

ADMIRAL
GROUP plc



2012 Full Year Results

6th March 2013

Henry Engelhardt, Chief Executive Officer

The 20th Year!

Kevin Chidwick, Chief Financial Officer

Financial results

David Stevens, Chief Operating Officer

UK operations

Henry Engelhardt, Chief Executive Officer

International operations

Q&A



Happy 20th Birthday

Admiral



Sometimes a picture is worth a thousand words!



- 15 thousand people
- 20 million vehicles
- £13 billion turnover
- 20 year ratios
 - Loss ratio: 69%
 - Expense ratio: 15%
 - Combined ratio: 84%
- Best loss ratio? 2001: 50%
- Over £2 billion profit before tax
- 57% return on capital



- Group profit before tax up 15% at £345 million (2011: £299 million)
- Return on capital of 60% (2011: 59%)
- Group turnover* up 1% at £2.22 billion (2011: £2.19 billion)
- Group vehicle count up 6% to 3.55 million (2011: 3.36 million)
- Earnings per share up 16% at 95.1 pence (2011: 81.9 pence)
- Record final dividend of 45.5 pence per share; bringing the total dividend to 90.6 pence per share up 20% (2011: 75.6 pence)

**Calculation: Turnover comprises total premiums written plus other revenue*



Dividends to shareholders since IPO: £1.2 billion

Annual Dividend Per Share



- Dividends have increased every year
- CAGR: 20%*

Total Dividends Declared



- Total dividends: £1.2 billion
- Admiral's market cap at IPO: £711 million
- Total shareholder return: 525%*

*Calculations: CAGR measured from 2005 to 2012. Total shareholder return measured from IPO to 31st December 2012.

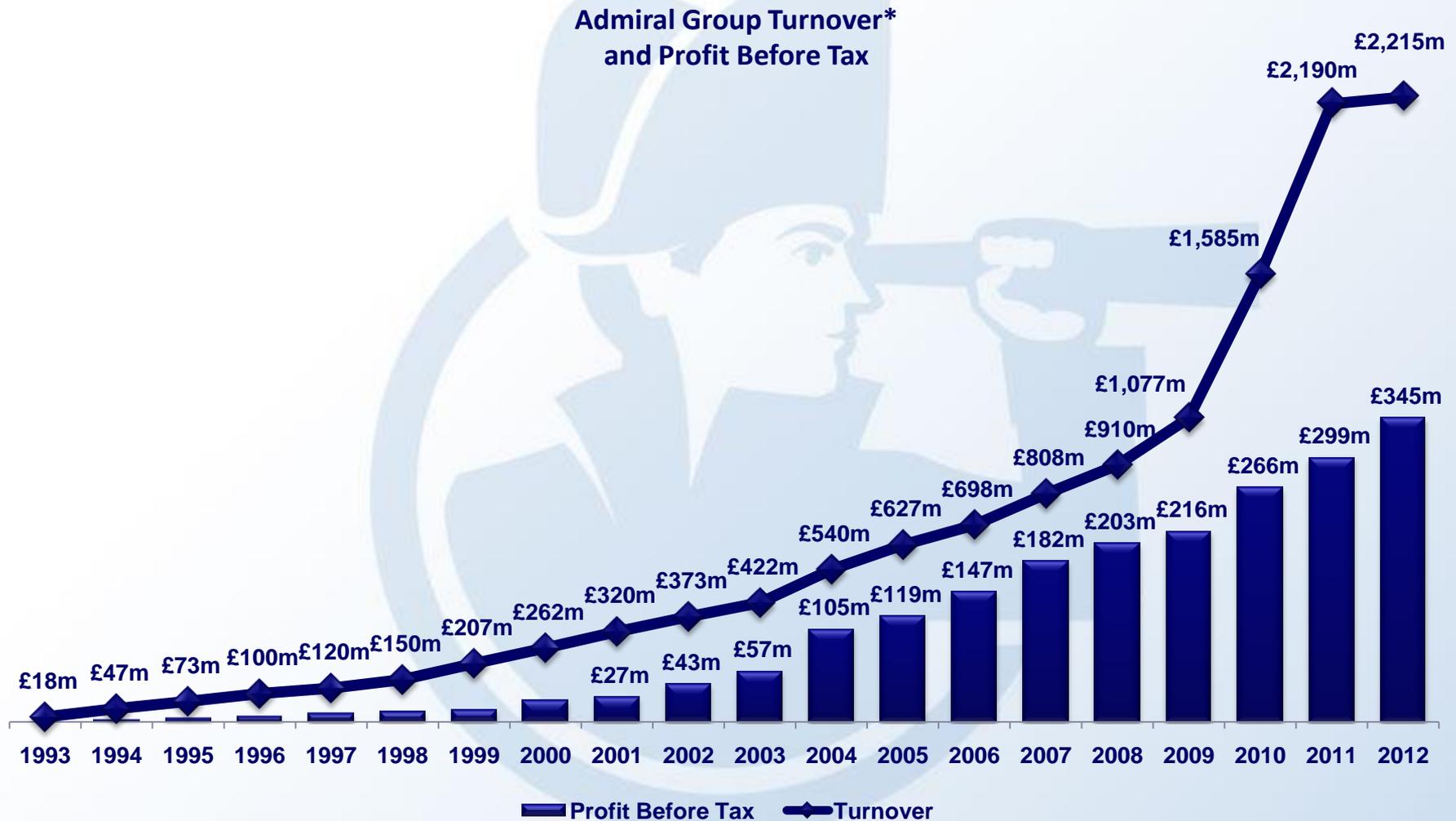


Financial results

Kevin Chidwick



Admiral Group turnover and profit before tax since launch



*Calculation: Turnover comprises total premiums written plus other revenue



So how did we do?

Admiral Profit Before Tax – Actual Result and Forecasts (published March and April 2012)

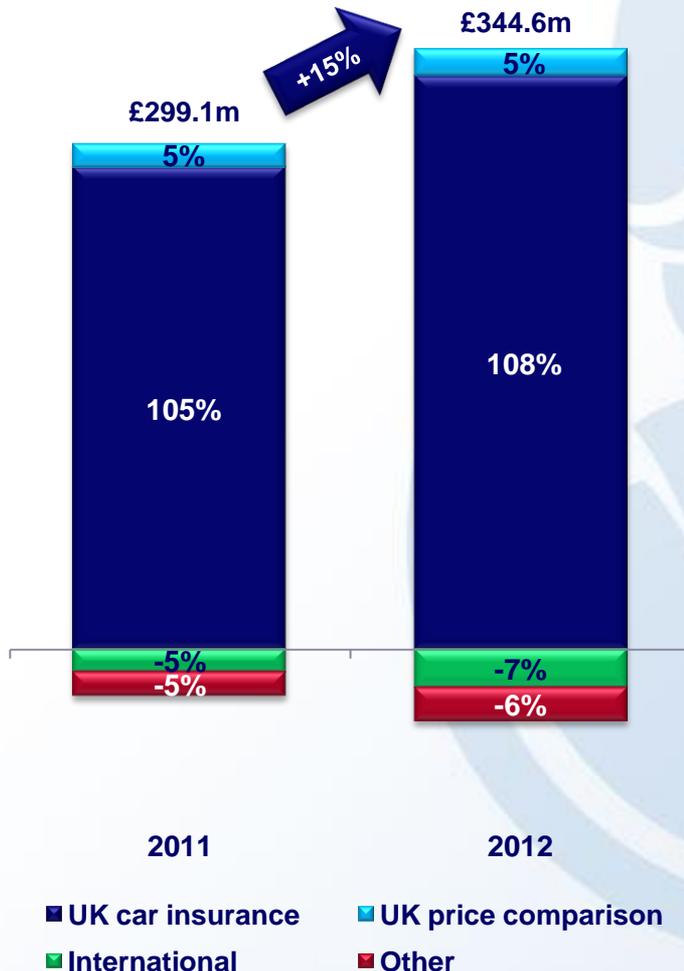


Note: Data taken from analyst notes published between 7th March 2012 and 25th April 2012.



Key components of group profit before tax

Admiral Group Profit Before Tax

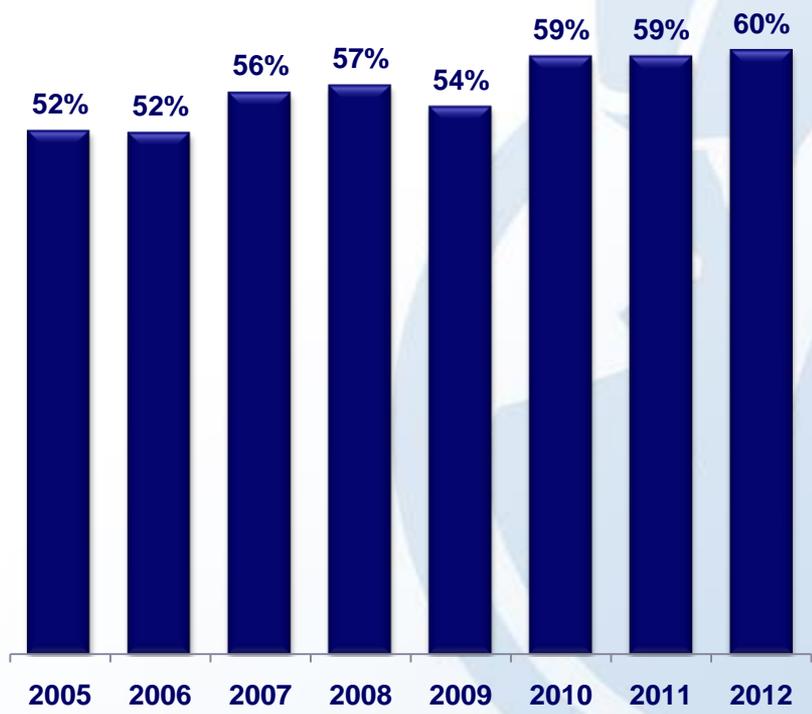


- The Group's core UK Car Insurance operation accounted for £373 million of Group profit before tax, up 19% on 2011.
- Confused.com performed well in a highly competitive environment contributing over £18m to profit before tax, up 13% on 2011.
- The Group continued to invest and make progress in overseas expansion in car insurance and price comparison in 2012.
- The Group's employee share scheme costs account for the majority of "Other" category. At the end of 2012 all 6,500 employees participated in the scheme.



