



## **Admiral Group plc results for the six months ended 30 June 2014 and Directorate Change**

13 Aug 2014

### **H1 2014 Group Results**

- Profit before tax, adjusted to exclude minority interests' share, up 2% to £184.9 million (H1 2013: £181.6 million)
- Statutory profit before tax up 1% to £183.3 million (H1 2013: £181.4 million)
- UK Car Insurance profit before tax up 8% to £207.7 million (H1 2013: £192.7 million)
- Increased investment in International Car Insurance and International Price Comparison
- Earnings per share up 5% to 52.7 pence (H1 2013: 50.1 pence)
- Interim dividend up 1% to 49.4 pence per share (2013 interim: 48.9 pence per share)
- Group turnover down 5% to £1,037.1 million (H1 2013: £1,089.1 million)
- Group customers up 9% to 3.94 million (H1 2013: 3.60 million)
- Return on equity 54% (H1 2013: 57%)
- Nearly 7,000 employees eligible to receive £1,500 of shares each via the Employee Share Scheme, based on the H1 2014 result
- Named 3rd Best Large Workplace in the UK and 3rd Best Multinational Workplace in Europe by the Great Place to Work Institute

### **Henry Engelhardt, Chief Executive Officer, commented:**

"Our customer numbers grew by 9%, we've continued to invest in all our businesses, profit increased by 2%, and in July we successfully issued our first bond.

"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 premium 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 with the first half of 2013. Thanks to improved retention levels, we now insure over 130,000 more customers in the UK than at this time

last year.

"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, which is unsurprising considering the decline in premium levels over the last three years.

"Outside the UK, our international insurance operations continue to grow and make progress. Our European price comparison businesses had a profitable first half of the year and we're encouraged by the very early indicators from comparenow.com in the US. We therefore plan to increase marketing investment behind comparenow.com during the second half of 2014.

"Following the bond issue in July, I'm pleased to welcome a new set of investors to Admiral. This was an opportune time to strengthen and diversify our capital resources as we make a prudent transition into the Solvency II world. The additional capital also positions us well for the growth opportunities we see in all of our businesses in the coming years."

**Alastair Lyons, Chairman, commented:**

"With a further increase in first half profits, we are delighted to announce that our interim dividend increases to 49.4 pence per ordinary share. This represents 94% of after-tax earnings for the first six months of 2014, and is testament to our policy of distributing surplus capital to our shareholders."

**Directorate Change**

Admiral Group announces the appointment of Geraint Jones as Group Chief Financial Officer (CFO) and Executive Director of Admiral Group plc with effect from 13 August 2014. Geraint takes over from Kevin Chidwick, who is handing over his CFO duties to focus on his role in the US as CEO of the Group's rapidly growing Elephant Auto Insurance business. Despite stepping off the Board, Kevin will continue to be involved in Group matters and contribute to all Group Board meetings.

Geraint joined Admiral in 2002 and has since held a number of senior finance positions including Head of Finance, before being promoted to Deputy Chief Financial Officer in January 2012. A Fellow of the Institute of Chartered Accountants in England and Wales, Geraint has also worked as an external auditor at Ernst & Young and KPMG.

**Henry Engelhardt, Chief Executive Officer, commented:**

"Kevin's redoubled focus on our expanding US operation will, we believe, allow him to drive forward a business with huge potential.

"I am delighted to promote Geraint to his new role as Chief Financial Officer. Geraint has a deep understanding of Admiral's business and culture, coupled with strong leadership and financial skills. I have no doubt that Geraint will make an important contribution to the success of Admiral in the coming years."

**Management presentation**

Analysts and investors will be able to access the Admiral Group management presentation, which commences at 9.00am on Wednesday 13 August 2014, by dialling +44 203 059 8125.

A copy of the presentation slides and webcast, along with a PDF version of this interim results announcement, will be available at [www.admiralgroup.co.uk](http://www.admiralgroup.co.uk).