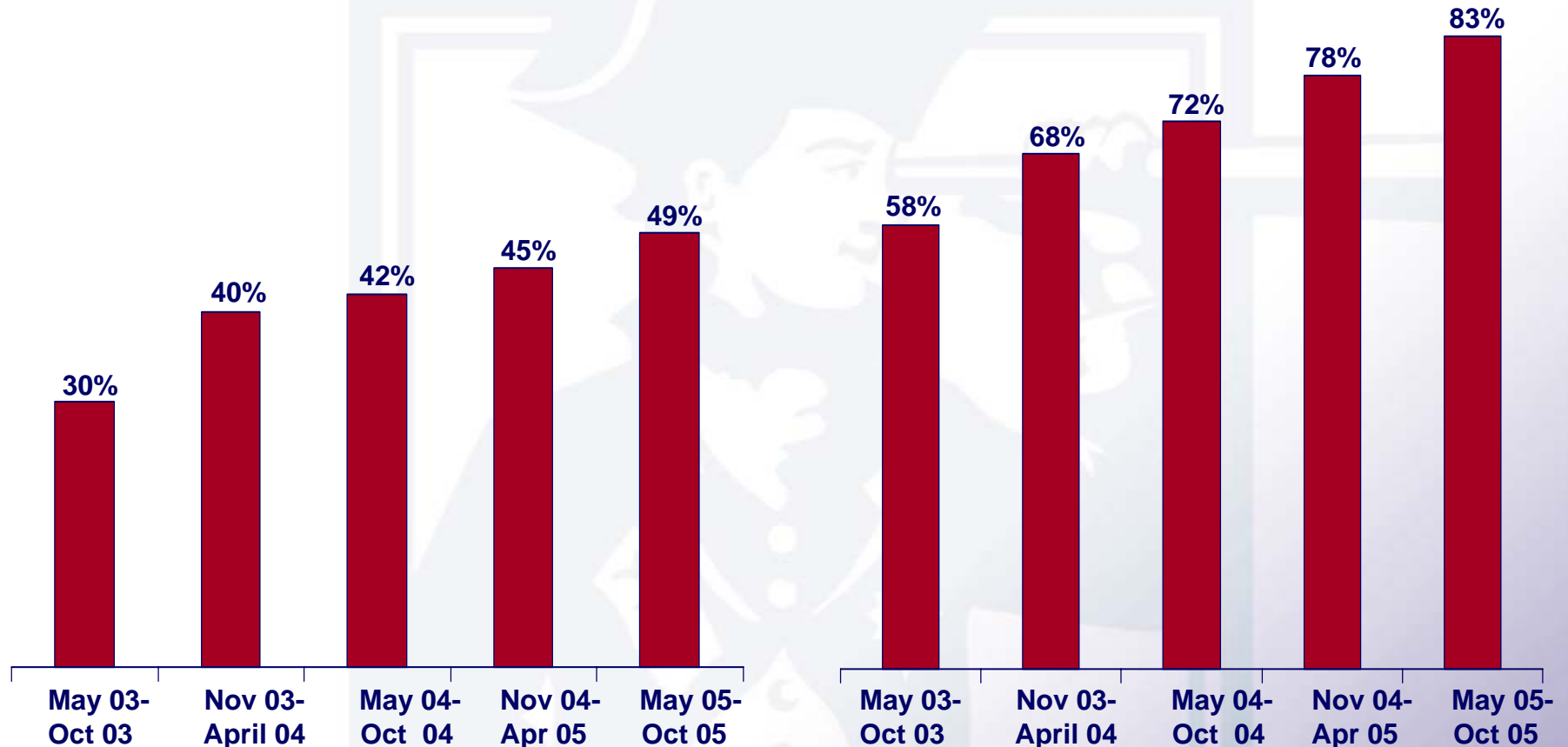




# Fast Growing Channel

Industry Internet Market Share of New Business<sup>(1)</sup>

% of Admiral Group sales started on the Internet

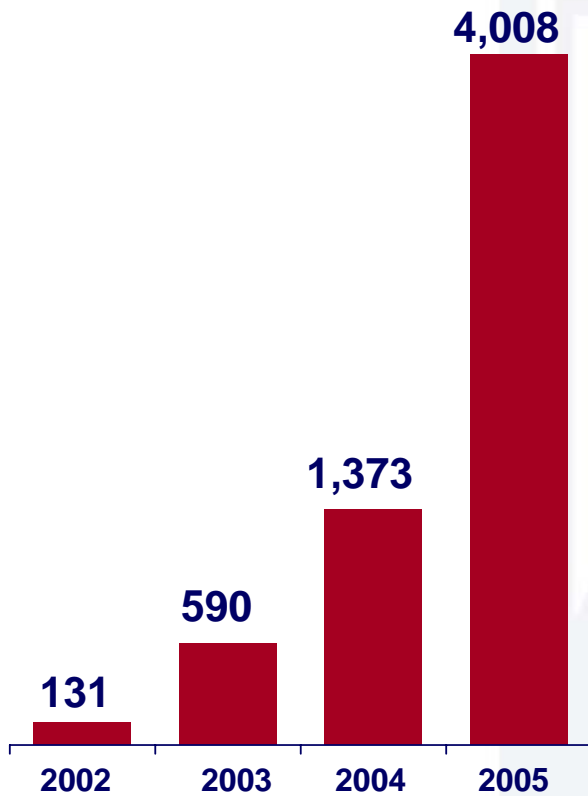


