Q3 Interim Management Statement Conference Call Presentation Material

- Admiral Group plc is holding an investor day and analyst presentation today, 9 November 2011.
- This will include discussion of the Q3 2011 Interim Management Statement and presentations by members of the senior management team.
- A copy of the presentation will be available on Admiral's corporate website, www.admiralgroup.co.uk today at 9am and a live webcast of the presentation will be broadcast from the corporate website at 2.30pm.

Additional 8.00am analyst conference call

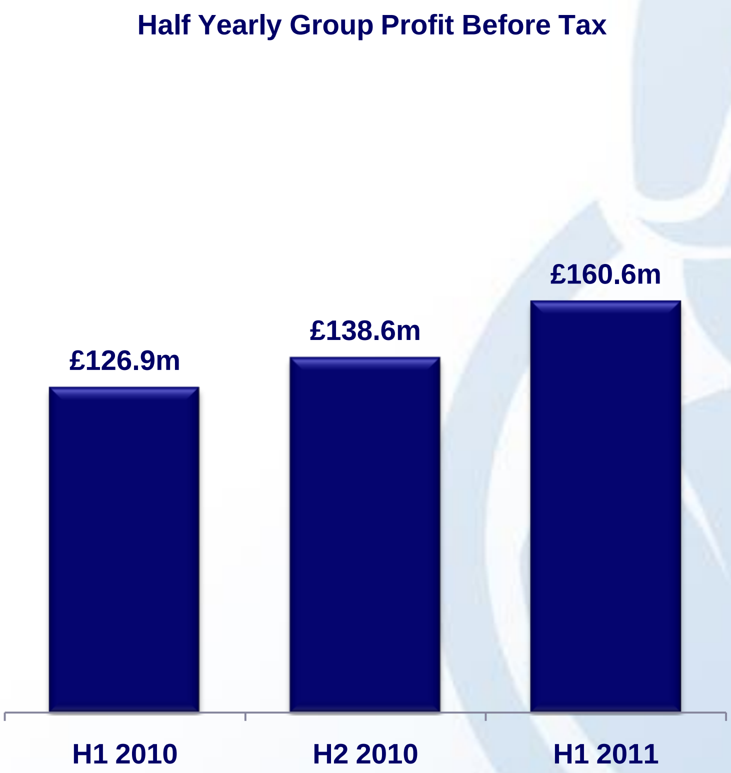
The Group will also host an analyst conference call to begin at 8.00am today.

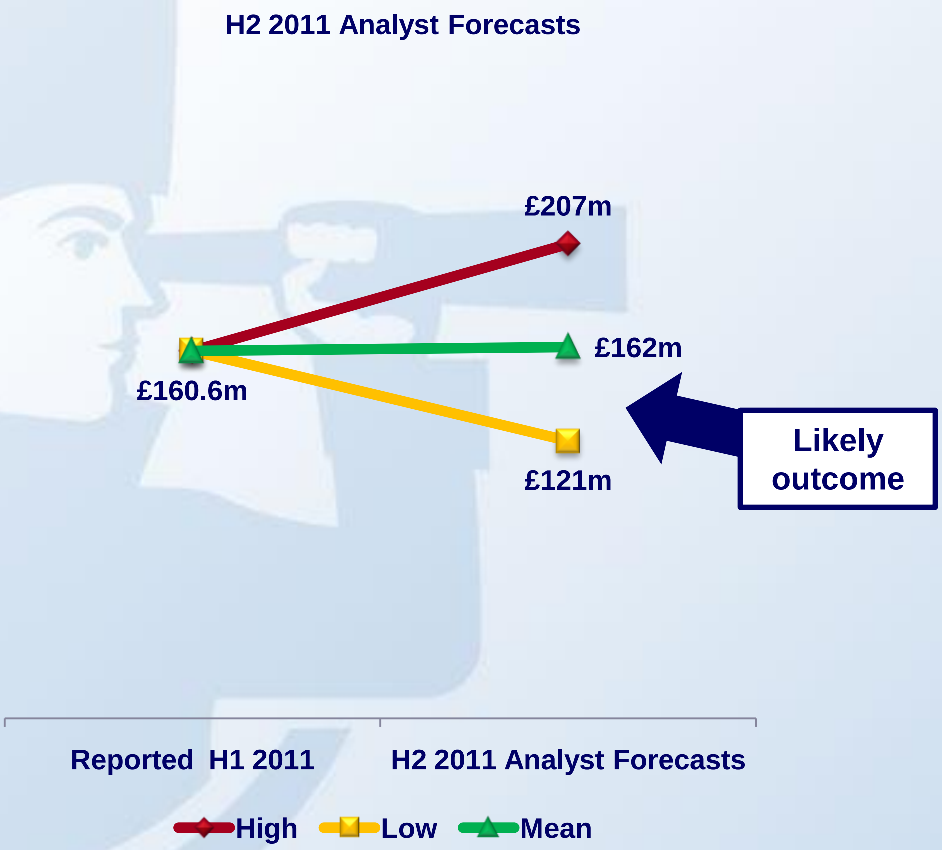
Please see below for dial-in details.