We continue to deliver a high return on capital and have a strong capital position

Admiral Group Return on Capital*



Admiral Group Solvency

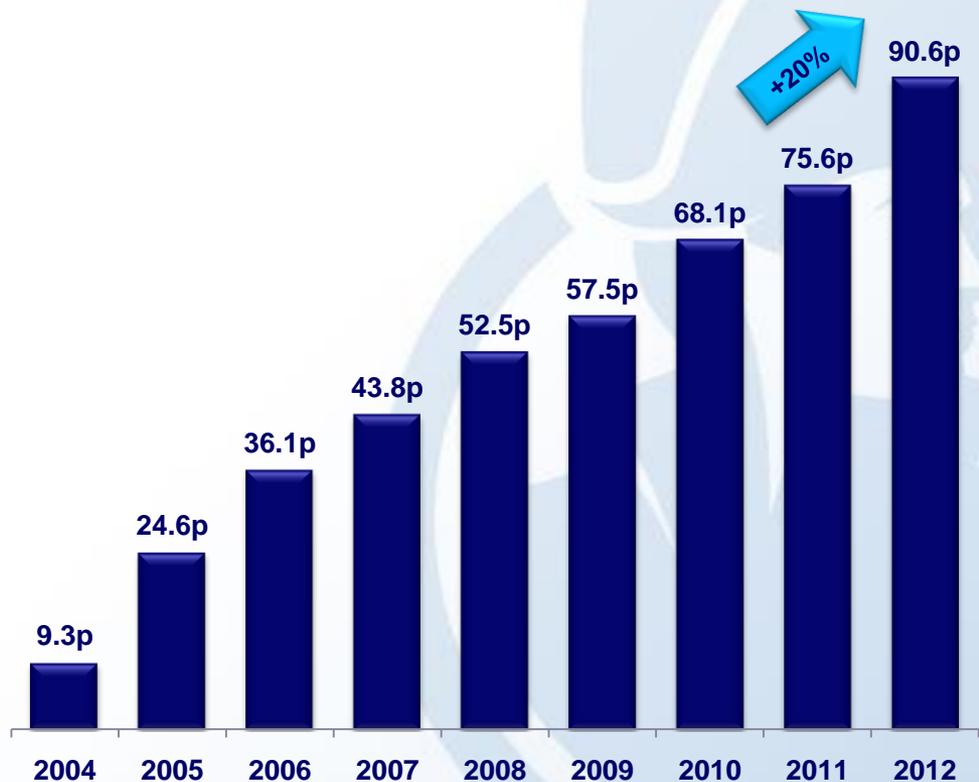


*Note: ROC calculated as post-tax result divided by average equity

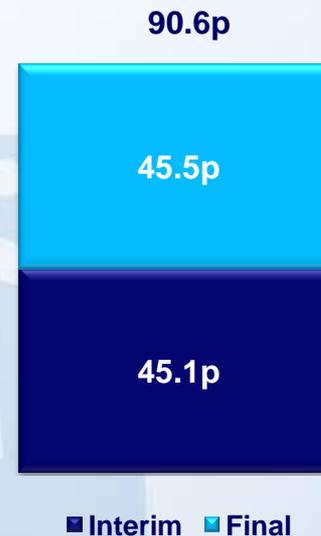


Consistent and sustainable dividend policy

Admiral Group Full Year Dividend Per Share



2012 Dividend



Final dividend dates

Ex-dividend date – 1st May 2013

Record date – 3rd May 2013

Payment date – 24th May 2013

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
% Payout	35%	75%	91%	90%	96%	97%	94%	92%	95%



UK

David Stevens

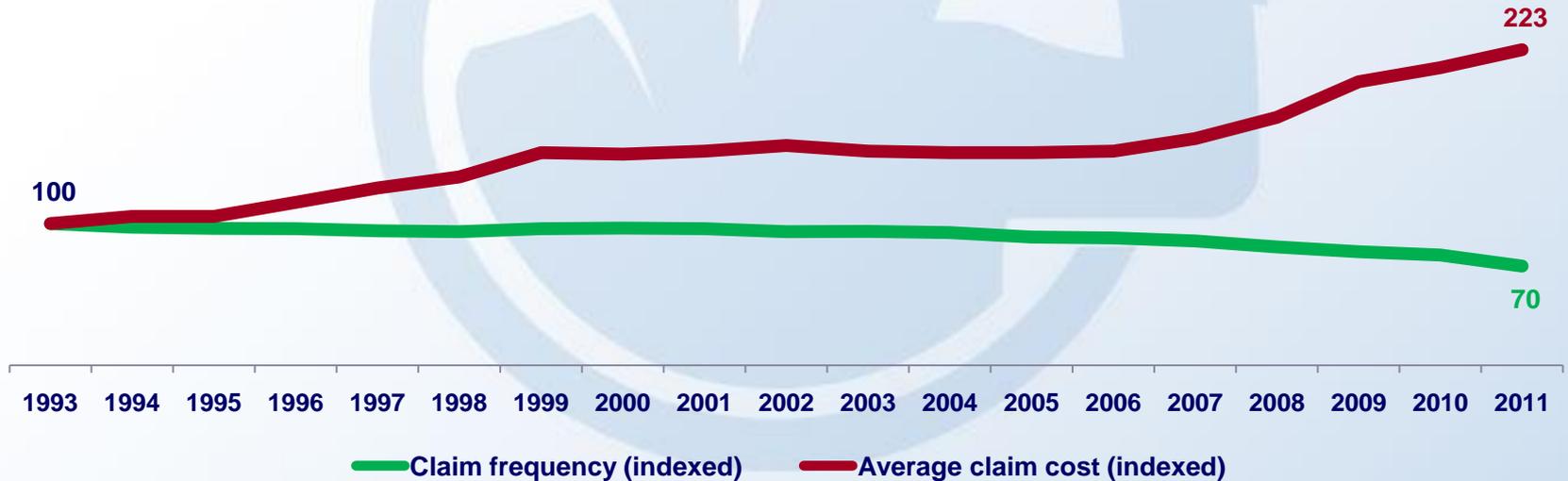


Some things change...

Top 5 UK Private Car Insurers

1993*	2011
Sun Alliance	Direct Line Group
Royal Insurance	Admiral
Eagle Star	Aviva
AGF	Liverpool Victoria
Direct Line	AXA

Claims Severity and Frequency**

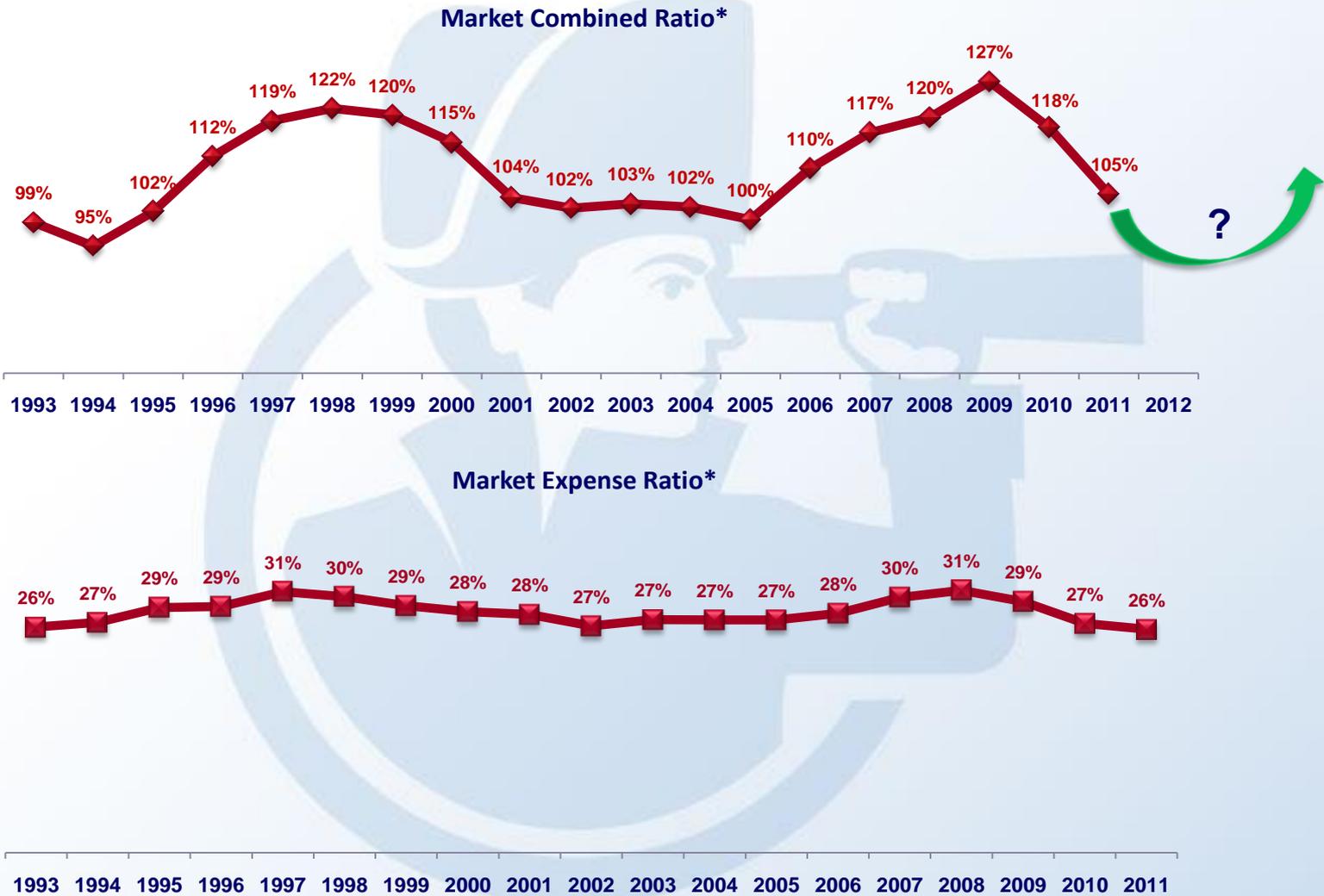


*Source: Merrill Lynch "The Longest Night"

**Source: ABI and Institute of Actuaries data, supplemented with management estimates



Some stay the same...