(1) Source: eBenchmarker's estimates of UK online motor market in 2004. eBenchmarkers estimate that survey covers between 80% and 85% of the internet market  
Based on policies sold

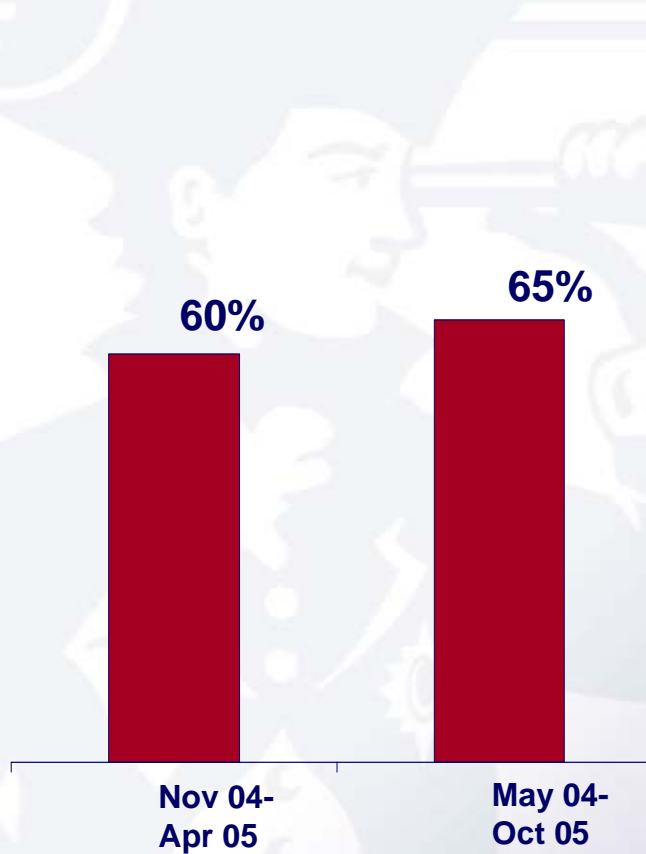


# Confused.com – Aggregator Market Leader

Quotes (000)