Participant phone: +44 (0) 207 959 6790

Participant passcode: 616049

Year-on-year PBT growth c10%, but H2 is likely to be lower than H1





Q3 Group Highlights

- Group turnover* increased by 30% to £582m (Q3 2010: £446 million)
- Group vehicle count increased 27% to 3.3 million (Q3 2010: 2.6 million)
- International car insurance turnover up 45% to £27.0 million (Q3 2010: £18.6 million)
- International car insurance vehicle count up 53% to 267,000 (Q3 2010: 175,000)
- Annualised UK vehicle count growth rate of just over 13%
- Modest UK premium rate increases achieved
- UK ancillary contribution per vehicle in line with H1 2011
- Combined ratio remains significantly lower than the market
- Financial position remains strong

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

Key messages for today

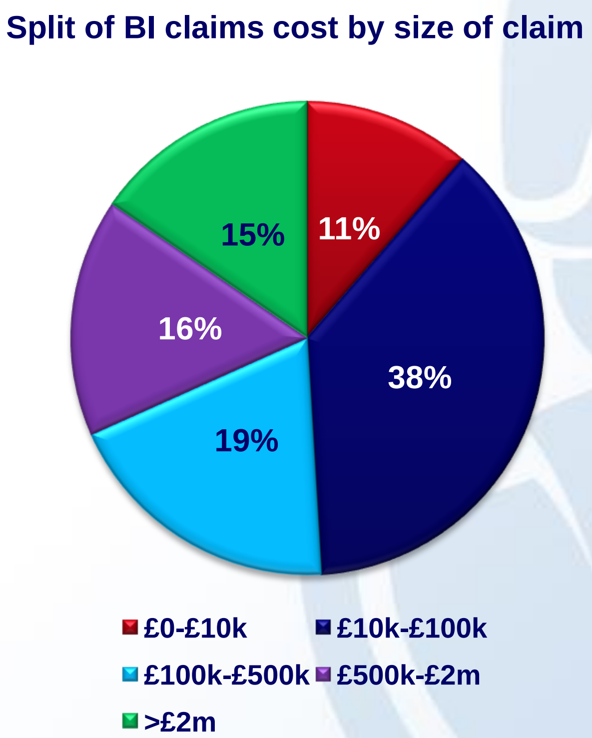
2011 Outlook

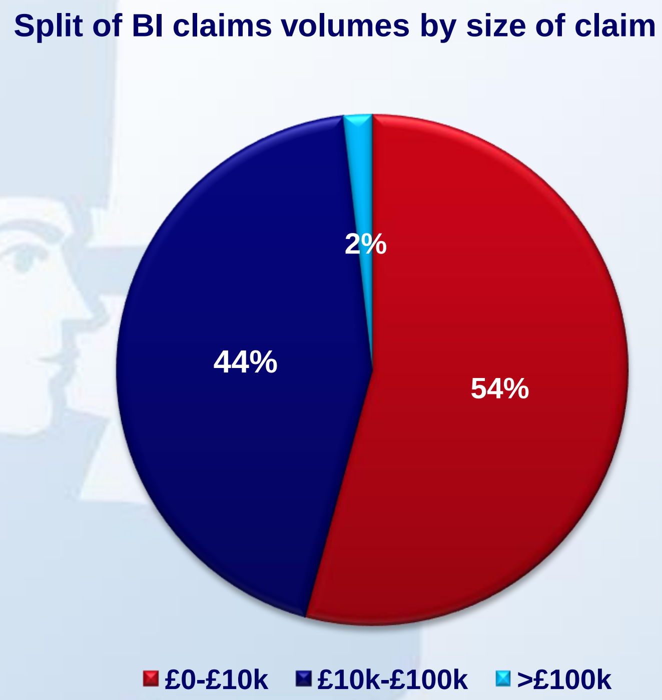
- It is looking like the second half of 2011 will not be as profitable as the first
- The frequency and expected cost of new large personal injury claims remains above historical levels of experience
- Therefore we expect some adverse development at the full year on the projected ultimate loss ratios for 2010 and 2011
- If there is no reversal we anticipate full year pre-tax profits will be some 10% ahead of 2010

