

# Admiral Group in 2008

## UK car insurance



1993



1997



1997



2000

- We are the third largest private car insurer in the UK, insuring 1.6m cars across our four brands. We grew by 15% in 2008
- We sell through direct channels (telephone and internet) and increasingly via comparison websites
- Total insurance premium generated in 2008 was £690m, 12% higher than 2007
- Our business is consistently and significantly more profitable than the UK market – the 2008 combined ratio (measuring the ratio of costs to income) was 81%

2008 Performance:

Strong growth	<ul style="list-style-type: none"> <li>▪ Customer numbers increased 15% to 1.59m from 1.38m</li> <li>▪ Turnover* rose 13% to £805m (2007: £715m)</li> </ul>
Profitability	<ul style="list-style-type: none"> <li>▪ Overall profit increased 27% to £180m, from £142m</li> <li>▪ Combined ratio of 81%, down from 83%</li> <li>▪ Ancillary contribution per vehicle up to £70.7 from £69.0</li> </ul>

\*Turnover (a non-GAAP measure) comprises total premiums written and other revenue

## Price comparison



2002

- Launched in 2002, Confused.com is the UK's leading car insurance comparison website
- Confused also offers a comparison service for household insurance, along with a range of other insurance and financial products
- The UK market experienced fierce competition in 2008 – TV and press spend by the industry increased by approximately 50%
- Confused rebuilt and re-launched its website at the end of 2008 and also began a new media campaign
- New Spanish comparison website, Rastreator.es to launch in 2009

## 2008 Performance:

Revenue	<ul style="list-style-type: none"> <li>Total revenue fell by 4% to £66m from £69m</li> <li>Non-car insurance revenue increased 28% to £13m</li> </ul>
Profitability	<ul style="list-style-type: none"> <li>Profit fell 30% to £26m from £37m</li> </ul>

## Non-UK car insurance



2006



2007



2008

- We have launched three new direct car insurance businesses over the past three years
- Our aim is to build profitable, sustainable businesses, leveraging our knowledge of the UK car insurance market
- Pleasing progress to date, though challenges experienced in each new market
- Aiming to launch a US car insurer in late 2009 / early 2010

## 2008 Performance:

Volumes	<ul style="list-style-type: none"> <li>Number of customers increased 57% to 73,700 from 46,900</li> <li>Total premiums generated rose 83% to £26m (60% excluding currency impact)</li> </ul>
Result	<ul style="list-style-type: none"> <li>Loss from combined operations £4.1m</li> </ul>

## Other Group activities

- Total Group cash and financial investments increased 13% to £555m, investment and interest income steady at £24m
- Investment strategy remains very cautious – no write-offs in our portfolios



1998

- The Group's UK van insurance broker Gladiator increased its customer numbers by 36% in 2008 to nearly 85,000, and increased revenue to £9.5m (+ 27%)
- Profits also increased, by 40% to nearly £3m