Share of aggregator sales<sup>(1)</sup>



2005

- \* Profits £9m
- \* Household added

Prospects

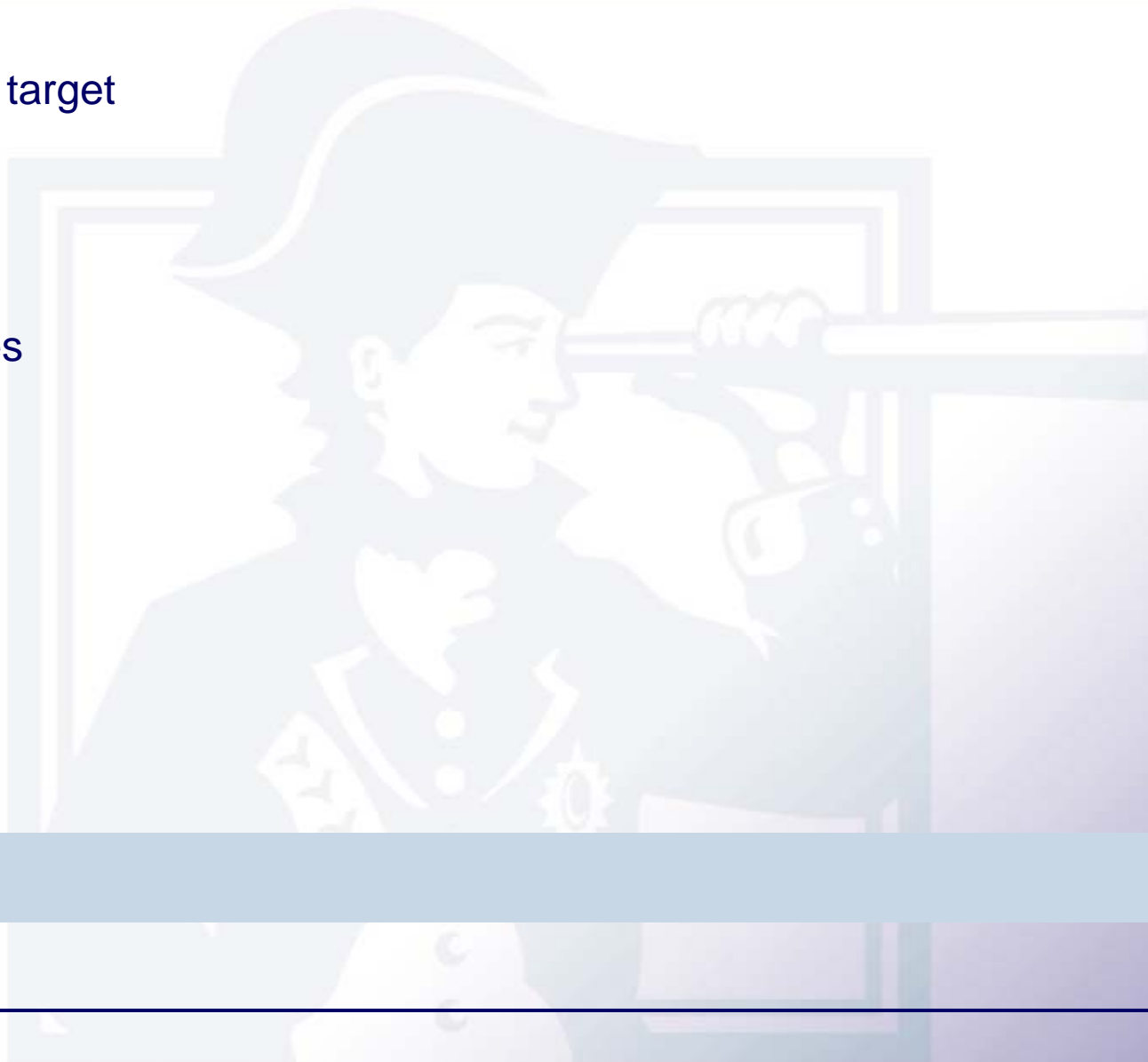
- \* Rapid Growth
- \* Increased Competition

<sup>(1)</sup>Source: ebenchmarkers



# Innovative Approach to Market Challenges

- Higher premium target
- Quick quote
- 10 month policies
- Multi-brand
- elephant.co.uk
- Confused.com
- MultiCar





## Looking Forward



# Strategy





# Admiral goes international

The obvious targets:

	GWP	No of vehicles
France	£12bn	31m
Germany	£15bn	45m
Italy	£14bn	34m
Spain	£8bn	20m
USA	£110bn	236m
UK	£13bn	32m



# Admiral goes international



- Good size
- Vehicle count growing
- Success of Linea Directa
- Growth of Internet



# Summary

## Wow! 2005 - Great Year!



- Profits
- Policyholders
- Dividends
- MultiCar
- Combined Ratio
- Ancillaries
- Confused.com
- Sunday Times 100 Best Companies to Work For
- National Employer of the Year

**Great momentum going forward for 2006**



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