The Future

- We have a long history of sustained growth in both the scale of our business and its profitability
- Twice as big as 2 years ago and with a combined ratio advantage of 20-30 points over the market gives us a fantastic base to continue this growth
- Our scale puts us in a strong position for the future

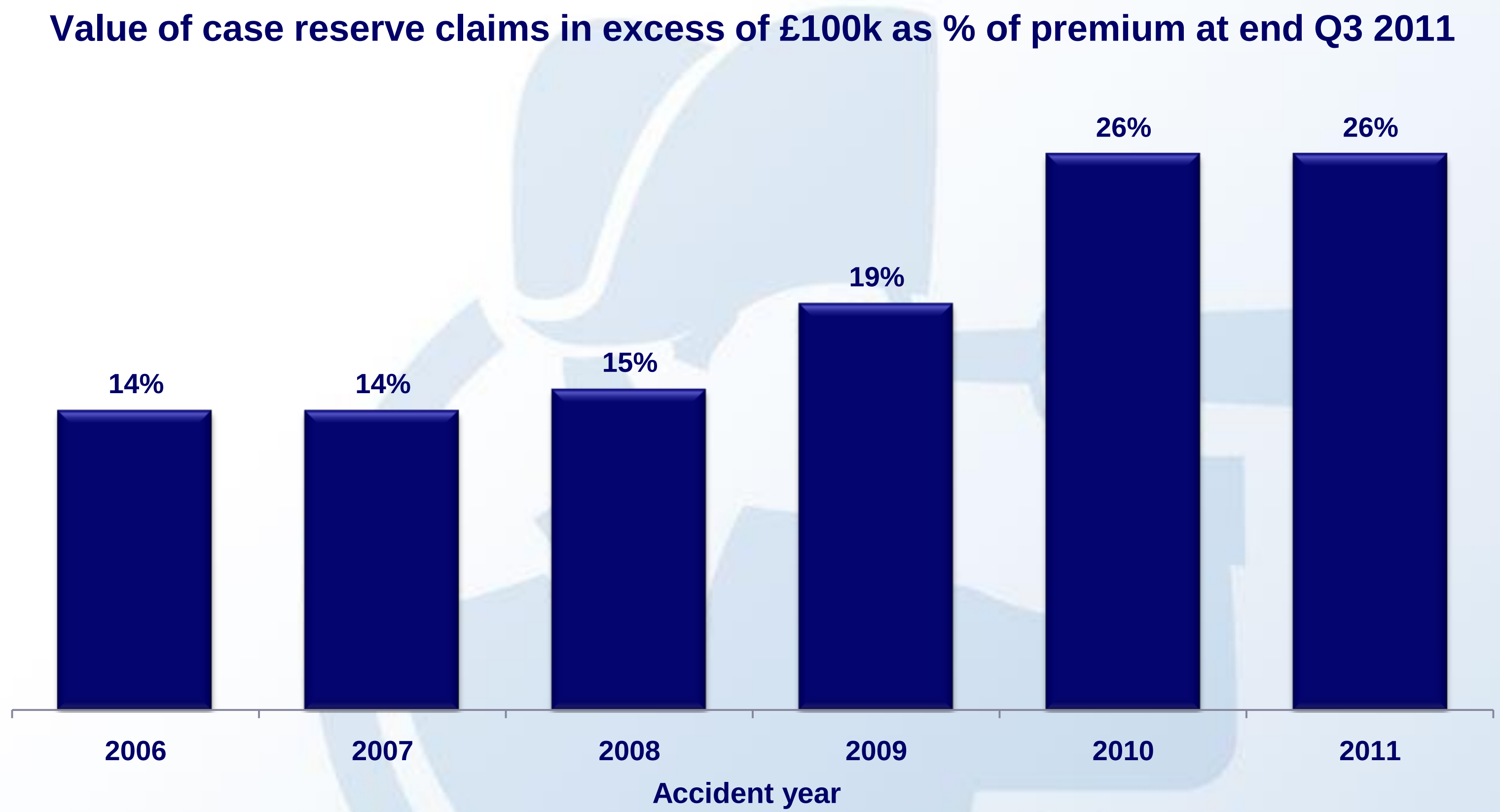
50% of personal injury claims costs are generated by 2% of claims