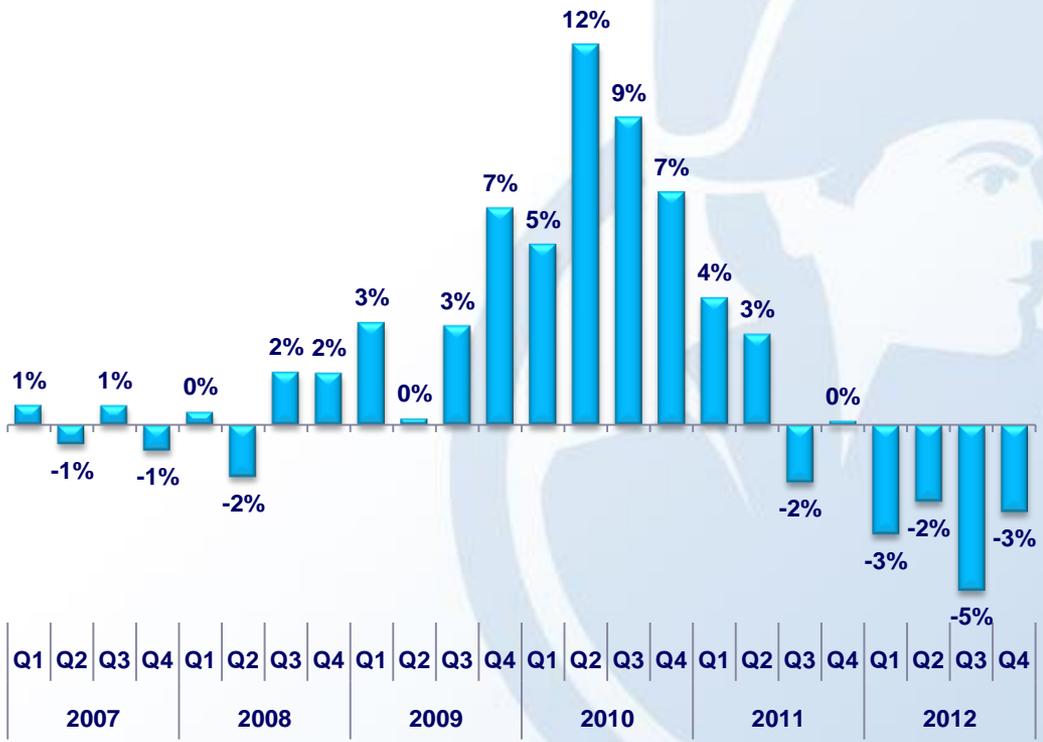


*Source: Towers Watson analysis of FSA returns as at 31st December 2011. Market excludes Admiral. The expense ratio is adjusted to exclude UKI the 2010 and 2011, if UKI was included the results would be 24% and 28% respectively.



In 2012 there were significant reductions in market premium rates

Confused.com / Towers Watson Market Premium Rate Movements

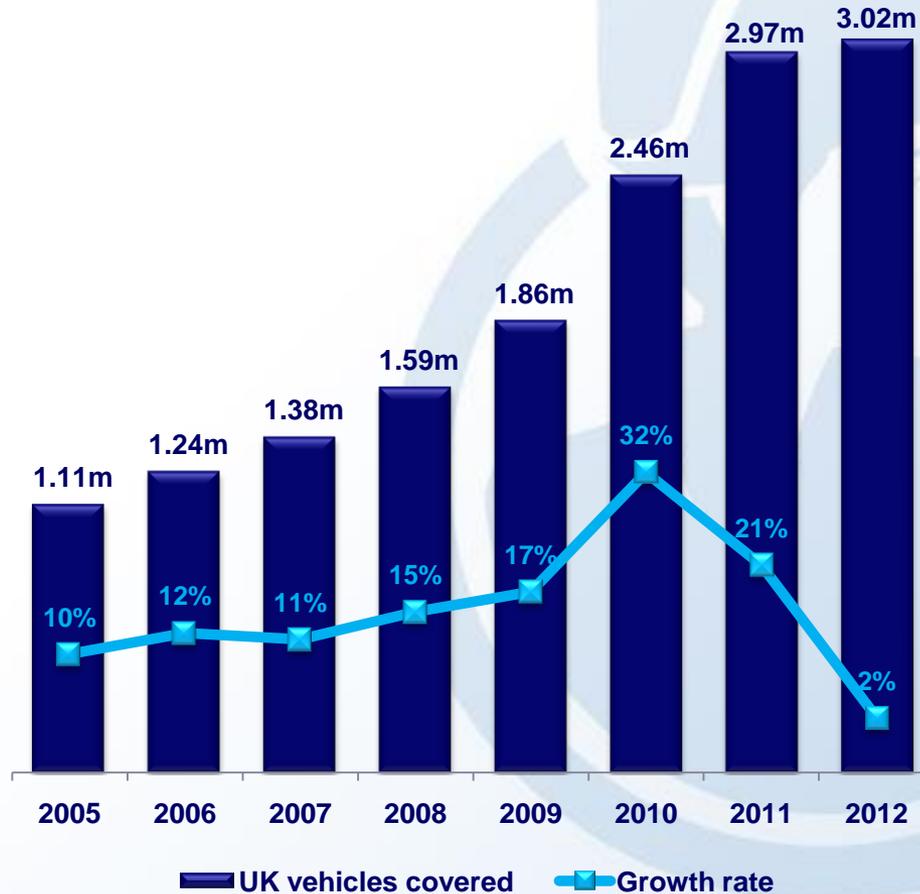


- Correction of overshoot?
- Response to:
 - Benign frequency?
 - April 2013 reforms?
 - Lower switching activity?
- Shorter, sharper cycle



In 2012 it made sense for Admiral to grow more modestly than in the past

Total UK vehicles and annual growth rate



- 2010 and 2011 was an optimum time to grow faster.
- Modest growth was sensible in 2012:
 - As we gained increased certainty over claims evolution...
...And avoided the risk of chasing market rates down.
- We flex growth to maximise profit in any given market environment.



Admiral's average premiums have fallen, mainly due to pricing changes but also due to portfolio changes, notably the increased importance of renewals

Admiral's Average Premium*

	2010	2011	2012
Average Premium	£573	£638	£579
Movement	23%	11%	-9%

Renewals Proportion of Total Book (indexed to 100 in 2009)

Renewals	2010	2011	2012
	96	102	114

Average Rate Changes in 2012 (New Business and Renewals)

	2012
January to April	0%
May to December	-6%

*Calculation: total written premium (less optional products now written in-house) divided by average of opening and closing vehicle count.



Admiral's claims trends continue to be encouraging

Movement in 2011 Accident Year Ultimate Loss Ratio (ULR) Projections*



- In 2012 there have been improvements in ultimate loss ratio projections for 2010 and 2011.
- The 2012 accident year ultimate loss ratio is currently projected to be 71%.

Admiral UK Reserve Releases as % of Earned Premium By Financial Year



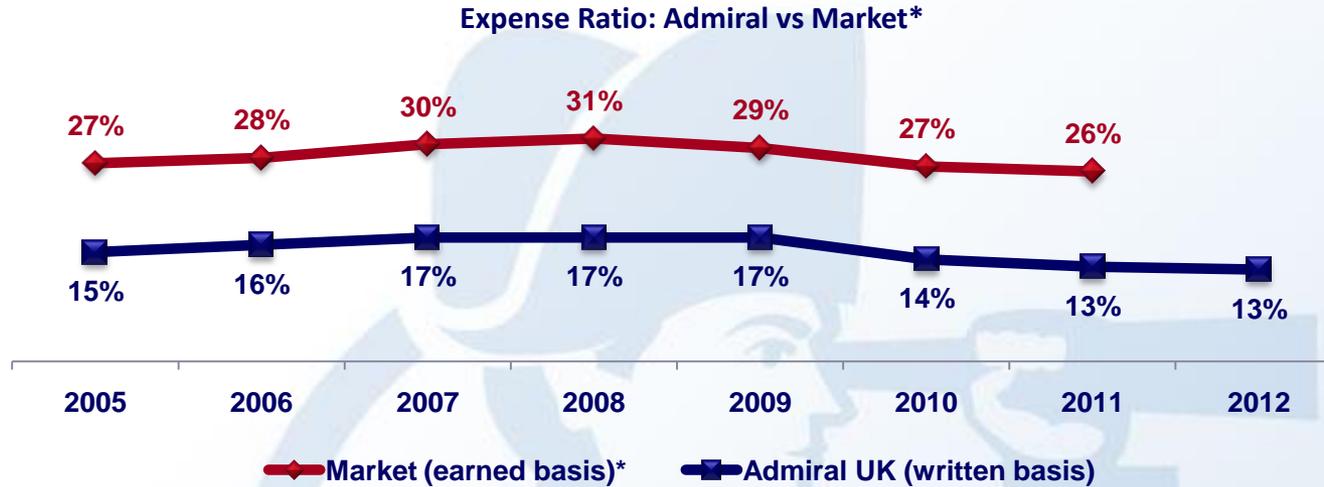
- There is only a small increase in back year reserve releases.
- This is because we have not yet taken the full credit for these improvements.
- If claims develop as expected there will be scope for increased reserve releases going forward.

*Source: Actuarial projection of ultimate loss ratio on accident year basis.

