



Admiral Reports Record Interim Profits & Strong Growth

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Admiral announces another record half-year profit and continued strong growth. Profit before tax at £100.3 million was 16% ahead of H1 2007, whilst turnover rose 13% to £472.5 million. The Board is therefore declaring a record dividend payment of 26.0p per share.

H1 2008 Highlights

- Profit before tax up 16% at £100.3 million (H1 2007: £86.3 million)
- Turnover up 13% at £472.5 million (H1 2007: £417.8 million)
- Total interim dividend of 26.0p per share, up 26% (H1 2007: 20.6p)
- Profit from ancillary products and services up 21% at £45.5 million (H1 2007: £37.7 million). Ancillary income per vehicle up to £71 (£68 in H1 2007)
- Number of customers up 16% to 1.63 million from 1.40 million at 30 June 2007. In the UK, customer numbers up 12% at 1.56 million from 1.39 million
- Confused.com revenue up at £36.6 million (H1 2007: £34.3 million), profits reduced to £15.6 million from £19.7 million
- Turnover from outside the UK £15 million and 70,000 customers
- Attractive new reinsurance contracts signed for 2009 – 2011
- Employee Share Scheme – over £3 million of shares will be distributed to over 2,300 staff based on the H1 2008 result

Comment from Henry Engelhardt, Group Chief Executive

“When people in an organisation work together like people do at Admiral it makes my job very easy. I'm really proud of the results we've achieved in the first half of 2008. We set an all-time record for profits, the business grew in excess of 10%, and we will be paying a record dividend.

“The growth in our UK business of 12% from the end of June last year (up 8% from January 1!) is down to competitive prices coupled with great service. Ours is very much a people business: people communicating with people and the team at Admiral try to treat every customer as someone special. Not only did the core business grow, but we increased our ancillary income per vehicle to

£71, up from £68 a year ago.

“We also continued to invest in our long-term future by developing our operations outside the UK. We now have 60,000 customers in Spain, more than 10,000 in Germany and saw the on-time, under-budget launch of our Italian operation at the end of May. Overall the business outside the UK contributed £15m in turnover in the first six months of the year.

“It's a great set of numbers for the Group and as a result of this effort I'm very pleased to say that every member of staff who was here for the entire period (January 1 to June 30) will get £1,500 of free shares in the Group, with more than £3 million in shares being given out in total.”

Comment from David Stevens, Chief Operating Officer

“Rises in market premiums and a relatively benign claims experience over the last 18 months mean that, for the first time in seven years, we see a real prospect of falling underlying loss ratios in our core UK business.

“Our high level of underwriting profitability, combined with the evidence of the market turning, have allowed us to negotiate new quota share reinsurance contracts for 2009 to 2011, which are more remunerative than any previous reinsurance contracts and are broadly comparable in cost to the use of subordinated debt to fund our growth.

“The prospect of higher underwriting margins and continued volume growth, combined with our improved reinsurance terms create a particularly positive environment for Admiral to improve its underwriting returns over the coming years.”

Comment from Alastair Lyons, Group Chairman

“Our business has continued strongly profitable and cash generative over the last six months, with profit before tax up 16%. We are, therefore, very pleased to be able to declare a dividend of 26.0p, which is 26% higher than at the same point last year.

“Our policy remains only to retain within the business what funds we need to provide a prudent contingency and support our plans for growth. In total our interim dividend will represent 95% of first-half earnings.”