Source: management information (relates to 2010 underwriting year)

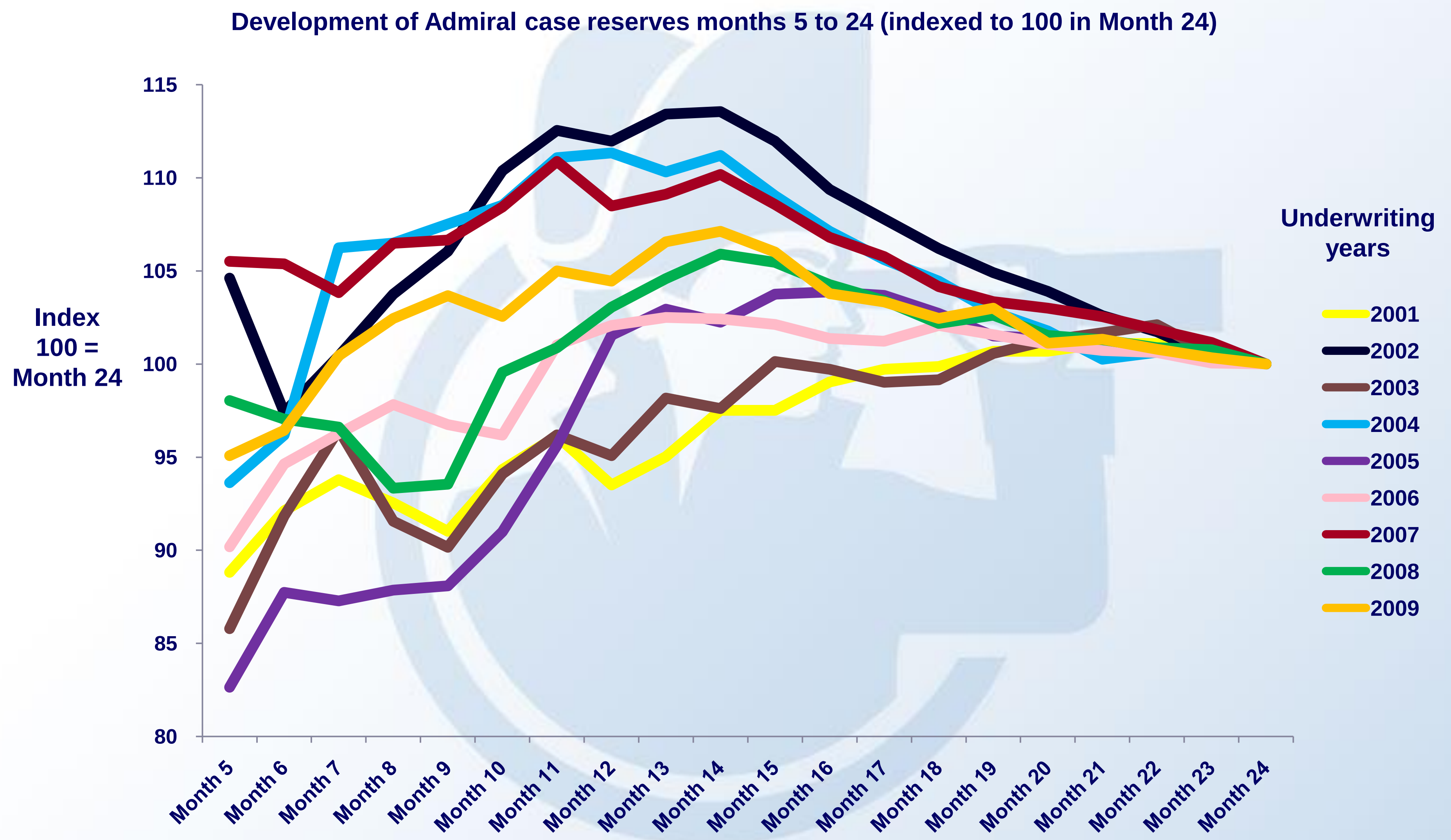
Claims inflation has been further impacted by an increase in large claims in Q3, particularly in relation to 2010 and 2011