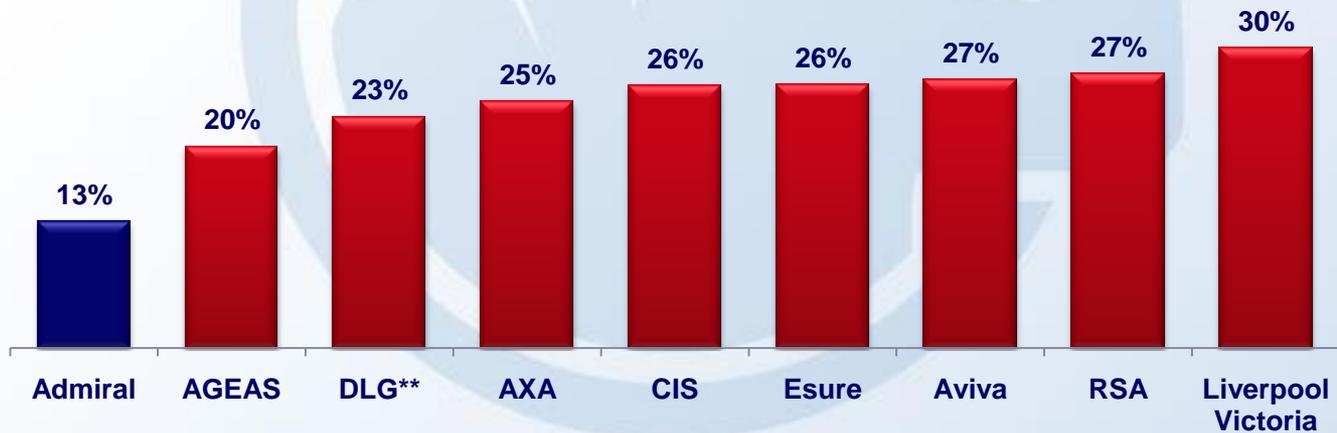


Admiral continues to keep its costs low

Expense Ratio: Admiral vs Market*



Expense Ratio: Admiral vs Peers** with Premium > £350m in 2011

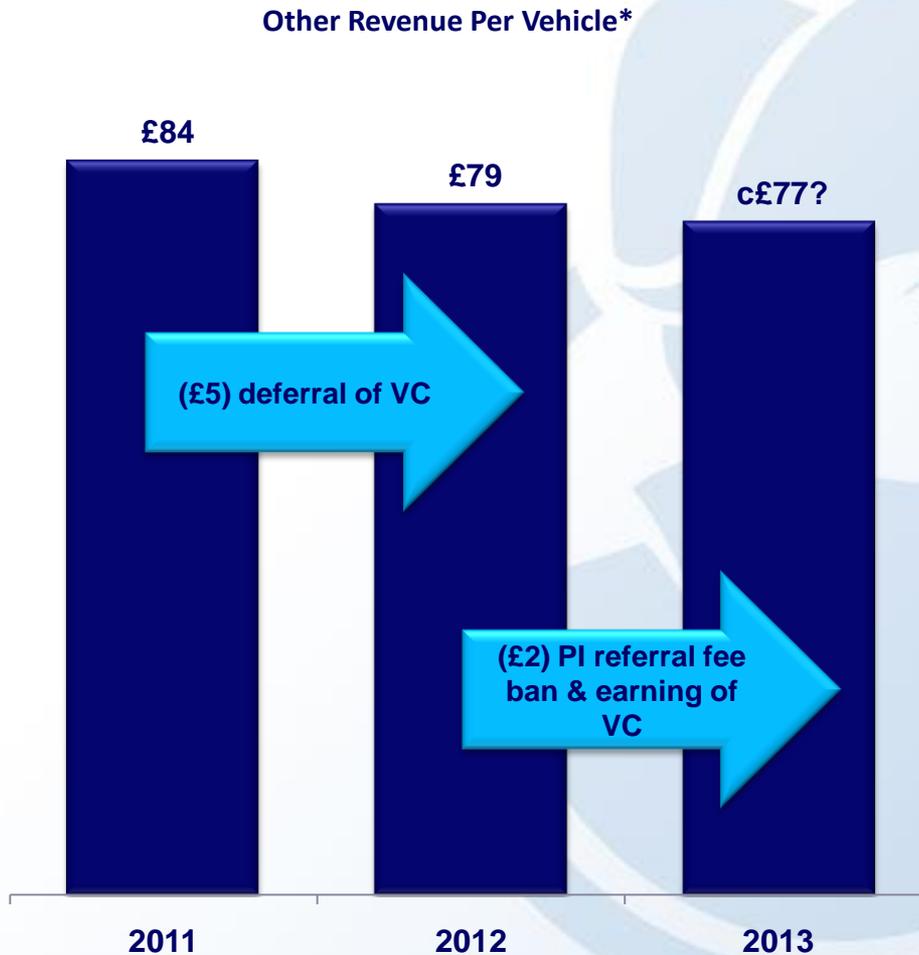


*Source: Towers Watson analysis of FSA returns as at 31st December 2011. The Market analysis excludes Admiral. The expense ratio is adjusted to exclude UKI in 2010 and 2011, if UKI was included the results would be 24% and 28% respectively.

**Source: Towers Watson analysis of FSA returns as at 31st December 2011. DLG is UKI. The UKI expense ratio in 2011 was 33% and in 2010 was 15% therefore an expense ratio was recalculated by adding the two years results together ie total expenses divided by total earned premium.



Other revenue has fallen as anticipated, due to the accounting treatment of vehicle commission



- Vehicle commission (VC) is a charge levied on the co- and reinsurers – it is earned over time
- Personal injury (PI) referral fees are banned from April 2013
- Other revenue also includes administration fees, instalment income and optional products such as breakdown cover.

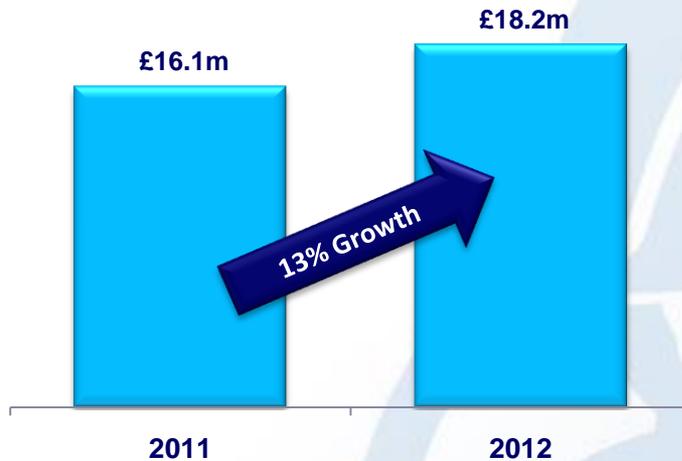


*Calculation: example based on 2012 numbers £79 = Ancillary contribution (£205.2m) being net ancillary income (£170.9m) with internal costs (£34.3m) added back; plus instalment income (£29.1m) plus ancillary underwriting profit (£4.8m) of £239.1m divided by rolling 12 month average vehicle count of 3 million.

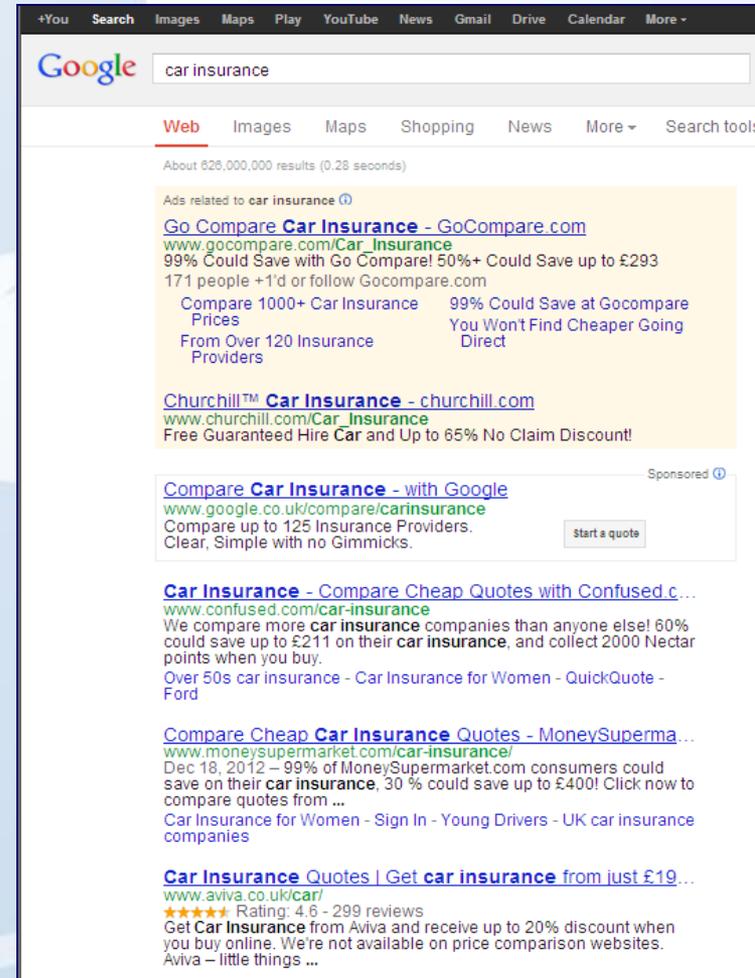


Confused.com has had a good year

Confused.com Profit Before Tax



- Revenue up 7% at £82.7 million
- Margin improved 1pp to 22%



Key rationale

- 3 million customer cross-sell opportunity
- 30% purchased through price comparison
- Profitable, non-cyclical £6bn market

Compare policy details			
		 GOLD	 PLATINUM
Annual Premium	£184.53	£216.18	£285.35
Buildings Excess	£200	£175	£150
Contents Excess	£200	£175	£150
Legal Assistance	✗	✗	✓
Home Emergency	✗	✓	✓
Buildings A/Damage	✓	✓	✓
Contents A/Damage	✓	✓	✓
	Buy »	Buy »	Buy »

Long term and low risk approach

- Organic growth
- Test and learn
- Long term contracts with reinsurance partners sharing risk and reward

