



Admiral Reports Record Profits & Strong Growth

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Admiral achieves another record profit coupled with continued strong growth. Profit before tax at £216 million was 7% ahead of 2008, whilst turnover rose 18% to £1,077 million. The Board is declaring a second interim dividend for 2009 of 29.8p, to be paid on 1 April, in place of a final dividend.

2009 Preliminary Results Highlights

- Group profit before tax up 7% at £216 million (2008: £203 million)
- Second half dividend of 29.8p per share (2009 interim: 27.7p)
- Group turnover* up 18% at £1,077 million (2008: £910 million)
- Number of Group customers up 19% to 2.08 million (2008: 1.75 million)
- Profit from UK car insurance up 15% to £207 million (2008: £180 million)
- UK ancillary income per vehicle stable at £72 (2008: £71)
- Non-UK car insurance turnover £47 million (up 59%) and 121,000 customers (up 64%)
- Elephant Auto, the Group's new US insurer based in Virginia launched in October 2009
- Rastreator.com, the Spanish price comparison site launched in March 2009
- Employee Share Scheme – shares, in total worth over £9 million will be distributed to over 3,500 staff based on the 2009 result

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

Comment from Henry Engelhardt, Group Chief Executive

“In 2009 Admiral’s continued strong growth enabled us to exceed £1 billion turnover for the first time in our history, to deliver yet another set of record profits and to pay another record dividend. This is no mean feat whatever the circumstances but given that 2009 was a year of recession and record lows for investment returns this is an outstanding achievement!

“The UK car insurance business remains central to our success, once again producing a great result, a pre-tax profit of £207 million. We increased the

number of customers by 17% and achieved a combined ratio of 85%. At the same time we increased premium rates by 12% during 2009, broadly in line with the UK market where, after a period of minimal increases, premiums are now rising to compensate for claims inflation in recent years.

“As the UK business steams ahead we continue to nurture and develop our operations outside the UK. We now have over 120,000 car insurance customers outside the UK, in Spain, Germany, Italy, and since October 2009 the USA. These businesses contributed £47 million of turnover in 2009. On 30 March we launched Rastreator.com in Spain, our second price comparison site, and in September Rastreator ran its first television campaign with positive initial response. Early in 2010 we launched our third and fourth price comparison sites; LeLynx.fr in France, and Chiarezza.it in Italy.

“It’s not all plain sailing and setting up businesses outside the UK has its challenges; it takes time and some money to build growing, profitable businesses. However, if I could fast forward 10 years I’d expect to see these businesses as key drivers of our profit growth.

“Confused also had a good year, increasing revenue and maintaining profit levels in what continues to be a hyper-competitive market. There is no doubt that 2010 will again be a challenging year in the price comparison industry.

“In sum, it was a great year, which means that every member of staff in every country will get the maximum payout of shares in our Employee Share Scheme, with a total value of over £9 million for 2009 as a whole. They earned it.”

Comment from Alastair Lyons, Group Chairman

"With a further advance in profits we are delighted once again to be able to declare an increase in total dividends for the year of 10% to 57.5p per ordinary share. This represents 97% of after tax earnings.

“In January this year we were very pleased to announce agreements with Munich Re and Hannover Re to broaden and lengthen our existing relationships with these strongly rated reinsurance providers. These long-term agreements further reduce risk, and allow us to perpetuate our model of strong growth, high return on capital and solid dividends.”

Admiral Group will hold a conference call for newswires and other real-time media at 07:30 GMT on Tuesday 2 March 2010. To participate journalists are

invited to dial +44 (0)20 7138 0835. Access to the facility will be available by using the participant code 1341174.