% Paid	2006	2007	2008	2009	2010	2011
	53%	25%	21%	8%	3%	1%

Source: management information

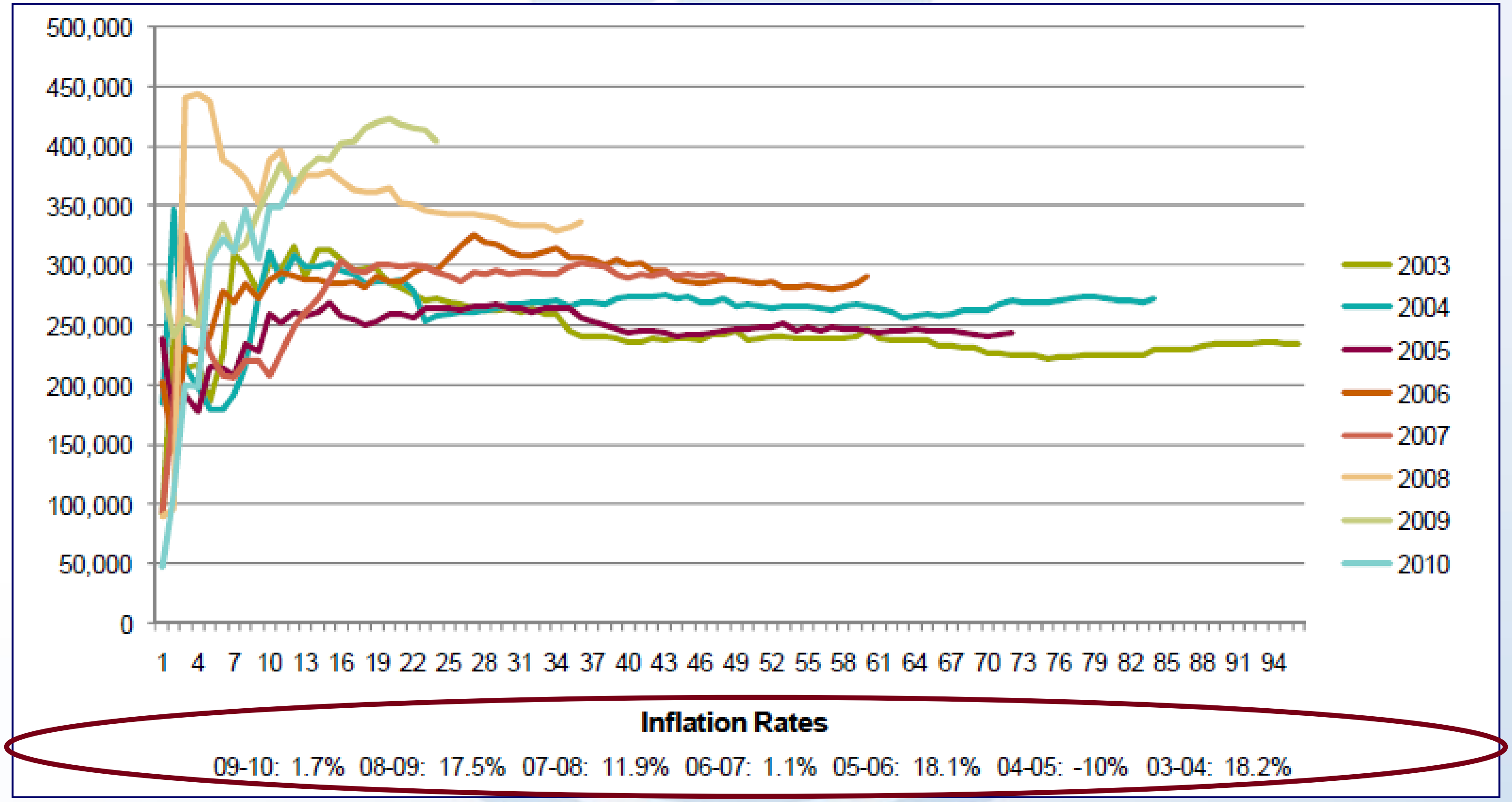
There is a lot of noise in the early development periods of case reserves. This is caused by volatility and unpredictability of reserving for large claims.