UK household underwriting arrangements



■ Admiral ■ Munich Re ■ Swiss Re



- Flex growth to maximise profit
- Increasing reserve releases
- Lay foundations for competitive household business



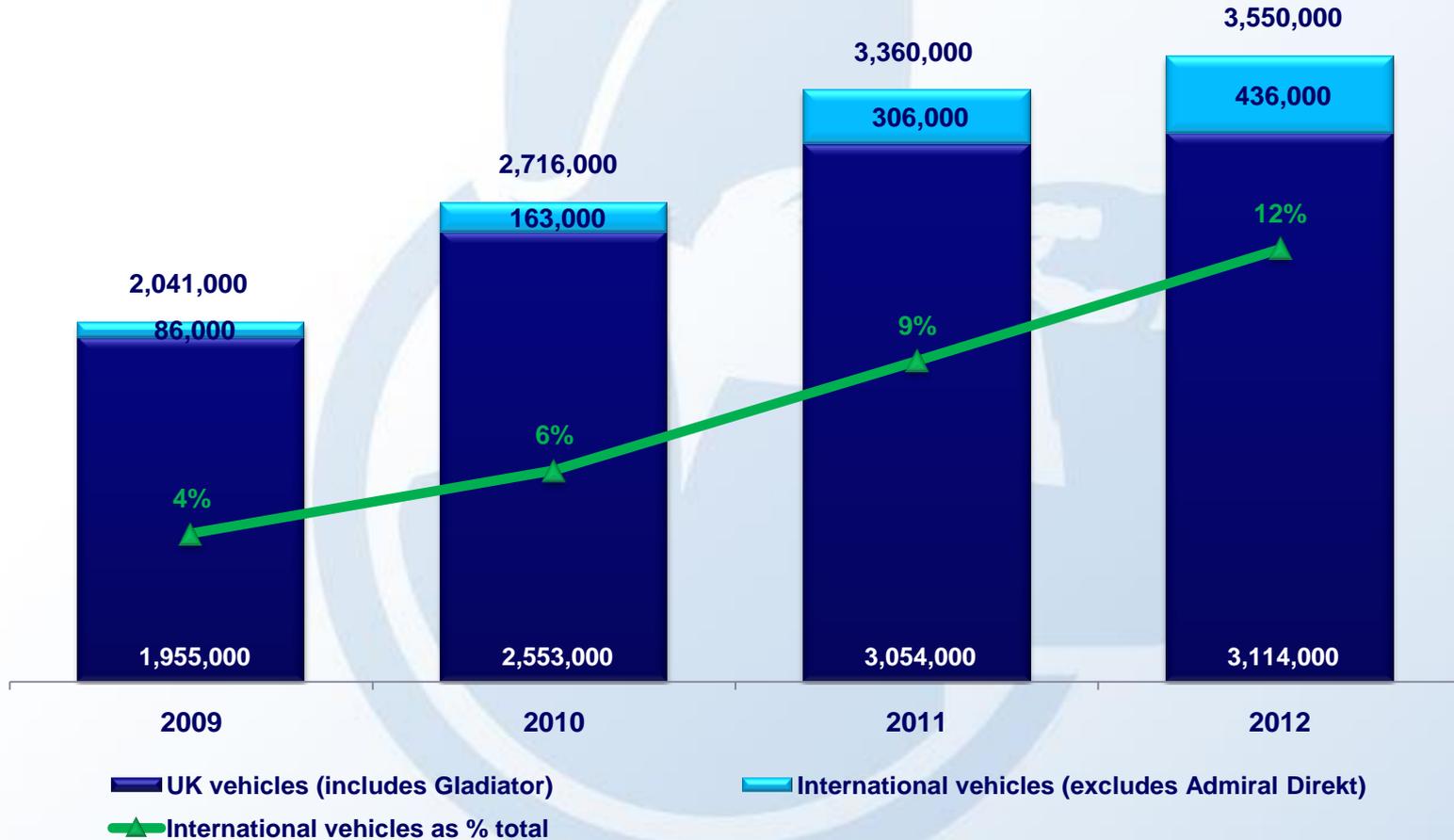
International

Henry Engelhardt



International operations contributed 12% of Group vehicles

International Vehicles as % Total Group Vehicles





International markets

	Admiral launch date	Growth in online shopping*	Total market premiums	Market profitability	Hot topic!
	Spain October 2006	✓ +40%	£10bn	<100% Combined Ratio	The economy
	Italy May 2008	✓ +60%	£17bn	>100% Combined Ratio	Regulation
	USA October 2009	✓ +20%	£106bn	<100% Combined Ratio	Ads, ads, ads!
	France December 2010	✓ +30%	£15bn	>100% Combined Ratio	The economy

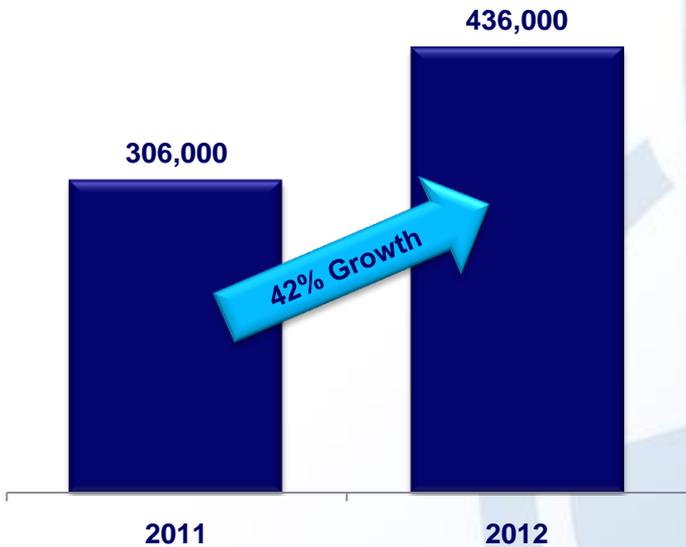
*for car insurance from 2008 to 2010 / 2011

Sources: Finaccord Consumer Research – Aggregation Metrics: Consumer Approaches to Online Insurance Comparison Sites in Europe & Comscore for USA



International Car Insurance

Number of Vehicles Insured



International Car Insurance Results

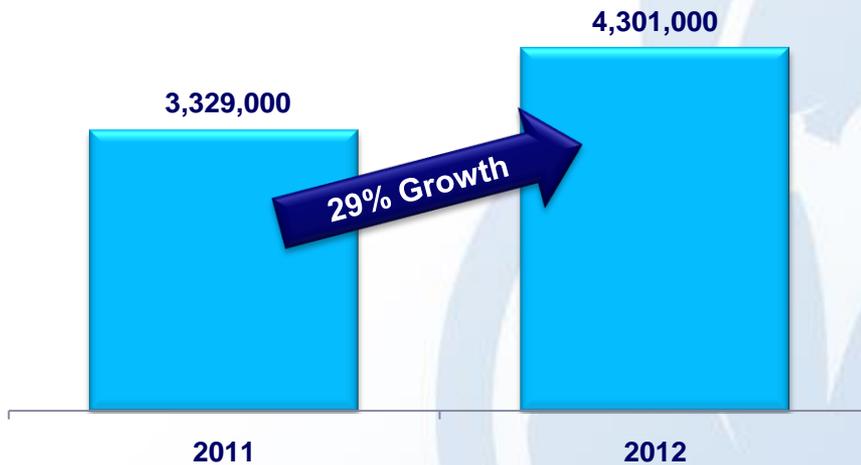
	2009	2010	2011	2012
Countries of Operation	Spain Germany Italy	Spain Germany Italy USA	Spain Italy USA France	Spain Italy USA France
Total Premiums	£43.0m	£71.0m	£112.5m	£148.5m
Expense Ratio	102%	88%	60%	63%
Loss Ratio	102%	85%	104%	114%
Combined Ratio	204%	173%	164%	177%
Net Result	(£9.5m)	(£8.0m)	(£9.5m)	(£24.5m)





International Price Comparison

Number of Quotes Generated*



International Price Comparison Results*

	2011	2012	Movement	
Turnover	£12.8m	£20.8m	+£8.0m	+63%
Result	(£5.6m)	(£0.2m)	+£5.4m	+96%



*Note: On April 13th 2012 Admiral sold Chiarezza (an Italian price comparison site) to BlackFin Assurance Courtage . Number of quotes generated excludes Chiarezza. Full Year Results includes Chiarezza.



Key rationale

- Accurate comparison of auto insurance has obvious appeal
- Take what we do well and do it elsewhere



