



Admiral Reports Record Profits & Strong Growth

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Admiral Group plc ("Admiral" or "the Group") today announces a record annual result with a profit before tax of £182.1 million for the year to December 2007, an increase of 24% over the previous year. Turnover, comprising total premiums written, gross other income and investment income, rose 16% to £824.9 million.

2007 Preliminary Results Highlights

- Profit up 24% at £182.1 million (2006: £147.3 million)
- Total final dividend of 23.2p per share comprising normal dividend of 11.6p and special dividend of 11.6p
- Total 2007 dividend of 43.8p (£115 million) up 22% on 2006
- Turnover up 16% at £824.9 million
- Net revenue up 17% at £364.1 million
- Revenue from products and services not underwritten by the Group up 34% at £176.9 million
- Year-end vehicle count up 16% to 1.5 million at 31 December 2007
- Confused.com gave 13 million quotes (up 43%) and made a profit of £36.7 million (2006: £23.0 million)
- All Employee Share Scheme – over 2,200 staff are to share around 310,000 free shares based on the H2 2007 results. This means that staff will have received the full allocation of £3,000 worth of free shares for 2007

Comment from Henry Engelhardt, Group Chief Executive

"2007 was a good year for the Admiral Group. We continue to grow our UK business and invest in our overseas ventures. We had a bumper year in absolute terms and we made great strides towards the creation of an even better future.

"In the UK, our car insurance business grew substantially while we maintained our combined ratio advantage over the market. The UK business also achieved record ancillary income, growing consistently in line with the growth in the policy base.

"Confused has continued to perform very well, considering the influx of aggregator sites. Confused's market share has declined during 2007, but this has been in a growing market and its quote volumes have held up well. As we've previously said, we will spend money to defend this market-leading position but, realistically, 2008 will be a much tougher year within which to grow.

"Balumba, in Spain and AdmiralDirekt.de, in Germany are building our future and our operation launching in Italy this year will further help fuel the future growth of the Admiral Group."

Comment from Alastair Lyons, Group Chairman

"After a year in which the Group made significant progress in implementing its agreed strategy we are very pleased to be able to propose a total final dividend of 23.2p per share, comprising a normal dividend of 11.6p and a special of 11.6p, the latter following our principle of returning available surpluses to shareholders. Our total dividends for the year at 43.8p per share mean that we will have distributed £115 million to shareholders, up 22% on 2006.

"A highlight of 2007 was admission in December to the FTSE 100, an achievement of which everyone at Admiral can justifiably be proud in slightly over three years since flotation. Over this period, taking dividends and share appreciation together we achieved a 335% total return for shareholders."

2007 Preliminary Results Review

Admiral's profit before tax for the year to December 2007 amounted to £182.1 million, an increase of 24% over the £147.3 million achieved the previous year. Turnover rose 16% in the period to reach £824.9 million (2006: £708.2 million).

During 2007, the Group wrote total motor premiums for itself and its underwriting partners of £631 million (2006: £567 million). Over the year as a whole, year-end vehicle count rose 16% to 1.5 million.

In 2007 Admiral increased premium rates by an average 4% against a claims inflation of some 3-4%.

Admiral's highly effective direct distribution model is reflected in a UK expense ratio of 16.7% (2006: 15.7%). The combined operating ratio for 2007 was 85% (2006: 87%). The directors of Admiral continue to believe that the Group's superior loss and expense ratios will enable it to significantly outperform the UK private motor insurance market.

Confused.com, Admiral's intelligent, automated car insurance shopper generated more than 13 million quotes in 2007, an increase of 43% over the 9

million in 2006. Confused.com contributed a gross profit of £36.7 million (2006: £23.1 million).

Admiral is a strongly cash generative business that currently has limited need for capital to support its organic growth. The Group's balance sheet is conservatively managed and it expects cash reserves to build over time. Accordingly, the Board has recommended the payment of a special dividend of 11.6p per share, in addition to its normal final dividend of 11.6p per share, in line with its established policy of distributing at least 45% of post-tax profits. A final dividend distribution of £61 million would bring the total dividend distribution in respect of 2007 to £115 million.