Source: management information

Claims patterns on large claims are extraordinarily volatile and hard to predict

Incurred average cost per claim (value >£100k) for whole market



Source: 2010 The Actuarial Profession www.actuaries.org.uk

There are a number of possible explanations for higher personal injury inflation – a radical shift in portfolio is not one of them

Percentage point movement in share of new business portfolio

	2009	2010	2011 YTD	2008 to 2011
Non-comprehensive	-3%	+3%	-2%	-2%
Zero No Claims Bonus	-4%	+2%	0%	-2%
Males 17-21 Years Old	+1%	+1%	0%	+2%

Claims frequency

	H1 2011 vs H1 2010
Admiral	-10%
Market*	-11%

Source: management information
*ABI data

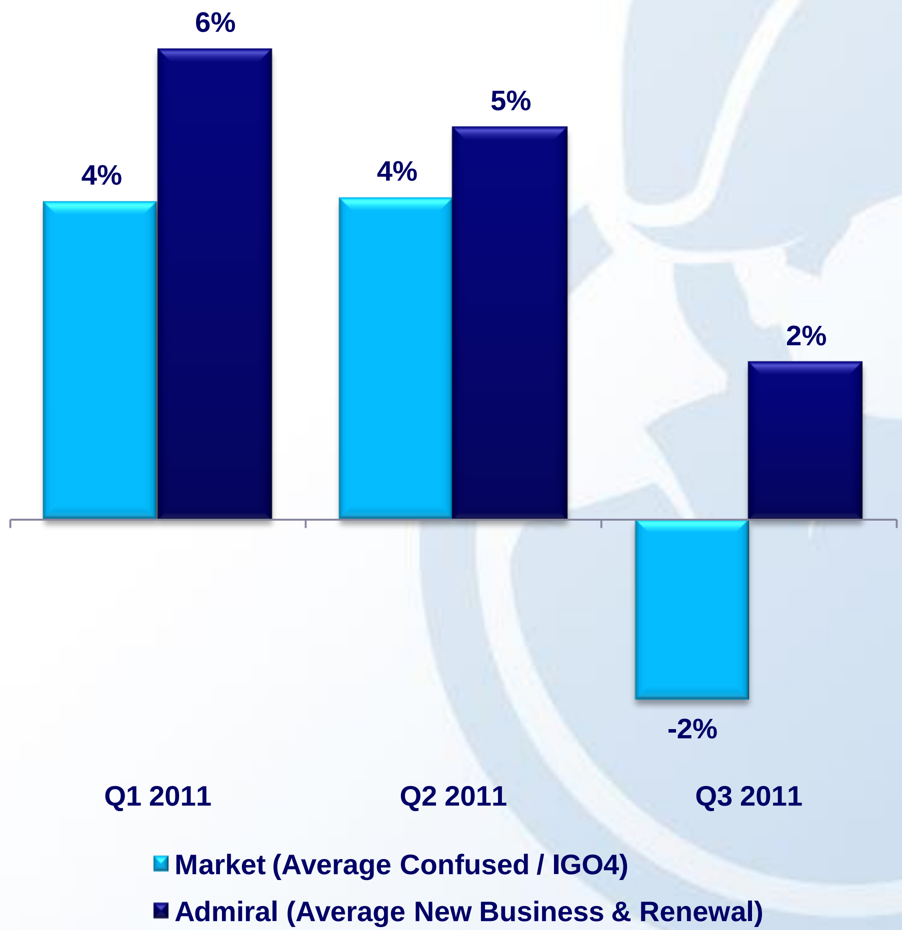
Explanations of higher personal injury costs

Factor	Implication
❑ Environmental	❑ Ultimately reflected in market premiums
❑ Randomness	❑ Poor 2011 outcome, but bounces back in 2012
❑ Higher initial reserving on new claims	❑ Some of the 2011 “inflation” unwinds

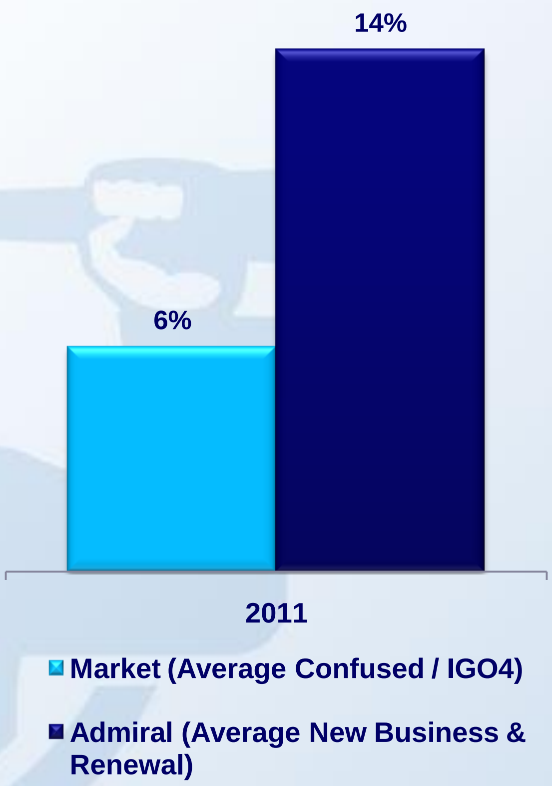
Diagnosis: It is likely to be a combination of these factors rather than one uniquely