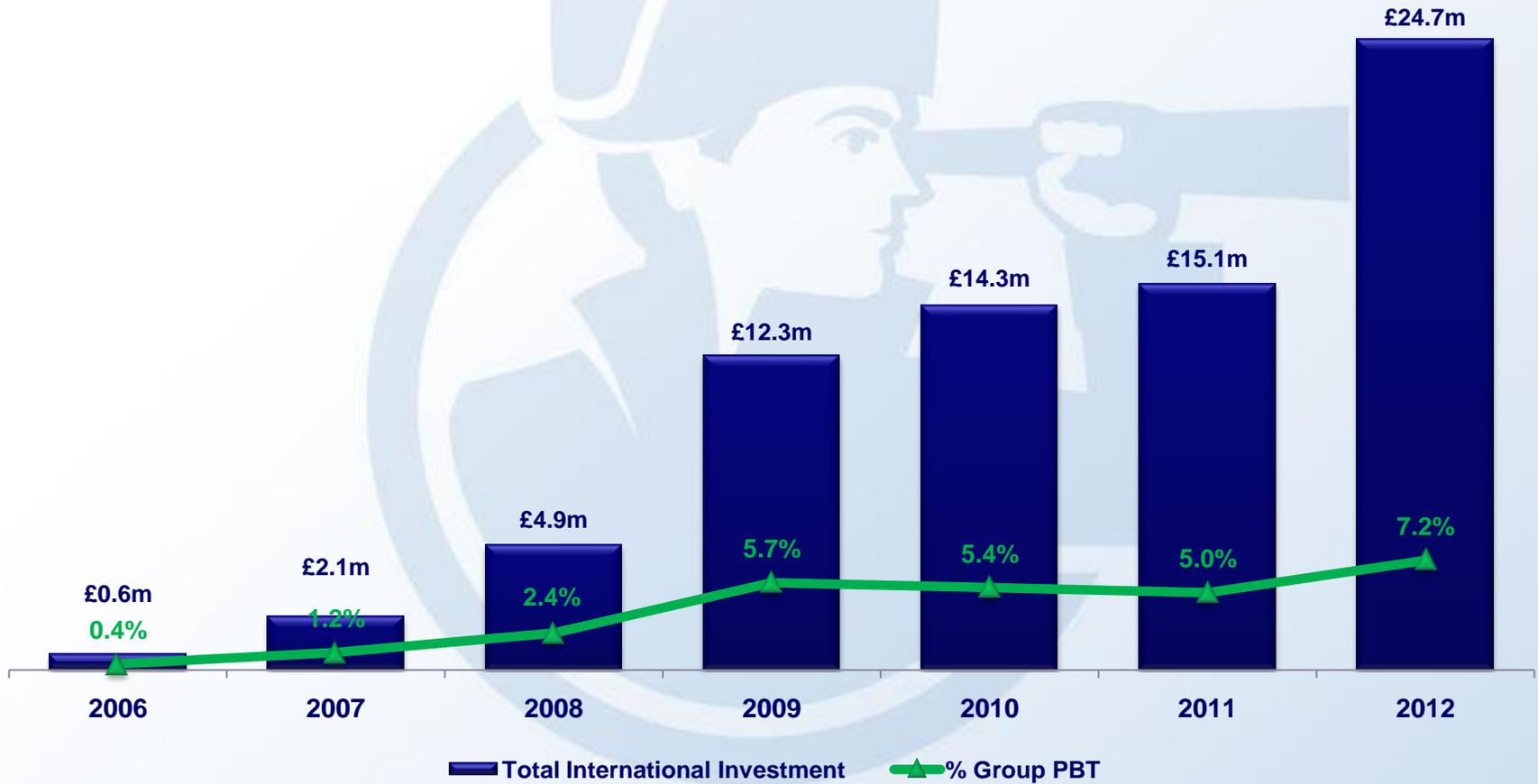
Status

- Beta version of website
- Modest initial investment





Total Investment in International Businesses



Note: Total investment = operational result + expansion costs. 2012 total investment excludes expansion costs.



The next 20 years...



- **Growth:**

- Profitable growth in UK in both car and home insurance
- Successful international operations

- **Expansion:**

- New products and new geographies...



- Group profit before tax up 15% at £345 million (2011: £299 million)
- Return on capital of 60% (2011: 59%)
- Group turnover* up 1% at £2.22 billion (2011: £2.19 billion)
- Group vehicle count up 6% to 3.55 million (2011: 3.36 million)
- Earnings per share up 16% at 95.1 pence (2011: 81.9 pence)
- Record final dividend of 45.5 pence per share; bringing the total dividend to 90.5 pence per share up 20% (2011: 75.6 pence)
- Recently named UK's 11th Best Company to Work For by the Sunday Times

**Calculation: Turnover comprises total premiums written plus other revenue*



Q&A



Appendix



Admiral Group Key Performance Indicators

KPI	2004	2005	2006	2007	2008	2009	2010	2011	2012
Group Financial									
Turnover £m	540	627	698	808	910	1,077	1,585	2,190	2,215
Closing vehicles (000)	1,041	1,141	1,285	1,491	1,746	2,076	2,748	3,360	3,550
Group pre-tax profit £m	98.1	119.5	147.3	182.1	202.5	215.8	265.5	299.1	344.6
Earnings per share	28.4p	32.7p	39.8p	48.6p	54.9p	59.0p	72.3p	81.9p	95.1p
Dividend per share	9.3p	24.6p	36.1p	43.8p	52.5p	57.5p	68.1p	75.6p	90.6p
UK Car Insurance									
Closing vehicles (000)	1,008	1,105	1,240	1,382	1,587	1,862	2,459	2,966	3,019
Total premiums £m	470.4	533.6	566	617	690.2	804.7	1,237.6	1,728.8	1,748.7
Reported combined ratio	82.0%	84.9%	87.2%	83.4%	81.0%	84.9%	83.5%	91.3%	89.7%
Other revenue per vehicle £						77	84	84	79
UK car insurance pre-tax profit £m	94.7	110	121.1	142.2	179.9	206.9	275.8	313.6	372.8
Price Comparison									
Total revenue £m	3.2	12	38.5	69.2	66.1	80.6	75.7	90.4	103.5
Operating profit £m	1.3	6.9	23.1	36.7	25.6	24.9	11.7	10.5	18.0
Operating margin – Confused.com only	41%	58%	60%	53%	39%	32%	24%	21%	22%
International Car Insurance									
Closing vehicles			2,200	46,900	73,700	121,000	195,000	306,000	436,000
Total premiums £m			0.6	14.2	26	43	71	112.5	148.5
Reported combined ratio			-	232%	198%	204%	173%	164%	177%
International car insurance result £m			(0.1)	(0.7)	(4.1)	(9.5)	(8.0)	(9.5)	(24.5)



Summary Income Statement

£m	UK Car Insurance			International Car Insurance			Price Comparison			Other			Admiral Group		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Turnover	1,419.6	1,966.0	1,936.2	77.7	122.2	162.9	75.6	90.4	103.5	11.8	11.7	12.5	1,584.8	2,190.3	2,215.1
Total premiums written	1,237.6	1,728.8	1,748.7	71.0	112.5	148.5							1,308.6	1,841.3	1,897.2
Gross premiums written	678.9	1,037.3	1,045.2	59.6	91.1	122.0							738.5	1,128.4	1,167.2
Net premiums written	334.6	472.6	439.6	24.0	33.8	48.5							358.6	506.4	488.1
Net earned premium	269.4	418.6	455.6	18.7	27.2	43.3							288.1	445.8	498.9
Investment income	8.2	10.6	13.9	0.1	0.2	0.1							8.3	10.8	14.0
Net insurance claims	(192.5)	(335.5)	(355.1)	(15.9)	(28.3)	(49.4)							(208.4)	(363.8)	(404.5)
Insurance related expenses	(32.4)	(46.7)	(50.0)	(16.5)	(16.2)	(27.4)							(48.9)	(62.9)	(77.4)
Underwriting result	52.7	47.0	64.4	(13.6)	(17.1)	(33.4)							39.1	29.9	31.0
Profit commission	67.0	61.8	108.4										67.0	61.8	108.4
Gross ancillary revenue	168.3	213.9	205.2	6.3	9.4	10.5							174.6	223.3	215.7
Ancillary costs	(25.9)	(32.4)	(34.3)	(1.0)	(1.4)	(1.6)							(26.9)	(33.8)	(35.9)
Instalment income	13.7	23.3	29.1	0.4	0.3	0.3							14.1	23.6	29.4
Gladiator contribution										2.7	2.8	2.5	2.7	2.8	2.5
Price comparison revenue							75.6	90.4	103.5				75.6	90.4	103.5
Price comparison expenses							(63.6)	(79.9)	(85.5)				(63.6)	(79.9)	(85.5)
Interest income										1.1	2.9	1.9	1.1	2.9	1.9
Other (mainly share scheme)					(0.7)	(0.3)				(18.3)	(21.2)	(26.1)	(18.3)	(21.9)	(26.4)
Profit / (loss) before tax	275.8	313.6	372.8	(7.9)	(9.5)	(24.5)	12.1	10.5	18.0	(14.4)	(15.5)	(21.7)	265.6	299.1	344.6



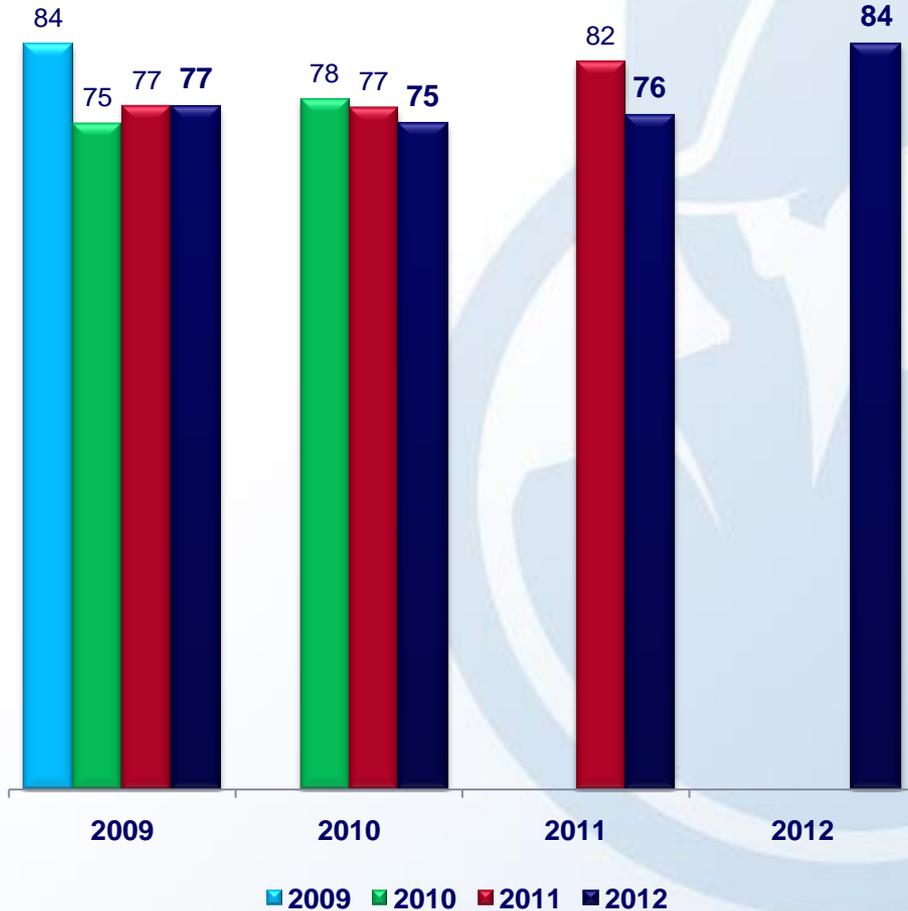
Balance Sheet

	December 2010 £m	December 2011 £m	December 2012 £m
ASSETS			
Property, plant and equipment	15.1	17.6	16.5
Intangible assets	82.9	87.5	92.5
Reinsurance contracts	357.0	639.8	803.0
Financial assets	1,004.7	1,583.0	2,005.1
Deferred income tax	12.4	10.3	15.2
Trade and other receivables	47.9	52.1	55.3
Cash and cash equivalents	246.7	224.6	216.6
Total assets	1,766.7	2,614.9	3,204.2
EQUITY			
Share capital	0.3	0.3	0.3
Share premium	13.1	13.1	13.1
Retained earnings	332.7	377.3	443.0
Other reserves	4.6	3.7	4.3
Total equity	350.7	394.4	460.7
LIABILITIES			
Insurance contracts	806.6	1,333.7	1,696.9
Trade and other payables	561.0	856.6	1,006.5
Corporation tax liabilities	48.4	30.2	40.1
Total liabilities	1,416.0	2,220.5	2,743.5
Total liabilities and equity	1,766.7	2,614.9	3,204.2



UK Car Insurance - Booked Loss Ratio Development By Underwriting Year

UK Booked Loss Ratio (%)
Development by Financial Year (colour-coded)
Split by Underwriting Year (x axis)



Sensitivity of Booked Loss Ratio

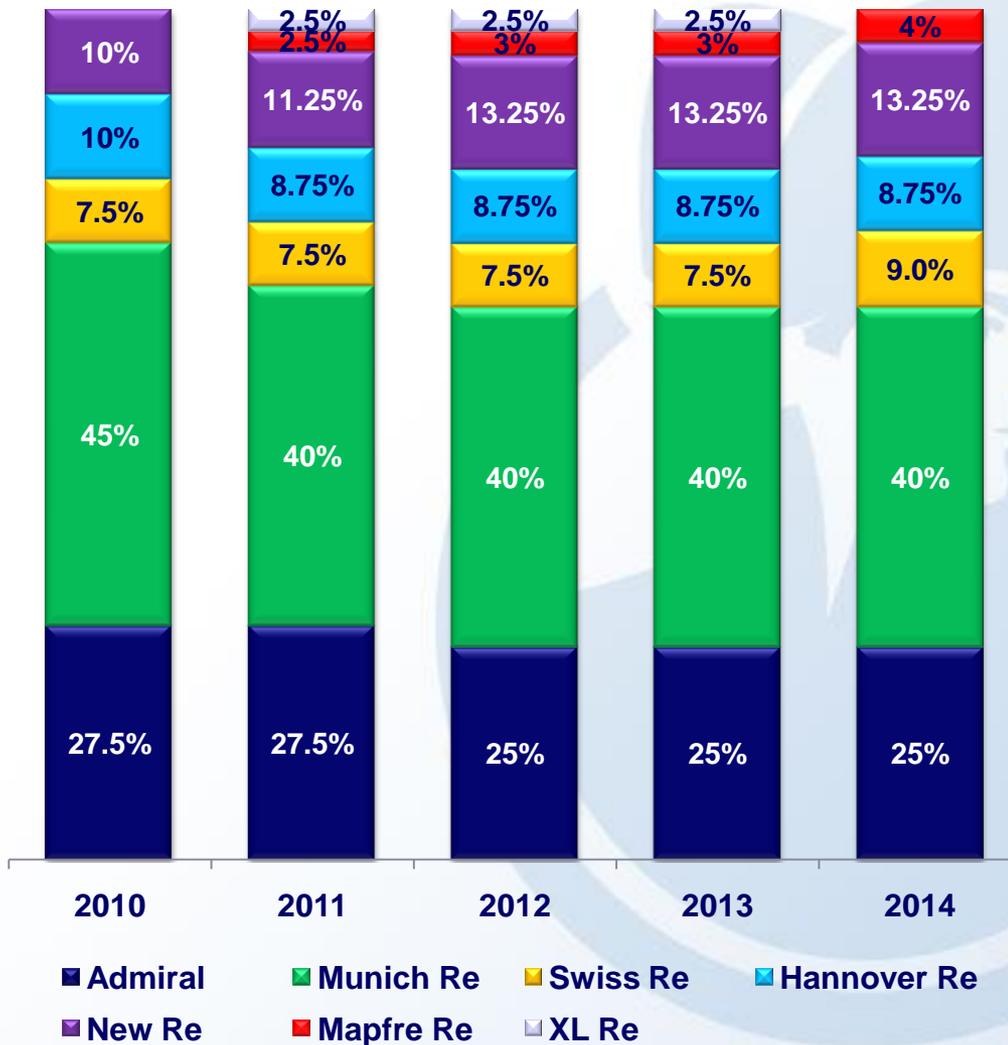
Underwriting year	2009	2010	2011	2012*
Booked loss ratio	77%	75%	76%	84%
Impact of 1% improvement	£5m	£8m	£12m	£6m

- *The 2012 underwriting year is not yet fully earned. The impact of a 1% improvement would be higher when the year is fully earned.
- The impact includes the change in net insurance claims along with the associated profit commission movements that result from changes in loss ratios. The figures are stated net of tax at the current rate.
- The impact is not linear due to the nature of the profit commission arrangements eg the impact of a 5% move cannot be calculated by multiplying the 1% impact by five.

Note: underwriting year basis, therefore direct comparison to ultimate loss ratios on accident year basis is inappropriate.



UK Car Insurance - Underwriting Arrangements



- The use of co- and reinsurance is a long-standing and unique feature of the Admiral model.
- The arrangements have changed over time in favour of reinsurance which generally results in higher profit commissions for Admiral.
- Admiral has an option to commute reinsurance deals and typically does this after two years of an underwriting year's development.
- There is no (or very small) profit impact on effective date of commutation.
- Post commutation – loss ratio movements result in reserve movements, not profit commission.

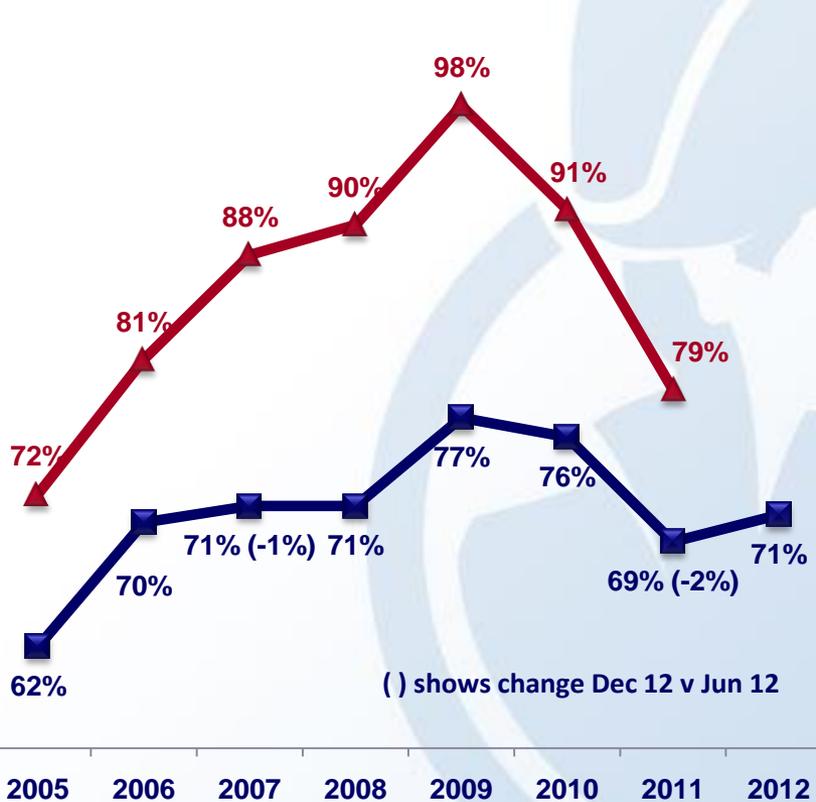
	Munich Re	Swiss Re	New Re	Mapfre Re	Hannover Re	XL Re
Type	Proportional* co-insurance	Proportional* reinsurance				
Share of premium	40%	7.5%	13.25%	3.0%	8.75%	2.5%
Term	At least to December 2016	At least to December 2014				To end December 2013
Cost to Admiral	Variable, depending on combined ratio	Fixed (not disclosed)	Fixed – c2% of premium			
Risk protection	Co-insurance	Starts at 100% + Investment Income				
Profit commission	Profit share % based on combined ratio Different %'s operate in tranches Calculated with written basis expense ratio	Starts at 100%. Fixed allocation to Swiss Re, then 100% profit rebate to Admiral thereafter Below "x"% = 100% Calculated with earned basis expense ratio	Same as Swiss Re (though at different cost) Below 98.3% = 100% Calculated with earned basis expense ratio			
Funds withheld	No	No	Yes			
Investment income	Munich Re	Admiral (provided combined ratio <100%)				
Instalment income	Munich Re	Admiral				
Other terms	Improved PC terms from 2010	In 2014 Swiss Re increases from 7.5% to 9.0% and Mapfre Re from 3.0% to 4.0%, replacing XL Re's 2.5% share. Admiral has option to commute contracts and typically does this after 2 years.				

*Proportional means that every policy written by Admiral is shared between the co- and reinsurers according to the % share of premium. Eg policyholder A is 40% co-insured by Munich Re, 7.5% reinsured by Swiss Re, 13.25% reinsured by New Re etc.