Admiral has continued to increase its rates ahead of the market

Quarterly movements of market premium rate indices (new business only) and Admiral rates (new business and renewal)

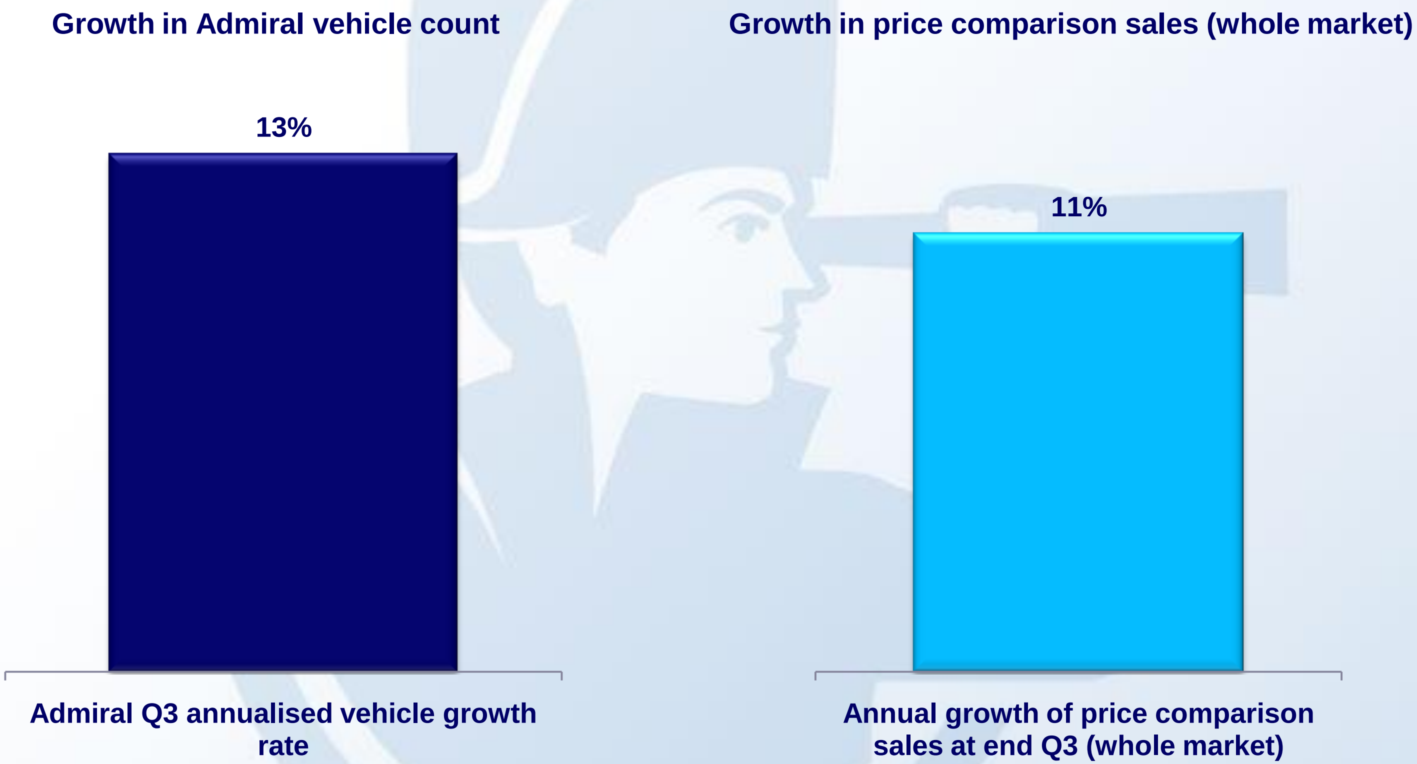


Year to date movements of market premium rate indices (new business only) and Admiral rates (new business and renewal)