UK Car Insurance – Admiral vs Market

Projected Ultimate Loss Ratio: Admiral vs Market



Ultimate Combined Ratio: Admiral vs Market



■ Admiral UK projected ultimate loss ratio (Dec 12)*
▲ Market Loss Ratio**

◆ Admiral UK Combined Ratio***
■ Market Combined Ratio**

*Source: Independent actuarial projection of ultimate loss ratio on accident year basis. **Source: TowersWatson & Synthesis analysis of FSA returns as at 31st December 2011, pure accident year loss ratio. Combined ratio includes expense ratio with an adjustment for UKI. Market excludes Admiral.
 ***Source: Ultimate loss ratio plus written basis expense ratio.



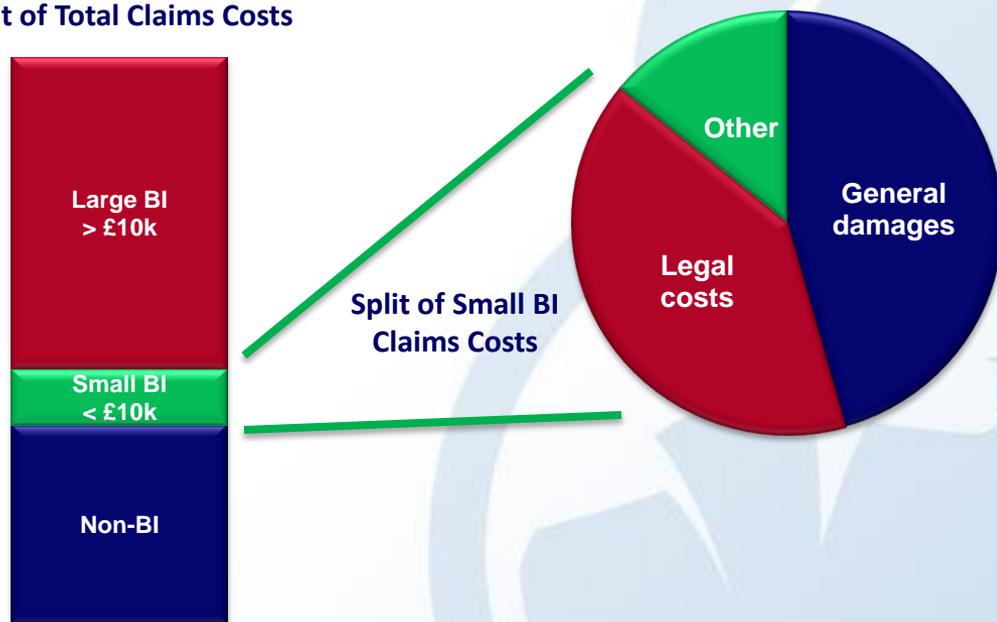
UK Car Insurance - regulatory changes have been well flagged

Regulatory changes	Implications for Admiral
<p>Personal injury referral fees</p> <ul style="list-style-type: none">➤ A ban was announced in September 2011.➤ Implementation of ban due in April 2013.	<p>➤ Already well understood potential reductions in “Other Revenue” per vehicle from mid-2013: c£6 at risk for personal injury referral fees; and c£5 at risk for credit hire referral fees.</p> <ul style="list-style-type: none">➤ Offsetting improvements in claims costs➤ Impacts all insurers and brokers
<p>Credit hire referral fees</p> <ul style="list-style-type: none">➤ OFT identified credit hire as an area of focus.➤ Considering referral to Competition Commission, decision to be made in October 2012.	
<p>Add-on products and services receiving increased attention:</p> <ul style="list-style-type: none">➤ FCA stated it is their intention to review this area.	<ul style="list-style-type: none">➤ Impacts all insurers and brokers
<p>Attempts to reduce the cost of bodily injury claims:</p> <ul style="list-style-type: none">➤ There are a number of proposals all aiming to reduce claims costs.	<ul style="list-style-type: none">➤ Impacts all insurers



Proposed “whiplash” reforms, if fully implemented, will have a positive impact on claims costs

Split of Total Claims Costs



Proposal	Timing
Jackson	April 2013
Referral fee ban	April 2013
Reducing fixed legal costs	April 2013
Increasing small claims track limits	2014?

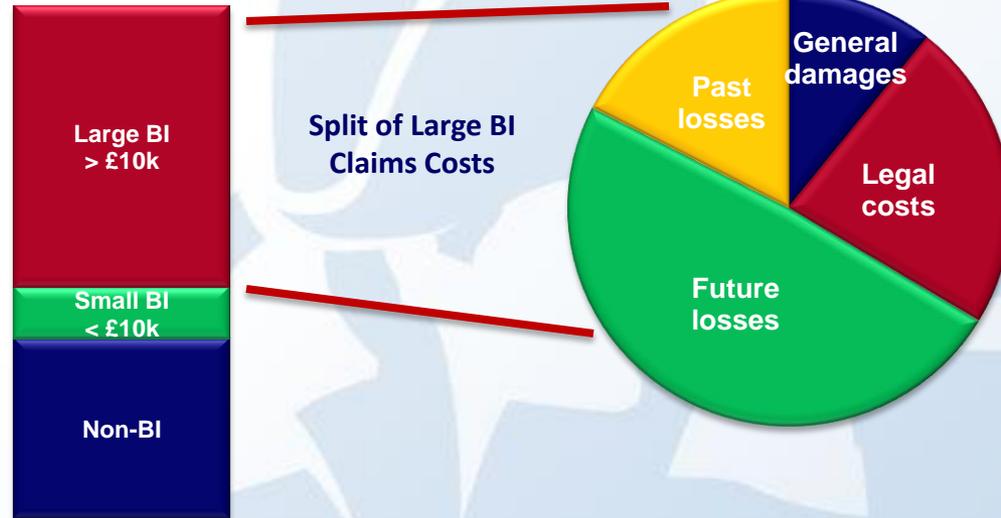
- Impact on frequency is hard to quantify
- Overall potential reduction of total claims costs between 2% and 4%

*Calculation: Assume legal costs are reduced by c50%, legal costs are approx. 40% of total small BI costs, and small BI costs are approx. 10% of total claims costs. Therefore total claims costs could reduce by 2%.



Increases in general damages only partially offsets the positive impact of reforms

Split of Total Claims Costs



- General damages are a small % of large bodily injury claims costs
- Maximum impact of increase in general damages on large bodily injury claims costs = 1% increase in total claims costs

**Calculation: Assume general damages are increased by 19%, general damages are approx. 10% of total large BI costs, and large BI costs are approx 55% of total claims costs. Therefore total claim costs could increase by c1%.*



UK Car Insurance income statement – impact of change from legal cover to vehicle commission

- The impact of the from legal cover (recognised at the point of sale) to vehicle commission (earned over the life of the policy) is set out for each line of the UK car insurance income statement.
- Overall there was an impact of £16 million on the 2012 financial year.

Full Year 2012 UK Car Insurance ONLY	Reported	Without Change	Difference	Commentary
Total premiums written	£1,749m	£1,686m	+£63m	£63 million of vehicle commission is included in premium
Net earned premium	£456m	£449m	+£7m	£7 million has been earned
Investment income	£14m	£14m		
Net insurance claims	(£355m)	(£355m)		
Insurance related expenses	(£50m)	(£43m)	(£7m)	Increase in premium is matched by an increase in expenses
Underwriting result	£64m	£64m		
Profit commission	£108m	£108m		
Total other revenue less costs	£200m	£216m	(£16m)	£16 million decrease in other revenue
Profit before tax	£373m	£389m	(£16m)	Total impact of £16 million on 2012 PBT
Motor expense ratio	14%	13%	+1pp	
Motor loss ratio	76%	77%	(1pp)	
Motor combined ratio	90%	90%		



Key definitions

Term	Definition
Accident Year	The year in which an accident takes place. It is also referred to as the earned basis or the calendar year basis. Claims incurred are allocated to the calendar year in which accident took place.
Underwriting Year	The year in which the policy was incepted. It is also referred to as the written basis. Claims incurred are allocated to the calendar year in which the policy was written.
Written / Earned Basis	A policy can be written in one calendar year but earned over a subsequent calendar year.
Loss Ratio	The ratio can be calculated on an accident year or underwriting year basis. Expressed as a percentage of (i) claims incurred divided by (ii) net premiums.
Ultimate Loss Ratio	The ratio can be calculated on an accident year or underwriting year basis. It is the projected ratio for a particular accident or underwriting year. It is an estimate (calculated using actuarial analysis) of where the loss ratio end when all claims are settled.
Reported / Booked / First-Picked Loss Ratio	The ratio can be reported on an accident year or underwriting year basis. This is the ratio reported in the financial statements for a particular accident or underwriting year. It is used to calculate underwriting profit and profit commissions.
Expense Ratio	The ratio can be calculated on an earned or written basis. Expressed as a percentage, of (i) net operating expenses, either divided by (ii) written / earned premiums, net of reinsurance.
Combined Ratio	The sum of the loss ratio and expense ratio.
Co-insurance	An arrangement in which two or more insurance companies agree to underwrite insurance business on a specified portfolio in specified proportions. Each co-insurer is directly liable to the policyholder for their proportional share.
Reinsurance	An arrangement in which a reinsurance company agrees to indemnify another insurance company, against all or a portion of the insurance risks underwritten by the ceding company under one or more policies. Reinsurance does not legally discharge the primary insurer from its liability with respect to its obligations to the insured.
XOL Reinsurance	An arrangement in which a reinsurance company agrees to indemnify another insurance company for claims above a certain level. For example if XOL reinsurance level is £5m, for any individual claim that is in excess of £5m the reinsurance company covers the costs above £5m.
Total / Gross / Net Premiums Written	Total = total premiums written including coinsurance Gross = total premiums written including reinsurance but excluding coinsurance Net = total premiums written excluding reinsurance and coinsurance
Ancillary Income / Contribution / Profit	Ancillary Income = Total Ancillary Income Ancillary Contribution = Total Ancillary Income Less Third Party Costs Ancillary Profit = Total Ancillary Contribution Less Internal Sales Expenses



Admiral's Brands





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The financial information set out in the presentation does not constitute the Company's statutory accounts in accordance with section 423 Companies Act 2006 for the year ended 31 December 2012. The statutory accounts for the year ended 31 December 2012 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's Annual General Meeting.