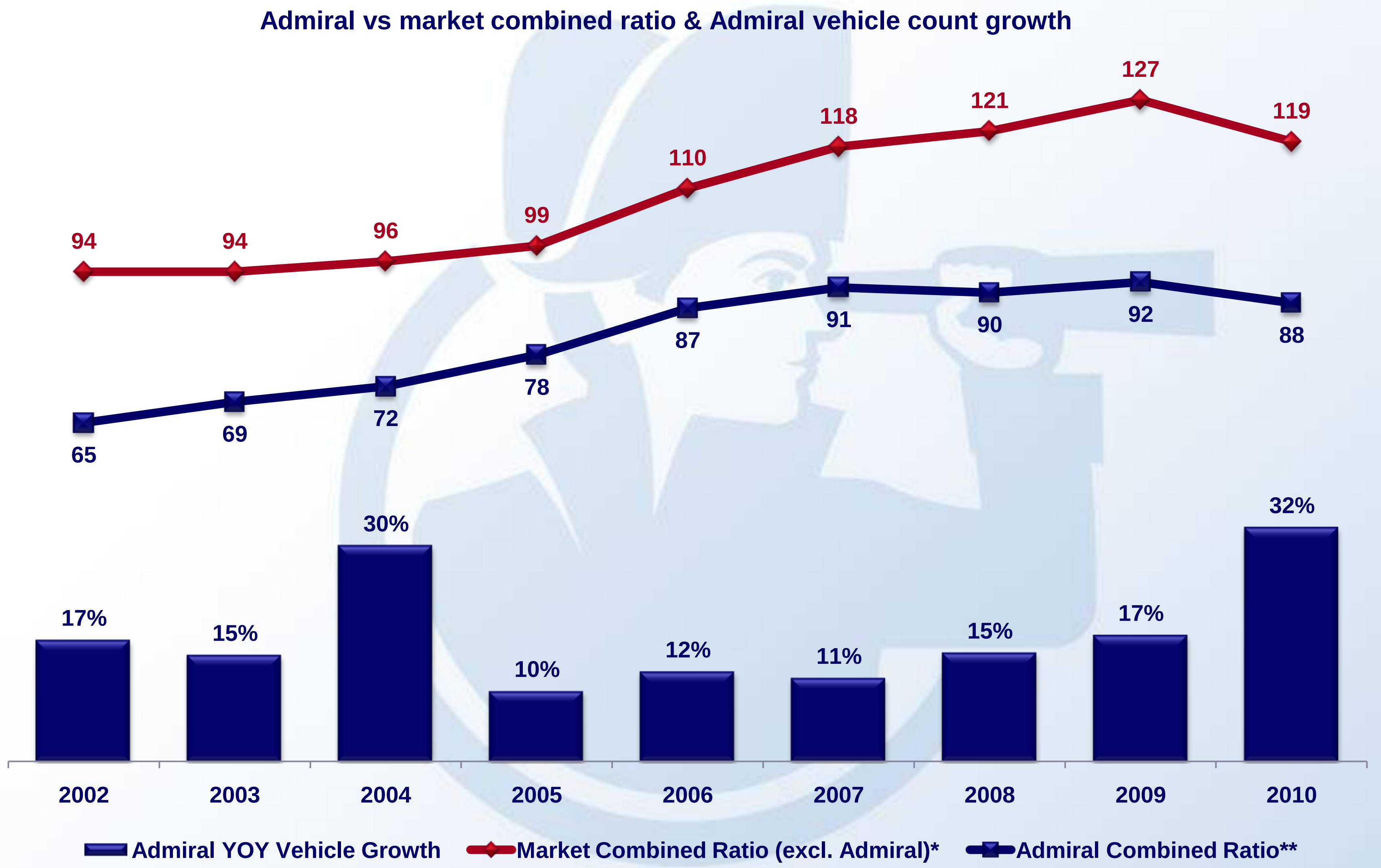
Source: Confused / Towers Watson Index and IGO4 Index

Despite increasing premiums faster than the market we have continued to grow, aided by the continued growth in the price comparison market



Source: management information and estimates

Disappointing results but still a strong business model



*Source: Towers Watson analysis of FSA returns. Combined ratio = accident year loss ratio with reserve releases allocated back to relevant accident year + expense ratio excluding UKI anomaly for 2010

**Source: Independent actuarial projection of ultimate loss ratio on accident year basis plus written basis expense ratio

Q&A